

Tésits Róbert – Papp János:

Changes in Workplace Establishment Ability of County Békés from the Turn of Millennium up to These Days.
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CHANGES IN WORKPLACE ESTABLISHMENT ABILITY OF COUNTY BÉKÉS FROM THE TURN OF MILLENNIUM UP TO THESE DAYS

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1. INTRODUCTION

Hungary is in the first stage of realization of reforms launched by the government. The society has just started to become acquainted with the elements of transformation. The population and even those who are concerned with politics are uncertain about what this process will bring. Neither the end of the tunnel, nor its beginning can be seen.

We have adopted the social and economical requirements of the European Union, and also its legal system, and we are making progress toward the introduction of the common currency, the euro. The society feels the burden but cannot see the source of its engagement, the income.

The basis of the certainty of family existence, and the income of the state is the money that comes from work. This way employment is essential from the point of view of both the individual and the society. If there is enough workplace, those who are able to and want to can get work. If there is opportunity for working, there is health, good social politics, secure system of pensions, all in all an optimist society.

The facts are: in our country the number of total population is continuously decreasing, its composition is unfavourable, the society has grown old. There is less labour force. Those who are able to work can get work with difficulties or not at all. The number of employed within the population is continuously decreasing because of the reduction of the employment ability of the national economy. Consequently, less and less people support more.

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Most of those people who are seeking for a job, or are unemployed have lower qualifications, or not qualified at all. However, in other places the number and proportion of skilled workers who cannot utilize their qualifications is permanently high. The third feature is that the territorial differences in unemployment are significant.

In the world of globalization, in the regional race, and in the mirror of the reform processes the employment, and its economical and social aspects have a special significance.

LENGYEL IMRE writes (2000) about the regional competitiveness: „...the regional competitiveness in open economies means regional ability to create high income and relatively high level of employment.”

A great number of researchers have written about the opportunities in development of the Hungarian Plain and that of the towns there, about their competitiveness and social-economical development after the change of the political system. The „way of development in the Hungarian Plain” is unique, not only in its specialities and the local conditions but in the use of space by the society, and in its settlement system, too. It shows a sharp difference in comparison with other regions of Hungary (BELUSZKY P. 2001).

The statistical region and the unity of the common historical, economical, spiritual, cultural, traditional, linguistical and administrative connection, and the approach towards it with different content appears during the development both of the area and the settlements (TÓTH J. 1987, 1996, NEMES-NAGY J. 1997).

By the end of the 90's county Békés fell behind with all the indexes showing the economical performance of the region in comparison with other regional averages and the level of the national economy, too. The productivity of the county indicates the final secession, in altering degree in the case of smaller regions (SZTANKÓ J. 2003).

The decree about the smaller regions (244/2003. XII. 18.) divides county Békés into eight smaller regions. The form of these regions does not reflect the borders of the districts because the centres (Békéscsaba, Gyula, Szeghalom, Orosháza) orient themselves towards districts with varying extension and varying intension. The population retaining force of the smaller regions shows great extremes (TÓTH J. 1985, 1988, KOMÁDI M. 2003).

The change of the political system, and then the social-economical changes at the turn of the millennium reshaped the society of the towns on the Hungarian Plain, their use of space and the life of their population significantly. This process was accompanied with the change of the employment structure and also with the change of number of employed (BECSEI J. 1999).

The population of Hungary decreased with 1,7 % between 1990 and 2001, while in the towns of the Plain with 0,7% only. In the respect of those who are in the age of being economically active the number was 88,1 % in 2001 - in comparison with 1990, which is in accordance with the nati-

onal average (88,2 %). The change in the number of employed is more unfavourable: it was 80,6 % in the towns of the Plain, while it was 81,6 % on national level. Low employment proportion and high (11,5 %) unemployment proportion characterized the region (KONCZ G. 2003).

The employment proportion in the Southern Plain was 49,2 % in 2000, 45,1% in county Békés, less than in the two other counties. This index lessened in 2003 when the proportion was 47% in the region, while 44% in the county – which meant a lag of 6,6 % in comparison with the national average (GURZÓ I. – SIMON I. 2005).

In 2000 the unemployment proportion was 6,4 % in Hungary, 5,1 % in the Southern Plain and 5,8 % in county Békés. In 2003 this number increased to 5,9 % on national, to 6,5% on regional level and to 7,1% in the county. In respect of unemployment the county is at a disadvantage compared to the regional and national average (GURZÓ I.- SIMON I. 2005).

The employment capacity of the economical sectors has been reshaped. The agricultural production differs from the other sectors of the economy. In consequence of being at nature's mercy the capital gives preference to the industry or the service sector. Industry is attached to the town, so the capital that pours into the agricultural areas is not enough (SIMON I. 2004).

The proportion of employed in agriculture compared to the population is the highest in settlements with wide outer areas (eg: Mezőhegyes) (KONCZ G. 2003).

The number of people employed in industry and in the building industry has fallen back in comparison with the regional average. More factories in the food-processing industry (eg: milling industry) have been liquidated (SIMON I. 2004).

The good effect of the industrial parks on the economy is hardly felt, their effect on establishment of new workplaces is not considerable, the opportunity from their concentration on one place is not utilized enough. They show competitiveness mainly in sale of territories, their conditions are not exploited in respect of innovation and cooperation. The effect of the industrial parks, towns and trade schools exerted on each other is insignificant (PAPP J. 2006).

The proportion of people employed in the tertial sector is increasing, especially in the county town but in Gyula and Orosháza, as well. In the rural areas tourism can generate new workplaces (PAPP J. 2006).

According to researchers the reason of why this region cannot increase the establishment of new workplaces and the employment are the following:

„If this region does not get the suitable support for closing up in the field of infrastructure in time, this poor, weak supply, which hinders the development, will isolate it both from the world and even the more developed regions of Hungary, too (ABONYINÉ PALOTÁS J. 1999).

Sztankó János (2003) thinks that the out-of-date economical structure of the county, predominance of agriculture, the lack of big firms have an unfavourable effect on employment.

County Békés does not utilize its possibilities coming from their geographical situation close to the borders. There is no real economical cooperation with county Arad neither in the field of trade, not in tourism (BORZÁN A. 2004).

Coordination of labour market demands and supply in education, in the field of vocational training and adult education can mean a way out of unemployment (MICHELLER M. 2005).

The county has to exploit the financial sources of the EU to a greater extent to establish new workplaces (GURZÓ I. 2005).

