

Place and Role of Public Employment in Improving the Situation of the Homeless of Budapest

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Abstract: The article presents the labour market situation of the homeless in Hungary and the role of public employment as an employment policy measure in improving their life situation. The relevant research, based on empirical data surveys, provides a complex analysis of the situation of homeless people in public employment, living in the capital, and examines their attitudes and expectations concerning public employment.

The article is meant to show the special significance of public employment in preserving and enhancing the life skills of the homeless who are ready to work, and it highlights the other support policies that could lead to their long-term reintegration through complex rehabilitation.

The participants of the research were the homeless clients in public employment of Budapest Esély Nonprofit Kft (Budapest Chance Nonprofit Ltd.). The survey covered a decisive part of the total reference population in employment in the survey interval; the survey was conducted on two occasions, in 2013-14, with the questionnaire-based-survey method. Capital-level comparisons were based on the data series of the Homeless Concept of Budapest, the Country Report on Homelessness of 2013, the flash reports for 2013 and 2014 of the "February 3rd" Panel of Menhely Alapítvány (Shelter Foundation) and the results of the participatory action research "Street and rights" (Utca és jog) of the Város Mindenkié Csoport (The City Belongs to All Group).

Keywords: homeless, employment, public employment, research

1 Introduction: Employment situation and the homeless in Hungary

In terms of the participation rate of the working-age population, ever since its accession, Hungary has been among the lagging Member States of the European Union. The decreasing proportion and weak market activity of the active-age population puts heavy pressure on the public transfer income systems, threatening their long-term sustainability. The fact that the number of the employed exceeded the pre-crisis level in the past years is explained by the rising numbers of persons in public employment or working abroad.

This situation hits hardest the social groups that are in an underprivileged labour market position anyway due to their skill, capability, qualification or work experience deficits, their age, gender or ethnic origin, or health, family or social status. It is difficult to determine the exact number of multiply disadvantaged jobseekers, but according to our estimate based on the data of the Hungarian Central Statistical Office, this is a population of at least half a million, whose marketable skills represent a major human resources potential that is yet to be tapped¹. The central public works programmes involving 209% more in 2012 than in 2002 are designed to attract them to the labour market (see Figure 1).

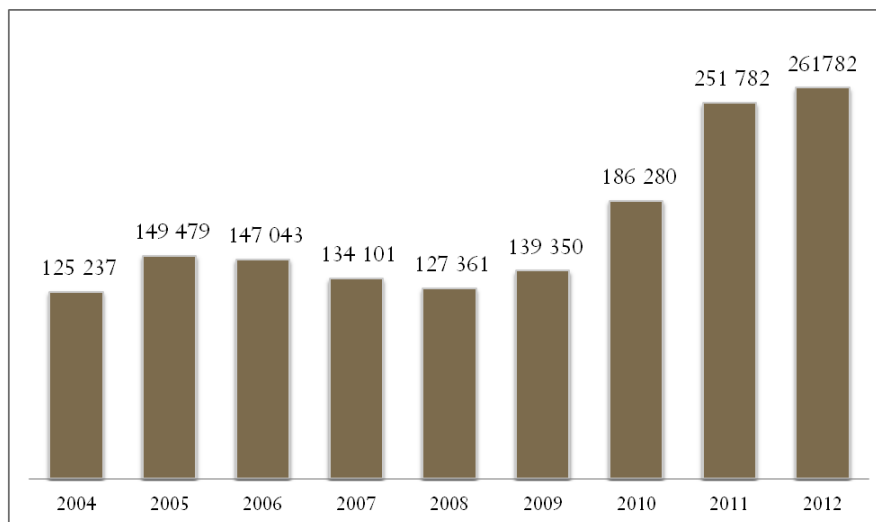


Figure 1
Number of persons involved in public employment, 2004–2012²

¹ based on [4]

² source: [3]

The homeless are a typical group of the population of unemployed people in a multiply disadvantageous situation. They make it particularly obvious that labour market reintegration is also a means of social reintegration, and complex support services – tackling the individual's qualification, lifestyle and state of health – are needed for effective rehabilitation.

