

Hungarian PES Yearbook of 2007

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Restructured organisation, unchanged priorities

Károly Pirisi
General Director

One of the most significant changes in the history of the almost twenty-year-old Hungarian Public Employment Service (PES) is its transformation launched on 1 January 2007, in progress to the present day.

PES has been restructured from a county- to a region-based organisation. The functions of its various units (the National Employment and Social Office, the regional labour centres and their offices) were defined by Government Decree No. 291/2006 (XII. 23.). Seven regional labour centres and 167 offices (including 19 office-cum-service-centre entities) were formed. The functions assigned previously to the county centres were taken over by the central units of the regional labour centres and by the labour offices.

The requirements of cost-effectiveness, enhanced operation efficiency and closer co-operation with the clients have made it absolutely necessary to transform the labour centres and their internal units, and to reconsider the task implications of the professional activities of the organisation.

The growing workload of the centres and the offices from the early 2000s on; the more sophisticated grant system instituted after Hungary's accession to the European Union; the need to deliver also central labour market programmes and services, and the Government Programme itself set the task to create a transparent and modern system of support for training and employment capable of flexible adjustment to the changing circumstances, and to restructure the Public Employment Service on a regional basis and renew it.

The key priorities of PES have remained unchanged in 2007: as before, the crucial point is the early identification of client needs and the delivery of personalised services.

A new function appeared in 2008, namely the administration of rehabilitation-benefit-related tasks, to be fulfilled by the PES staff in co-operation with the National Rehabilitation and Social Institute and the Central Administration of National Pension Insurance. Moreover, PES will have to respond to the challenge implied by a new government initiative scheduled for the near future, namely the "testing" of the propensity for work of social allowance recipients.

All things considered, the restructuring of the organisation matches our own goals and promotes effective work. Our staff members have adjusted to the new circumstances created with domestic as well as EU developments funds with remarkable speed and flexibility. The overall performance and evaluation of the organisation changed for the better in the past year.

International and EU trends in employment

Accelerating economic growth has led to a spectacular livening up on the labour markets of the European Union in recent years. Employment expansion gained a new momentum in particular in 2007: its growth rate of 1.6% is the highest value measured since 2000.

In 2007, the average employment rate of the population aged 15–64 was 65.4% in the EU-27; within that, the female rate was 58.3%, and that of the 55–64 year-old 44.7%. This has helped approximate the target of full employment set by the Lisbon European Council. Under the aegis of that policy, the Member States undertook to tailor their employment policies so as to attain, by 2010 and on the average of the European Union, an employment rate of 70% for the 15–64 year-old and of at least 60% for women and 50% for the population aged 55–64.

Since 2000, the number of the employed has increased by more than 12 million, corresponding to 6%. Within that, the employment of women expanded twice as fast as that of men. The number of active earners increased significantly also in the age-group of 55–64, which produced half of the increment. Nevertheless, the shortness of time remaining before 2010 renders the fulfilment of the Lisbon targets more and more hopeless.

Of course, there are major employment gaps between the Member States: the employment rate is lowest (55%) on Malta, and it is highest in Denmark (77.1%). Several Member States have already exceeded the 70% target: Austria, Cyprus, Denmark, the United Kingdom, Finland, the Netherlands and Sweden.

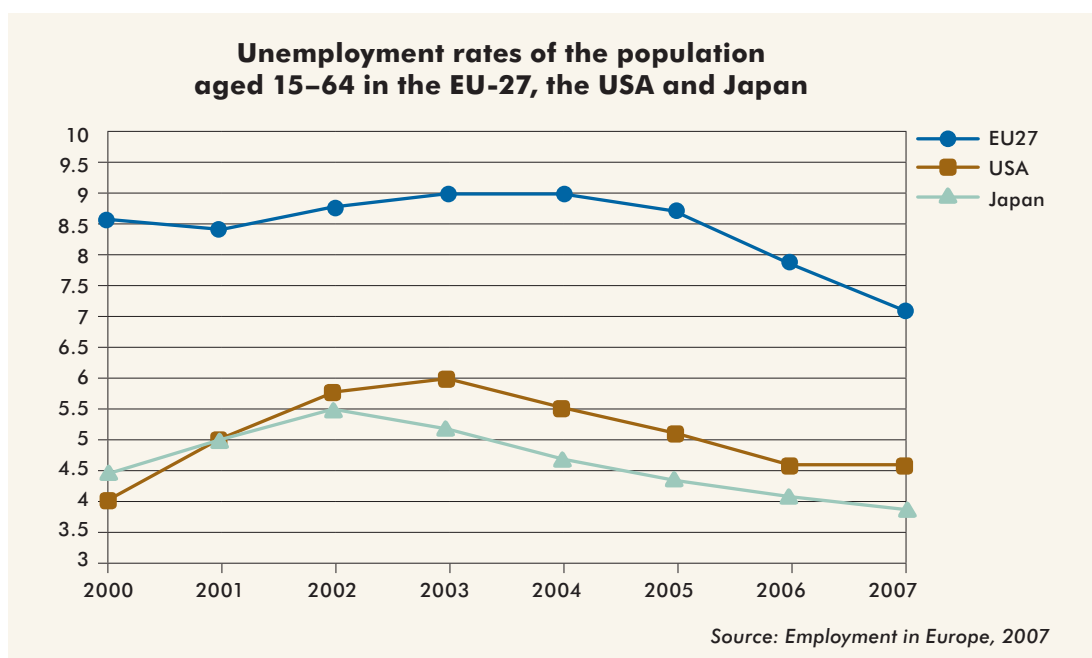
Despite all improvement of the employment situation, the relevant EU indicators are still well below those of the US and Japan. In the USA, employment expansion continued at a rate in excess of the European one despite the slow-down of economic growth. In 2007, 72% of the population aged 15-64 had an income-earning occupation. The number of the employed grew in Japan as well, albeit at a slower pace than either in the US or in Europe. Nevertheless, the employment rate of the Japanese population aged 15–64 (70%) is well above the corresponding average of the EU-27.

Since the millennium, the average unemployment rate of the European Union dropped fastest in 2007. However, it is still almost twice as high (7.1%) as that of the US (4.6%) and of Japan (3.9%). In the 27 Member States of the European Union, unemployment was lowest in the Netherlands (3.2%), and highest in Slovakia (11.1).

2007 saw a drop not only in average, but also in long-term unemployment: the present rate of 3% is the lowest one since 2000. The unemployment rate of the youth (under 25 years of age),

on the other hand, was 15.4%. Although this indicator, too, dropped, from 17% in 2006, the effective labour market integration of the youth represents a major challenge to the European Union.

The uptrend in labour market performances was due to a decisive extent to the reforms implemented under the aegis of the European Employment Strategy covering the unemployment provision system, the active labour market measures as well as the public employment services.



Domestic labour market developments

A persistently low level of employment

In 2007, within the Hungarian population aged 15–64, some 4.2 million were present in the labour market; this corresponded to an activity rate of 61.9%. No change of merit occurred over the previous year: the number of the employed and also of the unemployed was by and large on the same level as in 2006. In 2007, 57.3% of the 15-64 year-old was employed; their number was 3.9 million on annual average. The Hungarian employment rate is still substantially lower than the European Union average of 66%. The number of the unemployed – calculated according to the ILO methodology – was 311.7 thousand in 2007, corresponding to an unemployment rate of 7.4%, identical with the average of the EU Member States.

Employment rate by special groups in Hungary and in the EU-27

Special group		Hungary	EU-27
Ages 15–64		57.7%	66%
Ages 15–24		21.3%	38.6%
Ages 55–64		33.2%	45.1%
Ages 25–64	Primary level qualification	39.8%	57.8%
	Secondary-level qualification	70.4%	75.1%
	Higher-education qualification	80.2%	85.1%

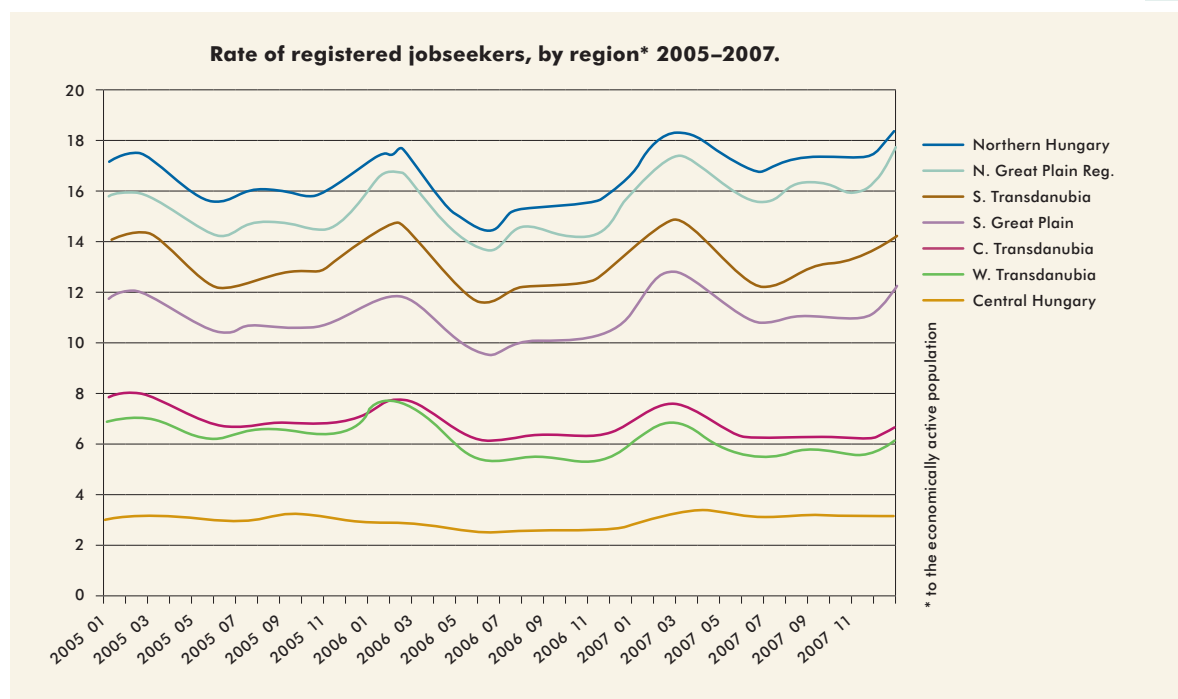
The rise in the employment rate of the elderly generations (ages 55–64) in previous years parallel with the elevation of retirement age came to a halt in 2007. In Q3 2007, their employment rate was 33.2%, i.e. lower by 12% than the average of the EU-27. The unemployment rate of the youth (ages 15–24), on the other hand, has been declining for some time, and their backlog relative to the EU average was even bigger at 17 percentage points. One of the essential factors underpinning the Hungarian employment rate, which is very low indeed in EU comparison, is the enormous difference in the employment situation of persons with low and with higher qualifications, respectively, as shown by the significantly wider employment rate gaps between

the various qualification groups than in the other EU countries.

2007: Rise in the number of registered jobseekers

In 2007, the number of the registered jobseekers was 426.9 thousand on annual average. As compared to 2006, it rose by more than 33 thousand, i.e. 8.5%. Consequently, the ratio

of the registered jobseekers to the economically active was 9.7% in 2007. The contraction of the population of registered jobseekers slowed down in 2006 over 2005 and actually reversed in 2007, so much so that their number exceeded the corresponding value in 2005 (by some 4%).



The significant regional disparities have prevailed. The rate of the registered jobseekers is lowest in Central Hungary (in 2007, it was 3.5% on average), and it is higher by some 14 percentage points in the Northern Hungarian Region. The latter shares the “negative extreme” with the Northern Great Plain Region and Southern Transdanubia (relative indices: 16.6 and 13.6%, respectively).

The index of the Southern Great Plain Region is slightly higher than the national average (11.7%), whereas those of Central and Western Transdanubia are well below that (6.9 and 6.3%, respectively). In some counties, the number of the registered jobseekers decreased rather than increased, in opposition to the national trend: County Győr-Moson-Sopron recorded a drop by 9.6% and County Komárom-Esztergom by 7.6%.

More moderate growth of the number of career-starter jobseekers and significant decline of the stock of degree-holder career-starters

In 2007, the average number of career-starter jobseekers was 40.4 thousand, that is, 9.5% of all jobseekers were career-starters. Their number increased slower (by 4.3%) than in the previous year – as compared to the total jobseeker population – , and hence their rate dropped somewhat (the change was not significant: it was less than 1 percentage point). The growing popularity and spread of the so-called START Card, which makes it beneficial for employers to employ career starters, available as of November 2005, played a major part in the more moderate growth of the number of the career-starter jobseekers: from October 2005 to end-December 2007, 64.9 thousand career-starters were employed with a START Card.

Fortunately, the number of the degree-holder career-starter youth dropped significantly (by some 15%) last year, that is, its moderation observed since 2006 continued. This is a new phenomenon, by all means, since the period before 2006 was characterised by unbroken growth (from 2000 to 2005, their number almost tripled).

