

# LABOUR MARKET ATTRIBUTES OF DISABLED PEOPLE IN HUNGARY

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## **Abstract**

Nowadays employment is an evergreen topic in Europe. The North Great Plain Region of Hungary is a typical rural area in Hungary, the unemployment rate is higher in this region as the national average, that's why it is important, to give the possibility of job for the people living in rural areas. This paper focuses on the relationship between the disabled and the labour market in the North Great Plain Region of Hungary. On the basis of the 8/1983. Hungarian Law many kinds of supplies are provided by the State for people living with disabilities. It is very difficult to provide job for these people after their rehabilitation. Statistical figures show that the highest ratio of 'people living with disabilities' can be found in the North Great Plain Region of Hungary (30 per cent of the total number of 'people living with disabilities').

The research focuses on special rehabilitation firms (they are specialised to employ disabled employees) and their employees. Two questionnaires for the above mentioned firms and their employees were created in order to gather information on their activities as well as relationship between the firms and its employees. Altogether 400 employees filled in the questionnaires. The current study shows the results of this survey. It can be stated that this paper shows the relationship between the employment and the types of enterprises, and disabled workers' qualification level, the need for further education. According to the latest trends we analyse the attitude to the rehabilitation of people living with disabilities and how they will be able to work again not only in 'rehabilitation firms'. After summarizing all claims of participants we can make an impression in this area and demonstrate the problems for the labour market generally.

Key words: people living with disabilities, labour market

## **Introduction**

Nowadays the growing rate of economically inactive population is a very big problem in Hungary. Rural development has become more and more important issue in Hungary since rural areas also contribute to the efficiency of the national economy (Kárpáti et al., 2010). There were radical changes in the economy as well as in the labour market in the 1990's. The rate of employment and activity was the lowest in 1996 – 1997, after that in consequence of the economically boom it had been growing for 2000. Between 2000 and 2007 it showed stagnation, except some short temporary growing periods (11).

There are two big groups in the sector pensioners. ‘People living with disabilities’ group can also be found in this sector on the basis of the 8/1983. Eüm/PM Hungarian Law. The aim of the Law is to give the possibility of adequate job based on qualification and state of health after their rehabilitation.

Generally speaking it would be better for the Hungarian economy to employ these people because the number of inactive population could be lower and the state wouldn’t have to provide them supplies. According to the Hungarian Law, if there is not possible to give job for these people, they receive supply from the state (12).

Business financing has a very important role in the private sector (Kárpáti, 2006). The employer has an obligation in all sectors of the national economy to pay rehabilitation contribution the state, if the statistical number of employed persons is more than 20, and if the number of disabled persons less than 5 per cent of the total number of employed persons. Rehabilitation fee could be replaced through employing ‘people living with disabilities’ (13).

Figure 1 shows the activity rate of population aged 15 - 74, in the 7 statistical regions of Hungary.

