

ECONOMICAL ANALYSIS OF DISABLED EMPLOYERS AND THEIR EMPLOYEES IN HUNGARY

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ABSTRACT

Nowadays employment is an evergreen topic in Hungary. Many kinds of supplies are provided by the state (on the basis of the 8/1983. EüM-PM Hungarian Law), for example for the group 'people living with disabilities'. It is very difficult to provide job for these people after their rehabilitation. My main goal is to analyze the 'rehabilitation' of disabled people and to study the related firms and the connection between the employers and employees. My intentions were also to create a strategy for these people to be employed again and for the firms to be motivated to employ them. Statistical figures show, that the highest ratio of 'people living with disabilities' can be found in the North Great Plain Region of Hungary (30 per cent of the total number of 'people living with disabilities'). The employment of these people means extra costs for enterprises. At the same time the complete accessibility of workplaces is still not realized in many cases in Hungary yet. Currently only a few enterprises are specialized to employ people living with disabilities. Unfortunately, most of the enterprises don't intend to employ disabled persons. Questionnaires were created in order to study the relationship between people living with disabilities and their possibilities to get employed on the labour market again. My study had two phases. In the first phase we focused on individual persons providing anonymity of the questionnaires. The research focused on special rehabilitation firms and their employees too (they are specialised to employ disabled employers). Two questionnaires for the above mentioned firms and their employees were created in order to gather information on their activities as well as relationship between the firms and its employees. It can be stated that this paper shows the relationship between the employers and employees. I will analyze the importance of factors in working among employers and among the employees. According to the latest trends I analyse the attitude to the rehabilitation of these people and how they will be able to work again not only in 'rehabilitation firms'. My implication is that new workplaces for these people should be created by the utilisation of the European Union and the available national sources in order to integrate them into the labour market again in a long run. In the current stage of my research evaluation of the data collection is ongoing now. After summarizing all claims of participants I can make an impression in this area. I think my research is very special because of the geographical research area of data collection and the topic.

Key words

Disabled persons, recruitment, rehabilitation, labour market, Hungary

Jel Codes

E24 - Employment; Unemployment; Wages; Intergenerational Income Distribution; Aggregate Human Capital

J14 - Economics of the Elderly; Economics of the Handicapped; Non-Labor Market Discrimination

I. Introduction

Nowadays the growing rate of economically inactive population is a very big problem in Hungary. Rural development has become more and more important issue in Hungary since rural areas also contribute to the efficiency of the national economy (Kárpáti, Csapó and Árváné 2010, 71). There were radical changes in the economy as well as in the labour market in the 1990's. The rate of employment and activity was the lowest in 1996 – 1997, after that in consequence of

the economically boom it had been growing for 2000. Between 2000 and 2007 it showed stagnation, except some short temporary growing periods. There are two big groups in the sector pensioners. 'People living with disabilities' group can also be found in this sector on the basis of the 8/1983. Eüm/PM Hungarian Law. The aim of the Law is to give the possibility of adequate job based on qualification and state of health after their rehabilitation.

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

Business financing has a very important role in the private sector (Kárpáti 2006: 9). The employer has an obligation in all sectors of the national economy to pay rehabilitation contribution the state, if the statistical number of employed persons is more than 20, and if the number of disabled persons less than 5 per cent of the total number of employed persons. Rehabilitation fee could be replaced through employing 'people living with disabilities' according to the Hungarian law.

The highest activity rate of population can be found in the capital city and surroundings area. The reason for that is that most of the logistics centres as well as headquarters of multi - companies are located in this region. Relatively high activity rate can be found also in the western part of Hungary, especially in counties located at the Austrian boarder. The lowest activity rate can be found in the South – West and North – East counties of the country. Unfortunately in these counties we can find the highest unemployment rate too. In most cases it is even double higher than the national average.

These companies are partially different to the ones in the employees' sample. This sample can also be considered adequate as almost 30 per cent of the companies were questioned out of the sampling population. On the other hand, the employers sample is representative regarding the certificate of accreditation. The two-thirds of the employers possesses only a basic certificate of accreditation while the rest one-third has rehabilitational or enhanced certification

The frequency distribution of the types of the questioned companies are the following: the ratios of the non profit organizations and LLC's are relatively high (around 40%) and almost equal so as the ratios of the individual entrepreneurs and deposit companies (around 10%). The proportion of the corporations was the lowest (around 5%). Regarding the sampling population, LLC's and non profit organizations are overrepresented while deposit companies are represented excessively. The thirty percent of the non profit organization is an association. The 61,5% of the companies with enhanced certificate of accreditation is a protected workplace.

II. Literature analysis

The respondents - "people living with disabilities" - can be arranged in two groups considering that the incapacity is a congenital malformation – this means an infiltration into the labour market with disability – or an impaired health status caused by a medical emergency or an accident – this means the person had worked in the labour market without disability and later he had to cope with the changed situation according to his impaired health.

