

# **SPATIAL DIFFERENCES OF THE EUROPEAN LABOUR MARKET AT THE TIME OF THE EASTERN EXPANSION**

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## **1. INTRODUCTION**

Due to the protracted economic- and financial crisis in the European Union the rate of economic growth significantly decreased. From 1990, there was a gradual decrease in employment as well, together with a fast increase in unemployment. Surpassing the psychological limit of 10 percent, the EU unemployment rate rose to 12% in 1993 from the 9.5% of 1992. Within a period of three years, 5 million jobs disappeared in the European Union. Half of the 18 million unemployed people living in the member states were permanently out of work. In comparison with the USA and Japan, the competitiveness of the Union did not only decrease in the area of employment, but also in the fields of product development, innovation and export market share. The experiences of the member states showed that apart from the economic reasons, the passive, 'wait and see' type of job market policies and the social protective systems dominated by the various forms of income subsidization also greatly contributed to the development of massive permanent unemployment.

Starting from the above, the EU directives on employment appropriate the application of such employment policy that aims to provide full-scale employment, to improve the quality and increase the productivity of work, as well as to strengthen the social and regional cohesion. They also mention how to harmonize better the needs of the labour market and the structure of qualifications, underlining that the flexibility of the labour market must go with safety, and they stress the role of social partners. They emphasize the need for employment-friendly labour cost-development

and wage control mechanisms. The investments into human resources must be expanded and an educational- and training system must be created that can adjust itself to the new requirements of the labour market.

The model calculations of the European Commission showed that in the second half of the 1990s the *structural unemployment* index freed from the conjunctural fluctuations decreased in the EU. This improvement did not present itself to the same extent in every country, though.

The aim of the current research is to explore the regional and structural characteristics of labour market processes that can be observed during the enlargement of the European Union. Apart from the inequalities present in the fields of employment and unemployment, the research would like to assess the regional differences of atypical employment too.

## 2. RESEARCH METHODS

The preceding researches are published based on the secondary analyses of more significant Hungarian and international studies. The critical analyses classified according to their topics are to follow the logic of development in the given branches of science. The sources of data used for the cartograms were the direct data services of the Eurostat, as well as the Eurostat-data found in the publications *Employment in Europe*. The evaluating analysis was based on the data of the regional database of Eurostat on the labour market, demography and economy. Within the category of the labour market, the analysis dealt with the statistical data on the economically active population, the employed people, the unemployed people and socio-demographic state of the labour force. The spatial-informatics display of the NUTS 2 level dynamic data lines was done using version ArcGIS 9.1 of the ArcGIS 9 programme package.

From among the atypical forms of employment, the evaluating analysis based on data-processing puts the main emphasis on part-time- and fixed-term employment as well as on self-employment, which forms are the most wide-spread in the countries of the European Union too and are also recorded statistically by Eurostat.

## 3. RESULTS

### 3.1. Regional differences in economic activity and employment

Throughout the countries of the European Union, economic activity shows significant regional differences. While Denmark, Sweden and the United Kingdom can be described by high rates, Italy, Hungary and Malta are lagging behind. The prominent activities of 80% or higher can be attributed mainly to the high rate of employment of women. Besides the member states mentioned above as positive examples, there are also examples for high activity of women in itself, primarily in Portugal and Finland. In the case of the former member state, behind the prominent values are the fundamental changes during the years following the turn of the millennium, this is where the most significant increase in the women's participation in the job market can be observed.

The increasing participation of women in the labour market and their higher employment rate can have several reasons. From these, we should highlight the proper supply of child-care institutions, the higher level of qualifications among women, equal treatment in the labour market, the norms of providing equal opportunities, as well as the developed non-governmental sphere and tertiary sector, which offer numerous job opportunities for women.

As for the average level of qualifications, in Denmark the ratio of women in higher education is high even compared to men. In relation to the whole female population, in terms of the ratio of women studying in higher education, Denmark is only preceded by the Baltic states, Poland and Sweden. In the northern member state the legislative process in connection with equal opportunities was already begun as early as in the mid 1970s. Back then the goal was to provide equality in the labour market. After the turn of the millennium, there were five acts already that dealt with the principle of equality, namely with wage differences, equal treatment and the disproportionateness experienced in decision making and public administration (JACOBSEN, H. 2004).

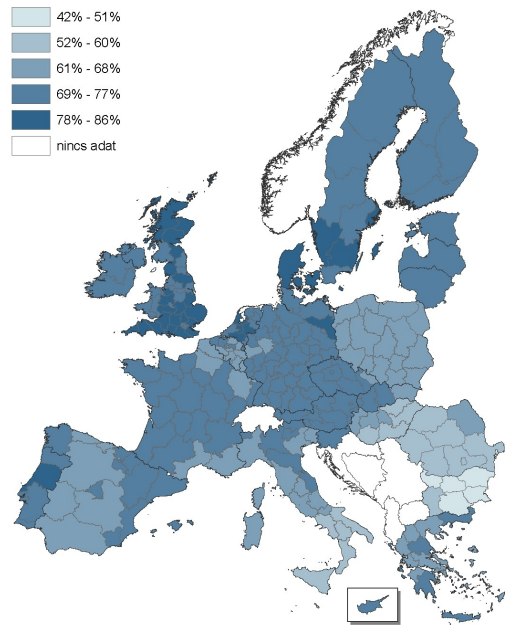
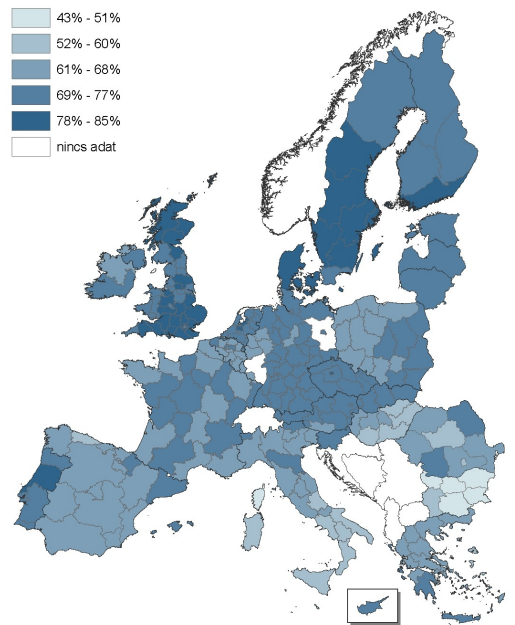
Spain and Cyprus are the best examples for the growth of the economic activity rate. In both member states in the background of this process we find that the role-taking of women in the labour market became more important. We should not forget it, either, that in the case of the latter member state the activity of men increased greatly as well. Since in Cyprus it was characteristic that even while unemployment was decreasing economic activity was considerably increasing, in the background of this process was the increase of the rate of employment. The structural change and the open nature of the Cyprian economy, the significant ratio of the small- and medium-size enter-

prises, the growth of the role of the tertiary sector also in employment - including tourism and financial services - all contributed to the revival of the labour market. Especially when the main focus was on the labour-intensive services and not on the capital-intensive activities.

