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THEORETICAL GROUNDS TO REGIONAL ANALYSIS OF ATYPICAL EMPLOYMENT FORMS

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One purpose of this paper is to search the answers for the question whether the programmes elaborated for non-standard employment forms – in the mirror of scientific analyses – are capable for decreasing spatial differences of unemployment or not. The most important method of this critical review was the logical-chronological enumeration of the results of mainly sociological, economic and partly – because of the small number of researches – geographical papers. The logical analysis of the aims, methods and results of papers examining the content and features, the impedient and encouraging factors and the socioeconomic characteristics of non-standard forms were accomplished parallel, completing it with critical opinions and attitudes on the system of advantages and disadvantages of these forms. It has become evident from the analysis of long-distance tendencies in the expansion of atypical forms in the EU and in the states with a 2004 accession date that the most paramount difference can be found in the stability of trends of development. In Hungary, initiatives in employment policy have had little effect on atypical employment. But in the future, because of growing competition and reducing payment disparity, though with regional differences, one can expect the expansion of flexible forms of employment.

**Key words:** non-standard employment, flexible forms, regional approach, regional differences, economic activity, unemployment

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INTRODUCTION

Recently, it has been inevitable to develop continually according to the requirements of the labour market, to improve the faculties and potentials necessary for adjustment, which demands lifelong learning, renewal and extension of acquired knowledge, and gaining new knowledge. Future schemes to raise the employment level will have to consider these requirements. Introducing systems that enable the lifelong renewal of professional knowledge will be necessary. Accelerated technological changes, the challenges of market competition and the speedy development of society require the continual training of employees. New and optimal means have to be found to strengthen the competitiveness of companies, and in the meantime, to have the requirements of social policy implemented. Advanced initiatives will be needed that effectively contribute to increasing employment and decreasing unemployment.

It is more and more topical that personnel and regional development experts should consider atypical employment forms meeting the above requirements. In the future, it will be necessary to spread and widely apply them. New application potentials might be gained through improving existing methods.

In countries with more developed economies, it is a basic endeavour to get the most possible men and women able to work from the adult population to have gainful employment, to take care of themselves and their families, and to contribute with their work to their own and their countries’ prosperity. According to the Hungarian national statistics on employment assessed before EU accession (2001) – but in a similar attitude to the Union requirements – less than 60% of those in working age were present in the labour market. Besides the eight member states of the EU, Cyprus, Lithuania, Czechia and Slovakia had an activity rate higher than 70%. Belgium, Luxembourg, the majority of Southern Europe, and Bulgaria are characterized by a rate of less than 65%. But an activity rate below 60% was registered only in Hungary (Fig. 1).

It is typical of Hungary and of several countries of the EU – but not of the rest of the former socialist countries – that a much smaller share of women work, or seek jobs actively than men. A great part of the over fifties leave the labour market before reaching retirement age, thus the primary aim of the EU is to increase the participation of women and of the elderly in the labour market. Yet, the vast and unexploited reserves of the labour market are represented by the inactivity of a significant part of the workers between 15 and 64 (Laky 2002).

One purpose of this paper is to search the answers to the question whether the programmes elaborated for non-standard employment forms – in the mirror of scientific analyses – are capable of decreasing spatial differences in unemployment or not. In Hungary – this is valid especially for telework – except for some non-profit enterprises and that of helping the reintegration of handicapped people, those taking part in these programmes differ from the unemployed in qualifications, structural and spatial characteristics. Most of those employed in non-standard forms are not the inhabitants of disadvantageous regions and settlements. Thus the question arises whether one can expect moderation of the unemployment rate in the disadvantageous regions from the non-standard forms of employment or not.
According to the above written, it is appropriate to examine the potentials of atypical employment forms in regional application. For the states with an accession date after the millennium – such as Hungary – it is important, on the one hand, to get to know the characteristics, expansion and structural features of atypical employment forms from professional literature. On the other hand, the sooner they catch up with the prominent initiatives, the earlier they can use the benefits.

