# pThe University of Debrecen Centre of Agronomics The Department of Agriculture

### INTERDISCIPLINARY AGRONOMICS AND NATURAL SCIENCES DOCTORAL SCHOOL

Leader of the doctoral school:

Prof. Dr. János Nagy Academic Doctor of MTA

Consultant:

Prof. Dr. János Nagy Academic Doctor of MTA

## THE LABOUR MARKET SITUATION IN HAJDÚ-BIHAR COUNTY AND ITS INFLUENCE ON REGIONAL DEVELOPMENT

Written by:

István Rezsőfi Doctoral Candidate

Debrecen

2006

#### 1. INTRODUCTION, OBJECTIVES

Being the director of the Hajdú-Bihar County Human Resources Centre, I have passed all levels of specialized administration and have become familiar with the possibilities, pitfalls of my chosen profession as well as the possible and actual scope of action concerning the state employment policy. Therefore, I can see the main fields and possible contradictions of the struggle against unemployment, the risks of labour-market programs and the social significance of the chosen subject from a special standpoint.

While economics, in employment policy terms, focuses its energy on generating jobs in the competitive sector, the branch of employment policy that helps [closing up] and directly mitigates unemployment gets significantly less emphasis and social attention. In the public mind this attention is carried into effect mainly in the walks of social-type communal labour, community service, work for public purposes and the human services of civil organisations. I would like to represent the problems of planning and arranging labour-market projects more carefully and profoundly than they are generally known by the public.

The regional development opens up a new chapter for generating jobs for the socially disadvantaged in the regional-development schemes and projects, but it cannot represent – or only provides the broadest outlines of – the correlations between its special professional fields and their development with the requirements of the labour-market demand within these fields. Nevertheless, there is no workplace that exists in itself without belonging to a professional line or any sectoral affiliation.

While the conditions concerning soil, wind, sunshine, mineral resources, energy, water, etc., their availability and state of development as well as the economic-geographic environmental complex are obviously taken into consideration in the region to be improved, they treat the human resources and social geographic factors on a much larger scale. We can get an inside view of the professional structure, educational level and mobility of the population not more than every ten years when it comes to a census, but the concrete level of trades is never set out in details. The actual state of the labour market, the tensions between demand and supply as well as their impact on both the educational system and the trends of labour-market demand and supply are approached mainly through case studies, restricted and extensive surveys.

Many have examined the problems the State Employment Service fights in several ways. In my dissertation I considered the analysis of the system of employment-policy implements working in our county to be my primary goal. However, I would also like to contribute to the improvement of every subfield with new information, new approaches and further suggestions for development. I am not acquainted with any comprehensive work to extensively examine the instrumental, institutional and subsidization system of the employment policy, its possibilities and scope of action in retrospect of more than a decade after the political transformation. Therefore, my goal is partly to fill a certain long-felt gap, to make the younger generations understand the interconnections and preconditions. I will make my suggestions that expand to all subfields with the intention to make things better, yet this is not the most important to me.

I consider it of high priority to disclose the special labour-market problems concerning the employment of all socially disadvantaged strata, otherwise the chances of organising successful programs are less. In my dissertation I would like to produce [an arch] illustrating how to get to the future perspectives of employment that involve the impacts of joining the EU from utterly concrete employment problems of particular social strata through the labour-market institutional system by the maximum exploitation of mostly narrow information possibilities, through taking the labour-market projects and improvement trends into account. I believe that "not the thing you achieve is important but the way you walk to get there."

#### 2. RESEARCH MATERIAL AND METHOD

The circa **100** pieces of specialized literature spans the examined group of subject matters, yet I can state that my work is a collection of individual experiences and initiatives primarily. As for the changes and variations in the state of unemployment, the beginning of the 1990s was of decisive importance in the Hungarian employment policy. No changes of such high proportions had taken place since the Second World Was as those that were brought in by the democratic transformation. The changes affected millions of people. Dramatic situations, rising to the top fast, success stories.

According to historicity, the dissertation discusses the formation of the means of active subsidisation and the germs of unemployment provisions in the 1980s. It also touches upon the way the regional organs came into being and the development of financing the aiding projects from the simple surplus-budget contemplation to the Employment Fund constituted by the employers' and employees' pay-ins. How was it codified in a single law by Act IV of 1991? The pretentions of employment, the investment intentions and the local governments'

role of maintaining balance appear in interaction with difficult correlations of social interests among the conditions of labour-market demand and supply.

