

LABOUR MARKET TRENDS IN HUNGARY

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INTRODUCTION

The year 2006 was not very successful for the Hungarian economy. Unrestricted public spending peaked in a budget deficit of 10 percent of the GDP, which would have been even higher if the newly elected government had not started to bring it down in September. Balancing the deficit was inevitable, and will continue in the short and medium run, and several measures are already affecting, and are going to affect labour markets. The main policy instrument used in the stabilization program is the increase of taxes, which affects labour in at least two ways. The main policy instrument used in the stabilization program is the increase of taxes, which affected labour in at least two ways. Taxes levied on labour increased, making this factor of production more costly but taxes on corporations also increased, which can have an indirect effect on employment and wages. Also in the framework of the stabilization program, the government started the restructuring of the public sector, which will result in a decline in public sector employment. At the same time, the rate of unemployment remained as high as 7.4 percent, which is a slight additional increase after the previous year's large jump.

In this chapter we present the main labour market trends in 2006. We present the employment and activity rates, and devote a longer discussion to the increase in the number of unemployed. We also discuss changes in corporate and public sector employment separately, as these evolved very differently. We also provide information on the development of wages and regional differences in labour markets. In our analysis we will merely point out the most important developments, and provide several possible reasons for them, but a detailed discussion does not form a part of this study.

1. EMPLOYMENT, INACTIVITY

The traditionally low economic activity in Hungary did not change significantly in 2006, either. Of the 7.7 million people in the 15–74 year old age cohort, only 4 million 247 thousand were active on the labour market, which corresponds to a 55 percent activity rate, as shown in Table 1.¹ A year earlier the number of active persons was 41,500 less, which is an activity rate of 0.5 percentage points lower than in 2006. The activity rate of men was 62.4 percent, while the figure for women was only 48.2 percent. The 14 percent dif-

¹ Employment and unemployment rate calculations are based on the definitions of the International Labour Organization. According to these, people who work one hour during the week of reference for money or in kind are considered as employed. The employment rate is the ratio of employed within the working-age population (the Hungarian Statistical Office reports the 15–74 year old age cohort). The unemployed are those who did not work during the reference week, but are willing to work, are available, and are actively seeking a job. The unemployment rate is the ratio of people within the active population (which equals the sum of employed and unemployed). Inactive are those who are not active.

ference between men and women corresponds to the values observed in the European Union (EU); in the 25 member states of the EU men were 15.2 percent more active than women (Eurostat). Though the Hungarian data do not refer to the same age groups as the Eurostat (which observes the 15–64 year old population), the proximity of the two figures show that the Hungarian labour market is similar to the EU average as far as the activity gap between men and women is concerned. The activity rate of both sexes became somewhat higher compared to 2005: it rose by 0.7 percentage points for men and by 0.4 percentage points for women.

Table 1: Population by labour force status

Year	Employed	Unem- ployed	Active	Inactive	Employ- ment rate	Unem- ployment rate	Activity rate
	Thousands				Percentages		
Total							
2005	3901.5	303.9	4205.4	3517.1	50.5	7.2	54.5
2006	3930.1	316.8	4246.9	3474.9	50.9	7.5	55.0
Men							
2005	2116.1	159.1	2275.2	1409.7	57.4	7.0	61.7
2006	2137.4	164.6	2302.0	1385.5	58.0	7.2	62.4
Women							
2005	1785.4	144.8	1930.2	2107.4	44.2	7.5	47.8
2006	1792.7	152.2	1944.9	2089.4	44.4	7.8	48.2

Source: Hungarian Statistical Office Stadat data.

Notes: The figures refer to the population aged 15–74.

The number of employed people was 3,930 thousand in 2006, and the employment rate was 51 percent, which is only 0.4 percentage points higher than the 2005 rate. Differences in the activity rate between the sexes are generated mainly by the employment rate: while 58 percent of men had a job, the same ratio among women was only 44 percent, and these rates changed only little compared to the previous year.

