



Labour market situation of youth

Györgyi Ignits
Deputy Head of Research and Analysis Department
National Labour Office
E-mail: ignitsgy@lab.hu

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Hungary



Capital: Budapest

Area: 93.027 km²

Population: 9,95 million (2012.01.01)

Percentage change of GDP volumen
(adjusted, raw data (the corresponding
period of previous year))

2012 Q2: - 1,1 %

2011. Q2: +1,3 %

Activity rate (Aged 15-64):

2012. Q2: 64,2 %

2011. Q2: 62,6 %

Employment rate (Aged 15-64):

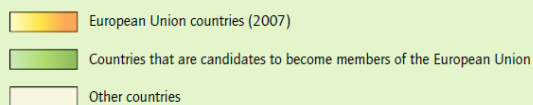
2012. Q2: 57,2%

2011. Q2: 55,8%

Unemployment rate (Aged 15-74):

2012. Q2: 10,9 %

2011. Q2: 10,8 %

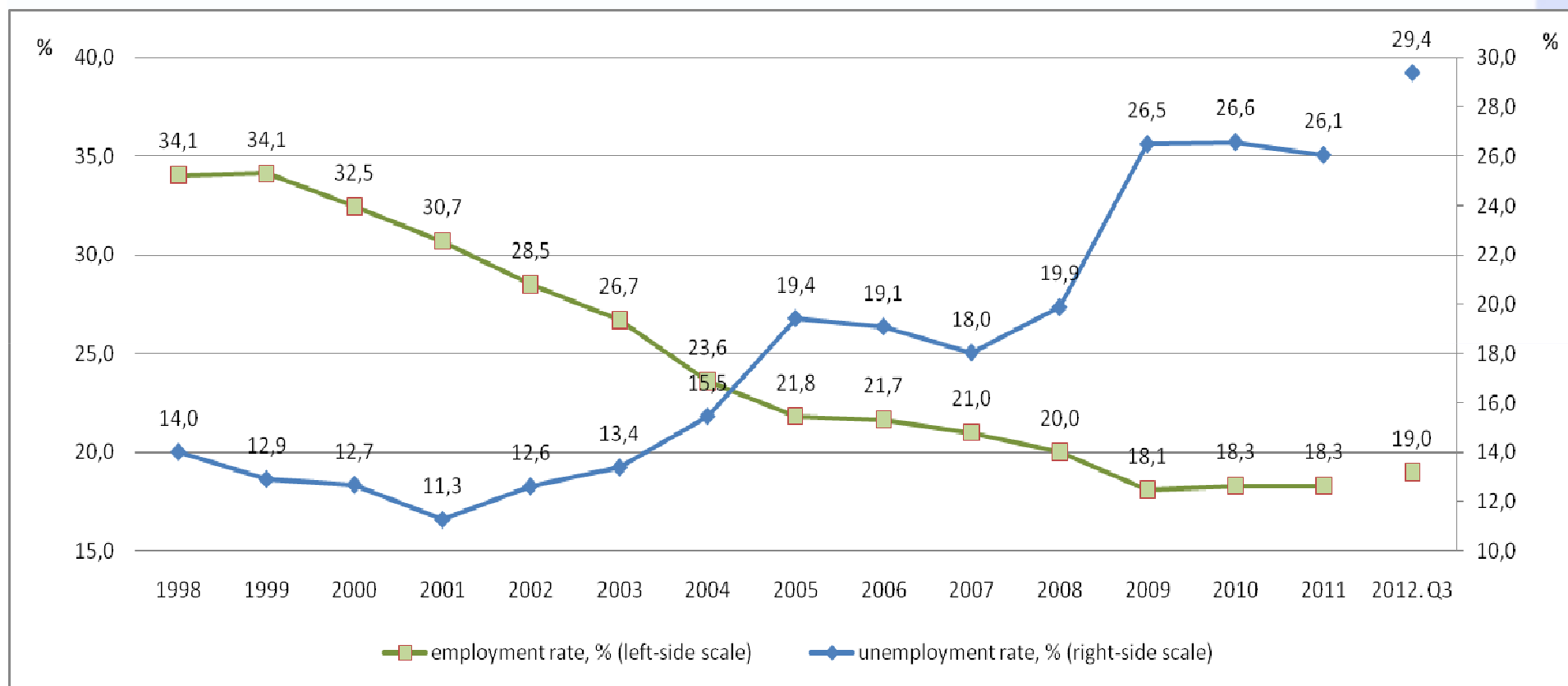


Employment rates in EU-27, Hungary

		2012. Q2			2011. Q2		
		EU27	Hungary	Difference	EU27	Hungary	Difference
				(EU-27- Hungary)			(EU-27- Hungary)
				%		%-point	%
15-64 years		64,3	57,2	7,1	64,5	55,8	8,7
15-24 years		32,8	17,8	15,0	33,5	18,1	15,4
25-49 years		77,7	74,9	2,8	78,3	73,8	4,5
55-64 years		48,9	37,2	11,7	47,5	35,5	12,0
15-64 years	Pre-primary, primary and lower secondary education	43,9	26,7	17,2	45,4	25,9	19,5
	Upper secondary and post- secondary non-tertiary education	68,5	62,5	6,0	68,9	61,0	7,9
	Tertiary education	82,1	78,7	3,4	82,4	78,9	3,5

