INDEX OF TABLES	Table 5.1: Person-by Person Distribution of Equivalent Household Income: Gini-		Table 3.8: Exclusions from Benefit, 1992–2000 Table 3.9: Incidence of Benefit Suspensions,	182
LABOUR MARKET IN HUNGARY	Coefficients and Percentile Indices	104	1992-2000	183
Table 1: The Proportion of the Registered Unem-	Table 5.2: Gini-Coefficients of Various Types		Table 3.10: Incidence of Benefit Sanctions	
ployed in the Working-Age Population, by Settle-	of Income	104	by County, 2000	183
ment Type and Size, 1999 18	Table 5.3: Pattern of Household Incomes		Table 3.11: Registered Career Beginners and	
Table 2: Characteristics of the Registered Unem-	(at current prices)	106	CB Assistance Recipients, 1992-2000	188
ployed by Unemployment Quartile, 20 19	Table 5.4: Breakdown of Households by		Table 3.12: Labour Market Status Following the	
Table 3: Main Labour Market Indicators	Number of Employed (percent)	107	Exhaustion of Benefit Entitlement (percent)	190
in Hungary and in the EU, 2000 19	Table 5.5: Relative Income in Categories		Table 3.13: Labour Market Status Following the	
Table 4: Level and Share of Employment	Based on Number of Employed	108	Exhaustion of Benefit Entitlement by Gender	191
by Activity, 1999-2000	Table 5.6: Portion of the MLD Index Explained		Table 3.14: Those Employed at the Time of the	
Table 5: Selected Unemployment Statistics 31	by Various Factors (percent)	109	1996 Survey, by Education and Gender	191
Table 6.: Composition of the Economically Inactive	Table 5.7: Breakdown of Gini-Coefficient and		Table 3.15: Those Employed at the Time of the	
Working-Age Population, 2000 33	Changes in It (percent)	110	1996 Survey, by Age and Gender (percent)	192
Wages: A Decade of Transformation	Table 5.8: Breakdown of the Relative		Table 3.16: The Proportion of Those Employed	
Table 1.1: Earnings Inequalities in the Transition	Dispersion and Changes in It (percent)	111	at the Time of the 1998 Survey, by Gender	
Years: Gini-Coefficients	Table 5.9: Breakdown of Persons with Low		and County (percent)	193
Table 1.2: Growth in Earnings Inequalities in	Household Incomes Compared to Earnings		Table 3.17: Participants in Pre-retirement	
Various Countries	Based on Number of Children in Household	112	Schemes for the Unemployed (thousands)	195
Table 1.3: Gross Wage Indices As Labour-Cost	Table 6.1: Hungary's Economic Indicators		Table 3.18: Public Transfer Recipients as a	
Indicators: Levels of Distortion	Compared to Austria in the 1990s	115	Proportion of the Working Age Population	195
Table 1.4: The Level of Distortion Caused by the	INCOME SUPPORT FOR THE JOBLESS		Table 4.1: The Composition of Households	202
Composition Effect in Manufacturing 50	Table 1.1: Main Elements of Unemployment		Table 4.2: Sample Means for Recipient and	
Table 2.1.1: Minimum Wage Trends 56	Benefit Systems	141	Non-recipient Households	204
Table 2.1.2: Wage Guidelines and the Evolution	Table 1.2: Main Entitlement Conditions of		Table 4.3: Total Household Income by Source	207
of Average Earnings and Consumer Prices 57	Unemployment Insurance Benefits	143	Table 4.4: The Proportion of Households	
Table 2.1.3: Coverage and Content of	Table 1.3: Entitlement Conditions of		Receiving Various Types of Income	207
Industry/Branch Level Wage Agreements	Unemployment Assistance	144	Table 4.5: The Total Income of Unemployed	
in the Business Sector 59	Table 1.4: Gross Replacement Rates for Three		Households as a Proportion of Total Income	
Table 2.1.4: Coverage and Contents of Company	Family Types, Over a Five Year Period and		in Other Households	208
Wage Agreements in the Business Sector 60	Two Earnings Levels (percent)	146	Table 4.6: The Proportion of Unemployed	
Table 3.1: The Gap Between Male and Female	Table 1.5: Periods of Benefit Sanction Following		Households Receiving Various Types of	
Earnings (percent)	a Voluntary Quit and Refusal of Work or ALMP		Income (percent)	210
Table 3.2: Male and Female Gross Earnings,	Placement	148	Table 4.7: The Income Structure of Non-	
