

University doctoral (PhD) dissertation abstract

**PUBLIC EMPLOYMENT IN THE CONTEXT OF ECONOMIC
CYCLES**

Andrea Szabó

Supervisors:

Dr. Géza Nagy

Dr. habil. Judit Csoba



UNIVERSITY OF DEBRECEN

Károly Ihrig Doctoral School of Management and Business

Administration

Debrecen, 2013

1. RESEARCH OBJECTIVES AND DESCRIPTION OF THE RESEARCH HYPOTHESIS

Through the segment of the **unemployment rate** I wanted to compare the national aspects of two different crises. On the one hand the transformational recession associated with the end of socialism, on the other hand the global economic crisis as the downswing phase of the 5th Kondratieff wave (2008-2010). However these two cycles are defined by different causes, dimensions, beside the individual attributes there are still some common features. In both periods similar to the international trends the value of the examined rate according to the data of KSH/ILO was high – above 10 % -, and also the imbalance of the labour market caused serious economic and social problems.

All of these were brought to the attention to the need for **government intervention**, and the active labour market policies that were created during crisis of the 4. K-cycle (Oil Crisis of the 70's) to improve the allocation functions of the market have become popular again during the recessions. In our country, over the past two decades the long-term unemployed were employed in the public employment in the largest number. During the two periods did they use different interventional techniques in order to increase the employment levels? My objective during the examination of the public employment and the cycles was to answer the **3 main research questions**:

- 1. How has the toolbar of the public employment improved over the past two decades?*
- 2. What principles can characterize the public employment, and can the toolbar be considered as countercyclical?*
- 3. What can we know about the labour market outcomes of the program? Are the tools of the public employment multipurpose, meaning that in case of any target group would it be guaranteed to complete successfully, or do they only represent a temporary source of income for specific target groups?*

The **first 3 chapters** focused more on the first two topics in the context of the economic cycles, from which the development and countercyclical impacts of the interventional implements can be evaluated. In my secondary research I had to match the change of the numbers involved in the public employment with the completion of the economic cycles,

which highlighted the key objectives and political judgment of the secondary labour market. In the next phase I tested the observations about the **macro-level** studied implements on a micro-level and I carried out an empirical research with two independent surveys.

For the first era – the 90's – the evaluation research of public work programs organized by the Occupational Group from Social Service of Council of Debrecen was achieved. With a Longitudinal panel study analysis method - 10 years after the completion of the program- I explored the labour market output results of former participants, which – knowing the input parameters – allows to establish socio-demographic, endogenous and exogenous conditions that affects the reintegration. In case of the *programs of Debrecen* the following hypotheses were formulated:

1st hypothesis: The endogenous factors of a successful labour market reintegration include partly the task performance technology and referral activities of the organizer council and also the training within the employment, and transfer of marketable skills.

2nd hypothesis: The institutions used the programs as some kind of a recruiting tool, so that they could reach reliable and proven public employed people, whom they tried to 'park' at supported jobs.

The data for studying the period of the global economic crisis was provided by a public program called „**Pathway to work**” organized by the City Management Institute and the Social Service of Council of Hajdúböszörmény. Repeating the first empirical research beyond the examination of the practice of program organization and referral activities, the follow-up of the subsequent labor market situation of the participants as well as exploring the cause-and-effect connections confirming or refuting the previous statements was also a goal. The two *hypotheses of Hajdúböszörmény*:

1st hypothesis: In point of fact there were no changes in the previous public employment system within the 'Pathway to Work'.

2nd hypothesis: As the result of the follow-up study a low employment rate of the former participants is expected.

2. DATABASE AND METHODOLOGY DESCRIPTION

Since it has been proven on a macro-level that these tools were not used with countercyclical purposes in the periods examined, moreover the reintegration output of the public employment programs is low according to the current national research, it was expedient to test all this on a micro-level. To answer **the third objective** I implemented **program evaluation** for programs selected from both periods in a research based on an independent survey – by exploring local features, knowing their specific tools and formulated goals. The goal of these evaluation studies was to explore the employment life cycle of the former participants and define the factors influencing a successful reintegration. Considering the regional dimensions I followed the targeted impact of the programs organized by the Council of Debrecen and Hajdúböszörmény.

Compared to the previous research it seemed appropriate to apply a **new methodological approach**, so that unlike the previous professional practice, the selected programs are supposed to be followed up by longer time interval-based **longitudinal panel analysis**. All this is justified by the length of economic cycles, as a recessionary phase can be delayed for years, therefore the long-term reintegration cannot be measured in a short period of time after the completion of a program. Also, the successful employment depends on the economic and labour market conditions that are more favorable in the upswing phase after a crisis.