For this reason, I considered it an important aim to get acquainted with the intentions and efforts in the background of a labour-market process or even a local government measure. The questions where and when employment and unemployment meet can be answered according to different approaches. I grasped a dimension that places local government opinion and attitute in the limelight by a profound analysis of a survey, a so-called problem map that can be considered quite outstanding nation-wide. It reveals how the f/actual situations shape the priority of local governments and how future perspectives are affected by the hopes and events ensuing in all likelihood.

The works cited in my dissertation can be divided into several categories. The legal background that gives frame to basically all events concerning employment policy is quite important. For the sake of comprehension, I endeavoured to remain within the frames of the (55 modifications of the) all-determining employment law and some of the most important provisions of law. In addition, I conjure those outstanding and open-minded experts who were of determining significance in shaping and constantly renewing the employment policies of the past 15 years and form opinion about the problems of women's employment, the equality of opportunities, exemplary employment projects and permanent unemployment, etc. (e.g.: the studies of J. Simkó, J. Rózsa, etc.).

Statistics is an essential background in an analysis on this scale, that is why I include the central and regional organs of KSH, the analyses and databases of the State Employment Service. I also made room for some institutional information, for instance, from the National Development Bureau, the National Public Education and Examination Centre, the National Employment Foundation, etc. Beyond taking events going back 15 years, one of my guiding principles was to strive to be as updated as possible, so I preferably highlighted the most current information, however, I had to close my dissertation with evaluating the first half of 2005 because of the limits provided by time and size.

A field of research that keeps abreast of the spirit of times like labour science cannot do without utilising the most up-to-date technological possibilities. Therefore, for the sake of timeliness, I involved different electronic websites helping job search like MFOR, JOBPILOT, JOBBER, etc. Besides offering concrete situations, these sites provide an inordinate amount of practical advice for job seekers. I put special emphasis on pieces of information that could be planted into the material on the basis of the evaluations and analyses carried out by different workteams of the Hajdú-Bihar County Human Resources Centre.

At last, I would like to mention my own publications spanning the problems and possibilities of a subfield, e.g.: on the experiences of field trips abroad, the employment possibilities of certain strata, or on the most important labour-market projects. The complexity of my chosen subject, the incredibly difficult operations of the labour-market, its embeddedness of a far-reaching system of correlations and its serious social impact are represented by the fact that quasi a whole library of specialised literary works has been published discussing the appearance of modern-age unemployment after the political transformation in Hungary. This phenomenon attracted the interest of a number of research fields and from the 1990s on the outstanding representatives of economics, sociology, geography, etc. has been considering the examination of the labour market and unemployment to be one of the most distinguished fields of scientific research.

Resulting from the great number of research fields approaching this range of problems based on different systems of standpoints, the subject matters processed are most multicoloured and expand to the most distinct field levels (from and international outlook to the examination of the characteristics of particular settlements). A number of valuable works were published on different forums involving papers studying the reasons for the development of inner structure of the labour market, the emergence and regional characteristics of mass unemployment. Others touch upon the inner structural features of the unemployed (job seekers – according to the official naming from November, 2005), or the distinctive characteristics of social strata and/or geographical regions struggling with multiple disadvantage. Works summing up the effectiveness of particular elements within the system of employment-policy means also deserve to be mentioned.

This sudden interest was due not only to the fact that this phenomenon had been long forgotten or had never been known by society but it was also important that labour-market problems could not be disputed during the decades of the socialist regime. Except for some papers studying mainly the realignment of employment (as a research field on sufferance), actual research was out of the question since they did not acknowledge the existence of the labour market because of ideological reasons. As a consequence of full employment, the state propaganda of the greatest achievement of socialism, unemployment (as an officially non-existent problem) became a taboo.

With full knowledge of the foregoing, it is not surprising that the summary of special literature covers only an interval of one and a half decades and, in spite of a number of approaches and a great number of publications, we can still find abandoned subfields. One of the main objectives of my dissertation is precisely to reduce the number of "blank spots" by

making use of my professional experiences of a decade and setting a starting point for possible further research.

In parallel with the escalation of unemployment, the number of works analysing the labour-market processes (e.g.: Cs. Bánfalvy 1994, Z. Dövényi-Gy. Tolnai 1991, 1993, Gy. Enyedi-P. Tamási 1992, M. Kollányi 1993, Gy. Nagy 1991, 1993, J. Schwertner 1992, 1994, J. Tímár 1992) has increased dynamically. Further research aiming to describe the regional differences and intending to disclose their reasons (I. Balcsók 2001, K. Fazekas 1997, J. Nemes-Nagy-N. Németh 2003, E. Orgovány 1997, K. Teperics 2002, J. Tímár 1997, etc.) has been going on since that time.

