

EUROPEAN ROMA GRASSROOTS ORGANISATIONS (ERGO) NETWORK

“Roma access to decent and sustainable employment in Hungary”

Introduction

The case study was written by Tibor Béres (beres.tibor@autonomia.hu) and Miklós Kóródi (korodim@autonomia.hu).

The Autonomia Foundation is an independent, private foundation established in 1990 to strengthen civil society, support excluded groups and, above all, promote Roma integration. Its aim is to promote the development of civil society in Hungary, including Roma integration. It does this primarily by supporting civil initiatives in which people mobilize local resources to achieve their goals. Since its establishment, the Foundation has supported and implemented hundreds of Roma inclusion programs, participated in numerous research projects and has an extensive network of contacts. Detailed information on the Foundation's activities is available at www.autonomia.hu.

In writing this case study, we have collected and processed analyses and case studies on the situation of Roma in the labour market in recent years. In some chapters we have also presented the experiences of relevant programmes of the Autonomia Foundation. In our analysis, we have mostly used national data, illustrated in some cases with specific local examples.

Socio-economic situation of the Roma in Hungary

The Roma population, which accounts for around 6-8% of the Hungarian population, is the poorest, most excluded and most vulnerable group in society. The gap between the Roma and the majority of society has been growing since the change of regime, mainly due to residential segregation and segregation in other segments of society, especially in education.

Moreover, the educational and labour market position of Roma remains weak, leading to a persistent and deepening poverty. This is often coupled with a negative, often hostile, climate surrounding Roma, which is reflected in prejudice and discrimination from the majority of society (Bernáth, 2014). A significant proportion of the Roma population in Hungary live in segregated settlements, where housing and living conditions are significantly worse than the national average and also than those of non-Roma living in the immediate neighbourhood.

According to the results of the EU-MIDIS II survey ([European Union Agency for Fundamental Rights, 2017](#)), 75% of Roma in Hungary live below the poverty line. At the time of the survey, the share of early school leavers among young people aged 18-24 was 68%, and a quarter of Roma aged 45 and over had not completed any level of formal education. Income poverty rates were closely correlated with the concentration of Roma in settlements: the proportion of Roma living below the poverty line was highest in areas where respondents perceived that Roma residents lived 'exclusively' or 'predominantly' in segregated conditions.

Roma access to decent and sustainable employment in *Hungary*

Where do the Roma work?

The negative consequences of the major economic transformations that followed the regime change affected Roma workers much earlier and much more significantly than non-Roma workers. In the more than 30 years since the change of regime, the situation of Roma in the labour market has changed a lot, but the disadvantages faced by Roma workers are still significant.

The low employment rate of the Roma population in Hungary is mainly determined by the low educational level and geographical distribution of Roma workers. While the average educational attainment of the population is increasing, the proportion of Roma with at most primary education remains very high. The gap is fourfold, with the rate for non-Roma at 77.4% and for Roma at 19.5% in 2019. Only 2% of Roma youth are enrolled in higher education.

A significant proportion of Roma live in areas of the country with a poor labour market situation, where local employment opportunities are scarce and transport is difficult. A specific feature of the territorial distribution of the Roma population is the smaller settlements, which is also a significant territorial disadvantage. Around 40 per cent of the Roma population live in smaller settlements.

According to data from the Central Statistical Office, between 2014 and 2021 the labour market situation of Roma and non-Roma developed in parallel, with the disadvantage of Roma not significantly decreasing. The gap between the employment rates of the two groups still ranges between 25-30 percentage points (the employment rate in Hungary in 2021 is 77.9%).

The Roma unemployment rate fell significantly between 2014 and 2019, from 30.1% to 16.7%, but due to the COVID epidemic it was back to close to 20% by 2021. The very high number of public employees played a major role in the significant improvement in the employment rate during this period. Within the Roma population, the difference between the labour market situation of men and women is more pronounced than for non-Roma.

Roma employment rate in 2021 was 45,9% (40,1 % without public employees). The employment rate of Roma men was 57.8%, while that of Roma women was only 34.3%. An important figure for the labour market situation of Roma is that in 2021, more than 60% of Roma youth aged 18-24 were early school leavers, four times higher than the rate for non-Roma. In Hungary, the share of early school leavers in the total population was 12% in 2021.

