



EMPLOYING PEOPLE WITH DISABILITIES - THE EFFECTS OF THE QUOTA LEVY SYSTEM IN THE AGRICULTURAL SECTOR OF HUNGARY

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Abstract

As in most transition countries, the share of agriculture in the Hungarian economy shrank markedly in the last fifteen years and its share in employment fell significantly. According to the Act on Promoting Employment (IV of 1991) employers of all segments of economy are obliged to pay rehabilitation fee in case the average number of their employees is above 20 and the ratio of employees with disabilities does not reach 5%. The amount to be paid has been significantly changed as of 1st of January, 2010 putting additional burden on the anyway unfortunate agricultural sector. How do agricultural companies respond to the changes? A field study shows examples of the ways agricultural companies meet the obligations.

Key words: *disability*, agriculture, employment, quota

INTRODUCTION

Between 2000 and 2009, employment in the agricultural sector fell by 34,8 % in Hungary and its share in employment fell from 14.2% to 4.9%. Needless to say it creates a tension in the sector. In parallel to that numerous labour market regulations have changed influencing the situation of the agricultural labour market as well. One of the most recent changes is the significant increase of the rehabilitation fee as of 1st of January, 2010. Different companies react differently to the changes. Introducing the results of the first round of my field research on the topic gives an insight on the employment policies companies apply to meet the requirements of the regulations. It also raises many questions with regards to finding the best possible way of involving people with disabilities in the open labour market including agriculture. Agriculture was historically seen as the main possible area for employing people with disabilities – because of its closeness to nature and involvement of lots of manual work. Although this approach was rewritten by technology agriculture is and always will be taking its share in employing people with disabilities.

MATERIAL AND METHODS

The Act on Promoting Employment

According to the Act on Promoting Employment (IV of 1991) employers of all segments of economy are obliged to pay rehabilitation fee in case the average number of their employees is above 20 and the ratio of employees with disabilities does not reach 5%. The amount to be paid has been significantly changed from 177 600 HUF/year to 964 500 HUF/year as of 1st of January, 2010 in order to raise efficiency.

Survey

As a first step in my field research on the topic I created a survey to be used either in phone interviews or via mail to be answered by the relevant Human Resources Management representatives of the agricultural companies themselves. After validating the survey with a company it became clear that due to the nature of the topic (the solutions are unique, tailor made to the needs/possibilities of the certain companies) no standardized surveys can be used.

Personal and Phone Interviews

After selecting a few agricultural and food industry companies I started to design the interviews in order to create a script to be followed to ensure similar data gathering and as an end result comparable data. After validating the script I contacted the companies and organized the meetings. During this procedure some companies were not open for a personal interview rather suggested to discuss the topic via the phone. So the script became a guideline for phone interviews as well. At the end in the first round of interviews I gathered data from 3 companies: one in the field of crop production, one stock breeding and one food industrial company.

Statistical Analysis

As the first round of the interviews did not result in great number of data the simple statistical analysis was performed by using Microsoft Excel.

RESULTS

General Response

One of the most common reactions to the legal requirements is the refusal to pay the increased amount of the rehabilitation fee. Companies do anything to avoid paying the significant amount to the "government". They started to look for the possibilities to fulfil the 5% quota. This by itself is a result as the topic previously was not even considered before. This way as a first step at least the companies are forced to give some attention to employing people with disabilities. Hopefully this attention is of value.

Applied Solutions

1. Pretended efforts for finding a solution without any results.

The examined breeding company claimed to have made all the efforts necessary to meet the legal requirements but were not capable of recruiting any matching candidates for the possible positions. For more detailed answers however regarding the nature of their work in finding employees with disabilities I did not get clear answer so I have to suggest they did not really search for anyone to be employed.

2. Legally and statistically reportable solution without real employment.

The crop company is officially employing the legally required number of employees with disabilities however to my request whether it is possible to meet some of them they did not give any clear answer. It is a sign of no real employment that can be reported in order to avoid the payment of the rehabilitation fee without really employing people with disabilities.

3. Full scale project with partial results.

The food industrial company responded to the legal requirements with extreme care – they have already employed people with disabilities even before the regulation obliged them to do so. They started a project in order to identify the positions that can be filled in with people with disabilities. In this work they have involved one of the biggest civil organisations in Hungary dealing with the support of employing people with disabilities. The second step – which is not finalized yet – is the employment itself. In this field they have partial results so far but working towards fully meeting the legal requirements.

DISCUSSION

The Act on Promoting Employment was established with the clear message to the companies: the government supports people with disabilities in promoting their right to mainstream work by creating financial demand for their participation in the open labor market. Companies however do not seem to follow this social responsibility to the desired extent. This raises a number of questions. Is the quota levy system the most suitable legal instrument in supporting people with disabilities willing to enter mainstream labor market? How can good practices be recognized and promoted as good examples to be followed? How can statistics and official reports be checked in order to raise efficiency and avoid pretended solutions? What is the responsibility of civil organizations in the procedure?

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