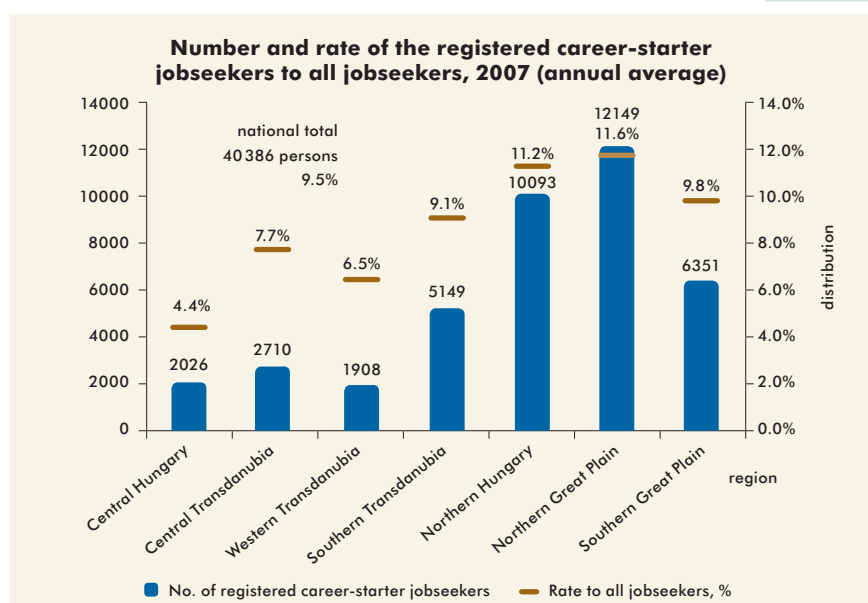
As for the territorial breakdown of the number and rate of career-starters, their rate to the total jobseeker population is higher in regions in a more disadvantageous labour market situation. It is highest on the Northern Great Plain, where it approximates 12%, and lowest in Central Hungary, where it is only half of that. The time series of the number of the career-starter jobseekers developed in line with the above. Whereas in 2007 in the areas enjoying a more favourable labour market situation their number actually decreased relative to the previous year (by 5.5% in Central Hungary and Central Transdanubia, and 14% in Western Transdanubia), on the Northern Great Plain and in Northern Hungary, it increased by 10-10%.

Growing proportions of unskilled workers and long-term jobseekers

As in 2006, men outnumbered women slightly (at 51.5%) within the total population of jobseekers, but the distribution by gender showed no significant change over the 12 months under study. The distribution of the registered jobseekers by educational attainment modified a little. In 2007, the number of the unskilled (i.e. persons with maximum 8-year primary education or with GCSE) expanded somewhat faster than the average, whereas the groups with vocational qualification grew slower than the average, especially that of persons with skilled worker qua-

lification. The proportion of degree-holders, on the other hand, did not change; their number developed in line with the general tendency. All in all, the largest segment (more than two fifths) of registered jobseekers is made up by persons with maximum 8-year elementary schooling, as before. Approximately one third has special school or skilled worker qualification. Somewhat more than one fifth has GCSE or vocational secondary school certificate, and the share of degree-holders is less than 5%.

Unfortunately, long-term unemployment has kept expanding. In 2007, 28.3% of registered jobseekers has been looking for a job for more than 12 months without interruption; one year earlier, the corresponding rate was 26%. The annual average number of long-term jobseekers was 120.9 thousand in the reference year, corresponding to an increase by 18% over the previous year. There are quite remarkable regional gaps in terms of the proportion of long-term jobseekers, too. The lowest rate was registered in Central Hungary (16%), and the highest one in Northern Hungary (36%).



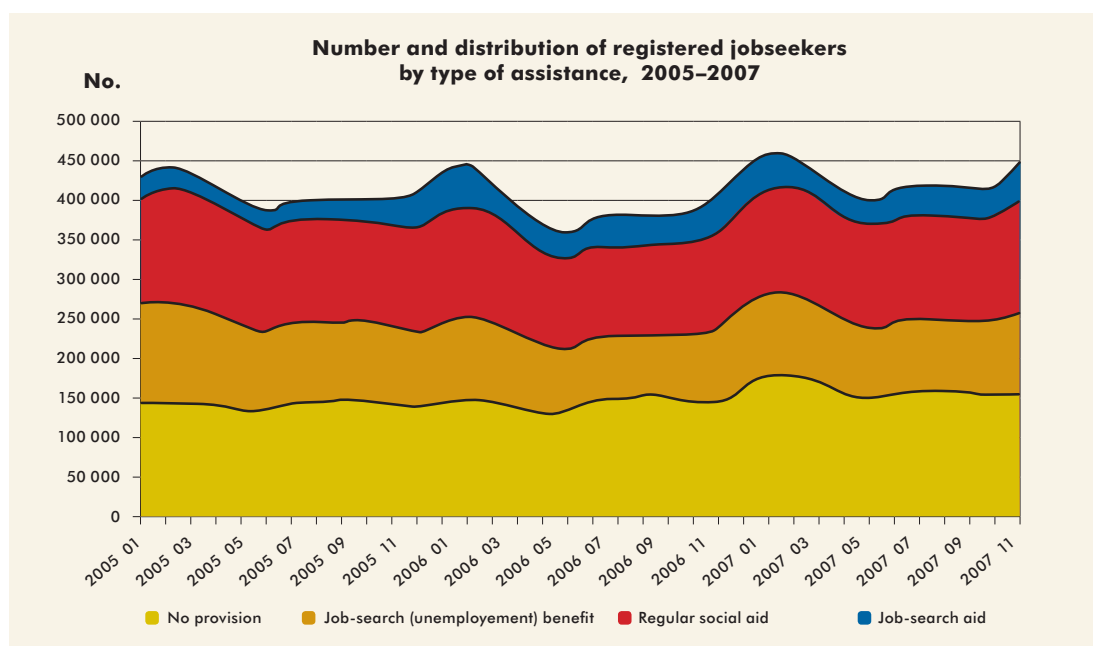
Growing number of job-search allowance recipients

In 2007, almost one third (31%) of registered jobseekers received some kind of job-search allowance; 6% more than one year earlier. A major part (almost three quarters) got job-search benefits and the rest job-search aid. Another almost one third (31.2%) received regular social aid; their number totalled 133 thousand, corresponding to an increase by 9.2% over one year. Altogether, 62.2% of registered jobseekers received some type of allowance in 2007, and some two fifths got no provision at all. The last group numbered 161.3 thousand, corresponding to growth by 12.1% over 2006.

Moderating number of reported vacancies

In 2007, the employers reported a total of 405.8 thousand new vacancies to the offices of the Public Employment Service, i.e. 80 thousand (16.9%) less than in 2006. 32% of the vacancies concerned referred to sheltered jobs (133.3 thousand), 43% to jobs in the open labour market (177.8 thousand), and in almost every fourth case (94.7 thousand) the employer was looking for foreign labour.

The demand for foreign labour dropped faster than the average (by 31.6%) on a year-on-year basis, whereas that of sheltered vacancies contracted exactly at the average rate. The number of unsubsidised vacancies, on the other hand, declined slower (by 6.1%) in 2007 than in 2006.



There are typical regional differences in terms of the types of the reported vacancies. In regions in a more favourable labour market situation, the number of subsidised vacancies is well below the average, whereas in three regions (Southern Transdanubia, Northern Hungary and Northern Great Plain), their rate exceeds even 50%. That is, in the latter regions, every second vacancy reported to PES concerns jobs for which the employer requests subsidy.

In the reference year, every third vacancy announced to PES referred to unskilled work; the proportion of employers looking for skilled and semi-skilled workers was 27 and 28%, respectively. That is, employers needed manual workers in almost nine-tenth of the cases. As for the branch distribution of vacancies, 45% was announced in the non-material services sector, 22% in industry and 12-12% in construction, and in trade and catering. The average number of closing-day vacancies was 29 934, i.e. 28% less than one year earlier. The average number of vacancies per 100 jobseekers fell to 7 on average in 2007. In 2006, the corresponding value was as high as 10.6.

Work opportunity and/or labour market training offered to more than 160 thousand persons

In 2007, 16.5 thousand were involved in the traditional employment measures – funded from the Employment Fund Segment of the Labour Market Fund (LMF) – designed to promote the labour market re-integration of jobseekers. This figure is lower by 16.2% than it was in 2006. Most people (39.1%) did public utility work, the second biggest group received wage subsidy (26.9%), and 25.8% took part in training. Nine-tenth of the beneficiaries concentrated in one of these three types of measures.

Changes in the legislation in 2007

Amendments of the Act on Employment

The amendment of Act IV of 1991 on Employment Promotion and Provisions to the Unemployed (hereinafter: EA) having come into force on 1 January 2007 modified the system of terms and conditions of being granted employment promotion support.

Some forms of support were cancelled, such as

- the assumption of employment-related contributions, including the assumption of contributions payable previously under preferential terms on the employment of jobseekers over 50 and persons released from prison and subject to supervision and, furthermore
- support for part-time employment,
- support for employment in the framework of manpower hiring,
- support for self-employment as a separate form, and
- support for training courses to teach business skills to future entrepreneurs.

The cancelled support schemes were replaced by “new” forms. The most significant change affected the various wage-and-contribution-based supports, replaced by a support scheme ensuring the employment of a rather wide-ranging target group. Wage subsidy can be awarded in case of the employment of persons in a disadvantageous situation, if the employer

- commits himself to employ the underprivileged persons employed with support under a regular employment contract for at least twelve months (employment obligation) and, furthermore,
- did not terminate the employment of an employee employed in an identical or similar job by ordinary notice in the six months preceding the date of the application for a reason related to his operation.

If the above conditions are met, the employer is eligible for wage subsidy up to 50% of the relevant wage and contribution costs – up to 60%, if a person with changed capability is employed.

The definition of the concept of ‘jobseeker’ was amended, and the jobseeker’s co-operation obligation was instituted and its content was defined. The concept of the job-search agreement was also amended; the new version makes it mandatory to conclude such agreements with a narrower labour market target group. The amount of the income supplement, corresponding to the mandatory minimum wage in effect at the time when it is granted, changed as well.

The amendment concerned also the provisions applicable to the work council. Its decision-making competence was replaced by a recommendation right.

EMMA, the Uniform Hungarian Employment Database, was terminated with effect from 31 December 2006.

Amendment of related decrees

For the purpose of harmonisation with the new EA provisions, several ministerial decrees were also amended:

1. Main points of the amendment of Decree No. 6/1996. (VII. 16.) MüM on employment incentives and on support available from the Labour Market Fund to manage employment crisis situations:

(Intensive) training of min. 20 hours a week recommended or approved by the labour centre became a condition of being granted an income supplementing allocation.

From among the supports available to promote the self-employment of jobseekers,

- support of up to HUF3 million can be granted in a repayable and/or non-repayable form, and
- jobseekers becoming entrepreneurs can be granted support corresponding to the amount of the minimum wage, disbursed on a monthly basis for a maximum period of 6 months, irrespective of whether they receive any benefit.

The biggest change prompted by the transformation of the support system was the result of the introduction of the new wage subsidy provisions. The former wage-and-contribution-type subsidies were partly merged with the new support scheme, and partly cancelled. One of the new measures is wage subsidy available under labour market programmes, restricted to programmes that allow to disburse up to 100% of wages and wage-related contributions for a maximum of 3 years.

The amendment instituted the following options in the context of labour market programmes as of 1 January 2007:

- reimbursement of wages and wage-related contributions, (and/or of direct costs related to employment) up to 100% and, furthermore,
- job-creation support (not only to enterprises, but to any employer, upon request to be assessed by the director of the labour centre).

2. The amendment of Decree No. 15/2005. (IX. 2.) FMM of the Minister of Employment Policy and Labour on the detailed rules of awarding budgetary support available for the employment of persons with changed working capability is adapted to the changes in the organisation structure of the Public Employment Service, and includes specifications concerning the employment of workplace helpers, and the costs eligible for support at sheltered employment provider organisations.

Employment measures

3. To clarify the position of the jobseeker and to protect his legitimate interests deriving from his jobseeker status, the amendment of Decree No. 18/2005. (IX. 2.) FMM of the Minister of Employment Policy and Labour on registration as jobseeker, on cancellation from the register and on the job-search agreement includes an itemised list of the obligations representing the content elements of co-operation, the violation of which has detrimental legal consequences, and it specifies the sanctions by type of violation of obligations as well as their exact measure.

Active employment measures

In terms of the number of participants, public utility work, labour market training and employment with wage subsidy have been the most frequently awarded forms of support for years – and 2007 was no exception.

Support in the form of public utility employment was provided to 63 098 persons in all. The circle of community work organisers involved in this measure has not changed significantly: the majority of the beneficiaries are local municipalities and their institutions, and the rest are museums, foundations, associations, centres of culture, fire brigades, civil organisations, non-profit institutions and the churches.

As for the activity areas, communal work is the most typical form, involving mostly persons with no vocational qualification. The bulk of the jobs concerned related to the keeping of public areas managed by the municipality, to cleaning and to the maintenance and repair of public buildings. Teachers, kindergarten teachers, pedagogical assistants, librarians and cultural organisers were employed in the areas of education and culture.

Nurses, ambulance staff, kitchen assistants and family helpers worked in health care and social workers' jobs, as administrators, maintenance staff, couriers, assistants, and in other jobs.

