

**Theses of Doctoral Dissertation (PhD)**

**STATUS OF EMPLOYMENT AMONG YOUTH LIVING IN DERECSKE  
DISTRICT**

**ANALYSIS OF THE NEW PHENOMENA OF THE PRECARIAT**

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2017

## **1. Thesis topic and justification**

The analysis of the labour market situation and opportunities of youth is of particular importance in both a national and international context, as well as the monitoring of employment and unemployment trends related to these issues.

Hungary is characterized by a territorial fragmentation, which affects the opportunity of employment and of successful performance on the labour market. The core-periphery conceptual pair cannot only be interpreted with regards to larger areas, but in a more narrow scope, in the subregional context as well. The development of the local core-periphery became more prominent during the regime change (*Nemes Nagy 1998, 2009; Péntzes 2014*). The subregional, municipal, and urban development levels can differ substantially from the average of the larger regions, therefore it is important to concentrate on the local, smaller areas as well, both from the standpoint of the analysis and of convergence (*Baranyi, 2013; Péntzes, 2014*).

Parallel to the labour market processes becoming more and more unfavourable, the situation of youth has deteriorated as well, which has assumed such proportions that multifaceted action is needed (*Gere, 2001; KSH, 2005, 2007, 2011; Csoba, 2010*). In an international context, the employment of the youth age group in Hungary is far behind the European Union average (*Berde-Petró, 2000; KSH, 2005, 2007, 2011, 2014; Artner 2013; Matheika, 2013; Szanyi F. 2013*), we have been witnessing the rise of the unemployment rate of youth since 2005 (*Matheika, 2013; Szepesi, 2013*). The structure and operation of the labour market has changed fundamentally since the regime change in Hungary, the reasons of which, among others, are the economic crisis, the structural and efficiency issues, the technological gap and lack of capital in the field of technology, and the development of new market conditions (*Laki, 2002; Szepesi, 2013; KSH, 2011, 2014*).

We can observe an uncertainty which increasingly affects the younger age groups, and the phenomenon of the precariat is also spreading among youth. Assessing these issues helps in deepening our understanding of the employment chances and opportunities of youth (*Castel 1998; Szépe 2012; Standing 2012; Artner, 2013*).

The labour market position of youth is determined by their social status, and one of the most influential factors in the background of social status is the level of education. The professional competence of young people is of particular importance,

both from an economic and a social standpoint. Moreover, it is important to adjust the knowledge they gained through their education to the market demands (KSH, 2011). The knowledge-based economy contributes to the increase of competitiveness, one condition of which is the general increase of the level of education. We can state that the level of education is one of the factors with the greatest impact on successful employment (Fazekas, 1997; Berde-Petró, 2000; Falusné, 2001; Laky, 2005; KSH, 2011; Csoba-Diebel, 2011).

Opportunities on the labour market show a much more favourable picture for those young people who hold a college or university degree, nevertheless, they cannot avoid possible periods of unemployment either (Róbert, 2004; Gázsó, 2012; Szepesi, 2013).

With the rapid changes of the labour market, the role and presence of competencies is getting stronger as well. Nowadays, for certain positions, qualifications are not sufficient, employers expect employees to possess different skills as well (Selmeczy 2005; Berde et al 2006; Comission 2008).

On a subregional and municipal level, the differences of the data related to unemployment and employment have become apparent, and regional differences also increased throughout the years (Laki, 2002; Ifjúság2000; Laky, 2005). In the case of disadvantaged regions like the Northern Great Plain region, which includes the Derecske district as well, the analysis of the employment situation and the opportunities of youth has an even more pronounced role.

## **2. Research goals**

In today's post-industrial society, there is an increasing emphasis on higher levels of education, and at the same time, on successful labour market performance as well.

In the dissertation, after analyzing the literature, we undertook to explore and analyze the labour market situation and the opportunities of youth living in Derecske district along the regional dimension and the phenomenon of the precariat. The regional unit in this instance is Derecske district, and within the district, five municipalities (Derecske, Hosszúpályi, Sáránd, Konyár and Tépe). Youth living in this regional unit form the population of the empirical analysis. The data of the research, based on which we examine our hypotheses, derives from the questionnaire survey in the project „*Rural Youth jobs*” *Facilitating the Integration of Rural Youth on the Labour Market of Bihor*

– *Hajdú-Bihar Euro-Region* HURO/1001/081/2.3.2. With the help of the analysis, we can form a picture of the labour market situation prevailing in the region and of the opportunities and obstacles that youth face.

The effects of regional inequality can be detected in the researched area, therefore, based on the responses of youth, the dissertation undertakes to examine the differences between larger and smaller municipalities, with regards to employment and opportunities. The core-periphery conceptual pair can be applied to a smaller geographic area as well, which helps us concentrate on the local inequalities and their solutions. In the dissertation, we aim to analyze within the borders of the district if the effect of the core can be discovered and detected between the center of the district, Derecske, and the other smaller municipalities; does the center have an effect on the situation and employment prospects of youth, and if so, along which dimensions. The national settlement structure has a strong influence on the level of education (*Gazsó, 1999*), thus the core-periphery effect will be analyzed with regards to the level of education as well.