According to the estimates, there are some 20-40 thousand homeless persons in Hungary today. The survey of Menhely Alapítvány indicated that at least 48 thousand were forced to spend the night, for a shorter or longer period, in public spaces or at hostels for the homeless; family members left behind included, this means at least 100 thousand persons. There are approximately 9 thousand homeless living in Budapest, the capital. One third among them spend the night in public spaces or buildings not intended for habitation (2500–3000), another 2000 at night shelters. Temporary accommodation or temporary family shelters are available in the capital for 4400, that is, around half of the homeless³.

One third of the homeless living in shelters has a regular income, one third some income based on (partly undeclared) casual work, but most of the homeless living in the street are practically excluded from the world of regular and declared employment. They make a living on recycling and selling items found, and selling the papers of the homeless. That is, a homeless with some regular accommodation possibility is in a better position also in terms of employment. The number of registered jobseeker among the Budapest homeless tells little about their actual labour market position as the administrative figures cover but a small proportion of population concerned. The number of the homeless registered as jobseekers was around 1500-1800 in the past years and almost three quarters among them were male, in line with the gender distribution of the homeless population in general. They are typically aged 36 to 55, and have low schooling.

2 Research methodology

The goal of the research is to explore the situation of homeless persons in public employment in the capital, and to test certain research hypotheses. Four research hypotheses were formulated concerning the group under study:

1. Homeless persons in public employment are in a better position in terms of social, housing, life-style and health status than the Budapest homeless in general.
2. Homeless persons in public employment have little chance of employment in the open, primary, labour market, so public employment is the only form of earning a regular and declared income that is accessible to them.

³ based on: [5]

3. The income of homeless persons in public employment originating from public employment represents a significant part of their revenues that could not be replaced by other sources.
4. Homeless persons in public employment have basically positive expectations and attitudes concerning the future effects of their participation in public employment on the development of their life situation.

The research participants were the homeless clients in public employment of Budapest Esély Nonprofit Kft. The survey covered 20% of the total population in employment in the interval under study, with random sampling. Data surveys were conducted on two occasions, with the participation of 101 in 2013 and 123 in 2014, with the questionnaire-based-survey method.

Comparisons were based on the Homeless Concept of Budapest, the Country Report on Homelessness of 2013, the flash reports for 2013 and 2014 of the “February 3rd” Panel of Menhely Alapítvány (Shelter Foundation) and the results of the participatory action research “Street and rights” (Utca és jog) of the Város Mindenkié Csoport (The City Belongs to All Group)

Expectations and attitudes concerning prospective changes in the lifestyles of the respondents (hypothesis 4) were measured under the survey of 2014, in four dimensions: financial status, housing status, health status, employment-related knowledge and skills. Number of responders was changing between 117 and 119 per dimension. Each dimension was measured by one closed-question, asked the expected changes of the dimension during the next one year. With using the four dimensions responders were in three different and homogeneous attitude-groups along their expectations (level of significance were under 0,05 in each case). Processing of the results made under SPSS Statistic 20 system. This group construction resulted by cluster-analysis gave the possibility of making one varying from the four different dimensions of changes in the lifestyle, and comparing the values of this varying with the dimension of expected effects of involving to the public employment. Descriptions of the clusters and results of the comparing were used in the monitoring of the hypothesis 4, so results located in details in the hypothesis 4 related part of this study.

3 Research results

3.1 Testing of Hypothesis 1 concerning the general life situation⁴

The average age of the respondents was 47 years, with the age group of “elderly” (i.e. 40+) employees over-represented at approximately 75%. The ratio of people aged over 50, representing almost half of the total homeless population of the capital, is less than 40% among those in public employment, due mainly to their state of health and/or eligibility for other transfer incomes. The ratio of people under 30 grew by 7% from 2013 to 2014, whereas that of the 30-60 year-old shrunk by 9%, and homeless person over 60 in public employment appeared on the scene.