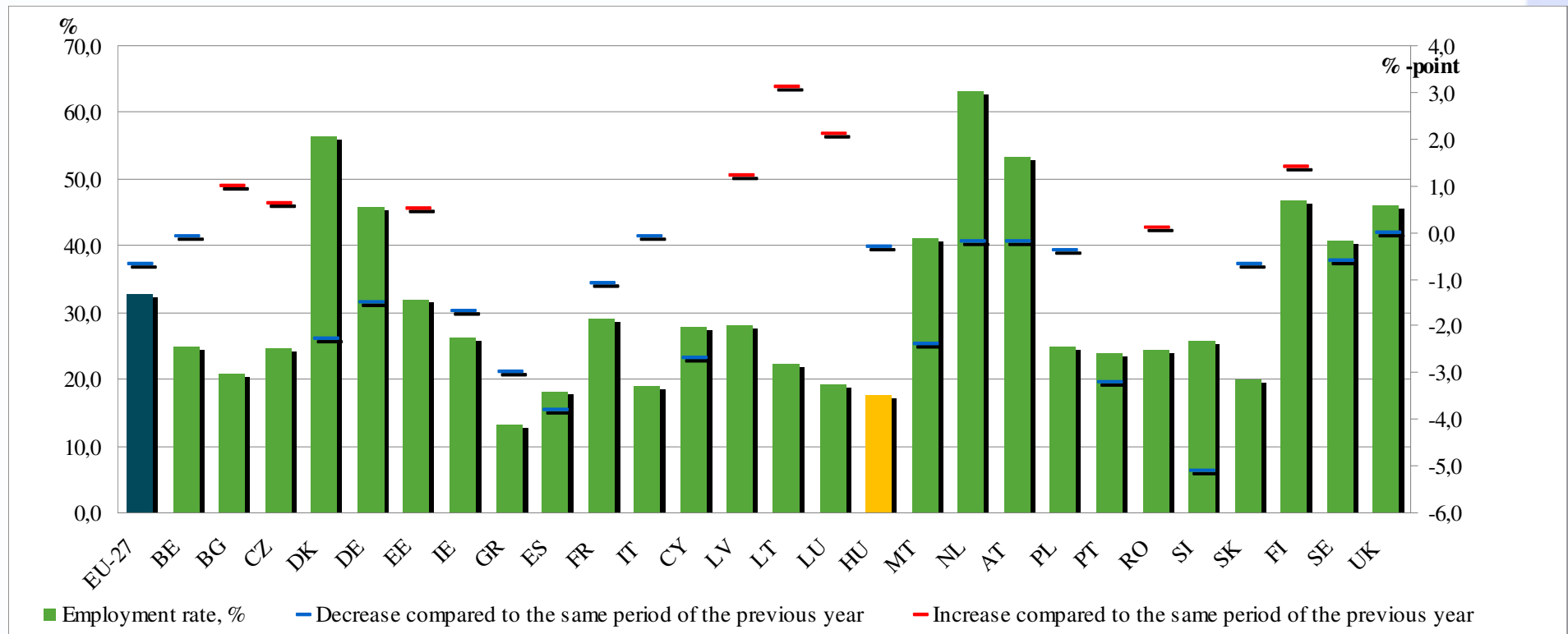
Source: LFS, Eurostat

Employment and unemployment rate youth, aged 15-24 years



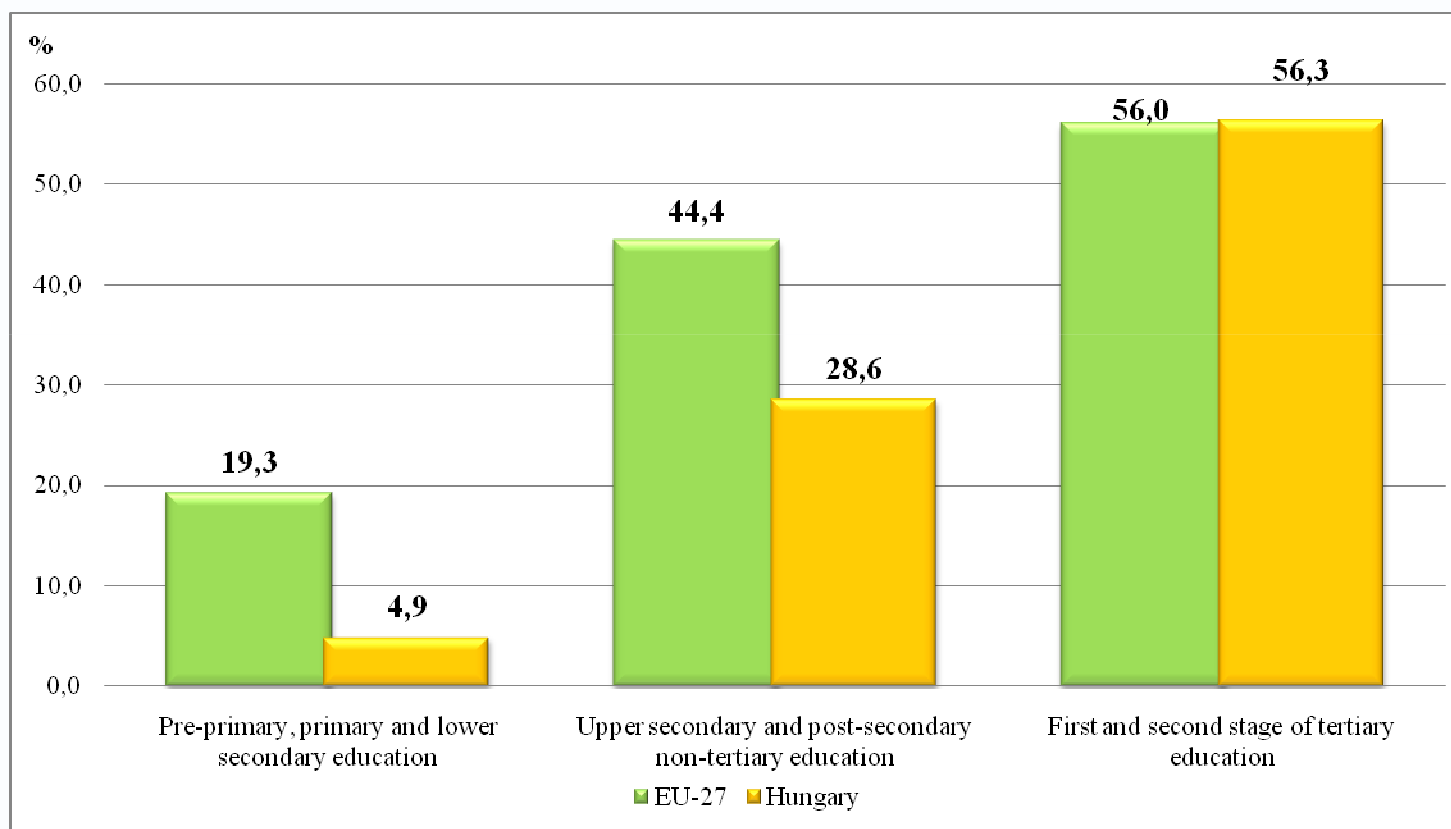
Source: LFS, Eurostat

