# Dear Reader,

The Government of National Affairs defined new frameworks for the system of public employment in 2011. It targeted as a fundamental objective that the activities called start work must create real value, must be controlled and measured and thus serve the good of the community. Public money spent on the programmes required strict financial settlement.

One objective of public employment is to facilitate the employment of people reintroduced to the world of work on the labour market as soon as possible and where it is not possible to help them become independent and stand on their feet in due course by establishing social co-operatives.

The Government assigned the Ministry of Interior in 2011 to implement the programme and also examined the performance of the programme in 2012. The Government found that it was appropriate enriching the country with real values. This is why the start work programmes will also continue this year according to the established system.

We may state that the system of the start work programmes provides over a quarter of million jobseekers with work opportunity every year. Start work also means that disadvantaged settlements, the number of which has been increased this year, receive additional resources via the start work model programme, which is fully financed by the state, the result of which directly contributes to the local community.

In order to declare, however, that these programmes were successful, the people planning, implementing these objectives and achieving the results locally were necessary.

This publication presents the good practices proven most efficient and most useful in the past period. These performances are especially recognised by the Ministry of Interior. All future public employers – the circle of which, such as for example the municipalities, is defined by the law - are encouraged to follow these examples or have even a better quality performance when implementing their own start work programme.

This publication richly illustrated with photos and charts also give the opportunity to those interested to become familiar with the system of public employment and find answers to their own questions. I recommend this publication to the readers hoping that it will achieve this purpose.

Budapest, May 2013

Dr. Sándor Pintér Minister of Interior

#### VALUE CREATING PUBLIC EMPLOYMENT

After the change of the political system one of the biggest problems was the management of the high rate of unemployment. The staff of job centres and the representatives of the social professions faced the fact that the individuals and families had serious financial problems and were in almost hopeless situation every day.

The social, economic and infrastructural underdevelopment and development of certain regions fundamentally define the long term income, labour market position and prospects of those living in the region. The territorial differences are also very visible in the number of unemployed people and in the number of those receiving benefits.

The state wished to provide the people of active age without long term income receiving benefits because of their social position with work opportunities by applying employment policy tools, among them the introduction of public employment. The application of active employment policy tools is useful for both the individuals and the society, however due to the limited availability of resources it only provides a temporary alternative for employment.

The renewed system of public employment introduced as of 1 January 2011 has its significant place in the domestic employment policy. It is closely related to other special policies considerably influencing the labour market processes.

Public employment is also advantageous for the associations established by the cooperation of the local governments and municipalities. The agricultural projects of the micro-regional model programmes may provide the municipality institutions with locally grown fresh fruits and vegetables.

The objective of the programme of utilising bio and renewable sources of energy is to replace the expensive gas by alternative methods of heating, by providing the heating material locally and by the parallel installation of new modern boilers using mixed fuel with low air polluting material emission.

In the inland water drainage programmes the prevention of inland waters threatening settlements and agricultural areas, the construction of inland water drainage ditches and their regular maintenance were performed with the help of public employment.

The municipalities have the opportunity to use publicly employed people to cease illegal waste disposal sites by which the removal of waste illegally disposed in public areas owned by the municipalities and the performance of public sanitation tasks also become easier.

Plough-land plants are used as feed at the municipality pig farm and the pigs are processes at the local slaughterhouses for own use. By burning apple shoots and other trimmings produced every year in the orchards owned by the municipality savings are realised on the heating costs.

Among the cost efficient industrial type tasks worn out pavements were typically renovated, new pavements were constructed by using locally produced tiles and covers. Concrete slabs were produced for the renovation of the water drainage sewers (ditches) in the public areas of several settlements.

Artificial stone type tables and benches were prepared and placed publicly on an experimental basis. A small wood-mill was constructed with wood industrial machinery purchased and partially restored where from the available locally produced or purchased raw material different products (benches, refuse containers, fence elements, roof elements) were produced.

The stops and terminals of public transport, the public parks, playgrounds and sports grounds of the settlements were renovated in many places. The organisation of the leisure time activity for children, the increase of the range of health and social services provided to the citizens were solved within the framework of the programme additionally.

All in all it may be stated that the overall picture, the tidiness of the settlements improved, the residential and natural environment became nicer and cleaner, the protection of the interest of the inhabitants was accomplished, public security in the settlements was improved, the settlements became more attractive from the point of view of tourism, the quality of institutional catering grew and the desire to act for the community was strengthened as a result of the work of those publicly employed.

Innovative activities, by which public employment programmes built on the work culture of centuries were launched, return to bio farming was achieved and a food processing plant was constructed within the framework of cross-border cooperation, appeared in public employment. There are settlements were attempts are made to establish family friendly public employment workplaces, where a holiday is held for those in public employment and I could carry on listing several other "good practices".

There are several good examples for the municipalities realising income as a result of public employment, by which the activities may even become self-maintained in the long run.

In addition to the agricultural activities such activities are the production and sale of energy plants, the extension of medicinal water-based services, the operation of guesthouses and open-air swimming pools of municipality property.

None of these activities are within the competence of the municipalities, however their introduction may significantly improve the local employment opportunities of the inhabitants and the conditions of establishing social co-operatives with support of decreasing intensity may be met.

All in all the Start work programmes point out to the fact that by regular and continuous work the individual is capable of influencing his/her own fate, of producing food for him/herself, of becoming self-supporting and even of social progress, self care by becoming an entrepreneur via this activity. The programmes facilitate the reduction of the regional social tensions and the alleviation of the living problems of the families.