The employment rate by international comparison is very low. Based on Eurostat data the rate in 2005 – the last available figure – for the 15–64 year old population group was 56.9 percent, which is 7 percentage points lower than the EU average. Only Malta (53.9) and Poland (52.8) have lower employment rates among the EU member states besides Bulgaria and Croatia (55.8 and 55 percent respectively).

From the employed 58.4 percent were employees, and the remaining 41.5 percent self-employed, and 29 percent of the employees worked in the public sector. The dynamics of job creation and destruction in the public and private sectors had different patterns. While 11 thousand jobs net were created in the private sector between 2005 and 2006, there were almost 17 600 jobs

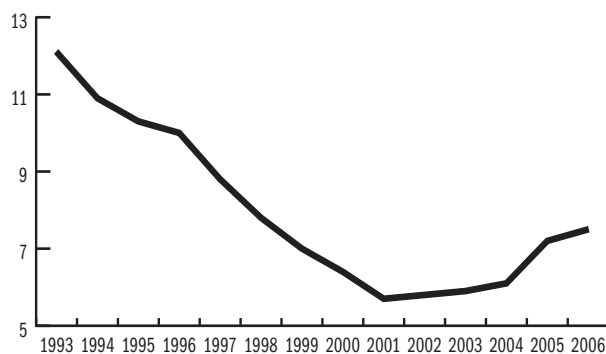
cut in the public sector (the data refer to employees, the self-employed are not included in the private sector).

The number of unemployed grew by almost 13 thousand. This is a much smaller increase than was experienced in 2005, when the number of people who lost their job jumped from 253 thousand to 304 thousand. These 50 thousand new unemployed raised the unemployment rate to 7.2 percent in 2005, which meant a 1.1 percentage point increase compared to the previous year. In 2006 the unemployment rate of both sexes grew slightly, by 0.2 percentage points for men and 0.3 percentage points for women. Therefore, in 2006 the large increase of unemployment curved downwards, but its increasing trend did not stop. As the increase of the unemployment rate seems to be the most important development on the labour market over recent years, we analyze it in more detail in the next section.

2. UNEMPLOYMENT²

After several years of decrease and stagnation the unemployment rate rose in 2005. As shown in Figure 1, the unemployment rate was 12.1 percent in 1993, and this high rate gradually diminished over the following eight years, reaching 5.7 percent by 2001. In the course of the following three years the unemployment rate started to increase very slowly: by a mere 0.5 percentage points until 2004. However, in 2005 the rate rose by more than one percentage point and reached the 7.2 percent level, and in 2006 it continued to increase, albeit at a much smaller pace. The unemployment rate in Hungary is still below the European Union average, which was 8.8 percent in 2005 (Eurostat), and in Central-Eastern Europe only Slovenia has a lower rate of unemployment of 6.5 percent. Its rapid rise, however, all the more so since it was happening in parallel with a 4.3 percent increase of the GDP, is alarming.

Figure 1: Unemployment rate, 1993–2006



Source: Hungarian Statistical Office Stadat data.
Notes: The figures refer to the population aged 15–74.

² This section refers mainly to the increase of the unemployment rate in 2005, as this is the year when the high jump took place.

Who are the unemployed and which social group's unemployment rate is responsible for the increase in 2005? Table 2 shows the unemployment rates by sex, age and level of education in 2004 and 2005, and the shift from one year to the other. As mentioned above, the women's rate is 0.5 percentage points higher than the men's, which is the consequence of the 0.5 percentage point higher change from year to year. The unemployment rate shows a downward trend by age: among 15–19 year olds 34.9 percent of the active population cannot find a job, while the same rate in the 20–24 age group is 13.4 percent, and in older cohorts the rate of unemployment is between 6.5–4.8 percent.