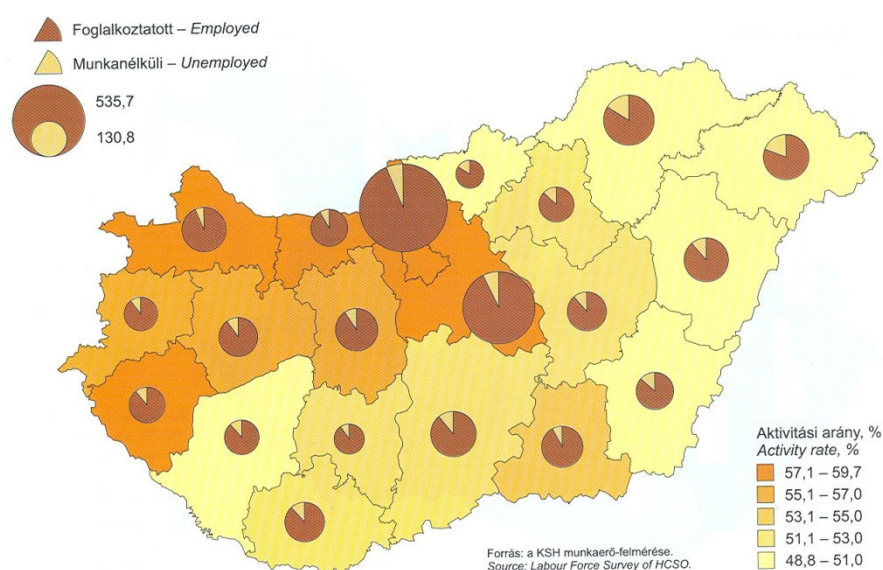


Figure 1: Activity rate of population aged 15-74, distribution of economically active population, 2009

Source: Regional Statistical Yearbook of Hungary, 2009

As it can be seen from Figure 1, the highest activity rate of population can be found in the capital city and surroundings area. The reason for that is that most of the logistics centres as well as headquarters of multi - companies are located in this region. Relatively high activity rate can be found also in the western part of Hungary, especially

in counties located at the Austrian boarder. The lowest activity rate can be found in the South – West and North – East counties of the country. Unfortunately in these counties we can find the highest unemployment rate too. In most cases it is even double higher than the national average.

People living with disabilities have a very special situation at the labour market. Their participation in labour market is very limited (Pfahl et al., 2010). In Hungary – according to the international trends – vocational rehabilitation and workmen's compensation are provided by the state (Kálmán et al., 2002). The disability is no more for one person true but for some activities (Münnich, 2007). The holistically, ecological approach become more and more trend (Pordán, 2007) that circumstances and the abilities of people living with disabilities have to be harmonize (Münnich, 2006). The problem is that these people don't have the right to decision in their job too (Bass, 2008) although they are in the practice stable, precise and capable of hard work (Holló, 2007).

### **Materials and methods**

The aim of this paper is to give a general overview about the labour market attributes in Hungary, focusing on 'people living with disabilities' in the North – Great Plain Region of the country. Characteristics of the group as well as weaknesses of their employment are introduced. In this stage of the research, results have been reached so far are presented.

The research focuses on special rehabilitation firms and their employees (they are specialised to employ disabled employers). Two questionnaires for the above mentioned firms and their employees were created in order to gather information on their activities as well as relationship between the firms and its employees. Altogether 400 employees filled in the first questionnaires. The second questionnaire focused on special rehabilitation firms. The current study shows the results of the survey of the first questionnaire. It can be stated that this paper shows the relationship between the employment and the types of enterprises, and disabled workers' qualification level, the need for further education. According to the latest trends we analyse the attitude to the rehabilitation of these people and how they will be able to work again not only in 'rehabilitation firms'.

### **Results and discussion**

Data processing was performed by SPSS for Windows 15.0. This research focuses on people, they are individual, and so the anonymity of questionnaires is very important (Falus et al., 2008). The definition: people living with disabilities can be divided into two groups, considering that the incapacity is a congenital malformation – this means an infiltration into the labour market with disability – or an impaired health status caused by a medical emergency or an accident – this means the person had worked in the labour market without disability and later he had to cope with the changed situation according to his impaired health. There were 400 respondents and the sample was obtained by using a simple random sampling (Sajtos et al., 2007) from accredited companies (Somodi, 2006). One hundred companies (around 25%) were asked from the

registered 390 companies. The total number of the persons work at these companies is around three thousand, and the sample consists of 400 persons (the sampling rate is around 13 per cent). Tables 2 to 4 present the frequency distribution of the sample by gender, age and qualification.

Table 2: Gender percentage in the sampe

<b>Gender</b>	<b>percentage (%)</b>
Male	34,7
Female	65,3
<b>Total</b>	<b>100,0</b>

*Source:* own research, 2010 - 2011

It can be stated that the representation of women was higher (65,3 per cent) in the sample than the statistical average in the region: about 50 – 50%.