BARTA GYÖRGYI (2003) thinks that the government has to decide which one to prefer: economical increase or equalization of the territorial differences.

„Reforms coming from the top never involved the executive side. That is why all the attempts to change something in the economy fell because of the silent resistance put up in better cases, by indifferent workers” (KÖTELES L. 2004).

It can be ascertained that the establishment of workplaces, the question of employment were always one of the most important subjects of research works. A significant part of researchers examines the settlement development and its force to maintain the population in intensive interaction of the elements of nature, society, economy and infrastructure (TÓTH J. 1999).

The most important condition of the population maintenance is the opportunity for living, or more exactly, the workplace in the place of residence or in its vicinity.

The studies published so far have examined the different aspects of competitiveness, and this way that of the employment, but two other, in my opinion essential questions have not been searched thoroughly. One of them is that the small regions of county Békés have very different employment conditions. The other one is that the spatial situation of the places of residence (or: their distance from the big centres) essentially determines where the employees find work.

This research is aiming at two things. One is: to show the changes in the economical capacity of county Békés, to outline the small regional tendencies of employment from the turn of the millennium up to December 2006. The other one is: to explore the conceptions of the bigger companies and employers towards their own effectiveness, to show their attitude in labour force market and their expectations towards the employees.

2. RESEARCH METHODS

This study is aiming at exploring what processes were generated in the regional processes in connection with the establishment of workplaces and maintaining ability by the changes in the economical and social structure of county Békés from the turn of millennium to these days.

I want to draw general conclusions and give suggestions that might improve the employment indexes of county Békés.

The study is based on the examination of the scientific literature on the employment of the region (in Hungarian language), and on data collection from different statistics, publications of employment and of trade chambers, and finally, on my own research experiences.

The sources of data: Pocket-Book of Hungarian Regions, Central Bureau of Statistics (KSH Magyar Régiók Zsebkönyve), Hungarian Statistical Yearbook (Magyar Statisztikai Évkönyv), Hungarian Statistical Pocket-book (Magyar Statisztikai Zsebkönyv), Mikrocenzus 2005, yearbooks of county Békés, yearbooks of demography, quarterly reports, county and regional accounts of the Regional Centre of Employment (Regionális Munkaügyi Központ), from the Internet portals: <http://portal.ksh.hu>, <http://www.afsz.hu>.

The basis of my own research is a questionnaire filled in by employers, and interviews with employers. The arrangement was conducted with direct, primary method of exchange of information personally, via e-mail, or by phone. The respondents were bigger employers in towns, while they were small or middle businessmen in smaller places. The questionnaire was filled in by persons responsible, director, owner, or other persons authorized with employer rights. The subjects of the interview were higher managers in all small regions.

Altogether 50 businesses were involved in the survey. They employ 3513 employees (Table 1). We got answers from 41 managers. Most of them (31) employ less than 50 persons.

Regarding their activity 12% work in the agriculture, 40% have industrial features, 25% employ people in trade and catering, 23% live on the service industry. Examining the small regional proportions: agricultural producer, food maker, manufacturer of parts of agricultural machines, tradesman, owner of a printing shop, estate agencies filled in the questionnaire in the district of Békéscsaba.

Table 1.
Number of participants in the survey

Number- category	Number of businesses	Number of employees
Micro (0-9 persons)	11	35
Small (10-49 persons)	20	367
Middle (50-249 persons)	7	1087
Big (above 249 persons)	3	2024
Altogether	41	3513

In the region of Békés a furniture manufacturer, a wood-worker, and a firm in building industry gave valuable answers. Those who participated in the survey in the district of Gyula were: food and drink maker, business in the textile industry, stockings maker, a tradesman who sells fuel, and a manufacturer of concrete panels. The businesses in Mezőkovácsháza are engaged in wholesale trade, agricultural production, and retail trade of food-products. The characteristic activity of the respondents are glass industry, administrative service, service in the building industry in Orosháza. The field of business in Sarkad and its vicinity is retail trade, manufacture in the wood industry; while in the region of Szarvas: cultivation of polants, food producing, manufacturing in the metal industry, and tourism. In Szeghalom the retail trade and repairing the household appliances give the every day work for the businesses involved in the examination. Their spatial situation and the staff number are shown by Table 6.

The questionnaire consisted of two wh-questions and seven yes-no questions and concerned the main activity of the business, the number of employees, new supplies and labour market demands. The interview contained six questions seeking reply for the composition of the staff and for the causes of employment and dismissal. The questionnaires were filled in between March and April 2007. Among the respondents we can find big companies employing more than a thousand workers and individual entrepreneurs, too.

The method has double aim: to compare the numerical data related to county Békés in the period between 2000 and 2006 and the results of the research completed at the economical organizations in the first quarter of 2007. The first one served as presentation of basic information and tendencies, while the second one as determination of reasons and possibilities of breaking out.

The advantage of the method of questionnaire and personal interviews is that it creates direct connection that supports a more intimate, more sincere reply, and also it can draw the attention to the essential elements previously not considered. Its disadvantage is that it is subjective, not free from the momentary impressions of the respondents, which can influence their opinion. It has to be taken into consideration during evaluation. The analysis of the official data is objective, can be worked up better, and it compensates the information coming from the interviews.

3. RESULTS

3.1 General features of County Békés

The population of the county has been continuously and permanently decreasing for the last twenty-five years. From 1980 to 2005 their number lessened with forty-eight thousand persons. This loss is the three quarters of the population of Békéscsaba, and much more than the population of Gyula or Orosháza. The tendency is still in existence: 403 281 people lived in the county in 2000, while only 385 847 on 1 January 2006, the difference is 17 434 persons. The loss per thousand inhabitants exceeds well the national average. Regarding the age composition of the population it can be stated that it is characterized by the process of aging.

The GDP in county Békés was 856,3 thousand forints in 2000, which was equal to the 65,8% of the national average, in 2004 this proportion was only 61,1%. Examining the economical capacity of the county we can ascertain that it continuously falls behind the national average (Table 2). Békés- regarding the GDP- is surpassed by the two other counties of the region, it has slipped to the eighteenth place within four years in the order of counties. This way it is the third poorest county after Nógrád and Szabolcs-Szatmár-Bereg.