Table 2: Rate of unemployment by worker characteristics

	2004	2005	Change
Total	6.1	7.2	1.1
Sex			
Men	6.1	7.0	0.9
Women	6.1	7.5	1.4
Age			
15–19	34.9	37.8	2.9
20–24	13.4	17.5	4.1
25–29	6.5	8.2	1.7
30–39	6.0	6.8	0.8
40–49	5.0	5.7	0.7
50–59	3.9	4.8	0.9
Level of education			
8 grades or less	12.3	15.6	3.3
Vocational school	6.9	7.4	0.5
Secondary school	4.7	4.9	0.2
University	2.3	2.3	0.0

Source: Hungarian Statistical Office (2005), (2006) Statdat data.

Notes: The figures refer to the population aged 15–74.

The year-to-year change in unemployment also reflects the fact that younger generations were more seriously hit by the increase than older ones. Among the youngest people on the labour market unemployment rose by 2.9 percentage points, in the 20–24 age group by 4.1 and among 25–29 year olds by 1.7 percentage points. And the rate of the population group above 29 years of age increased by less than 1 percentage point. The high rate among young people proves that these generations have considerable problems when seeking employment. This can lead to serious consequences. When a young person loses connection with the labour market for a long period of time – which is one result of long-term unemployment – then the society has to bear two different expenses at the same time. Such a person will most probably depend more on social transfers, and the human capital acquired during his or her studies will also be lost.

We have to mention though that in case of the young, changes in the unemployment rate in itself does not properly describe the growing or easing difficulty in finding a job. The reason for this is that in these age groups the ratio of inactive – mostly students – is high and is in a state of constant change, which also influences the rate of unemployment even if the number of unemployed does not change (see Footnote 1). Table 3 shows that the difficulties of young workers in finding employment grew in 2005. The unemployment rate in the 15–24 year old age group rose from 4.3 to 5.3 percent. While the size of this cohort shrank by 25 thousand people, the number of unemployed rose by 11 thousand, which corresponds to approximately 20 percent. Although the number of full time students slightly increased in 2005 by 2,700, the number of inactive for other reasons decreased slightly, by 1,500.

Table 3: Economic activity of young workers

Year	Em- ployed	Unem- ployed	Inactive				Total	Popula- tion
			Pension	Maternity benefits receiving	Full time student	Other reasons		
2003	355,5	54,9	6,4	46,6	705,1	162,9	921,0	1331,4
2004	305,8	55,9	7,3	40,0	708,6	178,6	934,5	1296,2
2005	277,4	66,9	6,1	37,4	711,3	171,9	926,7	1271,0

Source: Hungarian Statistical Office, Employment observations.

Notes: Thousands of individuals. The figures refer to individuals aged 15–24.

Unemployment and the highest educational level have a negative correlation with each other. While the unemployment rate of people with no more than eight grades and of vocational school graduates is 15.6 and 7.4 percent respectively, the same figure for secondary school and higher education graduates is 4.9 and 2.3 percent. Increasing unemployment clearly affected people with lower education more than their more skilled colleagues, as the rate of the least educated population group rose by 3.3 percentage points. The increase among vocational school graduates was only a half percentage point, while above this educational level no change was observed.

Length is a very important characteristic of unemployment. A possible reason for short term unemployment is that when changing a job people inevitably become unemployed while they find another placement. Short-term unemployment can be useful for the economy, as it has a disciplinary effect: if an employee knows that it is hard to get a new job, they learn to appreciate the current position. On the other hand, long term unemployment has several negative effects. A person seeking employment might lose confidence in their ability to find a job, and thus might give up the search and become inactive. He may also lose part of his professional knowledge if he stays unemployed for a longer period of time. And last, but not least, long lasting unemployment

can stigmatize people, as employers might use long term unemployment as a screening device. Unfortunately, the length of unemployment in Hungary is long, as is shown in Table 4. In 2005 only 5 percent of the unemployed found a job within a month, 16.5 percent in 1–3 months, 41.6 percent remained unemployed for more than a year and 18.4 percent for more than two years. Compared to 2004, the length of unemployment underwent minor changes only. The proportion of those who have been looking for a job for more than a year slightly increased.