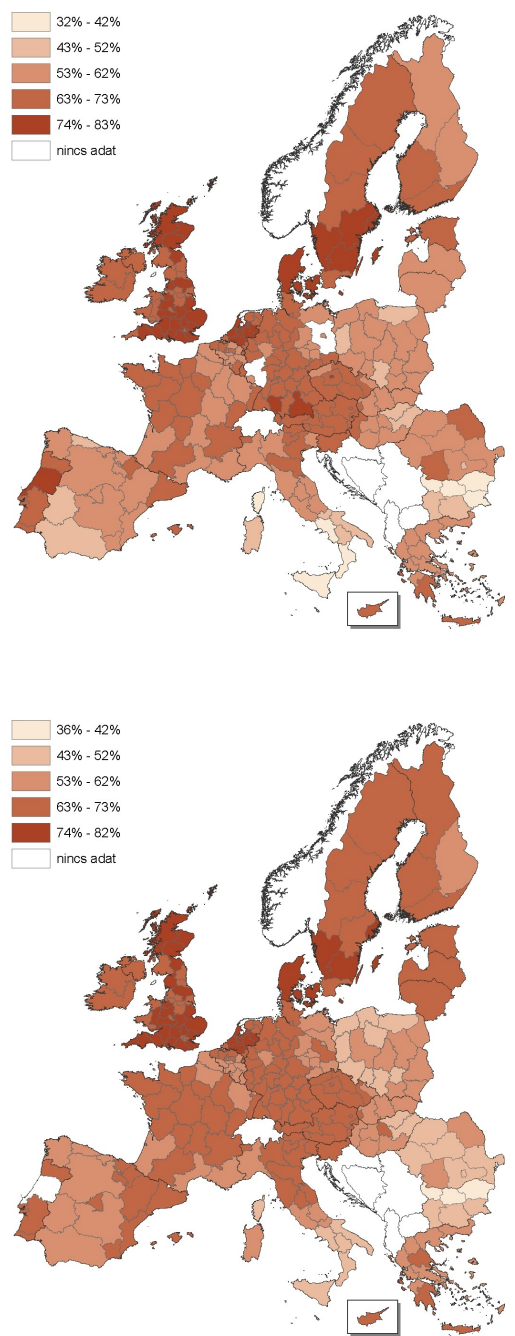
The low economic activity, which is experienced in Hungary as well, is a serious problem also because it imposes a considerable burden on the active participants of the economy as well through taxation and the redistributive social mechanisms. Thus it weakens competitiveness and restricts the scope of the state. Therefore, in these regions the increase of the economic activity and of the employment level should particularly be treated as a priority of economic policy. In the early 1990s "full employment" was suddenly followed by the uncertainty of the labour market, which was accompanied by the so far unknown massive and permanent unemployment. The majority of those who became unemployed soon became inactive thus left the labour market for good. In Hungary, people over 50 leave the labour market sooner than they would reach retirement age. Certainly, in the 90s many measures were taken that enhanced an easier leave from the labour market, i.e. many channels of pre-retirement became open. At the same time education of young people became significantly lengthened. Women are worst motivated in villages and small settlements, where besides the low quality of childcare network, the deficiencies and increasing costs of transport make getting jobs more difficult. The further cause of the fact that low economic activity is becoming permanent is the unsatisfactory state of health of some of the working-age population.

In the years after the turn of the millennium decreasing economic activity could be experienced in Lithuania and Romania only. The permanent regional differences experienced in economic activity obviously suggest a low level regional mobility. Besides Hungary, Italy is also a good example for this. While in Hungary there is a difference of over 10% between the North Hungarian, North Plain and the Central Region, in the case of Italy there are differences of 17-20% between the northern and southern regions even in the long run.

In the EU member states the employment rate is behind the 70% target rate set by the Lisbon Strategy by the year 2010 (and also behind the 67% target set by the year 2005). One year after the eastern enlargement this rate is 64% regarding the EU-25. The rate reaches 70% in six member states only: Denmark, Cyprus, Portugal, Sweden, Holland, and the United Kingdom. In Poland and Malta it is hardly over 50%, though. According to the analysts of the European Commission, in order to achieve the 70% target over 20 million more jobs should be created. The situation is more tinged in the regional than in the national level. The 70% employment rate was achieved only in a quarter of the EU-25 regions and in 5% of them the rate does not reach even 50%. These regions can be found mainly in the southern part of Italy and in the western part of Poland. If we consider the enlargement of 2007 then we see that the rates of Bulgaria are even more worrying. Employment rate is usually higher in the more prosperous regions although in some especially affluent regions employment rate is still low (for example in North Italy).



**Figure 1**  
**Regional differences of economic activity (2000-2004)**  
(Ed.: MÁTÉ K. 2006)



**Figure 2**  
**Regional differences in employment (2000-2004)**  
(Ed.: MÁTÉ K. 2006)

### 3.2. Regional and structural characteristics of unemployment

#### *Regions with favourable labour market situation*

Regarding the situation of unemployment after the turn of the century Holland, Luxemburg, Denmark, Ireland, Cyprus and Austria can be seen as models because the rate of job seekers does not exceed five per cent significantly in any of these member states.

Let us stick to Denmark as an example. The macroeconomic expansion of the 1990s, the flexibility of the labour market, the generous passive and active support system of the unemployed and the employment policy reforms of 1994 all contributed fundamentally to the low job-search rate of the present. After the "economic wonder", which is a growth led by a domestic demand actually, and which could be seen since 1993, the export became the main drive of Denmark's economy. The growth of exports in connection with the strengthening international competitiveness, which was due to the slower increase of wages, provided a basis for the macroeconomic expansion (MADSEN, K. 2004). Furthermore, the rate of permanent unemployment was also among the lowest which was the result of the active labour market programmes, the support of self-employment and job rotation, the trainings, the motivating support-allowance system, and the consideration of individual and local needs in the training system.

In the case of Luxemburg we could also see a massive, 15-year-long growth period that reached 7% per year in the preceding years of the turn of the millennium. The financial services had a huge role in this growth and probably these services had a further effect in the remarkable performance of the transport-telecommunications, tourism, trade and business services (Eurostat). Following the turn of the millennium, Luxemburg moved away from "full employment" and the rate of unemployment reached 5% by the middle of the first decade. Although employment was continuously growing, unemployment was still increasing because many of the new jobs were filled in by foreign employees. The number of people commuting across the borders has been continuously growing since the 1980s. Within one decade their number tripled and it is still growing up to today (more than 100,000 people). Two years after the turn of the millennium the ratio of foreign employees reached 65% and the ratio of cross-border commuters was nearly 40%. More than half of those who commute from across the border come from France while a smaller part comes from

Belgium and Germany. Growing unemployment mainly affects the career-starters, the young, and people with low qualifications since older people can easily leave the job market through early or pre-retirement.

In Ireland, the country which uses its central position in transatlantic economy, the fast growth of the second half of the 1990s resulted in the expansion of production and the creation of new jobs. In the processing industry, in the service and other sectors full employment grew by more than 40% between 1993 and 2002 but this trend broke after the turn of the millennium. Between 2000 and 2002 employment decreased by nearly 15,000 (4.2%). Foreign companies were leading in both growth and in decrease and their share in employment increased from 46% to 50% between 1993 and 2002. During the examined period more than half of the new jobs were created in international commercial and financial services. More than one third of all the new jobs were the result of the employment growth of foreign companies in the field of international commercial and financial services. This capital influx was accompanied by the new industry policy of the 1990s, which aimed at increasing the productivity and capacity of the domestic industry and attracting new foreign investments. In order to enhance successful export, the industry policy did not concentrate on the foundation of new companies but on the improvement and growth of the existing small- and medium-size companies. The tax reform, which was created so as to increase capital attracting ability (business tax was reduced to 10%), and the fact that Ireland received the most funds both in absolute and relative measures from the structural and cohesion fund of the EU in the second half of the 1990s all contributed to the favourable situation of the country (ARTNER A. 2005).

#### *Regions with unfavourable labour market situation*

The highest unemployment rate that significantly exceeds the EU average (9.2% 2004) is characteristic of Germany, from the newly joining countries of Poland, Latvia, Lithuania and from the southern member states of Greece and of Spain.

Poland is in a special situation since its unemployment ratio is twice as much as the EU average. Since agriculture can provide very few people with a living, in countries where a lot of people are still employed in agriculture the rate of unemployment is higher. Poland was the only formerly socialist country where agriculture could not be collectivised. Two million privately owned landed property remained until the change of regime. In the years following the change of regime farmers were not able to adapt to the conditions of market economy (and to the western food-health and other standards). In Poland, the agricultural support system that is similar to the direct income support used by the European Union did not develop. 75% of the state support given to the agriculture was paid into the pension fund created for farmers (KRUS). Based on the data available about the mid-90s there is a rather significant difference in terms of income between Polish and

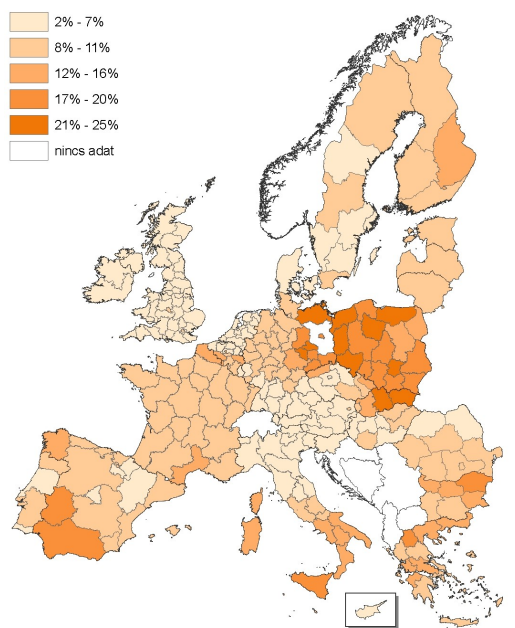
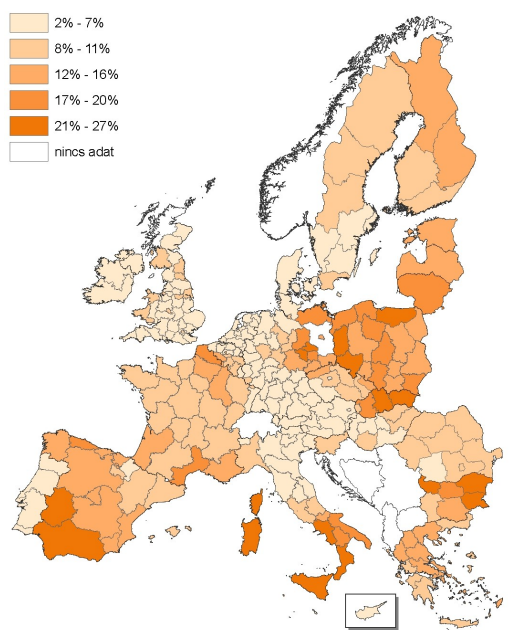


European farmers. Agriculture employs nearly 20% of the population in Poland. Certainly there are considerable regional differences, since in Eastern Poland the proportion of agricultural employees is almost the double of the national average.