Among Roma young people, the rate was 60.8%, but the value decreased by 8 percentage points compared to 2018. The proportion of Roma youth not in education or employment is almost 40% compared to 9% among non-Roma. The proportion of early school leavers is highest in Northern Hungary, significantly behind other regions, with more than one fifth (20.8%) of young people dropping out of education before completing upper secondary education in 2020. There was also a significant and sustained decline in South Transdanubia, where the rate increased by 4.4 percentage points over 10 years to 17.5%. In these regions, the proportion of Roma is significantly higher than in other regions.

Roma have a high share of employment with lower job security and lower incomes, such as public employment. The number of people in public employment has been steadily decreasing since 2014, but in 2021 21% of Roma workers were still in public employment. In the same year, more than one third of Roma workers had a fixed-term contract, compared to only 5% of non-Roma workers. Due to the high share of low-educated workers, half of Roma workers are in simple, unskilled jobs. Exact numbers are not available, but several studies show that Roma workers have a high share of temporary and informal work compared to non-Roma.

Roma workers are relatively more likely to be employed in seasonal agricultural work or in unskilled productive work in larger companies. In larger companies, Roma workers tend to find employment through recruitment agencies, which is a much more unstable status than if they were directly employed by the company (fixed-term contracts, shorter notice periods). There is a high turnover rate among Roma workers employed by intermediary companies, and many workers have problems adapting to the more difficult working conditions (multiple shifts, monotony, a lot of travelling).

Are the Roma adequately supported to access employment?

The first big change in the current Hungarian unemployment benefit system came in 1989, when the government of the time responded to the increasing unemployment rate by introducing unemployment benefits. Unemployment benefit was a form of insurance in its own right, accessible to anyone with an unemployed status who applied for it. It has lost much of its value, falling from an initial rate of around 70% of average wage to around 50% in 1997. At the same time, eligibility was subsequently linked to previous employment status and supplementary income support for those not previously employed was introduced, set at 60% of the minimum wage.

The next major change was made by Fidesz, which is still in government: from 2012, the maximum period of entitlement to the benefit, then renamed the job-search allowance, was reduced from nine to three months, based on the principle of a 'work-based society instead of welfare'. The amount of the job-seeker's allowance is again linked to the minimum wage, with a maximum of HUF 266 000 gross per month (approx. EUR 682) in 2023. From this opportunity the majority of the Roma are excluded because when they apply for any assistance of the Labour Market Office, typically they cannot justify a legal employment status because they had worked in the semi-legal or 'black-labour market' before.

The latest change, in 2023, identifies severely disadvantaged workers as a priority target group, introducing for them the complex job-search assistance for long-term jobseekers. This includes not only the socially disadvantaged, but also women and, by name, Roma, if "the difference in the distribution of the two sexes is at least 25 percent greater than the average difference for all economic sectors in the Member State as a whole and who belong to the under-represented sex or belong to an ethnic minority in a Member State".

Perhaps the biggest change is that not only the jobseeker but also the employer will receive support for employing such a person: "If they establish an employment relationship, they can receive an amount equal to 30 percent of the minimum wage, currently 69 600 HUF (Eur 180) per month completing the salary paid by the employer. In addition, the employer will also receive a subsidy if he employs a severely disadvantaged person, as half of the employee's salary will be reimbursed by the public employment service for the first four months of the relationship."

These benefits have affected the Roma, sometimes positively, sometimes negatively. In the early 1990s, with the collapse of the communist economy, the first to become unemployed were the low-skilled Roma, even if they had several decades of work experience, as they were mostly employed in industrial sectors that were the first to become unprofitable due to the economic crisis (and the speculative investments that accompanied it). During this period, unemployment benefit was a source of help for many Roma people, but as the amount of benefit became more and more scarce and the eligibility rules tightened, fewer and fewer people were able to rely on it.

The debate about whether benefits have made the Roma unemployed passive and, with the rhetoric of the right, inactive has led to the replacement of this form of benefit by a 'merit-based' benefit, which, because of the former employment status requirement, Roma unemployed people have had access to only in the rarest of cases, so it is difficult to say what this (or, in fact, the current) employment support system encourages.

What would be more worth analysing is how many Roma are actually reached by the new scheme (see above, the 'complex job placement support for long-term jobseekers' instrument, which supports both workers and employers) and, if significant, what impact it has on them. As the scheme is also new and lacks data aggregated on an ethnic basis, it is not yet possible to give an opinion. However, it can be predicted that a subsidy of around €180 is not a strong motivational force for the worker.