Table 4: Length of unemployment

Length of employment (in months)	2004		2005	
	Unemployed (thousands)	Percentage	Unemployed (thousands)	Percentage
Less than 1 month	13.0	5.2	14.8	5.0
1-3	42.0	16.8	48.9	16.5
4-6	39.9	15.9	44.1	14.9
7-12	55.3	22.1	65.4	22.1
13-18	33.4	13.3	41.0	13.9
19-24	19.6	7.8	27.4	9.3
25 months or more	47.2	18.8	54.3	18.4
Total	250.4	100.0	295.9	100.0

Source: Hungarian Statistical Office (2005, 2006).

Notes: The figures refer to the population aged 15–74.

These data prove that the 1.1 percentage point increase in the unemployment rate can be traced back mainly to the growing unemployment among women, younger generations and undereducated people. But what is the reason for the increase in the rate? It is hard to answer this question. In this study we try to enumerate – and if possible, prove with data – some possible causes.

It is possible that the country went through a technological change leading to an increasing demand for a workforce with higher skills, so the demand for people with low education dropped. Data presented so far support this concept to some extent as investment volumes grew and the unemployment rate rose among people with a lower education and the young who have little or no work experience. It is also possible that in spite of aggregate economic performance, industries traditionally employing people with lower skills are in recession. A more competitive international environment can lead to that. The available aggregate data do not support this hypothesis. It is true that in agriculture the number of jobs fell by a net 10 thousand, and in industry by 24 thousand, but in commerce 40 and in catering 5 thousand new jobs were created (*Hungarian Statistical Office, 2006*).

The supply side of the labour market could also exert some influence on the increase of the unemployment rate in the event that the inactive decided to actively search for a job. The cause of this can be that for some reason they

conclude it has become easier to find a job (they count on the government's job creation policies, for example). Consequently, unemployment grows as some of the inactive go on the job market and not because of layoffs. We try to find evidence in support of this in Table 5. First we take advantage of the panel aspect of the labour force survey, and we compute the shifts among the employed – unemployed and inactive – unemployed population groups as a percentage of the employed and inactive between 1st and 4th quarters of 2004, and 4th quarter in 2005.³ According to these calculations (shown in Panel A) the flow to unemployment status from the employed and inactive status happened at the same rate, and it is unlikely that the flow of inactive to unemployment grew significantly as compared to previous years (see Figures 5.3 in the Statistical data). This method may suffer from a bias if the sample is not adequately describing the population. In order to correct for this, we use the retrospective question of the labour force survey on the economic activity of the person one year ago. Unfortunately this measure also suffers from a bias, as the labour force status is not defined according to the International Labour Organization criteria, but it is left to the judgement of the interviewed person (or somebody else living in the same household). Nevertheless, we compute the transition rates between employment-unemployment and inactivity-unemployment using these data. The results are presented in Panel B of Table 5 for both 2003–2004 and 2004–2005. Here we find a higher percentage of employed-unemployed transitions, but it is likely that people mix up unemployment with inactivity and this is the reason for the low transitions between inactivity and unemployment. More importantly, the flows do not change significantly between 2003–2004 and 2004–2005 and thus these results do not support the hypothesis that government policies mobilized the inactive, and this is the reason for increased unemployment.

Table 5: Flows between labour force statuses

	Employed - unemployed	Inactive - unemployed
Panel A		
4 th quarter, 2004 - 4 th quarter, 2005	2.0	1.6
1 st quarter, 2005 - 4 th quarter, 2005	1.4	1.4
2 nd quarter, 2005 - 4 th quarter, 2005	1.3	1.7
4 th quarter, 2004 - 4 th quarter, 2005	0.1	0.1
Panel B		
Retrospective question on labour force status one year before		
2003–2004	32.3	22.8
2004–2005	31.2	20.7

Source: Labour Force Survey.