Many of the unemployed are registered in villages and it is a serious problem that those who work in agriculture have very low qualifications. The poor education of farmers often restricts the further education of their children. The landed property structure of Polish agriculture has three main groups. First, the large farms formed from the former state farms of the north-eastern regions, then the family farms of a couple of hundreds of hectares characteristic in the central-Polish region and, at last, the weekend plots which are only of some hectares and which produce mainly not for the market but for the farmers' own consumption. This type is characteristic in the south-east of Poland, where the number of unregistered unemployed people is the highest. The EU accession of Poland will probably have no effect on family farms of one-two hectares and the EU will not really notice that they exist because these farms are not present with their products either in the Polish or the European market. As opposed to the small-size farms that provide self-support, the large farms in the north-east of Poland constitute the competitive slice of Polish agriculture.

In the background of the outstandingly bad numbers there are demographic reasons as well. The dynamic growth of the working-age population continued after the turn of the millennium as well. Although the number of pensioners is continuously increasing, this has not caused such a change in the composition of the Polish population that we could not state that the demographic composition of Polish employees are still one of the youngest in Europe.

A further factor could be the level of wages, which is quite high in Poland and it more-or-less corresponds to the Hungarian income level. However, the productivity of work is average compared to other Central-European countries. The considerably high minimum wage makes employment rather expensive in those sectors that require lower qualification.



**Figure 3**  
**Regional differences of unemployment (2000-2004)**  
(Ed.: MÁTÉ K. 2006)

The structural change of the economy still entails the closing down of factories. Due to the structure of employment it is probable that further dismissals can be expected from among agricultural workers. The minimum wage that is determined uniformly on the level of the national economy is not able to adapt to the differences in economic development of the different Polish regions.

Unemployment shows significant differences according to the different regions. The rate of unemployment is lower in the voivodeships in the central and eastern part of the country, although in the latter agriculture still plays a determining role. The reason of the seeming contradiction is that many of the agricultural unemployed people of these regions do not have themselves registered. In Poland the number of "hidden" unemployed people is estimated at about one million. The voivodeships of the Poludniowy region, especially the regions of Silesia, can be characterised by an even higher unemployment. The structural change and consolidation of the once highly supported heavy industry sector proved to be one of the most difficult tasks of the 1990s and is still a question at issue. The heavy industry is a strategically important area of Polish economy due to many different reasons. On the one hand, 70% of the energy-needs of Poland was fulfilled from coal even in 2002. However, the coal mines in the southern region of the country not only have an important role in the region because of production but because the functioning of the sector also has an important employment aspect. In Silesia more than 5% of the employed people have jobs in the industries connected to coal mining. Several plans have been made regarding the transformation of lossmaker companies in the heavy industry but in spite of governmental effort they failed to privatise the large industrial companies working in the sector. The cause of this was primarily that the potential investors did not accept the very strict conditions – the maintenance of the level of employment, the costly investments, and the significant voting power of the state – of the Polish government in the privatisation contracts. As a result of this, the structural change of the iron- and steel industries has been financed from state funds mainly. Modernisation accelerated only at the end of the 1990s. The main direction of this was the lay off of the working power, in the framework of which the number of people working in the industry was reduced to its third between 1997 and 2000.

Moreover, the regional differences in the shaping of unemployment rates proved to be permanent. The permanent differences in unemployment observed regionally and the accompanying increasing wage differences together should lead to the growing of interior migration. The studies, however, suggest that the migration from the regions afflicted by a high level of unemployment to those offering more favourable employment opportunities has not begun. PRZYBYŁA (2002) puts down this phenomenon to three factors. The prices of flats in the major Polish cities are so high that the potential employees could not afford them. Most of the new jobs are in the service sector where mostly the employees of higher qualifications are needed. On the contrary, 80 percent

of job seekers have only elementary qualification or trade school qualification. What is more, many of the potential employees are unwilling to move to the city because they do not want to give up self support provided by their 1-2-hectare family farms. The problem of unemployment is especially worsened by the fact that 57 percent of the unemployed have had no jobs for more than a year.

The economic growth will probably have little effect on unemployment, which is partly connected to the structural changes taking place parallelly with the privatisation plans. The new investments that follow privatisation substitute labour force, the increasing productivity goes with the decreasing demand for labour force, which shows significant differences among the various sectors, depending on the qualifications of the employees.

In the eastern areas of Bulgaria there were at least two factors that contributed to the high rate of unemployment. One is the above-the-average values in rural areas, the other is the change that began in the second half of the nineties, resulting in a significant fall in industrial production – namely in the fields that were the most typical to these areas, such as metallurgy, chemical industry and food industry. What can raise optimism in the eastern regions in the future is the transport geographical situation on the one hand, which can induce such changes through the EU development of the transport infrastructure-network that will strengthen the position of the region in the labour market. The other factor is the opportunity to create jobs by the intensive development of tourism.

At the same time, during the past few years the rate of job seekers has significantly risen in Portugal. This increase can primarily be attributed to the lower performing northern region. The production structure in the northern areas of Portugal is mainly based on highly export-oriented, labour-intensive traditional branches of lower productivity. Besides the introduction of new markets and products, as well as the investment into instruments, the value of the R+D investments is remarkably lower.

A significant increase in the rate can also be observed in some eastern provinces of Germany, such as in Mecklenburg-Vorpommern and Saxony, with a special respect to the area of Leipzig. The main economic problem of Mecklenburg-Vorpommern is that except for agriculture, it is lagging behind the western regions in terms of productivity. It is well known that not regarding the inherited agricultural structures, the market economy has resulted in an economic structure that is similar to that of the western ones, namely to the one in Schleswig-Holstein. The enterprises in the processing industry – especially in the food industry, the wood-, paper- and metal industries – are much less productive, and the decline of the branch also has a result in employment. In Saxony the rising rate of unemployment can be traced back to slow economic recovery and to structural reasons. Following the early upswing in the nineties, at the end of the decade the region was characterised by stagnation, the economy was unable to properly adapt to the new challenges.

While the rate of unemployment characteristic to Hungary slightly decreased after the turn of the millennium, it began to increase again from 2004. After the turn of the millennium, the Hungarian labour market received a number of shocks simultaneously: recession, the change of the exchange-rate system and the worsening of competitiveness, the rising of the minimum wage in 2001-2002 and the significant increase of salaries in the public sector. As a result of these shocks, remarkable structural changes came under way, the employment in the processing industry decreased, the ratio of the market services and the state sector grew. Still, there was no significant rise in the rate of unemployment, so it can be assumed that the loss of nearly 60 thousand jobs in the processing industry was moderated by other sectors, the increase in the market services and the state sector, meaning that the employment in the national economy only decreased by 20 thousand people. Moreover, these 20 thousand people did not increase the number of the unemployed only but also the number of inactive people, meaning that part of the people who lost their jobs in the processing industry did not try to find a job soon afterwards but chose to move out of the labour market. However, the expansion of the state sector cannot be continued, the level of unemployment that began to grow in 2004 will further increase in the second half of the decade due to the effect of the necessary administrative reforms.

#### *Regions with improving tendencies*

Contrary to the above mentioned processes, it is remarkable that in Latvia, Spain and Italy unemployment significantly decreased during the years after the turn of the millennium. In Latvia, where an economic growth of 7% or higher has been recorded since 2000, the rate of employment began to improve only after 2004. The reason for this is that the increasing productivity is the main cause of economic boom. Economic growth can be seen in every sector, but its effect is felt mainly in trade, services and the construction industry. The income coming from the processing industry has contributed mostly to the growth of GDP, since the turnover of this sector has been of the highest degree, has showed permanent growth and has reached the highest amount for years.