The study of Debrecen based on a public work program called ‘**Tücsökzene ‘98**’ (197 people) and a special program simply called ‘**public**’ **program** organized in 1997 (238 people). However these programs were organized with different purposes for different target groups, the former participants could be classified into integrated types in terms of their labour market outcomes. The complex evaluation research consisted partly of the examination of the management (semi-structured interviews with a former organizer, secondary sources) and also the follow-up of the labour market situations of the participants with the longitudinal panel study.

Quantitative data collection procedures used in the panel study:

- Questionnaires – visiting former participants
- Query based on official database – National Employment Service of North Great Plain in Debrecen, registered job seekers

- Visiting the institutions who employed the recruited individuals during the public program

At first, out of 435 people after 10 years **113 people** (25,9%) filled out the questionnaire. To fully explore the labour market statuses a new data collection process was needed, so based on the official database of the National Employment Service in Debrecen I collected the lists of the former and currently registered participants, furthermore the number of times they have taken part in public programs since the above-mentioned programs (1997-2007). Besides I was able to ask for the lists of those who are currently work in the institutes that still employ people through public work programs (Mayor's Office, Municipal Social Services, Senior Citizens Hall, Therapy House, DEHUSZ Public Company).

Qualitative data collection methods used in the panel study:

- Snowball Method
- Semi-structured in-depth interviews

As a result I classified all the participants– according to the **labour market output results** – into 3 types: (A,) reintegrated, who surely work, (B,) registered jobseekers and (C,) not registered. According to ORSOVAI (2001) those can be considered as reintegrated, who has permanently settled in the primary or secondary labor market has achieved this by individual job searching or converting the supported employment into market employment. Within this I considered appropriate to define a minor subtype, the '*working for 10 years at the same place*'. In the type of registered jobseekers (B,) are only those who are in the register of the employment center. The 'rotary' group was typified within this. Several information has been revealed during the follow-up about the group of not registered (C,) which allowed the separation of retirees (28 people) subtype among others.

Finally the input parameters could be faced with the output results, so at the evaluation of each type the factors that affect the success of reintegration could be determined and the hypotheses could be proven. For the described mathematical and statistical calculations (ratios, percentages, filtering, correlation analysis, etc) I used Microsoft Excel and SPSS 17 program.

The second empirical research analyzed the implementation of the '**Pathway to work**' program in Hajdúböszörmény, and then 2,5 years later it followed-up with longitudinal panel study the situation of 191 people who have gotten into a simple random selection based

sample. Similar to the evaluation of the programs of Debrecen the combination of quantitative and qualitative data collection procedures was implemented, but considering the side of the organizers and participants there was an opportunity for a detailed exploration of the input parameters. The **measurement of the program management and referral practices** was made with the help of Ferge's (1969) 'type of work' groups (6 types). I quantified with the Pearson correlation the connection between the held public positions and the educational attainment variable.

For the measurement of the 191 participants I used 4 **target-specific questionnaires** filled out during the public employment (*sociodemographic characteristics, occupational life, the former public employment experience, etc*). I distinguished so-called **input types** based on the collected quantitative and qualitative data: (1.) entrant, (2.) was employed before the program, (3.) child care was granted, (4.) was a public employee, rotary, (5.) former participant reintegrated, now participant again. All this was verified by control method, i.e. I followed up the movement of the participants between the care systems for the past 10 years using three official databases.

Finally I measured the reintegration in a panel study and distinguished 5 different **output types**: (1.) reintegrated, (2.) public employed, (3.) unemployed, (4.) social allowance is granted, (5.) other: retired, child care, moved, not available. At the characterization of each group the input categories were also taken into consideration. Furthermore with the help of existing databases and information I could calculate statistical indicators and analyze correlation. For all this I used Microsoft Office 2003 and SPSS 17.

3. THE MAJOR STATEMENTS OF THE THESIS

During the transformational recession related to the regime change of the post-socialist countries the transition from the centralized redistributive economic system to the market economy was accompanied by a deep crisis everywhere. In an economic approach this type of recession is more complex than the phase of the declining cycles that characterize the capital systems, since it cannot be considered as a typical consequence of the overproduction but rather it derives from political and economic restructuring (KORNAI, 1994, 2007; TÓTH et al., 1998).

Focusing on the labour market consequences with the database of the OECD I established that the unemployment rate is high not only in these countries but also in the EU Member States with the flourishing market economy (EU-15 10,2%, HU 13%), so there was a kind of wave of recession. In our country the local labour markets collapsed due to multiple causes. The labour demand deficiency is still a social and economic program in the present in the disadvantaged rural areas (FAZEKAS, 1993; LAKI, 1997; BÁNFALVY, 1998; FEHÉR, 2005; TÓTH et al., 1998; SZABÓ – KATONÁNE, 2009; PAKURÁR et al., 2010).