Notes: Panel A shows the employed – unemployed and inactive – unemployed shifts as a percentage of the employed and inactive population.

³ We get the percentages by dividing the number of people who were unemployed in the 4th quarter of 2005, and who arrived from a given labour market status (employed or inactive) by the number of employed or inactive in the base year.

3. WAGES

The average gross wage of full time employees nationwide was 171 thousand HUF in 2006. The wages were 8.1 percent higher than in the previous year, as is shown in Table 6. As the rate of inflation during this period was 3.9 percent, real wages went up by 4.2 percent. Wages increased both in the private- and public sectors, but the magnitude of the change is different. In the private sector wages on average rose by 9.3 percent, which reflects an increase of 5.4 percent in real value. In the public sector the nominal wage increase was 6.4 percent and thus the real wage increase of public sector employees was only 2.5 percent, less than half as much as in the corporate sector.

The wages of blue collar workers did not reach half of the wages of white collar workers: while blue collar workers earned 112 thousand HUF on average, white collar workers pocketed 128 thousand more. The gross wage of blue collar workers increased more than white collar workers' by 1.5 percentage points, which is a novelty, as during the recent years the skill premium has mostly increased. In the private sector blue and white collar workers' wages had very similar growth rates of 9 percent. In the public sector white collar workers, however, had a wage increase of only 5.5 percent, while blue collar workers of almost 10 percent.

Table 6: Average wages in 2006

	Total		Private sector		Public sector	
	Average wage	Percent Change	Average wage	Percent Change	Average wage	Percent Change
Total	171,239	108.1	162,391	109.3	193,924	106.4
Blue collar	111,843	108.9	111,722	108.8	113,819	109.7
White collar	239,400	107.4	259,703	109.0	219,341	105.5

Source: Hungarian Statistical Office Stadat data.

Notes: Data refer to gross wages of full-time employees. Change refers to the same period in the previous year.

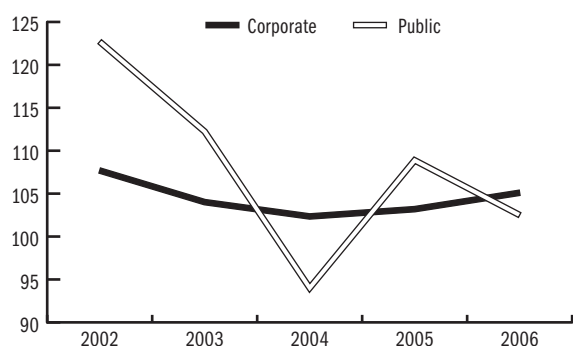
Different growth rates in the private- and public sectors are not surprising if we take into consideration that wages are influenced by various factors. In the private sector idiosyncrasies of the labour market are the main determinants, such as the supply of, and demand for, certain professions, while in the public sector politics plays the major role.⁴ This is also demonstrated in Figure 2, which shows the growth rates of real wages in the two sectors between 2002 and 2006. In the private sector wages rose by 7.7 percent in 2002, and the rate of increase slowly diminished, reaching a 3.2 percent level by 2005. In 2006 the growth rate was over 5 percent. However, in the public sector data on wages reflect significant fluctuations. In 2002 and 2003 wages rose by 23 and 12 percent respectively, – the result of the wage measures introduced by the Government.⁵ However, in the following year wages in the public sector

⁴ Unions may also have an effect in either sector.

⁵ The almost 50 percent wage increase came into effect in September 2002, and as we compare yearly average wages, a part of the increase manifests itself only in the following year. For the extent and effect of wage increases on relative wages see Chapter 3 of the In Focus part of this yearbook.

decreased by 6 percent, the probable cause of which was the budgetary deficit. In 2005 though, with the approaching parliamentary elections, wages rose again, this time by 9 percent, while in the next year the real change was only 2.4 percent. The drastically changing public wages – with a probable influence on the wages of the private sector – make economic decisions more difficult, as nobody can foretell wage levels in the near future.