The budget for public employment in 2023. In the 2023 budget, the government has allocated HUF 117.8 billion for Start work programmes, HUF 2.2 billion less than in 2022. Among developed countries, Hungary has spent the most on direct job creation in recent years, thanks to public works programmes. In the most intensive phase of the programme, spending exceeded 0.7% of GDP, compared to an OECD average of around 0.05%.

An analysis of a database from 2011 to 2019 shows that the large number of public workers (around 700 000 in total, representing around 14% of the total Hungarian workforce in 2023 - a very high proportion in the EU, due to the Hungarian government's prioritisation of this active employment instrument over other forms of employment, such as training, retraining

and mentoring) was mainly recruited from disadvantaged districts and municipalities with no employment opportunities.

This also means that the public work programme was more of a social relevance than a labour market (re)integration of participants. This is also supported by the fact that the more disadvantaged the municipality or region in which the public employment programme was implemented, the longer the duration of time spent in public employment status (the difference was twice as large between disadvantaged and non-disadvantaged municipalities).

It is important to point out that the umbrella term public work programmes included three separate categories until 2011, after which - although the basic principle of state-supported, socially-based employment remained - different types of organisations may employ unemployed people in different activities.

Local mayors are responsible for selecting the people to be included in the public employment programme. This puts a position and power in the hands of the leader of a small municipality that critics of public work programmes liken to feudalism. In many cases, municipal leaders abuse this power and expect these people to vote the right way for the governing party in elections (the writer of these lines has witnessed a situation where a Roma social worker employed in public work had to collect votes for the governing party during working hours before the election on the orders of the mayor, far from his political preference, but if he had not done so he would have lost his job.)

There are no records or reliable estimates of the proportion of those who have been in public employment over the last ten years or so who have been Roma, but if we take into account the variables that are specific to the public work programme and our own experience, it can be said that Roma have participated and continue to participate in such programmes at a much higher rate than the population as a whole. The distribution of public work programmes shows a spatial disparity that suggests that these programmes are more likely to be implemented in less developed areas, where Roma are more likely to be present.

The educational attainment of participants in public work programmes is also lower than the average population and, finally, their labour market position is worse. In municipalities in disadvantaged districts, public work programmes are almost the only employment option for those who are less mobile. It could of course be assumed that the non-Roma population in these municipalities also makes equal use of this opportunity, but these are often municipalities where the Roma are in the majority, i.e. although non-Roma are also included in public employment in these municipalities, the Roma are more likely to be included because of their settlement share.

We are not claiming that only Roma work in these programmes, because in many places there is a mixed workforce, but here too it is often observed that while Roma fill the lower status jobs (agricultural, cleaning of settlements, etc.), non-Roma become the foremen, administrative workers, machine operators. It is a rare phenomenon that Roma and non-Roma workers are employed in the same jobs.

At its peak (2015), around 190 000 people were employed in public work programmes. Thereafter, there has been an almost steady decline in the number of people, reaching 71 000 by 2023. There are several reasons for this decline. On the one hand, from 2021 onwards, the labour market, especially in Northern Hungary, will be in such demand that it will no longer be possible to meet it with Hungarian workers (and therefore a large number of foreign workers from the Far East - estimated at 150 000 - will be recruited). This is one reason for the deliberate reduction in the size of the public works programmes.

Another reason is that the value of public workers' wages is being inflated and reduced. Although the amount of the wage is linked to the minimum wage (50%), it is no use changing the minimum wage if the wages available on the market are much higher, and the public worker's wage is not enough to live on: 77-86 eFt net (180-220 euros), depending on qualifications. This has a double effect: it reduces the amount of money spent on public work and thus the number of jobs for public workers, but it has a market-sucking effect. Therefore, what was true for Roma participation in the previous period is now doubly true: mostly only people with very low qualifications, little work experience and mainly from the most disadvantaged municipalities remain in the programme.

As we have already indicated, the priority use of public employment as an active employment instrument is problematic because it is mostly used instead of other active instruments. This would not be a problem if it were proven that there is a meaningful exit from public employment into the primary labour market, but it is very limited. If there is any, it is mainly due to changes in labour market supply and not the effect of the public employment programme. At the same time, those who get stuck in it are mostly low-educated, unskilled people (including an increasing share of early school leavers), who are not in demand by the labour market in their current state of education and mental-motivation. Their situation cannot be helped by public employment, but a much more effective and efficient public education, vocational training and later retraining and other development programmes could, if they were a priority for the government.