It clearly indicated the need for governmental intervention that they have already introduced a public work program considered as a ‘handicapped and failed market economy instrument’ (1987) in the socialism when the unemployment appeared (BAGÓ, 1991). Later parallel with the buildup of the democratic labour institutions the Act of 1991 beyond the passive, insurance-based forms of care ordered about the active labour market policies that are well-known in developed countries, from which the effects of ‘artificial statistics improvement’ was expected. However, with the deepening recession the growing and becoming permanent unemployment forced to introduce more and more new tools. At this time a needs-based supply form was introduced by the Act No. III/1993 – the Income Support – which was given to those long-term unemployed people who has been removed from the passive care. Over the years due to the restrictions affecting the supply system the **role of the public work programs** (1996, 2001) has been appreciated, since these allowed the employment compliance required for the care eligibility for the members of the target group.

The global economic crisis of 2008-2010 meant the start of the downswing phase of the 5th K-wave, and according to economic researchers it is similar to a deep crisis such as the one in 1973/1974 or in 1929/1933 (KOROTAYEV – TSIREL, 2010; FARKAS, 2009). The transnational capitalism that connects the **developed and developing periphery of the world** has reorganized the labour market structure of the nation-states, resulting that the crisis has affected the economy of the developed and developing countries differently.

The **unemployment** caused global problems and specifically affected the countries where the foreign capital operated outsourced business units by taking advantage of cheap labour and other costs. In our country, the crisis due to its temporal and spatial delays arrived only in 2008, and similar to the global market trends it caused concentrated layoffs in the foreign-owned and export-oriented agricultural enterprises and also affected on the **construction industry** and the **textile** industry (NFSZ, 2009c).

In developed industrialized countries they tried to mitigate the effects of the crisis by different tools of Keynes such as the ALMP instruments but the expected results have been fallen short (BEBESY, 2009; DEWAN, 2009). In 2009 in Hungary a centralist universal public program called '**Pathway to work**' was introduced, which was created to improve the labour market situation of the recipients and also to increase the employment. All this was considered as a social policy and employment policy paradigm shift and a countercyclical effect was expected (SZŰCS, 2009; PIRISI, 2009; KOVÁCS – RÁCZNÉ, 2009).

Economists have pointed out to the decision makers that you cannot deploy the same tools as in previous cycles, or at least permanent results cannot be expected. *A key-question is whether on a domestic level during the two crises different interventional techniques were used in order to increase the level of employment or not?* To answer this, further researches were needed to implement.

Based on the literature we can summarize, that after the end of socialism by the public employment the governments handed over the manage of the **macro-level employment** problem to the **responsibility of local governments**, and they have built up a often short-term interests server system that includes variable operating and financing conditions. In the background of its fundamental pillars were cost savings on a governmental level. The temporary employment for the target groups of the 3 types of public employment has become compulsory on the basis of the principle 'work instead of social benefits'. It means that the

goal to reintegrate in the first labour market was de-emphasized, and this system helped to get the terms of remittance of passive benefits.

Reviewing the types of tools used from the 90's until the crisis of 2009, significant **quantitative and qualitative development** cannot be detected regarding the system of public employment. The same homogeneous assets were offered to a more and more heterogeneous target group regarding its qualitative and quantitative characteristics, additionally with lack of feedback, they did not take the capacity of local governments facing increasingly complex problems in different geographical location and local economic development level into consideration. Meanwhile, the number of working age, long-term unemployed and socially disadvantaged has steadily increased, and the legislative changes on the fields of employment and social policy mostly only patches the inherited Hungarian generous welfare system and the institutionalized public employment (SEMJÉN, 1996).

I **proved** that the examined public employment system was not used for countercyclical purpose during the two selected crises. In the 90's the programs reached the maximum headcount later, while the last period was better timed, but fewer people were enrolled in the public employment system. The headcount changes of each period can be related to a law amendment such as the modification of the legitimacy of means-tested benefits or the duration of the grants or the government's intention to improve government cycle statistics.

As the purposes of the public employment were mostly short-term, financial interests and the temporary improvement of the employment indicators, so the measurement of the permanent reintegration of the participants was dropped out of focus. The **previous program evaluations** have proven the **low output** results of the instruments, but at the same time they emphasized that this system has trapped the social class of unemployed and recipients between the passive supply forms and the temporary employment. Even so the application is required due to the insufficient market demand, but in its present form is a rather costly and **inefficient system**.