1989-98 72	Table 2.1: Main Regulations Governing		pensioner Households With and Without	
Table 4.1: Changes in Sectoral Rents Between	Entitlement to Insurance Benefit	158	an Unemployed Member	211
1986 and 1997 83	Table 2.2: Main Rules of Setting the Amounts		Table 4.8: The Proportion of Unemployment	
Table 4.2: Factors Shaping Earning Differences	of Insurance Benefit	160	Benefits in Social Insurance and Social	
between Majority Foreign and Domestic Owned	Table 2.3: Contribution Rates (percent)	163	Transfer Payments	212
Companies, 1998 87	Table 2.4: Solidarity Fund and Employment		Table 4.9: Proportions of Unemployment Benefit	
Table 4.3: Factors Shaping Earnings Differentials	Fund Revenues and Outlays (billion HUF)	164	Recipients Among Those with Other Sources	
Between Firms in Majority Private Ownership and	Table 2.5: Costs of Managing Unemployment		of Income (percent)	213
Other Firms in Domestic Ownership, 1998 92	(billion HUF)	167	Table 5.1: Awareness and Opinions of the Reform	
Table 4.4: Numbers of Persons Employed in the	Table 3.1: Unemployment Benefit Recipients,		Package and its Components (percent)	214
Public Sector and the Business Sector,	and Their Proportions Among the Registered		Table 5.2: Support for the Individual Measures	
1987-96 (in thousands)	Unemployed	170	and the Whole Reform Package	215
Table 4.5: Real and Relative Earnings of Persons	Table 3.2: Average Monthly Inflows and Outflows		Table 5.3: The Effect of Selected Factors on	
Employed in the Public and the Business Sector,	(thousands)	172	Opinions of the Reform of the Unemployment	
1986-96	Table 3.3: Benefit Receipt by the ILO Unem-		Benefit System	216
Table 4.6: Relative Standard Deviation of	ployed (percent)	175	Table 5.4: The Effect of Selected Factors on	
Earnings in the Public and Business Sector, Broken	Table 3.4: UI and UA Benefit Amounts Compared		Opinions of the Public Works Condition	218
Down into External and Internal Components 96	to the Average Wages and Minimum Wages,		Table 5.5: The Importance of Cost Expectations	
Table 4.7: Lowest and Highest Hourly Wages	1992-2000	177	and Party Preferences at Three Levels of	
for the Most Typical Occupations of the	Table 3.5: Average Benefit-Wage Ratios, Using		the Risk of Unemployment	220
Informal Economy (HUF)	Indexed Wages (percent)	178	Table 5.6: Changes in Entitlement to the Unem-	
Table 4.8: Factors Influencing Maximum	Table 3.6: Benefit Recipients by of Payment		ployment Insurance Benefit	222
Day Wages in the Most Typical Informal	Regime (percent)	180	Table 5.7: Re-employment Rates for Those with	
Occupations 100	Table 3.7: The Proportion of Job-Seekers (ILO		Prior Earnings Below the Minimum Wage Who	
	unemployed) Among Benefit Recipients	180	Lost Their Job Between December and March	236

Table 5.8: The Proportion of Those Earning Belov	V	Table 4.10: Self-Employed and Assisting Family		Table 10.4: Regional Inequalities: LFS-Based	
the Minimum Wage Among Benefit Recipients .	236	Members		Unemployment Rate	32
Table 5.9: Parameter Estimates of Selected		, ,	291	Table 10.5: Annual Average of Registered Unem-	
Variables in Various Model Specifications	237	Table 4.12: Employees by Industry (per cent)	292	ployment Rate by Counties	328
Table 5.10: Parameter Estimates for Selected	0.40	Table 4.13: Employees of the Corporate Sector	000	Table 10.6: The Average Monthly Per Capita	00
Variables in Different Model Specifications	240	, , ,	293	Earnings in Budapest and in the Counties	32
Table 5.11: Labour Market Status Two Weeks,		Table 4.14: Employees of the Corporate Sector	20.4	Table 10.7: Registered Unemployment in Coun-	221
Two Months, and Six Months After Exhausting Benefit	2/12	by the Share of Foreign Ownership Table 5.1: Unemployment	294	ties and in Service Areas of Labour Centers	
Table 5.12: Receipt of UA Benefit and Partici-	243	Table 5.1: Onemployment	290	Table 10.8: Regional Inequalities: Earnings Table 10.9: Regional Inequalities: Gross	33
pation in Public Works in the Four Months After	ar	Activity as Observed in the LFS	206	Domestic Product	33.