Employment rate of population between age 15-24 and changes in Q2 2012



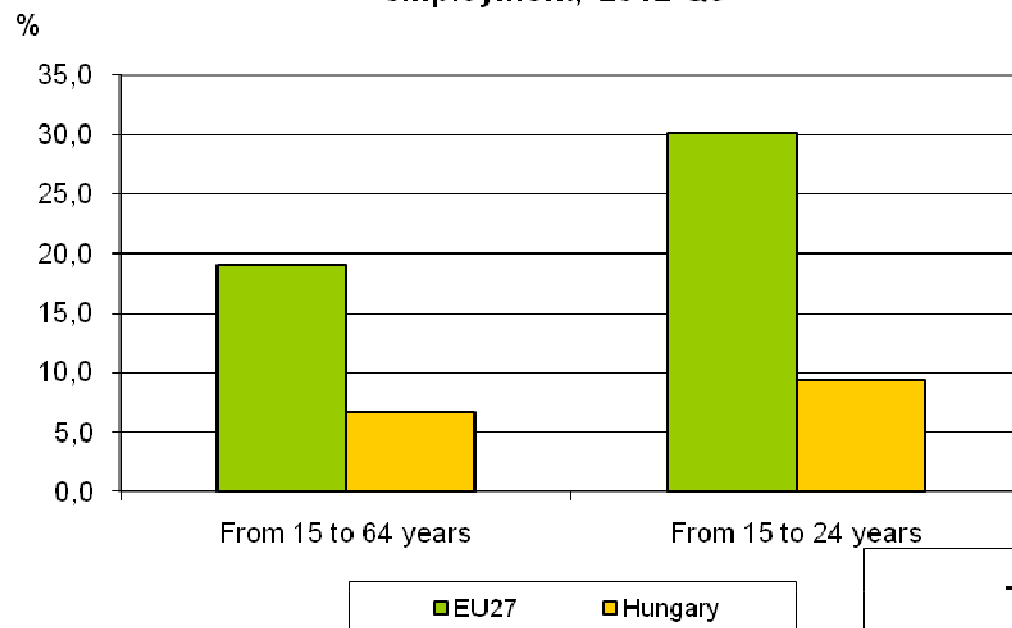
Source: LFS, Eurostat

Employment rate of population between age 15-24 years by educational attainment in Q2 2012