Table 2.
Changes in GDP between 2000-2004
(Source: KSH)

Area/ Year	2000	2001	2002	2003	2004
Bács-Kiskun	870,4	1007,9	1129,1	1222,9	1380,0
Békés	856,3	954,4	1033,7	1119,9	1234,7
Csongrád	1072,3	1173,0	1284,7	1418,9	1563,1
Southern Plain	929,3	1043,8	1150,0	1254,4	1395,5
Hungary	1299,8	1471,4	1665,1	1841,2	2021,3

3.2 The employment force of the county according to the sectors

The employment ability of agriculture is continuously decreasing: more than thirty per cent of employees –together with silviculture- worked in this sector, it changed into twenty-seven after ten years, eleven in 2001, 9,5 per cent in 2005, 7521 persons. The former agricultural labour force tries to find job in the towns (table 3) or migrates from the county.

Table 3.
Changes in the population of towns and the rural areas
From 1990 to 31 December 2005

Year	Number of towns	Population of towns	Number of villages	Population of villages	Population altogether
1990	12	247,7	62	161,5	409,2
2000	14	262,5	61	129,2	391,7
2005	17	268,0	58	117,8	385,8

The recession of the food industry, which holds the biggest proportion of the industrial production, continued in the examined period. The employees of the county have suffered heavy and significant losses since more food-processing firms have been closed down that entailed a large-scale staff reduction. The following firms were liquidated in this period: the István mill, the cannery, the factory of Bábolna Rt., Poultry-processing Company - all in Békéscsaba; while the Milk powder Factory in Gyula, the Sugar Factory in Sarkad, the meat-processing factory of Gyula, Merián Rt in Orosháza, the cold store in Békéscsaba, Pannonliver Rt in Mezőkovácsháza, several slaughterhouses (for example: Szilágyi Húsüzem in Szarvas, turkey abattoir in Kardos) have decreased their production and the number of employees. Numerous dry pasta-making factory, bakery and confectioner's have been closed down definitively. And the list is not complete.

In the field of internal trade Békés has the fourteenth place in the order of counties on the basis of how many shops fall to the share of population (154 shops/ ten thousand inhabitants). This value is the smallest in Békés inside the region of South Plain (173 in county Bács-Kiskun and 165 in county Csongrád). The density of shops in the county falls behind the national average, there is only 1,1 shop in a square kilometre, this way the county occupies the last place together with Bács-Kiskun and Jász-Nagykun-Szolnok.

In county Békés the number of guests lessened with one per cent, while the number of nights increased with three per cent in comparison with the last year – according to the data of commercial accommodations in 2006. Decreasing proportion of guests in commercial accommodations is foreign visitor, their number lessened with six per cent (700 persons) within less than a year. The number of inner tourists diminished with 0,5 per cent only.

3.2 Structural features of unemployment

In county Békés the number of unemployed is divided unevenly. In 2001, when the multinational companies started to spread in Békés, the number of workplaces decreased swiftly (in October 2001 a Tesco supermarket, then OBI, Praktiker and Asian shops were opened in Békéscsaba), since it pressed more small businesses to give up their activity. A relative equality can be experienced between 2002 and 2004, but a steep upward tendency is typical from the year of our joining to the EU (May 2004) to the middle of 2005 (Figure 1). According to the opinion of farmers the free movement of goods, the liberalization of trade, and the demands of the EU imposed on home businesses discouraged more firms in maintaining their activity.

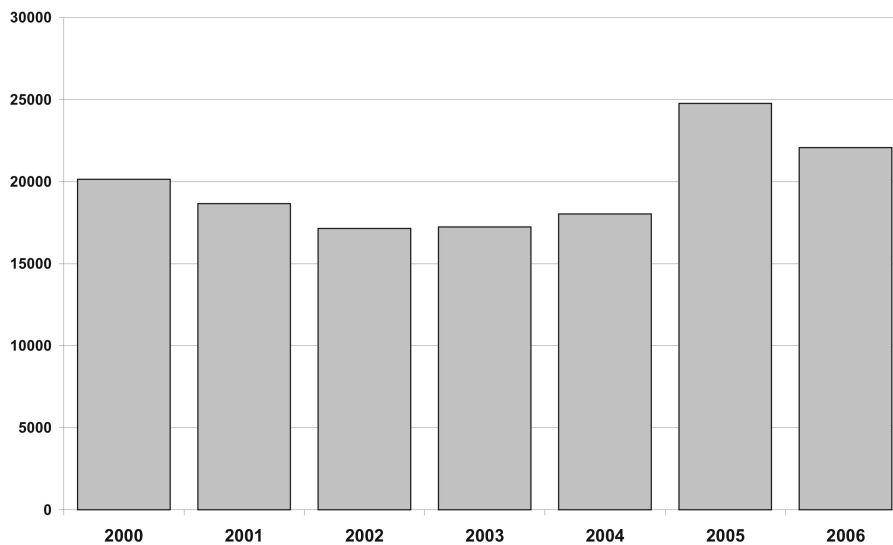


Figure 1.

**The number of persons who are looking for a job
County Békés from 2000 to 2006**

Edited by the authors on the basis of KSH data

Several bakeries (in the area of Csorvás, Kardoskút, Orosháza, Nagyszénás, Szeghalom) have been closed down, because they cannot undertake the introduction of the so-called HACCP quality security system, they simply could not afford modernization of their premises. The same thing happened to the small slaughterhouses (in Mezőkovácsháza, Szarvas, Kardos, and Tótkomlós), they quitted production, and so employment. The annual changes of the unemployment rate in the county refelects very well the above described process (Figure 2).

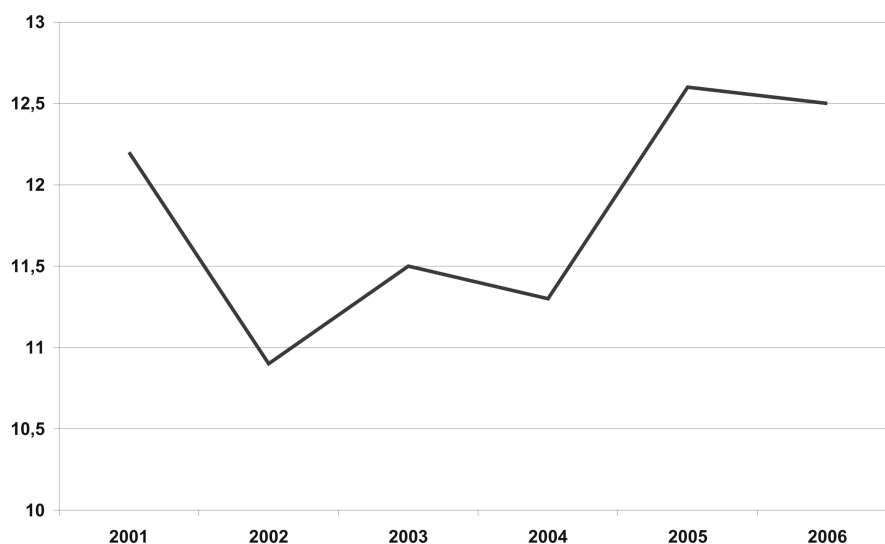


Figure 2.