In consequence of the concrete subject matter of my dissertation and my essentially practical approach, it cannot be my goal to review the specialised literature available and known by me in full details since it is obvious that the length of my work has to be limited.

#### 3. MAJOR RESULTS AND CONCLUSIONS OF THE DISSERTATION

#### 3.1. Major tendencies and characteristics of unemployment from 1990 to date

The degree of unemployment touched the bedrock in 1993 when we recorded nearly seven thousand registered unemployed. Resulting from the impact of the economic production that had started to grow by that time, this tendency showed decrease. The degree of employment touched the bottom only four years later (!). Viewing it from the side of manpower demand, the difference can be ascribed to a decrease in labour demand going together with the growth of production. Looking upon it from the other side, it is due to the inevitable growth of inactivity. There were periods – between 1999 and 2004 – when the county share in the unemployment recorded nation-wide slightly decreased on an annual average. It was mainly due to summertime sesonal working opportunities, in the economic branches of agriculture, logistics, building industry, catering and tourism. The development typically seems to come to a deadlock proceeding from a small-town order of size towards smaller settlements. By the 3rd third of the 1990s the economic reconstruction of the county had basically come to an end.

#### 3.2. Some other characteristic features

This period is marked by the finalisation of the present regional department system of the Human Resources Centre and the shifting of stress in its work. The problems of finding employment are not equal with the number of the recorded unemployed but rather with that of the true job seekers. Remedial programs and human services are getting into the limelight. As for graduate unemployment in the county, the average age of the recorded unemployed in almost all engineering fields is typically higher than the average 35 years of age in case of the graduate unemployed. Together with this, the period on file is also quite long. There is a significant correlation (0,467) between the age and the length of period on file, although it is no function-like by any means. One in four graduate unemployed can be retrained at the most.

#### 3.3. The regional characteristics of unemployment

#### 3.3.1. The characteristics of social disadvantage in Hajdú-Bihar County

As it is widely-known in the county, it is the peripheral, socially, economically disadvantaged minor regions and settlements that are in the most seriously disadvantageous situation. The settlements belonging here:

- ➤ Where the possibilities of job opportunities are virtually limited to occasional chances of work besides local governmental institutions.
- ➤ Where one cannot find a suitable workplace within an acceptable commuting distance (approximately 20-40 km).
- ➤ Where the proportion of professionally unskilled workers or those on a low educational level is higher than the average within the working-age population.
- ➤ Where the population is gradually growing old and the natural decrease of population is strengthened by the migration of the younger generation.
- ➤ Where vocational training and going on higher education at the place or within the daily commuting distance cannot be provided or the provision of them runs into great difficulties.
- ➤ Where agricultural productivity is quite low because of the region's weak condition concerning arable land and the lack of other natural resources.
- ➤ The decisive majority of settlements along the Eastern border of the country in general.
- Where the settlements are avoided by both native and foreign investors, etc.

Concerning a duration of six years (from 1999 to 2005), the number of settlements having a maximum 10% regional unemployment rate is slightly more in January, the most critical period as for employment. This is a typical tendency mainly in case of the Hajdu towns. At the same time, the situation got worse in the South-East and South-West region of the county as well. The dissemination and difference between certain settlements seem to have increased, which is typical of the Tisza region, too.

### 3.3.2. Labour-market characteristics of unemployment or the employment of certain socially disadvantaged strata

Leaving career-starters out of consideration, these strata's opportunities for employment are unfavourable in general and the intensity of their registered turnover is higher than in case of other unemployed groups. Seemingly it is the career-starters' independent action that is of the highest rate of all. Their higher educational level, parental background support, lesser degree

of boundness to a place, greater willingness to mobility and their bigger ability to take risks all play an important role in this tendency. Becoming self-employed is not characteristic in case of either socially disadvantaged group disputed. The situation is similar concerning the proportion of those under retraining which is not the typical possibility for the most disadvantaged labour-market strata to break out either.

Becoming permanently unemployed is a significant danger threatening all of the four socially disadvantaged layers discussed. As for the career-starters, those on a low educational level are highly concerned.