People living with disabilities have a very special situation at the labour market. Their participation in labour market is very limited. In Hungary – according to the international trends – vocational rehabilitation and workmen's compensation are provided by the state (Kálmán and Könczei 2002:209-210). The disability includes only some activities and not the whole person (Münnich 2007: 323-327). The holistic, ecological approach become more and more popular (Pordán 2007: 58-60) emphasizing that circumstances and the abilities of people living with disabilities have to be harmonized (Münnich 2006: 60-62). The main problem is that these people don't have the right to make decisions in their job (Bass 2008: 172-175) although they are very reliable, precise and capable of hard work (Holló 2007: 64).

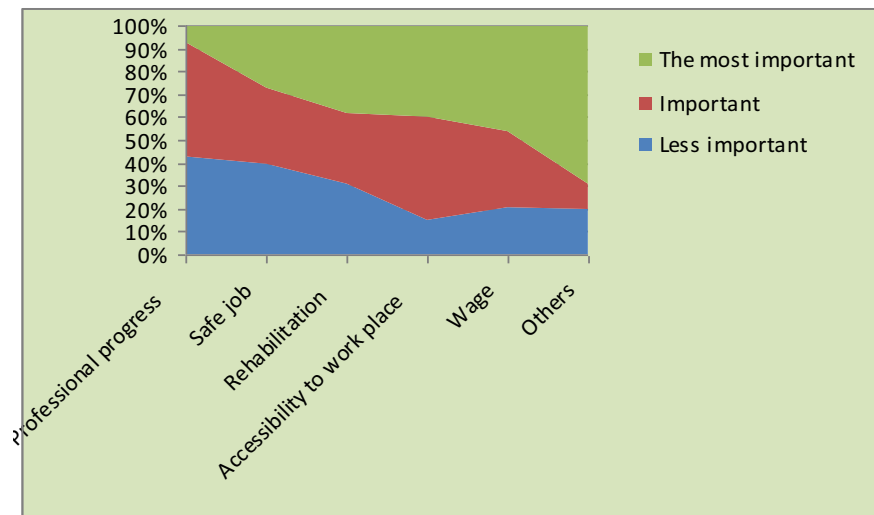
The number of unemployed and inactive persons has been increased continuously between 2000 and 2008. Unfortunately this negative trend didn't stop yet. There are some special groups in the Hungarian population, like 'people living with disabilities' whose labour market position even more complicated.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

International trends in the labour market, according to the disabled people shows that this is a typical problem not just in Hungary but in the other European countries too. In the middle of the 1990's the average per cent of the disabled pensioners was in Hungary 5,8; in Finland 9,1; in Austria 3,6; in Germany 2,3; in Luxemburg 7,1; in the Netherlands 8,1; in Norway 7,3; in Poland 10,1; in Sweden 6,6; in Switzerland 2,4; and in the United Kingdom 4,1 per cent (Fultz and Ruch 2002: 77). The European countries but the other countries in the world (Australia, USA, Canada, etc.) have similar problem in this area and they try to solve the situation in different ways.

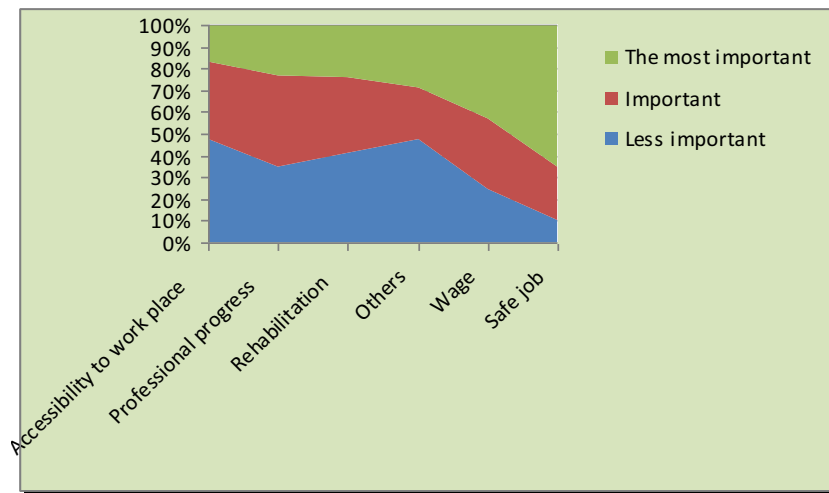
III. Research methodology

The sample size was 1030 questionnaires and the sample was obtained by using a simple random sampling (Sajtos and Mitev 2007: 31-33) from accredited companies (Somodi 2006: 51). The employees sample can be considered adequate as 109 companies were questioned out of the sampling population of 390 companies (according to the employees). The total number of the persons working at these companies with disability is around three thousand, and the sample consists of 1030 persons (the sampling rate is around 30 percent). In the second phase I questioned the employers themselves. These companies are partially different to the ones in the employees' sample. This sample can also be considered adequate as almost 30% of the companies were questioned out of the sampling population. On the other hand, the employers sample is representative regarding the certificate of accreditation. Data processing was performed by SPSS for Windows 15.0.