The annual changes of he unemployment rate, 2001-2006

Edited by the authors on the basis of KSH data

Examining the ten year average it can be ascertained that division of unemployed regarding their sex proves the higher proportion of men. Our statement is verified by the data of the last five years (Figure 3). Liquidation of the agricultural large-scale works (State Farm in Békéscsaba, AGRÁR Joint-Stock Company in Szarvas, Csabatáj Agricultural Cooperative (MGTSZ), Béke Cooperative Farm (TSZ), and winding-up of food-processing firms in towns (Cannery, Cold Store in Békéscsaba, sugar factory in Mezőhegyes and in Sarkad, ÁFÉSZ feather- and poultry- processing factory in Mezőkovácsháza, milk powder factory in Gyula, the slaughterhouse in Tótkomlós, meat firm in Szarvas, turkey- processing factory in Csabacsüd) contributed to this data. These economic organizations employed mainly male employees. Today unemployed men- since they are the breadwinner in the family- earn their income as casual workers or work in the „black” sector of the economy. Employment of female workers was in close connection with the recession of textile industry, and also big firms became bankrupt with winding-up of canneries, and it resulted in unemployment of female workers. In the field of employment of female labour force no improvement can be expected in the future because there are not any workplaces in this area that can be occupied with them. They can find seasonal work in the agriculture for some weeks (so they can pick apples and sour cherries in Mezőhegyes and Csorvás, cut broomcorn in Békés and Orosháza, collect watermelon in Mezőkovácsháza, Medgyesegyháza and Csanádapáca).

The age composition of registered unemployed did not change in the last five years. The changes in certain age group-categories are minimal, they do not reach one per cent even in one case, so the change in average number of unemployed concerned each age group approximately equally. Regarding their age the bigger part of those who are seeking for work belongs to the age group between 20 and 30. Almost twenty per cent of unemployed is over fifty that represents the aging of the county. Their number shows an increasing tendency.

In county Békés the rate of skilled labourers has increased, while the proportion of semi-skilled workers has decreased in a modest degree within the group of blue-collar workers among the registered unemployed. Such workplaces were closed down that employed specialized skilled-workers: skilled workers in the mill industry, miller, butcher, baker, joiner, carpenter, shopkeeper, dress-maker, cutter. More than the half of white-collar workers is administrator; managers and officials in management represents 1-3 %.

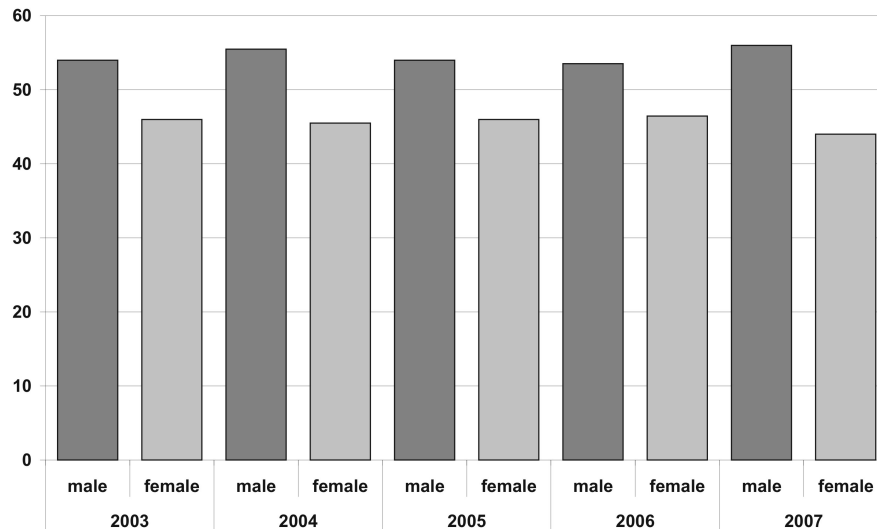


Figure 3.
Changes in unemployed regarding their sex between 2002 and 2007
 Edited by the authors on the basis of KSH data

In the county – according to the data of the last five year- nearly half of the registered unemployed is low-educated, in better cases they finished the elementary school but some of them did not. One third of the registered is skilled worker; 2 % finished a vocational school, 11% a specialized secondary school, 3% a technical school and 8% a grammar school. It is still difficult to find work without any qualifications, and only a few workplaces were established where the lower educated are employed. The rate of the professional classes is 3%, which means mainly college degree.

Regarding the time of unemployment – for a year or more- permanently unemployed is nearly twenty per cent of the registered. (It is a rate that characterizes each year.) In the county ten per cent of young people starting out on a career can be regarded as an average.

Labour force demand of economical sectors comes from other-non financial- service sector in forty-five per cent. The processing industry, the building industry and trade are all significant employers representing sixteen, and eleven-eleven percentage of the workplaces. 7 % of the labour force demand is directed towards the field of storing and transportation, and 6% is a job in the agriculture.

3.3. Regional features of unemployment

Unemployment in county Békés follows the national tendencies after the turn of millennium: it shows decreasing values up to 2002, and it increases from 2003. Significant territorial differences can be observed between the small regions. Besides the regions of Békéscsaba and Gyula the Western areas of the county (districts of Orosháza and Szarvas) are in a more favourable situation, too. In addition to the small regional centres the values of Telekgerendás and Újkígyós contribute to this image since they can utilize the proximity of the county town. The region of Békés is in the middle of the advantageous and disadvantageous situation, as this region can be characterized with an average unemployment rate. At the same time this rate in the case of the small regions of Szeghalom, Sarkad and Mezőkovácsháza considerably surpasses the national average, so these regions can be regarded as critical ones. There are some smaller settlements in the last two areas where the rate even multiplies the national average. These are the North-Eastern villages of the Sarkad region: Kőrösnagyharsány, Zsadány, Geszt, Mezőgyán and Újszalonta, and the Eastern ones of the Mezőkovácsháza region: Nagykamarás, Almáskamarás, Dombíratos and Pusztatölaka.