As for the gender distribution of respondents, men are over-represented at 73%, the same as in the total population of the homeless in Budapest. Besides, the public employment participation rate of women rose by 6% by the second year of the survey.

Somewhat more than half of respondents completed 8-year primary school or less, around 30% had some vocational qualification, 9% GCSE and less than 0.5 a degree. These data are somewhat better than the average schooling indices of the total population of the homeless living in Budapest.

More than three quarters of respondents declared at the time of their entry to public employment that they had no illness affecting their working capacity. Those who reported some illness affecting their working capacity referred in near-identical proportions (19-23%) to cardio-vascular, musculoskeletal, pulmonary and mental diseases and addictions. According to the survey, the health status of homeless persons in public employment is by and large identical with that of their non-homeless peers, and much better than the general health status of the homeless population of Budapest.

It is difficult to interpret the notion of “household” for the homeless. It means, practically, persons who habitually live together or maybe pool their money. In this conceptual framework, more than 60% of respondents is single; from 2013 to 2015, this rate decreased by 6%. One quarter live with a partner, around 12% with a relative or friend. Persons living with a child of minor age appear only in the research of 2014 and make up 7% of respondents. Half of the multi-member households has 2 members, but the ratio of households with 3-5 members increased by 23% from 2013 to 2014. All in all, the ratio of multi-member households is somewhat higher among the homeless in public

⁴ comparative data from: [1][2][5][7]

employment than the average homeless population of Budapest, probably due to their regular labour incomes and more stable housing arrangements.

86% of respondents has some stable housing. 55% live in temporary hostels /temporary family shelters, 28% rent a flat or a room, 16% spends the nights at acquaintances or family members (Figure 2). Three quarters of persons having no stable housing sleep at night shelters, 3% of respondents in public spaces, rough, or on premises not intended for habitation. This is a much better ratio than the average for the homeless of Budapest in general, one third of whom sleep rough, in public spaces, or in buildings not intended for habitation, and one quarter at night shelters.

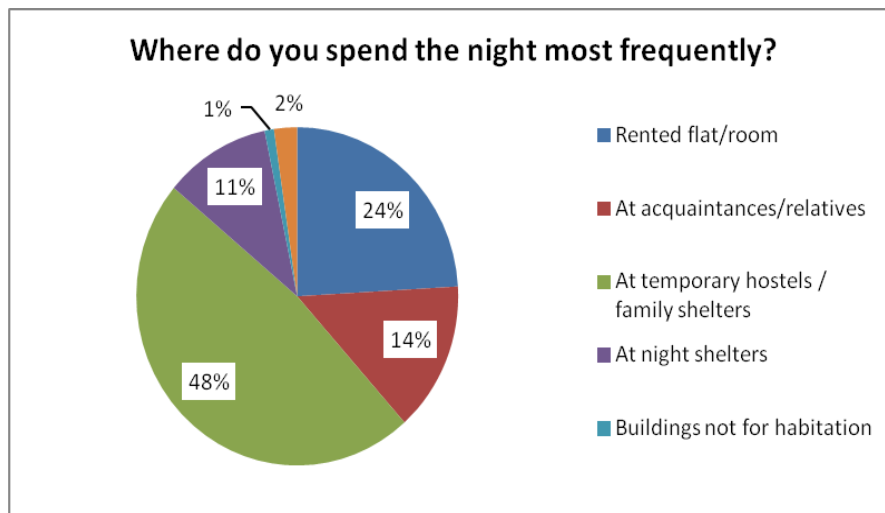


Figure 2
Housing possibilities⁵

That is, the gender distribution of the homeless in public employment is similar to that of the Budapest homeless in general, but in terms of age, qualification and health status, they are better off than the average. Their housing situation is also more favourable and, therefore, they live in bigger households with more members. Consequently, Hypotheses 1 is true.

