

THE IMPACT OF SOCIO-ECONOMIC FACTORS AND INEQUALITIES ON LABOUR MARKET OPPORTUNITIES

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Abstract: *In both developing and developed countries of the world, including Hungary, there are significant inequalities in both health status and the spatial distribution of the health system. Regional inequalities are a major challenge, as areas and regions that are disadvantaged are less able to develop and the people living there have fewer opportunities for economic advancement and better living conditions. Widely discussed in the literature that socio-economic status has a significant impact on the health status of a society. Economic and territorial disparities can be found within a municipality, a county, a region, a country, or even across Europe. In our study, we examine territorial and social inequalities in Hungary, with a special focus on economic, educational and health inequalities. We wanted to answer the question of how these factors might affect the lifestyle and labour market opportunities of the population. In this study, we use data from various sources and databases to illustrate the socio-economic differences and their effects in different regions. Research shows that the demographic situation, together with the ageing of societies, has a significant impact on countries' social security systems, pension systems and health care. Projections in the more advanced EU Member States show an increase in the proportion of people aged eighty-five and over by 2020. Higher educational attainment enhances an individual's social skills, abilities and capabilities and promotes a healthier lifestyle by managing risks more consciously. Various surveys show that only 50% of high school graduates rate their health as good or particularly good, while for those with tertiary education the figure is close to 75%. There is a direct correlation between income and health status. In poor countries in particular, there is a clear link between income levels and mortality rates. Higher income is often associated with better health. In most EU countries, poor people are much more likely to have poor or extremely poor health.*

Keywords: *regional inequalities; lifestyle; equal opportunities;*

Introduction

In Both developing and developed countries of the world, including Hungary, there are significant inequalities in both health status and the spatial distribution of the health system (Horkai, 2021).

Territorial inequalities are a major challenge, as areas and regions that are disadvantaged find it harder to develop and the people living there have fewer opportunities and chances for economic advancement and better living conditions.

These differences can arise from a variety of causes, including economic structure, the labour market, the education system, employment, industrial investment, other infrastructure and policy choices. This makes the study of regional inequalities an essential and important question of where, when and in what direction inequalities are changing. (Dusek, Lukács & Rác, I. 2014).

Economic and territorial disparities can be found within a municipality, a county, a region, a country, or even across Europe. (Nagy, 2009; Nemes, 2017). Table 1 shows the two poles of the settlement system in the spatial inequality dimension system. The columns of the table

show the dimensions of inequality and the rows the characteristics of the settlement systems. These dimensions help to understand and distinguish the differences between large cities and small villages in terms of territorial disparities.

Table 1: Two poles of the settlement system in the territorial inequality dimension

Inequality dimension	Big city	Tiny village
Location	Central	Peripheral location
Quantities	People	Small
Qualities	Advanced	Retrieved from
Structure	Tagged	Homogeneous
Role	Multifunctional	Lack of functionality
Contacts	Contact	Isolated
Relationships	Managing	Dependent

Source: Nemes N. J. (2017). Spaces, places, regions

The European economic and social space is highly fragmented. Data published by the European Commission (Figure 1) show that there are significant differences in unemployment rates between European countries. The perception of the health status of the low-educated (Figure 2) may also be an important factor in the differences between countries.

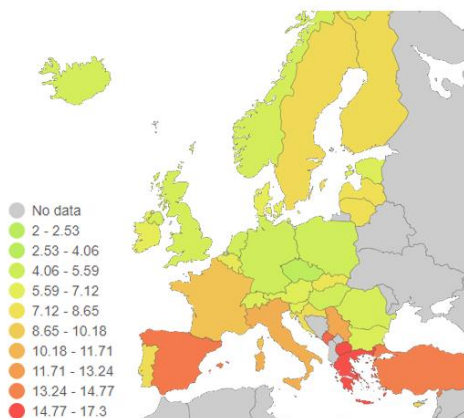


Figure 1: Unemployment rate (15-74 years)
Source : <https://webgate.ec.europa.eu/dyna/echi/>