Taking into account the data acquired from the questionnaires, we analyze the socio-demographic background and the level of education of the respondents, moreover, we analyze the responses of youth with the highest levels of education separately. The dissertation answers the question of how the possibilities available for youth with college or university degrees differ from the prospects of those with lower levels of education, keeping in mind that the district is in the catchment area of Debrecen, and thus, the University of Debrecen as well.

The concept of the precariat is more and more common in Hungary as well, which affects the younger age groups to the greatest extent. Among the youth living in the area of the research, we undertook to detect the precariat, which contributes greatly to the interpretation and understanding of today's labour market conditions.

Ultimately, we attempt to establish labour market cluster groups among youth living in this area, which helps us learn more about how young employees appear on the labour market and what their practices are in terms of employment.

### **3. Hypotheses**

Based on the literature and the results of our research, we formulated the following hypotheses:

1. The territorial inequality and the core-periphery relationship can be interpreted and can be detected within a narrower territorial framework as well. According to our hypothesis, Derecske, as the centre of the district and also its largest municipality, emerges as a centre from the smaller municipalities around it, and thus creates a better situation and better opportunities for youth in this area with regards to successful employment.
  
2. According to our hypothesis, the existence of the precariat can be detected among those young people who work, based on the collected data. The precariat is more and more prevalent among youth and a higher number of its characteristics are present, such as project based employment, fixed-term employment contracts, and uncertain living and employment status.
  
3. The level of education has a significant effect on the employment opportunities of youth. According to our assumptions, the situation of youth with higher levels of education is increasingly more positive, they have better chances and possibilities than those with lower qualifications, and this is reflected in their subjective opinions about their employment opportunities. Besides the level of education, competencies are also much needed for successful employment. Those who possess higher qualifications are more aware that their skills greatly contribute to their success.
  
4. The size of the municipalities has an effect on the level of education: the bigger the municipality, the higher the average level of education of the population.
  
5. According to our hypothesis, among those young people who worked during the empirical research, a classification can be detected based on their employment status.

#### **4. Theoretical background, research methods, and main research outcomes**

To lay the foundation for the results of our research, we reviewed the interpretation and historical development of the core-periphery conceptual pair and its interpretation in the case of a more narrow territorial scope (*Nemes Nagy 1998, 2009; Péntzes 2014*). The relevant subregional and municipal levels differ significantly from the average of the larger regions, therefore it is worthwhile to analyze the smaller regional units as well (*Baranyi, 2013; Péntzes, 2014*). With regards to subregions, the territorial scope of the dissertation is limited to the Derecske-Létavértes subregion, and from 2013 onwards, to the Derecske district. Among the 2007 beneficiaries of the regional development activities, the Derecske-Létavértes subregion belonged to the most disadvantaged regions, however, based on compound calculations, it was not necessary to introduce complex development programs in the area. Based on the regional development assessment which was created for the 2014 subregional division (test assessment), the subregion also belonged among subregions in need of development (*Péntzes, 2014*). It can be established that the assessed region belongs among disadvantaged regions that need development, and possesses the characteristics of the aforementioned group, such as high unemployment rate, low employment rate, low level of education and the great role of agriculture. These factors have a great effect on the employment chances of youth and their participation in the labour market.

In the case of youth, we examined the interpretability of the notion of the precariat as well, based on which we can state that this concept can be used in the theoretical framework during the assessment of the changes and difficulties related to the employment of youth. The existence without predictability or security stemming from the concept of the precariat is quite complex, since it aggregates the lack of predictability and security from different fields of life into one system. After the nineties, the uncertainty of employment became a vast problem, which is present nowadays as well. Based on this, we can state that a precariat exists in Hungary as well (*Conversation with Zsuzsa Ferge, 2012*).

Young people make up for a large part of the European precariat, therefore the changes that bring forth the notion of the precariat strike them to a greater extent: a higher percentage of youth is employed with fixed-term contracts, or for part-time or trainee positions, which we can view as types of employment typical for the precariat

(Artner, 2013).

We assessed the situation of youth and their position on the labour market in light of the analysis of the international and national processes. We have concluded that youth unemployment and their employment difficulties are not new issues (Laki, 2002; Gazsi-Laki, 2004), and when assessing the domestic conditions in an international context, the unfavourable situation of youth living in Hungary is even more conspicuous (Berde-Petró, 2000; KSH, 2005, 2007, 2011, 2015; Artner 2013; Matheika, 2013; Szanyi F. 2013). Based on the data of Eurostat, in the years before 2005, the unemployment rate of youth between ages 15-24 in Hungary has proven to be lower than the average of the EU-27, however, this tendency reversed after 2005 and the data started to rise (Matheika, 2013; Szepesi, 2013).