![Fig. 1. Activity rates in Europe](Source: Eurostat 2003)

The basis for issuing the results is the secondary analyses of significant Hungarian and international studies. Critical analyses categorized according to topicality are designed to follow the logics of development of certain disciplines.

This means the logical-chronological enumeration of the results of mainly sociological, economic and partly – because of the small number of researches - geographical papers. In this case, of course, the simultaneous elaboration of several themes is needed. The logical-chronological analysis of the aims, methods and results of papers examining the content and features, the impeding and encouraging factors and the socioeconomic characteristics of non-standard
forms were accomplished in parallel, completing it with the author’s own critical opinions and attitudes on the system of advantages and disadvantages of these forms.

Eurostat direct data and Eurostat data published in *Employment in Europe* issues served as a source for the figures used in the charts. The county and regional series assessing KSH 2001 census results served as the source for Hungarian microregion data.1

**RESULTS**

The content and characteristics of atypical employment forms

Apart from a few sociological writings, studies in Hungary have discussed atypical employment forms – since from the middle or second half of the . The researchers of the topic – just like the ones abroad – examine the problem primarily from the aspect of statistics, sociology and the economy.

Among others, Borbély et al. (2000) has written on the content and characteristics of atypical employment, defining its different forms. Theoretically, the concept of atypical employment should be altered every time and in every place, since it can mostly be defined compared to the prevailing definition of typical employment characteristic of a given area.

In Hungary and Europe, all the employment forms that differ in one or more (even in all) of their elements from a regular full-time (eight hours) permanent employment, bound to the premises of the employer are understood under the concept “atypical”. Thus part-time employment qualifies as atypical, while fixed-term employment, and occasional or seasonal employment belong here compared to the full-time forms. The category is expanded by work not in employment, that is self-employment. The fourth group contains the forms that cannot be placed in the above categories, but which differ from regular employment, that is telework, homework and manpower loan.

The formerly hidden processes of the developed economies became evident from the 1970s. Because of the transformation of consumption habits, the continual reorganization of employment sectors ensued towards the direction of services. Unemployment increased in accordance with the changes taking place in large-scale industries of mass production; employment forms have started their transformation and atypical forms began to expand (Laky 2001).

International expansion of atypical employment forms

The ratio of atypical employment has continually been increasing since the 1970s in the member states of the EU, though unemployment has not been reduced significantly. The enhancement of employment accounts for the measures mostly considered constrained. In order to force expenses down, employers prefer solutions cheaper than regular employment. According to European statis-

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1 We owe thanks to Michael Mlady, statistician of Eurostat, and Marina Molnár, informatics manager for easing access to data.
tics, new working places have been established almost exclusively in some of the atypical forms since the second half of the 1990s (Borbély et al. 2000).

For the last decades the nature of unemployment has been changing, it has become large-scale and constant (Fig. 2.). So, the active labour market means introduced to treat boom oversupply have failed (Frey 2000). That is, active means do not reach the so called “hard core”. Employers cannot enlarge the number of staff even despite subsidies, or if they can, they do not fill up work places with the unemployed who have drifted to the periphery of the labour market. Any increase in the level of employment can primarily be attributed to the spread of certain atypical employment forms.

International literature mentions the possibility of creating working places (social economic) outside the mainstream labour market as one of the remedies for the problems of employment. In this framework, such services are turned into professions (in the sector protected from international competition) that have earlier not been part of the world of paid work. But only a few organizations can set up complex programs for the most disadvantageous groups, what is more, these programs are missing where they would be needed the most, that is in small villages (Frey 1997).

Fig. 2. Unemployment in Europe
(Source: Eurostat 2003)
Expansion of atypical forms in Hungary

In socialist Hungary, the only flexible employment form – with a detectable measure – was part-time employment, which concerned people taking jobs during old-age pension and a share of women with little children as a rule. In both cases part-time employment was proposed by the jobseeker. But because of the fallback in family livings, and the fear of losing one’s job, women have continually been losing interest (Gere 1997).

