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Judit Cseh: Employers' aspects concerning the employment of people with a reduced capacity to work in the open job market (Ph.D. thesis)

"Everybody has the same value as the others, that is, their value is absolute" (Kant)

A specific significance of this doctoral thesis is that, based on the year 2011 report of the Central Statistical Office, out of the 15-64-year-old Hungarian population 767,000 people indicated to live with a constantly existing health problem, illness or limitation, and to feel inhibited in applying for a job or working due to such a health condition. This stands for 11.65 of the given population, that is, every tenth active-age person in Hungary can be considered as lingering with reduced capacity as they are those whose job market presence is adversely affected by their health status to a certain extent. The chances of employment for such people are by far worse than that of the population as a whole, but this is also affected by a lower education.

In her Ph.D. thesis the author introduces the study of problems related to people with reduced capacity to work from the aspect of employment rather than from a catching-up perspective. She believes that it is through the job world that leads to social integration. A general purpose of the thesis is to facilitate an integrated employment of people with a reduced capacity to work, or more exactly, to reveal the criteria that if effected, the employer will decide on the employment of a person with reduced capacity to work. The thesis is fundamentally based on three pillars: on the one hand, on the study of relevant Hungarian and international literature together with the concerning policy documents, while on the other hand on research in the practical field. During her research the author revealed the interest scheme of employers of Hungarian employment rehabilitation and identified the benefits, allowances, services and other incentives. The conclusion drawn was that for the employer the common application of lowering financial burdens and informing/reshaping attitude would be the most incentive way to boost the employment of those with reduced capacity to work.

The author reasonably includes in the thesis the year 2009 report of the State Audit Office, in which it laid down that the state spent double amount on the employment of those with a reduced capacity to work, while it could only establish half as many workplaces as before. Based on the experiences of those employing disabled people, the reliability and productivity of such employees do not lag behind those of other colleagues, but they are less absent, stay employed for a longer period of time, are loyal, cause less work accidents, with their employment illness-related costs drop, working atmosphere and morals improve, everybody profits from accessibility and last but not least, the company's reputation, internal and external image improve.

In her thesis, Judit Cseh highlights the exceptionally disappointing situation in Europe, that while in Europe the employment rate of those with reduced capacity to work is between 40-50% on average, in Hungary, based on the 2008 data it is only 23%. Statements of the thesis are also underpinned by Eurostat data.

The employment rate of those with reduced capacity to work in member countries related to the EU average in 2011 (%) employment rate (15-64 year-olds) EU average. Source: Infoszog/Eurostat (Survey about workforce)

A major merit of the thesis is that it contributes to the change in attitude that wishes to ensure the employment of people with a reduced capacity to work not through catching-up institutes, but with the involvement of open job market players, in an integrated way.

The thesis reveals the difficulty that the definition or separation of the target group with technical terms takes places with various definitions both at Hungarian and foreign authors. Based on her research, Judit Cseh defines disability as it can be interpreted as a complex interaction between the person's pathological health status, external factors constituting their living conditions and personal aspects.

An emphatic part of the thesis is sacrificed to the introduction of the equal opportunities of the disadvantaged in the labour market within the EU. It is justified because the business, employment, labour market processes of recent years within the EU have significantly transformed the earlier evolved centre-peripheries relations and the consequential business and social policy situations reflecting different economic development. The author is right in stating that all these had a determinant effect on the employment of the disabled or of people with a reduced capacity to work. The author considers as a significant step the formation of the 1997 Amsterdam Treaty, which inserted the social charter within the constitutional-type documents of the EU. The integration of groups exposed to social exclusion – also including endangered people - is targeted by this treaty, which at the same time made the fight against social isolation a new social policy objective of the EU.

An important chapter of the thesis is when the author introduces the dramatic change of the political transition of 1989. She explains that in Hungary the economic transition was accompanied by the loss of some 1.5 million workplaces beside a profound change in the employment structure and ownership. Unemployment primarily and mainly affected the disadvantaged strata of the labour market, also including those with a reduced capacity to work. At the end of the 1980s and the beginning of the 1990s people falling within this group were basically confined to passive benefits (social allowances, invalidity pension), and they were permanently excluded from the labour market. Also employment policy failed to pay enough attention to employment rehabilitation, so as a consequence, by the end of the 1990s a general, content renewal of employment rehabilitation became inevitable. Experts and professional bodies welcomed the National Program on the Disabled (OFP) that came into being in 1999. The program, also in harmony with human rights principles and European economic policies, aimed at promoting equal rights and a social acceptance of the disabled. Within this aim the objective that also affects employment is that the disabled may be “full and useful members of society” as much as possible.

The next step in a changing legal environment was when the act on equal rights came into force in 2003, which ordered to enforce the principle of equal treatment and the promotion of equal rights in line with new expectations of the Hungarian society and with EU directives. It was clearly formulated that it is meant as violence of the equal rights requirement if the employer applies direct or indirect discrimination against the employee (Law CXXXV of 2003 on Equal treatment and the promotion of equal rights).

The next instance in the transition of the law-making environment as regards the employment of people with a reduced capacity to work was when the new laws and regulations came into force in 2006. There are two new elements appearing in the focus of the new regulatory system. On the one hand, the accreditation procedure, that is the definition of the conditions necessary for being granted the title of an accredited employer, on the other hand the naming of the budgetary subsidies available by the provision of such conditions. Such subsidies are the wage subsidy and cost compensation after the employment of people with a reduced capacity to work (cost compensation subsidy and cost compensation for rehabilitation) and social employment.

