

Hundreds of thousands are living without hope

There is a continuous struggle between the government and the opposite because of the data of employment and unemployment. The question is whether the employment policy of the government is successful the number of workplaces is decreasing? Policy Agenda investigated in a weekly report what the situation in the labour market is, and what has changed since the beginning of the economic crisis (2008) and the beginning of the new government period (2010).

The result of the crisis

In order to compare the result of three years (2008, 2010, 2013), we examined the same period of these years, and looked at the number and structure of unemployment. These data shows that from the beginning of the crisis the number of the unemployed increased 141,000 people. It was a 44% increase during four years.

The current government did not change this substantially; it is true that since 2010 the number of the unemployed decreased with ca. 20,000 people by. But it was not the economic growth that caused this minimal change. This may be due to the fact that in May 2010 104,000 people worked in public work, now it is 124,000 people (source: Hungarian Central Statistics Office – KSH).

Another change has come together this process of which the social aspects were very dangerous. The number of registered jobseekers, who do not get any benefit from the state, increased by 120,000. In May 2008 it was 155,000 people who they wanted to work somewhere, and went to the employment office, but they could not receive social assistance. In 2010 it was 223,000 people, and nowadays this number is 276,000. It means 54% of the labour system clients do not get anything (outside advice, or information) from the state, to help them find a job.

period	In May 2008	In May 2010	In May 2013
registered jobseekers total	424,000	556,000	515,000
jobseekers without any benefit	155,000	223,000	276,000
rate of without benefit	37%	40%	54%

source: National Employment Service

This government reduced the job search support system to 3 months which is the shortest period in Europe. The period of jobseekers benefit disbursement is up to 90 days in Hungary but earlier it was 270 days. (If somebody is over 55 years old, they can get receive the assistance for a longer time.) This change resulted the following: compared to 2010 the number of the eligible for jobseeker's decreased by 104,000 people. It was a 60% decrease during a very short time. It was a radical change in the society.

It is difficult to assess what happened to those people who lost eligibility for jobseeker's allowance. They are part of the social system, if they live in a poor family (nobody has a workplace, or they have very low wages), or are single. The data indicate that the number of these people increased from 159,000 to 187,000. After the jobseeker's allowance 28,000 people became part of the social system (22,800 HUF/month alternative

employment support).

The number of people who were removed from the register of the National Employment Service decreased by 41,000. In our opinion these people do not receive any support from the state after they lose their jobs, and they do not see the point to keep in touch with the National Employment Service.

The result of three changes (recipients of social assistance, jobseekers without any benefit and registered jobseekers) are 122,000. This is ca. same size as the number who was driven out of the state unemployment benefits system.

	2010 May	2013 May	Change
eligible for jobseekers' allowance	174,000	70,000	-104,000
recipients of social assistance	159,000	187,000	-28,000
jobseekers without any benefit	223,000	276,000	+53,000
Registered jobseekers total	556,000	515,000	-41,000
result of changes			122,000

source: on the basis of National Employment Service's data on the Policy Agenda

Summary

All in all the government could not break out of this situation, which was caused by the economic crisis. Of course it is difficult to decide exactly what role the unorthodox economic policies based on ad-hoc decisions had. It is clear that the radical and strict budget policy caused the big changes among the unemployed. The social system could not protect the people, who live from day to day. The public works could not help to these unemployed, but the state spent a lot of money on this project.

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