The results of the impact assessment of programs in Debrecen

The subject of the micro-level independent data collection based first evaluation research was two programs in Debrecen, since during the **transformational recession** in the city by the restructuring of the industry parallel with the **loss of nearly 10 thousand job**, the number of long-term unemployed, and those receiving means-tested benefits increased. In reply to the unfavorable processes the members of the Employment Group funded in the Social Department of the Local Government organize nationwide with outstanding quality and number of employees public work programs (DMJV, 1996; 1998; SZA-1 Db, SZA-2 Db).

They operated the Tücsökzene '98 public work program introduced in the description of the methodology (197 people) and a public program (238 people) organized in 1997 was operated with the largest number, but *these were organized with different purposes and for different target groups*. But a common feature is that over the fundamental pillars of the public employment they have enabled the development of differentiated target groups as possible. The question is whether *the management between the entering and exiting into the system of the universal public employment and the employment had an effect on the further labour market situation of the affected people?* Refined the results of the nationwide impact assessments, according to the first hypothesis the work of the organizers can significantly influence the outcome of the instruments.

The input results of the two programs:

The **Tücsökzene** public work program was organized especially for men **over the age of 40**, so it affected 195 men (98,98%) and 2 women (1,02%). According to the data the highest participation rate (39.59%) was in the age group 49-58 years, furthermore over the age of 59 (26,91%), faithfully reflecting the application of the 60% (66.4%) condition. In addition, the program had a low input threshold regarding the degree, because the older, uneducated, unemployed people were targeted for the supply of municipal and environmental responsibilities.

In contrast, in the **community service program 67,6%** of total number are **women** (161 people) and 32,3% are men (77 people), which is explained also by the special needs of the project, since it has mainly supported office or light physical work on social, health, education and other fields. Expressly, they transmitted the target group to spheres, where there were no new statuses due to the recession, or at least the number of them has decreased, but at the

same time the range of tasks has expanded. Although the program did not have input on the criteria of age, but according to the statistics the occurrence of **the same age group (49-58 years)** is more frequent (34.45%) than at the public work. Summarized, every other participant is over 49 years, which means they were at least 40 years old during the program. A certain **qualification** was the input condition for most of the wide range of jobs offered. 15 of the respondents had primary school or vocational qualifications, 46 of them had a high school diploma, while 19 of them had college or university degree (23,7%), which means that total of **81.2% of them** included in the program with **at least secondary education**. Over the past 10 years 22 people studied with specialization in health or social, and employed in these spheres. All this can be considered as the **delayed effect** of the program, since during the crisis they worked at supported jobs, recognizing the importance of the lifelong learning, they trained themselves, which later paid-off. In terms of marital status there were no input conditions in any of the programs, but both in programs together **most of the people** interviewed were **married** (67 people, 59.2%).

So all in one, in case of the public work and community service program the results have confirmed that the targeting of the program in terms of age, gender and level of education fitted well to the characteristics of those who were on the outside of the labour market.

As described in the methodology above I followed up the output of the programs 10 years later with the longitudinal panel study. **Chart 1** shows the grouping by **output of total** (435 people).

Chart 1 The distribution of the participants of program by current status

Status/unit	TÜCSÖKZENE PUBLIC WORK		COMMUNITY SERVICE PROGRAM		SUM	
	people	%	people	%	people	%
1. Works	17	8,62	79	33,19	96	22,06
2. Registered job seeker	40	20,30	23	9,66	63	14,48
3. Non-registered	140	71,06	136	57,14	276	63,44
Sum	197	100,00	238	100,00	435	100,00
Further information about non-registered						
		people	people	people	%	
4. Retired		12	16	28	6,43	
5. Regular social assistance		2	4	6	1,37	
6. Nursing fee		1	1	2	0,45	
7. Child care		0	5	5	1,14	
8. Moved		14	6	20	4,59	
9. Died		9	4	13	2,98	
<i>Sum</i>		38	36	74	<i>17,01</i>	
<i>No information</i>		<i>102</i>	<i>100</i>	<i>202</i>	<i>46,43</i>	
Non-registered		140	136	276	63,44	

Source: based on own longitudinal panel study

Handling the two programs together according to the result of the panel study the **reintegration rate is 22,06%**, meaning that **96** out of all **participants** had a declared legal employment relationship. Compared with the reintegration rate of the previous national impact assessments, all combined and separately (8,62% 33,19%) reported values are extremely high, which can be partly **explained by the new methodological approach**. The panel study examined the labour market status of the former participants 10 years after the end of the programs – instead of the previous practice of few months –, therefore it took into consideration the compliance of the economic cycles. In addition, the output results could be

justified by the socio-demographic variables and the endogenous and exogenous factors formulated in the two hypotheses.