In a regional context, there were discrepancies in the nineties, which remain unchanged: the capital and the Western regions have been less affected by unemployment, in contrast to the more peripheral Eastern, Northern and Southern territories, which have been lagging behind, and where unemployment persisted and became permanent (Laki, 2002).

We analyzed the importance of education as well. School is a factor in the life of youth which has a great impact on their labour market participation as well. The highest level of education fundamentally determines the employment opportunities of an individual at the beginning of their career. The level of education has a strong influence on the income prospects of employees later on as well.

Regional differences can be found with regards to the level of education as well, and the different types of settlements influence the level of education of youth. Among youth working in the capital and the towns with county rights, a higher proportion has graduated from high school or hold a college or university degree than those who have completed vocational secondary school studies or vocational training. The ratio of those who have only completed primary school is even lower. These ratios are completely different in villages: nearly half of young people have not graduated from high school (Laki, 2012).

We also assessed the prominent role of competencies with regards to successful employment. Youth participating in the education system are endowed with various skills and abilities, with the help of which they can be more successful on the labour

market. Education has a key role in teaching these skills, since the ones in question cannot necessarily be learnt through family socialization processes. There is an increasing demand for youth not only possessing skills related to their professions, but for them to be outstanding beyond these given skills. Therefore, it is necessary to put more and more emphasis on development, and on these skills matching the demands of the labour market (Comission, 2008).

Beyond the analysis of the relevant literature, we undertook to analyze the employment situation, opportunities, and opinion of youth living in both Derecske district and the five municipalities within the district that form a part of our research. The research of the Department of Sociology and Social Policy at the University of Debrecen, which was realized in close cooperation with the University of Nagyvárad, provided the framework for the empirical study. Data collection was carried out under the „Rural Youth Jobs” *Facilitating the Integration of Rural Youth on the Labour Market of Bihar – Hajdú-Bihar Euro-Region* HURO/1001/081/2.3.2 project in 2012, in the then Derecske-Létavértes subregion. The research is fundamentally quantitative, during which we employed surveys in the selected municipalities. We used a 10% stratified sampling method in the five municipalities included in the research (Derecske, Hosszúpályi, Sáránd, Konyár and Tépe) (Figure 1.). Youth between ages 16-35 formed the base population of our research, of whom a total of 501 persons were interviewed.

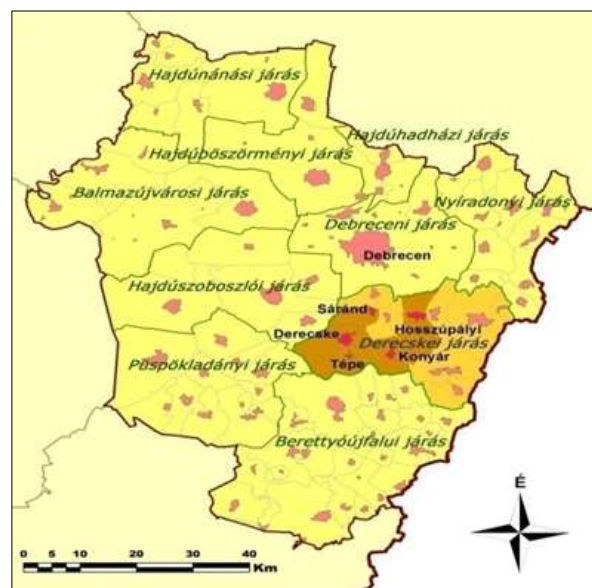


Figure 1. The map of Derecske district  
Source: own editing

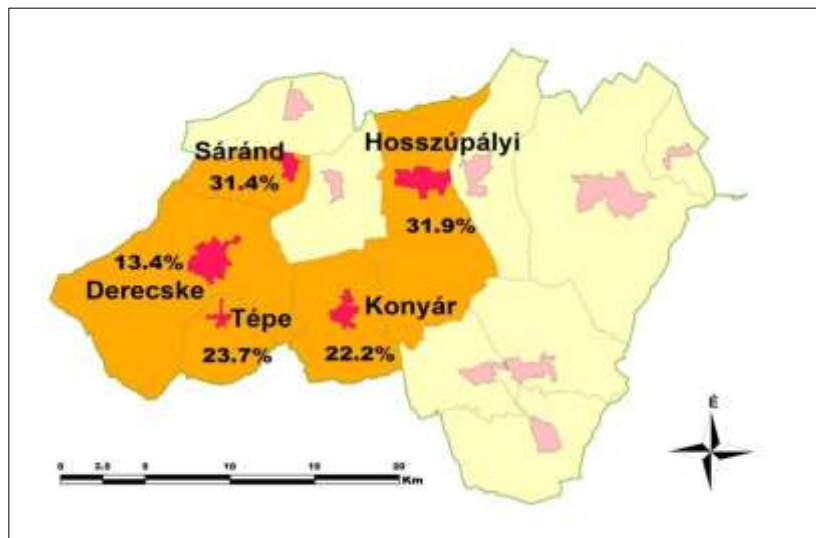
During the assembly of the survey, more sets of questions were included, however, this dissertation only includes the analysis of the topics related to the labour market, which are the following:

- Exploring the labour market and the arising opportunities, which show the state of the region in general (closer and further job opportunities; according to the level of education of the respondents, what type of possibilities and jobs can be found locally and in a broader territorial context; competencies beyond qualifications, which are indispensable for successful employment; relationships, including the effect and influence of personal relationships).
- The main issues after finishing school and before starting the first job, namely in the period of transition show the phenomenon and the characteristics of the unemployment of new entrants to the labour market (the role of school in preparing youth for the job market, with an emphasis on competencies; the period of transition, namely the characteristics of the period between finishing school and starting the first job).
- Issues related to job search (forms and opportunities of seeking employment; forms of gathering information).
- Exploring the characteristics of current jobs (examining the type and characteristics of the work carried out at the time of the survey) (*Project working paper, 2012*).

With regards to the level of education, for youth over 18 years of age participating in the research, we can state that the ratio of those who have graduated from high school is high (60.5%). Compared to the national average and the county data, the ratio of youth holding a university or college degree is somewhat lower, it is only 8.6%. We found a significant difference between the level of education and the residence of youth participating in the research concerning Derecske district. The ratio of those who have only finished 8 years of primary school or less is quite high in the cases of Hosszúpályi and Konyár, and the ratio of skilled workers in Sáránd is very high. The ratio of high school graduation is outstanding in Derecske, while in Tépe, high school graduation

(including high schools and vocational schools) is overrepresented. The number of those who have participated in higher education is greater in Derecske and Sáránd, while in the other three municipalities, their ratio is below the statistically expected value. This shows a correlation with the central role and the core effect of Derecske.

At the time of the interviews, 29% of young people were employed in a way that can be considered official. A higher proportion was employed at microenterprises (14%), small enterprises (19.6%), medium-sized enterprises (16.1%); and at institutions run by the local government or the state (12.6%). In the industry sector, the ratio of young people working in agriculture is high (18.6%), followed by the food industry and trade (9% and 8.3% respectively, which is half of the ratio working in agriculture). The number of those working in agriculture is high in the context of the county and the Northern Great Plain region as well. The proportion of unemployed youth is 21.4% within the sample, which is more than a fifth of the sample. In a municipal distribution, the map below (Figure 2.) illustrates this well: we measured the highest proportion of unemployment in the municipalities of Sáránd and Hosszúpályi, while we can find the most favourable situation in Derecske.



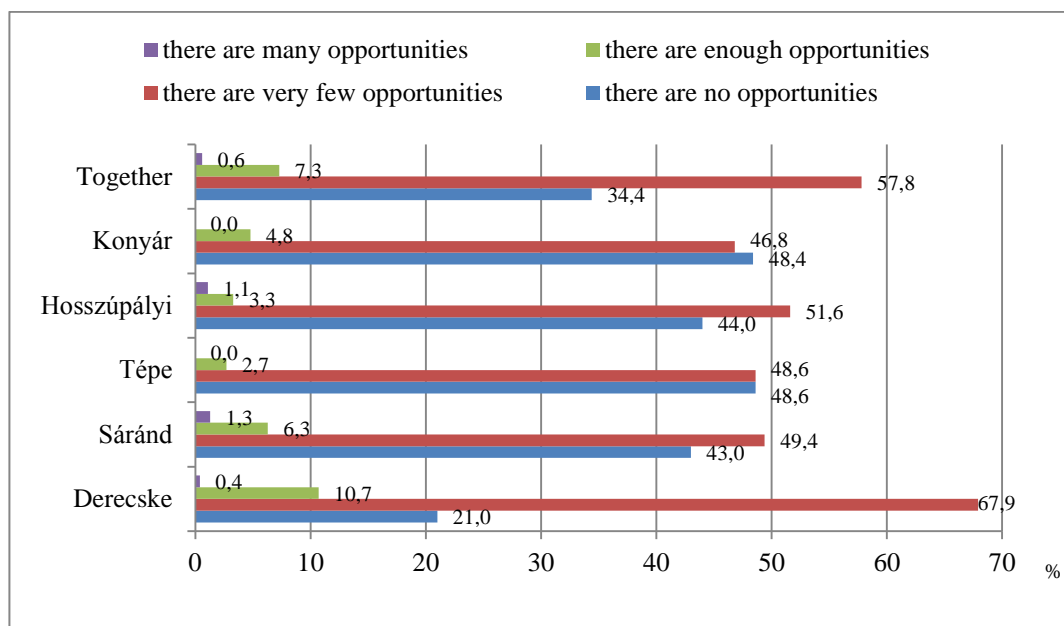
**Figure 2. The ratio of unemployment (%) in the case of the municipalities involved in the research**

Source: own editing

For those without employment, the level of education at the time of the survey was as follows: 35% have finished 8 years of primary school or less, 16.5% have received vocational training, 6.8% have finished a specialized school, 17.5%, have finished

vocational secondary school, 8.7% have graduated from high school, and 6.8% have participated in higher education. These ratios show that a higher percentage of unemployed youth in the region have lower levels of education compared to the whole group of respondents. However, compared to the whole group, a lower percentage of unemployed youth have graduated from high school or have acquired higher qualifications. Based on this correlation we can conclude that those with a lower level of education make up for a higher proportion of the unemployed than their counterparts who have finished higher education.