Figure 2: Change in the real wage in the public and corporate sector



Source: Hungarian Statistical Office Stadat data.

Notes: Wages were deflated with the consumer price index.

Table 7: Average wages and changes in real wage by industry in 2006

Industry	Wage	Change
Agriculture, fishing and forestry	111,978	105.0
Industry, of which	164,106	104.6
Mining	194,948	111.6
Electricity, water supply	226,791	104.9
Construction	117,466	106.3
Trade	145,194	107.2
Hotels, restaurants	102,890	103.5
Transportation, postage, telecom.	183,936	104.3
Financial intermediation	403,862	111.2
Real estate, business services	171,966	102.3
Public admin., defense, social security	222,946	103.6
Education	191,094	101.4
Health care, social services	151,829	101.5
Other services	156,148	101.6
Total	171,239	104.2

Source: Hungarian Statistical Office Stadat data.

Notes: Average gross wages of full time employees. Change refers to the same period in the previous year.

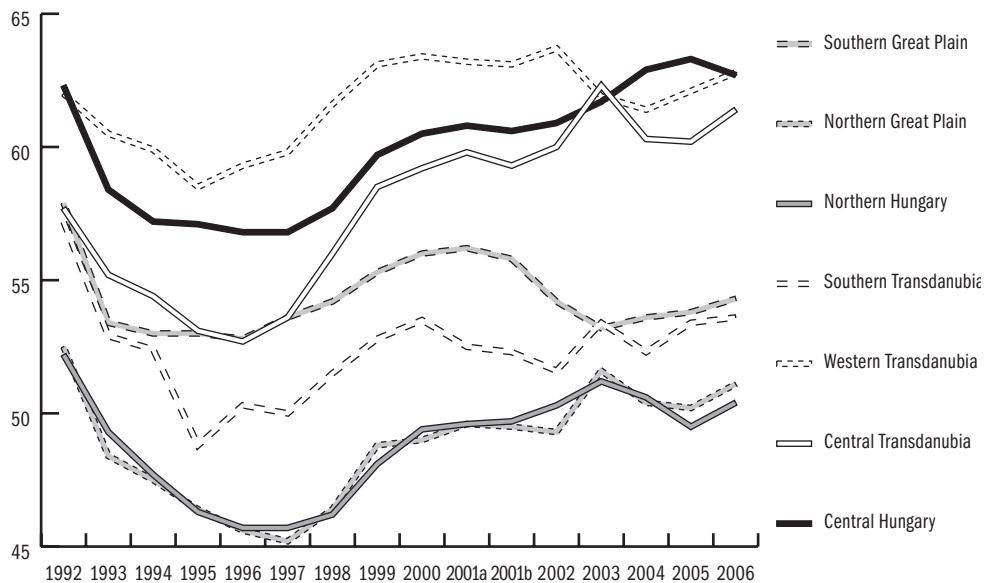
Table 7 presents the absolute level of average wages and the yearly increase of real wages by industries. Wages did not decrease in any industry, but the growth rates varied greatly. In most industries the increase was smaller or close to the 4.2 percent national average meaning that wage increases were

concentrated in a few fields only. These are mining (12 percent), financial intermediation (11 percent), trade (7 percent), and construction (6 percent). The lowest growth rates were experienced in health care and social services (1.5 percent) and other services (1.6 percent).

4. REGIONAL DIFFERENCES IN EMPLOYMENT, UNEMPLOYMENT AND WAGES

In post-transition Hungary, the regional differences in unemployment by regions, counties and settlement types have grown significantly. Although the differences across counties and regions have become somewhat smaller in the past few years, there is still no significant tendency for levelling-off despite governmental efforts. To the contrary, a strong polarization is taking place, the result of which is the splitting of the country to the relatively developed Central- and Western Transdanubia regions, in contrast to the Southern Transdanubia, the Northern and Southern Great Plains, and Northern Hungary regions (Fazekas, 2004). Comparing the regional differences in labour market activity with other Central-East European countries, the United States, and countries of Western-Europe, the differences are significant (OECD, 2005, 2006).