#### 3.4. The financing system of the employment policy

The Labour-Market Funds unified in 1996 is basically an integral part of the national budget. What refers to this is

- that any extra expenditures planned on the ministry level comes from the annual budget
- ➤ that any monetary resource coming from the MPA as state budgetary estimates reserved for job generation at times, for social security or catastrophes appeared and still appears to the debit of this fund as an item to reduce the liabilities
- it is an obvious striving to make the Labour-Market Funds the source of assistance facilities concerning other fields that are connected to employment policies as well.

As for planning the MPA, there is a firm progress; the now widely-known real processes are generally followed by financial procedures, but – because of the interpenetrability between the single basic parts – the correlations between the sources and expenses of these particles are slightly blurred.

I found that **the instrumental system of employment** is basically in harmony with the development of its financing system. This usually proves to be an effective means to release labour-market tensions. However, the focal points of the financing system are shifting from the standardised, equalising solutions towards the means and projects of handling indivual problems.

To sum it up: Projecting a standardised image, the State Employment Service has to renew its activity in its relations of equal profoundity by enforcing standardised forms of procedures. It has to strive to utilise the most up-to-date communication technology in a way that can be available anywhere and realised by every client.

#### 3.5. Labour-market programs carried out in the county, the risks of implementation

The risks of labour-market projects can be divided and summed up in the following to major groups:

Chart No. 1.

Risks that can be prevented and averted	Indefensible risks
It is not advisable to overestimate the manpower- absorbent effect of new enterprises.	The interest in human services is always lower than in those financing sub-projects that directly help employment.
It is more advisable to provide the capital to set up new – financially assisted – enterprises from more, non-coordinated sources.	We cannot preclude the chance that some of those belonging to the target group can go astray, arousing individual activity is unsuccessful to a certain extent. This rate can even reach 70-90%!
Because of the failure rate of predictions, certain changes may occur in the manpower demand during the target group's preparation. This risk can be reduced by previous employment agreements.	The possibilities given by the differing conditions and scopes of action are not equally utilised by the managers involved in the networking projects, which makes the evaluation process more difficult.
In particular cases, employment-increaing subsidies cannot be combined with labour-market trainings easily, mainly in cases of agricultural and other seasonal occupations. The most expedient and inspiring factor for the unemployed involved in the project is the possibility of permanent employment.	The result is not in funcion-like correlation with the administrative work invested, partly because of the difference among hardly measurable qualitative elements or of the difficult mutual interactions within the social relations network.
It is also necessary to involve decent experts in the evaluation of the projects that require special professional preparedness.	Sub-projects depending on future events are accompanied by an uncertainty of a highly increased rate.
The co-operation between the local governments and their departments inevitably becomes uncoordinated unless they designate a coordinator status in the networking projects.	We cannot preclude the strivings of those success- oriented managers who want to achieve better results by a less degree of investment. That makes the involvement of those with multiple disadvantage more difficult.
Immediate solutions do not mean permanent solutions in most cases. Permanent solutions, however, require time consumed and financial resources, to which it is difficult to provide enough agreement, patience, and last but not least, power reserves.	There are only certain moduls in the computer program which came out to provide assistance to the program. Further improvements are generally cancelled, which makes the operation and integration of bigger programs quite difficult.
The project might narrow down to carrying out certain routine organisational tasks if the relations with the agents of the labour-market are not satisfactory.	Those who base an employment-improving program on an institutional employer can count on changes concerning the employment facilities and financial conditions.

### 3.6. The results of the reconciliation of employment interests as it has worked on county level after 1990

- > Through the reconsiliation of interests, we managed to maintain the balance between the educational rate, the wage assistance rate of employment and the chances of community service.
- ➤ The Human Resources Center was helped by the Labour Committee with planning and organising labour-market projects, bestowing care on certain socially disadvantaged groups and building employment networks for the sake of making these projects be accepted by society.
- ➤ By Labour Committee agency, we have had an international outlook on the employment policy through getting acquainted with the practice of the most developed countries in the EU.

#### 3.7. Employment, home and foreign migration

I studied the regional distribution of the employed in **Hajdú-Bihar County**. The distributional rate of the employed is apparently the highest in the central part of the county near Debrecen, in the Hajdú towns and in regions having favourable agricultural conditions. The younger and better educated part of the population live in these areas and the rate of migration is lower than the county average.

- ➤ The role of regional mobility concerning the employment within the county has not decreased in its significance in the 1990s either (or later).
- The proportion of commuters has increased in the manufacturing industry, commerce, transportation, financial activities or in the field of real estate deals, etc. I have not encountered a decrease in proportion in either economic branch.
- ➤ The migration of our labour force and foreigners' seeking employment in the county interact in a complicated way and have an impact on the labour-market balance on a regional level, however, negative effects of this tendency cannot really be felt in Hajdú-Bihar County. Up to the first years after the millenium the county had rather profited from the activities of the management arriving with the foreign investments that created values and introduced methods of a higher work organisational quality. On the other hand, many graduates arrived in the county from the surrounding countries with the intention of taking up a job.