Value creating work performed within the framework of public employment (start work programme) — as it was stated by the Commissioner for Fundamental Rights within the framework of the "Dignity of Work" Project — " … may not only lead to the revival of the economy but also to the strengthening of the self-evaluation of the local societies and the individuals. The strengthening of the local societies in turn may facilitate the independence of the settlements and the achievement of self-support."

Dr. Imre Hoffmann Deputy State Secretary

#### LEGAL BACKGROUND OF PUBLIC EMPLOYMENT

In the current market and economic environment public employment may be a significant chance for the jobseekers with cumulated disadvantages receiving employment substitution support (hereinafter referred to as: ESS) and the jobseekers not entitled to jobseekers' benefit or social benefits (especially jobseekers with changed work ability, the homeless, refugees and jobseekers of Roma nationality) for temporary employment for a definite time period.

Act CVI of 2011 on the Modification of the Acts on Public Employment and Related to Public Employment and Other Acts defines the entities, which may be public employers.

## Public employers may be:

- local and national municipalities and their legal entity associations,
- budgetary organisations (such as: water directorates, forest management organisations, national parks),
- churches,
- organisations with non-profit legal status,
- civil organisations,
- business associations entrusted with the management and maintenance of state and municipality property or business associations established by the state or municipality for this purpose,
- water management companies,
- forest managers (private forest managers),
- social co-operatives and
- organisations operating railway track network.

## Activities of public employment

In addition to the circle of public employers all the activities, which may be performed within the framework of public employment, must also be examined.

# Pursuant to Act CVI of 2011 these activities are the following:

- tasks specified in Act CVI of 2011 or state tasks prescribed by the law or
- mandatory or voluntary tasks prescribed in the Hungarian Local Government Act or
- mandatory or voluntary task prescribed in the Act on the Rights of Minorities or
- local community or bigger community tasks especially
  - health conservation tasks,
  - social tasks,
  - teaching and education tasks,
  - cultural tasks, tasks of preserving the cultural heritage, tasks of monument protection,
  - nature, environment and animal protection tasks,
  - child and youth protection, sports tasks,
  - public order and transport security tasks,
  - flood and inland water protection tasks,
  - tasks serving the purpose of satisfying needs related to the development, maintenance and operation of roads, bridges and tunnels opened for public traffic or
- tasks facilitating the implementation of community objectives defined by the Government.

A further condition is that the listed tasks may only be performed within the framework of public employment if the law does not prescribe civil servant, public service or government service legal relationship for the performance of the tasks.

Activities performed within the framework of public employment may not be earnings, market and profit oriented.

Forms of support of public employment

The types of public employment supports and the rules of their utilisation are regulated by Government Decree No. 375/2010 (XII. 31) on Assistance for Public Works.

## Labour market target group:

- jobseekers registered at job centres receiving employment substitution support or not entitled to jobseekers' benefit or social benefits - and
- persons receiving rehabilitation services according to the act on benefits provided to persons with changed work ability.

Support for the employment of the labour market target group may be provided in the following forms:

- supporting short period of employment (daily 4 hours work time for maximum 4 months),
- supporting longer period of employment (daily 6-8 hours work time for maximum 12 months),
- supporting the national public employment programme (daily 8 hours work time for maximum 12 months).
- supporting model programme (daily 8 hours work time for maximum 12 months),
- support serving the purpose of the mobility of public employment.

(The support given to enterprises for the employment of persons receiving employment substitution support or rehabilitation services employed in full time within the framework of employment, which is not public employment, is also under the effect of the government decree.)

## Support

- may be given to the wage costs (public employment wage, public employment guaranteed wage, pay at piece rate, wage of foremen and salary in case of enterprises) and to the related social contribution tax and
- to the direct costs and in special cases to the organising costs in the volume specified by the law.

## SYSTEM AND MAIN AREAS OF PUBLIC EMPLOYMENT

The system of public employment changed as of 1 January 2011. Non-profit work performance, public service and community service ceased and were replaced by the uniform system of public employment, which had started its "career" under the control of the Ministry for National Economy and was finally developed to the far-reaching complex system of today under the control of the Ministry of Interior starting from July 2011.

Public employment programmes offer wide range of opportunities to the public employers wishing to exploit the opportunities given by the law. The system of public employment offers temporary employment opportunities to masses of employment seekers in a wide range.

The state provides jobs for the people who are disadvantaged on the labour market because of their health condition, lack of qualifications, age or other reasons for which their independent search for employment is unsuccessful.

Public employment facilitates work performance for several target groups in all the territory of Hungary and it takes seasonality into account. Activities by public employment create value and are useful for both the individuals and the society.

Public employment legal relationship is a new special legal relationship, an employment relationship. Fundamentally the provisions of the Labour Code are applied to the publicly employed, too, with certain differences.

Publicly employed may be the persons, who may establish employment relationships pursuant to the provisions of the Labour Code and who are jobseekers registered at the job centres or receive rehabilitation services.

Public employment relationship may only be established for a definite time period and the definite time period may not be longer than the period of support provided for the public employment and it may not be prolonged. Trial period may not be stipulated and unpaid holiday will be provided to the publicly employed should they establish an employment relationship not longer than 90 days of definite period at other market workplaces.

Taking the framework of municipality longer term public employment as their starting point the public employment supports range from national level programmes to special value creating model programmes offering long term results. The higher value the programmes create, the more useful objectives exploitable for the public they implement the higher are the costs they have. These cost intensive programmes often related to investments are launched as model programmes with 100% support.

In addition to the supports special attention is also given to the involvement of the included jobseekers in training, by which their labour market position improves and their chances of being employed on the open labour market are increased.