Table 3: Age ratio in the sampe

<b>Age in years</b>	<b>percentage (%)</b>
under 20	4,6
21-30	13,4
31-40	27,6
41-50	49,8
51-60	4,6
<b>Total</b>	<b>100,0</b>

*Source:* own research, 2010 - 2011

Almost half (49,8 per cent) of the respondents is middle-aged (41 - 50 ages), and about one third (27,6 per cent) is between 31 - 40 years old, while 13,4 per cent is between 20 and 30 years old. Below 20 ages and between 51 and 60 ages are the rest with 4,6 – 4,6 per cent.

Table 4: Distribution of the qualification level in the sample

Level of qualification	percentage (%)
Primary	4,6
Elementary	13,4
Intermediate	27,6
College graduate	49,8
<b>Total</b>	<b>100,0</b>

*Source:* own research, 2010 - 2011

Ten per cent of the respondents is college graduated, almost the half has intermediate qualification, while the third finished only elementary school, and the rest finished only primary school.

We conducted different investigations for the two groups of disabled person. The rate of the persons with congenital malformation was 12,08 per cent and we investigate the years spent in work with partial incapacity. It can be stated that these persons have averagely been working since June 1997 (the standard deviation was 8,5 years). This period lasted from the regime change to around the EU membership of Hungary. The other group (persons with impaired health) consists of 57,08 per cent of the total sample. It can be stated that these persons have spent minimum 1 month and maximum 20 years without any work and averagely 4 years and 2 months with a standard deviation of 4 years and 5 months. 27,92 per cent of the respondents have found a job within a month. The start of work can not be determined in 3 per cent of the cases because of the missing data.

We supposed that partial disability for work was considered as „permanently disabled” with a higher ratio in case of those people who had a very serious „health break-down”. In Hungary there are two types of classification systems: the old one is the „reduced capability for work” classification for those who had pensioned off permanently before 2008. The recent one is the „total health break-down” classification, which contains the persons whose status had been revised.

We analysed the relationship between the measure of disability and the per cent of ‘the health break-down’ by Chi-square test. It can be stated that people with a worse health condition were in the ‘permanently disabled status’ with a higher per cent. The ‘reduced capability for work’ classification has four categories: below 40%, 40 to 50%, 50 to 67%, above 67% (Somodi, 2006/b). Only 5,2% of the persons in the ‘permanently disabled status’ belong to the first category, while 31,3% of the permanently disabled persons is in the second category, the majority belongs to the third and fourth category.

In case of the ‘temporary disabled group’ only 35,7 per cent belongs to the third and fourth category.

The Chi-square tests proved the differences in the ratios of the ‘reduced capability for work’ categories between permanently and temporary disabled persons with  $p=0,000$  significance at 5% significance level.

The ‘total health break-down’ classification has more categories (6), such as: below 32 %, 32 to 39% , 39 to 49%, 49 to 79% (can be rehabilitated), 49 to 79% (can not be rehabilitated), above 80%. The permanently and temporary disabled statuses can be clearly separated. 73,8% of the permanently disabled persons are in the last three categories (these represent the most serious health break-down status). In case of the temporary disabled status, 54,4% of the respondents belongs to the first three category which represent the less serious health break-down status (Figure 4). Chi-square tests proved the differences in the ratios between permanently and temporary disabled persons with  $p=0,004$  significance at 5% significance level (Figure 5).