It is a fact that the majority of the socially disadvantaged, permanent unemployed does not have any qualifications that would give them the chance of breaking out towards this direction. The constant and steadily increasing brain-drain, however, significantly harms the country's chances of closing up in the long run. Yet, the solution does not lie in keeping back or imposing administrative limits on the international mobility of manpower but it would rather be advisable to provide competitive wage and salary proportions more and more extensively in occupations of high prestige by building a network observing the interstate mobility of manpower. In parallel with this, the possibility of language learning should be provided together with vocational qualification even in respect of school-system education.

#### 3.8. Some reasons for the success of more developed states:

- A way of communication that is synchronised with a successful economic policy. The factor of mutual social understanding that goes back to the roots of labour relations is outstandingly important.
- ➤ Open-mindedness and flexibility concerning new approaches and solutions helps the recognition of new possibilities. One has to be able to recognise and treat changes.
- A constant striving for a more competitive system of production-service.
- A constant search for individual solutions in human service projects like employment.
- ➤ Providing the most up-to-date professional educational methods and technological conditions. A social controll on vocational training. An economic-technological openness, protecting clear relationships.
- An educational structure that is developing towards an intensive training and further education of the active labour force so it provides higher and higher qualifications.
- ➤ The establishment of a situation that increases competitiveness in economising with the financial funds coming from the EU, and a constant orientation towards permanent solutions.

### 3.9. The county's directions in development, opportunities, as they are seen by the local governments on the basis of their own problem maps

The local governments have created an order of rank between the 19 disputed problems. Based on the aggregation of placement numbers, the order takes shape as follows:

#### Chart No. 2.

Serial number	Disputed problems	The sum of the placement numbers in 82 settlements of the county
1.	The development of production infrastructure (drinking water,	202
	sewage water, overground water, roads, public lighting)	
2.	The development of local governmental institutions	273
3.	The enhancement of job generation, strenghtening investment intentions, improving the ability to attract capital	438
4.	Environmental investments	644
5.	Regional development projects, programs that promote the development and self-organisation of the local society and making studies that promote a realiseable economic development.	674
6.	Information development	698
7.	The development of human infrastructure, training-education	705
8.	The rehabilitation of man-made environment (city improvement, monuments)	708
9.	Plans for resettlement	739
10.	Investments for social purposes	755
11.	The development of tourism	816
12.	Obtaining medical equipment and instruments	837
13.	The rehabilitation of the natural environment	914
14.	Energetic development, the utilisation of renewed sources of energy	1124
15.	Recycling brown-field areas	1133
16.	Starting programs to promote the social integration of deficient people	1134
17.	The implementation of ethnic, minority projects	1213
18.	Strenghtening the K+F sector, innovation	1252
19.	Other investments	1321

#### 3.10. The future of employment in the county

In the course of my studies, I chose the conception of national regional development from the possible determining development plans to set out from, because it integrates the development ideas of the regions as well. Highway development gives an impulse to the enterprises settled in the county like manufacturing industrial ventures based on the capacities of the county or health industrial undertaking utilising the county's thermal water conditions. Stimulating activities and industrial branches associated (e.g.: growing herbals, medicinal products, cosmetics, producing and processing region-specific bio-products based on local agricultural crops,); health industrial K+F development in medical industry, in medicine and cosmetics production; the improvement of educational systems that belong to the field of health care.

Tourist attracting force and logistics are both improvable. The possibilities provided by the industrial growths are bettering the future chances of employment within the county. Under the influence of joining the EU that is of determining significance concerning the future of employment market competition possibilities and conditions are changing not only in the productive branches but on the line of service improvement as well.

Based on the extended range labour-market forecast of the Human Resources Centre I find that the expectations concerning the employment chances and possibilities of the county are quite favourable in most cases. Nevertheless, a reduction in the work force has to be taken into account within a group of certain occupations (e.g.: domestic industry, general agriculture, husbandry, forestry, elementary school, nursery school, clothing industry, artistic fields etc.) besides some other professions having unfavourable chances as for the county's economic-geographic conditions.