Very little information is available on the National Employment Service's programmes. Between 2016 and 2023, there was an EU-funded flagship programme specifically aimed at training and employing people with low educational qualifications, mainly in public employment. The programme included individual mentoring of participants. However, no information is yet available on the effectiveness and results of the programme.

Can the Roma access income support while unemployed?

We have just described in detail the types of unemployment (jobseeker's) benefit - not benefits! Today, anyone who does not have a registered job has no social security status. Therefore, a person who is active in the labour market must either have a registered job (which pays the compulsory contributions), and if he or she does not have a job, he or she must either pay the contributions (around HUF 9 000 per month, €23) or register as a jobseeker with the employment office. If you do neither, you will lose your social security status and not only will you lose your pension rights, but you will also be billed for any health care you may need, which can be a substantial and unaffordable expense.

For those who do seasonal work - mainly in agriculture and construction - there is also a facilitated employment option, where the employer has to declare the employee daily. Those without income can claim unemployment benefit - very short term and very low - and then apply for social assistance from the local municipality.

Support for people in social need has been transferred from the state to the municipalities. This was done to reduce abuse of the benefit system, as local authorities have a better insight into the real situation of people on social assistance, and it is easier to decide who is eligible for social assistance on a fair basis and who is not.

Social assistance can be applied for under several headings, but the financial situation of the municipality in question determines to a large extent whether the claimant receives it. The six types of support (based on the social status of the claimant) are so low that it is not enough to live on in Hungary today. The amount ranges from HUF 22 000 to HUF 53 000 (EUR 56-136). Nevertheless, we know of many Roma households that are supposedly surviving on this benefit alone (plus the child benefit, which has not increased for 12 years: HUF 13 000, EUR 33 per child). Experience has shown that where there are adults in the family who are active in the labour market, they are unable to obtain this benefit.

Given these figures and our experience, it can be said that these families rely heavily on income from the black economy. In most cases, these heads of household work are undeclared (or only minimally declared, as opposed to the real situation) in construction and agriculture. We are aware of many families that rely on a member who has worked abroad.

When it comes to any research on the Roma, the lack of statistics should always be stressed, as origin is not recorded in almost any educational, health or employment database. However, if there is a very significant latency somewhere, it is in employment, as a significant proportion of families in settlements are sustaining themselves at a visible level of income that is simply impossible and significant other sources must be assumed to be behind it.

Despite this, perhaps the greatest achievement of the current government (since 2010) has been the reduction of the black economy, which has had a significant impact on the Roma in the labour market, including in the construction sector. We cannot cite statistics here either, but based on field experience it is perhaps not an exaggeration to say that at least half of the Roma employed in the construction industry have been regularised, which has not resulted in an increase in income compared to what they could earn in the former black economy, but their social security status has been consolidated, which is an important achievement.

Antigypsyism in accessing employment

The situation of Roma in the labour market is complicated by cumulative disadvantages, low educational levels, early school leaving, spatial segregation and discrimination. Discrimination against Roma workers mainly occurs in recruitment and dismissal, but not in wages.

According to FRA data, between 2016 and 2021, the proportion of Roma workers in Hungary who experienced discrimination when looking for a job in the year before responding increased from 13 to 26 percent.

According to a study carried out in 2022, in Hungary there is strong labour market discrimination in areas where the small business sector is significant. In regions where employment is largely based on multinational firms, discrimination against Roma workers is also lower. The recruitment process in these firms is based on established protocols, mostly testing job skills using a defined methodology, leaving much less room for potential bias. Another important difference is that a multi advertises the job in established locations and anyone can apply. In the case of a small company, it is more common for it to want to recruit new people on the basis of recommendations from existing employees, which in itself leads to discrimination in a society where there is little contact between Roma and non-Roma.

It is also important that smaller firms are more likely to work in areas where employees have direct contact with customers and clients. The owner of the company is often afraid that in the current prejudiced environment, customers would be put off by a Roma employee. Roma are much less likely than average to be employed in jobs that require teamwork and direct contact with customers.

Adequate wages and the ethnic pay gap

Income inequality in Hungary has stagnated in recent years. In 2022, the average annual gross per capita income in the bottom quintile will be 40.4% of the national average, and in the top quintile twice the national average. The gap between the two bottom quintiles' gross per capita incomes has increased from 4.3 times in the previous year to 4.8 times in the current year.