According to the **socio-demographic variables** among the workers there were **twice as many women** (67 people, 69.7%) as men (29 people, 30,2%), furthermore, the occurrence of the 39-48 year olds (42 people, 42.7%) is the most common. In connection with this I proved that the reintegration rate of the younger age-group is higher, so out of the Tücsökzene public work program targeting specifically the people over the age of 40 only a few worked, meaning that against the older employees the market was more closed.

Nearly 80 % of the reintegrated had at **least secondary education**, 44 of them had graduated from high school (50,64%) and 17 of them (22%) had either college or university degree. Based on this one of the key variables of the employment is the education, which is statistically confirmed by the moderately strong ($r = -0578$) correlation coefficient. Handling separately the two types of program focusing on different target groups, even in case of the Tücsökzene with the low input threshold the reintegrated were from the ones who had at least secondary education (8 people, 47%), while at the community service program their rate was outstanding (93%). According to the marital status variable most of them (47 people, 48.9%) lived in married in households of 3-4 people.

According to the first hypothesis of Debrecen the **endogenous factor** of the reintegration are **program organization** and implementation, in which case the principal of '*the right person at the right place and time*' proved the targeting of the selection and referral practice. In addition, the personal and professional recognition, mentoring provided by a host institution became a more qualitative, non-quantifiable factor.

In this connection the community service program must be emphasized as it can be considered as a '*good practice*', where they took advantage of the **comparative role of the tool** by offering and replaced the kind of activities and services that were needed, but the market could not load. This form of employment in terms of the content was similar to the market employment, and it allowed the acquisition of new skills and knowledge for the workers which they could apply in the further employment. In contrast, the public work program type relationship is inherently competitive with the market sector, because the government in many cases performed public functions on a lower efficiency with direct interventions replacing the market businesses. Because of this it is hard or limited to exit from

the public work program to the market, and the low-input conditions worsened the probability of this, which was confirmed by the results of the Tücsökzene program.

According to the second hypothesis the institutions used the public employment **programs as a recruiting tool**, which has also been confirmed. According to the new result of the panel study within the reintegrated the subtype of '**working for 10 years at the same place**' can be separated. 39 people still work at the same place they started working 10 years ago. Most of them are women at the age of 49-58 who are educated at least on a secondary level. In proportion this to the entire number (435 people) their rate is 8,9%, and they are the 40,6% of the reintegrated. Comparing this to the results of the previous follow-up studies, the success of a new methodological approach has been clearly approved, meaning that the long-term reintegration can be measured after a longer period align with the cycles. The referrals per capita with the 39 people did not differ significantly from the average values (3,6 times) reported in the community service program, and the statistical calculation refuted the condition of close correlation between the number of participations in the programs and the variable of the reintegration. In this case the endogenous factor was more crucial that they were broadcasted to the same institutions, this way thanks to lobbying interest, "skimming" the best people with the best socio-demographic, professional and human qualities. Among the former host institutions, most of them (20 people) were employed by Debrecen City Mayor's Office.

After all, it was expedient to group the workplaces by sectors, to be able to infer the workforce expansion after the crisis. Nearly the third of the reintegrated (29,1%, 28 people) started working in **social or health spheres** and all of them got in by the community service program. The program made available a variety of professional, hands-on experiences or they came to like their tasks during the multiple public employments and changing their career they started working in these fields. 25 more people – women, without exception – had appointed in different institutions, **administrative, clerical jobs**.

The '**right time**' as the recession or economic status of the market economy can be considered as the exogenous factor of the reintegration. The high reintegration can be explained by the programs studied were organized in the years of revival after the recession, when because of the increasing demand of the primary labour market there was a bigger chance to get employed after exiting the program. Most of the affected could convert their supported status

to market employment between 1999 and 2001, until that they were 'rotated' between different programs. With this the delayed impact of the program was proven to be prevailed.

The results of the impact assessment of Hajdúböszörmény

Within the second empirical research I studied the implementation in Hajdúböszörmény of the '**Pathway to Work**' program related to the global economic crisis. The location choice was motivated by the fact that in the employment structure of the city represented a significant portion of several crises sector affected by the recession such as **construction, engineering,** and **agriculture**. However on a national level the 13,18% of the registered job seekers was not outstanding according to the data of NEO but the rate has increased by 33,2% comparing the same quarter in 2008 and 2009 (ÉARMK HBK, 2010).

In the Social Department of the Local Government and the Employment center the client traffic increased by 30-35% (SZA-2, 3, 9, 14. HB.). The Municipal Board of the city adopted by the 95/2009 (III.26.) government decision of year 2009 public works plan, accordingly – compared to the number of previous years 60% more – they attempted to employ an annual average 400 people by community service program (HBVÖ, 2009; CKÖ; 2009).