#### 4. INFERENCES, PROPOSALS

#### 4.1. Features of the present situation

- The unemployment rate touched a bottom four years earlier than employment did, not only in Hajdú-Bihar county but nationwide. This was due to the labour force demand reduction accompanying with the raising productivity forced by a competitive environment from the side of labour demand; and the obliged crescendo of inactivity from the side of labour supply.
- ➤ The developed regions are still the foci of investments and job creation. So much so that these regions have improved their participation in the annual share of their territorial investments by 10 % over the last 15 years. This hindered the exfoliation of the prosperous processes taking place in the central and westwern regions in respect of the unemployment.
- ➤ Before the change in the political system those branches that employed a considerable number of staff proved to be an improvable tradition by the end of the 90's, which enabled Hajdú-Bihar county to occupy its medium position in the region.
- The expansion of the employment in the county primarily increased the opportunities of the seasonal work in the decade just prior to accession to the EU. The economic and employment system formed by the millennium in the county is changing steadily on the short run. Typically enough, the development for smaller cities seems to be stucking. Obviously, the opportunity of the faster development of the county lies in the potential of the "hajdú cities" especially the ones situated in the 20-40 km zone relatively close to the motorway that is being built.

- ➤ With a bit of exaggeration- it is true that the past centuries'rural Hungary is represented by citizens with only a primary school certificate. The beginning of a sort of polarization can be experienced in some disadventaged areas deepening the differences in the field of employment.
- ➤ Professional training on employment should be placed to the fore in the pace of extension of the enterprenurial layer at the level of smaller cities as well as that of the county centre. Even in the cities mentioned above there is a big deal of unemployed with disused occupational knowledge or unemployed trained for ceased or being-ceased professions. There are a lot more employees for whom it is difficult or almost impossible to cope with the situation as a result of the changing working devices, methods or the content of their profession. Employers require not only quality workforce but quality work as well. Quality orientation should be general for those helping job seekers as well.
- As getting older, the chance for being permanent unemployed is more likely while at the same time the opoortunity of picking up a profession is fading away.
- ➤ With higher age and lower level of qualification problems about employment are multiplying, which restrict the possiblity for flexidility.
- Factors, such as the low level of income reserves of the permanent unemployed, lack of interoperability, low level of self-activity contribute to the fact that they cannot take part in further training programs, especially if positive increment is not guaranteed. The vast majority is desperately jobless.
- ➤ We have to take it into reconsideration how certain employment policy support materials can be made more effective via itroducing special regulations for the sake of the better employment of underprivilaged groups. Free access to services and jobs is essential.
- ➤ Workforce labour programs and subsidized trainings should be designed to fit both the physical and mental condition of the permanent unemployed, as to their personal needs, skills and motivations.
- ➤ Permanent jobs are needed in areas concerning mainly female workforce. A real breakthrough would be if women found workplaces in IT industry.
- ➤ Disadvantaged groups and layers present at the workforce market shold be subject to be provided employment support and a more detailed tax allowance.
- ➤ Positive regional discrimination should be maintained in connection with the support system. The support systems should be formed according to the needs of the labour market, both at regional and county levels.

- ➤ When developing human services, it should be our aim that even the more effective forms should be made accessible for those with less opportunities in all regions of the country.
- When making use of the Labour Market Fund, which provides the vast majority of financial supports and labour market programmes, a certain 'prifile-cleaning' would be necessary. Namely, the social-related expenditures sholud be set apart, or it would be benefitial to know the backround of the bad effects which keep staying with us year by year. But what is even more important, all the programmes financed by the Fund should be compatible with the financial support system of the EU.
- ➤ The operation of the financial support tools shold be managed in a nationally uniform financial system.
- ➤ Integrating the different tools into certain programmes increases efficiency, however, it is always a more expensive way. For this reason it is even more important to have the programmes socially accepted. Labour Councils consisting of the representatives of employers, employees and local self governments could be of great help in this.
- ➤ Labour market programmes in a simplified approach usually are made up of three stages: urging to take part in the programme, having the aims of the programme accepted, urging to cooperate, strengthening motivation. The aim of subsidized employment (supporting the salaries and affixes) is to help the employees get work experience. Providing the opportunity for permanent employment for the unemployed people taking part in the programme is the most expedient and motivating aspect.
- Immediate solutions are usually not permanent, and to reach permanent solutions appropriation of time and money is needed, for which it is difficult to provide the necessary cooperation, patience and last but not least reserve of strength. For this reason the estimation and evaluation of risks is exeptionally important. No wonder, that from the point of view of the unemployed people the short term results and immediate benefits are more motivating. The weak social system, the short term opportunities of making money attract into the direction of black employment.
- ➤ In order to state the possible directions of development it is of crucial importance to draw the 'problems map' of the region, with respect to the aptitudes of the county. How cooperative are the local governments when it comes to managing the problems of employment? These are the questions to which I have tried to find the answer in a research.