Since 2003 the unfavourable tendency has resulted in the increase of territorial differences, since the unemployment rate raised with more than three percentage exactly in the two, above mentioned small regions considered as critical ones. At the same time this value was around one-to-two percentage in other regions of the county.

There were some examples for employment enlargement in the areas with more favourable situation, but the continuous reduction of the textile and food industry influenced these small regions, too. A negative change could be observed in the sectors of sugar-, pork-, poultry – and milk-processing in the region of Gyula, while the textile sector has come to an end almost entirely in the light industry. Modernization of public administration is still in progress that comes with staff reduction. The labour force market of the region was affected the most sensitively by the reduction of more than four hundred employees at the meat industry. There was a bigger investment only in

the field of trade. Although some shopping centres with more significant labour force demand have been built, the smaller shops stopped their activities at the same time increasing the number of unemployed. The undeveloped state of infrastructure in the examined area (restricted capacity of the road 44), increase of the wage-expenses and of the burden of businesses, the cheap, foreign (Romanian, Ukrainian) labour force, decrease in transportation (mainly in the agriculture) essentially contributed to the negative tendencies in the labour force market.

In the case of small regions belonging to the county town there were some examples for a significant employment enlargement in the food industry and components manufacture, furthermore in trade (OBI, TESCO) and in the field of financial services. At the same time the milk- and meat-processors, the textile and garment industry, and finally the furniture industry were the most significant ones that dismissed their workers. Besides the unfavourable geographical situation the high proportion of unskilled workers and the significant number of those who have an out-of-date qualification contributed -among others- to the stagnation of the labour force market.

The small region of Orosháza is also characterized with staff reduction on the bigger employers' side, and the hopeless situation of food industry (Merián Rt.). A further problem is that the region cannot maintain or attract the qualified labour force (eg. engineer). New employers did not come to the industrial park in the last few years. At the same time there were some development and investments that give reason for optimism in the regional centre. Among them there is Gyopárosfürdő, which is a spa complex with regional significance offering complex service, and other investments in the building industry in connection with tourism (Gyopár Club Hotel and Conference Centre). One of the most industrialized towns of the county performs leading tasks in the region from the point of view of both administration and its fortunate industrial structure, and also it is the favourite target of foreign investments. The Linamar (the ex-Mezőgép) built a new plant in 2003 for the sake of the increased orders, while the continuous technological development of Guardian can have a favourable effect on the processes in the labour force market.

The small region of Szeghalom belongs to the areas with disadvantageous situation where the main reason for negative tendencies is the critical stage of the textile and metal industries (Eurotex, Ikarus) of both the centre and Füzesgyarmat. The manufacturers cannot meet the high quality requirements with old machines and out of date expertise. They do not have enough capital for modernization. Only a few businesses can reach the export level, there is only a few high tech manufacturers, development is too low-scale. In the case of firms that works to fulfill demands coming from the other side of the border the profit is insignificant that hinders further development. The region lacks capital, and it is not responsive to investments.

At the same time this area is also characterized with the quality deficiencies of infrastructure. A lot of businesses choose premises where the transport security can be guaranteed because of the state of roads. Migration is significant because of the attraction of the more developed regions, the number of those who have modern qualifications is lessening. The lack of mobility in professional terms worsens the situation together with the lack of skilled workers.

The deepest economical-social crisis evolved in one of the most fertile areas of the country, in the small region of Mezőkovácsháza. After the change of the political system the extremely rapid, profound changes in all sectors of the economy –privatization and change in the economy structure- dramatically affected this region. Nearly seventy per cent of the areas got into private property, and most of the new owners cannot or do not intend to finance the cultivation of lands. The quantity and composition of the privatization offer did not attract a significant number of foreign capital in the productive sectors, the considerable proportion of outside capital is attached to the energy sector. The critical sectors (agriculture, light industry) and sectors with overproduction (food industry) together with sub-sectors that produced to the restricted local market predominated the structure of the local economy up to these days, and the industrial and service activities inducing dynamic development were not represented. The local economy lacks the big companies, the multinational firms that could have a dynamic effect on a wider range of businesses through their transporters and a chain of subcontractors.

Besides, there is a lack of the necessary agricultural knowledge and tools, which situation was worsened by the alteration of land structure. Those who earlier lived on agriculture or the planted industry could not find new workplaces as the local industrial production is nearly equal with zero: the industrial employment is 23 per cent which belongs to the lowest ones on the national level. Between 2000 and 2006 some smaller businesses employing 5-30 persons started but none of them was able to influence in a positive way the processes in the labour force market. Though the most significant staff reduction happened after the change of the political system, we can find examples for a few reductions with smaller extent (in July 2007 the milk-processing firm of Nagybánhegyes dismisses approximately fifty workers) but neither of them has a considerable effect on the present situation. What remains is the social aid, financial support for unemployed, the seasonal employment and escaping to the „black” economy (TÉSITS R. 2007).

The extremely serious problem of the county is that the suitably developed and profitable businesses cannot replace the reduced economic units. Exactly those middle-sized businesses could not appear that are able to adopt flexibly to the changes, that are innovative and are capable to utilize the gaps in the export market. County Békés has reached insignificant results in the competition for investors so far. It is not able to offer suitable infrastructural conditions to the foreign capital because of the narrow local financial sources. The county considerably falls behind the dynamically developing areas of the country regarding the infrastructure, investments and the skills to start bu-

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sinesses. The diversification of the local industry is on a very low level which results in a considerable instability of the economical situation. The exclusive basis of the economy is the agriculture in the periferial areas of the country – especially in the smaller villages, towns. However, the food production does not meet the requirements of the modern market economy neither in its level, nor in its structure.

