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The Role of Transit Projects in Hungarian Labour Market

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The labour market of our country has reacted quite inflexibly to the changes in supply and demand during the last decade. Facts and reasons supporting the need for transit employment projects from the economic, demographic and labour market side and its widespread presence have been known ever since the regime change. The transit employment program is a complex activity and its aim is to provide a training-developing-service and employment unit through which participants may be provided more chances to find employment considering their options and problems.

The significance of the programs is justified primarily by the following events: the depressive areas of the country, the undeveloped infrastructure of different regions and areas, segregation, and unfavorable demographic trends, unfavorable employment structure, the presence of the ethnicity above the national average, the employment of women in low number (therefore it is a primary aim to get women back to the labour market in higher number), the very low number of labour reserves, the disharmony of the demand and supply of the labour market – the companies do not find properly trained, relevant labour force with professional experience in the labour market.

In accordance with transit programs we can mention several features. The most important ones are the following: within the frames of the projects concrete labour force needs are conceived: the majority of the participants are either inactive or jobseekers; it is a favorable opportunity for the low employment of women; it satisfies the developmental needs beside the training, so we can talk about the training-developmental significance of the programs – this training-developmental model is completed with a service provider and social frame that includes the previous social supporting service of employment centers; there has not been developmental training since the regime change that supports entering or re-entering the labour market.

The presentation shows in details why the transit employment programs are so significant: the majority of the members of the target group cannot enter the labour market by their own power (regarding their economic, demographic situation and their judgement). Therefore they needed a

external helping, supporting environment (training and service in one) with which they can appear in a program like this, they can see why it is necessary and after that they can be more successful in the labour market.

Introduction

The economic growth of a country is defined by many factors both short and long term. A traditional determinant is the *development level of technology* that, typically of the twenty-first century, is realised in the research and development activities of financially strong companies. In a lucky case a cooperation is established between the companies and the training institutes (higher education and adult education) to provide employment purposefully for the qualified experts.

The development of technology draws the process of *capital accumulation* that affects the infrastructure of the company (machines, equipment), its position and its judgement in the competitive market, and the incidental capital injection. The previous two factors have a great effect on the national economic affairs and relationships of the given country, so on the relationship between the economies. The free flow of capital, goods, and services is essential for the development of a region.

The *size of production* as a factor may also bring serious economic success for the given country, and may have benefits for a bigger national economy as opposed to smaller ones. In the structure of economic activities fundamental changes have taken place in the twentieth-century, which we call *structural changes*. These may contribute to the economic growth on their own, which is reflected in the increase of the capital stock, the increase of the quality of qualification, and in the international business relations.

The *natural resources*, that are fundamental parts of the preparation processes, cannot be left out of the listing. The rate of the available resources do not present even distribution but even the national economies with less resources were able to increase – in their case increase is more spectacular than in the case of more developed countries. The so far mentioned factors are only viable if the proper *social institutes* associate with each of them.

The last factor is the human resource of which the most important characteristics is the *qualification of labour force*. The qualification of labour force, its level of development determines the production methods fundamentally. If we examine it from the side of statistics, the number of the employed has increased continuously since 2010, the number of the unemployed has hardly changed until 2012. The realized decrease in 2013 was significantly behind what the employment growth would have justified. The explanation for that was the number of the unemployed (and partly the employed) was resupplied continuously from among the inactive (Bakó & Lakatos, 2016).

Qualified labour force is available for employers in the labour market, though in many cases they cannot find the proper labour force for the positions. Beside the qualified labour force a big number of long-term unemployed or inactive people appear – the unemployment rate was 7.1% among women between the ages 15-64; in case of men it was 6.6%; while the rate of the long-term unemployed among women between the ages 15-64 was 45.8%, in case of men it was 48.9% (http://www.ksh.hu/thm/2/indi2_3_2.html). Regarding manpower the number of registered jobseekers was 337,478 based on the Central Statistics Office. The long-term unemployed and the inactive people cause the real problem who needs extra motivational program beside the available opportunities to shift them from their current situation to enter the labour market. This way the necessary presence is increased in our country.