Wage subsidy was provided in 2007 to 33 848 persons, including 20 626 persons receiving “new” employment promotion wage subsidy, and 13 222 persons provided wage subsidy of the “old type”, according to the old regulations. That is to say that one fifth of all active measures was of the wage subsidy type. Employment with wage subsidy was more marked in 2007 than in the previous year, and the amount of funds allocated to this purpose also increased.

Employment promotion subsidy is usually granted to undertakings in the competitive sector, in particular to sole traders and minor partnerships, but various non-profit organisations also figure among

the applicants to a growing extent. Within the group of persons employed with wage subsidy, the proportion of skilled workers – usually employed in jobs corresponding to their vocational qualification – has been increasing steadily for years.

38 413 persons took part in labour market training in 2007. The decisive majority of trainees enrolled in courses providing NQL (National Qualifications List) qualification, and a minor part in other training, and almost as many as the latter in foreign language training. More than four fifths of the training programmes were delivered on the basis of the recommendations of the labour offices, and the rest was tailored to training requested by the jobseekers themselves and approved by PES.

The headcounts involved in programmes (co-)founded by domestic resources decreased somewhat, whereas the funds concerned increased. The decline in headcounts is attributable in the first place to the growth of the per capita subsidy amount prescribed by legal regulation.

Owing to the amendment of the relevant legislation, the amount of training support provided for the period of training (income supplementing allocation) increased, and the supports pegged to the minimum wages grew as well due to the elevation of the latter. The amounts payable under certain support schemes decreased, whereas under others, they increased substantially. The regional centres spent almost 1.5 times more on employment promotion training, but trained almost 9000 persons less.

Similarly, a lower number of jobs was provided support, but the amount of funds allocated for this purpose increased. It is most unfortunate that less persons were granted support to become self-employed, whereas job-creation is an essential condition of permanent employment.

In addition to the domestic resources, EU funds are playing a growing role in this area of support.

Labour market services (job brokerage not included)

In 2007, the professional staff members of the labour centres delivered human services to 280 997 persons, i.e. slightly less than in the year before.

As for the specific services, work consulting and job-search assistance was provided to more persons than before, and all the other services were used by less.

The number of clients provided work counsel grew, albeit slightly, by 4%, (Southern Transdanubia, Northern Hungary), except for a few regions recording significant growth (Northern Great Plain, Southern Great Plain).

The number of persons provided career orientation counsel dropped steeply: 23% less took part in career orientation or re-orientation, the only exception being the Southern Transdanubian Regional Labour Centre.

As for the services, individual job-search counsel was requested by 16% more in all. The increment is due to the fact that individual job-search is considered a crucial element of the co-operation agreement concluded with jobseekers.

However, many of the clients have not mastered the techniques of individual job search yet, and they are not familiar with the employment requirements of the employers, nor with the formal and content requirements of the CVs to be transmitted. Consequently, the mediation staff refer to individual job-search consulting a growing proportion of clients who are capable of individual job search and want to find a job, but are not familiar with the relevant routine.

A slight decline was experienced in the area of collective training in teach job-search techniques and in the number of clients visiting the job club sessions.

Participation in rehabilitation as well as in psychological counsel decreased to a significant extent, the first by 34% and the latter by 48%.

The Northern Hungarian Regional Labour Centre launched a unique Social Information Centre (Szociális Információs Tanácsadást, SZIT) service to assist mothers of young children and child-care benefit recipients intending to re-enter the labour market, which has led to the expansion of the range of services and of the target groups.

On the basis of the experiences of the labour centres, the decline in the number of participants in human services is attributable to the fact that, as a result of the restructuring of PES, there are some areas where people can only access counsel at the offices and service centres located in the county seats, due to the absence of qualified staff locally.

All in all, the various human services are accessible to those concerned relatively near their place of residence in almost every region, except for some areas where clients must travel a certain distance to find adequately skilled persons, which has led to a decrease in the utilisation of these services.

Job brokerage

In 2007, the labour centres had 311 133 vacancies recorded in their database (not including vacancies announced for foreigners only), i.e. approximately the same number as in 2005. The number of reported vacancies increased in the previous year by 12.2%; In 2007, a decline of a similar extent was recorded.

There were more successful than failed brokerage cases in the reference year; their rates were 55.58% and 44.42%, respectively. A significant number of jobseekers was placed in sheltered jobs.

Enterprises in a difficult situation grasp the favourable opportunities: job brokerage met with success in the area of subsidised jobs 56 % more frequently than in that of jobs offered without subsidies.

Of course, in absolute terms, the number of such brokerage cases fell from 150 617 to 100 799 as compared to the previous year, because the available financial budget as well as the maximum subsidy term controlled and restricted the possibilities.

The tendency is that both jobseekers and employers have increasing requirements which, however, do not always match. The rate of successful vs. failed brokerage cases declined by 3% only in 2007 over 2006.

Considering a basis of 24 015 vacancies, mediation failed due to an error on the client's part in less cases than before, and in 30 422 cases there were other reasons at play. In terms of relative proportions, failures due to some fault on the client's part became more frequent, often in connection with the excessive requirements of the vacancy.

Employment and training programmes

County/regional labour market programmes

Labour market programmes are projects to re-integrate to the labour market jobseekers in a disadvantaged situation by using a combination of various forms of training, employment and human services.

4583 persons took part in the 36 programmes operated in 2007, most of which spread over from the previous year. 10 programmes were started during the year; the labour centres involved 1345 persons in their target groups. The majority of jobseekers belonging to the social strata targeted by the programmes initiated at regional level were multiply disadvantaged persons, typically with very low qualification. These groups would have practically no chance to enter the labour market unless the combination of support and service schemes delivered under these programmes improved their labour market situation.

Most programmes aim at the improvement of the employability of multiply disadvantaged jobseekers, or at providing them semi-skilled or skilled worker training, jobs or employment opportunities, in line with the local demand; without their help, most members of this target group would find temporary work at best in the black economy.

Summary data of labour market programmes, 2007

Activities	2006	2007
No. of county/regional labour market programmes	8	6
Actual disbursement (HUF million)	1 514	1 031
No. of programme participants	8 554	2 303
No. of central labour market programmes	105	39
Actual disbursement (HUF million)	6 283	4 448
No. of programme participants	30 437	26 123
No. of programmes implemented under HRD OP Measure 1.1	20 county	7 regional/20 county
Actual disbursement (HUF million)	10 565	10 156

These programmes, which absorbed a minor part only of the available decentralised funds, had the obvious advantage of offering complex or special solutions to the underprivileged.

The successful catching up of the participants of the labour market programmes, work-experience acquired during the period of sheltered employment, the earnings themselves and the improved work discipline of the participants are all very significant achievements. The majority of the programmes funded from various (mainly grant-based) resources aimed at the improvement of the labour market situation of jobseekers suffering from multiple disadvantages – the under-qualified, the career-starter youth and persons over 45. Some programmes were launched expressly for a given target group, e.g. women, recipients of child-care aid, child-care fee, confinement aid, child-raising aid, nursing fee, or for degree-holders, or persons threatened with redundancy, or persons with changed working capability.

The labour market programmes had a positive effect on the local environment (ragweed elimination, maintenance/renewal of public institutions, park-keeping, square-paving), and hence they demonstrated to the public that the strata concerned, although dropping behind, are capable of creating value.

Pilot model programmes represent a special circle of the programmes. It is in this framework that the Northern Hungarian Region started its labour market programme called Chance for Children (“Gyermekesély”). The aim of the programme is, on the one hand, to promote the placement of registered jobseekers in activities supported by the programme, at children’s houses and at workplaces delivering other services and, on the other hand, to improve the employment chances of jobseekers whose employment is hindered by problems of organising child care or by poverty. The plan is to involve the parents of the children concerned, making use of the results of this programme under Measure 1.1.2 of the Social Renewal OP.

Training and/or the assumption of wage and wage-related contributions has remained the most typical combination of measures under the programmes. Part of those who acquired work experience find it easier to get a job, and others have actually been re-integrated into the labour market already for good.

As before, most programmes were operated in the regions suffering from an exceptionally poor labour market situation (Southern Great Plain Region, Northern Great Plain Region, Southern Transdanubian Region, a total of 9 programmes per region), in an attempt, primarily, to enhance the employability and the employment chances of the disadvantaged target groups.

The Northern Great Plain, Central Transdanubian and Central Hungarian regions launched no new programmes in 2007. The first two continued the ones spreading over from previous years, 11 in all, whereas the Central Hungarian Region operated no labour market programme in 2007. The number of the newly launched programmes was highest in the Southern Great Plain Region: four of their nine programmes in progress now were started in 2007, with 1123 participants.

The programme with the highest number of participants (963 persons) is also associated with the Southern Great Plain Region – under the name of “For a ragweed-free region” –, launched with the participation of unskilled jobseekers in an unfavourable labour market situation. There were less programmes in 2007 than in 2006 (2006: 53), but 2007 represented progress in terms of the number of persons involved: 2004 persons were involved in 2006 and almost twice that many in 2007. The drop in the number of domestically funded new programmes in 2007 is mainly due to the fact that the groups of persons in a disadvantageous situation are also the main target groups eligible for EU funding, which gives an opportunity to support the persons concerned by combined measures (financial assistance, work experience acquisition with support, training, services etc.).

Central labour market programmes

Central programme to promote the placement of jobseekers over 50, 2006 (rolled over)

In the programme started on 1 January 2006, commitments could be undertaken with effect up to 30 November 2006, and support could be awarded up to 30 June 2007.

Under the programme, the offices notified 29 853 clients; 22 536 among them undertook to take part in the programme, and 27 266 were provided a labour market service of some sort under it. Most – 7275 persons – took part in job-search consulting, but there were significant numbers of participants in training information provision, individual work counsel, and in collective training in job search techniques.

9403 took part in active measures, in the following distribution: the labour centres placed 2513 persons in public utility (communal) work; 1099 with combined wage and wage-related contribution subsidy; 557 with contribution assumption and 505 with wage subsidy. Work testing support was provided to 1366; 784 among them were further employed by the same employer and 171 got a job at another workplace. The offices placed 3696 persons without

support, through their brokerage activity, and 2599 found a job themselves, without mediation. The labour centres involved 911 persons in labour market training.

The programme offered workers over 50 an opportunity to return to the primary labour market, and it also helped ease the prejudices of the employers concerning the target groups concerned.

Distance working programme, 2007

On the basis of Resolution No. 9/2007. (II. 7.) of the Steering Committee of the Labour Market Fund, in 2007, the Budapest Labour Market Intervention Centre was requested by the Ministry of Social Affairs and Labour to announce a call for tenders to support the employment of teleworkers. The aim of the tender was to promote the more widespread use of distance working as a form of flexible employment and to encourage the employers to modernise work culture by offering supplementary wage subsidy and one-off training support. The idea was to give a chance to employees at a disadvantage for whom distance working represented the only chance of regular work through the popularisation of this flexible form of work,

The available support consisted of 2 parts:

- supplementary wage subsidy, of a maximum amount of HUF70 000/cap./month and the relevant contributions,
- training support, one-off, of HUF50 000/cap.

229 applications were received by the deadline specified in the call for tenders. Supplementary wage subsidy was requested for creating 1215 jobs for distance workers, and the training of 1057 persons was envisaged.

According to the relevant ministerial decision, 152 applicants were awarded a total of HUF440 740 560 non-repayable wage subsidy for creating 779 tele-jobs and HUF35 500 000 training support to train 710 persons.

The experience so far is that distance working is suitable mainly for the employment of highly qualified persons capable of working on their own. In addition, it may represent an opportunity to improve the employability of the members of certain underprivileged groups, but only those whose talents and skills make them capable of distance working. Distance working may represent a good opportunity for persons with disability, especially those with motional or hearing impairment.

In the light of the distance working tenders of the past years, we can state that the employers have accepted this form. The number of teleworkers has been increasing continuously, and employers tend to employ them also without support. Employers are more willing to introduce teleworking into their organisational structure if the person to be employed in this form is someone who has already been with them for a longer time, who is familiar with the work process and the specific tasks, and with the corporate strategy.

Promotion of employment in the non-profit sector

On commission of the Ministry of Employment Policy and Labour, the National Employment and Social Office announced a call for tenders for the implementation of a national employment programme to promote “Employment in the Non-Profit Sector”. The goal of the national programme was to consolidate the non-profit sector with human resources; to improve its capacity to attract resources by re-directing to the non-profit sector employees liberated in the public sector – and willing to engage in employment there and to take part in the relevant preparations.

The programme offered employment promoting wage subsidy and the assumption of employment-related contributions in the form of three cycles of 10 months each, at a digressive rate of 100%, 70% and 40%.

All things considered, the programme helped alleviate the detrimental effects of redundancies in the public sector. The placement of persons dismissed in the public sector at organisations active in the non-profit sector was a special solution, which strengthened professional contacts between the public and the civil sector.

Central programme to manage labour market crisis situations and to support job preservation

The Ministry of Social Affairs and Labour re-announced this central programme to provide support to promote the management of labour market crisis situations and employment restructuring in 2007, to prevent collective redundancies and help preserve the existing jobs, and to alleviate the liquidity problems of employers and the problems deriving from economic and employment restructuring.