The retired have almost entirely been swept off the labour market in the course of forming the workforce structure adjusted to the demands of the market. This has got part-time jobs erased from the palette of employment.

The unemployment brought along by transformation might have given rise to change. Yet, the rigid labour market did not yield to flexible employment (Frey and Gere 1994, Frey 1996, Gere 1997).

At the end of the 1990s, at the millennium, the number of the irregularly employed increased in Hungary, too. In the middle of the 1990s, when more than 40 % of the wage-earners worked in some of the atypical employment forms in the states of the European Union; their rate came to 15-16 % in Hungary (Lakatos and Nádas 1997).

While in the European Union employment is expected to increase with the young and the over 50 taking jobs; in Hungary, the number of wage-earners – and the number of women within it – is low in every age group.

In the 1990s there were hardly any measures taken to accommodate employment differing from regular forms in the organized economy. Measures concerning employment policy deal with the resuscitation of regular employment forms, disregarding the changes in the world of work. It happened despite the fact that the people dropping out of the supporting system become inactive themselves on leaving the system. Adjustment to the evolving social-economic reality requires several changes (Laky 2001).

The differentiation of labour expenses might be one of these changes. While the increase in contribution expenses means a burden to multinational firms, for smaller companies it means a cause against expansion. In regions struck by a high unemployment rate, employers have to be made interested by becoming exempt from paying taxes and contributions burdening work in order to get employment for the unemployed with low education and no qualifications (Laky 2001).

Structural and socio-economical characteristics of atypical employment

International literature published on the topic discusses primarily the results of two disciplines, sociology and economics in the 1980s and 1990s. The majority of the writings belonging to the former discipline approach the question of unemployment and part-time employment with a qualitative aspect. Fleetwood (2001) examines the qualitative characteristics of part-time employment, which differentiate it from typical employment forms.

Further studies analyse the connection between atypical employment and living conditions. Since the earnings of workers in atypical employment forms are
low – with special attention to old-age pension – it is necessary to carry out a widespread interpretation and application of sociology in order to avoid the expansion of poverty (Kanerva 1999).

Bardasi and Francesconi (2003) examine the question from four points of view: (1) whether the employees for a determined period are less content with their living and health conditions than the employees for an undetermined period; (2) whether the above is true for part-time and full-time employees; (3) whether the transformation of the employment (from atypical to typical) affects the contentment of employees; (4) whether any difference can be traced between male and female employees. The researches conducted – except for seasonal and occasional jobseekers – could not find any significant connections between the health conditions and contentment of employees and the employment forms.

The studies of Hiroki (1998, 2001a and 2001b) examine the basic characteristics and significance of atypical employment forms. In the sense of the positive approach, atypical employment forms widen employment opportunities, and flexible hours are chosen voluntarily by the employees. From the negative perspective, these forms establish unstable work possibilities that go along with little payment and low level working conditions, and what is more, employees are forced to choose them. Research results demonstrate that the latter perspective is in the minority, and furthermore, the expectations and preferences of the employees opting for atypical employment are fundamentally different from those working in typical forms. The importance of private life is especially evident in cases of teleworking women and women working part-time.

Among the non-standard forms, the advantages and disadvantages of using telework was examined by Tésits and Bokor (2005). Among the figures of the market, telework employers are the most difficult to mobilize. Disinterest and indisposition is the most significant here. They can hardly break-away from employing those who have personal and daily contact with the management. The issue of economy can be an aspect which means enough motivation for the employer. Here two segments of employers can be mentioned: big and medium size enterprises, and entrepreneurs of the micro-sphere. Big firms are more open to telework, because they have those informatical devices which they can give up to their teleworkers making them able to work at home. They have the organizing possibility to group those tasks which can be economically given to teleworkers. Micro enterprises can be partners in telework because of their flexibility and rapid responses.

Osawa (2001) sheds light on the differences present between how employees in regular or flexible employment are treated. Besides the propositions to ban discrimination, he examines the status of “full-time part-timers” (“para-part-timer” = “gij-pto”), who get a treatment similar to that of employees working by a part-time contract.