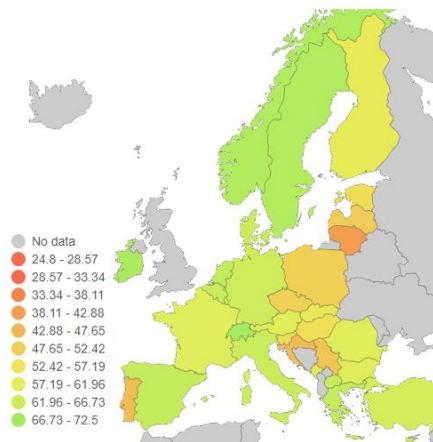


Figure 2: Percentage of people with low educational attainment who rate their health as very good or good
Source : <https://webgate.ec.europa.eu/dyna/echi/>

Table 2 shows life expectancy at birth for the total population with low, medium and high education in the EU average, Hungary and Romania in 2017.

Table 2: Life expectancy at birth by educational attainment

	EU average	Hungary	Romania
Life expectancy at birth - Total population with low educational attainment	76,5	72	72,6
Life expectancy at birth - Total population with secondary education	79	76,3	74,9
Life expectancy at birth - Highly educated total population	81,2	79,1	76,2

Source: <https://webgate.ec.europa.eu/dyna/echi/>

The results show that there is a strong correlation between educational attainment and health status, with the health status of those with low educational attainment generally being worse than that of those with higher attainment, mainly because the higher the level of education and the wider the range of convertible skills, the more options individuals have in shaping their lifestyle.

Territorial health inequalities

The links between health and social well-being are widely studied in the international and national literature. The 1980 Black Report highlighted factors that influence health, such as income, housing, employment, gender and ethnicity. Health and the socio-economic environment are constantly changing, so it is important to monitor changes in health determinants. At the 6th World Conference on Health Promotion in Bangkok in 2005, other factors such as inequalities within and between countries, global environmental change and urbanisation were highlighted (Garaj & Novák, 2020).

Effective population-based interventions that reduce spatial health inequalities are being tried worldwide (Frohlich & Potvin, 2008). Adler and Stewart (2010), in their study on socio-economic status and health, have shown the links between poverty and health and the evidence of the relationship between socio-economic and health. Their results show that improvements in education, income, occupation or wealth are associated with better health outcomes. Spatial disparities in health can be examined between countries, between regions or counties within a country, or even within a municipality/city. In their research, Cutler and Lleras-Muney (2010) investigated possible explanations for the relationship between educational attainment and health behaviour using data from two different countries. The main reason for the differences in health outcomes is differences in health behaviour. Health behaviour is the subject of a number of studies. Their research used data from the National Health Interview Survey (NHIS) database. The results show that more educated people earn more than less educated people, and that these differences in earnings can affect their health. In the surveys, people with lower incomes regularly report that time and money are the main barriers to accessing medical care. Our health is determined by our macro- and micro-environment, the social structure and social sensitivity of our society, as well as our personal relationships and inherited traits. Most research has focused on the relationship between social status and health. The reason for this is that social class provides information about an individual's lifestyle and standard of living, as well as other aspects of their social position in society (education, housing, income, home and work environment) (Garaj & Novák, 2020).

Economic and social differences in Hungary

The most significant territorial disparities in Hungary are between the eastern and western regions. In general, the western parts, especially Budapest and its surroundings, are economically more developed, with higher living standards and better labour market opportunities. In contrast, people living in the East face higher unemployment, lower wages and less developed infrastructure. Within Hungary, the Northern Great Plain region, and within it the Szabolcs-Szatmár-Bereg county, have the worst indicators. Over the last decade and a half, Hungary has also tried to improve the level of development and the income situation of individuals in different regions and counties through a number of programmes and initiatives (Pintér & Dobó, 2023).

Despite territorial disparities and existing centre-periphery differences, the indicators of Hungarian regions have improved in many respects over the past few years (Sági & Engelberth, 2018).

It is widely discussed in the literature that socio-economic status has a significant impact on the health status of a society. This suggests that those living in more favourable socio-economic circumstances are more likely to achieve better health. This is also true from the other perspective, health status also affects the social position of individuals. It can be argued that higher levels of education are often associated with a better quality of life and a healthier lifestyle.