The proportion of Roma in Hungary with both educational attainment and vocational qualifications is much lower than for non-Roma. This is the main reason why a much higher proportion of Roma are in low-skilled or unskilled jobs. In addition, several other reasons contribute to this phenomenon. According to a 2020 survey in South Transdanubia, 27% of Roma living in the district have experienced discrimination at work in their lives. Although there is no scientific basis for extending this figure to the whole country, it is likely that discrimination in the workplace is an existing phenomenon that affects a significant proportion of Roma.

Unequal spatial distribution can be seen as the next reason. The majority of Roma in Hungary live in underdeveloped regions and small settlements. In these places, the economic and industrial development is much lower, which also means that there are no higher-paid jobs nearby. (This is, of course, a vicious circle, as the lack of major employers is partly due to the lack of locally available higher-skilled and more productive labour.)

A significant proportion of locally employed people are in public employment, which offers a much lower income than the average, so that, despite the employment status, the disposable income is well below the national average. In households where the working-age adult is in employment, per capita income will be around HUF 20 000 (EUR 53) higher than in households in the lowest income decile if employment is in public work.

Sustainable contracts, employment rights, working conditions

The number of Roma workers has increased over the last decade, but they are more likely to change jobs because of fixed-term employment. This is mainly related to public employment, where disadvantaged and Roma workers remain over-represented. Temporary forms of employment put workers in a more disadvantaged position, with a more precarious and unpredictable future compared to permanent employment.

Employment agencies play an important role in the employment of Roma workers. Due to the recent significant increase in demand for labour, these firms recruit widely, even in the smallest municipalities. In larger numbers, they typically seek workers for unskilled, monotonous jobs with multiple shifts. In many cases, the work involves a lot of travelling, although larger firms usually operate their own bus services. However, the services of recruitment agencies are mainly of benefit to the companies they work with. The workers placed in bulk are usually employed on a seasonal basis, on fixed-term contracts and with shorter notice periods.

A survey of segregated Roma settlements in Eastern Hungary found that the vast majority of respondents were dissatisfied with their wages, especially women and those in public works. The majority of respondents worked in low-prestige occupations, typically in heavy manual work, which had an impact on their dissatisfaction.

Access to on-the-job training and career progression

We are aware of a number of EU-funded (ESF) training courses after EU accession, the main aim of which was to promote Roma people's entry into the labour market. However, these trainings have been carried out in a very inflexible way, often subject to abuses by the project companies and the institutional network that they are based on.

For example, there have been numerous reports of the failure of the so-called 'Bridge to Work' programme, where some two billion forints were lost. The beneficiary of the programme was the National Roma National Self-Government, and the responsibility of many other actors, including governmental ones, cannot be avoided. The investigation into the case was eventually closed, but as a result of the programme, the labour market situation of virtually no Roma has improved.

A number of similar projects, albeit smaller in scale, have been reported in the media. In general, three main criticisms can be made of these, and thus of state-funded training: they do not take into account the specificities of the target group and the skills that the labour market needs. They are inflexible (the rigid institutional background and project approach give priority to administrative requirements rather than the real objective: for example, there is a great need for adult education aimed at primary school leavers, but these almost never start when and where there are people who want to take them) and there is no professional quality assurance or monitoring.

At the same time, private companies know exactly what skills are needed, so Roma workers can take part in 'in-house' training if they are motivated. One such popular training is forklift truck operator training (which also requires a primary school qualification, so there is no way around the state's involvement.)

What is also relevant in the context of training, as described elsewhere in the study, is that there is a difference in attitudes towards Roma workers between international and smaller domestic firms. In general, the smaller the company, the more hostile it is to Roma workers. International firms are more open, tend to have greater labour needs and select workers on the basis of their skills. Not only do these companies exclude ethnic discrimination from their practices, but many also run programmes to help disadvantaged Roma workers acquire the skills they lack.

Roma representation in trade union structures

The trade union movement in Hungary lost strength and membership after the political regime change. This is contributed to by the government's policy of restricting trade unions and the right to strike, and favouring employers (multinational companies). Within the already weak trade unions, the Roma play almost no role, and trade union membership is rare among them. According to one Roma worker turned national politician, it is very difficult to get Roma into the union because they do not understand its importance and do not want to pay the membership fee. And the trade unions do not treat the Roma's situation in the labour market as a priority anyway.

It should also be pointed out here that a significant proportion of Roma are still working in the black sector or only partially registered, receiving a significant proportion of their wages in the black. In this situation, trade union membership is not an option.