Exhausting Benefit (percent)		Table 5.3: Selected Time Series of Registered	230	Table 11.1: Domestic Migration	
Table 5.13a: Factors Determining Re-employ-	277	Unemployment (yearly average)	298	Table 11.2: Commuting	
ment Probability, Men	250	Table 5.4: Unemployment Rate by Age and	200	Table 11.3: Work Permits Issued to Foreign	00,
Table 5.13b: Factors Determining Re-employ-		Gender and Lengths (per cent)	299	Citizens	339
ment Probability, Women	251	Table 5.5: The Distribution of Unemployed by		Table 11.4: Labour Turnover	
Table 5.14: Differences Between Local Govern-		Duration of Job Search (in thousands)	300	Table 12.1: Strikes	
ments in Providing Social Assistance and		Table 5.6: First-Time Entrants and Re-Entrants		Table 12.2: Employees by Usual Weekly Working	
Public Works	256	to Unemployment Register (in thousands)	302	Time, 2000 (per cent)	34
Table 5.15: Number of Persons Receiving the		Table 5.7: Benefit Receipt and Participation in		Table 13.1: Unemployment Rate by Age and Sex	
RSA per 100 Unemployed Persons Exhausting		Active Labour Market Programs	303	and Length of Unemployment, 2001	34
Other Forms of Benefit	258	Table 5.8: The Number of School Leavers' Unem-		Table 13.2: Employment Rate by Age and Sex and	
Table 5.16: Explanatory Variables and Their		ployment Benefit Recipients on the Closing		Length of Unemployment, 2001 (population	
Expected Effect in the Regression	260	Day of Each Month	305	aged 15-64, per cent)	34
Table 5.17: Results of the Two-equation		Table 5.9: Distribution of Registered Unemployed	l,	Table 13.3: Composition of Employed Population,	
Regression	261	Unemployment Benefit Recipients and Unem-		2001 (15-64 ages, per cent)	34
STATISTICAL DATA		ployment Assistance Recipients by Educatio-		_	
Table 1.1: Main Economic Indicators 1		nal Attainment		INDEX OF FIGURES	
Table 1.2: Main Economic Indicators 2		Table 6.1: Inactive Population by Gender	307	Lancius Maniera in Humanay	
Table 2.1: Population		Table 6.2: Inactive Population of Working Age	200	LABOUR MARKET IN HUNGARY	
Table 2.2: Population of Working Age		by Gender		Figure 1: Registered Unemployment by Small	1
Table 2.3: Males of Working Age		Table 7.1: Nominal and Real Earnings		Region, March 2001	1
Table 2.4: Females of Working Age Table 2.5: Population Below Working Age		Table 7.2: Gross Average Earnings by Industry Table 7.3: Gross Average Earnings by Industry		Figure 2: Change in the Regional Variation of Registered Unemployment by CSO Small Region	,
Table 2.6: Males Above Working Age		Table 7.4: Wages, Sales Prices and Productivity	311	1991-2001	
Table 2.7: Females Above Working Age		in Industry	313	Wages: A Decade of Transformation	1,
Table 3.1: Labour Force Participation		Table 7.5: Minimum Wage		Figure 1.1: The Rate of Annual Changes in Gross	
Table 3.2: Labour Force Participation -		Table 7.6: Central Wage Agreements		and Net Real Earnings, 1980–2001	4:
Males (in thousands)	277	Table 7.7: Industrial and Firm-Level Wage		Figure 2.1: Distribution of (Gross) Earnings Below	
Table 3.3: Labour Force Participation -		Agreements	315	Half of the Median in Various Years	6
Females (in thousands)	278	Table 7.8: The Inequality of Individuals' Per		Figure 2.2: The Flexibility of Individual Earnings	
Table 3.4: Labour Force Participation	279	Capita Household Income	316	by Company Productivity and Sub-Regional	
Table 3.5: Labour Force Participation -		Table 8.1: School Leavers by Level of Education	317	Unemployment Rates, 1986-98	6