The fundamental support types of the system of public employment are the following:

## Traditional municipality public employment

One of the most typical types of public employment supports is the programme implemented mainly in municipality public employment. In this type of public employment the emphasis is shifted to longer-term 6-hour public employment. Short time 4-hour public employment was not supported in 2012 and 2013.

The following value creating activities may be financed from the support given to longer-term public employment:

- processing and utilisation of vegetal basic materials;
- institutional maintenance works (should the activities be directly connected to municipalities or their institutions):
- protection of the natural and residential environment, renovation and maintenance of tourist attractions;

In addition to above the administration tasks related to public employment as well as public employment intended for the delivery of documents between the institutions, management of force majeure situations, inland water protection, snow removal, elimination of slippery surfaces may also be implemented within the framework of the support.

## National public employment programmes

Organisations of national competence may launch so-called nationwide public employment programmes covering several counties. Many people are used as workforce in the programmes, in the course of which, among others, projects serving the interests of the public, which improve the environmental values and infrastructure network of the country and help protection against inland waters and floods, are implemented in the priority territories.

An average of 5877 persons participated in sewage cleaning works in 2012 within the framework of protection from inland waters. From among the canal network of 3159 km constituting 230 canals of dual operation also concerned in inland water drainage and water replacement as well as in providing water for the agriculture maintenance, works were performed on 118 canals within the framework of public employment. Shrub and vegetation was cleared in 1578 km on 870 hectares and 3154 hectares were mowed. A total of 933 works of art were maintained and 18167 m<sup>3</sup> mud was removed manually.

The work performed by those publicly employed facilitated the supply of all the areas with irrigation water during the periods of shortage of rainfall in 2012 without the need of restricting the utilisation of water.

Shrub and vegetation was cleared on 2318 km of the 5492 km inland water drainage network and mud was removed manually in case of shorter section canals. Shrub and vegetation was cleared on 2459 hectares and 6282 hectares were mowed, 2256 works of art were cleaned from the mud and 42 663 m<sup>3</sup> mud was removed from the canals during the works. Due to the performed works protection against inland waters began in much better conditions at the beginning of the extremely wet 2013 year.

Hungary is currently the country of Europe most infected with ragweed and according to the estimates every fifth person in our country suffers from allergic and asthmatic illnesses related to ragweed. Based on the figures estimated by the Ministry of Rural Development the proportion of the territories in state and municipality property infected by ragweed is 8%, while the proportion of private territories affected by ragweed is 92%. A significant proportion of the ragweed-infested territories is in private property, which are not concerned with public employment.

By the growth of the ragweed-infested areas and parallel with the ever-increasing pollen concentration values in the air the number of sick people increases every year. With the number of people suffering from pollen allergy and asthma increasing every year ragweed allergy became our national epidemic disease within a few decades.

For the permanent solution of the situation the Government targeted the drastic reduction of ragweed as its long-term objective. In 2012 the national public employment programme of protection against ragweed was launched in 66 micro-regions heavily or moderately polluted with ragweed – taking the 2011 map of ragweed pollution as a basis. 1289 persons were publicly employed within the framework of the project, performing ragweed elimination tasks in 8-hour daily employment at the multipurpose micro-regional associations.

In case of the support of the national public employment programmes public employment may be supported for the maximum term of 12 months in 100% of the wage costs, employment related direct costs may be supported up to 20% of the wage cost support and should at least 100 persons be employed, the organisational costs may be supported up to 3% of the wage cost support.

Organisations implementing national public employment programmes:

- budgetary organisations,
- business associations entrusted with the management and maintenance of state property or business associations established by the state for this purpose (e.g. Állami Autópálya Kezelő Zrt., Magyar Közút Nonprofit Zrt., national parks, etc.),
- water directorates.
- water management companies,
- forest managers, including private forest managers,
- organisations operating the railway track network to perform tasks related to maintaining the
  cleanliness of the railway tracks and their environment, the maintenance of the vegetation of
  the related territories and the organisations maintaining railway operation facilities to perform
  tasks related to the preservation of the condition of the facilities.

The training costs of those participating in the national public employment programme are financed from the resources of SoROP 2.1.6 "I am studying again" programme.

## Supporting micro-regional public employment model programmes

One "flagship" of the public employment programmes and public employment supports is the model programme of the disadvantaged micro regions and disadvantaged settlements. The projects of the micro-regional model programmes are the best examples of the operation of independent, self-supporting settlements. Agricultural projects, the successful implementation of which is confirmed by the feedback, according to which social shops were established or the establishment of such institution is planned by the municipalities of several settlements, are prominent among the model programmes.

Regular work performance and secure income during the programmes changed the everyday life of the people and families positively. Significant programmes positively influencing the life of communities were implemented, which could fundamentally contribute to the economic development of the more underdeveloped regions and to closing the gap of the disadvantaged settlements in medium and long term.

At the organisation of micro-regional start work model programmes the Ministry of Interior encourages cooperation between the local municipalities in order to use equipment efficiently (e.g. in case of the programmes of utilising bio and renewable sources of energy several settlements use one wood shredder machine under the sponsorship of one settlement).

The cooperation of the municipality of the settlement with the minority municipalities, civil organisations working in its territory and the competent job centre during the preparation and implementation of the public employment programme is especially encouraged.

The cooperation may facilitate the targeted and efficient implementation of the programme, the establishment and spreading of "good practices" and may contribute to the Roma population becoming part of the public employment programmes in the desired proportion.

In 2012 public employment model programmes were launched in the 94 disadvantaged micro-regions listed in Annex No. 2 of Government Decree No. 311/2007 (XI. 17) on the Classification of Beneficiary regions, in 5 priority settlements of the Gyöngyös micro-region and in 3 disadvantaged micro-regions (Devecser, Tét, Pécs micro-regions) selected based on individual decisions.