⁵ Source: Own diagram

3.2 Testing of Hypothesis 2 concerning the labour market situation⁶

Only 18% of the Budapest homeless works for regular wages or salaries, of whom a decisive part has some relatively stable housing arrangement. One third of persons living at the Budapest hostels for the homeless has a regular, and one third some casual labour income.

As for the labour market position of the respondents, they had had no declared job for more than 8 years on average and for a longer period than that in 28% of the cases. Every fifth respondent had had a regular, declared job in the two years before the survey (Figure 3). Almost 53% did some casual work from time to time, but hardly more than one quarter among them were declared employees. Although the number of declared casual workers rose by nearly 13% over the two years under study, access to undeclared casual work has remained significantly better: 80% had had some income originating from casual work in the previous two years, and 50% in the previous twelve months.

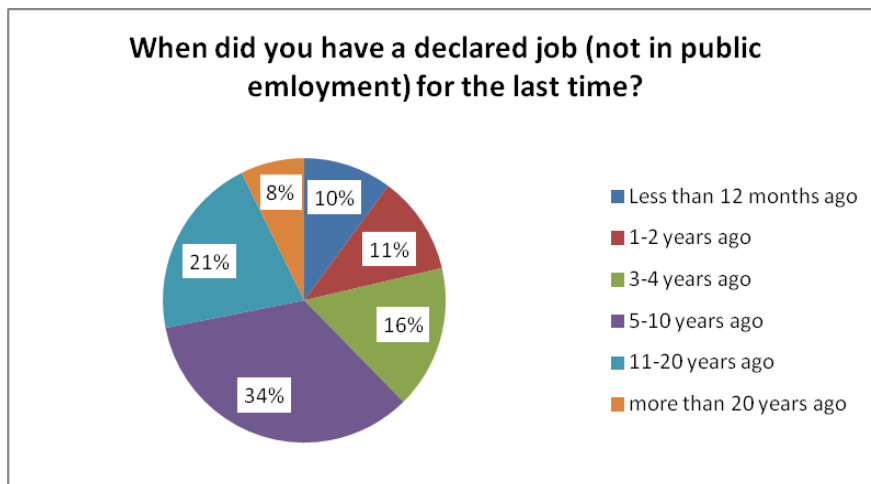


Figure 3
Last declared job⁷

The labour market of the population under study deteriorated in the two years of the survey, and public employment failed to fulfil its transit employment function. However, many new clients were involved in public employment, and the number of the extremely long-term (10+ years) unemployed increased as a result. In conjunction with the foregoing, the rate of early exits from the public employment schemes rose from 9% in 2013 to 17% in 2014. Various

⁶ comparative data from: [1][2][5][7]

⁷ Source: Own diagram

complementary life-skills and reintegration promotion services could presumably play a part in preventing the above, but this hypothesis is out of the scope of the present research.

The above data show that the homeless population of Budapest typically suffers from permanent exclusion from declared, regular work offered in the primary labour market and, consequently, a decisive majority has no labour market alternative to employment in the framework of public works. That is, Hypothesis 2 is proven to be true.

3.3 Testing Hypothesis 3 concerning the significance of income originating from public employment⁸

The average total income of persons living in multi-member households is HUF 81 826, the average per capita income is HUF 31 thousand. On average, the monthly total income of 40% of households did not exceed HUF 60 000, 40% had HUF 60-100 thousand and 21% more than HUF 100 thousand. From 2013 to 2014, the rate of households with more than HUF 100 thousand increased by close to 8% and that of households with HUF 60-100 thousand by the same percent.

However, the per capita income was less than HUF 30 thousand in 61% of households, and more than HUF 50 thousand in 8.96%. Over two years, the average per capita income fell by HUF 2800, and the proportion of households with a per capita income under HUF 20 thousand grew by 13% and that of households with over HUF 30 thousand per capita fell by 10%.

That is, parallel with the increase of the total income of the households, per capita incomes decreased due to higher number of household members.