Győri's (2022) results show that there is a close relationship between different dimensions of socioeconomic status and health status in Hungarian society, as previous international research has shown elsewhere. Generally speaking, wealth and highest level of educational attainment alone have a significant influence on lifestyle, and thus on health status. The fact that people with a better socio-economic situation and higher education levels are less likely to suffer from long-lasting diseases confirms the importance of human capital's pursuit of healthy lifestyles.

The first of the economic indicators that radically influence lifestyle is the unemployment rate, which varies significantly between regions. The central and western regions have lower unemployment rates, while the eastern regions have higher rates. As shown in Figure 3, the Northern Plain region has had the highest employment rates in all years since 2013, i.e. the worst employment rate.

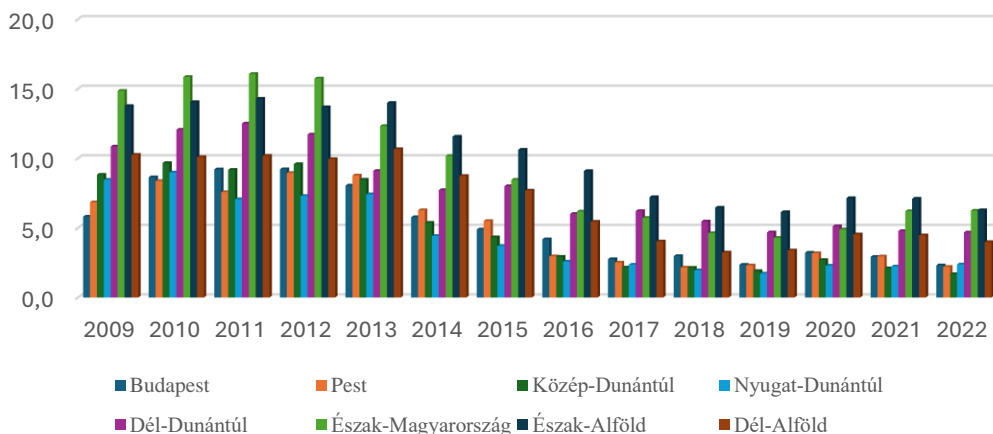


Figure 3: Unemployment rate by region
Source: Labour Force Survey, KSH

Looking further at the data (Figure 4), we can see that there are significant differences in unemployment rates within the Northern Great Plain region and, as a result, a stagnation in the regions' unemployment rates. It can be said that the county of Szabolcs-Szatmár-Bereg has consistently had the highest unemployment rate.

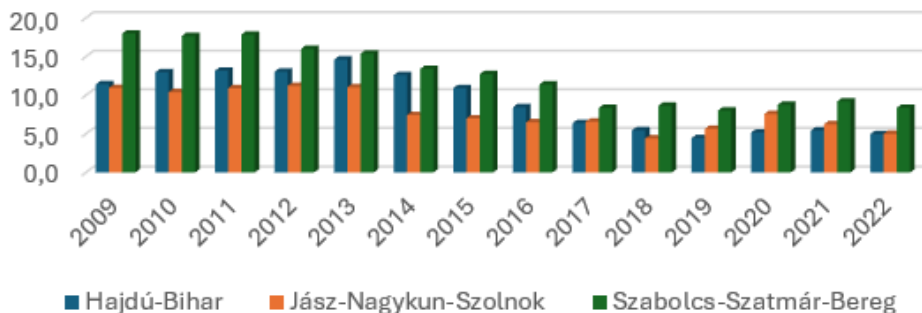


Figure 4: Unemployment rate in the Northern Great Plain region
Source: Labour Force Survey, KSH