National demographic and labor market environment of the transit programs

Since the change of regime the structure of industry that determined our country's economy has broken up, the determining state enterprises disappeared together with mining and manufacturing that served as a base for heavy industrial axis, and the agricultural co-operatives have degraded in the communities. By the beginning of the '90s employment had significantly decreased and regions presenting changing unemployment rate were evolving. This process occurred particularly among those living in villages and having only lower education as at these places the employment was mainly connected to agriculture. The onetime great employers of the regions, the agricultural cooperations either changed or disappeared after privatization. As a result of this unemployment with dramatic tension has evolved (Vámosi, 2015).

The situation of Roma minority is extremely severe, as the Roma population became unemployed in masses and in a short time. The unemployment that has greatly exceeded the national average for years presents the extremely severe employment situation of the region. The changes of economy has established a social layer that has been marginalized in all segments of life: mostly described by low levels of education and residence in undeveloped areas with a high rate of Roma population among them (Vámosi, 2015).

The settlement structure of small villages specific for the region, plays an important role in the evolvment and strengthening of the other factors of the region's disadvantages: the lack of workplaces, difficulties of public transport, causing the problems of reaching workplaces, schools, and other services, finally the deficiencies of infrastructure. The subregion therefore has multiple disadvantages: there are no big employers, there is no settled industry, the quality of the soil is far below the national average, the number fo the unemployed is high; the road network is

unspeakable, the public transport is not satisfying, the population of the settlements has continuously decreased since the 1990s, the villages are aging, their supporting capability lessens (Vámosi, 2015).

As a result of the above mentioned, social institutes, as well as social supply systems have great significance. Usually, the most requested forms are the regular child protection support and the compensatory payment. In many subregions lasting, even multigenerational unemployment has developed that results in lifestyle change and deprivation, short-term thinking has become typical, the preferences of aid and odd jobs. Starting a family and raising kids early is quite common, which obstructs further education, especially in case of women. In families it is traditionally the females' task to raise the children and take care of them, to look after the elderly, that again obstruct education and employment. In case of the disadvantaged it is not easy to step out to the labour market so the transit employment is supposed to support this as its regional specialties were grabbed during the interviews and observations (Vámosi, 2015).

Presentation of the transit programs

Before the analytical presentation of the transit programs, the author finds it necessary to define the term transit employment. There have been transit programs with variable numbers of participants in our country since 2002. The basic concept (model) has not been changed, but the program organizers have gained many experiences that were used at the start of the next project (Vámosi, 2015).

The primary *goal* of the transit program is to provide help for the members of the disadvantaged target group to get back to the primary labour market (or to get in) through giving them the opportunity to get a certificate for professions in demand (primarily physical qualifications) during the project implementation (that usually takes 12-24 months, and the follow-up of the participants). This means that the programs try to move the participants out of the state of lasting unemployment to continue with their lives in lasting employment. In many cases their return to the labour market is prevented by the obsolete, non-marketable qualification they have (Eszik, 2006:42). The specific goals of the program are:

- the increase of local sources supporting the unemployed,
- the involvement of participants in training,
- help to obtain qualification based on individual needs through complex improvement and psycho-social consultation,
- regular allowances for the participants (Vámosi, 2015).

By getting regular income the circumstances of the participants, their self-respect, and their relation to work may improve. The achievement of these goals helps the strengthening of the participants' labour market position and their social re-integration (Vámosi, 2015).

The primary target group of the transit projects is made up of unemployed people of active age. It is worth take into consideration in case of the unemployed that there are many of them who are unregistered. In their case there are two layers: one group of them has already been deprived of all kinds of aid, the other group is on the periphery completely, has low qualification and as a result of this they will not cooperate with the labour authorities (Györgyi & Mártonfi, 2001:8). When choosing the target group special attention must be paid to the following factors as well:

- women looking after large family, elderly, or sick relative,
- people between the ages 16-25 and the age over 45,
- inhabitants of places hard to approach,
- those of Roma origin,
- reduced ability to work,
- the under qualified,
- families with no income sufficient for the cost of living,
- families where unemployment is inherited through generations (Vámosi, 2015).

From the point of view of transit programs and methods it is an important factor that the majority of the participants do not have the basic competence that would make independent learning and self development possible. The lack of basic competence obstructs the start of process of professional training in certain cases, so there is a need for a pre-training, a competence development (Vámosi, 2015).