The central programme was governed essentially by the terms and conditions developed in previous years, except for the fact that, owing to the amendment of the Employment Act, support had

to be granted as de minimis support, a circumstance resulting in a significant decrease in the number of employers eligible for it.

Results so far of HRD OP Measure 1.1

In addition to the Decentralised Fund Segment of the LMF, the programmes were funded from other sources also, pre-eminently under HRD OP Measure 1.1.

Programme results:

Four indicators reflect the results of the implementation of the programme to promote the placement of 3 target groups (involvement rates, fact: 47% young jobseekers, 22% long-term unemployed, 31% threatened with long-term unemployment):

- Total number of persons involved in the programme: 35 691 person (143% of the plan figure of 25 000).
- Number of persons having completed the programme: 30 985 persons (155% of the envisaged 20 000).
- Successful programme completion and positive outcome (i.e. training and/or work experience acquisition, placement, self-employment): number of persons on Day 180 following programme termination: 22 224 persons (222% of the envisaged 10 000 persons).
- Successful termination of the programme and placement or entrepreneurial activity pursued, status on Day 180 following programme termination: 13 032 persons (194% of the envisaged total of 6667 persons). This figure will increase; the real extent of the effect of the programme in 2004–2006 will be shown by data collection on 1 July 2008.

Programme participants were provided financial support to cover their costs of living, and they are given training and placement counsel and various other services during the programme period.

Implementation of the programme “Take a step forward, I.” (Lépj egyet előre I)

The objective of this programme is to improve the qualification level of the Hungarian adult population through training programmes designed to allow trainees to “take a step forward” relative to their previous levels of qualification and knowledge/skills. It offers a possibility to acquire primary-level qualification and a marketable vocational qualification free of charge. The labour centres used every means at their disposal to foster the successful implementa-

tion of the programme. They took part in the identification of shortage vocations to specify the types of training to be delivered under the programme as well as in the compilation of the training list.

The labour centres co-operated with the training institutions, the National Employment and Social Office and the mentors, too, on an on-going basis; they carried out the activities related to the registration as jobseekers of persons entering the programme and to the extension of the job-search support. The office staff informed the members of the target group of jobseekers eligible for participation of the conditions of training, they made recommendations as to the form of training and of support best suited to the life situation and employment status of the adult. They paid special attention to convincing those with low schooling one by one, to provide them personalised counsel and to involve them in training.

It was a priority task of both the mentors and the labour centres to involve in training individuals with a certificate of completion of at least 6-year primary school, who planned to acquire their primary-level qualification under the programme. The mentors as well as the labour centres made special efforts to actually launch the training courses designed to complete grades 7 and 8.

The mentors and office staff provided adequate information and orientation to attract clients to the training courses. The mentors kept in touch with the civil organisations, municipalities, labour offices and training institutions. They held collective briefing sessions to inform the clients of the conditions of participation in and application for the programme.

In addition to notices in the media and the utilisation of the possibilities offered by the website, training fairs were organised to reach the envisaged number of participants. As a result, by the end, more than 15 thousand adults were involved in the programme.

Utilisation of the labour market fund in 2007

The Budget Act of 2007 defined the revenue and expenditure appropriation of the Labour Market Fund (LMF) at HUF348.3 billion. As a result of the mid-year requests for modification submitted to the Hungarian State Treasury, both the revenue and the expenditure projection was raised by HUF6.5 billion, to total HUF354.8 billion. The actual ("fact") revenue figure for 2007 was HUF366.8 billion, i.e. HUF11.9 billion (3.4%) more than the modified projection. The actual expenditures totalled HUF341.3 billion, i.e. 3.8% less than the projection. The expenditures of the Labour Market Fund were covered by its revenues.

Main indicators of the fulfilment of the 2007 revenue and expenditure projections of the Labour Market Fund

Revenues	Actual revenues, 2007	% rate of actual revenues, 2007 to the modified projection	Expenditures	Actual expenditures, 2007	% rate of actual expenditures, 2007 to the amended projection
	HUF billion	%		HUF billion	%
Employer contribution	202.0	102.7	Active measures	48.9	97.1
Employee contribution	92.1	102.7	Payments for vocational and adult training	25.2	96.6
Entrepreneurial contribution	14.0	123.7	Passive provisions, entrepreneurs' benefits	91.5	89.0
Territorial other revenue	1.2	109.6	Wage guarantee payments	4.2	60.5
Central other revenue	5.0	116.9	Rehabilitation and job-creation support	4.8	96.7
Vocational training and adult training, other revenue	1.1	141.7	Operation/development of the Fund Managing Unit, the Public Employment Service, the Hungarian Labour Inspectorate, the National Institute of Vocational and Adult Education, the National Employment Foundation	27.8	100.0
Vocational training	36.7	101.9	Social dialogue programmes	1.5	100.0
Rehabilitation contribution and repayment	13.6	100.3	Central budget payments, fund transfers (SS Fund, EU co-financing, public works)	131.4	99.9
Wage guarantee support repayment	1.1	117.4	SR OP, Measure 1.2, Normative support to promote employment	5.9	281.2
			Transaction fee	0.1	43.4
Revenues, total	366.8	103.4	Expenditures, total	341.3	96.2

Activity of the PES regional training network

The position of the regional training centres on the training market

In Hungary, there are some 6800 training provider institutions offering adult training or adult training also; at the end of 2006, 1278 among them were accredited with some 2800 accredited programmes and, according to our estimate, they train 200 to 300 thousand persons annually, and a significant proportion among them acquires a vocational qualification. One of the main financiers of the Hungarian adult training market (with an annual turnover of approximately HUF70–80 billion) is the Public Employment Service: the commissions originating from the PES regional organisations represent a most significant segment of adult training overall.

The direct participation of PES in adult training is ensured via the nine regional training centres (RTCs) that cover the small regions of the country by and large evenly. The RTCs have shown dynamically increasing performance since their foundation (some 14 years ago, on an average). Thanks to their activity, some 35 000 persons were provided training last year, including approximately 28 000 who actually got a vocational qualification. Their budget for

Number of training courses and trainees by centre

Name of the region	Name of the training centre	Number of training courses	Number of trainees, plan	Number of trainees, fact
RLC	RTC			
Southern Great Plain	Békéscsaba	107	1 412	1 539
Central Hungary	Budapest	83	1 660	1 685
	Kecskemét	27	580	459
Northern Great Plain	Debrecen	106	2 025	2 047
Southern Great Plain	Kecskemét	100	1 090	1 957
Northern Hungary	Miskolc	107	1 636	1 736
Northern Great Plain	Nyíregyháza	39	773	873
Southern Transdanubia	Pécs	162	2 711	2 745
Central Transdanubia	Székesfehérvár	220	3 000	4 295
Western Transdanubia	Szombathely	73	1 120	1 130
Altogether		1 024	16 007	18 466

2006 totalled HUF5.6 billion, allocated to training and service delivery to the clients of the institution.

The differences in the headcount figures are partly related to the length of the training courses concerned, but they also reflect the labour market situation of the area concerned and the capacity of the given centre. The training centres can also deliver training and develop training materials based on funding under various EU programmes.

Activity of the actors of the regional network

- In contrast with the activity of the other actors of the adult and vocational education and training market, RTCs focus their activity on jobseekers in a disadvantageous labour market situation or persons whose job is threatened. More than 70% of the annually trained stock consists of persons in such situation.
- The manner of utilisation of the funds available for training is determined jointly with the regionally competent PES organisations. The agreement is based on the needs of employees/jobseekers having reported at (and partly registered with) the competent labour organisations, and on the labour market demand expressed by the local employers and forecast by the National Employment and Social Office.
- As opposed to the other labour market actors, the RTCs fulfil the task of public adult/vocational training.
- Adult education requires special pedagogical skills, special training materials reflecting the life experiences of adults and a corresponding practical activity. This special type of andragogic knowledge (based also on the international experiences) has been accumulated and applied at very high standards by the regional training centres.
- The number of applicants to the courses offered by the training centres proves that their training offers are correct, they meet the demand ever, and their programmes are professionally creditworthy.
- The composition of the vocational qualifications to be acquired at the centres reflects the actual labour demand of the given region. The vocations being announced are defined jointly by the RTCs and the training staff of the regional labour centres.
- Co-operation is usually the most active with the entities of the employment organisation of the county competent by seat of the training centre; training delivered there approximates, in function of the size of the region, 50% of the training programmes concerned. On the other hand, within a county, training tends to be provided at the location where the speci-

fic training need arises. The proportion of “extramural” training courses was also around 50%.

Thanks to the results of the (IT) developments of the previous years, the training centres have direct access to every piece of labour market information necessary for the specification of the most useful lines of training, and hence they can also help provide information to the Regional Development and Training Committees.

The development of the integrated adult training information system was terminated in 2007; this has made it easier to organise and monitor the activities of the adult training centres. The regional adult training network has implemented substantial training material development with EU support; the resulting training materials have an up-to-date modular structure, and are therefore easier to adjust to the preliminary knowledge and skills of the persons entering training. These up-to-date training materials and the relevant background information stored by the institutions in a library accessible to every member of the network result in a more efficient utilisation of the resources.

Distribution of the participants of RTC training

The largest segment of training supported by PES consists of the recommended or approved training of persons not in employment. Within the framework of recommended training, people can study in the areas proposed by the labour centres, whereas the participants of approved training are awarded support to complete training courses matching their personal interests and approved by the labour centres. In addition, the employment service promotes, through training programmes for persons in employment, the re-training of workers with inadequate vocational skills or expected to be made redundant within one year.

As for the participants of training, women predominate in the categories of both recommended and approved training; over the past four years, their proportion rose from 51.8% to 53% in the first, and from 51.8% to 56,2% in the second category. In terms of age, within the population of career-starters, persons under 20 predominated in 2001 (at 50.5%), and those in the age brackets of 20-24 represented the largest segment from 2002 on (50-55%). Over the four years under study, the rate of the youngest trainees dropped by almost 10 percentage points, whereas that of the 20-24 year old rose by 6.6 percentage points. On the other hand, the participation rate of the “older” generations, i.e. persons aged 25-29, increased; their rate to the total number of trainees rose from 2002-2005 from 1.6% to almost 5%, due in all probability

to the significant increase of the career-starter vocationally skilled unemployed over the same period. The distribution by educational attainment of career-starter unemployed persons having completed training is different in the two forms of training.

The participants of recommended training include a higher proportion of trainees with maximum 8-year primary education, a smaller proportion of persons having finished skilled worker training, special school or secondary school, and a higher proportion of young persons with college or university degree than those in approved training. The most important change in terms of level of education experienced over the past four years was that, in both categories of training, in addition to the proportion of trainees with low schooling (maximum 8-year primary education), that of college or university degree holders increased as well (by a total of 5.2 and 6.2. percentage points, respectively), whereas in the other school type categories (skilled worker training, secondary school), the proportions of career-starters decreased.

It is a typical feature of labour market training that the rate of women is higher by almost 10% than that of male trainees, which is attributable to the higher propensity for training and better accommodation skills of women.

There are quite marked disparities in terms not only of the funds available for training, but also in the extent of support per individual, although the recent changes in legislation have made it compulsory to provide income supplementing allocation to jobseekers involved in labour market training as specified in the relevant legal regulation. This is in line with the corresponding international practice, and it is all the more justified given the wide gaps between the regional labour markets. This measure is much more efficient than the other methods, if efficiency is measured by the proportion of successful placements without assistance by the employment service after participation in the programme. According to the relevant monitoring results, 45% found a job shortly after having completed the programme, and for training offered by the RTCs, this rate was as high as 60%.

Typical lines of training

The popularity ranking of the various lines of training has been by and large the same for several years. The most popular programmes are, as before, trade, information technology and foreign language training, linked to an occupation. There is often a mismatch between the areas of interest of the individuals on the one hand and the shortage vocations in demand; it is quite difficult to “recruit” adults for part of the typical shortage vocations.

Almost 75% of training courses launched by the labour centres is training figuring in the NQL; non-NQL training represents 15%, with slight fluctuations by county, and the rest is foreign language training. In relation to the previous years, there is a continuous shift in favour of the non-NQL training courses, which is explained by the involvement in training of inactive persons in a disadvantageous position and with low school qualifications. The labour centres organise bridging training to people with low schooling to be involved in training, which may lead either to the successful completion of training, or to placement, but bridging training entails the risk that if the person concerned cannot be enrolled in vocational training right after the first phase, that may reduce the efficiency of the training programme.

The career-starter youth have for years been interested mainly in foreign language training. In the beginning of the period computer operator (user) training used to be quite significant; almost 20% of trainees chose one of the lines offered in IT training. The new or traditional occupations related to professional IT training (e.g., system manager, multimedia developer, desktop editor, software operator), are as popular as they used to be. Women are typically attracted to the administrative and financial and administrative occupations (office head, financial and accounting administrator); this is based on the placement opportunities offered by the micro- and small enterprises.

In recent years, several counties have announced a growing number of self-development and motivation-oriented training courses mainly for persons with low schooling or unmarketable vocational qualifications. The majority of these training programmes has been realised as part of other central labour market programmes, as their complements.