Education is another important determinant of territorial development, so it is also worth monitoring inequality trends here (János et al. 2018). The education level of the population is linked to a number of demographic and health factors, which causes significant inequalities between social and territorial groups, which are marked in some regions (Graetz et al., 2018). Research shows that levels of educational attainment are closely linked to the economic growth, competitiveness and productivity performance of countries and regions, as well as to regional disparities (Krueger–Lindahl, 2001; Sahlberg, 2006; Czaller, 2016). Data from Hungary show that although education indicators show a reduction in inequalities (János et al. 2018; Sánta, 2015), inequalities are still significant. The KSH data on school enrolment show that there are significant differences between the national average and the school enrolment indicators of Szabolcs-Szatmár-Bereg county, which justify and predict the disadvantaged situation. In Szabolcs county, the number of women and men with both school-leaving qualifications and higher education is lower than the national average. These differences in educational attainment can play an important role not only in the economic opportunities and social development of the regions concerned, but also in the personal lives of the people concerned. Beyond the issue of educational inequalities, the spatial distribution of disadvantaged pupils is an important issue. The study of disadvantaged children is a priority area in both education and health (Kovács & Mercz-Madarassy, 2022). According to the pedagogical approach, socio-culturally disadvantaged refers to "the economic, social and cultural conditions that place a certain proportion of pupils in a disadvantaged position in relation to the majority in terms of progress at school" (Fejes, 2006). A number of reasons and circumstances are used to classify a region, a community or an individual as disadvantaged. The causes of disadvantage include parental education and existential security, family stability, number of dependants, minority ethnicity and differences in residence (Páskunné, 2010), the extent of which and the means to address them are defined by legislation.

Demographic data

Statistical data from recent years show that life expectancy at birth is increasing in developed countries, including Hungary (Figure 5), and the number of older people in the population is also increasing. This suggests that we are part of a society whose age structure is increasingly shifting towards older age groups. Social ageing, which is the increase in the proportion of older people in the population and the decrease in the proportion of younger people in the population, is a generally prominent demographic phenomenon in developing countries in the 21st century. The recent demographic literature draws attention to the fact that traditional demographic indicators are limited and do not adequately reflect the extent and dynamics of ageing and its social and economic consequences. Traditional calculations do not take sufficient account of improvements in mortality and health; the relationship

between age and employment; or changes in the age structure of income generation and consumption, all of which influence the consequences of ageing (Vargha, 2015). This demographic trend has also created a number of challenges in Hungary, particularly in the functioning of health and social care systems. The growing number of older people means an increased burden and need for development. This is true for health services, in particular for the treatment of age-related diseases and long-term care, which requires on the one hand the expansion of the capacity of health and social care systems and the adaptation of policies to the needs of an ageing population. In addition, population ageing poses challenges for labour markets and economic sustainability as the working-age population declines.

Characteristics of the health status of the Hungarian population

The European Core Health Indicators database provides the results of population health surveys, providing relevant and comparable information on health at European level. An analysis of the survey indicators shows where we rank in terms of regional health inequalities in Europe.

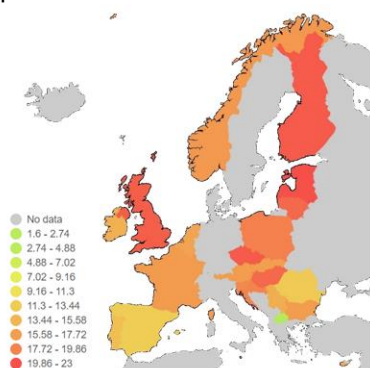


Figure 5: Proportion of adults (18+) with secondary education who are obese, i.e. have a body mass index (BMI) ≥ 30 kg/m²

Source :

<https://webgate.ec.europa.eu/dyna/echi/?indlist=52>

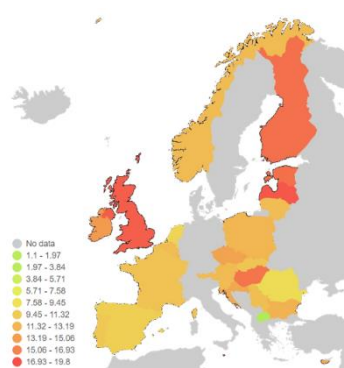


Figure 6: Proportion of adults with a high level of education (18+) who are obese, i.e. have a body mass index (BMI) ≥ 30 kg/m²

Source :

<https://webgate.ec.europa.eu/dyna/echi/?indlist=52>

The health of the population is influenced by several factors. According to the WHO, health determinants are the set of personal, social, economic and environmental factors that influence the expected healthy life expectancy of individuals and populations. The determinants of health are multiple and interrelated (Vitrai & Borenszki-Gutási, 2022). The health status of the Hungarian population is nowadays rather poor by international standards, even though the statistics of recent years show some encouraging changes. It is clear that the health status of the population is below the level that would be possible given our general level of social and economic development. This is due to a number of historical, social, economic and cultural factors, but is directly and decisively linked to the lifestyle of the population.