Activities planned in the model programmes are performed based on the following seven pillars:

- agricultural project,
- inland water drainage,
- repairing agricultural roads,
- utilisation of bio and renewable sources of energy,
- renovation of the public road network in the inner areas of the settlements,
- elimination of illegal waste disposal sites and
- winter and other value creating public employment.

Priority must be given to the training of those publicly employed participating in the agricultural projects within the participants of the micro-regional model programmes, the resource of which is provided by the Social Renewal Operational Programme (SoROP) 2.1.6. "I am studying again" programme.

Training is performed by István Türr Training and Research Institute.

## Other start work model programmes

The characteristic feature of other start work model programmes is that in addition to supporting 100% of the occurring wage and direct costs, the support of the investment costs is also necessary in order to implement the projects. These are typically cost intensive projects, which exclusively implement value-creating activities.

The Ministry of Interior supported the new value creating start work model programmes very extensively in the implementation of several activities in 2012, too.

The social house construction programme in Ócsa within the framework of the priority government investment established to help families having problems repaying their foreign currency loans, the reconstruction of the hospital building out of operation also functioning as a day-centre and its conversion into a homeless shelter within the framework of the "Heated Street" programme were implemented in this form.

The related start work model programme facilitated the implementation of a complex regional development strategy aimed at the development of Ormánság region within the framework of the Old Dráva River Programme.

The objective of the programme is the restoration of the original and proper condition of the region, which, as a result of a renewed and water retaining water management also results in adequate water supply of the backwaters important from environment protection point of view and in the rehabilitation of the water habitats.

Within the framework of the public employment programme the publicly employed performed territory cleaning and spatial preparatory works in the catchment area of the Dráva River.

The performance of the preparatory works necessary for the revitalisation of the Tapolca Stream in Pápa was performed within the framework of public employment with the cooperation of the Central Transdanubian Water Directorate. During the programme the publicly employed performed the cutting of openings, the clearing of shrubs and the collection, shredding or burning of the cleared material.

Old works of art were excavated along the stream, they were cleaned and space was provided for the preparation of geodesic surveys necessary for the planning work.

The fire destroying Bugac, one of the regions of the Hungarian plain or "puszta" best known in Europe, broke out in Kiskunság National Park in April 2012. The flames consumed nearly 1100 hectares in the territory of the Kiskunság National Park, ninety percent of the protected area covered by common juniper.

Within the framework of the public employment programme in the Bugac area of the Bócsa – Bugac national park territory of Kiskunság National Park Directorate the restoration of the damages caused by the fire in 900 hectares of forest was performed in the interest of the later regeneration of the territory.

The primary objectives of this activity are the prevention of the spreading of invasive plant species, such as especially common milkweed, locust trees and ailanthus, the reduction of the size of the populations of non-indigenous species and the collection of juniper seeds requiring considerable manual work.

The programmes targeting the maintenance of monuments facilitate the preservation of the condition and later reconstruction of the architectural details of our cultural heritage. The publicly employed performed the cleaning of the territories and the environment, the regular reduction of overgrowing vegetation threatening the monuments and the necessary land developments. Under the control of

archaeologist experts they participated in the subsequent exploration, examination and selection of findings remained hidden during the archaeological explorations.

Within the framework of the programme the employees had the opportunity to become familiar with the values, cultural heritages of their direct or indirect environment as well as the long-term plans with respect to their development.

The programme titled "Digitalisation Programme for Sustainable Audiovisual Heritage" implemented by the Media Support and Asset Management Fund targeted the establishment of a public digital archive. The storage and management of moving images, the processing of voice recordings and documents related to Hungarian radio and the digitalisation of the photographs and paper based information carriers of the Hungarian News Agency were performed.

It is visible that the programmes attempt to target areas, which create value, have long term results and have a good influence on the whole of the community.

# SUPPORT TO BE GRANTED TO ENTERPRISES FOR THE EMPLOYMENT OF PERSONS RECEIVING EMPLOYMENT SUBSTITUTION SUPPORT OR REHABILITATION SERVICES

Support, which may be granted to employers under the effect of the act on business associations and the act on private entrepreneurs and single member companies, if they undertake to employ the persons mediated by the job centre entitled to employment substitution support or persons receiving rehabilitation services according to the act on benefits provided to persons with changed work ability full time within the framework of employment.

The support may be granted for maximum 8 month and may be maximum 70% of the sum of the mandatory minimum wage or guaranteed wage minimum and the amount of the related social contribution tax paid by the employer.

The employers must undertake to employ the employee full time for a period corresponding to the period of the payment of the support furthermore to 50 percent of the payment of the support (employment obligation).

#### ACTIVITIES IMPLEMENTED IN THE MODEL PROGRAMMES

## **Agricultural projects**

Significant proportion of the Hungarian countryside population suffered the final loss of his/her workplace after the change of the political system when the agricultural co-operatives broke up.

The radical reduction of the agricultural production and consequent processing sectors previously employing significant headcounts resulted in significant changes in the community, social and employment position of the countryside.

According to the figures of the Hungarian Central Statistical Office 693 thousand people were employed in the agricultural, forestry and fishing sectors in 1990, while 185 thousand in 2011.

In addition to producing food agriculture also plays a significant role in increasing the employment level of the countryside, therefore it is not by chance that the agricultural projects have priorities in public employment.

To the people disadvantaged from the point of view of employment and to the most disadvantaged people with generally low school education a solution must be offered, which ensures their living in long term and which facilitates their re-entry to the primary labour market. Agricultural programmes with training target the implementation of this objective.