Unemployment decreased at a higher rate in Italy, especially in Liguria and in the south, in Calabria, and on the islands. Although in Liguria the activity rate is below the national average, the rate of employed people has been increasing since the beginning of the 1990s and is over the average. Inevitably, this process is due to the expansion of the employment of women. Agriculture and industry (especially the steel and engineering industries, the production of means of transport and the chemical industry) have lost from their importance in the past decades. Those who had no place in the above sectors found employment in the tertiary sector, where more than 73% of the active population work, exceeding the national average by 10%. The picture is not full without the fact that Liguria is among the leading regions in terms of average school qualification. Families are

willing to invest either into vocational training or postgraduate training, thus significantly increasing their chances on the labour market. Calabria is among those who are lagging behind concerning either economic activity, employment or the rate of unemployment in Italy. While agriculture has the most significant role in employment, industry has the least significant role when compared to the other Italian provinces. At the same time, in the 1990s agriculture was a major turning out sector when more than 30,000 people left it and found employment mostly in the tertiary sector. Among the services, tourism has the best improvement opportunities either the added increase in value of the past years or the increase in the number of hotels and beds are in the focus of the studies.

Asturia, the vicinity of the capital, Extremadura and Andalusia had an important role in the formation of favourable Spanish values. At the end of the 90s Extremadura was characterised by low productivity, low economic efficiency and low competitiveness. At the same time, agricultural production was characterised by several comparative advantages, though the capital-lacking large estates were in majority. The utilization of the opportunities lying in these advantages could be the drive of future improvement. The development of a more competitive economic base required the elimination of the technical underdevelopment of the region. One of the indicators of this problem could be the rather low rate of R&D (research and development) expenditure. One of the most significant improvements of the 1990s was the construction of new highways in the region. From the second half of the 90s, the change of the structure of employment clearly showed that agriculture, which was a leader in milk and fruit production, lost its role in Asturia. The number of the unemployed started decreasing from 1996. Unemployment decreased by nearly 8% within the first five years after the turn of the millennium. Certainly, the most job opportunities are provided by the service sector, where tourism has a significant role.

The primary sector still has a significant role in the economy of Andalusia. It is partly because on this base there are huge, unexploited opportunities in the food industry which improves parallelly to the increased productivity. On the other hand, the continuous improvement of the tertiary sector – especially tourism, retail trade and business services – can provide the basis for the favourable tendencies of the labour market.

In the capital and its vicinity the obviously improving situation of the past few years can be attributed to the process that started with the modernization of the processing industry and business management. All this resulted in a leap forward in terms of quality and competitiveness. Certain sectors of industry: telecommunications, electronics, pharmaceutical industry have moved towards specialisation. Parallel to this, the transport industry, which can be characterised by small- and medium-size enterprises, developed and can be the token for future improvement of the industry. In addition to this, the business, advisory, sale and telecommunication services have become dominant. Furthermore, the R&D (research and development) network, which is determinant even on a national basis, definitely has a huge role in improvement.

Besides the improvement of unemployment at a lesser degree on the national basis, the prominent "island-like" decrease of job-search rate in certain regions could also be seen mainly in Greece in the Attica region, or in certain regions of France, in Languedoc, Corsica, Cote d'Azur and in Upper-Normandy.

The unfavourable labour market tendencies in Greece were mainly due to the structural changes: the traditional processing industry and agriculture had lost their role. Despite the strong economic growth of the country perhaps only Thessalia was able to offset these processes. While earlier unemployment significantly grew in the textile, footwear and furniture industries, certainly the unfavourable processes were due not only to the downgrading of the before mentioned industries and the decrease of investments but also to the concentration of population in the area. In the service sector the growth of employment was due to the expansion of administrative activities in the government, public and private sectors. The improvement of the tertiary sector was the result of the excellent performance of the transport, telecommunication, retail and wholesale trade and financial services. Thus, after the turn of the century unemployment decreased in the region and the activity and employment rate of women – as opposed to that of men – significantly increased.

Corsica, which is unique because of its traditions affecting the world of work and the situation of women in the job market as well, was in a special situation for years. However, from the middle of the 1970s the economic activity of women significantly increased and parallel to this the fast improvement of services created a lot of jobs. Since the second half of the 1990s based on the average two percent annual growth rate, the island can be regarded to be among the front runners. The growth of the tertiary sector is still dynamic today, the effect of which is experienced both in the field of public and private services. Nevertheless, tourism has a more and more significant role in the economy of Corsica. 80% of all the jobs is connected to services. Education, health, social services and the retail and wholesale trade have a prominent job-creating effect. In the tourist season, which fortunately expands, there are several new jobs in retail and catering.

The economy of Provence-Alpes-Côte d'Azur is unquestionably dominated by services. The convincing expansion of the tertiary sector is due not only to the density of population and the immigrants, but also to the fast improvement of tourism. The leading tourist region of the country has the second most hotels in the country. However, the potential tourism has – as opposed to Corsica, for example – is supplemented with business and financial services. Financial middlemanship and real estate services can be highlighted among the market services. However, regional differences are considerable even within the region since Marseille, Nice and Toulon essentially determine the labour market opportunities.

Therefore, the fact that labour market tendencies are favourable compared to the national level is primarily due to strengthening the role of services which happened parallelly to the decaying of the traditional industries, the appearance of new technologies and the introduction of a dy-

namic employment policy. The presence of older generations, the preservation of the traditions of certain rural regions and the expansion of tourism also enhance the importance of public services in the region.

In the second half of the 1990s the growth of employment exceeded the national average in Languedoc-Roussillon. This was due partly to the demographic tendency and partly to the growth of the tertiary sector. At that time services were not yet able to compensate for the significant decrease of industrial employment. Parallel to the above processes, the rate of part-time employment greatly increased. Those who were employed in the tertiary sector mainly worked in trade while industrial employment was the second lowest in the country after Corsica. The number of people employed in agriculture was relatively stable – compared to the central and southern regions of Greece – and showed a decrease of 1-2% only in the first five years after the turn of the millennium. Besides the deterioration of the traditional industrial sectors, the considerably seasonal nature of agriculture and tourism also have its role in the maintained high numbers. In the future, the situation of job-seekers can be improved by the utilisation of further opportunities in the market and financial services and tourism.

The 1980s brought about sudden changes in the labour market of Upper-Normandy when unemployment started increasing and reached its peak by 1987. The crisis of the two traditional industries – textile and ship-building industries – resulted in the loss of jobs in large numbers. The modernisation of the means of production in the engineering and electronics industries only made the picture more tinged. With the narrowing of employment opportunities unemployment significantly exceeded the national average. In the 1990s the number of new jobs did not reach the value corresponding to the growth of the economically active population.

Those industrial activities that are connected to the energy sector – through the nuclear power plants and the oil refineries – still act as a determining factor today. The decentralisation policy of the 1960s created several chemical and electronic plants the headquarters of which remained in the capital. The industry of the region is usually characterised aptly by three words: diversity, dependence and internationalisation. Besides the above, the commercial and transport services are determining. The increase of productive investments, the technological improvement and the innovation potential of the small- and medium-size enterprises can provide for future improvement. The expansion of the financial and business services can help the improvement of enterprises and the export activity. Due to the proximity of the capital and by the utilisation of the potential in tourism, and also by supporting the research and development programmes, the region is able to increase employment and reduce unemployment. The above outlined processes have been gaining ground since 2001.



### 3.3. Characteristics of the spread of flexible employment forms in Europe

#### *Regional characteristics of self-employment*

According to the definition of the International Employment Organisation self-employed are those who are working owners of enterprises without an individual company that is without a legal entity independently of the fact whether they have employees or not; those who work to their account, the agricultural independents and all their helping family members and trade school students; and those who are working members of productive type co-operatives.

The small farmers of agriculture make up the biggest group of the independents among the above groups of the self-employed. The proportion of the self-employed who basically use the working power of the family is characteristically high in those countries which still have significant agriculture. The other big group is made up of the owners of those many small, family-run pension houses, restaurants and shops that are connected to tourism and that exist in those countries that have a big tourist industry, namely in certain parts of Greece and Italy.

Besides the above countries, the highest proportions of self-employment is characteristic in Poland and Romania. The ratio of those who support themselves and their families in a non-employment legal relation is in parallel with the role of the primary sector in employment. Here, certainly, the self-employment ratio of the eastern regions (Podlaskie, Swietokrzyskie) is the highest, one and a half times more than the national average, which inevitably corresponds to the outstandingly high proportion in agricultural employment exceeding the average proportion by more than 80%. In the south-eastern region those small-size family farms of only a few hectares are dominant which can be characterised by a low degree of specialisation and mainly deal with cattle-breeding and the growing of corn and potato.