According to structural analysis conducted at the end of the 1990s, and at the millennium, it became obvious that the number of those choosing atypical forms in order to avoid unemployment increased significantly even among the highly qualified. Enterprises and firms need their know-how and write a fixed-term contract only temporarily, for solving a certain problem. Employees doing
one or two part-time jobs belong to the other group of „free-lancers”. It is characteristic of one-fifth of the latter group that they do not want any payment in order to keep their labour market ties (Jorgensen 2000).

Nurmi (1999) analyses the change in the labour market positions of women and men in the spectra of the expansion of atypical employment forms. In the states of the European Union full-time motherhood is gradually being replaced by a family model of two wage-earners. Part-time employment is gender-specific, since women typically are employed in this form in 70-90 %. Even among the ones with a fixed-term contract, women are over-represented, though to a lesser degree. The former was chosen by the majority, nearly two-thirds of the employed women, while the latter does not meet the demands of the employees.

The over-representation of women is justified by the observations of Kreimer (2000), which hold the view that atypical employment is more and more a fixed element of women’s careers. Studies offer new dimensions of gender-specific labour market to the professional public opinion. Two, sharply distinguishable segments (flexible and regular) of the labour market participation of women are becoming more and more discernable.

The series of structural analyses are completed by the observations of Degrip et al. (1997), which, at the same time, show the effects of atypical employment forms on unemployment. The expansion of part-time contracts, which are primarily typical of employment requiring low qualifications, reduces unemployment, and increases the ratio of female employees.

Though the majority of fixed-term contracts can be linked to young employees, the increase in their number reduces neither unemployment in general, nor the unemployment rate of the young. It rather manifests the employees’ weaker labour market position. The two above forms are different from each other on the basis of their labour market relations. While the increase of part-time employment correlates to lower level unemployment, fixed-term employment correlates to a higher ratio.

Interdisciplinary comparative socio-economic studies (Wegener 2003) examine the effects of atypical employment forms on the structure and measure of social inequality approaching from sociological and economic labour market theories (equal earnings, social mobility, etc.) Studies seek answers to the question of to what extent atypical employment contributes to the segmentation of labour market, and to the re-integration of the groups formerly staying away from the labour market.

Writings on economy explain the appearance of atypical employment through the examination of supply-demand labour market theories. Muehberger (1999) closely connects the driving forces of atypical employment to social and economic conditions. Consequently, institutional systems, as exogenous factors, fundamentally influence the decisions regarding part-time and fixed-term contracts of employees and of firms.

Fink (2000) finds the expansion of atypical employment forms the most significant trend in the labour market. He emphasizes, examining social and labour market potentials and strategies, that the expansion of flexible forms can only be influenced within narrow limits.
As a consequence of the labour market tendencies of recent years, the relative control on employees exercised by firms and the autonomy of employees have gained new meaning. Constitutional flexibility has brought along the expansion of atypical employment forms, which resulted in the emergence of new career types. According to the aforesaid, Guay et al. (2000) with the help of regression analysis have calculated the possibility of one employee belonging to two forms of atypical employment (multiple part-time and self-employment).

Further studies draw attention to the revaluation of the concept and the nature of employment and unemployment. The approach of neoclassical economics is incapable of examining the qualitative elements of changes. Yet, the majority of political counter-measures of the critical issues aim to reduce numerically detectable unemployment (Joos 2002 and Fleewood 2001).

Regional-geographical characteristics of atypical employment

The number of international comparative analyses applying a regional approach is small. It has become evident from the analysis of long-term tendencies in the expansion of atypical forms in the EU and in the states with a 2004 accession date that the most paramount difference can be found in the stability of trends of development. In the majority of states before accession, owing to the consequences of socialist economic development, social-economic change of regime and the difficulties of transition, current labour market conditions do not designate the course of long-term development. While regional differences in self-employment are not significant regarding the member and acceding states, the eminent rate part-time employment characterizing the EU 15 can be linked to the employment rate of services.