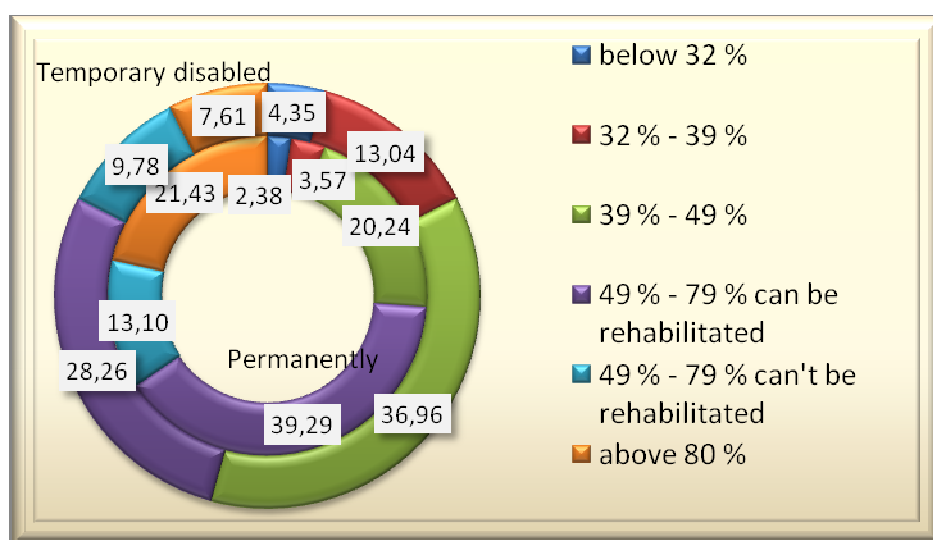


Figure 5: Relationship between the measure of disability and the percent of the health break-down

Source: own research, 2010 - 2011

Relationship between the company types (individual entrepreneur, LLC, etc.) and the amount of wage was evaluated. Reason for that was, that business environment became even more critical after the Hungary's accession to the European Union in 2004 (Kozár et al., 2010). The Kormogorov-Smirnov test denied the normality test with  $p=0,000$  significance, so non-parametric test. As there were more than 2 company types, the Kruskal-Wallis analysis was the most appropriate for analysing the sample. This test proved the differences of the wages among the 5 company types with  $p=0,000$  significance. Results can be seen on Figure 6.

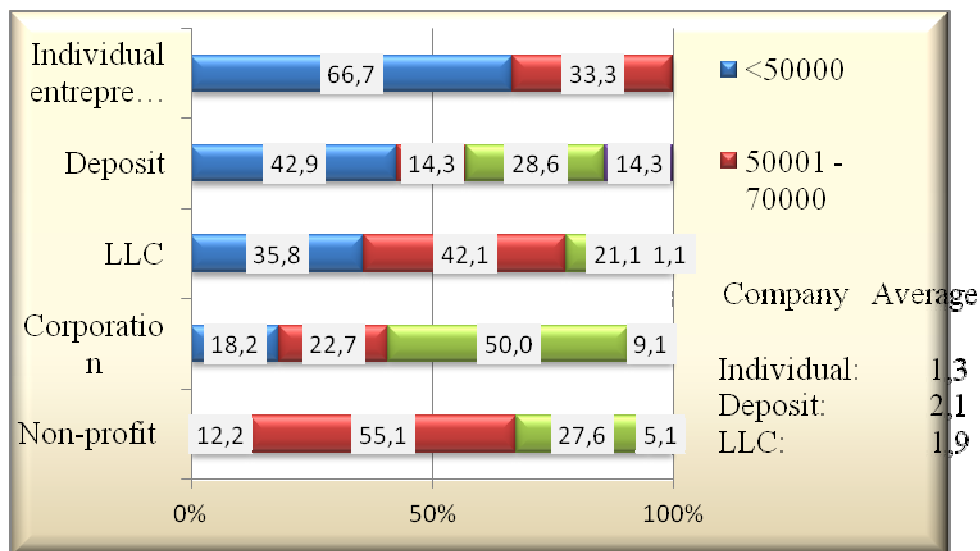


Figure 6: Distribution of the four wage categories (in HUF) among the company types  
Source: own research, 2010 - 2011