⁸ comparative data from: [1][2][5][7]

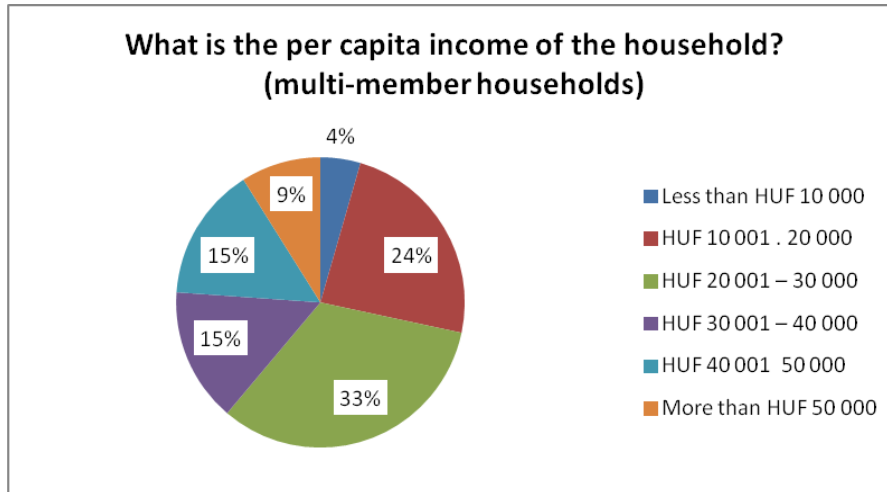


Figure 4
Per capita income⁹

Without public employment, the average income of multi-member households would be no more than HUF 41 000; in 2013 and 2014, 48% and 64%, respectively, would have been below the HUF 40 thousand total income threshold.

Exclusive of public employment, the per capita income of households would be HUF 15 350 on average; in 39%, the per capita income would be lower than HUF 10 thousand and in another 33% lower than HUF 20 thousand – the rate of the households concerned rose by 20% by 2014.

All in all, without public employment, the monthly income of multi-member families would drop by almost half.

⁹ Source: Own diagram

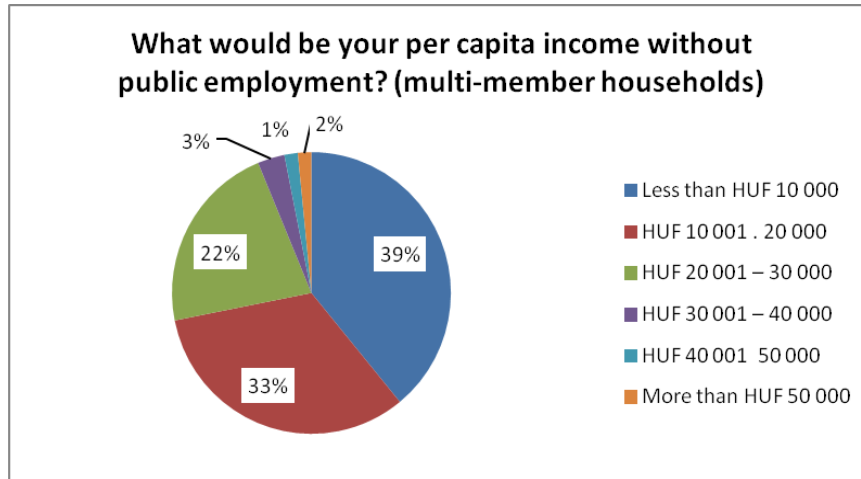


Figure 5
 Per capita income without public employment¹⁰

The average income of single-person households was HUF 51 000; the total income of 92% of respondents was HUF 40-60 thousand – from 2013 to 2014, the income of single persons grew by HUF 1800.