In East-Central-European states, because of the lack of traditional flexible employment, a more significant industrial orientation and lower wages make part-time employment less popular (Sicherl 2002). It is so despite the fact that in Hungary less than 60% of those at a working age are present in the labour market (Fig. 3). It is most evident in the border regions of South Transdanubia, and in the environment of Komló and Sásd and, disregarding one or two microregions, in Northern Hungary and on the Northern Great Plains.

Regarding telework, the statement is valid up to this day in Hungary (Neumann 2000) that there are significant qualificational differences between the unemployed and applicants for telework. Thus, telework cannot be expected to decrease unemployment in the underdeveloped regions, but the exemplary programmes and the successful employment experiences can contribute to the spreading of this form even in the preferred regions.

The residence of teleworkers and the central site of employers can be found close to each other in most cases. This generally means a relationship realized between the borders of a settlement, a microregion, or a county. One of the reasons for this is that the selection of employees is based on former acquaintance. With regard to profit oriented firms, employers account this to be the guarantee of reliability. Non-profit oriented enterprises or firms employing handicapped people can be the only exception to the above mentioned. In this latter case, the distance between the central site of the employer and the employee can be big-
ger, selection can be realized on a national level, and employment can be able to decrease unemployment or ease the problems of underdeveloped regions (Tésits and Bokor 2005).

Regarding self-employment, it can be stated that the motivations of entrepreneurs depend on the geographical position, infrastructure, demand on services and of course the human factors of the affected settlements. Among the latter, skill, foreign language knowledge and – in certain regions of Hungary – the proportion of ethnic minorities play a significant role. (Tésits et al. 2005).

![Figure 3. Economic Activity in the Microregions of Hungary](image)
(Source: Hungarian Central Statistical Office, National census 2001, regional data)

**CONCLUSIONS**

The expansion of atypical forms has had two sources in the last two years: competition growing more and more forced employers to reduce expenses, while chronically high unemployment rate induced states to increase employment. In connection with chronically high unemployment rate and the Maastricht convergence-criteria, the question of achieving labour market flexible became central. It became evident that it is difficult to conceptualize its success without the welfare state reform. Some hold the view that one can compensate for the fact that a growing share of employees are driven out from working places protected by safety rights mostly through fortifying the institution of social security. Others reckon that the reform of the welfare state is necessitated in order to make employment cheaper (Borbély 1997)

So, while the process was interpreted as the means to improve competitiveness and flexibility by international literature in the 1980s, today, writings
showing the dark side of this process get more emphasis (voluntarism, quality of life, allowances, etc.) (Nacsa 1997).

In Hungary, initiatives in employment policy have had little effect on atypical employment forms. These forms, most likely, concern a lot more people than the statistics enumerate. The employment policy of the 1990s supported the self-employment of the unemployed at most; but it had no significant results in enhancing part-time employment. The employees’ view of work has not changed at all after the millennium. A significant share of employees – primarily because of financial reasons – are challenged neither by more free time nor more creative work. Reasonable earnings and safe workplaces are preferred to autonomy and flexible working hours. But in the future, because of growing competition and reducing payment disparity, though with regional differences, one can expect the expansion of flexible employment forms (Medgyesi 2003).

Regional analysis in Hungary should consider the regions where the collective rate of employees and unemployed juxtaposed to the population of working age is lower than the national average.

REFERENCES


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V strednej a východnej Európe je hladina zamestnanosti nízka, oveľa nižšia ako vo väčšine ostatných európskych krajín. Prekáža hospodárskemu rastu, znižuje schopnosť adaptácie na zmeny, príjem štátu je napätý, pričom sa jeho bremená zväčšujú, redukuje sa možnosť znižiť dane a zvyšuje riziko exklúzie jednotlivcov zo spoločnosti. K súčasnej situácii prispeli všeobecné trendy, ktoré platia vo všetkých rozvinutých krajinách a zvláštnie črty Maďarska, väčšinou kvôli povahe ekonomickej transformácie.


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