

Employment / hiring capacity for Roma workers among employers of a medium-sized Hungarian town

Prepared by Autonómia Foundation 2019

Research summary

Dombóvár is a key city of the Southern Transdanubian region, in the vicinity of Pécs, Kaposvár and Komló. It has a population of close to 20,000.

Approximately 6-7% of the city's population are Roma, which is roughly equivalent to the national average. There are several areas of town under the threat of segregation, as well as many that have already been segregated.

In addition to agriculture, metalworking activities and – due to the town's favourable traffic/geographical situation – haulage and logistics also play an important role in the town's economy.

The future is expected to see a permanent upturn of tourism as well as its growing, strengthening contribution to the town's economy, primarily through the exploitation of the appeal of the Gunaras Spa and the town's other natural properties.

Educational levels of the working-age population in the region are below the national average. In Dombóvár and its region, opportunities in education range until secondary education as there are no higher education institutions. Dombóvár's school qualification indicators are better than district data, however, they fall short of county and national values. The lack of trained, quality workforce is a problem in the agriculture, industry and service sectors alike.

Unemployment exceeds both the national and regional average by a great margin. Another problem is that the ratio of long-term unemployed is more than 50% among all unemployed.

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The real value of per capita net income is increasing continuously, however, this growth is not reflecting a rise in purchasing power. Dombóvár and its region fall short of both the national and county average.

The Municipality of Dombóvár adopted its Equal Opportunity Programme in 2013. Under the programme, the representatives of the town declared that they wish to live in a town where it is easier for the Roma to find employment, as ensuring that those living in extreme poverty have more and better chances than before is an important issue.

The town set the objective of improving access to employment, worker mobility and the mitigation of discrimination.

In 2019, we contacted 25 local businesses. We requested a face-to-face meeting with the heads of these businesses, and conducted a personal interview with each using the list of questions shown below. We processed and summarised the answers, and drew up recommendations and proposals.

Employer questionnaire

Interview number:

Name of employer			
Position of respondent at the company			
How many employees does the company currently have?	Full-time:	Part-time:	As part of subsidised employment*:
When was the company founded?			
What is the ownership structure like?	Private individual(s)	State/municipality-owned	Mixed
What is the ownership composition?	Domestic	Foreign	Mixed
Does the company have any employees with reduced capacity to work?	 persons	N/A
Does the company have an HR strategy laid down in writing?	Yes	No	What is that?
Who is responsible for HR matters at the company?	There is no such person	It varies
Is the company planning to expand employee numbers in the near future?		Yes	No
Is the company open-minded in respect of atypical employment solutions? **		Yes	No
What market does the company produce for or provide services to?	Domestic	Foreign	Both
Does the company have an employee advancement/career programme? ***		Yes	No
What are the key criteria for qualified workers?			
- Appropriate academic/professional qualifications			
- Sufficient work experience			
- Past references			
- Language skills			
- Problem-solving skills			
- Undertaking flexible working hours			
- Tolerance to monotony			
- Commitment to the company			
- Other, namely			
- Other, namely			
- Other, namely			

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Labour centre subsidy/support, also including the period of further employment.

** Reduced or flexible working hours, acceptance of mentor assistance, etc.

*** Is there an organised scheme in place at the company to help the professional advancement of employees?

Open questions

1. Do you have any experience with Roma workers (if not, why not; if yes, what are these experiences)?
2. Do you have employees from town areas with a Roma population? What are your experiences?
3. Do you arrange for commuting for those living outside the town?
4. In your opinion, what is the greatest obstacle hindering the employment of the long-term unemployed?
5. Why is employment so low among the Roma?
6. Do you have any ideas on how to promote higher employment?
7. Would your company be open to an initiative that would help employ these people?
8. What would be needed to launch such a support programme (funds, methods, personnel, etc.)?