- Attracting capital, creating workplaces, developing institutions of local governments and agricultural infrastructure are among the preferencial problems waiting to be solved.I consider it important to emphasise that creating workplaces and attracting capital is mainly the perspective of highly populated cities, where the pressure created by the rate of unemployment is bigger.
- ➤ Entitlement to allowances and the working age groups are in direct connection with the priority of attracting capital and creating workplaces. These are obviously the factors that are related to the size of settlements. The rate of unemployment in itself does not seem to act as a motivating force. In the creation of priorities time aspects and cause-result relationships are of crucial importance. There are appropriately recognised by the local governments.
- After the access to the EU several factors have come to the focus of attention. Among these are the investors' fights for the markets, the question of 'eastern orientation' in the neighbouring countries, the east west flow of labourforce, or the focus on quality in order to gain and keep markets. More and more foreign work opportunities have become available. Since the centres of the flow of labourforce are the Western-European countries, the importance of the Middle European countries in this respect decreases.
- ➤ We can be successful only if we are active and take th initiative in creating situations which increase competitiveness. If I had to put all this in a nutshell, I would say:

  "recognising the situation accommodation to the conditions exigentness quality"

### 4.2. Suggestions to the great projects helping the realisation of development in the field of human resources development

#### 4.2.1. Great projects aiding competitiveness

Great projects maintaining technical-economical centres in county capitals in cooperation with the advanced levels of education would help satisfy the need for qualified labourforce. These could be possible possible branches of certain scientific workshops, which at present are related to institutions of higher education. They could conduct researches even to satisfy international orders. Another aspect could be certain product or service development. They also could provide guidance the small enterprises with patents, legal guidance on managing private enterprises. They also could connect to work – oriented or outwork subprojects.

Great projects generating product – service marketing, regional marketing, and area offices set up in the county capitals could help the private enterprises gain markets, of course, in cooperation with the efforts of the local governments to increase regional development (tourism, services connected to tourism, professional guidance, financial tenders helping development, home and foreign market research, services connected to language knowledge, translation, interpretation, etc).

With the maintainance of such institutions the regional developments could be substantiated with respect to human resources. These great projects could be based with respect to the labourforce needs on the long run.

#### 4.2.2. Great projects helping to fall into the line

Modernisation of the State Employment Service. Setting up a computerised *information system* connecting the needs of employers and employees by the end of the projected time. Within the framework of this, setting up information centres at all local governments, all the branches of the labour centres and employment – oriented civil organisations. This means approximately 200 units. Setting up centres in the 10 biggest cities in the region.

To help employment rehabilitation: setting up regional rehabilitation centres with the central methodological role of the employment centres. They could be reached at all medcal centresand local authorities on county and city level. Outside the county capitals – with special respect to the regions close to the country borders, or settlements that are difficult to approach - great projects are necessary, which help the employment of espacially disadvantaged groups in a complex way, and which can be broken down into subprojects. For example: Developing motivation, qualifications, skills, (also the home adaptation of the profiling method, which is based on analyzing the risks of permanent unemployment), relationships helping to find employment.

#### 4.2.3. Great projects developing human services

They are important elements of the institutional system specialized in human services. This system serves as an *informational career guidance service*, *job seekers' club*, *but also teaches certain methods of seeking employment*. All these increase the competitiveness of the human resources.

A permanent managerial system should be developed, which would operate non-stop, helping the private enterprises in a regionally and economically specified manner. This, in cooperation with the employment centres, private job agents, regional organisation experts, development agencies and other institutions, would focus the necessary information to the target people.