Figure 3: Employment rate by region, 1992–2006



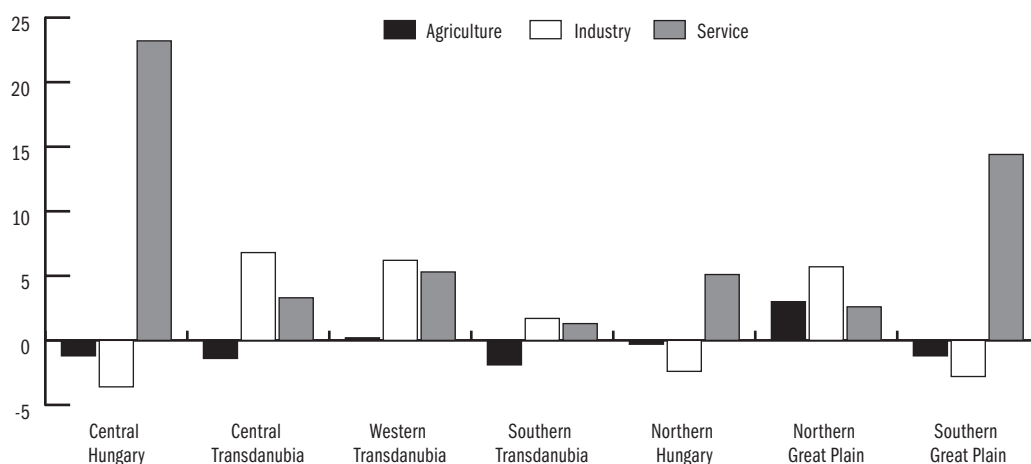
Source: Hungarian Statistical Office, Employment survey.

Notes: The figures refer to the population aged 15–64.

Data in Figure 3 also show that since the millennium there is a noticeable polarization in the development of employment rates by regions. The employ-

ment rate is relatively high in Central Hungary, Central and Western Transdanubia, and a relatively low employment rate is characteristic of the regions of Southern Transdanubia, Northern Hungary, and the Northern and Southern Great Plains. In 2006, in the high employment regions the rates of employment were 62.8 and 61.4 percent, while in the low employment regions they were between 50.4 and 51.1 percent. In Central Transdanubia the employment rate increased by 1.2 percentage points, while in the other regions changes in employment rates were below one percentage point. The ratio of the highest and lowest employment rates was constant in the past few years.

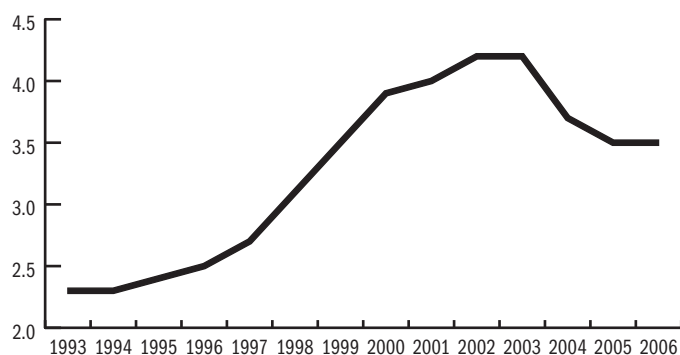
Figure 4: Sectoral changes by region in 2005–2006



Source: Hungarian Statistical Office, Employment survey.

Notes: Thousands of individuals. Sectoral changes are measured by the fluctuation of the number of employed.

Figure 5: Registered unemployment rate disparities by county



Source: Employment Office, Unemployment registry.

Notes: Quotient of the average bottom and top quartiles calculated from the rates of registered unemployment.