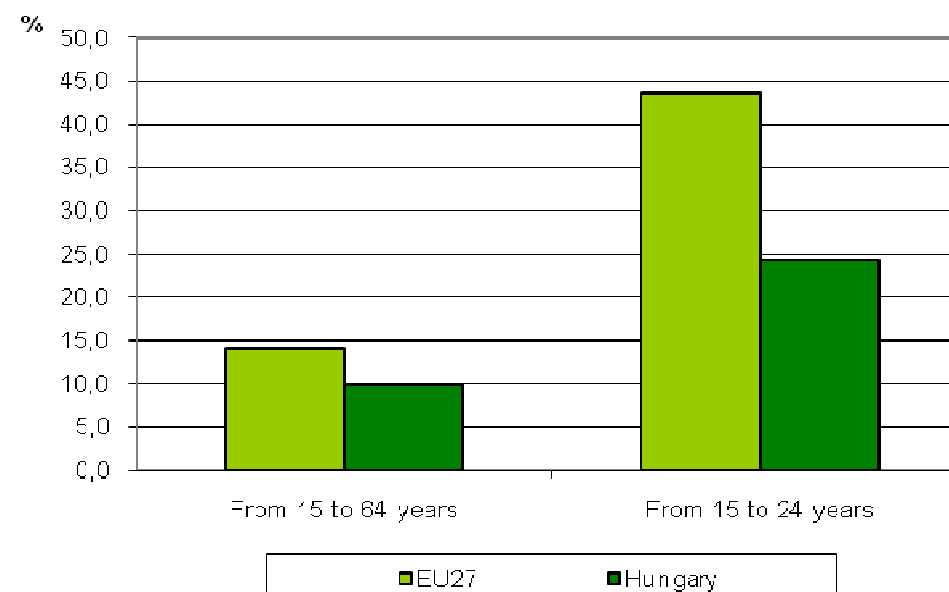


Source: LFS, Eurostat

Part-time employment as a percentage of the total employment, 2012 Q3

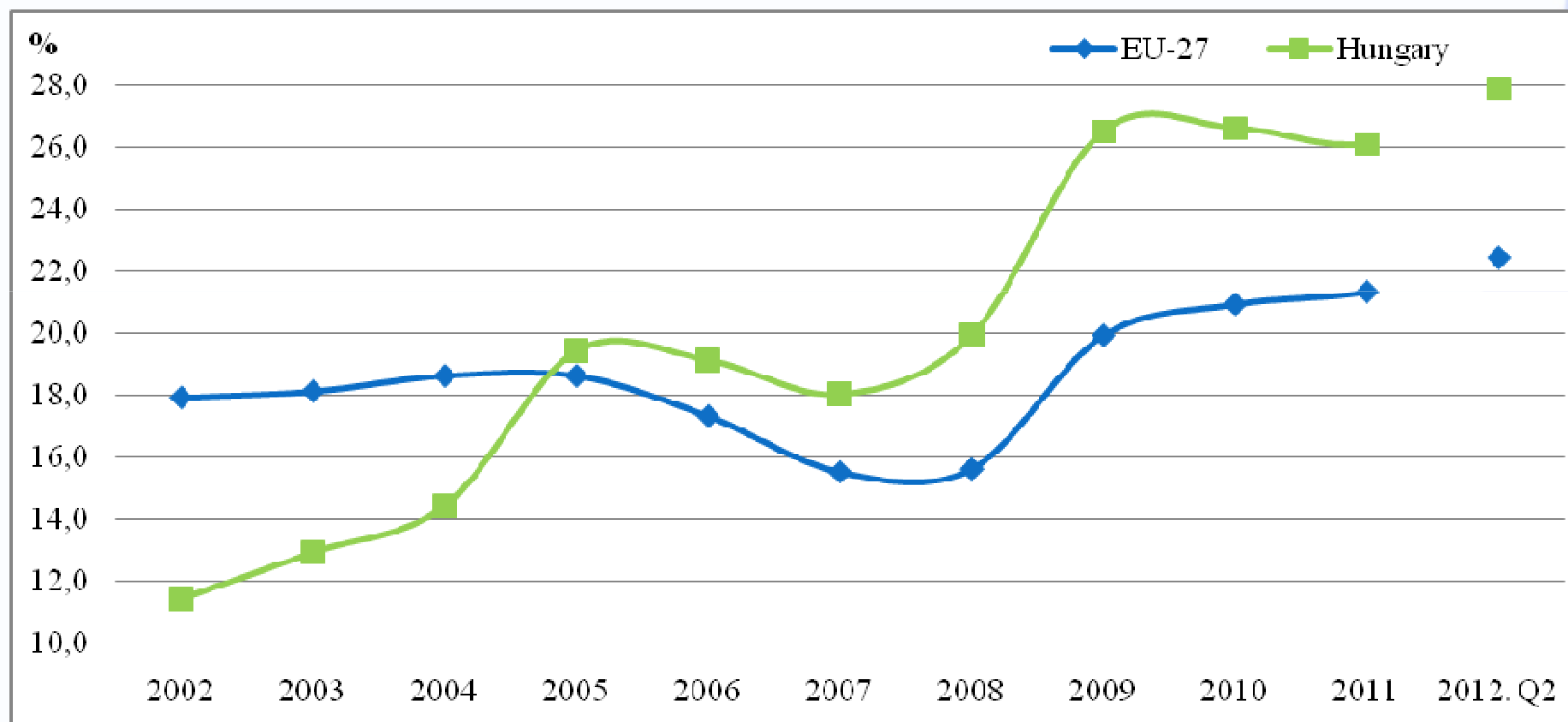


Temporary employment as a percentage of the total employment, 2012 Q3