Transit programs differ from other remedial or training-employment program in providing complex development and support for the participants. Without this many would get into the labour market activities with no chances. In other words, the program is to treat an already existing problem, it is not for preventive purposes. In this way a transit program cannot operative as a preventative program. If it became part of the employment system (for example, with per capita grant, connected to the dual training of companies) its preventive effect would be obvious. But it has enormously high cost (Vámosi, 2015).

The structure of the transit programs

The general structure of the transit programs includes modules and activities, tasks assigned to them. Each module includes the functions and goals that make the training, development, service and employment opportunities of the participants possible. In general we separate the following modules: *the establishment of the conditions necessary for the success of the project, recruiting, the selection of those to be part of the project, the provision of the contractual relations, optional services needed for the training, services helping employment, searching for new workplaces, helping entering workplaces, the establishment of support*

services to help trainings and entering workplaces, services continuously provided for the target group, services provided for family members (their environment) of the target group, the development of the human and constitutional resources, operation of projects and self-estimation. Taking the above mentioned modules into consideration transit programs are divided into three main phases:

1. preparatory phase (generally 1-3 months)
2. training phase together with employment (generally 13-15 months)
3. employment and follow-up phase (generally 6 months) (Eszik, 2006:44).

The *preparatory phase* is about the search for the project participants and giving instructions to them. From among the participants the most 'concerned' ones need to be chosen. A kind of attunement for the next tasks is part of the project. Their choice of profession/career, their catching up, which primarily mean the renewing and updating of their knowledge takes place in this phase. All experts involved in the training are informed about the primary goals of the program, the special characteristics and circumstances of the participants (Eszik, 2006:44).

In the *training together with the employment phase*, the selection process will take place in a way that is adequate to the employment needs, it will be thematic part of the profession/career choice. Work motivation needs to be strengthened simultaneously with the attitude towards work so the work culture and the work ability of the participants should develop according to expectations. It is necessary that the theoretical and practical parts of the training represent an appropriate ratio. The improvement of a key ability or competence could be a goal as well. Beside the key competences the existence of skills is just as important, as it might determine the opportunities of employment (Eszik, 2006:44). The problem is, that from the side of skills many interpret the jobs and the acquired level of training together, at other times, only either one or the other. Many places these basic skills are examined as new elements, divided into several skills, such as social, technical, and personal skills (Fazekas & Varga, 2013). With transit programs it may happen that the above mentioned skills are simply 'missing' in the participants.

The third phase is the follow-up, aftercare and its aim is to help directly those leaving the project to fit successfully in their new workplace and to solve their incidental (personal, family, work place) problems and crisis. As a result of the project, the participant needs to be employed by the end of the sixth month of the follow-up phase. In this phase, the one involved in the training will not get salary within the frames of the project, at the same time the financing of the necessary supporting services in order to stay employed (for example, supporting work of the social workers) are available (Eszik, 2006:44).

Characteristics of those involved in the transit programs

The characteristics of those involved in the transit program may easily be defined: the majority of them is poorly trained, they do not have any qualifications, or if they have - in case of the older ones- it is not relevant for the employers. Mostly unemployed, the majority of them are long-term unemployed, or may be entrants. Their financial and income situation is characterised by poverty, mostly extreme poverty. In most cases they are survivalists (Vámosi, 2015).

High rate of the Roma population is typical with bigger families (but not necessarily married) and several generations living together. The issues of motivation is not obvious in case of transit programs participants as they cannot satisfy their own basic needs. Therefore, the issues of motivation does not mean the professional improvement, rather the acquisition of an intelligent, useful job, or activity (Vámosi, 2015).

In most cases the feeling of hopelessness is strong, only a few can move away, some commute, but the urban employer do not like paying travel expenses, so this is not a solution either. None of the organisation like involving addicts (for example, drugs, alcohol, mental illnesses) in the programs as these deviances do not promote the successful implementation of the programs (Vámosi, 2015).