Antigypsyism and discrimination in employment

Multinational companies play a very important role in Roma employment. This effect is twofold: in addition to direct employment, which is very important in the context of the growing labour shortage mentioned above, the HR policies of multinationals, which are not only 'colour-blind', but also their explicitly pro-active, manifest inclusion strategies, are just as important.

Not only do these companies exclude ethnic discrimination from their practices, but several of them also launch programmes to help Roma workers with some kind of disadvantage to acquire the missing competences (e.g. individual mentoring in cooperation with NGOs). These programmes are perhaps increasingly becoming a model for Hungarian-owned companies and smaller companies, which are often prejudiced and closed towards Roma (e.g. larger construction companies, Pallér Csarnoképítő Zrt.).

According to the experience of an HR specialist working at a recruitment company, it can generally be said that the smaller a company is, the more withdrawn it is towards Roma employees. It happens that the agency receives an informal signal from smaller companies that they do not want to employ Roma workers.

There is also a difference in the attitude towards Roma employees between international and domestic companies. International companies are more open, their demand for labor is usually greater, and they select employees based solely on their abilities.

Anti-discrimination litigation has little or no preventive effect, due to its small number, negligible impact and lack of publicity. Few Roma victims of discrimination seek legal redress, which is caused not only by a lack of knowledge of the law but also by a lack of trust in the justice system.

Atypical employment forms

Roma entrepreneurs are now active in professions that are not considered traditional.

From the change of regime (1990) until about ten years ago, programmes - often funded by government or EU sources - aimed at "re-educating" the old, traditional crafts were popular. These were mainly basket weaving, rag rug making and woodcarving. There is little recollection of any initiative that has been a meaningful success, as there was no significant market demand for these products, so that if employment did take place after the training courses, it lasted as long as the external support for the project lasted. It can be said that these trainings and occupations did not provide the participants with any skills, abilities and knowledge that could be converted into the labour market, and also perpetuated the stereotypical image of Roma as still living in some kind of archaic world of several centuries ago with these products.

Of course, there are no statistics on Roma entrepreneurs here either, but from our own experience we have seen the following trends in recent years:

About twenty years ago, Roma entrepreneurs were mainly active in two sectors: trade (specialised in second-hand goods and fruit and vegetable retailing) and construction. In the latter case, there was often a very high level of black employment (i.e. only part of the activity was declared) and the entrepreneur's activity was limited to the mediation and organisation of unskilled Roma labour.

In terms of commercial activities, there is perhaps a persistence of tradition: families that used to trade in horses, although they keep a few horses if possible, are now trading in cars rather than horses. A similar commercial activity is the sale of Christmas fir trees. Generally speaking, the most popular commercial activities today are those linked to a rapid sales cycle, i.e. the attempt to sell the product quickly and at a profit, rather than a systematic, stock-based, planned marketing approach. One of the very important changes in the last 10-15 years, as in the construction industry, has been the 'whitewashing' of activities, i.e. making them legal and visible, backed up by effective government measures.

Today, this homogeneous situation has changed a lot: more and more Roma entrepreneurs are entering the service sector, such as hairdressing and cosmetics. Here, too, it is interesting to note that it is less the type of employment and workplace that can be considered diversified and more the type of service. In the past, it was hardly conceivable that these services would

be provided by Roma. (It is also true, however, that Roma clients are perhaps over-represented in the clientele of Roma entrepreneurs.)

Another popular entrepreneurial activity was 'marketisation', i.e. selling mainly clothing products bought in the large Chinese market in Budapest in rural markets. This is still a viable activity today, but its popularity and importance is declining with the increasing popularity and availability of large retail chains. (In many peripheral small towns, this market activity is still the only way for the population to buy clothing, but its importance is declining as population mobility increases.)

It is important to note that, despite the fact that the situation of Roma employed in the construction sector has clearly improved with the (at least partial) registration of their status as workers and the clear improvement in working conditions (protective clothing, toilets, protective drinks), the distance of the workplace still does not make the working conditions ideal. Given that most of the investments are in Budapest, commuters from the countryside travel up to six hours a day.

Roma working abroad (temporarily or permanently)

The number of employees working abroad varies quite widely, depending on the methodology used. While the Central Statistical Office estimates that around 110,000 people aged 15-74 will be employed abroad in April 2024, the Equilibrium Institute calculates that around 320,000 workers have been working abroad since the country joined the EU in 2004. There is almost no data available on the number and proportion of Roma workers abroad.