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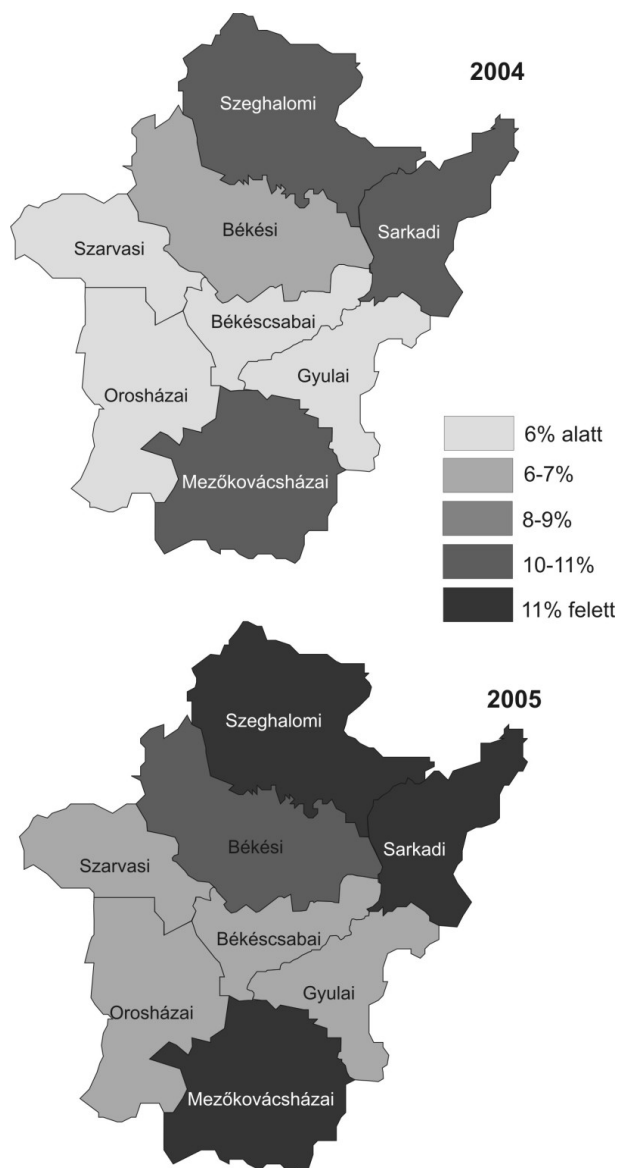


Figure 4.
Unemployment rates in the small regions of county Békés
Edited by the authors on the basis of AFSZ data

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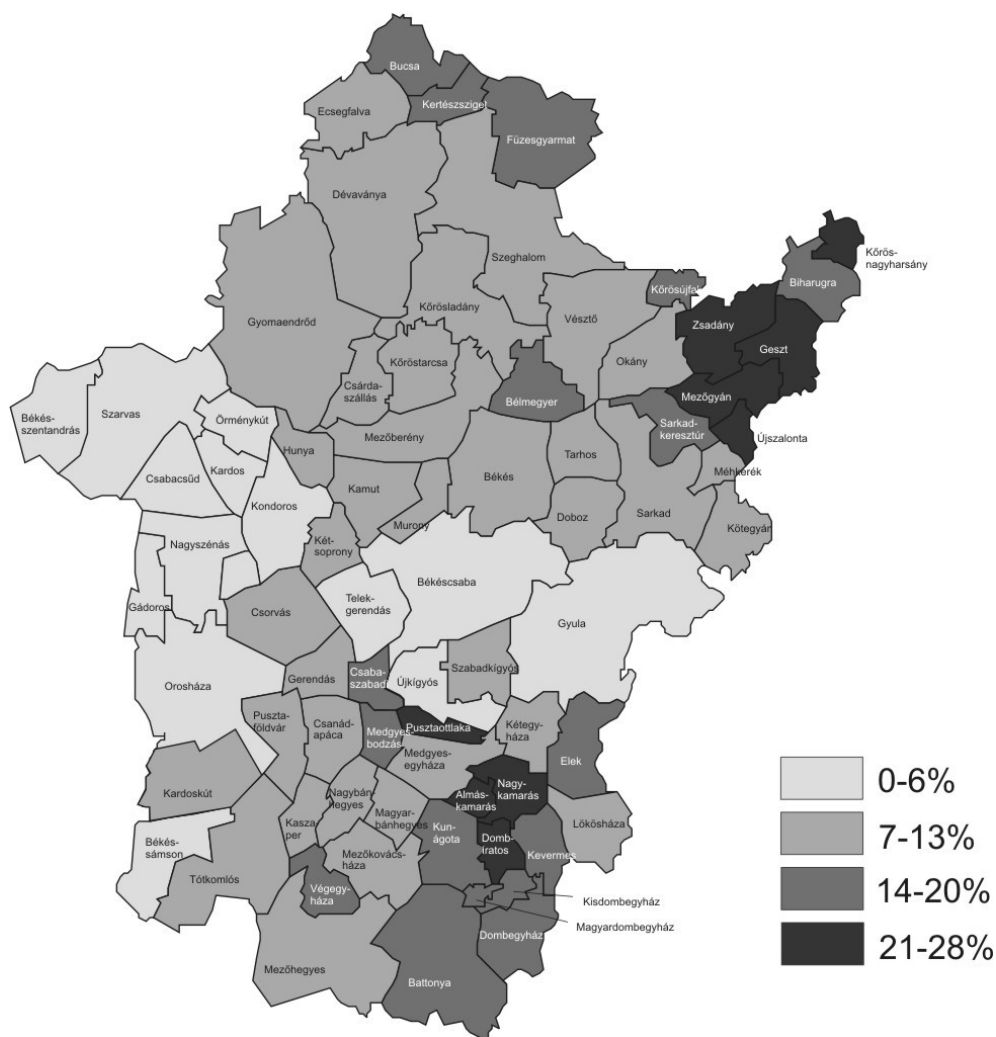


Figure 5.

Unemployment rates in the settlements of county Békés
Edited by the authors on the basis of AFSZ data

3.4. Tendencies in the future

The employment force of participants in the survey is varying: statistical staff number of their 75,6% is below fifty persons, while 24,4% employ more than fifty (Figure 4). The county town, Békéscsaba, and Gyula, Szarvas, Orosháza are directed towards the interest of bigger foreign and home employers because of their industrial past, and higher rate of educated labour force. The more significant firms work here.