The existence of jobs and the search for them is one of the cornerstones of successful performance on the labour market. Based on the answers of youth, in the area, there are not many employment opportunities (*Figure 3.*). The smaller the municipality, the bigger the frustration of youth living there and the less favourable they find their conditions.



**Figure 3: The situation of employment opportunities with regards to the five municipalities (%)**

Source: own editing

The residents are not optimistic with regards to the time of employment either. According to their opinion, it is almost impossible to find legal employment in their municipality within a short amount of time. They believe that the further young people go geographically, the less time it takes for them to find employment.

The ratio of young people holding a college or university degree in the survey is

8.6%. In the polled municipalities, the degree-holders show a significant difference compared to their counterparts with lower levels of education with regards to employment opportunities in the area. The degree-holders see their employment opportunities as more favorable than those with lower levels of education. Nevertheless, they also believe that they have few opportunities in the region, without considering their situation as hopeless as the other group does.

A high proportion of those who have qualifications from higher education received them from the University of Debrecen or are studying there currently, which shows how attractive the university is and that it is a stepping stone for youth in the area.

During the assessment of competencies, dealing with people and problem solving skills are the most important skills according to the respondents, which are indispensable for one's daily work. It is surprising however, that speaking a foreign language received the lowest score, thus this is the competency which is the least needed, according to the respondents. In light of the level of education, those holding a higher education degree consider problem solving skills to be more important for success on the labour market than those who have lower levels of education. The importance of being interested in new scientific findings, of creativity and of professionalism also increases with the level of education ( $\text{Sig} \leq 0,05$ ). Speaking foreign languages is clearly an important competency among respondents with higher levels of education, the possession of which is an advantage on the labour market and one of the keys to success.

In the case of the respondents' first jobs, the difference between the legality and the level of education is significant. We can state that the lower the level of education of youth participating in the research, the bigger the probability that their first employment was not legal, while the first official employment of almost all of the degree-holders' was legal.

The relevant literature states that people with lower levels of education are much more affected by unemployment than those with higher levels of education, and this statement seems to be true for youth as well. An exception to this rule is youth who have qualifications from vocational secondary schools, as among them, the ratio of unemployment is particularly high.

Derecske is outstanding from the point of view of subjective evaluation of

employment as well. We can clearly conclude from the labour market situation that Derecske has a central role. Its central role has a great impact on how youth subjectively evaluate the time it takes for them to find employment. According to the responses of Derecske's youth, they could find legal employment much faster, in a shorter amount of time at their place of residence. However, this type of central effect can only be felt for employment at the residence of the respondents, in other municipalities or abroad, the urban status of Derecske has no effect. We can sense a weak link in the case of illegal employment, according to which the youth of Derecske, the city with a central role, can find illegal employment much faster than the youth of other municipalities.

During the assessment of the level of education, we can see the centralization of Derecske among the respondents with higher qualifications. A significant difference is apparent for the level of education of youth interviewed in Derecske, which was much higher than the level of education in the four other municipalities participating in the empirical research ( $\text{Sig} \leq 0,05$ ). Derecske shows a significantly higher ratio of youth who have graduated from high school or who have higher education degrees, while the level of education of youth living in smaller municipalities can be considered low. The central effect clearly prevails in the labour market, in the cases of job opportunities, the time it takes to find employment and the level of schooling. However, this effect is lost as soon as we examine the subjective factors that affect the personal lives of youth.

During the assessment of the precariat, we found significant differences between the municipalities. In the municipality of Derecske, a smaller proportion of the precariat is employed with fixed-term contracts, therefore those who live in smaller municipalities (Hosszúpályi and Konyár), have a higher chance of belonging to our concept of the precariat (which includes the possession of fixed-term contracts). However, in the smallest municipality, Tépe, fixed-term employment contracts are not typical. The level of education of parents can also be considered an influencing factor ( $\text{Sig} \leq 0,05$ ). The statement the lower the level of education of parents, the bigger the chance that the child will have a fixed-term employment contract is true in the case of both parents. With regards to the level of education, we did not find a correlation with fixed-term and permanent employment contracts, therefore the precariat can affect all of youth, regardless of their level of education. A higher proportion of youth with fixed-term employment contracts reported that they have financial difficulties compared to

those with permanent employment contracts, which shows the increase of uncertainty and in particular, financial insecurity.

Among youth who were employed at the time of the survey, we created cluster groups on the labour market (N=142) with the help of cluster analysis (N=120). The three questions which were included in the cluster analysis are the following:

- What type of organization or institution is your employer?
- What is your profession, your job role?
- Is your employment contract fixed-term or permanent?

