Spatialities of labour policies in Hungary

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Labour issues are inherently geographical because of uneven development

Employment rate of the age group 15–64 by NUTS 2 regions

% - 2014

Total Total

Regions developing unevenly across Europe

How to address this challenge?
Hungary: Being successful in job creation (?)

Third place in the EU!

Were labour policies successful?

fossilized inequalities of the unemployment rate at the regional (NUTS2) level

Data source: Hungarian Central Statistical Office
Do we need spatial labour policies?
Historical development of labour policies in Hungary

1990- aspatial structural adjustment (general equilibrium-seeking of the economy solving problems – role of international organisations); shock therapy is the only compatible with the European model

mid 1990s – FDI-driven economic and regional policies will solve the spatial question of unemployment (also in backward regions)
decentralisation of policies: Phare local labour market pilot programmes
Results?

Area

Employment (2013)

FDI (stock, 2012)

Unemployment (2013)
Do we need spatial labour policies?

Historical development of labour policies in Hungary

2004 EU accession – EU funding problematic: competitiveness will increase unemployment; operational programmes will compensate for each other?

National Spatial Development Concept (2005) – dual economy: higher value added jobs in more developed regions, more jobs (in quantity) in less developed areas

One measure at the national scale: aspatial deregulation of labour markets (individualizing the unemployment question)
Results?

Area

Employment (2013)

FDI (stock, 2012)

Temporary staffed empl. (2013)
Do we need spatial labour policies?
Historical development of labour policies in Hungary

2010 – neoconservative turn: further flexibilisation (new labour code), recentralisation of institutions (such as the National Employment Office)

2014– Economic Development and Innovation Operational Programme: creating 300,000 jobs (by funding companies), active labour market policies

Roll-out of the workfare state: direct job creation by the state (public works programme) – 2.1% of govt expenditure in 2016; 3.8% of employment (2013); uneven distribution of funding
Results?

Area

Public works participants (2013)

Employment (2013)

Unemployment (2013)
Conclusions

Geographies of labour markets are important
Labour policies are not necessarily spatial policies, but all show spatially uneven outcomes

Taking geographically uneven development seriously, contributing to a more just and more equal society on various spatial scales
The project is funded by the EEA Grants, within the frame of ‘Adaptation to climate change’ programme.

Beneficiary: Centre for Economic and Regional Studies, Hungarian Academy of Sciences

Total budget of the project: 175,000 euros.

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