Males (per cent)	280	Table 8.2: Pupils/Students Entering the School		Figure 2.3: Earnings Differences Based on	
Table 3.6: Labour Force Participation -		System, by Level of Education	318	Company Size, 1986-98	68
		Table 8.3: The Number of Pupils/Students by		Figure 2.4: Ratio of Small Business Employees	
Table 4.1: Employed of Working Age		Level of Education		by Progressions in Earning Levels	69
Table 4.2: Employed Above Working Age		Table 9.1: Registered Vacancies		Figure 3.1: Returns to Schooling (base: primary	_
Table 4.3: Employed		Table 9.2: Firms Intending to Increase/Decrease		school), 1986-99	74
Table 4.4: Employed by Gender	285	their Staff	321	Figure 3.2: Changes in the Predicted Returns to	_
Table 4.5: Composition of the Employed by	000	Table 9.3: Firms Expecting Increasing/Decreasing		Experience, 1986–99 (percent)	14
Age Groups - Males (per cent)	286	Orders		Figure 3.3: Productivity Elasticities of Shares of	
Table 4.6: Composition of the Employed by	207	Table 9.4: Firms Activating New Capacities	323	Different types of Skilled Labour (relative to	7/
Age Groups - Females (per cent)	261	Table 10.1: Regional Inequalities: Labour Force	224	the unskilled labour), 1986-99	/ (
Table 4.7: Composition of the Employed by Level of Education - Males (per cent)	227	Participation Rates	324	Figure 3.4: Elasticity of Earnings and Labour Costs Against the Sub-regional Unemployment	
Table 4.8: Composition of the Employed by	201	Ratio	325	Rate, 1989–98	79
Level of Education – Females (per cent)	288	Table 10.3: Regional Inequalities: Registered	323	Figure 3.5: Regional Earnings and Wage Costs	10
Table 4.9: Composition of the Employed by	200	Unemployment Rate	326	Compared to Budapest	70
Type of Employment (per cent)	000	p-0,	5_0		

Figure 3.6: Earnings and Wage Costs Differences	Figure 5.4: Hazard Functions of People who Worked		Figure 5.8: The Ratio of Average Unemployment	
Compared to the Central Region, 1998	24–43 Months in the Preceding Four Years	228	Benefits and Unemployment Assistance to	20/
Figure 3.7: Estimated Changes in Wage Costs if a Business Moves from a Region, 1986–98 81	Figure 5.5: Total Expected Benefit Payments and	005	Gross Earnings Figure 5.9: The Number of School Leavers'	304
Figure 4.1: Linear Correlation Between Industry-	Probability of Exit	235	Unemployment Benefit Recipients on the	
specific Rents in Year t and Between Rents	Figure 5.6: Exit Probabilities as a Function of the	225	Closing Day of Each Month	305
for 1986 and 1998	Months Spent in Unemployment	233	Figure 6.1: Inactive Ratio by Gender	
Figure 4.2: Location of Industries Compared to	Exit Probability	239	Figure 6.2: Inactivity Ratio of Working Age	
Engineering Regarding Earnings Changes and	Figure 5.8 Relationships Between Settlement Size,		Population by Gender	308
the Relationship between Labour Cost Changes	the Number of RSA Recipients, and Proportion	,	Figure 7.1: Change of Gross Real Earnings and	
and Earnings 85	of Recipients in Public Works Schemes	262	Net Real Earnings	309
Figure 4.3: Wage Advantage of Workers with	STATISTICAL DATA		Figure 7.2: Gross Real Earnings as a Percentage	
Various Education Levels Employed by Financial	Figure 1.1: Annual Changes of Main Economic		of National Average Industry, 2000	312
Institutions Compared to Workers with Similar	Indicators 1	269	Figure 7.3: Index of Productivity and Real	
Education Levels in All Other Industries,	Figure 1.2: Annual Changes of Main Economic		Earnings Deflated by the Producer Index	313
1989–1998 (percent)	Indicators 2		Figure 7.4: Minimum Wage, Average Gross	04.