In terms of the range of respondents, we can state that we managed to reach a group of representatives of the town's business life. The group of respondents included a large number of metalworking businesses (dominant in the town's economic life), while service provider and agricultural companies were included in varied composition per area of activity. We managed to reach one company from the hospitality sector. The willingness to respond was decidedly good, with objections received primarily on account of either a lack of time or a shortage of capacity.

I. Perception of the Roma

Most employers have and have had experiences with Roma employees. We visited several companies where Roma employees have advanced to middle management positions. Opinions concerning Roma employees varied greatly: If the worker is able to successfully adapt to and integrate into the company's organisation, their Roma identity is not an issue, the employer takes this as granted and the worker's ethnicity becomes secondary behind their skills facilitating successful adaptation. If the Roma worker leaves the workplace after just a short time, their 'different socio-cultural background' arises as a primary cause in almost every case ("*unfortunately they are not used to continuous work or discipline*").

Many respondents emphasised that when hiring workers, professional expertise and experience are the primary criterion for admission. If the applicant has these, ethnicity is not an issue. At the same time, being Roma is often accompanied by a lack of professional training and experience, and as such employment is not realised: "*We have no time or energy to train inexperienced workers: Those who are not able to produce just hold us back.*"

It is not surprising that businesses rejecting the employment of Roma workers have no experiences of their own regarding Roma employees. This is true even if there are vacant positions at the company ("*we are continuously looking to hire, but we have no desire to take on Roma employees as we have no capacity to deal with them separately/we are not sure whether our clientele would accept them/we don't want to take any risks*"). Although they have no experiences concerning Roma workers, these companies have similarly specific (albeit negative) opinions about the work morale and employability of the Roma as companies that employ such workers.

We have not really encountered any differentiated views of the Roma. For the most part, respondents assumed all Roma as one, living segregated in extreme poverty, with socio-cultural disadvantages. Although few respondents did emphasise that their Roma workers "*grew up in a normal family, and their parents were honest workers*", they still felt that the primary obstacle to workplace integration was the inappropriate responses to the social problems typical of extreme poverty (indebtedness, low academic qualifications, lack of experience). In other words, they felt that the reason for the termination of employment was the low resistance to failure and the lack of communication skills.

"Employment among the Roma is low because they do not focus their attention on or spend sufficient time with their children. They do not study, learn, and do not obtain academic qualifications. They follow bad examples. They do not see their father go to work every morning. I would take their child from them, and take them around the country and abroad. I would then offer them an opportunity. Those who show even a slight willingness, should be supported in their progress."

The socio-cultural-economic background is perhaps even more important in respect to the employment of women. Not only is their employment not supported by family background

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(difficult-to-shed gender roles), but in the case of women eight-hour employment is decidedly frowned upon, as it is seen as if the Roma feel the primary role of women is to care for the family. Having children at an early age does not just hinder taking jobs, it also makes obtaining professional and work experience impossible, without which future employment also becomes nearly impossible, especially at profit-oriented employers, where there is no capacity for individual training to facilitate workplace integration (even if they struggle with a shortage of workforce).

Getting the Roma to actually get to the workplace for the first time is not a resolved matter either: *“They should first actually contact or visit the employers. In addition, someone should guarantee that the person in question will be suitable for that particular task. The problem is that the majority will not go by themselves, they will not just knock on the door. The four Roma workers we have knocked on the door by themselves, but that is still just four. The others have to be brought right to the door. Everyone gets an opportunity, either here or at the other businesses.”*

II. Actual experiences concerning the employment of the Roma

The alternative of foreign employment does not just appeal to Roma workers, but in their case, it was an issue in each case that this is what ended local employment. The heads of local businesses were honest in stating that Dombóvár companies in general are unable to provide competitive salaries compared to the wages available abroad or even in other parts of the country. Only a single agricultural company said that the salary they offer is considered competitive, allowing them to retain workforce and acquiring the loyalty of employees, including Roma. However, this firm hires very infrequently as fluctuation at the company is low.