Figure 4 presents the shift in the sectoral breakdown of employment in the different regions. The figures show that the ratio of employment in services grew mainly in the most developed region (Central Hungary). Service sector employment in the Southern Great Plain underwent a significant increase in hand with a decrease in the number of employees in agriculture and industry.

The unemployment records kept by the Employment Office also give valuable information by counties on registered unemployment. Data show that the differences in registered unemployment rates grew until 2001, and started to decrease afterwards. This process continued in 2005 as well. Figure 5 shows that the difference between the lowest and highest quintiles calculated from the registered unemployment rate doubled between 1993 and 2003. In the past two years the relative differences diminished from 4.2 to 3.5.

According to statistics on inter-regional wage differences, raw regional wage differentials in Hungary grew significantly during the 1990s, and these differentials have not diminished considerably ever since. Table 8 presents the development of regional disparities in gross monthly wages by NUTS-2 level regions. It is apparent that wages in Budapest surpass the national average by 23 percent, while in the Southern and Northern Great Plains region they barely reach 80 percent of it. The gap between the highest and lowest paying regions has been approximately one and a half fold for years.

Statistical data in Chapter 9.5 of this volume prove that wage gaps by counties are even higher and show no tendency to diminish. Analyses searching for the causes of regional wage differences arrive at the conclusion that the main reason for these gaps lays in the different composition of the workforce and in the productivity disparities of the enterprises. By cleaning the data from composition effects and inter-enterprise productivity differences we find that regional wage differences diminished significantly in the second half of the 90s, and have not changed significantly since.

SUMMARY

The most important labour market developments originate in the macroeconomic stabilization program of the government, launched in September 2006. The increase of taxes and the restructuring of the public sector is most probably going to have a negative effect on the employment rate and boost unemployment, at least in the short and medium run. The decline of the public sector employment is already showing in the data.

While the employment rate did not change during 2006, the unemployment rate continued to increase, albeit not as much as in the previous year. In this study we presented the facts about the increase of unemployment in 2005 and speculated about its possible causes. We also document wage changes in 2006 and find that for the first time in several years, blue collar workers' wages increased by more than white collar workers'. Regional differences in

Table 8: Regional differences in wages by planned regions

Region	1989	1992	1995	1998	2001	2003	2004	2005	2006
Central Hungary	108.3	121.0	116.9	124.5	127.5	125.4	125.1	122.3	123.4
Central Transdanubia	100.5	98.7	95.8	98.4	96.9	94.2	93.2	93.6	91.9
Western Transdanubia	93.4	93.4	90.6	93.1	92.9	89.5	89.7	92.4	91.1
Southern Transdanubia	96.9	88.6	88.0	87.5	83.8	86.3	83.5	86.4	83.9
Northern Hungary	96.8	92.2	89.6	87.0	85.6	86.8	87.3	88.6	88.8
Northern Great Plains	89.4	87.1	86.4	83.9	82.0	84.9	84.3	83.1	82.7
Southern Great Plains	90.9	89.2	83.7	84.3	81.8	83.6	82.7	82.7	83.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Maximum	108.3	121.0	116.9	124.5	127.5	125.4	125.1	122.3	123.4
Minimum	89.4	87.1	83.7	83.9	81.8	83.6	82.7	82.7	82.7
Maximum/minimum	1.2	1.4	1.4	1.5	1.6	1.5	1.5	1.5	1.5

Source: Employment Office.

Notes: Data are observations in May of a given year, and comprise the employees of the public sector and enterprises according to the following size categories: 1992–1994: 20 or more employees, 1995–1998: 10 or more employees, 1999–2000: 5 or more employees. Full time employment only. Gross monthly wages.

terms of employment and unemployment remain high. There are no signs of levelling between leading core regions (Central Hungary, Central and Western Transdanubia) and the periphery. As the employment rate is historically low in the country, and the unemployment rate has been increasing in the most recent period, fighting unemployment and boosting employment will be the most important labour market related task of the government in the coming years.

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