However, case studies on the subject highlight the large number of long-term unemployed Roma with low educational qualifications, often living in segregated areas, who also work abroad. Several pre-2020 studies found that the destination countries of Roma and non-Roma working abroad in Hungary differ. While non-Roma went mainly to Germany, Austria and England, Roma went mainly to England and Canada. In recent years, however, thanks to formal and informal recruitment, more and more Roma workers have taken jobs in Germany and the Netherlands, typically in agriculture, construction, food and catering.

Emigration and expatriation are affecting more and more segregated communities whose members were not previously mobile within the country. There is a continuing demand for unskilled labour in developed country markets, which is mainly absorbing Roma men aged 18-55. A significant proportion of Roma workers with low levels of education and no language skills work abroad without their families, as quasi guest workers, in the hope of a better life in Hungary.

But in many cases, a lack of language skills leaves workers completely vulnerable when working abroad. Reports from people returning from abroad show that they often do not receive the promised salary or that working and living conditions are unacceptable.

Job creation and (social) entrepreneurship

Public employment has been discussed above. It is important to highlight trends in public employment programmes. While public employment used to be mass employment, it is now mainly an option for those who, for whatever reason, either do not want to or cannot find a job in the primary labour market, even if it is already open to them, mainly because of the shortage of labour and the resulting openness of employers. One of the most typical cases is when women with children in rural settlements would have to manage to find a job, which is simply impossible in these settlements, especially in the case of multi-shift work.

This category of workers is also important to mention because they are not inferior workers, but only locally employable people. A good example is the innovative local employment initiatives, such as intensive farming programmes, as seen in the Ormánság (South Transdanubia). We see these initiatives as good examples because the value of the crops produced and created was close to or even equal to the value of the support invested, and the labour used could become a real marketable asset.

What these initiatives have in common is that, due to the rigid funding system that characterises public employment, the project could only be implemented through managerial creativity and trickery - which calls into question the value of the model.

The presence and share of the social economy is very low. Successful examples can be found mainly among NGOs, but their sustainability is very fragile. Three examples are mentioned here:

One, which is now increasingly being launched, is the processing of locally grown vegetables and thimbles into pickles and jams and their sale. The most experienced is Maltese Charity, whose best known project is in the village of Gyulaj (Dunantúl, Tolna County). Here, local Roma women are employed in varying numbers, but almost all year round and the products have already appeared on the shelves of multinational supermarkets. However, the project's survival is guaranteed by the network and lobbying power of the national organisation.

The following project is linked to an NGO. The Bagázs Civil Association, based in Bag (Central Hungary, Pest County), started eight years ago with the sorting and sale of second-hand clothes (they still have a local shop and a van for sale), which was later complemented by the sewing activities of women from the village, whereby the designers in the organisation's network of contacts produced "trendy" accessories (bags, purses, etc.) are produced and sold mainly to inner-city target audiences, employees of multinational companies in the organisation's network.

Here too, the project's start-up and survival is due to the organisation's network and lobbying activities. One person is supported by the activity as an employee, for the other women involved the activity is only a supplementary income.

The third example was the initiative of the Autonómia Foundation, where women from a peripheral small village (Szúcs, North Hungary, Heves County) baked a custom-made wafer and the organisation coordinated the sale of this wafer in fashionable nightclubs in Budapest.

Five of the women were employed, but as the organisation withdrew from the project due to conflict between the participants, the project came to an end, even though the income had already reached the level needed to survive.

Two important lessons should be highlighted from this example. The baking company was fully owned by the participating women, so they could make all the decisions themselves (initially with the help of the NGO that developed the project.) The second is that here again, the project involved selling a product produced in a rural location in Budapest, which would not have been possible without the NGO's network of contacts and active role.

The three examples show that while it is possible to organise productive activity in these municipalities, the key to survival is never a market in the locality and in any case, to achieve it, a network of contacts and knowledge is needed that cannot be expected from local actors. Unfortunately, this is rarely evident in social economy projects, which is also a limit to sustainability.

Employment in the National Roma Strategic Framework

The MNTFS 2030 Employment Situation Analysis is thorough and makes several important findings on the labour market situation of the disadvantaged Roma population. Among others, the analysis highlights the following:

- While employment rates are improving overall, there are significant differences by educational level and ethnicity
- Despite positive changes, the unemployment rate among Roma is significantly higher than the national average
- There is a significant gap in the educational attainment and participation of Roma
- Over-representation of disadvantaged and Roma workers in public employment
- The Roma population is also much worse off than the non-Roma population in terms of other employment indicators
- Presumably low Roma participation in some forms of support

The problems identified in the situation analysis are not, however, addressed by the strategy in terms of specific measures, but only in terms of general objectives.