Along these questions, four groups were created:

### ***Group A - State and nonprofit employees<sup>1</sup>***

This group is the set with the lowest number of elements. With regards to employment, youth belonging in this group can be characterized as working for the state or for nonprofit organizations, as the name of the group indicates. Working for nonprofit organizations is quite uncommon among the respondents, however, those who are employed at such organizations belong to group 'A'. It is important to mention that these young people are employed by the state or by non-profit organizations, however, they are not public servants, therefore in this sense they found employment 'successfully' at the public employers of the municipality.

With regards to their positions, manual workers make up for the highest proportion, and the second highest are white-collar workers who are not in administrative positions. It can clearly be shown that they have an employee status, and based on their employment contracts, permanent contracts are more typical in their case. With respect to their municipal distribution, they mostly reside in Derecske.

Among the background variables, one of the determining socio-demographic factors is the level of education of parents, which affects the future situation of youth greatly. In the current grouping, the mother's level of education does show a correlation, however, the father's does not. In the case of youth belonging in this group, the level of education of mothers is mostly vocational secondary school. Beyond the level of education of parents, the level of education of youth is also determinative in the creation

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<sup>1</sup> The listed correlations show a significant result, Sig<0,05

of groups: in the current case, the state and non-profit employees belonging here possess technical school qualifications in a higher proportion than expected.

### ***Group B - Manual labourers in medium-sized enterprises<sup>2</sup>***

The next group that takes shape is the group of manual labourers in medium-sized enterprises. This group's name is indicative as well, it foreshadows the main characteristics of those who belong here: with regards to their employment, they are mainly employed in the corporate sector. We can see differences in the size of the employing company (small and medium-sized enterprises are dominant), however, these workplaces are mainly enterprises. We have to note that these businesses are not self-employed, thus they are not individual businesses. With respect to the job roles, the group mainly consists of blue-collar workers, who are in most cases employed with fixed-term contracts. We can detect a disparity with respect to the territorial distribution: they are concentrated in two municipalities, namely Hosszúpályi and Sáránd. With regards to the level of education of parents, only the mother's level of education has an effect on the young people here as well, the children of mothers with vocational training belong to this group. A higher proportion of these youngsters work with an employee status, and they consider the value of speaking a foreign language to be outstandingly higher, and as a skill of being successful on the labour market. This type of skill could not be observed in the other groups. With regards to their level of education, this group is made up of youth with vocational training and with specialized school education. It is interesting to note that these young people are currently searching for a job in a detectably higher proportion. We could think that youth in this group are involved in agricultural and seasonal work according to the data above, nevertheless a correlation with the scope of activities of the employing organization cannot be detected.

### ***Group C - Entrepreneurs<sup>3</sup>***

The next group, as the name shows, is one of the groups that is the easiest to define and that can be defined the best. This is where micro and small entrepreneurs belong who run their own businesses. According to their job roles - and as the group's name

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<sup>2</sup> The listed correlations show a significant result, Sig≤0,05

<sup>3</sup> The listed correlations show a significant result, Sig≤0,05

suggests - the group is made up of individual entrepreneurs mainly, who, according to the survey answers, are working in white-collar positions. Based on their employment contracts, this is the group where respondents clearly state that they are employed with permanent contracts. With regards to their territorial distribution, they cannot be localized as sharply as those belonging to the previous two groups. It can be stated that a bigger proportion of them live in Derecske, however, they are present in smaller municipalities just as much as in larger cities. The level of education of parents shows a correlation in this instance as well, since the group is made up of children of mothers who have graduated from high school. Youth in this group typically have higher levels of education than their parents, a higher proportion of them have technical qualifications and degrees from higher education. They are self-employed, and youth belonging to this group clearly stated that they are currently not looking for a job. They are prominent with regards to skills and competencies as well, they believe that they have a high openness towards and interest in new technical and scientific results. This implies that those running their own businesses would like to be successful, and therefore they are more invested in keeping up with the developing economic conditions and new technologies, which will help them maintain and increase their competitiveness.

#### ***Group D - Blue-collar public employees<sup>4</sup>***

Those who belong in the last group form the group with the most disadvantaged workers. They are in the worst position along all background variables, and their prospects and opportunities are the most unfavourable. Their employers are funded uniformly by the local government. According to their job roles, more than two thirds of the group is made up of blue-collar workers. In terms of their employment contracts, youth belonging in this group have fixed-term contracts, which undermines their sense of social, financial and existential security. Their territorial distribution confirms the expected results, namely that the majority of this group lives in small municipalities, mainly in Konyár. The level of education of parents is the lowest in their case: their mothers have finished 8 years of primary school or less. The nature of the job is clearly public employment, which does not serve as a lasting solution to their employment and labour market situation, it is rather a temporary status only. Their level of education is

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<sup>4</sup> The listed correlations show a significant result, Sig $\leq$ 0,05

the lowest among the cluster groups, a high proportion has finished 8 years of primary education, and not surprisingly, the highest ratio of youth in this group is looking for a job.