#### 5. NEW AND NOVEL SCIENTIFIC RESULTS

- > With respect to the new possibilities of employment, the **new results derive from the** recognition of interrelations.
- ➤ It is important to understand the elements of **local governmental developments**, **motivations and efforts**, or the factors explaining the lack of these. The effects on the basis of the 'problem maps' are the following:
- the building of the motorway **increases expectations** at certain areas (Polgár, Hajdúnánás, Hajdúböszörmény, Balmazújváros), on the other hand, it increases **hopelessness in the areas avoided** by it (Pladány, Kaba).
- need for development in the urbanizing regions (Vámospércs, Hajdúsámson, Tiszacsege, Nyíradony)
- the common efforts to get out of the periferal situation (Egyek, Hortobágy, Komádi)
- isolated regions without hope near some hardly or slowly developing regions (Berettyóújfalu and some settlements around it) Some government actions could have positive effect on employment in these regions
- ➤ If we take into consideration the element of time in deciding on the certain priorities, the actions taken by the local governments can be understood more easily. Local governments which consedered the infrastructural development more important, neglected the need for creating workplaces and attracting capital. This, however, mainly means a preference in time. The situation is the same with the priority of social oriented investments and the purchase of medical equipment. The priority of IT- related investments also shows the future intention of attracting capital. As I see it, the local governments have recognized the importance of medical and human resorces development. This can hace good effects on the minority programmes, which will increase the probability of finding employment.
- New results in trying to find the driving forces of eployment on the basis of experiences in six developed EU countries.

#### Traditions that can be developed – New possibilities of development

#### Chart No. 3.

Traditions that can be developed	New possibilities of development
Producing agricultural machinery with experts on high – scale agricultural production systems	Producing, selling and servicing digitally operated agricultural cultivation systems
Drug industry with the related research basis	Health industry, developing, producing and selling cosmetics
Production of medical equipment with the technical level of our days, and with the necessary technical conditions and institutions	Producing, selling and servicing digitally operated medical diagnostical equipment
Architectural industry with the related advanced professional training	Developing complexoperating systems for building engineering
Construction industry, plastic industry with design and production	Designing and producing air conditioming systems, insulating materials, combined glass and plastic products
Spas – with a huge quantity of unused water and some high standard hotels	Complex rheumatological treatments connected to the hotel industry, possibilities of wellness industry

- ➤ Out of the traditional areas of employment in the county it was important to see the tendencies which can lead to further development, but also the new challenges, which are indispensible in order to be able to see the scopes of the future. Trying to foresee the future and the changes in jobs helps when it comes to orienting the training programmes. To mentione just some:
  - The role of technical designers, technological system operators, resource managers, market services increases. In the production of machines and equipments the role of logistic professional experts becomes crucially important. (managing buyer privider relationships)
  - Jobs related to constrictional marketing, agricultural, water treatment and environment protecting equipments, industrial machine industry, construction technology, an construction automatizing technology will be created. Furthermore, experts on quality insurance will be necessary both in the course of constructing a building and later, during its maintainance as well.
  - There is a growing demand for safety technological services. Also the need increases for the integration of certain areas of service.(air technology, air conditioning technology, environment protection etc.) There is an increasing need for the managing of certain service groups, such as guidance design construction repair maintainance. There will emerge more and more integrated service fields, for example traffic and transport.

#### PUBLICATIONS ON THE TOPIC OF THE THESIS

István Rezsőfi: Report on the conditions of the industrial parks of Hajdú-Bihar county.

Employment Review 2003. 6. issue

István Rezsőfi: 2004. November: Integration or Isolation? The role of the Employment Centre of Hajdú – Bihar County in the employment of those with altered abilitiest to work. The changing forms of employing mentally disabled people. Social Service of Debrecen, pp 269 – 276

István Rezsőfi: 2004 November: "Integration or isolation?": Changing structures of employing mentally disabled people. (Lecture)

István Rezsőfi: "Hajdú-Bihar Country for the Graduates" – the aims and experiences of the program. Employment Review 2004. 4. issue p 4.

István Rezsőfi: One Program – Two Results: "helping pedagogist" program in Hajdú – Bihar County Employment Review 2005. March pp 37 – 40

István Rezsőfi: Fight against prejudice and ignorance. Employment Review 2005. 3. issue p 41

István Rezsőfi: Disadvantaged people at advantage. (Evaluation of the employment program in Hajdú – Bihar County) Employment Review 2005. January pp 34 – 36

István Rezsőfi: Medium – term labour market forecast. Employment Review 2003. 4, issue p 42

István Rezsőfi: Labour market and training in Andalusia (Experiences of the Employment Committee of Hajdú – Bihar County) Employment review 7-8/2004. issue p 61

István Rezsőfi: Flexible accommodation – the French way. (Experiences of a study trip) Employment review 10/2003. issue p 41

István Rezsőfi: On the use and fulfillment of requirements in connection with the decentralized employment and rehabilitation fund Report of the Employment centre of Hajdú - Bihar county 2003. (manuscript)

István Rezsőfi: Effects of the accession to the EU on the agricultural employment in Hajdú – Bihar county (manuscript)