It should be mentioned that due to the low-grade industrial pollution and the excellent quality of soil, the opportunities to be found in organic farming and agrotourism ensure development in the long run. On the contrary, the north-eastern regions have poorer soil, the ratio of arable lands and fruit farms is below average, nevertheless they have the biggest share in grassland farming, thus also in cattle-breeding in the country.

In Romania, especially in the southern and south-western regions of the country, the employment ratio of the primer sector is still over 40%. Statistical data show that the value of agricultural production of the country was relatively stable even after the change of regime and that it did not show the intensively decreasing tendency that was characteristic in almost all of the EU countries. Farming is characterised by the small size of farms and self-support in most of the places. Commodity production is of small importance. The socio-economic situation is made more comp-

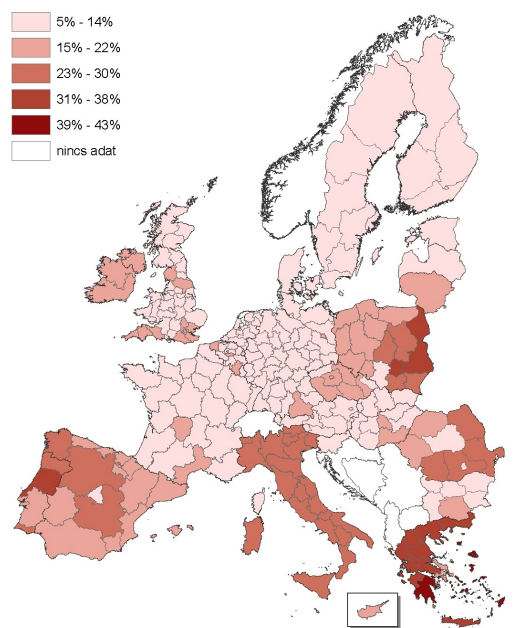
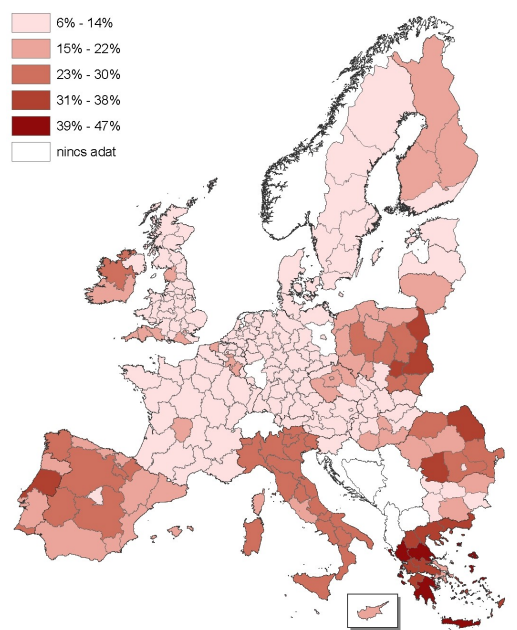
lex by the fact that these farms have no other income. The change of property relations and compensation fundamentally contributed to the very high proportion of self-employment in Romania. In contrast to Hungary, the co-operative sector disappeared and a major part of agricultural land was cultivated by individual farmers. By the middle of the 1990s the number of people concerned by agricultural production as owners, helping family members or employees increased by nearly half a million. However, the private entrepreneurs who appeared in the commercial, service and catering sectors in outstandingly high numbers even compared to the East-Central-European countries, must be added to the above. The employment policy that removed the family members of those who had two hectares of land from the passive support system of the unemployed also contributed to the increase in the number of the self-employed (KÖLLŐ J. – VINCZE M. 1999). In those regions where economic transition entailed more difficulties, agriculture "received" masses of potentially unemployed people. The self-employing "hidden unemployed" can be expected to be absorbed, their numbers to decrease not earlier than during the closing-up process, and through the strengthening of the sphere of entrepreneurs.

In Greece we can find a self-employment ratio significantly exceeding the national average on the Aegean Islands and on the Peloponnese. While in the case of the former, the significant role of the tertiary sector, in the case of the latter that of agriculture is in the background. Although, in the case of Italy, significant regional differences cannot be seen, it is understandable that the central and southern regions exceed the national average by some per cent. There is excess in Tuscany, Umbria and Molise primarily. Because in the Central-Italian regions mainly the services provide opportunities for the private enterprises, the self-employed can increase their proportion here, even if very slightly. At the same time, Molise, due to the decrease of its role in agriculture, shows a falling tendency in self-employment as well. During the seven years after the middle of the 1990s the sector lost 5600 jobs in the region, which made up one third of all the employment opportunities. Thus, parallel with the decrease of the number of people living from agriculture, the number of those supporting themselves and their families in a non-employment legal relation showed significant increase.

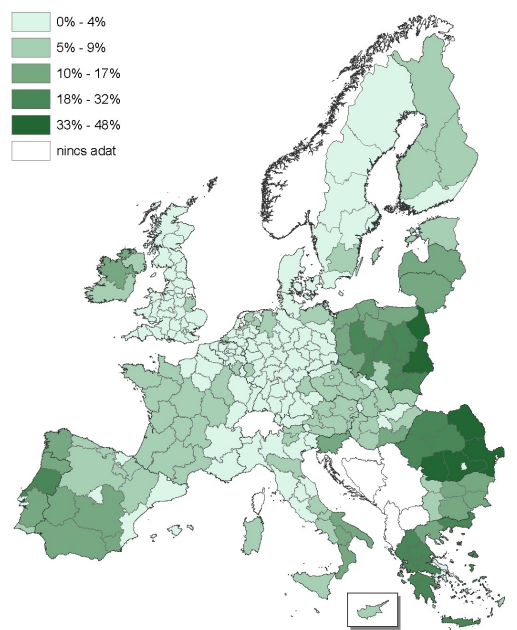
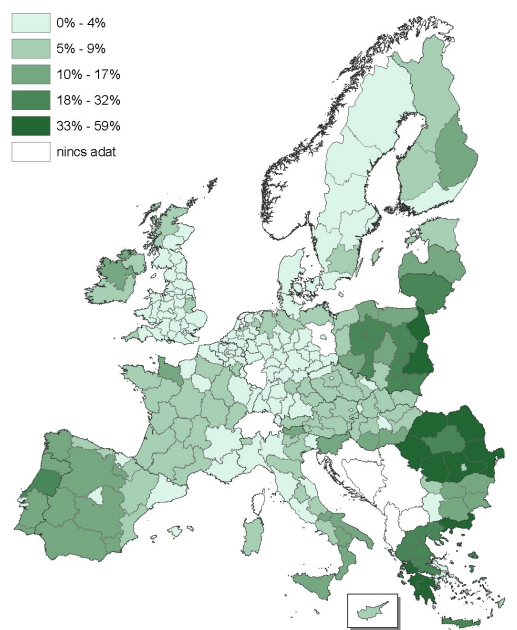
In the background of the losses in self-employment in the region of Mazovia we find that a significant part – two third – of the voivodeship is of agricultural nature. While the south-western parts are dynamically developing vegetable- and fruit-growing areas, the north-east is specialised in milk production and potato growing. While in most parts of Poland the number of people employed in agriculture grew even after the turn of the century, in this region, apart from Great-Poland, agricultural employment decreased by many percentage points. The structural change of the Ionian Islands resulted in a similar situation in Greece. Trade, catering and tourism became the winners of the losses in agriculture.

In the European Union after the turn of the millennium, at the NUTS II level the record degree decrease of self-employment was characteristic of the Spanish La Rioja. Earlier, the relatively high proportion of self-employment was in the background of the relatively low rate of unemployment that was usually half of the national average. Although the region plays an important role in agriculture – primarily in vegetable- and fruit-growing, as well as wine production – still the relatively lower degree of decrease in the employment ratio of the sector can hardly provide an explanation to the extent of the negative tendency.

Certainly, significantly different values are characteristic of Denmark and Luxemburg where the self-employment rate is about half of the European average. According to LAKY T. (2001), it can be clearly seen that the more developed and wealthy a country is, the less number of citizens are (remain) self-employed. Mainly those gain this status who do not have enough capital to found an independent company (with legal entity). In the above countries, where the national income per capita is the highest of all the countries of the European Union, and nearly 80% of the population between the ages of 15 and 64 are employed, self-employment has no significant "traditions".