Higher education did not determine either group's characteristics.

The four labour market cluster groups created with the help of the cluster analysis cover the employment situation of youth very well and establish well defined and interpretable categories. As the names of the groups suggest, the characteristics of the four groups differ greatly from each other, and reflect the current situation through the characteristics from the most disadvantaged youth to those who are in the best situation.

## 5. Conclusions, recommendations

With regards to the chances of employment of youth living in Derecske district, the subregion's core-periphery relationship, and the better chances of those who have finished higher education, we have concluded the following after processing the relevant literature and previous research and analyzing the empirical data that was collected for the dissertation:

*1. Territorial inequality and the core-periphery relationship can be interpreted and detected in a more narrow territorial context as well. According to our hypothesis, Derecske, as the center and the largest municipality of the district, emerges as the core from among the smaller municipalities around it, and thereby creates better circumstances and opportunities for youth for successful employment.*

Our first hypothesis was partially confirmed, since the effect of the centralized role of Derecske and the more positive perception of the situation of youth living there can be detected along more dimensions, however, the difference cannot be considered significant along all background variables. With regards to the level of education, youth in Derecske have higher levels of education than the average in smaller municipalities. In terms of job opportunities, Derecske clearly stands out, youth living there have reported that their situation is more positive. In terms of the length of their job search, youth find employment significantly faster there. The city's core effect can only be felt when finding employment in the place of residence, when looking for employment in other municipalities or abroad, Derecske (as a previous residence) has no effect. The core effect cannot be felt with regards to either their subjective well-being, or the satisfaction they feel about their lives and their standard of living,

*2. Among youth who work, according to our hypothesis, the existence of the precariat can be proven by the data collected. The precariat is more and more common among youth and an increasing number of its characteristics are present, such as the existence of project-based employment, fixed-term contracts, and uncertain living and employment.*

This hypothesis was confirmed too. Fixed-term contracts exist and are common among young people as well, and are present in smaller municipalities to a bigger extent than in Derecske. With regards to background variables, the level of education of parents has a

great influence on the nature of work, whereby the lower the level of education of parents, the more likely it is for a young person to be employed with a fixed-term contract.

*3. The level of education influences the employment possibilities of youth heavily. According to our hypothesis, the situation of youth who have finished higher education is much more positive, their chances and opportunities are better than those of their less qualified counterparts, and this shows in their subjective evaluation of the labour market. Beside the level of education, possessing competencies is also much needed for successful employment. Our hypothesis states that those with a higher level of education are more aware that these skills contribute to success greatly.*

This hypothesis was confirmed. Highly qualified youth stand out with regards to labour market performance, both along the objective and the subjective variables. In terms of job search and work conditions, they can clearly be distinguished from their peers, they reported a more positive outlook for the future, and unemployment is affecting them to a smaller extent. The interval between finishing school and starting the first job can be considered smaller in their case as well. The discrepancy shows in the field of competencies as well, those participating in higher education deemed the possession of competencies much more necessary for successful employment than those with lower levels of education.

*4. Moreover, the size of a municipality also has an effect on the level of education: the larger the municipality, the higher the level of education.*

This hypothesis was confirmed. In terms of the size of the municipality, it was proven that the smaller the municipality, the more likely are its young residents to have lower levels of education. Derecske municipality is outstanding with regards to young people with higher education degrees, which shows a relationship with the core effect as well.

*5. According to our hypothesis, among youth who were employed during the empirical research, the grouping that displays the different forms of employment can be detected.*

With the help of cluster analysis, four clearly distinguishable groups can be detected during the time of the survey among employees. The groups have well defined characteristics with regards to participation in the labour market, which helped

understand the situation and prospects of rural youth better. We could divide youth into the following four groups: state and nonprofit employees; manual labourers in medium-sized enterprises; independent entrepreneurs and finally, blue-collar public employees. In this sense, our hypothesis was proven.

## **6. Original scientific outcomes**

1. A survey was carried out to assess the employment situation of youth living in Derecske district, which was a niche study in the field of regional research. The analysis makes it possible to have a better understanding of the situation of youth in Derecske district and of their successful engagement in the world of work.
2. With placing the economic and employment aspects into a complex, regional context, the dissertation applies an approach with which we can understand the local characteristics more thoroughly, and the emergence of the core-periphery relationship along different dimensions.
3. The analysis clearly proved that the interpretation of the core-periphery conceptual pair can be applied for smaller territorial units as well, with the help of which the positive aspects of the central effect of Derecske can be utilized even better, and at the same time, the territories in need of development in the peripheral regions can start to develop.
4. The exploration of the characteristics of the labour market cluster groups - along the given labour market dimensions - can contribute to the successful cooperation of young people and employers. By detecting the characteristics of the cluster groups, the dissertation provides useful information for the leadership of the district and the municipalities, helping their work in the field of successful inclusion of youth in the labour market.