*I would like to highlight the followings based on the **analysis of the organization** of programs and referral process:*

The practice of the selected local government confirmed that the 'Pathway to Work' as the new version of public employment expected the non-employed persons of working age into work more and more efficient rotation with limited human, financial and material conditions. The fundamental pillars of the public employment such as government control, financial interests and cost savings described this system as well, thus inherently inhibited the more efficient operation. Although it was introduced specifically during the crisis but instead of countercyclicality the function of legitimacy has been the focus. On a micro-level the intensification of the crowding out effect of the program has been successfully proved over against the operators. In addition, the personal additional capacity demand of the implementation could be covered by supported job, but these were not financed by the program. The material and financial conditions were also provided by the local government's own budget; however in the annual accounts of the budget the program meant 20% more of total expenditure, meaning that the central cost cutting goes hand in hand with source subtract.

In the course of analyzing the **referral and organization** I was able to explore that the organizers differentiated the target groups in their power, increasing the chance for the individual to employ them in positions appropriate for their skill and abilities. Using the Ferge 'type of work' groups the calculated **correlation was moderately strong** ($r= 0.501$, $P=<0.001$) between the variables of the type of work group of the position and the highest educational level, so they could incorporate the demand and supply of the secondary market by considering this.

The input results of the program:

For the input measurement of the 191 participants who have gotten into a simple random selection based sample I used 4 target-specific questionnaires filled out during the public employment. The proportion of **men (57.6%) was higher than women (42.4%)** by nearly 15%. **The proportion of 28 years and under and 39-48 year olds was nearly identical (30%)**, whereas the mean age exceeded 37 years. 43.9% of the participants had a vocational qualification, the second largest group was the ones with primary school qualifications (21.9%). In sum, 73.2% of the participants was at least a secondary school graduate.

Every third person claimed themselves as single (35%, 68 people) and 69.1% of them lived in the same household as their parents. The second is the married group (27.2%), which is followed by the divorced group (21.4%). The size of households varied considerably, according to the income structure 43.9% of the affected lived monthly income of less than 100 thousand HUF and for the exception of 3 people there was no other household with reported employment. After them come the 37.6% who live monthly income of 100-150 thousand HUF.

Finally according to the **5 input types** based on the occupational careers; was employed before 40.3% (77 people), rotated 29.3% (56 people), entrants 10.4% (20 people), coming back from maternity leave 7.8% (15 people), and 9.4% of them (18 people) are former participant reintegrated, now participant again.

The nationwide trend - an increase in the number of "active age benefit" recipients – was managed to locally quantify, since there were **53 new entrants (27.7%)** in the sample. In addition to the effects of the crisis, the web of contacts and acquaintance also played a role resulting from the settlement's size, since 37.6% of the respondents claimed to have been in the program because of that. Finally 104 people (54.4%) claimed that this was their first

participation in the public employment. All this has been confirmed that because of the universal nature of program it had highly **heterogeneous input parameters** in the city regarding the socio-demographic variables and employment careers.

The second measurement more than 2.5 years after the end of the program applies to the output results, which is shown by Chart 2.

Cart 2 Distribution of participants in the 'Pathway to Work' program by status

STATUS/UNIT	PEOPLE	%
1. Works	37	19,37
2. public employed, rotated	78	40,83
3. job seeker	29	15,18
4. social allowance	15	7,85
5. Further information		
<i>Retired</i>	2	1,04
<i>Maternity leave</i>	3	1,57
<i>Moved</i>	10	5,23
<i>No information</i>	17	8,90
Sum	191	100,00

Source: own survey

Among the **37 reintegrated people – 19.37% of the sample** – the gender ratio is balanced; however, the singles under 28 years are better able to get a job. School education is a key demographic characteristic, because the condition of entry to the market was at least a vocational certificate. The local initiatives promoting involvement of school-leavers had a proven delayed effect, as from the view of investors they provided marketable skills for the young people in the program that are necessary to exit. However the levy of the target group did not bear interest in the field of local human capacity, because after the publicly financed program there were no sources for reinforcements, so the private sector was the winner.

Regarding the input types every other person (18 people) has already been working on the opened market before 2009. The current status could not be linked to sectors characterized by growing demand, since the crisis is not over yet, so there were several independent reintegration. Thanks to the appropriate referral the affected could use the professional

experience acquired during the public employment, since **every third reintegrated person** worked in similar positions as a public employee. The employment of **5 people** can be considered as the **direct success** of the management who got jobs in the host institutions. During their public employment the workers could be characterized by a active and positive attitude regarding both their satisfaction with the program, and ideas about the future.