**Figure 4**  
**Regional differences of self-employment (2000-2004)**  
(Ed.: MÁTÉ K. 2006)



**Figure 5**  
**The proportion of agricultural employment (2000-2004)**  
(Ed.: MÁTÉ K. 2006)

### *Regional characteristics of part-time employment*

Despite the fact that the practice of part-time employment is more and more widespread, this form has no common definition. As it is stated in the OECD glossary on the topic: according to the basic definition by ILO, part-time working time is substantially less than normal. This definition is used for administrative purposes in many countries but it is not sufficient for every examination. Thus, either the employees are asked if they regard themselves as part-time workers or the cut off working time is considered part-time based on the distinction between full and part-time employment. The general recommendation is to use the definition of the "cut off" working hours when making international comparisons. OECD uses the "less than 30 hours a week" definition for the common understanding of the term "cut off", mainly for statistical purposes (LAKY T. 2001).

The majority of part-time workers are employed by the tertiary sector. In some countries of the European Union, especially in the United Kingdom, the sectoral effect on the part-time employment of women is more significant because services have a bigger proportion. The spread of part-time work is influenced by further demand factors as well. The forcing down of work costs, the demand for the increase of flexibility, the development of global markets and the high level of unemployment all have contributed to this process. The lack of job vacancies resulted in the acceptance of part-time jobs by both men and women who originally looked for full-time jobs. The growing proportion of women in the labour market on the side of the demand, which can be traced back for more than 40 years, further increased the significance of part-time employment. The increasing participation of women in the labour market can be attributed to social, economic (e.g. the decrease of men's wages), political and educational changes as well.

In Hungary, the proportion of part-time workers is very low (about 5%). Few people are employed in this form even compared to the countries of the Central-Eastern-European region. In the Baltic countries and in Poland one in every ten employee is a part-timer. It must be added that in those regions where the taxes payable by the employers are the same in the cases of both full-time and part-time employees, it is more worth employing somebody full-time. The conservative company managers also hinder the spread of part-time work because many of them are not able to think in a four-hour workday. In Hungary the gross salary of part-timers does not reach even 40 per cent of the salary of those who are employed in full-time. The introduction and massive use of part-time work has not happened in the public sector, either. Although, the negative feelings of the participants of the private sector could only be relieved by the positive experience of the public sector. (The exemplary Netherlands have been employing young people in part-time jobs in the public sector since the end of the 1980s, thus making this solution popular this way as well.)

Therefore Holland has made the greatest leap forward regarding the form of part-time employment. In the 1970s the Dutch experienced one of the worst employment situations: double-digit unemployment rate, high wages, a benevolent state that takes care of everyone. Due to the

employment reforms of 1982 i.e. the liberalization of the labour market, the reduction of the generous social support system that used to surround the employees, the freeze of the minimum wage, the facilitation of the part-time work system, and the reduction of the tax content of earned income, the labour market began to revive, more people found work and the ratio of permanently unemployed people within all the unemployed dropped to its half (LAKY T. 2001).

Typically, women do the 15-30 working hours per week. From ten part-timers seven are women while from ten female workers eight work in part-time, which is understandable if we consider that the traditional family model allows less time and opportunity for women to build a career. Many of them are satisfied if they manage to find even a part-time activity besides taking care of the children. If we add that in the EU Dutch women have the highest economic activity, then, it seems that Holland could achieve a healthy balance between work and private life. The ratio of men in part-time employment compared to that of women is the highest in the East-Central-European countries, where from ten part-timers four are men. In the EU 15 countries the rate is 10 to 2, that is out of ten part-timers only two are men.

To achieve this outstanding result, it is obviously necessary to ban any kind of discrimination against part-time employees. Wages proportionate to the working hours, bonuses, holidays and other fringe benefits provide the basis for this. The latest laws give employees the right to reduce and increase working hours according to their own ideas. This can only be refused if it can be unambiguously proved that the request violates business interests.

Of course, the northern parts of Holland are again in leading position when compared with other regions in terms of part-time employment. Nevertheless, only the south-western regions of the United Kingdom show similar values to those in the Netherlands.

One of the areas that can be seen as an example is the area of Groeningen, where parallelly to the structural transformation, the majority of the new workplaces created in the tertiary sector provided part-time opportunities. Parallelly to the growing activity rate, and the decreasing number of people working in the family farms, masses of women appeared on the labour market. The structural change of the industry of the region was not favourable for unemployment anyway, because the labour-intensive sectors either decayed or became modernized but much rather they were overtaken by the capital-intensive sectors (e.g. the chemical industry). Therefore, most of the new jobs developed in the tertiary sector, and education, informatics, transport and trade improved better than the national average.

In the economy of Friesland, besides some food-industrial multinational companies, the small- and medium-size enterprises, where two-thirds of the overall employment is concentrated, play the main role. The expansion of the tertiary sector can be seen best in the field of financial services. Several major insurance companies (Aegon, Avero Achmea etc.) have premises here.

Between 1970 and 1990 in the region of Drenthe – parallely with the development of the industry – employment tendencies changed favourably since employment growth was beyond the national average. Nevertheless, the recession of the early 1980s could be felt here as well. Although unemployment was under the national average from the second half of the 1980s, its decrease was faster than in other parts of the country. So, besides industry, services provided the majority of jobs. The expansion of the latter clearly determined the direction of economic-employment structural change. After the turn of the millennium the influx of women into the labour market accelerated, and their activity rate and part-time employment grew significantly.

In the United Kingdom, the south-western areas are in the lead regarding part-time employment. Here, the values are over the national average by 4%. In these areas the economic activity of women is above average and at the same time, the labour force absorbing ability of services is even more considerable. Parallely, the role of processing industry is becoming smaller. Following the turn of the millennium, Bristol and its vicinity increased employment in the fields of financial and business services, education and also in tourism. It must be particularly emphasised that the ratio of secondary employment in this region is the highest in the whole country, which fact – together with the above factors – can also explain the outstanding rate of part-time employment.

The Cornwall area deserves special attention. Here, despite the diversification of the economy, the processing industry does not offer enough jobs. However, the tertiary sector develops dynamically here as well. While at the end of the 1990s, 69% of the employed people could find a job in one of the services, in 2004 this rate was already 74%. The increase of the significance of tourism is outstanding, though seasonability causes some problems in employment here as well. The region attracts around five million visitors a year and thus helps services gain ground in such an extent that would otherwise be impossible. At the same time, the activity rate of women grew significantly in the 1990s, although activity was low at the national level.

After the turn of the millennium, Austria and Luxemburg had the most spectacular results in the field of expansion of part-time employment. In Austria, though the values cannot reach half of the Dutch values even today, a 15% overall expansion has been achieved. This means a 4% expansion in the case of men and a 30% expansion in the case of women.

In some sectors women's part-time employment is over-represented in Austria. These sectors are: retail and wholesale trade, health and social work, and business services. Retail and wholesale trade employ about 500,000 people, and had a 3% growth in employment as early as the second half of the 1990s. Besides its role in employment, this sector is among the most successful ones regarding productivity and added value as well. In retail trade, especially in the big chain stores, while the number of trainees continuously decreases, the rate of young, atypical employees grows. These tendencies can also be noticed through the negative effects on the income situation within the sector.



Furthermore, the pension reform package that was accepted in 1997 also had a significant role in the preparation of the expansion of part-time employment. This reform includes a measure that is a kind of combination of the right to a partial pension and part-time employment with the aim to reduce the working hours of older people.

The large-scale growth of labour force demand, which took place after 1985 in Luxemburg, gives an unambiguous answer to the reasons for low unemployment. In the second half of the '90s, average unemployment was less than the third of the EU average. As a matter of fact, when cross-border commuters lose their jobs they do not appear in the statistics of Luxemburg, thus they do not make them worse. The years following the turn of the millennium brought about a slow-down in economy. This tendency did not spare labour market processes either: the ratio of job-seekers has continuously been increasing since 2002. It is probable that after the growing tendency of structural unemployment, even if the ratio decreases, it will not reach the previous level again.

The change of production structure had a fundamental effect on the employment structure as well. The expansion of the tertiary sector during the last 25 years have doubled the number of people working in the sector. The growing demand of the financial, business, transport and telecommunication services and the public sphere was the drive of this change.

During the preparation of the 1998 national employment action plan, the slow expansion of employment in Luxemburg was dealt with. The 1999 Act on the realisation of the action plan already contains laws that enhance the expansion of part-time employment (gradual early retirement, part-time parental leave, change-over to part-time employment for employees over 49), and more flexible organisation of part-time work. It also includes the introduction of a four-week reference period similarly to the reference period of full-time employment, and the introduction of compulsory collective negotiations.