5. It was established that the level of education and the size of the municipality have a great effect on the employment situation and success of youth in the area of Derecske district as well. Due to the favourable location of the district, which is in the vicinity of Debrecen and the University of Debrecen, youth have even more opportunities to further their education.

## **7. Practical outcomes**

1. During the research, it was established that one of the criteria for the development of the region, and within the region, the district is increasing the employment potential, and for this reason, it is necessary to increase the level of education of youth and to harmonize the competencies required on the labour market. The positive effect of higher levels of education on successful employment can clearly be shown among youth living in Derecske district. Thus it is essential in this region for youth to acquire qualifications and skills that serve the demands of the market, and they need to be encouraged and helped in this regards as widely as possible.
2. The assessment of the labour market cluster groups and the results of the analysis help us get familiar with the local employment trends, which can assist both the young workers and the employers employing them in gaining a deeper understanding of the situation.

## **7. Summary**

The focus of the dissertation was the assessment of the labour market conditions and possibilities of youth in the framework of the regional dimension. During our research, we assessed the labour market characteristics of youth living in the Derecske district, concentrating on five municipalities within this area: Derecske, Hosszúpályi, Sáránd, Konyár and Tépe.

The aim of the dissertation was to examine what employment opportunities and occupational prospects does the region offer to youth belonging to the age group 16-35 who live in the Derecske district. Can the core-periphery relationship be found within this area according to our research, and does the centre, Derecske stand out? If so, along what dimensions is it able to create a more positive environment for youth? The analysis of the importance of the level of education, including the level of education of youth in the region– with a special emphasis on those owning a college or university degree – also formed a part of the main analysis of the dissertation. The notion of the precariat and being familiar with the phenomenon behind it is more and more widespread in Hungary as well, therefore the dissertation also undertook to examine its local relevance. Furthermore, we have created labour market cluster groups with regards to youth workers, with which we aimed at introducing the deeper characteristics of youth employment.

For the interpretation of the abovementioned questions and propositions, we reviewed the relevant literature of the core-periphery conceptual pair, with special focus on the possibilities of how subregions can be determined. We presented the meaning of the concept of the precariat and the possibility of connecting it with youth, based on which it can be stated that youth themselves account for a large part of the precariat, and changes affect the younger generations to a disproportionately greater extent. For the analysis of national youth employment and unemployment, it is indispensable to place the issue in an international context. We have found that the situation of national youth is below the international and the European Union average as well, in all age groups related to youth. We examined the national employment and unemployment rates as well, according to which we can state that in the decade after the regime change, unemployment took a toll on youth primarily, but showed an improving tendency at the turn of the millenium. However, after the economic crisis, it showed a significant

increase again. We drew attention to the important role „knowledge”, and as a part of knowledge, the level of education plays, according to which the higher the level of education of youth, the more likely they are to successfully find employment on the labour market. Besides the level of education, the role of competencies is also increasing, ergo it is necessary to acquire skills and capabilities that are considered essential on the labour market for good performance and for successful employment. We dealt with the situation of young graduates and the more positive employment rates that apply to them in a separate chapter as well.

Beyond analyzing the relevant literature we reviewed the regional attributes and the main economic and social changes relating to Derecske district. We found that the district – referred to as a subregion before 1 January 2013 – can be classified as a less developed area in national comparison, therefore in the core-periphery structure, it clearly belongs to the peripheral position. The characteristics of the periphery apply in an economic and social respect as well. In terms of level of education of those living in the subregion (educational expansion), the ratio of people who have graduated from high school and college improved, however, these ratios are slightly below the corresponding rates in the county.

During the course of our research, we undertook to analyze the opinion of the young population of their respective labour market conditions. During the empirical research, we analyzed the general socio-demographic characteristics and the level of education of the participants. We found that the labour market conditions of youth possessing higher qualifications paint a much more positive picture, along both the objective and the subjective indicators. The central role of Derecske is outstanding with regards to how the youth judge their employment possibilities, furthermore, in respect of the level of education, it by far surpasses the data relating to smaller municipalities. However, we also found that on the subjective factors affecting the personal lives of youth, the central influence had no noticeable effect.

The conceptual sphere of the precariat could also be detected along fixed-term employment contracts.

When creating the cluster groups of young workers, we found four, clearly distinguishable categories, the analysis and interpretation of which contributes greatly to the exploration of the labour market supply and possibilities offered in the district.

Overall, it can be concluded that we gained extensive knowledge of the labour market conditions and the subjective assessment of youth living here. We can state that the highly qualified youth living in Derecske that possess the skills most attractive for the labour market are in the best position, while the youth most at risk are those with low qualifications living in small municipalities.

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## 9. List of publications related to the thesis



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MTMT ID: 10040736

### List of publications related to the dissertation

#### Hungarian book chapters (2)

1. **Szabó, F.**, Nagy, Z. É.: Észak-Alföld - regionális ifjúsági helyzetelemzés.  
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20 April, 2017