Foreign employees in Hungary

From the 1990s on, employees have been coming to Hungary in steadily growing numbers from more than 110 countries of the world. The database of the National Employment and Social Office includes those among them who must request a work permit in Hungary under the effective legal regulations, or who – following 1 May 2004 – get in touch with the labour centre either to have themselves registered or to request a green card certificate. Therefore, our data obviously represent but part of the totality of foreign citizens lawfully engaged in work in Hungary.

In 2007, the labour centres issued 37 586 general and 907 seasonal agricultural work permits. The number of registration was 10 614, and that of green card certificates was 6123. Both the number of permits issued and the number of registrations dropped significantly as compared to 2006. The number of general permits fell by 14 919, and that of seasonal ones by 1309; considering these two types of permits, the decline was due mainly to the decrease in the number of employees of Romanian citizenship by some 15 thousand. The number of registrations was 5518 less than in 2006, the difference being due mainly to the presence of Slovakian workers. Only the number of green card certificates increased; this form of employment is used entirely by Romanian workers.

As for the combined number of permits, registrations and green card certificates issued in 2007, within our database of foreign workers, Romanians represented 46%, Slovaks 18% and Ukrainians 15%. 62% of all foreign employees worked in the Central Hungarian Region; 19% in Central Transdanubia; 6% on the Southern Great Plain; 5% in Western Transdanubia; 4% in Northern Hungary and 2-2% in the Southern Transdanubian and in the Northern Great Plain Region, respectively.

Almost one third of the general permits referred to construction work, and 1–3 thousand permits were recorded in the following branches (in decreasing order): catering, agriculture, business support services, trade, manufacture of telecommunications products, food industry, transport and manufacture of clothing articles. Registration, which concerns mainly the Slovakian workers, concentrates in the areas of manufactures of telecommunications equipment and of public road vehicles.

83% of employees with general permit and 90% of those with registration worked in manual jobs. 56% of permits applied “simple” occupations requiring no vocational skills. In addition, there were some 1-2 500 foreign workers in the catering industry, or working as machine operators or in the various light industrial occupations. 38% (3995 persons) of the registered population worked as assembly line staff, followed in decreasing order by semi-skilled workers, machine operators, navvies, warehouse staff.

Within the 19 226 general permits issued to Romanian and Bulgarian citizens, around 32% were so-called “simple” permits provided for the occupations listed in the Annex of Government Order No. 354/2006, issued without an examination of the labour market situation ever.

The number of valid general permits in effect on 31 December 2007 dropped by 13% as compared to the corresponding figure of the previous year; within that, the number of Romanian workers fell by almost 30%. The number of valid registrations went up by almost 10% on a year-on-year basis.

Permits, registrations and green cards, 2006 and 2007

	2006	2007	Change, 2007-2006 (persons)
Permits	52 505	37 586	-14 919
Of which: Romanian	33 136	19 006	-14 130
Bulgarian	272	220	-52
Ukrainian	8 911	7 770	-1 141
Seasonal permits	2 216	907	-1 309
Of which: Romanian	1 897	580	-1 317
Ukrainian	287	303	16
Registration	16 132	10 614	-5 518
Of which: Slovakian	15 262	9 944	-5 318
Green card certificate	275	6 123	5 848
Of which: Romanian	0	5 899	5 899
Bulgarian	0	55	55
Total	71 128	55 230	-15 898

Hungarian employees in the member states of the European Union

The National Employment and Social Office and its legal predecessor had had inter-governmental agreements with several of the “old” Member States (Austria, France, Luxembourg, Germany) and with Switzerland already before Hungary’s accession to the Union. Under these, Hungarian employees could be granted a work permit for a shorter or longer period of time under certain conditions specified by the relevant agreement, within the limits of the quota defined there. The most popular agreements were the German–Hungarian guest-worker agreement and the Austrian–Hungarian commuter and apprentice agreements. The degree of utilisation of the other similar agreements showed marked fluctuations, and with the exception of Switzerland and Austria, the quotas have never been used to the full.

The priorities of Hungarian workers changed after Hungary’s accession, given the fact that the United Kingdom, Ireland, Sweden, and the other nine countries having joined the EU in the first round with Hungary opened their labour markets to the Hungarians, whose primary destination countries became very soon England and Ireland instead of Austria and Germany. This is most probably due to the fact that the youth and part of the highly-qualified professionals spoke English rather than German and, moreover, it was much easier to enter the labour markets of these two countries. In recent years, the quota of 1 800 in effect since 2004 with the Austrian party has never been filled. The propensity for employment in Germany has also declined: in recent years, the quota of 2000 specified in the guest-worker agreement has only been used up to 20%, and the number of Hungarian received under the seasonal agreement, around 2 500 persons, is only half of the number recorded 4–5 years ago. There is only a minimum interest in employment in France, Switzerland and Luxembourg.

No data are available to us on the number of Hungarian workers employed in the European Union because, on the basis of the principle of the free flow of labour, no one has to announce their intention to engage in employment abroad and, consequently, no one knows the exact number of Hungarians having worked abroad in 2007. According to our estimates, 80–90 000 Hungarians entered the labour market of the European Union over the past 4 years. The majority returned home after one or two years, and the minority engaged in seasonal work for 2–3 months (some even recurrently, every year) or have been there for years – this is true mainly of workers with higher qualifications.

It seems likely that the highest number of Hungarians work in the United Kingdom, in Austria, Germany and Ireland, other popular destinations being the countries of the Mediterranean Basin, first of all Spain, Italy and Cyprus. As before, persons applying for work in the catering industry have the best chances.

Mobility National Youth Service

The institution was established in 1995; as of 1 January 2007, it has been operating as a professionally independent organisational unit of the National Employment and Social Office (NESO).

The Mobility National Youth Service (Hungarian abbreviation: MOISZ) is the innovation and competency centre of youth work and services in Hungary; it administers domestic and international measures; it contributes to the development of youth and youth assistance communities and organisations; of youth experts and their competencies and of the services delivered specifically to young people, and it makes efforts to have these recognised in order to contribute to the enhancement of the social responsibility and social participation of the youth.

It supports co-operation in youth affairs (related to the youth and to issues of relevance to them) between the state/municipal, civil and business sectors to improve the quality of democracy, to create social cohesion and a competitive, sustainable and knowledge-based society.

Mobility is a decentralised institution operating at nine sites. Its regional functions are delivered by the network of regional service offices (7 offices), which implement the strategic objectives of the institution in the spirit of the principle of subsidiarity.

National Youth Information and Documentation Data Warehouse (Nemzeti Ifjúsági Információs Dokumentációs Adattár; NIIDA) – Glossary

MOISZ launched a youth professional data warehouse accessible via the internet, to make the information and documentation database needed for youth-related work easily accessible to the youth organisations and the professionals. NIIDA, which is also part of the Government programme, was presented ceremoniously at a professional conference held on 15 December 2007 in Budapest. As part of NIIDA, work on the development of an internet-based Glossary based on the principle of knowledge-sharing began. The Glossary is intended to provide assistance and a point of departure to professionals involved in youth policy by interpreting the technical terms concerned. The NIIDA interface makes it possible to a wide range of users to actively comment on the concepts and to track the discussions concerning individual concepts and the procedure of inserting new alternative interpretations and new terms.

The searchable database of the glossary is accessible at: <http://www.mobilitas.hu/niida/informaciotar/fogalomtar/fogalmak>.

“Mobilitás” trade paper

The trade paper of MOISZ entitled *Mobilitás* was launched in September 2007. Its goal is to provide an insight into the professional work of the national and regional units of Mobility; to highlight as best practices the values and initiatives inherent in the youth-related activities of the regions; to present model projects and life-paths; to relay the events and trends in youth work in Europe and, last but not least, to publish professional materials on the same topic. Two numbers appeared in 2007, in almost 10 000 copies.

Settlement-based youth work – Manual for Youth Executives

The call for tenders announced by MOISZ led to the culmination of the activity which has ultimately led to the compilation of the basic manual of settlement-based youth work, providing a summary of the relevant professional standards, the content of which can be upgraded and extended, as well as the information pertaining to the job position and tasks of youth executives who are most important actors in the system.

Youth assistance training, professional workshop

With the support of MOISZ, the technical managers of institutions providing vocational higher education to youth assistants take part at a regular professional workshop with a view to renew youth assistance training. In 2007, the professionals training youth assistants at 14 higher education institutions of the country exchanged experiences on two occasions, and they took part in the preparation of the NQL-conform training programme promoted by Mobility.

KOMPASZ (COMPASS) – human rights education with young people

Mobility has been the champion of such values as tolerance, solidarity, respect for the opinions of others, acceptance of different cultures ever since its foundation. These values are based on respect for human rights. Therefore, when the opportunity presented itself to publish the English-language “COMPASS – Manual for human rights education with young people ” of the European Council in Hungary, it was self-evident that the Hungarian-language version would be edited by Mobility. The Manual includes practical exercises, human rights documents, background materi-

als and a guide to human rights action. The 80 trainers trained in the meantime have provided training to youth assistants, teachers, secondary-school pupils, students at various higher education faculties throughout the country since that time. A digital version of the text has been prepared (it can be downloaded from www.mobilitas.hu/kompasz), as well as a teacher's aid, a distance training material, and relevant accredited training courses, and last year 600 young persons called the attention of tens of thousands to human rights projects through the implementation of some 60 human rights projects.

International contacts

MOISZ is active both within and without the country. It organises professional upgrading study trips for youth professionals in the framework of bilateral agreements and hosts such professionals. The trips concerned allow to get to know foreign best practices and well-functioning institutional structures, or they may serve such long-term goals as the enhancement of the social participation of young people. In addition, many foreign delegations make a brief visit to the institution, to get an insight into Hungarian youth policy and the structure of youth-related work. We regularly delegate participants from the circle of youth organisations to the intercultural foreign language courses of our foreign partners: in addition to familiarisation with a language and with different, mainly European, cultures, in the context of these training courses, the organisations working in the interest of the youth are enriched by many international contacts.

EURODESK

The re-organisation of the Eurodesk network started in 2007. Eurodesk is the European youth information supply network operated with the support of the European Commission, which provides information on the phone, by e-mail and personally at 19 Eurodesk Partners and 40 Eurodesk Points in Hungary in connection with travel in Europe, studies, field work, employment, volunteering, European partners and other issues of interest to young people to the target group of professionals, the youngsters themselves and to people working with them.

Ugródeszka (Diving Plank), the Eurodesk newsletter, reaches more than 1 500 professionals and young persons every week. The newsletter contains mainly announcements concerning

training and search for partners, with special regard to the news of the Youth in Action Programme.

Youth in Action (Fiatalok Lendületben) PMU

The goal of Youth in Action, created on the basis of the agreement of the European Commission, the European Parliament and the Member States of the European Union, is to support the experiential learning of young persons in a non-formal environment, through youth projects. Youth in Action, the follow-up of the Youth 2000–2006 Programme, gives young persons an opportunity to upgrade their skills and competencies or to acquire new ones. The Programme creates a possibility to implement mainly grant-based and mainly international youth projects in the period of 2007–2013. The grant budget and operating expenses of the Programme are defined by the Commission annually. In 2007, Hungary was awarded a total amount of around EUR2 410 976 available by application for the purpose of the implementation of youth-oriented projects; in 2008, the corresponding amount is EUR2 525 235. In Hungary, programme management is provided by the Youth in Action Programme Management Unit. The Unit launches its electronic grant management system on 1 August 2008, that is, by the time of the two remaining application deadlines this year, the on-line system will be alive and it will be possible to submit applications electronically, through the FILEP system. FILEP, to be accessible through the home-page of the Youth in Action PMU, is the outcome of several months of development work, and Hungary is the first country in the Programme where it will give the applicants an opportunity for on-line application.

NESO – MOISZ Central Hungarian Regional Youth Service Office (KMRISZI)

One of region-specific activities of KMRISZI is to provide professional support and assistance to the activity of student self-governments. The development of the latter is of key importance because these organisations are partly located outside the streamline education system, and typically play such leisure, interest protection and peer assistance roles which fit exactly into the conceptual system of youth work. In 2007, young persons could take part in human rights programmes, at seminars to encourage intercultural learning, and at the “fejlődök...” (I develop – a pun on the Hungarian abbreviation of student self-government, DÖK) conference organised for the 4th time.

NESO – MOISZ Western Transdanubian Regional Youth Service Office (NYDRISZI)

The core task of the Office is to provide experiential assistance and service. Nevertheless, its activity would be inconceivable without theoretical research, indispensable to understand the life, concerns and strivings of the young residents of the region.

Its first regional publication, “Organisation and efficiency of civil society in the Western Transdanubian Region” appeared in 2007. Its studies were written by the teachers of Győr-based Széchenyi István University and staff members of NYDRISZI.

The volume was edited by Dr Gyula Szakál, whose activity was supported by the „HR development in the civil sector” main line of research of the Foundation for Hungarian Higher Education and Research. It includes a paper by Dr Zoltán Bugovics, which was prepared thanks to the support of the “Careers and Life Strategies” main line of research of Széchenyi István University.

The study volume has been integrated in the mandatory curriculum of the economic sociology study volume at the University of Győr, where 150 students use it for their studies per semester.