Several employers mentioned the lack of loyalty. Although there have been Roma working for longer periods at many companies, the typical opinion was that the frequent changes in family background (separating families, divorce, moving together with relatives) or the opportunity of seasonal work for that matter generally overwrites the need for job stability, meaning they often make decisions resulting in job loss due to sudden changes. In rarer cases, the reverse can also be true: foreign employment is ended by the fact that the worker is unable to take their family with them and instead opts to stay with the family despite the promise of higher income. Companies mentioned a few cases where workers went abroad, but decided to return as they could not take it without their family abroad.

It is difficult to ultimately conclude that the situation is essentially caused by the current labour market supply, but there were company managers who specifically stated that the local labour shortage has a negative impact on their companies. *“In the ‘90s, people were glad if they could find semi-skilled work even with a profession under their belt, while now we can hardly find any employable workers in the area.”* There are three factors primarily contributing to this situation: the economy of Dombóvár is not particularly diversified; there are many

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similar metalworking (structural engineering, sheet metal processing) companies looking for workers with more or less identical metal industry qualifications; and local vocational training is unable to keep up with labour market demand.

In addition to foreign work, there is also competition from companies working in other – primarily the Western – parts of the country (where accommodations are often also provided) as well companies in the region (e.g. the Alsómocsolád meat processing plant) that offer higher income (although commuting costs are not always reimbursed for these jobs, meaning that the balance is ultimately not as positive).

Several employers mentioned the negative effect of family background, specifically that children and young people do not see any positive worker examples, and public work programmes do not encourage them to obtain competitive expertise and work experience. Surveys partly support this perception when they suggest that the share of people moving from public to traditional (non-public) employment is extremely low, which is partly due to the fact that the majority of auxiliary work in public work typically does not provide public workers with professional experience which is often sought or participants' skills that are needed in the labor market today.

The exhaustion of the public workforce is most pronounced in agriculture and the hospitality industry, as the severe labor shortage associated with the harvesting of hand-harvested crops has been most noticeable since the swelling of the public works program.

Although more than half of the public workforce has at most a primary education qualification and various resources are available for the training of the most disadvantaged, participation in courses is not compulsory, so few public workers take advantage of training.

III. Obstacles to employment

The perception of the impact of public service work is not unambiguous among employers. The majority of employers finds the public service work programme to be an actual obstacle, holding participants back from entering the primary labour market, as they believe it provides a guaranteed income for work whose volume and quality would not be acceptable in a "regular workplace".

This assumption is somewhat supported by a survey of László Bass, *Impact of the Road to Work* program - experiences from a questionnaire survey. According to this, a) only people who are in a completely hopeless situation – the low-skilled, the inhabitants of the smallest settlements, the Roma, the long-term unemployed – enter the public employment system, b) participation in public employment clearly hampers reintegration into the labour market – the system preserves people's current material and labour market status. The reintegration efficiency of the black economy, with its many individual and social disadvantages, is also significantly better than public work.

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Approximately half of the respondents feel that the majority of people participating in public service work programmes would not be integrable to the labour market, meaning that for them, this is an opportunity for survival "*and at least they are doing something instead of waiting for welfare at home*". As such, these employers do not see people in public service work programmes as a potential recruitment base. Unfortunately, the ratio of people doing public service work is high in segregated areas, meaning that the perception is also fatally negative, which in turn leads to rejections by local employers.

We encountered two cases (a metal industry company and a carpentry plant) where we could observe a formal relationship between the employer and vocational training, meaning that the company is active as practical vocational training site. The Employers' attitude more typically sees vocational training as a service provider of sorts, whose task is to produce vocational workers who can instantly be put to work.

Many have also been vocal in criticising vocational training. We have heard in many cases that the young people produced by vocational training enter the labour market with inadequate trade know-how, but an even bigger problem is the fact that their motivation is low, and they have no career visions or ideas whatsoever. Many respondents mentioned the quality of vocational training and the fact that it ignores market needs.