The municipalities carry out the programme in the territories of own property and in the territories made available for utilisation by the National Land Trust. The cultivation of lands does not only result in the production of agricultural products but also reduces the size of territories threatened by ragweed, contributes to the creation of a tidy settlement image and facilitates access to the outer areas.

In case of the agricultural programmes an important objective is to arrange the complete production in a circular process, i.e. locally produced feed serves the livestock, the processing of animal products is performed in the settlements and in the micro-region and the finished or semi-finished products are utilised in local public catering.

This way those people who participate in public employment may enjoy the advantage of the locally produced goods (e.g.: their children consume food produced from healthy basic material in the kindergarten or school canteen, and no contribution is paid for the catering).

The produced surplus is sold via the social shop network conditions permitting, therefore those who participated in the production may have indirect access to the products at reasonable price. There are settlements, where the surplus is not sold but shared among the publicly employed and the needy in the form of benefit in kind or social benefit for incentive purposes.

There are several examples for regular work performance and secure income positively changing the everyday life of people and families. Several families, which previously had not done any gardening, started to work in their own gardens now as they gained practice and experience in public employment and could see the result of their own handiwork.

Mandatory training is part of the agricultural programmes. The objective of the training is to facilitate farming for self-support by learning how to produce and preserve plants and to breed livestock and to prepare work in agricultural social co-operatives.

The following trainings may be opted for within the framework of the programme: animal husbandry (1-year training period), plant production and preservation (1.5-year training period) and plant production plus animal husbandry (2-year training period).

By supporting public employment, as of 2012 the Ministry of Interior has laid the foundation of launching production activities in the micro-regional model programmes, which might lead to the establishment of a self-supporting system. According to the plans the public employers will receive state support, the amount of which will decrease in proportion with the increase of own income in the agricultural model programmes.

By receiving support for the investment and material costs and expenses the municipalities had the opportunity to purchase expensive machinery and equipment, which would remain in their property even after the completion of the programme. This will serve as basis for the free-of-charge utilisation of the tangible assets utilised during public employment after the establishment of social cooperatives.

Establishment of social co-operatives on the basis of public employment

Social co-operatives have had decades of history in the European Union. Experiences prove that the co-operatives – social co-operatives – may become tools to solve or balance the problems arising within the framework of the employment policy, regional, regional development, agricultural and environment protection policies.

In our country – partly because of meeting the requirements of accession to the Union and partly because of the macro-economic pressures – the issues of equal opportunities, employment and integration of the disadvantaged citizens become increasingly important. Public employment, as a

work opportunity increasing temporary employment is currently given priority, within which the state encourages the implementation of value creating start work model programmes in the micro-regions. For those leaving public employment social co-operatives may become one of the key places of open labour market employment.

There is significant interest in the social co-operatives, however it is also seen that considerable professional and financial assistance is required for the establishment and operation of a social co-operative. This fact is confirmed by the fact that "self-organisation" in reality is initiated only when encouraged by the state.

Parallel with the amendment of the act on co-operatives the Government also amended the public employment act in connection with the social co-operatives, the objective of which was to encourage those leaving public employment to establish social co-operatives.

The first social co-operatives of new type – established with the municipalities being members – are expected to be formed on the foundations of the public employment programmes and by their further development.

Social co-operatives may be established in our country by the proprietary share quotation obligation of at least seven founding members. In addition to the natural person members the local or minority municipalities and their legal entity associations may also be founding members. This legal regulation provides the municipalities of the settlements with the opportunity to take on active roles in the social co-operatives, which may generate further local economy development processes.

The objective is to keep these co-operatives operational in long term using the local characteristics, resources and the ability of self organisation ensuring thus progress –finding employment on the primary labour market – mainly for those employed in the public employment programmes.

The establishment of social co-operatives may typically be planned in case of the programme elements of the value creating micro-regional start work model programmes, as the establishment of social co-operatives on the foundations of public employment may only be performed from programme elements of production type activities (typically agriculture, manufactured goods production, pickling, processing, briquette producing plants, etc.).

The initial operation of the social co-operatives is established by the equipment, land, livestock purchased within the framework of public employment as well as the theoretical and practical knowledge gained during the training.

In order to exploit the potentials hidden in the social co-operatives the Social Co-operative Programme Coordination Office was established at the Deputy State Secretariat for Public Employment in the Ministry of Interior. Among other things the task of the Office is to perform the coordination and other management, organisation and elaboration activities necessary for the improvement of the operation and legal support conditions of the social co-operatives and to prepare the municipalities for taking the next step in the form of social co-operatives.

Taking into account that the success of the social co-operatives may not exclusively be measured on the basis of their economic performance, as in addition to the economic product they also fulfil very significant social integration, value creation, value mediation and value preservation functions, a change of approach is also necessary from part of the municipality leaders.

In the first round the assessment of the start work model programmes, which might be transformed into social co-operatives, was performed then the municipalities, the programmes of which were the most likely to carry the opportunity of the successful transformation into a social co-operative, were selected.

After the preliminary analyses several settlement municipalities meet the conditions, on the basis of which it may be assumed that the value creating activity of the public employment programmes will be continued in the form of social co-operations.

By establishing the support and legal environment necessary for the operation of the social cooperatives the Government makes sure that the social co-operatives established on the foundation of public employment may become active participants of the economic development.

## **Inland water drainage programmes**

Fight against the damages caused by water is almost as old as humankind itself. The signs of water regulation – the management and retention of new and existing waters to ensure agriculture and animal husbandry, i.e. to provide the fundamental conditions of life – are already found in the ancient civilisations.