The growing range of diseases is a cross-cutting problem for society as a whole. Lifestyle, habits, harmful addictions, etc. play a major role in their development, which is why prevention is very important, not only as a health issue but also as a social issue.

Garaj and Novák (2020) summarise the main determinants of health policy as life expectancy, education, employment and income.

In their study, Varga and Karner (2008:25) summarised the challenges that a person's health status can pose in different areas of life and how it affects other people.

1. **Effect of illness on the sick individual:** when sick, the individual's quality of life deteriorates and he/she cannot perform his/her job as efficiently.
2. **Impact of illness on the patient's environment:**
 - **Impact on the family:** the family may be seriously challenged by a significant reduction or even loss of income due to the illness, especially if the patient is the breadwinner. In addition, family members often have to mobilise considerable financial resources to recover.
 - **Impact on the workplace:** caring for the patient takes time and energy away from their working hours. This also reduces their income. For the employer, the lack of staff will lead to a loss of productivity, which is likely to contribute to increased costs.
 - **Impact on the State:** for the State, the patient is no longer a potential contributor and taxpayer, but rather a care recipient, a social cost.

In the following, we can highlight research findings that have explored the subjective perception of the individuals' own health status, but still examined the social impact. Previous research has found a positive correlation between income and subjective well-being. Research suggests that supporting those in lower socio-economic positions can improve subjective well-being (Kraft & Brage Kraft, 2023).

The study of subjective well-being as a task has become a current topic in social research, aiming to provide a subjective assessment of an individual's own health status and a subjective evaluation of their own physical, mental and social well-being based on personal experiences, values and lifestyle factors.

In the European Health Interview Survey, the definition of perceived health status is based on individuals' self-assessment. This means that people assess their own health status, taking into account how they perceive their own health. This perception is not closely linked to medically confirmed diagnoses; rather, it depends on the social, economic and cultural situation of individuals. Although it is not closely linked to actual medical diagnoses, it is an accepted and regularly used method in international practice to assess the health status of the population (Jávorné, R. Fedor, Madácsi 2014).

A survey conducted by the Hungarian Central Statistical Office (KSH) between 2010 and 2021 examined how people aged 16 and over rate their own health. The results of the survey show that the proportion of individuals who consider themselves to be in good or very good health in Hungary has increased over the period.

In 2010, 59% of men and 51% of women surveyed considered themselves to be in good or very good health. In 2021, 68% of men and 62% of women rated their health as positive, i.e. good or very good. It can be seen that Hungarian society is becoming increasingly satisfied with the state of health of individuals.

In another approach, the data also suggest that the mental state and mental health of individuals is a motivating force for carrying out everyday tasks and managing stress, which interacts with healthy lifestyles and the success of changes undertaken to maintain health. Preventive programmes for health promotion have become increasingly accepted, with health tourism offering both recreation, a family/friendship programme and medically supervised medical treatment that offers a range of fitness and activity activities from prevention to recreation that older people can regularly take part in.

Summary

Research on social and territorial inequalities is proving to be a rather complex task, despite the fact that a number of international and national studies and databases have been carried out. Nowadays, crises and strategies are being developed at global and national level, which obviously have an impact on the life of smaller communities and regions. In this paper, we analyse the relationship between lifestyles and labour market opportunities, analysing national and regional contexts, and pointing out the links between several areas that have

evolved over generations and determine the life chances, problems and opportunities of the population of a region. In Hungary today, improving health, and thus the quality of life of society, is a declared state objective, and since the fall of communism, a number of reforms have sought to improve the conditions of access to health care. (Uzzolli, 2020)

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