An evaluation of the role of the strategy in development policy and the effectiveness of the support programmes linked to the objectives set out highlights that in the field of employment:

- the support reaches a wide range of target groups (despite the gradual reduction in the workforce due to labour shortages)
- while the vast majority of support in this area contributes indirectly to the achievement of the strategy, the share of support for more specific objectives is very low
- the success of support for disadvantaged groups is often limited by the rule that beneficiaries can only re-enter a support project after a certain period of time.

Conclusion and Recommendations

The national employment rate in Hungary has been improving steadily since 2014. Experience shows that this positive trend also applies to Roma workers. Another positive trend is that the number of people in public employment has fallen by around a third in the last three years, as this type of employment was available to a large number of Roma workers in small settlements, but offered neither a living wage nor the prospect of entering the primary labour market.

There are no precise data on Roma employment, as no such database exists, but indirectly and based on our experience, the following picture of Roma employment can be drawn:

In addition to the high and not decreasing demand for labour, there is a positive effect of the marginalisation of the informal economy, i.e. the phenomenon of undeclared work. This is a particularly important development for the Roma, as they were largely employed in sectors where this phenomenon was prevalent (construction, agriculture, catering), as their social security status is regularised.

There is no general and reliable database on discrimination in the labour market, but its presence seems to be decreasing. Despite the existence of this phenomenon, the organisational culture of multinational companies imported into Hungary is increasingly "trickling down" to smaller and smaller Hungarian-owned companies. At the same time, it is also a fact that the demand for labour that cannot be met by Hungarian workers is making it increasingly worthwhile for employers to invest in both changes in organisational culture and the development of any missing skills (competences) of their employees.

On the negative side, however, this labour market demand is geographically unbalanced, and is hardly felt in the less developed regions and municipalities with a higher proportion of Roma. These deprived localities do not provide opportunities for people to gain work experience, even if they may have a professional qualification. Here, generations are growing up without an adult in the family employed in the primary labour market. Public works programmes and commuting are almost exclusively seen as a dead-end employment option for income generation. Experience with the latter has shown that, in addition to individual health, it is also significantly damaging to family stability.

Finally, in addition to the low educational attainment of Roma youth, the high drop-out rate (60%+) from vocational education and training should be mentioned. As they do not acquire a profession, their integration in the labour market is also difficult. They can only get low-prestige positions with no prospects of promotion, if there are any jobs at all in the micro-region.

For these young people, the first step to failure is not vocational training, as they already receive a low quality education in primary school, which is not able to teach them basic skills.

Recommendations

- In many cases, Roma workers appear in the public discourse as a 'hidden labour market reserve'. However, we do not have precise data on the exact size and characteristics of this 'reserve'. It would be very important to identify exactly what this is, because only on this basis it would be possible to determine which development programmes should be launched to enable this labour force to return to the primary labour market.
- Several employers reported very high fluctuation in low-skilled jobs. This is of course partly due to working conditions (monotony, multiple shifts, difficult working conditions) and partly due to a lack of adaptability of employers and workers. This situation could be greatly helped by mentoring at the workplace and external support for workers.
- The development programmes, 'active labour market tools' are mostly available on a project basis. This means that during the project period, the method and indicators defined in the applications must be used to help those entering the labour market. However, in real life, these rigid structures are not suitable for the real development of these target groups. A good example is the provision of basic education for people who have not completed primary education (to enable them to acquire a profession). The motivation of the individual is often in vain if such education is not provided in the year or municipality in question because 'the project is not running'. We recommend the development of a much more flexible service environment, which should be designed with the involvement of major employers and organisations (sometimes NGOs) that can reach the target group and, if necessary, help them with social work to find a job.
- Given the high degree of geographical inequality, large-scale and long-term development programmes should be designed to offer employment opportunities based on market logic to lagging regions. This requires significant infrastructure development, but above all a real and sustainable improvement in the quality of human services (welfare service, public education, basic health care).
- For workers who cannot find employment locally but who have competitive skills and labour, mobility should be made possible through public programmes that replace 'commuting at weekly base' and support joint family mobility.
- Ensure that cases of discrimination are detected as widely as possible, it is necessary to simplify the procedures involved and to provide victims with access to free legal aid.

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