These dangers are fundamentally manifested in two forms: inland waters from rain water and melted snow, from subsoil waters arising to the surface and from water leaking from under the flood water protection embankments, on the one hand and flood water, which is the swelling of the waters of the rivers, by which the river overflows its normal bed, on the other hand.<sup>1</sup>

Resulting from the increasingly extreme and unpredictable weather and due to sudden or long lasting rains the inland water and floodwater danger is continuously increasing. The main rainwater drainage pipe network of the settlements is cleaned every year and even the surface of the ditches is mowed regularly but the professional and complete maintenance of the system, the necessary repair of the gutters and collecting points are essential.

The objectives of the inland water drainage programmes are to prevent the forming of inland waters threatening the settlements and agricultural areas, the regular maintenance and construction of inland water drainage ditches.

By the implementation of the programme the environment security and safety of the settlements is increased, the condition of the environment is improved, the danger of flood, inland water and local water damage decreases, the preservation of the quality of our surface waters and the prevention of further environmental damage events are ensured.

The construction, renovation and development of parallel ditch systems protecting the inner areas, rainwater drainage systems, canals for the water courses and inland waters threatening the inner areas, reservoirs reducing flood peaks, small reservoirs for rain water and flatland inland water reservoirs may be the solution.

It is important that the settlements must plan the works to be implemented in cooperation with the water management companies.

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<sup>&</sup>lt;sup>1</sup> Sándor Nagy: Thoughts for the water damage prevention of a micro-region

## Repairing agricultural roads

The maintenance of the national public road network is performed by the Hungarian State in Hungary. The local public roads, which are connected to them, are maintained by the municipalities.

After the change of the political system the municipalities also inherited the outer area roads, which had previously typically been in the property of the agricultural co-operatives. After this they had to take care of rather extensive road networks from tighter financial resources.

Significant part of the roads has served agricultural production, however the population also often uses the dirt roads connecting the neighbouring settlements. For lack of proper maintenance the condition of the agricultural roads deteriorated considerably.

The public employment programmes targeting the repair of the agricultural roads may facilitate the utilisation of these roads according to their previous function: to connect agricultural sites and farms with the public road network, to reduce the transportation costs of agricultural producers and make their transport tasks more economic, to improve the quality of the transported products and last but not least to facilitate the transport of the inhabitants.

Using environment friendly local materials fitting the nature the programme aims at the repair and widening of the outer area agricultural roads and the repair of certain related rainwater drainage ditches, gutters, shoulders and slopes.

# Utilisation of bio and renewable sources of energy

In order to manage the problem of climate changing and air pollution and to lay down the foundations of sustainable development the European Union targets to cover 20% of its energy consumption from renewable sources of energy and to reduce the emission of gases causing greenhouse effect by at least 20% by 2020. The use of wind, solar, water, geothermic and biomass energy in bigger proportions reduces energy import dependency and may encourage innovation and employment.

In order to achieve the EU objectives the member states had to elaborate national action plans. Based on the Renewable Energy Action Plan submitted in December 2010 Hungary wishes to increase the proportion of energy produced from renewable sources of energy to 14.65% by 2020.

The conditions in our country largely facilitate biomass production for energy purposes and agricultural by-products and other solid wastes – plough-land by-products, trimmings produced in orchards and vineyards – are also available in large quantities.

Precisely these "fuels" are produced as by-products during the – agricultural, inland water drainage, agricultural dirt road maintenance - works performed in the different programme elements of the micro-regional start work model programmes.

This was the very basis of the idea of the programme of utilising bio and renewable sources of energy.

Within the framework of the programme the public employers planted energy plants and converted the gas heating system of community facilities, such as office buildings, schools and kindergartens with the help of boilers fuelled with biomass.

The programme gained big momentum when in November 2011 the Ministry of Interior granted special support for the modernisation of the heating system of institutions in municipality property and the purchase of biomass boilers within the framework of the support.

As a result of the "boiler programme" 116 boilers and 26 shredder machines were installed in 80 settlements of 13 counties and 82 facilities suitable for the storage of fuel were constructed. The investment was implemented from HUF 434.1 million with 100% state support and provided 388 people with work within the framework of public employment.

There was intensive interest in the programme already in 2011, as according to feedback given by the beneficiary municipalities changeover to environment conscious heating technology had a positive impact on the management of the settlements. Taking all this into account the Ministry of Interior announced the programme again in 2012.

750 settlements joined the boiler programme in 2012. The support covered the costs of putting the biomass fuelled boilers into operation including the fee of preparing the necessary plans and the permits of the authorities, the purchase of the boiler of maximum 100kW capacity and the shredder machine necessary for the production of wood shreds, the construction of a facility suitable for the storage of the fuel and the cost of the programme related public employment.

In order to encourage cooperation between the settlement municipalities and to exploit the equipment properly 3-4 settlements had to purchase one machine necessary for the shredding of the fuel. The programme facilitated the purchase of 1019 boilers and provided work for 1373 publicly employed for the period of one year.

The result and community usefulness of the programme for the utilisation of bio and renewable sources of energy and of the boiler programme are outstanding for several reasons.

The programme results in big savings in the budget of the municipalities, provides work opportunities and contributes to the implementation of environmental sustainability by the utilisation of renewable sources of energy and the reduction of carbon dioxide emission. The programme is the tangible example of energy conscious operation for the inhabitants of the settlements.

In addition to above the spread of biomass fuel may become an incentive for the domestic boiler production.

## Renovation of the public road network in the inner area of the settlements

The roads of the country are divided into public and private roads. The public roads are national public roads of state property and local public roads in municipality property.