NESO – MOISZ Central Transdanubian Regional Youth Service Office (KDRISZI)

One of the most successful project series of the PMU was the system of hierarchically designed projects to develop the “multipliers” and other youth organisations, implemented in 2007. One of the first steps of the project was the human rights education project called “Let everyone make their voice heard” (Mindenki hallassa a hangját); many of its participants were active actors also of the multiplier projects. This began in the spring, with a network development seminar, and continued with the fora held throughout the region to disseminate the Youth in Action Programme with the active contribution of the participants, in the framework of the so-called European Youth Week. The next step in the project series was a study trip in the region, followed by a networking seminar, and the year ended with an evaluation conference.

NESO – MOISZ Southern Transdanubian Regional Youth Service Office (DDRISZI)

It is considered an outstanding achievement that, in connection with the European Volunteer Service (EVS), the volume “Choose an adventure” was published in two editions and, under its effect among other things, an outstanding number (nationally) of EVS reception points were established in Southern Transdanubia.

Another development result is the re-launched and still active small regional interest representation organisation of Sásd, “SIPKA”.

A successful training series was delivered in the second half of the year for the multipliers of the region – based on the demand incurred -, which relied to a large extent on the network’s own resources. Subject matters of the training events: organisation management (issues of communication, fund-raising); development of youth-related professional skills (coaching, team leadership), and expansion of the knowledge base of the participants (anti-discrimination, volunteering).

NESO – MOISZ Southern Great Plain Regional Youth Service Office (DARISZI)

Given the fact that, since January 2007, the youth tenders announced by the Youth Council of the Southern Great Plain Region have no longer been administered by DARISZI, the number of youth organisations getting in touch with it dropped significantly. Therefore, it was considered very important to react to that by taking the initiative and addressing the organisations concerned to offer them the services of the Office, as our only way to remain in continuous contact. The organisation of project planning sessions has become one of the Office’s most popular services. These present to the members of the youth organisations and groups how to venture upon a youth project, what application opportunities are open for the implementation of such projects and how to obtain funds for them. Many youth organisations and groups would like to implement projects but do not know how to start planning them. The Office wants to help them with that. It has been delivering this service since autumn 2007. 14 project planning sessions were held, with 8-10 participants per occasion. Following the sessions, 6 youth organisations/groups have submitted applications already and another 4 are working on filling in their tender forms.

NESO – MOISZ Northern Great Plain Regional Youth Service Office (ÉARISZI)

Local professional assistance to the process of the vocational training of youth assistants became a novel and important element of the development activity of ÉARISZI in 2007. The Office concluded an agreement with Kölcsey Ferenc Protestant Teacher Training College to assist with the field work of the students. The Office, keeping in touch with the higher education institution providing the vocational education, took part in the identification/organisation of the practical training sites, it acted as contact and mediator between the sites concerned and the education institution, it communicated the values and results of youth work in the region and, last but not least, it contributed to the implementation of the content of the training programme.

NESO – MOISZ Northern Hungarian Regional Youth Service Office (ÉMRSZI)

From 2007 on, after the cancellation of its application manager's tasks, ÉMRISZI has begun to put more emphasis on matters concerning the youth of the region and on assistance to communities helping the youth. One of the culminating points of this was the Regional Youth Conference held on 8-9 May 2008 in Gyöngyös, where the youth and the youth communities of the region were represented, both in the geographical and the industrial sense, by almost 100 persons. The key topics of the Conference included settlement-based youth work, that is, an effort was made to present best practices providing efficient help in some areas to the youth to spend their leisure time and develop their competencies. This was also an opportunity for the organisations to get acquainted with each other's activity and to get new ideas, and it may lay the basis of successful regional co-operations in the future.

www.mobilitas.hu

Social dialogue institutions within the NESO

Social Dialogue Centre

The relevant decree of the Minister of Social Affairs and Labour instituted the Social Dialogue Centre (SDC) within the National Employment and Social Office as an autonomous organisational division with effect from 1 January 2007.

The branch dialogue committees (hereinafter: BDC) provide for branch-level consultation between the social partners; they are meant to increase the number of collective contracts, the conclusion of branch-level collective contracts, and to foster the more intensive manifestation and assertion of line policy interests. BDCs give a new perspective to the trade unions and to the employers' interest representation, for which this forum is the scene of stable, balanced and efficient medium-level labour contacts; the long term operation of this forum is in the common interest of the decisive actors of the world of work and of the government.

One of the crucial issues of autonomous social dialogue is what roles the branch dialogue committees can secure for themselves in the area of branch-specific policies and in exerting an influence on the codification of new legislation. Progress has been achieved in these fundamental issues, and consultations with the government on draft legal regulations of relevance for the branch and on comprehensive branch policy issues have become regular.

The BDCs have become capable of implementing joint action, training and projects either with social partners, the employer and employee interest representations within the committee, in the area within their competence, or in co-operation with other BDCs.

At present there are 35 active branch, special branch or sub-branch committees.

Programme to operate the branch dialogue committees; to prepare the social partners taking part in them and to fulfil and finance their professional functions

The budget available to the National Employment and Social Office for the preparation of the Branch Dialogue Committees and the participating branch social partners and for assisting with the programmes of the BDVs corresponds to 0.08 % of the contributions actually paid to the Labour Market Fund by the employers and the employees in the second year before the reference year. According to the Budget Act, in 2007, this amount was HUF179.9 million.

In the reporting period under study, the BDCs strove to perform their activities on the basis of a systematically designed programme.

The backbone of their professional work was the preparation of the professional materials of the BDCs; participation at their sessions (185 sessions, 2178 participants); the involvement of experts; the translation of technical materials; the research of special fields (38 papers, expert documents); in addition, the BDCs take part at conferences (presentation, training, seminar and workshop; 80 conferences with 3644 participants), in study trips, in international contact-building, at the EU social dialogue committee sessions (conciliation by the respective sides; 106 professional study trips, contact-building, European BDC sessions with the participation of 304 persons), and they provide for continuous training and upgrading training (19 training courses, 586 participants) for the BDC members.

Programme to support the participation of the organisations representing the employer and employee sides of IRC (National Interest Reconciliation Council) in national interest reconciliation

The programme is based on an agreement concluded by the Ministry of Social Affairs and Labour and 15 organisations on the employer and employee sides of the National Interest Reconciliation Council. Its objectives are the following:

- To foster the development of labour and employment contacts and their institutions in view of the growing domestic and EU tasks; activities related to Hungary's EU membership and active participation in the work of European networks, organisations.
- Consolidation and development of the institutional and operating capacities of employer and employee interest representations by providing support for specific activities.
- Support for social partner programmes to foster the development of social dialogue.

The 2007 budget available for the professional programmes of IRC organisations was of a total value of HUF1349 million.

Priority activities in the implementation phase included information provision on topical economic policy issues; development of local-level interest reconciliation; management strategy development in the interest of the development of social dialogue at national and the EU level; application consulting; active participation in the preparation of National Development Plan II, and review of the topical branch interest protection tasks, various aspects of employment stimulation, legal aid, etc. from the perspectives of the employers and the employees, respecti-

vely. The subject matters of the conferences and regional and national training programmes included interest representation work and the enhancement of the EU-level competitiveness of organisations active in this area; presentation of the actual branch problems ever; adequate preparation for professional tasks deriving from Hungary's accession to the EU; information provision and further training. The interest representation activity is ensured by background support being provided for professional representation activity at EU-level, and by regular participation in commission work. Every organisation paid special attention to professional activities pursued in the institutions of the EU, and they did their best to provide for regular presence and for the development of organisation-level contacts. Furthermore, special attention is being paid to expert work, domestic and international experience exchange and to tasks related to the internet-based and media contacts during the implementation of the projects.

Labour Mediation and Arbitration Service (LMAS)

This Service is a new unit, established under the aegis of NESO on 1 January 2007, which operates as part of the Social Dialogue Centre. Its territorial activity has gathered strength recently: the Service has regional representations in 3 of the 7 regions of the country (Southern Transdanubia, Northern Hungary, Southern Great Plain).

In 2007, LMAS detected 16 labour conflicts in case of which it offered its help to the parties concerned to resolve the tension. The 16 offers were followed by mediation on 4 occasions, and in 7 cases the Service was given an opportunity to provide counsel. There were more, altogether 8, mediations during the year, because on several occasions the parties concerned by the disputes contacted the Service directly. (In addition to the above, on one occasion – based on the relevant provision of the Labour Code – arbitration was provided upon the request of the parties.) As a result of the mediation activities, the parties agreed on 7 occasions, that is, with only one exception, the mediation activity proved to be successful.

Now that the Service has realised that the number of labour disputes ending with conflict and becoming known is not really high, it puts more emphasis on consultation activities within its activity profile. The experience is that there is a substantial demand for that on the side of the trade unions and of the employers alike. In 2007, the mediators were asked officially, in writing, to provide counsel on 20 occasions. This is more than twice the number of the counsel cases recorded in the previous year. In addition, the Service is addressed on the phone or personally dozens of times with requests to provide counsel.

The Service has always paid special attention to improving the level of preparedness of its members because, given the ever keener competition on the mediation “market”, for an institution and for mediators to have a chance to be widely known and in demand, it is imperative to prove their skills and thorough grounding in practice, too. Seven internal professional training programmes were implemented in 2007. Their subject matters were the following: mediator’s competency development, development of individual mediation style, application of conflict management techniques, development of skills related to the consultant’s role.

Together with several other Hungarian mediation institutions, LMAS had itself represented at the 1st European Mediation Conference organised in September 2007 in Vienna. As part of the programme of the conference, there were presentation in two section on the operation of the Service.

One of the important events of the Conference was the establishment of a new international organisation: the main objective of EMNI (European Mediation Network Initiative) is to establish and strengthen co-operation between the mediation organisations. LMAS applied – with the consent of NESO – and was accepted as a member organisation of the EMNI.

Social functions

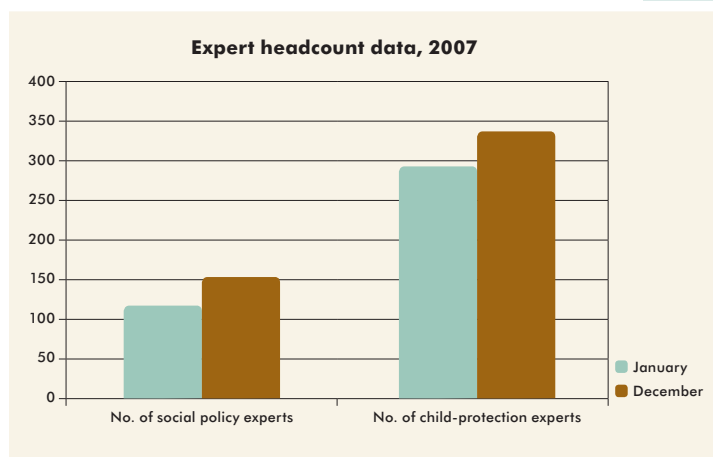
As of 1 January 2007, the functional jurisdiction of the National Employment and Social Office was extended to include a significant number of social tasks and competences. A Social Division was created to perform the above, that is, to implement such Government objectives as the concerted functioning and integration of employment and social policy, the stimulation of the labour market participation of groups in a disadvantageous situation and, in connection with the modernisation of public administration, the fulfilment of the operative tasks of the Ministry of Social Affairs and Labour concerning the areas of social affairs, child welfare and child protection.

Record-keeping, organisation of continuous training for experts

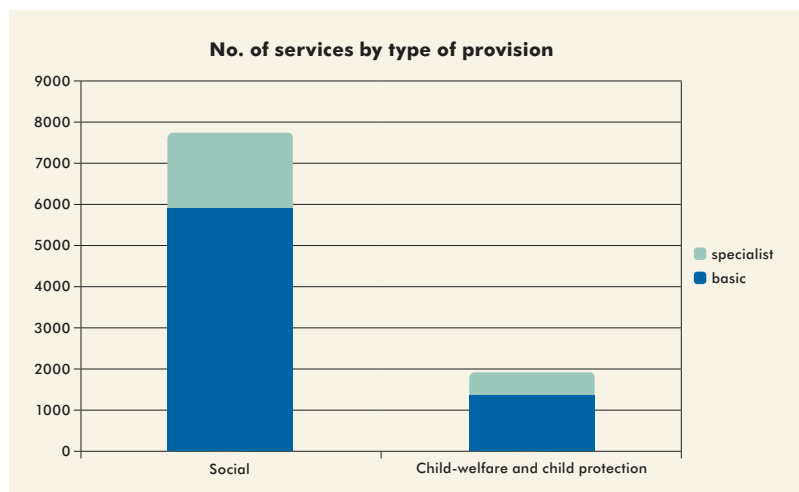
To be entered on the Roll of National Social Policy and National Child Protection Experts, one must be an expert with higher education qualification, a specialist certificate, relevant experience and professional recommendation in the area of social welfare/child protection, whose professional experience, wide-ranging skills and professional knowledge makes it possible to engage in expert work.

NESO's tasks include the keeping of individualised records of official care-providers; of the national training sites delivering training and further training, and of care-providers having participated in training/continuous training. In January 2007, the records included 835 official care-providers, whose number increased by December to 931.