78 people – 40.83% of the whole sample – worked again at supported workplaces in 2012. There were two times more men (51 people, 65.4%) than women, which was attributable in part to the education and previous labor market situation. 92.1% of men had vocational qualification at most, and 52.9% of them has already been public employee before the ‘Pathway to Work’. Regarding the whole group the proportion of the age groups was balanced, so the ‘rotate’ status affected especially the ones with the lower education at all ages. Most of them are also single (30.8%), while the result of the household based study showed that an average of 3-4 family units are characterized by modest monthly income category. Based on the input types 35 people (44.8%) has been public employee earlier, who had been broadcasted 2.65 times between 2000 and 2009. Between them was a narrow layer the ‘elite core’, so the **locking-in effect** could show up. Further 21 people got into the program during the recession from the opened market.

As a conclusion, the outcome of the public employment programs is determined more by the rise of labour demand related to the economic cycles than the socio-demographic characteristics of workers, the labour market situation or motivation, but only with well-organized referral practice. Besides, a targeted intervention can have counter-cyclical effect if they explore the comparative labor-demand and cover them with supplied positions.

4. THE NEW AND NOVEL RESULTS OF THE THESIS

1. Public employment has not been developed, both in quantitative and qualitative terms over the past two decades; in essence it offered the same tools in a centralized system to the increasingly heterogeneous target groups.
2. However the transformational recession and the Global economic crisis of 2008-2010 were two different economic cycles, still the government intervened with the same instruments to manage the imbalances of the labour market. In addition based on the result secondary research the public employment did not have counter-cyclical effect in these periods, the tendency of the headcount changes of the affected can be related to the political cycles.
3. I managed to track the high reintegration rates facing the existing domestic research results with two micro-level longitudinal panel studies. In case of the programs in Debrecen 22.06% of the former participants, in case of the 'Pathway to Work' program in Hajdúböszörmény, 19.37% of the participants had a declared employment relationship. This is partly due to new methodological approach, which defines that a long-term reintegration cannot be measured in a short period of time after the completion of a program and it is influenced by market trends and local conditions.
4. According to the most important socio-demographic factors that influence the reintegration, a typically reintegrated person is a woman under 28 years or 39-48 years old who got into the program with at least secondary educational level.
5. In case of the endogenous factors the management, the practice of program organization and targeted referral or the transfer of marketable skills were decisive for successful outcomes. The innovative and good practice of the examined Occupational Group in Debrecen can be considered unique, since it alloys the wide range of labour market and social knowledge with investment approach.
6. Regarding the exogenous conditions it turned out that the 'right time', the assembly of the phase of economic cycle and the time of the organization is a key at the output of the program.

5. THE THEORETICAL/PRACTICAL USABILITY OF THE RESULTS

During my research I tried to find out **whether the same interventional techniques** were used in order to increase the level of employment in our country during the two different **recessions**. After the performance of the primary and secondary researches I faced with the fact that the economic forecasts based on economic research or the result of the practice-oriented **program evaluation** are directly used in developed market economies in political decision-making. In contrast, in our country the institution of the studied public employment is mostly short-term, considered as a temporary solution attempt in the trap of financial and other interests. It has not changed over the past 20 years; it did not have a counter-cyclical effect on a macro-level, moreover, quite expensive and inefficient 'fake intervention'. It has lost its original function; it could not fit the needs of tighter and selective global labour market demand, since it was not characterized by the investment approach similar to the Anglo-Saxon countries, as these programs serve the developmental purpose of the human capital. Based on the results of the research I consider the following practical and theoretical proposals important:

1. The centralized public employment should be **re-differentiated** along qualitative and quantitative aspects (*the nature of the work carried out, diversifying the range of employers, and training*), since the heterogeneous target group could be employed more efficiently only with special democratic instruments.
2. To the success on the labour market integration field of the program instead of the cost saving philosophy the **investment approach** is needed. Based on the international practice of ALMP the fundamental pillars of the public employment should be repositioned. It would be expedient to support the training of participants, and by means of that the chance of being employed would be increased by the qualitative change between their input and output characteristics.
3. Instead of the current practice it is needed to provide in the support structure the **human, financial and material conditions** of the successful implementations of the programs.

4. Since in rural areas that suffer from labor demand shortage in many cases these programs mean only one employment option therefore the starting up of the local market should be supported.
5. In the future, the development and operation of a public employment form is recommended which is **independent from the political cycles** and fits more too the economic cycles.

In summary, in the future it would be expedient to consider the endogenous and exogenous aspects out of the factors influencing the reintegration that have been explored during the research based on the two independent data collection. The dedicated and professionally relevant program management basically determines the output of the programs, and the existing researches have pointed out that there are a few credible studies based on local conditions. In addition, during the planning of a program a time interval of a program and participation times should be attached to the phases of the economic cycles based on accurate economic forecasts, so that these interventional instruments really provide a counter-cyclical solution for the affected.