Figure 4.4: The Difference between "Foreign" and	Figure 2.1: Population on 1st January	271	Earnings = 100	314
"Domestic" Wages Broken Down by Variables 89	Figure 2.2: Population of Working Age, Males		Figure 8.1: Flows of the Educational System	210
Figures 4.5: Relative Earnings of Persons Similar	and Females	273	by Level	
in Observable Characteristics in Ten Hierarchical Earnings Categories of the Business Sector 96	Figure 2.3: Population Below and Above	075	Figure 8.2: The Percentage of Sharing the Pupils/ Students in the Educational System	
Figure 5.1: Stratum-by-Stratum Distribution of In-	Working Age	215	Figure 9.1: Number of Registered Vacancies	313
comes and Earnings, 1991/92 and 1993/94 105	Figure 3.1: Labour Force Participation of	270	9	320
Figure 5.2: Share of Earnings from Full-Time Jobs	Population at Working Age (per cent)	219	Figure 9.2: Firms Intending to Increase/Decrease	
within Total Income of Population of Economi-	Men Aged 15–59 (per cent)	วงก	Figure 9.3: Firms Expecting Increasing/	021
cally Active Age (between 18 and 60) 106	Figure 3.3: Labour Force Participation –	200	Decreasing Orders	322
Figure 6.1: Hungarian Hourly Wages in Manufac-	Women Aged 15–54 (per cent)	281	Figure 9.4: Firms Activating New Capacities	
turing Compared to Austrian Ones 116	Figure 4.1: Employed of Working Age		Figure 10.1: Regional Inequalities: Labour	
INCOME SUPPORT FOR THE JOBLESS	Figure 4.2: Employed Above Working Age		Force Participation Rates in NUTS-2 Level	
Figure 1.1: Expected Utility, in the Absence of	Figure 4.3: Employed		Regions, 1992, 2000	324
Insurance and Savings, and with Partially	Figure 4.4: Employed by Gender		Figure 10.2: Regional Inequalities: Employment	
Compensating Unemployment Insurance 135	Figure 4.5: Employed by Age (per cent)		Ratio in NUTS-2 Level Regions, 1992, 2000	325
Figure 1.2: Shifts in Market Equilibrium 151	Figure 4.6: Employed by Highest Educational		Figure 10.3: Regional Inequalities: Registered	
Figure 1.3: Changes in the Proportion of Political	Attainment and Gender (per cent)	288	Unemployment Rate in NUTS-2 Level Regions,	
Support for Reforms in Freeman's Model 155	Figure 4.7: Ratio of Self-Employed and Assisting		1993, 2000	326
Figure 3.1: Registered Unemployment 1991–2000,	- · · · · · · · · · · · · · · · · · · ·	289	Figure 10.4: Regional Inequalities: LFS-Based	
by Benefit Scheme, Annual Average Numbers . 174	Figure 4.8: Self-Employed and Assisting Family		Unemployment Rate in NUTS-2 Level Regions,	
Figure 3.2: Proportion of Persons Unemployed	Members (number and annual change)	290	•	
for More Than a Year 176	Figure 4.9: Employees	291	Figure 10.5: Regional Inequalities: Unemploymen	
Figure 3.3: Benefit Recipients Re-entering the	Figure 4.10: Employees of the Corporate Sector		Rates in the Counties	
Register, as a Proportion of All New Recipients 177	by Firm Size (per cent)	293	Figure 10.6: Average of Registered Unemploymen	
Figure 3.4: Registered Career Beginners and	Figure 4.11: Employees of the Corporate Sector		Rate by Counties, 2000	336
Recipients of CB Assistance, 1991–1997 187	, , , , , , , , , , , , , , , , , , , ,	294	Figure 10.7: Regional Inequalities: Earnings,	001
Figure 4.1: Labour Supply of Females and Males,	Figure 5.1: Registered and LFS Unemployment		1989, 2000	336
1998–2000 (hours of work/week)		295	Figure 10.8: Regional Inequalities: Gross	227
Figure 4.2: Unemployed Households Within Per Capita Household Income Deciles (percent) 209	Figure 5.2: Registered Unemployed by Economic	000	Domestic Product, 1994, 1999 Figure 11.1: Work Permit Issued to Foreign	331
Figure 4.3: The Distribution of Unemployed House-	Activity	296	Citiziens	330
holds Across Per Capita Household Income	Figure 5.3: Quarterly Flows Between Labour		Figure 12.1: Employees by Usual Weekly Working	
Deciles (percent)	Market States, Population Between 15-74	207	Time, 2000	
Figure 5.1: Survival Functions of People who Worked	years, 1992	291	Figure 13.1: Unemployment Rate by Sex and	341
44–48 Months in the Preceding Four Years 225	Figure 5.4: Unemployment Rate by Gender and Length	299	Long Term Unemployment Rate, 2000	342
Figure 5.2: Hazard Functions for People who Worked	Figure 5.5: The Distribution of Unemployed by	233	Figure 13.2: Employment Rate by Population	U 72
44–48 Months in the Preceding Four Years 226	Duration of Job Search (in thousands)	300	(aged 15-64), 2000	34?
Figure 5.3: Survival Functions of People who Worked	Figure 5.6: Long-Term Registered Unemployment . 3		Figure 13.3: Composition of Employed	
24–43 Months in the Preceding Four Years 227	Figure 5.7: Ratio of Re-Entrants to First-Time	501	Population	344
	· ·	304		