In order to have national records of social welfare, child welfare and child protection service-provider institutions by branch, the deployment of an absolutely new system of web-based national records has begun. The competent authorities issuing the operating license of social institutions give them a branch identifier and record their data via an electronic system. Furthermore, under the relevant legal regulation, service maintainers are obliged to supply information on a semi-annual basis. The records include close to 24 000 service fact sheets; in 2007, we issued 3000 user names and passwords to access the system.



The electronic records include the following data:



- Social/child protection service is provided to date by 2938 maintainers in the country, including 2176 public, 615 non-public and 146 church maintainers;
- The total number of the services is 9579, including 7710 social (5873 basic, and 1837 specialist) services and 1869 child welfare and child protection services (1282 basic, 587 specialist services);
- 6300 service-providers possess a branch identifier.

Targeted survey of the recipients of regular social aid

It was a priority task to carry out a targeted research project under the title of “Investigation of the fulfilment of the co-operation obligation of regular social aid recipients, the co-operation of the employment organisations and the family assistance centres, and of the experiences concerning regular social aid recipients registered with PES”. The survey contributed to laying the basis of a solution allowing the integration of the employment and social systems and to mapping the co-operation mechanisms used in practice.

In the settlements involved in the survey, on 30 June 2007, the total number of regular social aid recipients approximated 17 000. The data clearly show that whereas in 2005 most took part in community work, in 2006, public works programmes were the most frequent. Public utility work showed balanced values. The data for 2007 refer to the first half only, that is, they are not adequate for comparisons yet.

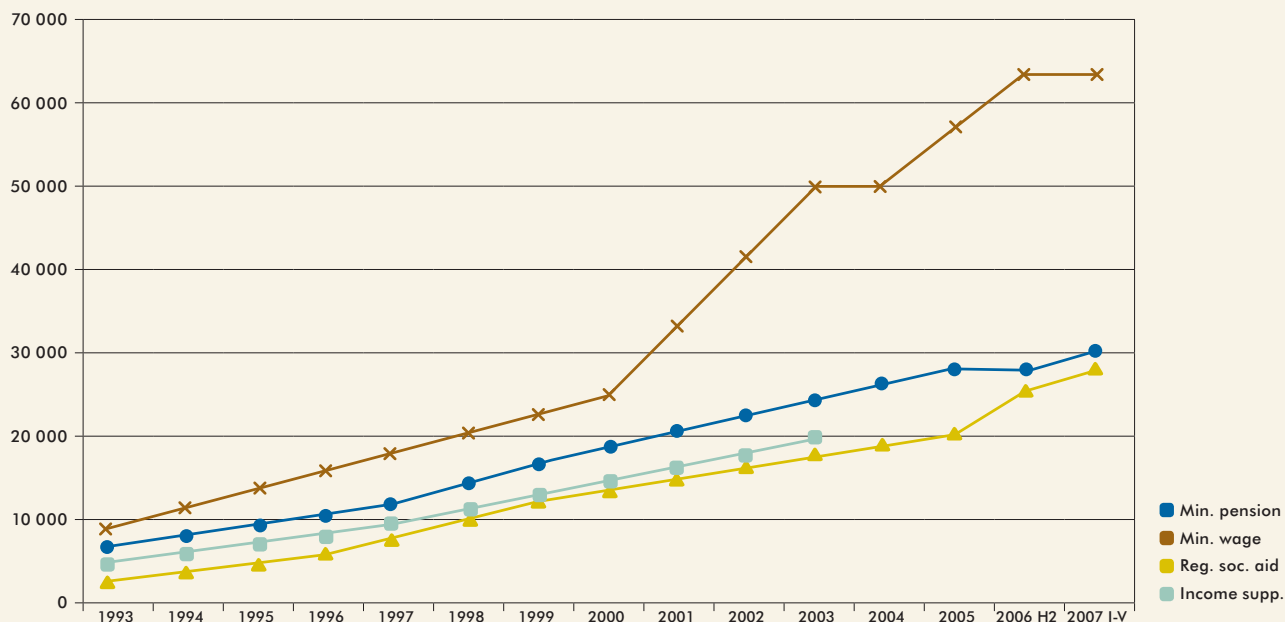
The development of earnings playing a decisive role in employment also represented a content element of the targeted survey.

As can be seen from the above chart, the monthly amount of regular social aid approximated the minimum pension specified by legal regulation, and actually exceeded that in the population of aid-

recipients covered by the survey. It can be stated that other provisions linked to earnings below minimum pension level by the legislation cannot be disregarded by an investigation of the stimulating effects of the income situation.

On the basis of partial studies by special field (task performance of the municipality, experiences of family assistance centres, functions of labour offices, summary of the opinions of the respondent aid recipients), a closing paper as well as the entire survey material was compiled by November 2007, and it was put on CD. These materials as well as the presentations of the conference organised on 3 December 2007 under the title “Work instead of aid?! (Segély helyett munkát)” are accessible on the PES home-page at www.afsz.hu, in the sections on social welfare and child protection and Labour Research, respectively. A new professional document (methodological manual) was compiled on the basis of the experiences of the survey, entitled “Integration programme of regular social aid recipients”.

Development of earnings



Promotion of the rehabilitation of persons with changed working capability

Employment promotion to persons with changed working capability is a priority issue, with special extra funds allocated for this purpose. Their re-entry to the labour market is assisted by centrally as well locally initiated labour market programmes. In order to enhance the labour market chances of persons in this group, it is imperative to have permanent contacts with employees, civil and interest protection organisations and training, social and health care institutions.

By way of contribution to the above, in 2007, the rehabilitation workgroups used their funds allocated from the central LMF budget to organise various events where they informed the employers of the effective regulations and their changes, and called to life an internal professional forum.

In the period of 2007, the number of persons concerned by the placement promotion programme was 40 551. Within that, 14 569 persons, 36% of the headcount concerned, got a job. Placement without support exceeded the rate of placement with assistance by 19%, thanks to the high rate of successful individual job search.

The demand for rehabilitation wage subsidy manifested itself in mass proportions in the second half of 2007, when the accredited employment providers were joined by employers having had recourse to subvention provided previously by APEH, the National Tax and Financial Control Authority. As of 1 June 2007, the accreditation certificate of the employer has become a mandatory precondition of support, but despite the relevant employer fora and briefing sessions, part of the employers failed to acquire that and hence their previous subsidies were cancelled. The employers were provided support from the budget appropriation, under the title of rehabilitation cost support, cost-compensation support and central-budget-based rehabilitation wage subsidy, which proved to be an effective means to promote the employment of persons with changed working capability. Familiarity with this form of support has been increasing steadily, as reflected by the growing number of accreditations, and the growing motivation (mainly financial) of the companies concerned.

In 2007, wage subsidy available for the employment of persons with changed working capability was used mostly by small and medium-sized enterprises, which represented close to 45% of all employers.

Employers have had a chance to apply to the Rehabilitation Fund Segment of the Labour Market Fund for support for job-creation and the elimination of physical obstac-

les in the workplace in order to employ persons with changed working capability and disabled employees.

In 2007, the seven regional centres approved the applications of 227 to create jobs/make conversions and eliminate obstacles or modernise the workplace in order to employ 2340 employees. The support budget exceeded HUF1.9 billion.

As of 1 January 2008, the Hungarian PES must fulfil higher-quality and more extensive and, in many respects, novel, rehabilitation tasks.

The employment experts' tasks of the committee dedicated to the complex rehabilitation of rehabilitation benefit receivers, and the organisation and personalised execution of the relevant service and support tasks were assigned to the competence of the labour centres.

The essential legal regulations were passed in 2007.

The Rehabilitation Division of NESO – in co-operation with the professionals of the Legal Division and the RLCs – drew up and issued on 19 December 2007 the professional order of procedures applicable to co-operation with rehabilitation benefit receivers.

On the initiative of NESO, the Ministry of Social Affairs and Labour worked out, through the Public Foundation for the Equal Opportunities of Disabled Persons, a special training material. NESO organised three-day preparation training courses for the rehabilitation executives of the regions and of the offices in each region. The organisation of preparation and continuous training type sessions for the employment experts on the complex committees has begun as well.

The regions appointed the managers of the rehabilitation process and the persons participating in the fulfilment of tasks at various levels.

All in all, the authorities and the offices are ready to admit the recipients of rehabilitation benefits. We expect to receive and involve in rehabilitation lasting for a shorter or longer period of time some 3600 individuals in need of rehabilitation in 2008. In the following year, the corresponding headcount will be 6000 already and that will increase to around 10 000, so we shall have sufficient time to build up the necessary routine.

The effectiveness and efficiency of rehabilitation is measured by the rate of placements of rehabilitated persons.

Accreditation

The Office set up in 2007 an Accreditation Division under the aegis of the Rehabilitation and Social Directorate as an autonomous organisational unit. The objective of accreditation is to specify the rules of the activity of employment rehabilitation and the personnel and technical conditions and rules of behaviour required by the state in return for the support provided for such employment in order to provide adequate protection to the employees involved in rehabilitation employment.

The assessment of the submitted accreditation requests resulted in 1040 accreditation certificates being issued by 31 December 2007. At the accredited employers, the six-month average statistical headcount of all employees was 51 863, including 31 063 person with changed working capability. In the month preceding the submission of the request, on the other hand, the actual number of employees with changed working capability was already 34 305. This figure reflects a positive change as compared to the employment of persons with changed working capability in 2005.

In 2007, the staff members of the Division and the accreditation experts carried out professional inspections on 63 and 251 occasions, respectively, at the accredited employment providers. They had to instruct the employment providers in several cases to fulfil their reporting obligation specified under the law and to correct deficiencies. The accreditation certificates of 188 seats, business sites and branch sites had to be revoked due to the violation of the employment regulations. The employers themselves requested to have the certificate revoked in 41 cases due mainly to the shut-down of the seat, business site or branch site concerned and the termination of employment. Terminations affected almost 5 500 persons with changed working capability, part of whom were taken over by new employment providers.

New organisation structure of PES; outcomes of the regional approach

Transformation of the Public Employment Service organisation and expansion of its functions

Government Resolution No. 2118/2006. (VI. 30.) Korm. on restructuring to promote the efficient operation of state finances and on the measures determining that ordered to establish the regional- level units of the metropolitan and county labour centres by the deadline of 1 January 2007.

In line with the resolution, 7 regional labour centres were formed. The former county labour centres were transformed into regional labour centres on the basis of Government Decree No. 291/2006. (XII. 23.) Korm. on the Public Employment Service.

Restructuring took place in two phases: up to 30 March 2007, the regional labour centres consisted of a central unit and regional offices, and following 1 April 2007, beside the central organisational entities of the labour centres, office-cum-service-centre and labour office units were formed.

The exception is the Central Hungarian Regional Labour Centre, where no office&service centre was created; in their case, the management of the human services is provided by the Human Service department. Restructuring has led to the expansion of the tasks of the labour centres and to a modification of their jurisdiction. The main goal of the restructuring process was to create a simpler and more cost-efficient organisation and to put employment into a context with more far-reaching dimensions. Therefore, the staff members of the service centres provide counsel at the local offices, too, in an “outplaced” form.

Role and functions of the service centres within the new structure

The key driver of the development of the service centres was to ensure efficient work conditions and to assert a client-centred approach. The office & service centre entities have no managerial tasks; they provide assistance and co-ordination. The main point is to bring service delivery close to the clients.

The Office and Service Centres carry out the following activities as part of their service delivery functions:

- opinion expressed on the tender announced by the labour centre for the provision of labour market services; management and co-ordination of outsourced labour market services,
- delivery of labour market services (individual and collective guidance, legal information, operation of e-pálya (an electronic career website) in those cases when this cannot be arranged at the offices,
- operation of the EURES network,
- consultation in case of lay-offs,
- Operation of the established service institution system (Rehabilitation Information Centre, Vocational Guidance Centres, Jobseekers' Club, Service Centre, Employment Information Points, etc.),
- contact-keeping with external organisations active in the same area of competence (e.g. secondary schools, law enforcement, employment, health care, social and educational institutions, interest representation bodies of the disabled, small regional labour market actors, civil organisations etc.),
- Operation of the rehabilitation workgroup, participation in the rehabilitation expert committees.

They contribute to the following:

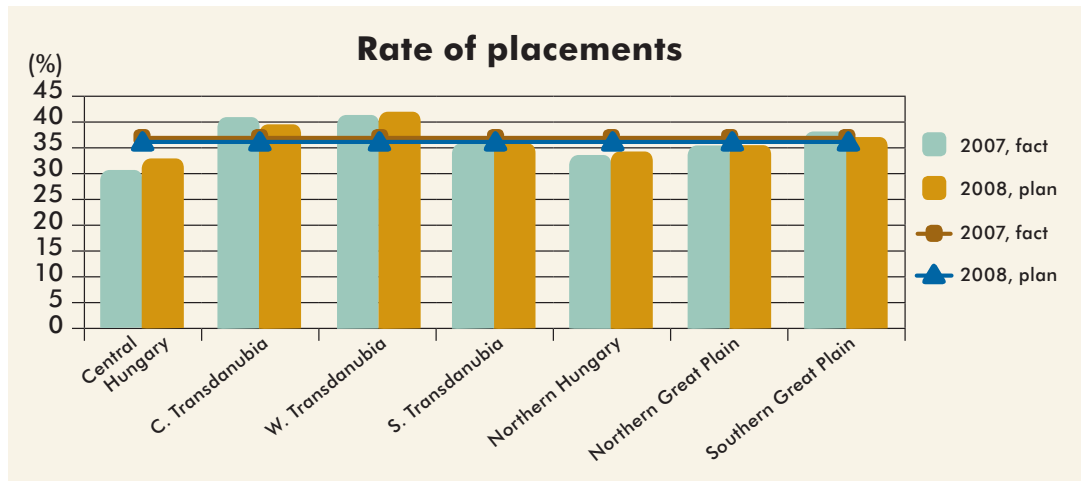
- organisation of various events (e.g. job fairs, career guidance expositions, etc.),
- design and implementation of programmes to improve the employment situation,
- specification of the training needs based on the proposals of the labour market actors, territorial harmonisation of internal training,
- implementation of tasks to promote the social and labour market integration of the Rom,
- design and execution of programmes of the European Union.

