



Hungary

Territorial Employment Pacts

Framework and setting

Geographic scale At first, micro-regional Employment Pacts were established in the western part of the country covering the following counties: Vas, Zala, and Győr-Moson-Sopron. Recently, partnerships were set up in all seven NUTS II regions of Hungary (average population: approximately 1,000,000) on different levels (city, sub-regional, county, regional). As for the Operational Programme for Regional Development (OPRD) supported pacts there are two regional pacts (one of them focuses only on non-governmental employment in Northern Great Plain, the other one is a “classic” pact in Northern Hungary); seven pacts at county level (six “classic” ones, one focuses on gipsy employment), and three pacts in cities and 29 on micro-regional level (not only in NUTS 4 level, not only statistical micro-regions). The non-OPRD supported pacts are mostly on micro-regional level. Since Hungary has borders with new member states and non EU members, cross-border co-operation is getting to be more and more important question for Hungarian TEPs.

Policy framework The first experimental Employment Pacts of Western Hungary were supported by the PHARE programme and used the Austrian example/best practice. Now, there is an overall framework for the establishment of the pacts: the Operational Programme for Regional Development (OPRD), Component 3.2.1. - Strengthening the local co-ordination of activities aimed at employment promotion, which supports 41 Employment Pacts on different levels. Besides, there are pacts supported by the INTERREG initiative and there are some new Employment Pacts working only by internal efforts.

In the frame of component 3.2.3. (Creation and development of the professional capacity necessary for the long-term sustainability of local employment initiatives), the National Employment Foundation had to establish a regional based network in order to support technically and in a professional way the Employment Pacts and local employment development projects. The Network provides free professional services for local employment initiatives/projects dealing with social economy activities, and also co-ordinates the Hungarian Territorial Employment Pacts (TEPs).

Partnerships at work

Rationale The unemployment rates in the regions increased to a great extent. Most of the labour force commuted out of the regions and there was no adequate communication between organisations working within the labour market. It was recognised that unemployment could be reduced through the effective co-operation of local actors.

Objectives The objectives of the partnerships are to create jobs through supporting local enterprises, to preserve jobs by initiating training projects that meet employers’ demands, to match the professional training structure to the needs of the economy, to improve the chances of disadvantaged persons to find employment, to provide career orientation and vocational training programmes for young people with a poor educational background, to support the employment of youth with a higher educational degree, to develop local and community services and to promote equal opportunities for men and women.

Functions Partnership functions include developing employment strategies, preparing employment programmes and assisting in the creation of employment projects, creating an employment database and an information network, supporting disadvantaged people, preparing regional employment analysis, studies and surveys and searching for allocating and co-ordinating funds.

Policy areas Labour market policy, social policy and economic policy

Policy tools/ Instruments The major instruments include: preparation of local employment strategies, drafting projects and recommendations based on the strategies, marketing, disseminating the role of the TEPs, background research, prior assessment, seminars, workshops, conferences, forums

in order to strengthen the local strategies, participation in trainings, PR activities (e.g. website).

- Timeframe** The appropriate call for proposal of OPRD was announced in April 2004. The pacts supported through OPRD are limited to operate for maximum of 24 months (until 30 September 2008).
- Partners** The main partners are municipalities, Regional Councils, Labour Centres, training institutions, enterprises, employers, NGOs, associations, regional development agencies, Chambers of Commerce and Industry, Chambers of Agriculture, Centres for Entrepreneurs, Members of Parliament and minority autonomies.
- Contracts** Contracts are signed between partners.
- Legal status** The partnerships have no legal status (optional and voluntary participation of partners).
- Sources of Financing** The Operational Programme for Regional Development (co-financed by the European Social Fund) supported pacts approximately with EUR 3,800,000 (as for the Programme Compliment) in total. Due to the component's success, Managing Authority supported some additional projects. Each OPRD pact could receive funding between EUR 26,400 and EUR 188,700. The support is 100% non-refundable grant.
- Results** The pacts regularly contribute to permanent communication among partners in the field of employment. Employment strategies, which have not yet been prepared in micro-regions of Hungary, were prepared since pacts creation. Better linking between demand and supply at the local labour market has been assured, new jobs and new local services have been initiated.

Partnerships' highlight

- Programme/Project** Cross-border co-operation West-Hungary / East-Austria and regional co-ordination
- Timeframe** Not defined
- Objectives** The objectives are to widen and strengthen cross-border labour market co-operation, knowledge transfer, the exchange of experience, the elaboration of a joint cross-border employment strategy, the implementation of projects and the regional co-ordination of activities.
- Activities** Activities include the elaboration of a joint employment strategy, organisation of workshops and conferences, organisation of study visits for Austrian and Hungarian vocational students, preparation of cross-border project plans, publication of brochures and public leaflets, development of services for entrepreneurs, organisation of vocational training and ensuring training, validation and networking.
- Results** A joint cross-border employment strategy was created. Relevant information was disseminated to respective bodies at workshops and conferences, an exchange programme for Austrian and Hungarian students was implemented, three cross-border project plans were created and leaflets issued.

Contacts

Partnership co-ordination at national / sub-regional level

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