According to the figures of Magyar Közút (a non-profit company) the length of the inner area minor roads exceeds 53 000 kilometres in Hungary, the cycle roads are almost 2 200 kilometres long while footpaths and pavements cover over 50 000 kilometres.

The Hungarian local government act specifies the construction and maintenance of local public roads and their accessories among the settlement operation tasks.

The objective of the project related to the repair of the public road network is the maintenance and repair of the road network managed by the municipalities, the tidying of their environment by which the threat of accidents decrease, the construction of cycle roads, which are useful for the settlements and create value and which also meet the local transport demands.

During the programme the municipalities performed the covering of the inner area roads in their property by asphalt, filled up the pot-holes and strengthened the shoulder of the public roads, too. As a result of this traffic on the concerned road sections became safer and the quality of the roads improved.

Several settlements performed the construction of pavements in the programme, the objective of which was the maintenance and repair of existing pavements and the construction of new pavements also suitable for bicycle transport. The inhabitants of the settlements had wanted to have these works completed for a long time as several old people suffered accidents in the past years because of the inferior quality of the pavements.

#### Elimination of illegal waste disposal sites

Many of us could see illegally disposed communal, construction or even industrial waste even in our own direct environment in Hungary.

Approximately 100 million tons of solid waste is produced in our country every year. Because of the increase in the cost of waste collection and disposal the problem of illegal waste disposal became significant.

Although the quantity of illegally disposed waste is difficult to estimate, there is plenty to do in this field

According to certain estimates the quantity of illegally disposed waste reaches 15 tons in Hungary, while others think that at least sixty thousand square metres of waste lies around at the roadsides, along the forest and agricultural roads or at illegal waste disposal sites concentrated in certain spots.

Illegally disposed waste pollutes water sources, the soil and air therefore it widely concerns the inhabitants. These sites may continue to have their damaging impacts for a long time if they are not eliminated.

The dangerous components of the different wastes may be built in the animal and plant organisms and may damage even human organism via the food chain.

Further threat comes from the illegally disposed organic waste, which may also cause infectious diseases.

According to the act on waste the cleanliness of public areas is the task of the municipalities, the improving of our natural and residential habitat and the maintenance of its good condition is the task and the interest of every citizen.

The objective of eliminating illegal waste disposal sites is to eliminate illegally disposed and abandoned waste and to change the phenomenon of littering behaviour.

#### Winter and other value creating public employment

The chances of employment on the labour market are worse in the winter period when the occasional work opportunities tighten, the costs increase and living becomes more difficult for the unemployed and their families. The programme provides the publicly employed with work opportunity for definite period in a way to allow them to perform their value creating work for the benefit of municipality or micro-regional objectives.

The municipalities received the opportunity to support public employment in the winter well, considering that in several settlements this is the only work and income opportunity for the inhabitants for the winter period.

Within the framework of the programme mainly the cleaning of the traffic roads, pavements, the elimination of their slippery surfaces, the elimination of snow, the tidying and cleaning of the surroundings of the institutions and the winter maintenance works of the municipality institutions are performed. The publicly employed also participate in social type jobs, where they help the old and sick people needing care.

Typical work tasks of public employment in the winter:

- tasks related to the operation of the municipality institutions,
- organising local public catering,
- heating schools, kindergartens, day centres for the old and other public institutions by wood,
- eliminating the slippery surfaces of inner area transport routes, pavements and cycle roads,
- cleaning public areas, elimination of fallen leaves and snow,
- preventing frost damages,
- winter maintenance works of municipality institutions,
- social type activities (helping the old, sick and single people at home).

The experiences show that this employment helps the performance of the most necessary municipality tasks and provides living for the jobseekers and their family members in the temporary winter period. At the same time the value-creating programme element also facilitates non-traditional work performance serving the interests of the community.

There are settlements were dry pasta is produced for the community kitchen to always provide public catering with fresh home-made style pasta. Those in public employment prepare fresh cookies for the morning coffee and afternoon tea from basic materials received from the community kitchen but the fruits and vegetables produced in the agricultural project are also preserved here. The municipalities added many new activities, such as landscape architecture, medicinal plant knowledge and processing and preparation of jams to the usual ones.

Lots of tasty and good quality food reaches the local kitchens, mainly the children by the programme.

Several settlements wish to implement creative programmes. Settlement road signs and information tables are produced within the framework of the programme. By launching craftsman workshops the leaders of the settlements established the conditions of family friendly workplaces. By establishing a workshop a traditional type building was saved from destruction and it became suitable for accommodating craftsman activities.

The municipality may utilise the building in long term as a traditional workshop presenting craftsman professions, including pottery and ceramics. The building is open to the local education institutions. They cooperate with the school craftsmanship activities but local inhabitants and tourists may also visit the building and see production. Embroidering and carving are also popular.

There is a settlement were baskets were woven under the control of a publicly employed Roma person, as a result of which big baskets were placed in front of the houses with flowers planted in them, which completely changed the image of the streets.

Professionals (joiners, carpenters, bricklayers, welders, mechanic-locksmiths, painters and electricians) were employed in the winter value-creating project to maintain existing machinery and perform the renovation works of the municipality real estates. A playground meeting the EU requirements was constructed on the courtyard of the local kindergarten and reinforced surfaces were constructed. A new group room was constructed because of the increased number of children to stop overcrowding. The furniture of the institution was renovated by the professionals and flower-stands for the public areas were also prepared by them.

Value creating public employment programmes provide the opportunity for becoming independent, which, after a few years, will give permanent jobs to more local inhabitants in the settlements.