Despite the restructuring, there was no jam, not even temporarily, in client service. Although no standardised organisation for the regions has crystallised as yet, this does not hinder the fulfilment of the core functions.

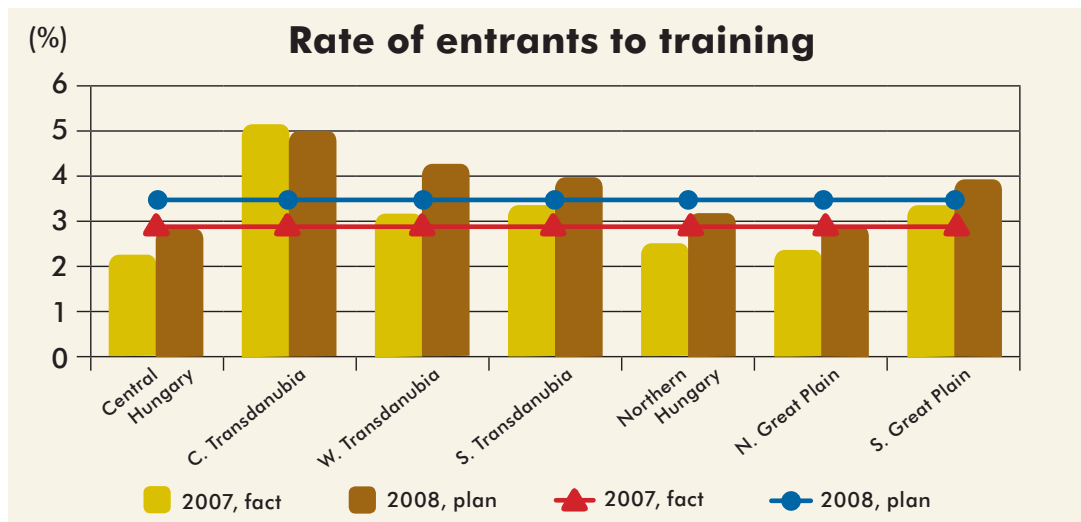
The past period is too short to draw any conclusions concerning the experiences of regional restructuring, but it can already be seen that the number and proportion of persons in managerial/executive positions decreased in the organisation. Cross-county employment movements have become more visible and easier to manage. The functions installed previously by county and not related directly to the clients have become simpler and concentrated at the level of the regions. The advantages of restructuring manifest themselves also in that contact-keeping with the regional organisations has become simpler and more efficient.

Management by objectives

Special attention must be paid in the context of the development of the regional organisation to prevent lest those counties which have not become regional centres should be at a disadvantage.

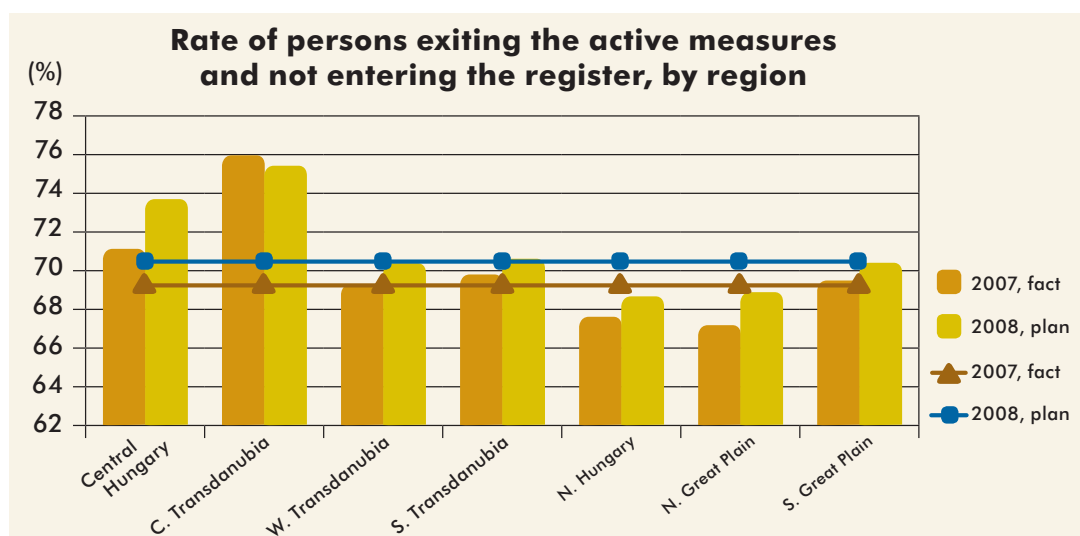


Preparation for the introduction of the system of management by objectives (MBO) started in 2005. It involved the selection of the performance indicators allowing to evaluate the achieve-



ment of the priority targets and the development of an IT system to identify the results on a monthly basis at office, regional and country level. Eight priority indicators were selected for 2007, too, for evaluation on a monthly basis (9 with the satisfaction indices measurable less frequently).

The regional labour centres compiled their labour market plans on the basis of the MBO system, taking into consideration the actual professional results achieved in 2006 and the targets set for 2007. The preparation of the labour market plan was supported by a standardised thematic list, and the specification of target values via an internet-based computerised planning system. In this system, the offices loaded their undertakings expressed in terms of target values of the indicators concerned themselves, and the county, regional and national targets were identified as the resultant of these figures. This was followed by a conciliation phase and then bilateral Co-operation Agreements were concluded regarding targets to be reached in 2007.



We cannot assess the realisation of the agreements in detail here. In summary, a decisive part of the targets has been met, albeit with major differences by indicator and office. The process is illustrated by the following figures.

Policy researches

Given the scope of functions of the Public Employment Service, it uses and commissions many empirical research surveys as part of its operation. Owing to the extended activity area of the employment organisation, these cover, in addition to employment issues in the strict sense, also the topics of social policy, employment rehabilitation, youth policy and social interest reconciliation.

The national organisation plays an important part in the above research activities in two respects; on the one hand, as research organiser and commissioner, on the other as a decisive actor of the labour market providing a unique empirical field for research supported from many other funds. For example, it is currently the co-operating partner and data supplier of the Short-term Hungarian Labour Market Prognosis (HLMP). Hungarian PES also has a Quarterly Labour Market Survey (QLMS) for the co-operative partners of the local offices.

In 2007, the National Employment and Social Office organised empirical research concerning several significant labour issues under the measure entitled Development of the Public Employment Service, the results of which were summed up at a closing conference held in early 2008 and in a volume of research studies published thereafter.

The above research projects concerned three major areas:

- Research on the balance of labour market demand and supply, with demographic forward estimates and a model of the future output performance of the education system.
- Mapping of the macro-economic environment, presentation of OECD best practices and their integration in the long-term Hungarian labour market prognoses.
- Projects aiming at the direct improvement of the professional performance of PES played a part as well, such as the reform of the bases of the monitoring system established in the early 1990s or the specification of the theoretical bases of competency-based mediation demanded by the employers.

In addition to research to lay the basis of the extension of the New Service Model of PES, PES-NESO take part in several other research activities closely linked to their activities.

Research to support the activity of the Economic and Social Council continued as part of the efforts to foster social dialogue. Similarly to the research volume on the fulfilment of the co-operation obligations of regular social aid recipients, the one on the differences in the municipality routines was also prepared in 2007. A methodological aid was prepared to assist with the work of family helpers.

Assistance was provided to upgrade the so-called Employment and Social Policies Databank, including the development of an indicator system based on the EU Labour Force Survey methodology which lays the bases for the comparative analysis of the labour markets of the European Union and of Hungary. In co-operation with the Institute for Social Policy and Labour, PES took part in the research projects implemented under Measure 2.2.2 of the HRD OP and redesigning a uniform labour research datastore. Furthermore, the organisation gave ground to the implementation of the programme “Mobilisation of employers and employees to combat harmful alcohol and drug abuse”.

Furthermore, the research project to extend the opportunities of flexible employment, the expansion of telework and the fulfilment of the expectations of Hungarian employees engaging in work abroad were also included in the list of supported research.

The results of research carried out here are accessible at the following addresses: www.employmentpolicy.hu, www.szmi.hu / labour, <http://www.mmpp.hu>, and www.apk.org and <http://www.mobilitas.hu> websites.

International contacts of PES

In 2007, NESO proceeded with its co-operation agreements concluded with the Lithuanian, Walloon and Romanian employment organisations, and put on a new basis and consolidated its agreement concluded earlier with the Mongolian employment organisation. These agreements served as the framework of mutual expert visits, the presentation of best practices and to the exchange of labour market information. NESO nurtures work contacts developed earlier with several other old and new EU Member States.

NESO took part regularly at the meetings of the General Directors of the Union and the steering committees of several EU workgroups and of WAPES, the World Association of Public Employment Services.

We execute the German–Hungarian guest worker and the Austrian–Hungarian, French–Hungarian and Swiss–Hungarian apprentice training agreements, as well as agreement concluded at an earlier date with the German Bundesagentur für Arbeit concerning the export of seasonal workers.

In the framework of the EURES system, we have managed to have the Slovakian–Hungarian EURES-T crossborder partnership approved by the European Committee.

We have received several delegations, including some ministerial-level ones (Azeri, Singaporean).

Crossborder co-operation continued in the regions along the borders, including the following:

- On the basis of bilateral agreements, several regions organised professional conferences in Hungary and in the neighbouring countries – mainly jointly with the partner employment organisation on the other side of the frontier –, with participants from many other countries. (For example, seminars and conferences were organised by the Southern Great Plain RLC with Serbian and Romanian partners in Újvidék (Novi Sad) in Serbia and Temesvár (Timisoara) in Romania; by the Western Transdanubian RLC with Austrian, Slovenian and Croatian, and by the Northern Hungarian RLC with Slovakian partners on the possibilities of regional co-operation, experience exchange, and methods to improve the employment situation.)
- The regions worked out joint projects and took part jointly in European ones. (For example: Southern Transdanubian RLC – Herbal Network project on collecting and distributing medicinal herbs; Pannonian Tourism project on tourism; and under the Interreg programme, with the Croatians; Western Transdanubian RLC: initiative to create a crossborder employment pact with Slovenian partners on the model of the pact operated successfully for years with the Austrians.)
- In practically every region, bilateral meetings were held, the main topic of which was the possibility of extending co-operation.

- Successful international job fairs were held in several regions within the framework of EURES activities, with the participation of the representatives of the cross-border region as well as of employers from other Member States and EURES advisers; furthermore, regular professional meetings were held with the participation of EURES professionals and/or managers from other countries in Hungary or in one of the neighbouring countries.
- Following Brussels' approval of the Slovakian–Hungarian EURES-T crossborder partnership, in 2007, preparations began to establish a similar Austrian–Hungarian partnership and negotiations were held with our Slovenian partners on the possible extension of the envisaged partnership into a tripartite co-operation forum.

Co-operation with the old Member States of the EU was extended to the level of the regions, too, mainly to adopt best practices and to develop the service. For example, the Southern Transdanubian RLC forged links in the area of rehabilitation with German, Austrian and Italian partners; the Central Hungarian region co-operates with the Vienna region and the Western Transdanubian RLC with the Saxon employment service etc.

The regional labour centres were involved in several international tenders, and in several cases, the relevant activities have already been launched with success, as in the case of the participation of the Southern Great Plain RLC in a Norwegian tender programme and the Leonardo da Vinci Programme.

Several staff members of the regional labour centres took part last year in international professional conferences, primarily in the EU Member States and in Brussels, e.g. under the EQUAL Programme, in connection with the topic of the employability of persons at a disadvantage, with the participation of Dutch, Spanish and Hungarian colleagues in Amsterdam, Bilbao and in Hungary (Southern Transdanubian RLC); on the topic of flexicurity in Brussels; on lifelong learning in Berlin; on career orientation in Ljubljana (Southern Great Plain RLC); at the “New chances – new courses” conference on the employment of the youth in Eisenstadt (Central Transdanubian RLC). We are also member of the EEO- MISEP network (European Employment Observatory–Mutual Information System on Employment Policy); we are taking part in PROGRESS (2007–2008), Lifelong Guidance for jobseekers: development of guidelines to harmonize career guidance and pathway guidance; and we are founding member of ELGPN, the European Lifelong Guidance Policy Network.