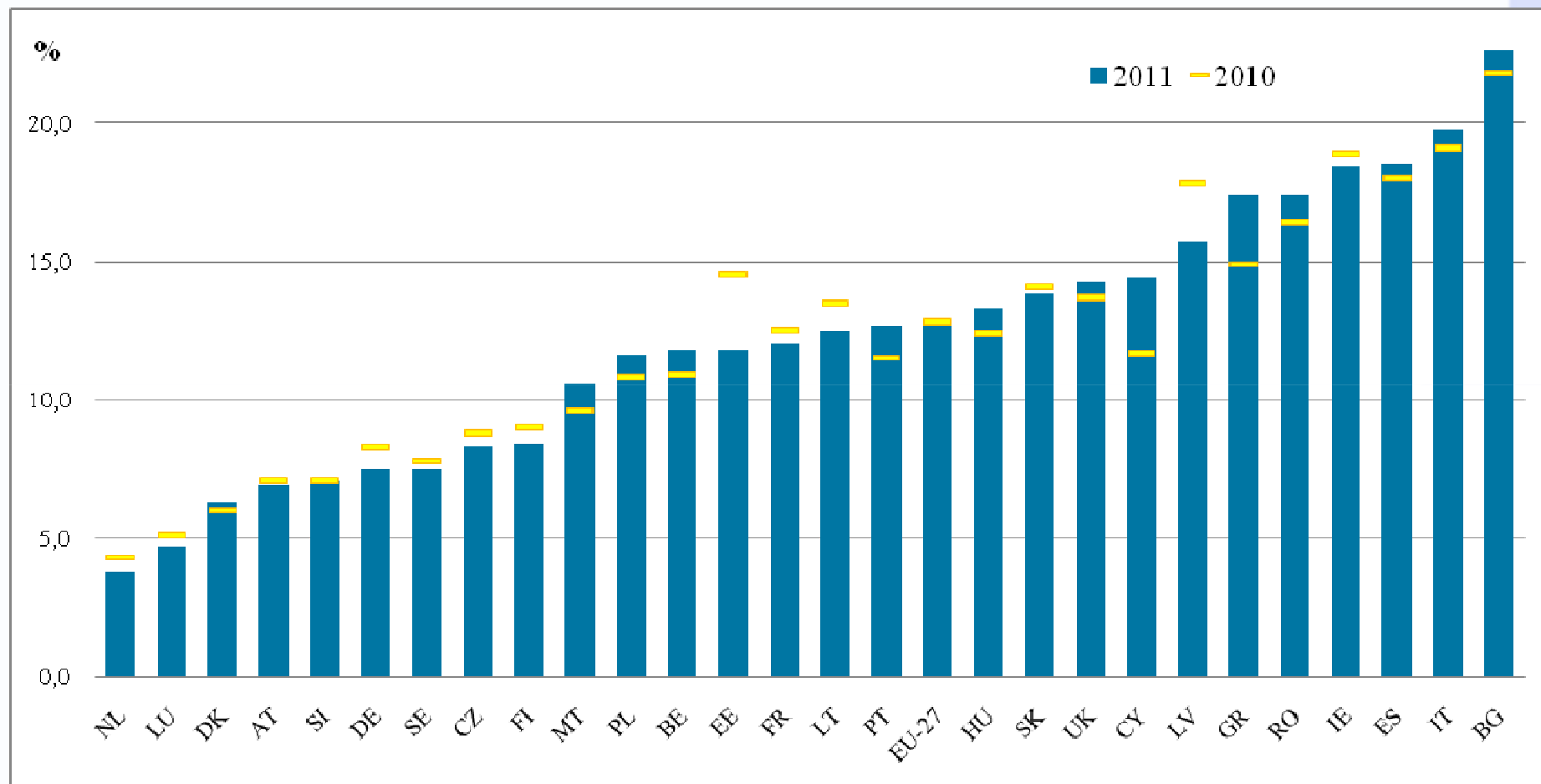
Source: LFS, Eurostat

Unemployment rate of population between age 15-24 years



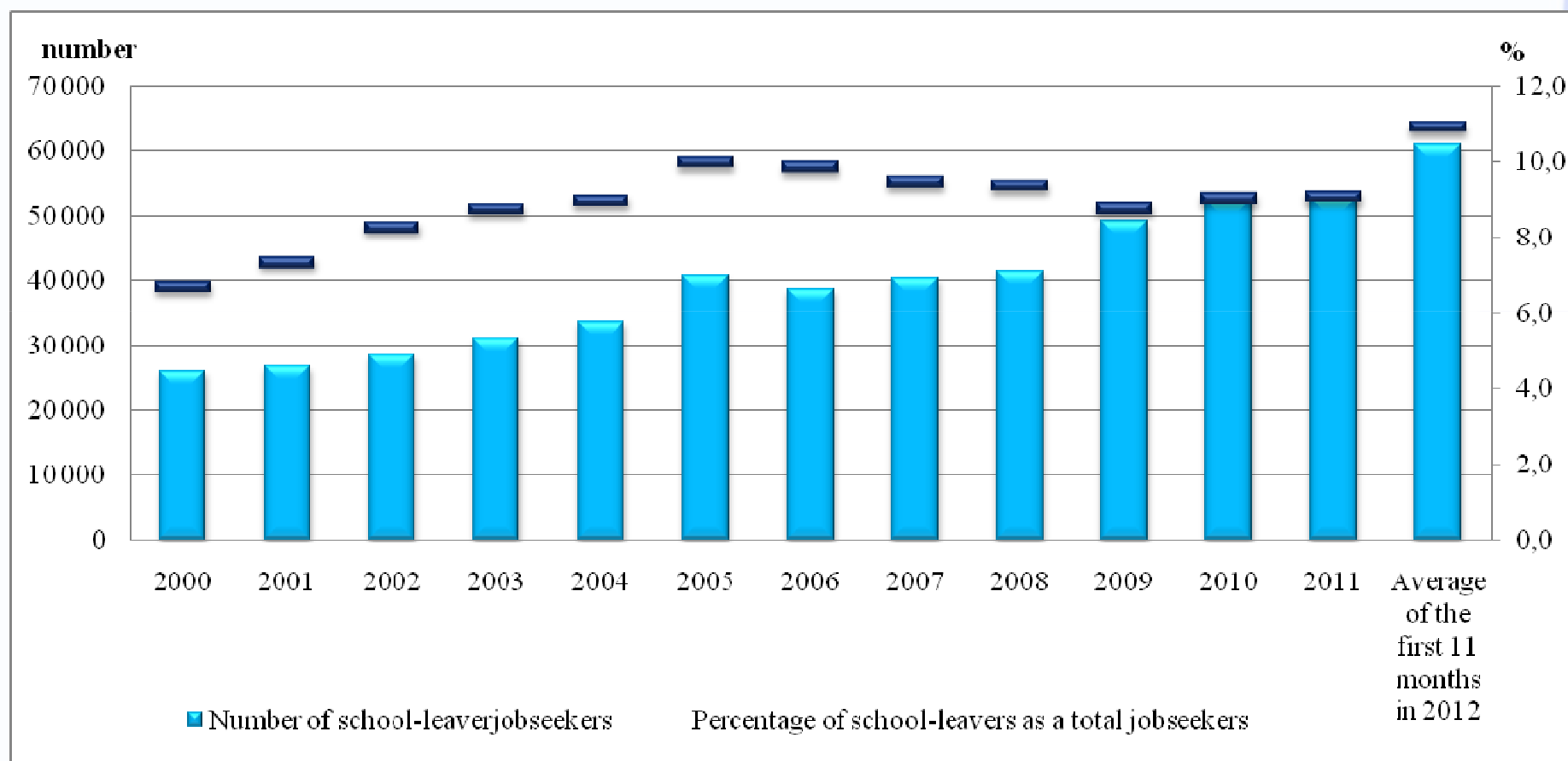
Source: LFS, Eurostat

Young people aged 15-24 not in education, employment or training (NEET) in the EU