In some cases, in relation to Roma workers, employers stated that indebtedness is very typical of their households. This represents a problem when taking jobs because if this debt is under foreclosure, the employer is obligated to deduct from their pay. This encourages many potential workers to avoid legal employment, opting for black work as in this case the debt is not deducted from their salary. The debt of households also means that the given family's financial management is unstable, which indirectly also contributes to making employment difficult or impossible.

Although experience shows that in recent years the ratio of unregistered work has been considerably mitigated, simplified employment (with simplified daily reporting) continues to be popular among both workers and employers.

Simplified employment means casual work, introduced in 2010, in which one can work up to 5 consecutive calendar days, up to a maximum of 15 calendar days in any calendar month, and up to a maximum of 90 calendar days in any one calendar year. The employee is registered and paid on daily basis by the employer. Social security and all charges and taxes are paid from the daily fee by the employer.

The majority of companies contacted employed workers with employment contracts, and defined the 'siphoning effect' of black or grey economy to be considerable among Roma workers. At the same time, either because of the seasonal nature of the work or due to the lack of experience concerning the given employee, some employers actually prefer simplified employment.

IV. Recommendations, proposals and ideas by respondents

We also asked employers about any proposals and recommendations they would have to increase employment of the Roma / people living in segregation. We encountered total rejection, i.e. matter-of-fact refusal concerning their employment in only two cases.

It is also a fact, however, that employers *at the moment* do not find the majority of Roma to be employable in the primary labour market. Even though there are some companies where jobs are available without vocational training or even references (e.g. cleaning service companies), in most cases work experience and professional experience are criteria for employment. Ideally, workers should have appropriate professional qualifications as well, but this mainly tends to be a criterion for metal industry companies.

Many respondents proposed that vocational guidance could provide the solution in many cases, because young workers (not just those living in segregated areas) are often "not in the right place", meaning that they are trying to find employment in professions that they do not feel like doing, they do not see positive (family) patterns and they have no career advancement-related visions attached to the given profession.

There were only two cases where we heard that mentoring assistance could provide a solution for the worker to reach the employer and for them to maintain employment (even, for example, in the case of a family crisis). Although the businesses did not mention that they had any communication problems with the workers, mentoring assistance could perhaps also further improve the worker-employer relationship.

Several employers have expressed pride in how much they appreciate their employees, and concerning the opportunities for advancement at their business. Employee and employer perceptions often vary in this regard, but what is important here is this: the employer considers loyalty and the long-term benefits provided for loyalty to be important. It is, however, far from certain that workers are also aware what they could accomplish at the various companies, what career paths could be planned and, in contrast, what would be the career goal they could realistically accomplish. Personal consultation and mentoring could facilitate the harmonisation of these goals, while also maintaining motivation.

Only one company has experience relating to mentoring, and this experience is decidedly positive. The business provides not only mentoring, but a clear path for advancement and a high salary as well. In addition to an appropriate company size, the provision of these tools also requires professionalism as well as a foreign ownership structure (that provides appropriate financial background to maintain this).

V. Possible directions of development, opportunities of involving employers

The example of another company (Viessmann, a company also specialising in metalworking), or more accurately the success of the worker subsidy / support tools in place at the company, show that interventions we are also familiar with can successfully contribute to the employability of workers that have either not integrated to the labour market yet or have already been forced out of the labour market. However, small family-owned companies with a staff of 5-15 cannot be expected to themselves employ mentors or to launch motivational programmes. They have neither the appropriate professional know-how, nor the human capacities to ensure this. Company size also does not allow these businesses to ensure greater funds to this end (even if the given business is suffering of labour shortage).

On this note, it should be considered how this form of subsidy / support could be provided jointly, by involving several companies, which in addition to cost efficiency would also improve the quality of the development / support provided.

To this end, the municipality was recommended to discuss possible interventions with the job centre, find applications that can help smaller companies coming together and set up mentoring services that could help Roma and other unprivileged employees to remain in positions, help them to solve their issues that might hinder their employability.