SAJÁT PUBLIKÁCIÓK JEGYZÉKE

A DI szabályzat értelmében figyelembe vehető publikációk:

1. Szabó A. (2009): Hungary's employment policy from the point of view joining the European Union. Agrártudományi közlemények (Acta Agraria Debreceniensis) DE-AMTC 34. sz. 189-199. ISSN 1587-1282

2. Szabó A. – Katonáné Kovács J. (2009): Analysis of the hungarian National Action Plan for employment in the framework of Rural Jobs international project. Agrártudományi közlemények (Acta Agraria Debreceniensis) DE-AMTC 33. sz. 77-87. ISSN 1587-1282

3. Szabo, A. (2012): Evaluation of labor market programs during recession in the North Great Plain region of Hungary. International Journal of Sustainable Economies Managment. Vol 4. 38-51.pp. ISSN: 2160-9659

4. Szabó A. (2013): A közfoglalkoztatás tapasztalatai és eredményei két észak-alföldi városban. Gazdálkodás 57. évf. 4. sz. (befogadói nyilatkozat)

5. Szabó A. (2013): A közfoglalkoztatás jelentősége két gazdasági ciklus tükrében. Esély 24. évf. 3. sz. (befogadói nyilatkozat)

Külföldön megjelent tudományos értekezés idegen nyelvű összefoglalóval

Novkovic, N. – Mutovdzic, B. – Szabo, E. – **Szabo, A.** (2009): Comparative analysis of animal production in Vojvodina and Hungary. In: Agroekonomika Novi Sad, Vol. 41-42. pp. 45-52. YU ISSN 0350-5928

Szabó A. (2008): Kinek jó a közfoglalkoztatás? Társadalmi erőforrások, regionális együttműködés, gazdasági integráció konferencia, 2008. november 7. Partiumi Keresztény Egyetem, Nagyvárad, Kiadványkötet 121-136.

Külföldön tartott idegen nyelvű előadás, idegen nyelvű megjelent absztrakttal

Szabó, A. – Nagy, G (2010): Analysis of the public work in a rural city. 2nd Moravian conference on Rural Research Eurorural 2010, Brno ISBN 978-80-7375-418-1 57-58.

Megjelent idegen nyelvű kutatási jelentés

Pakurár, M. – Oláh, J. – Katonáné K., J. – Hágen, D. – Vántus, A. – **Szabó, A.** (2010): New Sources of Employment to Promote the Wealth-Generating Capacity of Rural Communities. EU Framework 7 project no. 211605; Deliverable 5.1.1.

Magyarországon idegen nyelven teljes terjedelemben megjelent előadás

Szabó, A. (2009): Possibilities of local government in employment. Erdei Ferenc V. Tudományos Konferencia, 2009. szeptember 3. Kecskemét II. kötet. 835-840. ISBN 978-963-7294-73-0

Szabó, A. (2009): Analyzis of labour market positions in Serbia and in Hungary. II. Interregionális Nemzetközi Tudományos Konferencia, Dunaújváros

Magyar nyelven megjelent tudományos értekezés, idegen nyelvű összefoglaló nélkül

Béresné Mártha B.– Kvancz J. – **Szabó A.** (2011): A mezőgazdaság önellátó funkciója a vidéki közfoglalkoztatottak körében. Gazdasági és Társadalomtudományi közlemények. Nyíregyházi Főiskola GTK, 3. évf., 1. sz. 37-49. ISSN 2061-3156

Szabó A. – Béresné Mártha B. (2012): Gazdasági ciklusok és az állami beavatkozás összefüggései az 5.-dik cikluson keresztül. Gazdasági és Társadalomtudományi közlemények. Nyíregyházi Főiskola GTK (megjelenésre elfogadott)

Szabó A. (2009): Munkahelyteremtés az Új Magyarország vidékfejlesztési program aspektusában. Helyünk a világban- alföldi válaszok a globalizáció folyamataira. MTA IV. Alföld Kongresszus, 2008. november 27-28. Békéscsaba, ISBN 978-963-87155-2-4 136-142.

Magyarországon tartott magyar nyelvű előadás, lektorált idegen nyelven megjelent absztrakttal

Szabó A. (2009): Turisztikai beruházás munkahelyteremtő szerepének vizsgálata egy vidéki kistérségi központban. Agrár – és Vidékfejlesztési Szemle, 2009. Vol. 4., No. 1. pp. 68. ISSN 1788-5345

Szabó A. – Csoba J. (2009): Munkanélküliek reintegrálódási esélyei egy hátrányos kistérségben. Magyar Szociológiai társaság éves konferenciája és közgyűlése, Vátozás. Válság. Váltás.hu., 2009 november 13-14. MSZT, Budapest ISBN 978-963-886333-0-0 111.