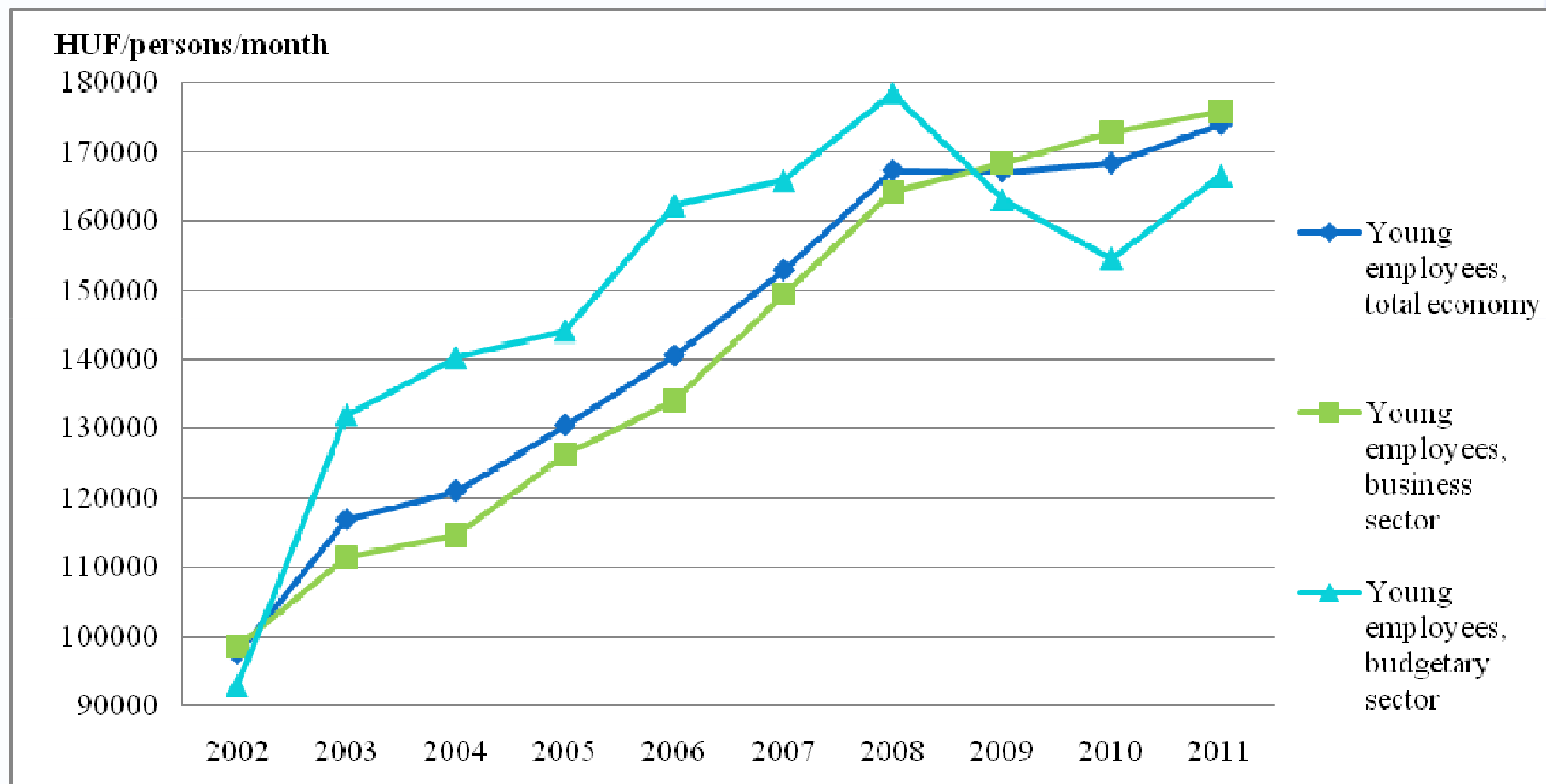
Source: LFS, Eurostat

Number and proportion of registered school-leaver jobseekers



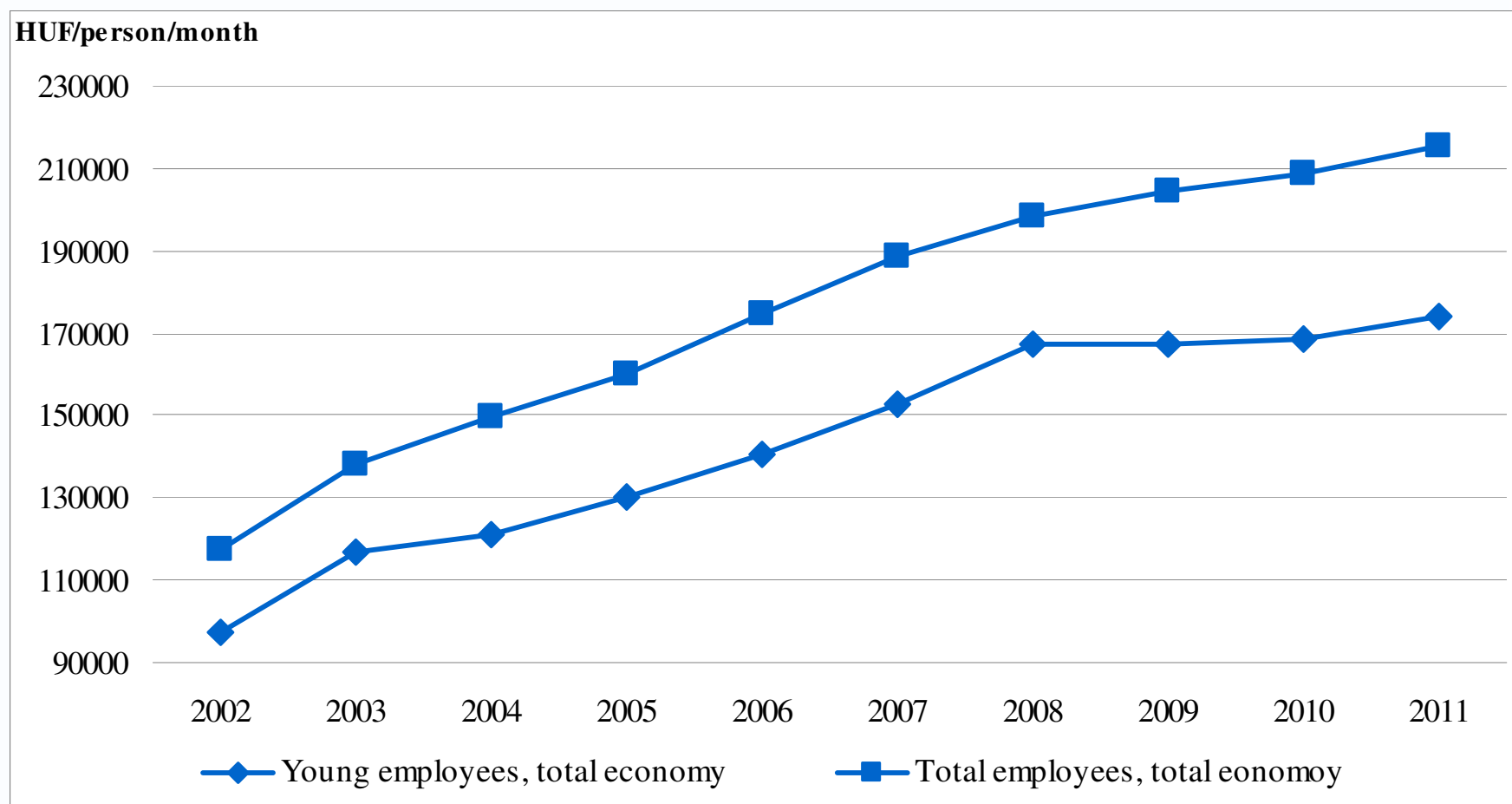
Source: PES register

Monthly gross earnings of young employees (18-29 years) between 2002-2011 (HUF/pers./month)



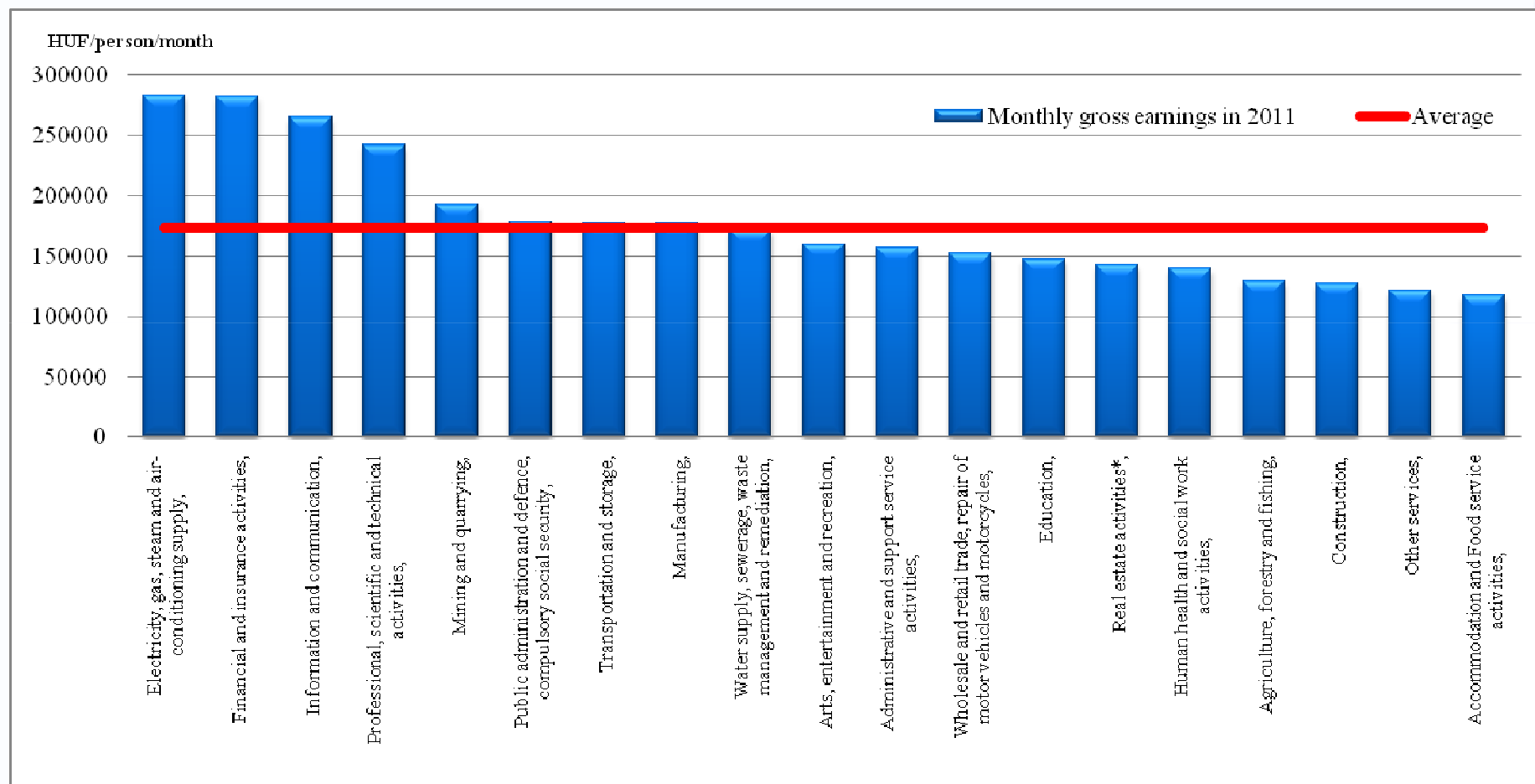
Source: The survey of individual wages and earning, National Employment Office

Monthly gross earnings of young employees (18-29 years) and total employees, 2002-2011



Source: The survey of individual wages and earning, National Employment Office

Monthly gross earnings of young employees (18-29 years) by sector, 2011



Source: The survey of individual wages and earning, National Employment Office

Labour market prospects- Short term labour market outlook- data for 2013.