Following the turn of the millennium, besides Austria and Luxemburg, and the provinces of Trento and Lazio in Italy achieved a remarkable increase in part-time employment in the Union. This tendency can be connected to the growing activity of women in both regions. In the past years the employment situation of the Italian capital and its vicinity has got to the foreground of politics, where, apart from the growth of economy and job creation, flexible employment and the increase of the role of women in the labour market have also appeared as a priority. Since the 1970s the role of services in employment have been growing in this area, and it is still the most significant in the country. Besides public services, it is the network of retailers leading in part-time employment, who have a distinguished role.

In Trento, where the activity rate is above the national average, the employment ratio of women has been increasing since the second half of the 1990s. Parallely, the ratio of part-timers has increased by 8% in five years, which is four times higher than the EU average. This is clearly due to the expansion of women's part-time employment, the rate of which grew by 14% in the

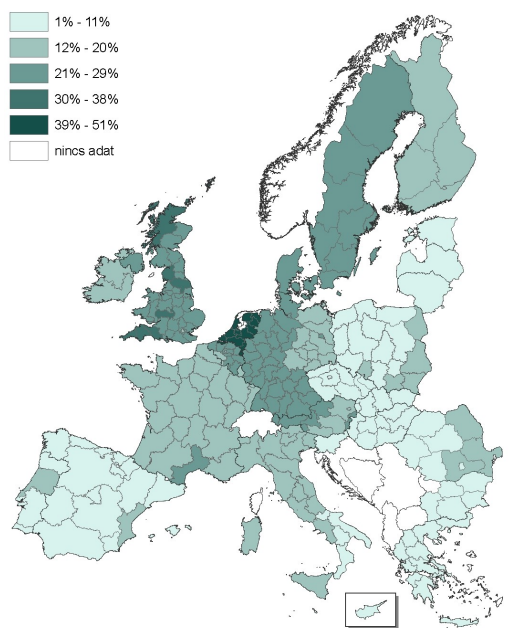
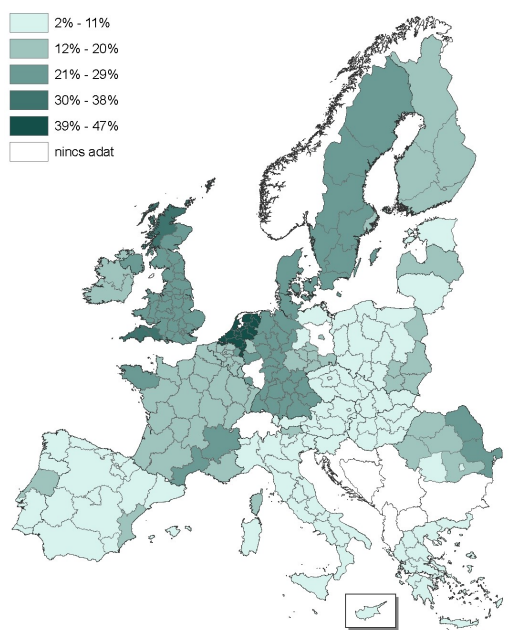
case of women, while in the case of men the increase corresponds to the EU average. One of the most decisive elements of the structural change of the region's economy is the continuous strengthening of tourism. In accordance to this, the most important and the most dynamically developing activities of the tertiary sector are the services that are connected to tourism.

*Regional characteristics of employment with fixed-term contracts*

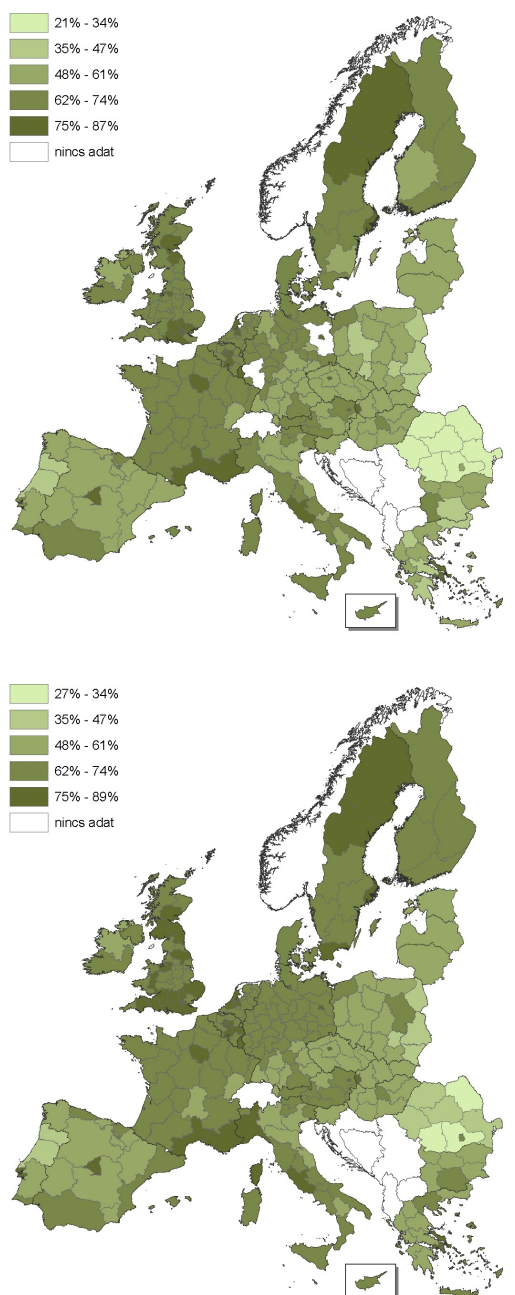
No regional data can be found in connection with fixed-term contracts in the database of Eurostat, thus these can only be examined at the member state level. In quite many European countries, in more than half of the institutions, this form of employment is not used at all (in Estonia, Latvia, Slovakia, and in Romania the least) and in other countries like Ireland, Luxemburg, the United Kingdom and Malta more than three-quarters of the companies do not sign contracts for a temporary period. It must be added that in regions where seasonability or employment protection is low, the situation does not require companies to sign fixed-term contracts.

Fixed-term contracts were used most widely in Spain, Poland, Portugal and Slovenia, where only one-third or half of the companies used them. In the listed countries, except for Spain, the ratio of agricultural employment is permanently high. The seasonal work in agriculture and tourism as a periodical task to be performed also contributes to the amount of fixed-term contracts.

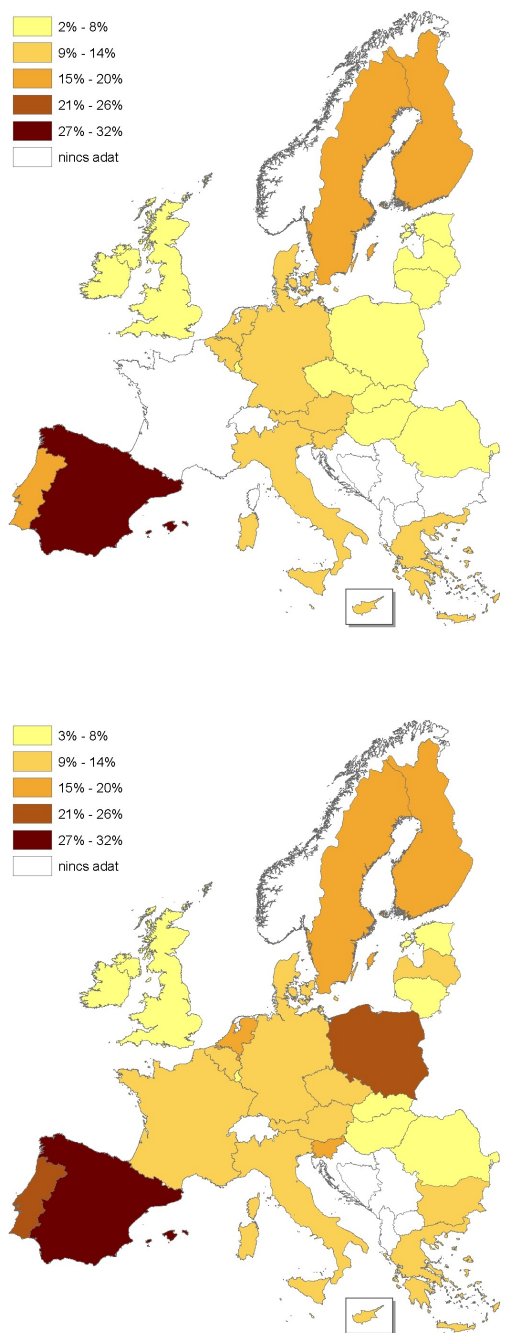
It is remarkable that the ratio of those who are employed in this form is increasing, though not in such a high rate as in the case of part-time employment. The period of the fixed-term contract – having significant differences among the countries – is characteristically 3-6 and 6-12 months. The rate of contracts that are signed for more than a year or for less than three months is far behind the above. More than half of the employment is in manual – mostly unskilled – labour. The majority of non-manual jobs is lower quality office work. The main reason for these contracts is to perform some seasonal tasks or to substitute for someone. Another important factor is the uncertain amount of future work and the need for a longer probation. It must be mentioned that in regions where unemployment shows a growing tendency or is permanently high (e.g. Spain, Poland), employment with fixed-term contract can be a "compromise" form to solve the situation.