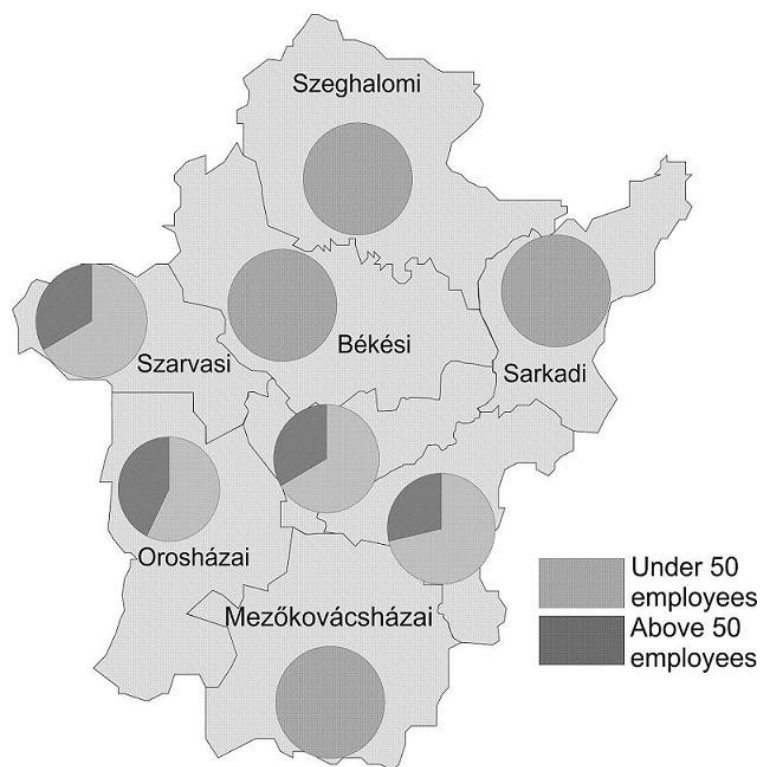


Figure 6.
 The survey participants according to their situation in small regions and the number of employees

Judgement of future depends on what results employers expect in the forthcoming years. The managers regards the success of their businesses in different ways (Table 4). Among those that works in the county town predict to preserve their position (51,2%) because of the presence of the foreign rival and the increase of their expenses. Those who have a more pessimistic image regarding their future (41,4%) are calculating with the recession of their income. The year will be more successful in Szarvas where the improvement of tourism is felt, and the increase in food-processing is expected. In the region of Orosháza glass- processers and metal-casters are expecting more income from new investors. The businesses in the building industry hope for new orders because the bypass road around the town and the wellness hotel in Gyopáros are under construction. The businesses that were seriously influenced by the difficulties of the previous years and those who work in the small regions of Mezőkovácsháza and Szeghalom are among those who cannot join the camp of optimists. They find the reasons for their desparation in the decrease of purchasing power and the unskilled labour force. According to their opinion they are far from everything and this way they cannot join the economical circulation of the vaster geographical space. Békéscsaba, and the motorway are far from them, and they cannot utilize the opportunities given by the Romanian border. The population of the settlements lives in hard financial condition, and so even the purchasing power is weakening gradually.

Table 4.
Estimations of present and future results

Effectiveness of the business	In the first quarter of 2007			In the fourth quarter of 2007		
	Decrease %	Stagnate %	Increase %	Decrease %	Stagnate %	Increase %
Békéscsaba	22,2	55,5	22,2	22,2	77,7	0
Békés	66,6	33,3	0	100	0	0
Gyula	14,2	71,4	14,2	28,5	57,1	14,2
Mezőkovácsháza	50,0	50,0	0	50,0	50,0	0
Orosháza	28,5	42,8	28,5	28,5	57,1	14,2
Sarkad	66,6	33,3	0	100	0	0
Szarvas	50,0	33,3	16,6	16,6	66,6	16,6
Szeghalom	50,0	50,0	0	100,0	0	0
Total	36,6	48,7	14,6	41,4	51,2	7,3

Faith in the future, estimation of effectiveness are in direct ratio with the opinion about the number of people on the staff (Figure 5). 26,8% of the employers are thinking about staff reduction, and 41,4% of the businesses are planning to increase the staff number. 31,7% are taking other changes in the number of staff (retirement, childbirth, change of employment) into consideration. Those who have businesses in the small regions of Békéscsaba and Orosháza are expecting the increase of their competitiveness, so they are calculating on raising of numbers.

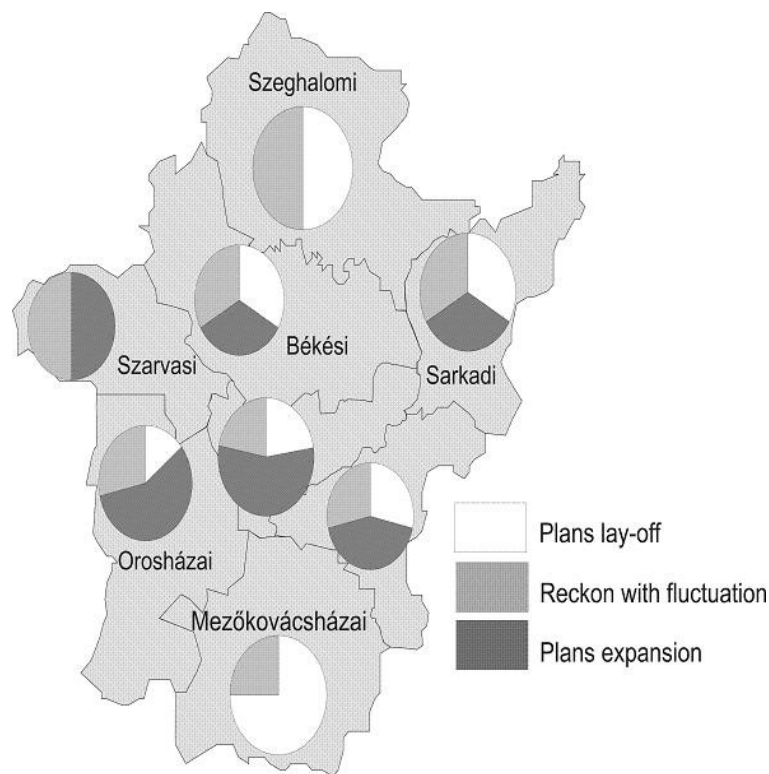


Figure 7.
Probable changes in staff numbers

The next point of the questionnaire searched for the answer that what employees (qualifications) the businesses need for their activity. More categories could be indicated here. Table 5 contains the analysis of the results that shows how many businesses indicated that given employee category.

Table 5.
Demands in qualifications expected from the employees

Professional categories	How many businesses indicated it? (%)
Semi-skilled worker	31,7
Skilled worker	43,9
Secondary qualification	19,5
University/college degree	4,9

Managers of the questioned firms would employ mainly skilled and semi-skilled workers (mechanic, blow torcher, welder, metal caster), and they would entrust manual work (turner, technician) to those who have secondary qualification. They are looking for employees with university or college degree for special tasks (graduate engineer in meat industry, director for metal casting, environment managing expert). Where a worker with higher qualification is employed it is done because of his/her knowledge of languages (administrator, official, dispatcher) and not for the challenges of production and economic management. They would not prefer to employ those who have just started on their career (Figure 6). Who are inclined to do it are motivated by the advantages coming from the employment of career-launchers.