Ratio of enterprises to employ school-leavers in 2012 and 2013 by sector %			
	2012	2013	
	N=1129	N=1063	Change, % -point
Mining and quarrying*	5,3	20,0	14,7
Manufacturing	21,5	21,2	-0,3
Electricity and water supply	18,9	19,8	0,9
Construction	10,5	9,4	-1,1
Wholesale and retail trade, repair of motor vehicles and motorcycles	13,4	11,4	-2,0
Transportation and storage	10,0	7,1	-2,8
Accommodation and catering	18,6	19,9	1,4
Financial and business services	11,6	14,2	2,6
Public services	8,5	6,3	-2,2
Other services	10,5	13,1	2,6
Total	15,2	14,7	-0,5
*Data in Mining and quarrying are not reliable because of low sample size.			

TOP10 of the occupations which are wanted to fill in by the school-leavers at the of 2013

1. Shop assistant
2. Assembler of products
3. Mechanical engineer
4. Butcher
5. Locksmith
6. Machining worker
7. Shop cashier, ticket clerk
8. Electrical engineer (electronics engineer)
9. Electronics (light current) engineering technician
10. Agricultural and industrial machinery (engine) mechanic and repairer

Source: Short-term labor market forecast, National Employment Office

Government's measures 1.

- **Intervention in the taxation system:**
- Flat-rate personal income tax combined with family elements: the state will not withdraw the benefits of improved knowledge and performance
- Job Protection Action Plan:
 - the rate of employers' contribution will decrease by 14% up to a salary of HUF 100 000 (about Euro 360) of every employee aged under 25
 - The allowance will be 28.5 per cent of the gross wage in the first two years of employment for career starter employees aged under 25 with maximum 180 days in employment;
 - in total 200.000 young people will be concerned in 2013.

Government' s measures 2.

- **New approach- more resources to active labour market policies:**
- Stimulating employment in the open labour market by ALMPs - this is a priority of government's employment policy
- Encouraging active job search and employment on the primary labour market in more advanced regions, trainings in disadvantaged regions, improvement of competences, public employment in localities lacking work opportunities;
- **Involvement of new resources for youth employment:** we strengthen our active programmes with HUF 22 billion from EU Funds in frame of ***Social Renewal Operational Program***, implemented by labour centers. By using the available 117 billion HUF the project will contribute to improving the employment situation of over 117000 disadvantaged people. 53% of those will involve in trainings, and the plan is to place 72.000 persons in subsidised employment.
- There are six target groups, one of them are young people and career starters (their ratio of all participants is 32%)
- Elements: labor-market trainings, labour-cost subsidies, support to enhance mobility, facilitating entrepreneurship, provision of labour market services.

Government's measures 3.

- **Special support for career starters and employers - “First Job Guarantee” central labour market programme :**
- **Support for employers** hiring registered jobseeking career starters in part-time or full-time employment for maximum 4 months
- **Entitled:** Career starters having not obtained eligibility for jobseekers' allowance after completing their studies, among them priority is given to unskilled persons and long-term jobseekers.
- **Amount:** 100% of the wage and social contribution tax, plus the refund of travel expenses (prepayment)
- **Length:** 4 months
- **Financial resources:** HUF 3,6 billion (National Employment Fund)
- **Target:** placement of 7000 career starters into the labour market- it has succeeded
- **Application period:** 1 September 2012 to 31 December 2012, but it will continue in 2013.

Government' measures 4.

- **Housing allowance**
- **A new intervention** for those jobseekers who, in absence of suitable jobs, are not able to enter employment locally
- **Target group:** jobseekers trying to find employment for at least three months; jobseeking career starters; and employees affected by collective dismissals
- **Period/Amount of the allowance:** 18 months, as a fixed amount calculated degressively every six months (max. 100.000–60.000–40.000Ft/person/month; HUF1,2 Million/person in total)
- **Conditions:**
 - At least six-month long twenty-hour-per-week employment found at least one hundred kilometres or three hours' (six hours daily in total) travel by public transport from the person's domicile
 - Monthly gross earnings may not exceed 300% of the amount of the minimum wage.
- **Resources:** This measure is financed within EU-funded active labour market programmes under the New Széchenyi Plan.

New application possibilities for improving youth employability

1. Support stimulating youth entrepreneurship:

- Target group: young people aged 18-35 years.
- Training opportunity: entrepreneurship education (financial literacy, business plan, marketing, legal environment, etc.); mentoring and counselling.
- Financial support: a non-refundable grant of HUF 3 million
- A total of HUF 7 billion using EU funds will be available to assist around 1.500 young entrepreneurs in launching their businesses
- Trainings start at the beginning of this year, the grant can be applied for after completion of the training.

2. Apprenticeship Programme (New Széchenyi Plan (ÚSZT) – HUF 8,5 billion using EU funds):

- Target: supporting young career starters to gain work experience, job creation, strengthening the dual vocational training system.
- Measures: wage subsidy for obtaining work experience, supporting mentoring.

3. Supporting employment programmes run by NGOs (ÚSZT – HUF 5 billion funded by the EU):

- Target: Supporting employment programmes run by NGOs, focusing on the labour market integration of disadvantaged career starters in particular

4. Innovative employment programmes (ÚSZT – HUF 4,7 billion funded by the EU):

- Target: developing models of employment programmes.
- Priority target group contains career starters and young people having disadvantaged social background or living in undeveloped regions with lacking work opportunities.

Thank you for your attention!

ignitsgy@lab.hu

