

Labour market characteristics, 4th Quarter 2011

Content

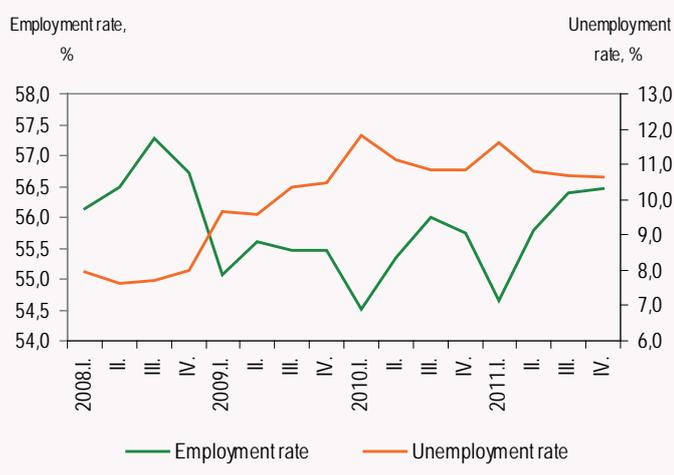
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Introduction

In the 4th Quarter of 2011, employment and economic activity slightly increased, while unemployment did not essentially change. First of all, the labour market position of men, mentioned as the losers of the financial and economic crisis, improved.

Trend of employment rate of people aged 15–64 and unemployment rate of people aged 15–74

Figure 1



Employment

In the 4th Quarter of 2011, the average number of employed people aged 15–64 years was 3,815 thousand, 42 thousand more than a year earlier and somewhat fewer than in the 3rd Quarter of 2011. Among the population aged 65–74 years, another 35 thousand people were classified as employed in the observed period.

The employment rate calculated for the 15–64 year-old population (56.5%) was 0.7 percentage point higher than in the previous year. The employment rate for men rose by 1.1 percentage points to 62.0%, and that for women grew by 0.3 percentage point to 51.1%. While the number of

employed men aged 15–64 years grew by 34 thousand year-on-year, that of employed women increased only by 8 thousand (well within the limits of sampling error). Last year, both the number of employed men of the “best working age”, i.e. aged 25–54 years and that of older, 55–64 year-old employed men increased. At the same time, the number of employed women aged 25–54 years slightly decreased, and only that of the older, 55–64 year-old women grew by about 13 thousand compared to the previous year.

The increase in the number of employed people affected first of all those with higher educational attainment. The number of those with university degree grew by 8.0% and with college degree by 4.8%. In case of men, the number of employed with college degree, while in case of women, the number of those with university degree rose to the largest extent (9.2% and 11.7%, respectively).

The number of employed people increased in each economic section compared to the same period of the previous year. The headcount increase was the largest in agriculture in its proportions. In the industry and service sections, there were economic branches with increasing and with decreasing headcount alike. Within industry, the number of people working in manufacturing grew by nearly 23 thousand; within this, a significant headcount increase occurred in the manufacture of transport equipment, manufacture of computer, electronic and optical products as well as in manufacture of basic metals and fabricated metal products. As opposed to this, the section construction lost 20 thousand employees over one year; consequently, 57 thousand fewer people are employed at present in this section than in the period directly preceding the crisis. In the service section, administrative and support service activities saw a headcount increase, while public administration, defence and compulsory social security belonged obviously to the economic branches with decreasing headcount.

In the 4th Quarter, the number of part-time employed grew by 38 thousand to 266 thousand year-on-year, nevertheless, their proportion among employed people was very low, only 6.9%. Among part-time employed, the proportion of those who, by their own account, work part-time in the lack of full-time job increased from 32% to 38%. In respect of age composition, the majority (70%) of them was under 45 years of age, but the number of older people also showed an increasing tendency.

The number of employees working with fixed-term contract representing a less certain labour status decreased by 8.9% (29 thousand people) in the 4th Quarter of 2011 compared to the same period in the previous year, while their proportion within employees diminished by one percentage point to 8.8%.

Unemployment

In the 4th Quarter of 2011, the number of unemployed people was 459 thousand, essentially the same as a year earlier. The unemployment rate was 10.7%. The unemployment of men diminished year-on-year by 0.5 percentage point to 10.5%, while the unemployment of women increased by 0.2 percentage point to 10.8%. So, the unemployment of women exceeded that of men similarly to the period before the crisis.