A relatively high ratio (57,2%) of persons work for deposit companies and earn the lowest amount (in the first two wage categories). The situation is similar with a bit different ratio for people work for non-profit and LLC. (77,9% for non-profit and 67,3% for LLC.). The situation is a bit more favourable in case of the corporation and non-profit companies compared to the deposit companies as the ratio of the second wage category is relatively higher. Some extremities can be observed in case of the deposit companies, because the ratio of persons in the lowest (42,9%) or in the highest (14,3%) wage category is higher than in case of other types except the individual entrepreneurs. Individual entrepreneurs pay only in the first two wage categories and the two-thirds of their employees are in the lowest wage category. Corporation companies offer the best conditions as half of the respondents who work for these companies belong to the third wage category (Figure 6).

The respondents had to rank some factors according to their importance in working. Safe job was the most frequent with 81,6 per cent. 54,6 per cent marked the accessibility to work place and 36,6 per cent of the respondents mentioned the wage. 35 per cent named the professional progress. The other factors and the possibility of rehabilitation were mentioned only 11,6 per cent and 25 per cent of the cases. Figure 7 shows that the safe job was not only the most frequent, but the most important factor too. The second-leading factor is the wage followed by professional progress.

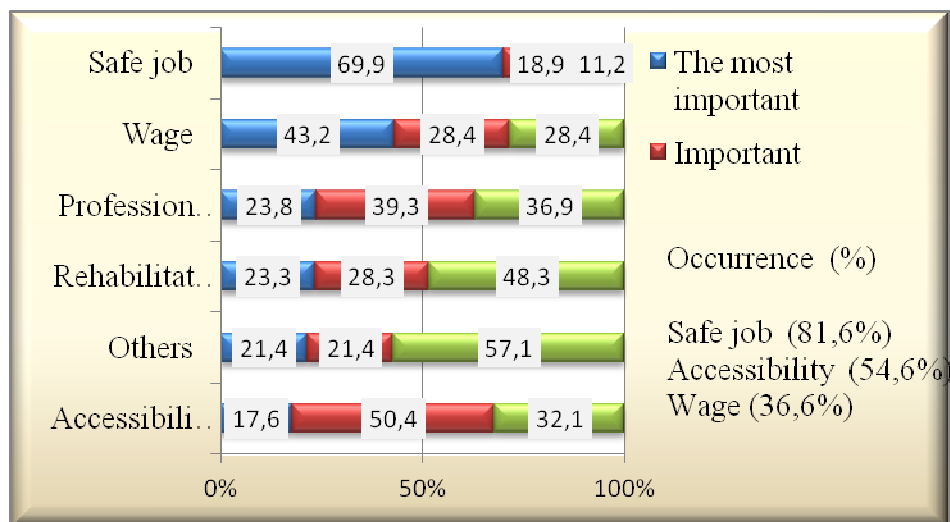


Figure 7: Importance and occurrence of factors related to working

Source: own research, 2011

The job satisfaction was measured on a semantic differential scale, its value ranges from -3 to +3. This factor was proved to be non normal by Kolmogorov-Smirnov normality test ( $p=0,000$ ), so we used the Mann – Whitney probe for analysing the job satisfaction among the two groups of people living with disability for work. There were no significant differences between the two groups regarding the job satisfaction ( $p=0,142$ ). Respondents with congenital malformation gave a 2,3 average for job satisfaction, while the average was 2,5 in the impaired health group. This result is unusual comparing it with the newest 'rehabilitation trends' according to the 10/2006 (II. 16) Hungarian law (Garai, 2008).

### Conclusion, discussion

Analysing the labour market of Hungary it can be stated that the number of unemployed and inactive persons has been increased continuously between 2000 and 2008. Unfortunately this negative trend didn't stop yet. There are some special groups in the Hungarian population, like 'people living with disabilities' whose labour market position even more complicated. Currently different kind of supplies are available for this group, but their position could be effectively improved through their integration into the labour market. Better utilisation of available EU funds to create new jobs and change the thinking of the society could be the way integrating them back into the active employed population.

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