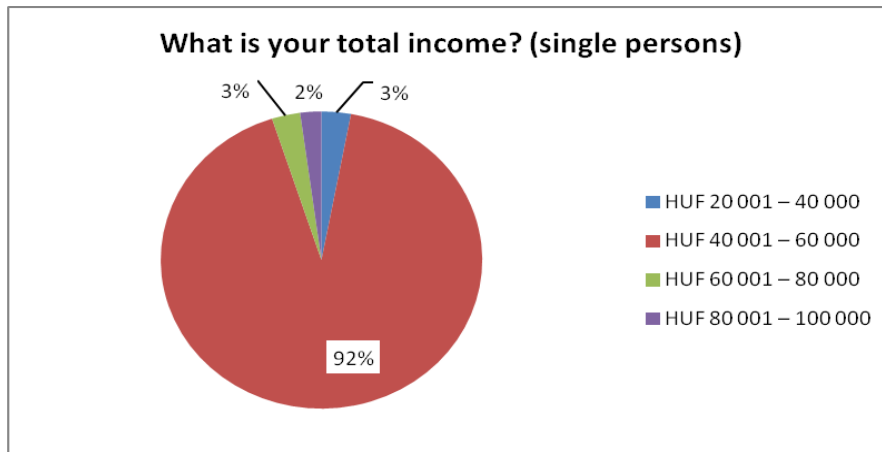


Figure 6
 Income of single persons¹¹

¹⁰ Source: Own diagram

¹¹ Source: Own diagram

Without public employment, the average income of single persons would be HUF 19 800; 96% among them would have less than HUF 40 thousand. As compared to 2013, single persons would lose HUF 3 500 in 2014.

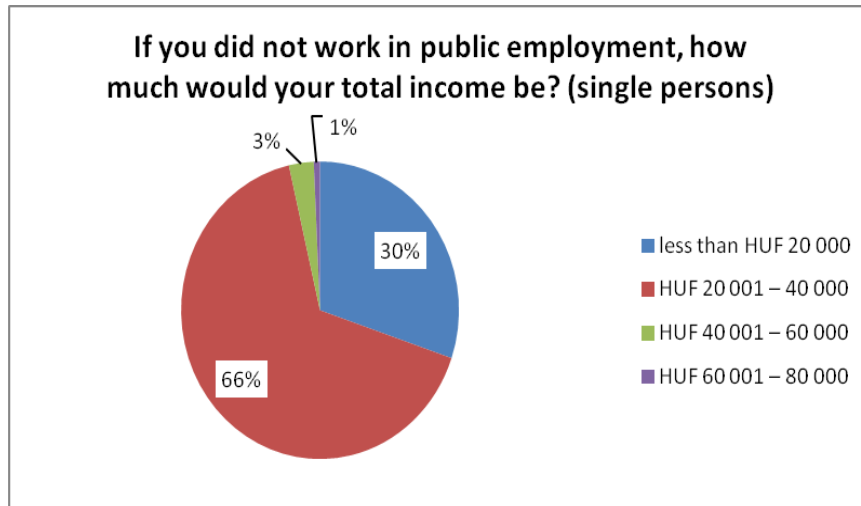


Figure 7
Income of single persons without public employment¹²

Without public employment, significant income drops impossible to offset by passive measures and benefits would have to be expected in all the households. That is, Hypothesis 3 is proven to be true.

4.4 Testing Hypothesis 4 concerning attitudes and visions

Expectations and attitudes concerning prospective changes in the lifestyles of the respondents were measured under the survey of 2014 in four dimensions: financial status, housing status, health status, employment-related knowledge and skills.

Considering the financial situation, 11% expected deterioration and 49% improvement – and 10% significant improvement – within one year. 7% expected their housing status to deteriorate, 29% to improve and 56% expected no change of merit. 17% expected their health status to deteriorate, 23% to improve and 59% to remain unchanged. As for employment-related knowledge and skills, 46% expected them to expand, 12% to expand significantly, 45% to remain unchanged and 7% foresaw deterioration.

¹² Source: Own diagram

Based on the four variables and with the help of cluster analysis, the respondents were assigned to three homogenous attitude groups according to their visions for the next 12 months (Table 1).