**Figure 6**  
**Regional differences of part-time employment (2000-2004)**  
(Ed.: MÁTÉ K. 2006)



**Figure 7**  
**Proportion of people employed in the tertiary sector (2000-2004)**  
**(Ed.: MÁTÉ K. 2006)**



**Figure 8**  
**Proportion of people employed with temporary contract (2000-2004)**  
**(Ed.: MÁTÉ K. 2006)**

## 4. CONCLUSIONS

From the survey of the tendencies of unemployment in Europe in space and time, it can be clearly seen that the change of regime in the East-Central-European countries had a very long-term effect on labour market processes. The majority of those people who lost their jobs in the first half of the nineties did not get back to the labour market. This could be put down to the fast devaluation of the acquired professional expertise, as well as to the spread of alternative means of subsistence (black labour, independent household farming plots). The fact that people could leave the labour market so quickly and that they moved back there only in a moderate rate were facilitated by both the laxity of the early- and disability pension systems and the generosity of the unemployment benefit system. As for the consequences of the economic change of system on the labour market, the level of activity and employment is remarkably low when compared to that of other European countries. This can be attributed to the inflexibility in terms of job opportunities offered to those being away from the labour market for a longer time. The development that began during the period of decreasing-stagnating unemployment level, that is during the middle or second half of the nineties did not lead to a significant increase in employment, either. Another negative aspect is that the difference between the employment rates of the newly accessed countries and that of the other European countries further increased in the past few years, despite the fact that the closing-up economies were characterised by a permanently high rate of growth. The growth of productivity was faster than the European average, but the rates of employment did not increase, in several countries there was even a decrease.

According to some assumptions, the low level of employment in certain countries can be traced back to structural reasons, such as the fast devaluation of the earlier-acquired professional expertise and experience during the change of the economic system as well as the inefficiency of the Hungarian education system. The other factor: the technological development actually entails inflexibility in terms of job opportunities. Compared to the transitional economies, however, in Hungary it can be positively evaluated that employment has been increasing slowly but continuously since 1996. Contrary to this, in Poland, the Czech Republic and Slovakia, the significant structural changes began after 1998, still having their effect to date. To make the situation even more complex, in comparison with the EU, the tax burdens can be regarded as relatively high. This is true in the case of almost all of the new member states, suggesting the presence of a sort of financing trap. High tax burdens prevent legal job creation, thus increasing unemployment. The rate

of active employment policy instruments per unemployed person is lower in the new member states – and thus in Hungary too – than the EU average. At the same time, it is remarkable that there is a significant dispersion within the EU itself. In the Netherlands, the ratio of expenses to the GDP is five times as much as in the United Kingdom. The spread of active employment policy instruments in the new member states is also hindered by the limits of the budget. Besides, the mixed experience concerning the effectiveness of the programmes can also present obstacles.

Naturally, those European regions where the economic development of the past decades was accompanied by the suitable level of social mobility as well as the flexibility of the labour market, and where, besides international trade, the financial and business services are the most significant, are to be listed among the top ranking ones in terms of the characteristics of the labour market.

In certain regions of Western Europe, where the economy is based on traditional sectors of lower productivity, and the value of R+D investments is much smaller than the investments into instruments and the introduction of new markets and products, these features certainly have a fundamental influence on the employment situation, too. In those regions (especially in the eastern regions of Germany), where the main economic problem is lagging behind concerning productivity, again a higher rate of job seekers should be calculated with. It is well known that except for the inherited agricultural structures, the market economy has resulted in an economic structure that is closing up to that of the western areas. The competitiveness of the processing industry, however, is far from the western level, thus the decline of the sector also has an effect on the employment situation. There were some areas where the structural problems have been protracted due to the slow economic recovery, meaning that the area was unable to properly adapt to the new challenges. These areas were characterized by a stagnation after the turn of the millennium, too. Based on the above, three crisis areas can be pointed out in the EU where unemployment is significantly higher than the European average and there are no signs of closing up, these are: Poland, Slovakia and the eastern provinces of Germany.

A regional feature of the labour market processes that is even more important than the above is the fact that following the turn of the millennium, the periphery – that belongs to the lowest ranking ones in almost all aspects even now – has begun to catch up. The leaders in this process are Italy, Spain, France and Greece, especially its southern regions. The southern regions of the first two member states can pride themselves with a tendency of improvement of 5-8 percent in terms of both the rate of employment and the unemployment figures during the five years after the turn of the millennium. Behind these tendencies, one can observe the signs of changing the economic structure. As the role that agriculture plays in employment is becoming ever smaller, it is the opportunities offered by tourism that is gradually getting to the forefront. Of course, where the people are willing to invest either into vocational trainings or even into post gradual programmes,

or obtain more knowledge that is specific to a given company, there, by getting on a higher level from their primary level qualifications, their chances on the labour market also become significantly better.

The closing-up of peripheral areas cannot only be observed in the Mediterranean region. There are examples for this among the most developed regions as well. Going through a structural change in employment, the northern areas of the Netherlands were able to decrease their rate of unemployment that otherwise had been higher than the national average. With the expansion of services – primarily with the dynamic development of transportation and financial services – and especially by increasing the rate of part-time employment of women, these regions could even defy the overall tendencies experienced in the country.

Out of the areas affected by a change of structure in industry, those can improve their positions in the labour market that have good transport-geographical features, and lay emphasis on supporting the investments in production and R+D, on facilitating the technological development as well as on strengthening the innovational potentials of small- and medium-size companies. If, as a result of an expansion in financial and business-related services, all of these are accompanied by the development of enterprises and the expansion of their foreign-trade opportunities, then they can also begin to catch up.

When assessing the regional differences in terms of atypical forms of employment, it becomes clear that in the most developed member states of the EU part-time employment is the most significant form of flexible employment, whereas in the case of the newly joined countries it is the self-employment and employment with a fixed-term contract.

The rate of self-employers, meaning basically those who utilize the workforce of their families, is typically high in those countries in Europe that still have significant agriculture, such as in Poland. The other major group is made up of the working owners of the small, family-run pensions, restaurants and the tourism-related small shops that exist in large numbers in certain areas of Greece and Italy. Generally, it can be stated that parallelly to the decrease of the number of those living from agriculture there is a significant decrease in the number of people providing for themselves and their families in a non-employment legal status.

As for the spread of part-time employment, it can be set down that the regional differences between countries can mostly be explained by the differences in the economic structures, the breakdown of wage-earners by sectors and the size of organizations. To a certain extent the analysis of the development of various sectors can provide an explanation to the sensitivity of part-time employment to economic cycles, as well as to the overall tendency of replacing full-time employment with part-time employment. Therefore, it is a generally accepted view that the ratio of part-timers in a given country reflects the state of the economy, too. The more developed a region is, the higher the ratio of part-timers is. In case of Hungary, these ratios provide an accurate picture about



how developed the economy is. Naturally, there are differences between regions or sectors within the country. Taking these differences into consideration is a highly important aspect in employment policy (SERES, A. 2004).

There are further factors of demand that have an influence on the spread of part-time employment. The efforts to keep labour costs low, the need for increasing flexibility, the establishment of global markets and the higher level of unemployment have all contributed to this process. In the cases of both men and women seeking full-time jobs, the lack of these full-time jobs have resulted in that they accepted the part-time jobs, too. From the side of the supply, the increasing rate of women participating in the labour market further increases the significance of part-time employment.

The ratio of people employed part time in East-Central Europe is low. One of the reasons for this is the historical tradition of full-time jobs. From this aspect, a part-time job means the worsening of employment conditions. The other reason is the low level of wages, as a result of which the income from a part-time job is not enough for economic survival.

Besides its seasonal significance in agriculture, tourism and the construction industry, employment with fixed-term contracts can be connected to the level of unemployment, the changes in its rate, and directly to the treatment of unemployment. From the other side, it can be connected to the level of employment safety. Areas of lower unemployment level have lower level of fixed-term employment. Where unemployment shows an increasing tendency, employing people with fixed-term contracts can be a „compromised” form of treatment. Areas of lower level of employment safety of course have lower occurrence of fixed-term employment.

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