As of 2011 a further transition started. On the one hand, the institutional system changed, benefits, qualification and certain subsidies facilitating employment were modified. Instead of the National Rehabilitation and Social Institute employment rehabilitation is controlled by the National Rehabilitation and Social Office (NRSZH). (Government Decree 331/2010. (XII.27.) on the legal status of the NRSZH) Within its duties concerning employment rehabilitation the NRSZH performs official affairs related to the accreditation of employers employing people with a reduced capacity to work and to the supervision of accredited employers, and it is also responsible for tasks specified in laws and regulations on budgetary subsidies available for the employment of people with a reduced capacity to work. It is also the NRSZH to see to providing information on the employment of people with a reduced capacity to work and on subsidies or services facilitating such employment.

Act CXCI of 2011 on the benefits of people with a reduced capacity to work and on the modification of certain laws defined further organizational changes. Previously there were three bodies to administer the claims and applications for rehabilitation and invalidity benefits. The applications were judged by the pension insurance directorates of the county and Budapest governmental offices based on the official statement of the NRSZH, while issues concerning employment were managed by the local offices of the job centres. As of July 1, 2012 the above duties are managed by the authorities set up from the employees of the three bodies, officers of the rehabilitation bodies of the county and Budapest governmental offices. Benefits continue to be granted by the State Pension Directorate.

In the Ph.D. thesis the author drew up a clearly arranged chart of her own grouping and edition, showing the interests of employer bodies.

			Employers' interest system			
Benefits			Allowances	Services	Other incentives	
State		EU	reduction of taxable amount	NFSZ	positive	negative
NFSZ	NRSZH	TÁMOP 1.1.1.	soc. contrib. tax allowances	NRSZH	CSR and diversity	employment quota
wage subsidy	job creation subsidy	wage cost subsidy		Civil society	trainings	
wage cost subsidy	Rehab. empl. subsidy				acknowledgments, rewards	

The interest system of the employment of people with reduced capacity to work is easily traceable in the chart.

The author introduces and analyses the details and certain elements of the interest system, and finally draws conclusions. It is clearly conspicuous that the opinion on employment held by employers employing or not employing people with a reduced capacity to work is different. The opinion of the latter ones is in every case worse than those of employing such workforce therefore it is essential to make the non-employer circles see that the employment of people with a reduced capacity to work carries several benefits. It is important that the employer effectively recognize that employing a person with reduced capacity to work may mean advantages. Experiences clearly show that most employers have prejudices at start towards those with a reduced capacity to work, but these change into a positive direction with the actual employment, that is employer satisfaction proportionally increases with working time. Furthermore, companies already employing such employees are also planning to do so in the future, and they are ready to employ further people.

Judit Cseh believes that the employer with the necessary information at hand can consider the issue of and decide on employment, thus providing the opportunity for those with a reduced capacity to work to prove that they are also capable of adding value if they have to perform a job that fits their abilities. So that such judgment not be adversely affected by certain factors, such as the intricacy or tedious and unnecessary administration of acquiring accreditation for entitlement to subsidies or compliances and availabilities for supervisions of surplus administrative burdens related to the subsidies, the operation of an employer-friendly system is suggested by all means. Market is moved by interests. If it is worth employing those with a reduced capacity to work, the employer will probably decide so, while in an opposite case it is unlikely. The aim therefore is that the overall "price" of the above-listed factors do not outweigh advantages meant by the employment of a person with a reduced capacity to work.

A major merit of the document is that the author highlights the terminology confusion concerning the definition of people with a reduced capacity to work. The author justifies as a result of her research findings that in Hungary variable definitions are used for people with a reduced capacity to work depending on whether a field based on human rights, related to statistics, social affairs/entitlements or employment is being studied. Different people are qualified as with reduced capacity to work as regards subsidized employment, the application for rehabilitation contribution or the entitlement for a rehabilitation card. It can also be found that there have been changes in this from year to year or even within a year. The author also sees as a major problem that a positive shift in the attitude of those employing people with a reduced capacity to work is rather slow. That is, laws and regulations or documents can be formulated from one day to another, while taking up a modern, socially responsible and accepting attitude is only the result of a lengthy process. With her studies the author found that these are the fields where Hungary is lagging behind European standards the most. The lack of a desirable attitude is not only traceable in the job done by expert, but also strongly on the demand side of the labour market.

In many cases the repulsive, stereotype-based employer's attitude is due to ignorance or a lack of information. This sets obstacles to the employment of people with a reduced capacity to work, they often have to come up against a discriminatory conduct. Persuasion is based on exact information and on making employers aware of that beside the risk factors arising with the employment of people with a reduced capacity to work, a number of benefits can also be realized.

The author is optimistic about the future as she believes that current Hungarian employment policy concepts clearly harmonize with the attitude and objectives of the Europe 2020 strategy. The most important common aspect is to increase the number of those employed. Beyond the expansion of employment, guidelines adjusted to the European employment trends aim at the improvement of work quality and productivity, social cohesion and the strengthening of acceptance. Today in Hungary – although at a strategic level – the improvement of the employment of inactive people, challenged at the labour market – also including those with a reduced capacity to work - are given priority.

At the end of the Ph.D. thesis the author suggests that in the field of human resources development, an ongoing conversation is necessary at the level of employers, labour- and labour market organizations, alternative employment services, private work agencies and temporary employment businesses and interest bodies representing people with a reduced capacity to work. Within such panels all the four components discussed within a structure (benefits, allowances, services and other incentives) are necessary and their operation in a systemic and harmonized way is needed for making employment decisions.