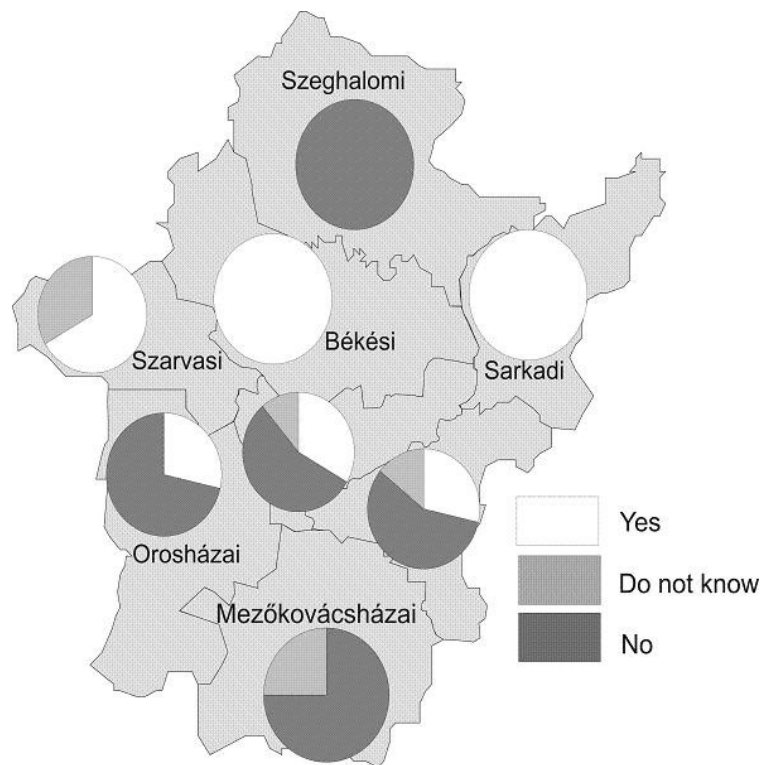


Figure 8.

Would you employ a young professional who has just started his/her career? - the answers

Most business (26) substitute the missing labour force through the job centres, but they look for workers via newspaper advertisements (9) and recommendation (6), too. Among other categories Internet was marked by 3 businesses, possibilities offered by employment agencies were not chosen at all by the companies.

Regarding the fluctuation at the firms it was low in the case of 24 out of 41 businesses, it was insignificant at 11, and it was middle in the case of 6 businesses. Labour force migration is not significant due to the fact that it is more and more difficult to find job in the small regions. Also it is difficult to find suitable person for the job so the firms take care of their skilled employees. To re-

tain them is growing important. The reason for change in workplace on the side of workers is usually the demand on higher salary. Others – according to the employers- refer to family reasons. Besides they indicate commuting, early hours of starting their work as the cause of their notice. Deliberate reduction of staff on the side of the employers happens because of the unprofitable activity and the lack of orders. Breach of discipline, alcoholism and employees with higher qualification can result notice on the side of employers.

4. CONCLUSIONS

In county Békés decrease in population has not stopped, it shows decreasing tendency from the turn of millennium up to these days that surpasses the national average, and the worst in the region of Southern Plain. The population is aging, the young, mobile population leaves the county. The reason: there is not enough workplace. The situation of villages is the most critical. The young leave because of the low level of social services, the capital keeps away, businesses have a pressure features. Employees have low qualifications, and are permanently unemployed.

The business activity is the lowest here among the counties of the region, 72% of the national level. Few can obtain supplementary source, their own capital force is not enough. The application system is complicated, the subsequent subsidization is unfavourable, and it makes distrustful the participants of economy.

The unemployment rate has an increasing tendency in the examined period, it was 12,55 by the end of 2006. Territorial division of the registered unemployed has settled, it is below 10% for years in the small regions of Békéscsaba, Orosháza and Szarvas. The reason for this is the traditional economic structure in the centre towns, predominance of industry, strong improvement of the service sector. In the districts of Mezőkovácsháza, Szeghalom and now of Békés the unemployment rate is above 10%. The out-of-date agricultural production structure and the low level of income there determine the most disadvantageous situation in the small regions. The participants of economy here cannot see any breaking-out points, a significant number of them has become entrepreneur under pressure, they are fighting for their subsistence.

The significant proportion of unemployed is between 20 and 30. The biggest increase can be experienced in the case of the oldest employees, their number raised with sixteen per cent as an average. Most unemployed try to find job with elementary qualification, without any skills, those who have university or college degree are generally not unemployed. The number of young unemployed with trade or degree has decreased.

Regarding the future the managers of businesses in Békéscsaba, Orosháza and Szarvas are optimistic. They trust in the strength of their competitiveness. They calculate with stagnation or increase in staff numbers. Those who want to establish a new workplace would employ workers with trade or secondary qualification. They would employ young professionals, young workers because of the employment advantages. Pessimistic: are the economic units in Mezőkovácsháza and Szeghalom, in their opinion the reasons for their disadvantageous situation are the backwardness of infrastructure (road network) and the pressure under which they launched their businesses. They predict reduction of staff or perhaps stagnation in staff numbers. In their environment the purchasing power decreased, the closeness of the border did not generate market for their products.

In the case of economic units participating in the survey the fluctuation is low, there is no significant change in staff numbers during the year. Employers and employees are mutually attached because the well-versed, skilled worker is a precious treasure so much as the reliable employer and the secure workplace. The employer changes this situation because of breach of disciplines, while the employee changes referring to higher salary or family reasons.

The managers look for new labour force with the help of job centres, but also they substitute the missing employee via newspaper advertisements or recommendation.

Summing up it can be stated that county Békés cannot stop the unfavourable demographical and economical processes without government support. Its competitiveness is declining, its economic power is weakening, the participants of economy are struggling with disadvantage. They cannot afford improvement, so their job-establishing ability is weakening. This disadvantage can be overcome with purposeful improvement policy.

The applications of the European Union can mean a solution to strengthen the economy, though their practice of subsequent subsidization discourages the applicants. It is also difficult to raise money for their own resources.

Country is value. In the regions of Gyula and Orosháza tourism built on thermal water can be a breaking-out point. In other places village tourism does not have a real chance to improve the living conditions and to establish new workplaces there.

In county Békés population is not competitive enough, the employment rate is low. The competitive expert and management layer is too thin, that means a new task for higher education. There would be a greater demand on highly skilled workers, suitable training plans could be made for it involving businesses that can predict the labour market demands.

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