## SOCIAL LAND PROGRAMME

In the interest of helping the living of socially disadvantaged people living in an environment suitable for agricultural production, of improving their life quality and their chances of reintegration to the labour market the Ministry of Interior cooperates in the elaboration and co-financing of the programmes launched by other ministries.

Such programme is the social land programme operating since 1993, in connection with which the Ministry of Interior has been providing public employment support since 2011.

The objective of the programme is to activate primarily Roma families with cumulated disadvantages, to improve the quality of their lives and develop their ability of self-support. All this is performed mainly by supporting manual labour intensive plant production and time intensive small animal husbandry.

In connection with the application called by the Ministry of Public Administration and Justice, as of the beginning of October 2011 public employment programmes were launched in a total of 164 settlements of 14 counties of the country employing 1454 persons utilising HUF 259 207 569 amount.

45 winners of the 2012 application called by the assignment of the Ministry of Human Resources received support to employ 622 persons.

The programme will end on 30 June 2013.

The winner organisations of the social land programme are in general settlement municipalities, municipality associations, minority municipalities and civil organisations. The programme is very popular both among the applying organisations and the participating persons and it contributes to the operation of social kitchens and to the improvement of the quality of child and social catering.

Similarly to the agricultural model programmes the gained experiences provide the unemployed with the chances of beginning their own production.

### ROLE OF TRAINING IN PUBLIC EMPLOYMENT

It is a well-known fact that one of the most crucial economic and social problems of Hungary is the critically low level of employment. One reason for the adverse employment statistics is the extremely low employment indicator of the persons with low school education.

The majority of those employed publicly have been unemployed for years. They were the first ones to be forced out of the labour market as a result of the crisis and they could not find employment because of their low school education and the lack of qualifications. For them the breakout point may be the increase of their qualification level, obtaining marketable professions and the professional experience, work experience gained within the framework of public employment.

In 2012-2013 the publicly employed are trained with the help of EU resources. The total budget of the EU resources available for training amounts to HUF 16 billion, of which the utilisation of HUF 9.3 billion is planned for the implementation of public employment related trainings.

The trainings may be divided into two big groups from concept point of view: one group is planned for those working in the agricultural fields of Start Work model programme and the other group is the trainings offered based on the requirements of the national public employers. The agricultural trainings of the Start Work model programme are accredited trainings, while the trainings required by the national public employers are mainly completed with a certificate of qualification recognised by the state.

## Agricultural trainings

As opposed to the traditional training organisation form the organisation of the agricultural trainings is performed based on the work experience of the participants in a practice-oriented manner. The training programme and the applied methods are in line with the special requirements of the target group. In order to learn special knowledge easier even by those lacking basic schooling textbooks suitable for those having comprehension difficulties are available and the theoretical training is based on the work experiences gained during public employment.

When the trainings are organised local characteristics and requirements (soil and climate conditions, local traditions) are also taken into account.

Participation in training is mandatory for every publicly employed working in the agricultural model programmes. Only those, who have special qualifications in the given field, may be exempted from the training. The reason for above is the following:

- in possession of the professional knowledge and experience gained during the work performance the participants will be able to work independently after the termination of the public employment legal relationship,
- by the professionally performed agricultural activity (farming, social co-operative membership, selling the products exceeding the need of the family as a small farmer, etc.) the long term staple food supply of the families and income in due course may be provided,
- by the application of the special training methods the learning of the necessary theoretical knowledge even by those, who have low school education or have not completed their school education is possible,
- the conditions of practical training are provided within the framework of public employment incorporated in the employment.

The training areas were specified with the help of experts based on the work activities performed during public employment in a way that they may be applied in any settlement of the country. There are three professional fields:

- Animal husbandry in farms (34 weeks),
- Plant production and animal husbandry in farms (68 weeks) and
- Plant production and preservation in farms (51 weeks).

In case of all three fields the publicly employed have theoretical training sessions once a week and practical training sessions twice a week. Practical training is within the framework of work performance in a way that cooperating with the team leader the trainer helps the practical application of the theoretical material. The trainings are performed by – István Türr Training and Research Institute - a state adult training organisation with national network.

11 523 persons started the agricultural training in 2012. This year further 11 757 persons, a total of 23 280 publicly employed, will gain basic knowledge in the field of plant production, animal husbandry and preservation in farms. There is exceptionally high interest in plant production and preservation.

Trainings required by the national public employers

The companies entitled to offer public employment primarily in state property look for qualified work force for the performance of specified work activities. There is big demand for water management, forestry and different machine operator specialists. Those people who are employed by such companies receive a certificate recognised by the state at the end of the training or may develop their competences required by their employers during the trainings. These trainings would of course teach professions only, in case of which the training period does not exceed the period of public employment.

Last year 2 578 persons participated in the training within the framework of the national public employment programmes. We plan to increase their number by 6 147 this year. All in all 8 725 people may obtain qualifications valuable on the open labour market during the two years.

Our objective is to provide training for at least 32 thousand publicly employed persons by the end of this programming period, the successful completion of which may materially increase their chances of employment.

The basic skills and key competences work committee of the European Union defined key competences in eight fields essential for the employment, life, modern education and equally important at individual, social and economic levels.

Taking the characteristics of the target group into account in 2013 we also plan to develop part of the key competences of those employed by the national public employers. These key competences are the following: communication in the mother tongue, competence in mathematics and natural sciences, digital competence, efficient and independent learning, social and civic competence.

#### **CONCLUSION**

We recommend this publication to all the countries having high rates of unemployment where the number of market work opportunities is limited but where value creating socially useful temporary work opportunities are wished to be provided for the people of active age, who are disadvantaged on the labour market.