‘Improving working conditions: contribution to active ageing’

FSS 2011-2012
Rome, 11 May 2012

Skills and Training: The Hungarian case
General Situation in Hungary

• Activity and employment rate among lowest in EU: activity rate (20-64) 68.1%; employment rate (20-64) 60.7% in 2011, slightly (0.3pp) increase compared to 2010.

• Employment rate of older workers among lowest too 34.4% in 2010 and 35.8% in 2011 (by 10pp bellow the EU27 average), but improving tendency.

• Unemployment rate rose by 3.4pp during crisis (from 7.8% in 2008 to 11.2% in 2010), but decreased to 10.9% in 2011 (slightly above EU average); youth UR 26.1%; LTU increasing

Priority: making work attractive for inactive population

• Activation, employment, access to labour market
• Structural reforms to promote employment in the long run (pension frame)
Labour market indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Employment rate (20-64)</td>
<td>61.9%</td>
<td>60.5%</td>
<td>60.4%</td>
<td>60.7%</td>
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<tr>
<td>Youth (15-24) employment rate</td>
<td>20%</td>
<td>18.1%</td>
<td>18.3%</td>
<td>18.3%</td>
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<tr>
<td>Statutory retirement age</td>
<td>62</td>
<td>62</td>
<td>62</td>
<td>62</td>
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<tr>
<td>Employment rate older workers (55-64)</td>
<td>31.4%</td>
<td>32.8%</td>
<td>34.4%</td>
<td>35.8%</td>
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<tr>
<td>Average exit age (without disability pension)</td>
<td>58.3</td>
<td>59.8</td>
<td>60.3</td>
<td>59.1</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>7.8%</td>
<td>10%</td>
<td>11.2%</td>
<td>10.9%</td>
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<tr>
<td>Youth unemployment rate (15-24)</td>
<td>19.9%</td>
<td>26.5%</td>
<td>26.6%</td>
<td>26.1%</td>
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<tr>
<td>LTU as % of total unemployment</td>
<td>46.5%</td>
<td>41.6%</td>
<td>49.3%</td>
<td>49.6%</td>
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</tbody>
</table>
A 50-64 évesek foglalkoztatási rátájának alakulása

Employment rate of older workers, Eurostat
Background, characteristics

- Target group of ageing policy mostly aimed at inactive older generations,
- Active ageing initiatives
- There was a tradeoffs to the pension system
  - early pension option and claiming disability pension were widespread the past decades (the effective pension age were by 3-5 years for women and by 2-3 years for men below retirement age)
- Change of the paradigm: tightening the pension and disability pension measures from 2011-2012
- AA policies should focus on 50-65 cohorts as well in the future

In Hungary there is no policy exclusively dedicated to the older worker, but they are a preferred groups in

- Decentralised, comprehensive labour market programmes for the employment of vulnerable people
- **Target groups**: low-skilled, young career starters, **older people** (50+), parents returning to the LM after parental leave, those at risk of long-term unemployment including the Roma
- **Job-seekers** receive a personalised integrated set of services (labour market services, wage subsidies, support for self-employment, general and vocational training, etc.)
Improving skills of the labour force

On-going modernisation of education and training system

- improving quality, attractiveness to the labour market and boosting economic relevance and of vocational training to increase competitiveness

According to the 5th EWCs (2010) the Hungarian employees’ attitude to the training opportunities is rather high and positive. The high level of ‘agreed’ responses for the Q61_1a_1b (in total 91.6% and 83.5%, higher than EU average), indicates, that training opportunities are highly appreciated from the part of Hungarian employees. It is important fact, that older groups (50+) have high level positive responses on these question as well.
Improving skills for the labour force/older workers

In the 2011-2013 planning period more EU co-financed training programs support the older workers’ skill development and maintenance:

- for the development of foreign language and IT skills and competences projects for low-skilled, and disadvantaged adults (the planned training spread on about 100 thousand people, 10% of them is considered disadvantaged people, people above their 45 is considered disadvantaged as well. Trainings are implemented on the different spot (e.g. eHungary IT dots, accredited adult education institutions and workplaces);

- in-company trainings to foster adaptability of companies and workforce (resources have been raised);

- The job training program has been launched to support the competitiveness of the workforce, the employees' employability, the occupational skills and competence to improve the competitiveness of enterprises and furthermore it aimed at improving the adaptation of the technological changes. Involved actors: Under this program, regardless of size micro - small - medium - and large companies - can claim source for funding to train their employees. In the framework of the evaluation of applications the number of involved disadvantaged workers including the training of over 50 are preferred.
Improving skills for the labour force/older workers

Smaller scale targeted labour market and training programmes for the particularly disadvantaged

Homeless Academy pilot project

‘Homeless Academy’ is launched as a civil initiative called by the ‘Protection Foundation’. The target groups were volunteer homeless people, or poor, unemployed people who were take part in an organized education and training with different professionals in order to prepare them a job searching interview.

The participants took on after three months to take part to a real job interviews in a HR company, as an exam. The successful candidates were offered the job. The participants included mainly people over 50 were in the majority, who have long unemployed since removed from the labor market. The program is intended to continue in the future
Conclusions

Main objectives/task for the near future:

- raising awareness of the issue of demographic change and active ageing, EY 2012 will offer good opportunities
- raising visibility/importance of active ageing policies and this topic
- more attention to working longer initiatives, more focus on to older employees (50-65)
- making balanced initiatives/solutions with other groups (e.g. job starter)
- encourage dialogue between stakeholders (business part, trade unions policy makers and influencers, civil society etc.)
- sharing best practices: what are companies already doing to handle the fast upcoming demographic changes
- healthy ageing in workplaces can be a key factor/ good basis for this
- Making recommendations and publication of best practices can be a good way to better use the capabilities of the existing human potentials
Thank you!