Figure 1 shows that amongst employers the other factors, wage and the accessibility to work place were the most important factors. Safe job and professional progress were the less important factors as there is an excess of supply over demand, and it's easy to find new employees.



(Figure 1): The importance of factors in working among employers
Source: own research, 2012



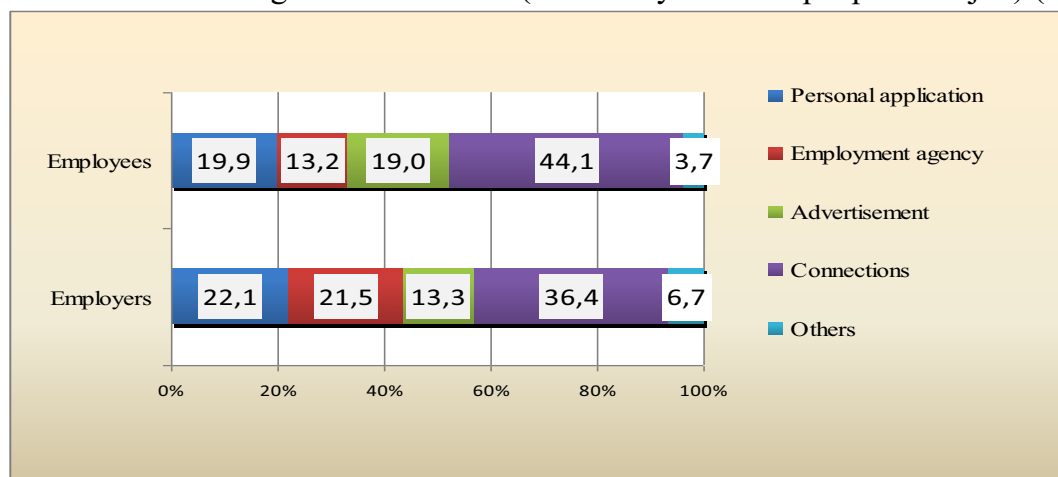
(Figure 2): The importance of factors in working among employees

Source: own research, 2012

Figure 2 shows that amongst employees the safe job was not only the most frequent but the most important factor too. The second-leading factor is the wage followed by other factors.

IV. The results of the research

We compared the answers of the two questionnaires (employees and employers) considering job search or recruitment. In the following section I present our results of comparison. The first aspect was the type of recruitment (or job search in the case of employees) namely the way the companies find workers living with disabilities (or the way disabled people seek job) (Figure 3).



(Figure 3): Distribution of the types of job search (recruitment) among the employees (employers)

Source: own research, 2012

The comparison of the distributions of the job search (recruitment types) was performed by Chi-square test. It can be stated that this test proved the differences between the distributions of job search (recruitment types) with $p=0,001$ significance level.

Figure 3 shows that employers apply for the Employment Agency with a relatively higher ratio (21,5%) in contradiction to the employees (13,2%). An other relevant difference appeared while taking the connections into consideration. The 44,1 percent of the employees pulls their strings for getting a job while connections were mentioned 36,4 percent of the cases among the employers.

Overall, wage is the most determining factor at both side of the labour market. There is no significant difference in the distribution of the importance between the two groups by Chi-square statistics ($p=0,582$). Employees have taken the opposite standpoint to the employers according to

the importance of safe job, rehabilitation and accessibility to workplace. Rehabilitation and accessibility to workplace is less important while safe job is more important for the employees because of their existence. The firms have already assumed the idea of rehabilitation but unusually the employees did not accept this concept.

V. Conclusions

I studied the labour market position of ‘people living with disabilities’ in the Hungarian North – Great – Plain Region. I compared the answers of the employees and employers considering satisfaction with the employee/employer, job search or recruitment and the possibility of obtaining further qualifications. According to recruitment or job search we found that employers apply for the Employment Agency with a relatively higher ratio in contradiction to the employees. Employees prefer to pull strings for getting a job with a relatively higher ratio than employers. Regarding further qualifications we can claim that 70% of the employees would obtain further qualifications but the majority (74 %) of the employers would not facilitate this activity. There were no significant difference between the job satisfaction of employees and employers. On the other hand, employees rather tend to choose extrem values than employers. Employees and employers had to rank some factors according to their importance in working. Employees mentioned safe job, accessibility to work place, wage as the most relevant factors while employers considered other factors, wage and accessibility to work place as the most three important factors. Overall, wage is the most determining factor at both side of the labour market. Employees have taken the opposite standpoint to the employers according to the importance of safe job, rehabilitation and accessibility to workplace. Rehabilitation and accessibility to workplace is less important while safe job is more important for the employees. There are some unusual results comparing with the newest ‘rehabilitation trends’ according to the 10/2006 Hungarian law (Garai 2008: 15). It is worth mentioning that the employers and the employees sample is continuously growing, so further researches will be published.

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