The training and developmental properties of the transit programs

The training must be designed and constructed in a way that it must take into consideration the process of creating the product, the goal of a concrete activity (employment). There are two components in the program's *educational activity*. One of them is the actual preparedness, knowledge, experience, which in many cases on quite a low level. The other component is the strong regulatedness of the training procedure through the professional and examination requirements. As a result of that a relatively narrow room for manouvre is available for the instructors of the training (Vámosi, 2015).

A significant part of the methodology used during the trainings has not been experimented. The realisation of the concrete program is of crucial importance as it determines the circle of those involved, the profession, the contributing company, the exact place of the practice, etc. (Vámosi, 2015).

The different trainings are part of the methodology (for example, learning technique trainings, self-knowledge training), that have their own methodology. The developing effects of these trainings are specifically realised regarding some individual skills of the involved person. The improvement of these skills is necessary as without these they will not be able to progress in the other phases and the successful exam at the end may be compromised. Although the majority of the program is not

personalized the mentoring might be, especially if the mentor starts the common work with setting the goals. But this rise basically from the organizational efficiency (Vámosi, 2015).

The SWOT analysis of the transit programs

The presence of the transit programs – including the pilot phase – spreads over 20 years within the field of national employment. The continuous presence justifies the procedure of a classic SWOT analysis regarding the transit programs, what the guidelines might be in the future that will be able to provide the operation of high-quality programs.

Strengths. During the operation of the transit programs such organisations have evolved (for example, Szigetvári Kultúr és Zöld Zóna Egyesület), that are able to operate complex labour market programs in a greater volume, and they are suitable to pass on acquired knowledge, and experience. Experts with theoretical and practical experience have 'bred out', so we can talk about an evolved transit professionalism. Tight professional and financial control is typical, so the continuity and security of the financing can be created. Knowing the participants a thorough plan is possible (Török, 2014).

Weaknesses. It would be an advantage if the people above the given headcount could be involved in the project (for example, unemployed with qualification, but with a lack of labour market skills or have no experience). In this case capititation funding could be the solution so that the finances of the running project would not be affected by the possible increase of the headcount. The awareness of the transit programs is low as opposed to its importance, therefore a more serious PR would be necessary on both regional and county level. It is also a problem that among certain projects the instructors need to do well in several trainings, so in certain cases they are not able to do the follow-up of the projects' participants (Török, 2014).

Opportunities. There is an opportunity to arrange more complex labour market programs. In the majority of the programs it is possible to summarize the knowledge of experts of both theoretical and practical experiences. Several initiations serve the improvement of the already existing relations, cooperations, and the exchange of the professional experiences. It is also possible to choose from several financing arrangements that might differentially provide aid for the participants of the program (Török, 2014).

Risks. In case of each and every transit programs there is a plan for several takings, but the compliance of the not realistic indicators has a negative effect opposing the primary goal of the program. There may be a risk of that by the spread of transit the profession might be diluted and those not competent might get into the training procedure. In case of the execution of more, roughly the same volume projects the risk of burnout is there and it might draw disinterest and indifference in contrast with the

fundamental goals of the project. The situation of the local labour market define the transit opportunity (Török, 2014).

Findings

The need for transit programs is indisputable for the long-term unemployed and the inactive as this employment together with training might be the only chance for them to get back to the labour market. Because the transit programs merge many specializations, social services, forms of service, it can provide help in a complex way to those involved in the training. It is able to integrate to a great extent as those finishing the course successfully manage to perform value and income- generating work.

The participants of the transit program get a chance to catch up on the road to the world of employment in spite of their shortcomings and disadvantages. The philosophy of the transit programs (Eszik, 2006:9), according to which 'it doesn't send those in need back to the infantile world of school', is boosted in the previously mentioned characteristics as the program provides some kind of income for them. Furthermore the programs provide help in the experience of the responsibility of the employer's role (Eszik, 2006:9).

The author finds it interesting that despite the importance and necessity of the transit programs there were not any professional events in the last three years (for example, conferences, workshops) where the professionals, civilians, guild presidents involved could have shared their insights and experiences. The author has no intention to discover the reasons, only to state facts. Furthermore, it also makes one think that in case of a program significant from strategic considerations why it is not feasible to implement a project running simultaneously at different locations and in different fields. To give an explanation of a situation like this is not the writer's authority, it is only an indicative statement of facts.

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