The unemployment rate of the youngest, 15–24 year-old age group was invariably high; it reached 26.3% in the 4th Quarter of 2011. The job-seeking activity of elderly people (over 54 years of age) slightly increased. The composition of unemployed people by highest educational attainment did not essentially change. (The nearly two thirds' proportion of people with low educational attainment – apprentice school at most – was invariably the highest.)

Compared to the same period of the previous year, the proportion of people who had been searching for a job for 3 months at most considerably grew (from 17.2% to 22.9%). At the same time, among those who became unemployed not more than 3 months ago, the proportion of the 15–24 year-olds decreased by 4.0 percentage points to 19.8%. 30.5% of people having become unemployed in the 4th Quarter have GCE, while 12.4% of them have university or college degree. The proportion of people who had been searching for a job for one year or more was 47.3%, but in the older age groups (55–74 year-old), their proportion was more than 10 percentage points higher, which proves the assumption that, by the passing of time, it is more and more difficult for elderly people to return to the world of work. Data show that educational attainment plays often a smaller role in the long-term involuntary absence from the labour market than age.

According to the labour force survey, the number of households affected by unemployment was 396 thousand in the 4th Quarter of 2011, and 10.5% of all households belonged here. In 13.4% of the affected households there lived more than one unemployed; in nearly one-third of the households affected by unemployment (128 thousand households), there lived children under 15 years of age, and in 52 thousand households out of them, more than one child was raised.

Inactives

The decrease in the economically inactive population aged 15–64 years continued. Their number fell by 49 thousand compared to the corresponding period of the previous year and by 9 thousand compared to the previous quarter. In the 4th Quarter of 2011, 2,484 thousand people were inactive, i.e. 36.8% of people of the mentioned age, which rate was 0.6 percentage point lower than a year before. The number of inactive men decreased by nearly 28 thousand while that of inactive women fell by 21 thousand on the whole. In case of men, the decrease affected the most those aged 50–59 years, while among women the number of inactives aged 45–59 years fell significantly. At the same time, the inactivity of women belonging to the

age group 60–64 grew more considerably (by 14 thousand women), presumably due to the changes of retirement regulations in 2012. The headcount changed differently in the different inactive categories; over one year, the number of pensioners aged 45–59 years, i.e. those receiving some kind of pension below retirement age slightly decreased (by nearly 6 thousand), while the number of those of similar age receiving disability pension fell much more considerably, by 51 thousand. In case of the latter ones, their number diminished almost in each five-year age group (by nearly 69 thousand on the whole). However, in the age group 60–64, the number of pensioners by own right (old-age or disability pensioners) slightly increased presumably due to “hurrying to retirement”. The number of those receiving childcare provisions did not essentially change, but there was a shift towards the “older”, over 30 year-old people. The number of students in full-time education fell by 24 thousand; the number of students aged 15–19 years decreased significantly mainly due to demographic reasons.

Main regional characteristics of the labour market

Considering the labour market participation of the 15–64 year-old population, the ranking of regions has changed somewhat. Western Transdanubia managed to achieve the highest employment rate (61.2%). There was a significant improvement in Central Transdanubia as well, where the employment rate increased by 2.0 percentage points to 60.5%, which nearly reached the level of Central Hungary and was only by 0.7 percentage point lower than the level in Western Transdanubia. Compared to the same period of the previous year, there was a considerable, nearly 1.4 percentage point increase in the employment in Northern Great Plain as well, but with its level of 51.7%, it is still among the regions with the lowest employment rate.

Year-on-year, unemployment stagnated in Central Hungary, Central Transdanubia and Southern Great Plain. However, in Northern Hungary being in the most unfavourable labour market situation, unemployment rate increased by 1.2 percentage points to 16.8%, and there was an increase of nearly 0.4 percentage point in the rate in Southern Transdanubia (to 12.7%) as well. In Western Transdanubia, unemployment decreased by 2.0 percentage points to 6.8% year-on-year; consequently, it became the region in the most advantageous labour market situation (both in respect of employment and unemployment) in Hungary. Though unemployment rate fell in Northern Great Plain as well (by 1.2 percentage points), it still belongs to the regions with the highest unemployment rate.

The publication Labour market processes, 1st Quarter 2012 will be released in the week of 11th June 2012.

Further information, data (links):

[Tables](#)

[stADAT tables](#)

[Methodology](#)

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