Groups expecting	%
1 stagnation	55
2 positive change	32
3 negative change	13
Total	100

Table 1
Attitude groups based on a one-year vision¹³

The table shows that the homeless involved in public employment are rather confident: 87% expects no negative change and one third expects positive change.

The correlation between the respective visions of the attitude groups and their expectations concerning public employment were also examined, by integrating the attitude groups into the same cross-table with the variable measuring public-employment-related expectations (Table 2). Two thirds of those expecting positive changes and 72% of those expecting stagnation thought that public employment would have a positive effect. One quarter of those expecting positive change and one fifth of those expecting stagnation did not associate the prospective change of their situation with public employment, expecting no effects out of it. Only 7% of the members of these groups feared that public employment might have a negative effect.

Group expectations	Expected effect of public employment (persons)					Total
	Clearly positive	Rather positive	None	Rather negative	Clearly negative	
Stagnation	13	31	13	3	1	61
Positive change	12	12	8	2	1	35
Negative change	0	6	3	2	2	13
Total	25	49	24	7	4	109

Table 2
Attitude groups and public-employment-related expectations¹⁴

¹³ Source: Own compilation

¹⁴ Source: Own compilation

Among those expecting a negative change, the ratio of those expecting public employment to have a negative effect is almost one third, whereas almost half of the group expects public employment to have at least some minor positive effect.

On the basis of the above, Hypothesis 4 is true.

4 Further conclusions and summary of the research

The research has shown that public employment plays a significant part in the life of homeless persons living in Budapest, since it provides this social group in a multiply disadvantageous labour market position regular, declared work and an income that could hardly be replaced in any other way. Public employment contributes thereby to their higher quality of living, more positive visions and the emergence of larger households that function as a supportive medium for the homeless. Obviously, however, providing a job opportunity is not sufficient for lasting reintegration. This is confirmed by the data included in the secondary analysis, and the (already mentioned) early exists from the public employment schemes. Therefore, in addition to the examination of the hypotheses, the research was meant to identify the health care, social and labour market services needs to be satisfied by all means to ensure the lasting integration of the homeless.

Therefore, data collection covered the natural support systems and the use of and demand for the services of the social network. The answers have shown that only 30% of respondents receive help from their non-homeless acquaintances or relatives, so they can count primarily on the members of their households and on the institutionalised support services. As for the latter, the homeless rely firstly on the institutions providing accommodation and secondly on the staff of the outreach teams, the street social worker or family assistance services. Almost half of respondents receive help in administrative matters, one quarter in being supplied with clothes, food and medicines, but only 12% in 2013 and 19% in 2014 claimed and received job search assistance.

Half on average of the respondents is dissatisfied with the available support options – in 2013, one third was dissatisfied, by 2014, this ratio doubled. A major part of the dissatisfied persons expresses the necessity of upgrading public employment to make it a more permanent solution and of raising the relevant wages and improving the working conditions. Almost one quarter of the dissatisfied pointed to the need for complementary services promoting return to the primary labour market.

The assistance expectations of the respondent homeless apparently underwent radical change over one year: besides public employment, a growing proportion would like to see complex assistance intervention covering housing and reintegration to the open labour market. This suggests that one of the essential preconditions of the complex options complementing public employment, i.e. the well-motivated client willing to co-operate in a proactive way, is met already.

However, to ensure efficient case management, it is equally important to have an extensive professional network and co-ordinated resources allocation, to have scheduled (finite) case management objectives and milestones, focusing on the improvement of the position of the client in the open labour market, and to conduct multi-criteria (educational health care and social) surveys and realise complex interventions. In their revised forms, the public employment programmes give an opportunity to create such a system. The expected benefit of such complex programmes is that they help set the optimum level of public employment through real reintegration wherever possible. And, where long-term reintegration is impossible due to the age, schooling, state of health of the client, lasting public employment accompanied by life skills support remains the only option. Overall, this will relieve the social and employment services, and reduce specific costs through reintegration and value creation by public works, and thus improve the sustainability of the redistribution systems.

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