

Chapter Six

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An analysis of non-standard employment and working time arrangements in the Czech Republic and Hungary

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INTRODUCTION¹

The demise of state socialism and the turn to capitalism in Central and Eastern Europe (CEE) has presented social scientists with the question what type(s) of capitalism(s) are emerging in this region. Studies on Western capitalist societies show that large and persistent differences prevail between national models of capitalism (Crouch and Streeck 1997; Hall and Soskice 2001), as well as welfare state regimes (Esping-Andersen 1990), industrial relation systems (Crouch 1993), or business systems (Whitley 1999). Even in the present era of increasing economic internationalization, producing what are often claimed to be common challenges, divergence tends to reconstitute itself. This is because historically developed national institutional, cultural and structural configurations give a different meaning to such common challenges in specific national contexts (Locke and Thelen 1995), and tend to constrain certain responses to common pressures while facilitating others (Kitschelt et al. 1999; Hemerijck et al. 2000). Indeed, capitalism is no single order. And neither was CEE state socialism. State socialism showed similarly profound differences across space and time with a generality of experience that can be claimed only at a broad systemic level (Kornai 1992). Based on this diversity, the CEE countries have been constructing their own variations on the general theme of capitalism. What capitalism in the various CEE countries looks like then becomes a question for comparative empirical research.

In this paper, we will take a comparative view of one of the core dimensions of contemporary capitalism, labour market flexibility, in two CEE countries, the Czech Republic and Hungary. The labour market has been one of the key areas of reform in the post-1989 period, as well as one of the areas where the dramatic changes from state socialism to capitalism have been most apparent and have had most impact on the wellbeing of the countries' populations. It has also been one of the most hotly debated areas of reform in capitalist countries around the world in the past two decades, with the debate focusing above all on the issue of flexibility.²

Since the 1980s, a fairly broad consensus has developed arguing that economic organisations need to be able to make more flexible use of labour to allow them to competitively respond to the exigencies of the global economy. Much less agreement exists on what types of flexibility are desirable or feasible, and in what way labour market regulation should be (re-) shaped to allow for or foster labour flexibility. In line with the capitalist diversity argument, large differences can be found between Western countries concerning the way labour market flexibility has taken shape, including the types of employment that prevail, working time patterns, and labour market regulations (Esping-Andersen and Regini 2000a; European Commission 2001). While in all countries flexibility is constituted in a complex and multidimensional way, each has its own particular characteristic features. For example, in the USA, flexibility is largely achieved through minimal dismissal protection and decentralized

wage bargaining. In Spain, it is embodied in widespread temporary employment but combined with extensive job security for core workers. In the Netherlands, part-time employment is widespread, especially among women, but part-time employees enjoy similar protection and social security benefits as full-time employees. The Greek labour market is flexible in the sense that almost half of the employed is self-employed. And in Germany, labour market flexibility to a large extent originates in flexible forms of work organization, combined with employment security and higher level wage bargaining. In Southern Europe, and in particular in many Latin American countries, labour market flexibility stems from sizeable informal sectors (Tokman 1995). In terms of working time patterns, in the EU, the percentage of the employed who work regular hours varies from 75 per cent in Austria to 47 per cent in Greece, the percentage of the employed involved in shift work varies from 6 per cent in Portugal to 19 per cent in Finland, and the percentage with irregular working hours varies from 13 per cent in Spain to 39 per cent in Greece.³

The analysis presented here aims to contribute to getting an understanding of the way labour market flexibility is constituted in the Czech Republic and Hungary. Some aspects of this issue have been subject of comparative research on CEE countries elsewhere, including labour turnover and employment stability (Cazes and Nesporova (2001), as well as employment protection legislation and labour market policies (Riboud *et al.* 2002). In the present paper we will focus on two of the core flexibility issues, types of employment and working time arrangements, on which little comparative research has been done as yet in CEE. Both are at the heart of the labour flexibility debate and, as we will see below, non-standard types of employment and non-regular working time arrangements are increasingly seen as viable instruments to increase labour market flexibility in

the two countries under study. Our discussion will be based on the results of the Households, Work, and Flexibility (HWF) survey, a unique survey fielded in 2001 in eight Eastern and Western European countries, and dedicated specifically to the inter-country comparison of various types of flexibility.⁴

The questions around which this paper evolves are the following:

- To what extent are the two labour markets typified by standard employment and regular patterns of working time, to what extent do standard employment and regular working time patterns have the same meaning in the two countries, and what is the weight of the various more flexible types of employment (part-time employment, fixed-term employment, self-employment and employment without a contract) and working time arrangements (shift work, irregular working time patterns)?
- What are the gender, age groups, educational groups and branches that are particularly exposed to flexibility, and what relation exists between flexibility and personal and household income? To what extent do the two countries differ here?
- To what extent are the differences observed between the two countries in terms of types of employment and working time arrangements linked broader labour market developments and to diverse approaches towards the creation of post-socialist capitalism?

The rest of this paper is structured as follows. In section 2 we offer a brief overview of some major aspects of economic and employment policy in the Czech Republic and Hungary since 1989, as well as the major changes in the labour market. In section 3 we present the results of the HWF survey concerning the incidence and character of standard and non-standard employment, and of regular and non-regular patterns of working time. In section 4 we will summarize our findings.

1. POST-1989 REFORM POLICY AND LABOUR MARKET DEVELOPMENTS

Following the capitalist diversity argument we should not start from an assumption of convergence in the way labour market flexibility takes shape in the two countries. First of all, they started the post-1989 period of capitalism building with quite diverse economies and labour markets. Hungary traditionally had a smaller industrial sector with less heavy industry than the Czech part of the former Czechoslovakia (36.1 per cent and 45.4 per cent respectively in 1989) as well as a larger agricultural sector (17.5 per cent and 11.8 per cent respectively). Hungary was also a main example of reform state socialism, including extensive decentralization and a relatively large second economy with small scale private economic activity, while the then Czechoslovakia was a more traditional, centralized and exclusively state-led socialist economy (Kertesi and Sziracky 1987; Adam 1987; Héthy et al. 1989).

Also, although the systemic change from state socialism to democratic capitalism has had many common basic elements in the two countries, important differences can be observed both in terms of economic and employment policy as well as labour market developments.⁵ In Hungary, in the early 1990s, reforms were to a large extent oriented towards the creation of a competitive market environment for enterprises, including strict bankruptcy laws and the discontinuation of much of state support to enterprises. This caused a massive wave of bankruptcies, as well as drastic employment cuts because of restructuring and rationalisation in continuing enterprises (Köllő 1998). In the Czech Republic, the institutional context, including continued state subsidies, soft credits, and limited enforcement of bankruptcy regulations, favoured the survival of enterprises and made restructuring and layoffs less of a priority. If we compare, as an example, the number of bankruptcies in the two countries, in the period 1992-1996, in Hungary 42,124 bankruptcies were filed compared to 8,647 in the Czech Republic (Kornai 2001: 1576-1578). As a result, while in both countries employment fell dramati-

cally, this fall was much deeper in Hungary than in the Czech Republic. In Hungary, aggregate employment declined by no less than 29.7 per cent in the period 1990-2000, compared to 11.6 per cent in the Czech Republic. As a matter of fact, the decline in employment in Hungary has been the largest in the entire CEE region, with the exception of parts of the former Yugoslavia, while in the Czech Republic it has been one of the smallest (UN-ECE 2000). And while the employment rate in Hungary was 5.6 percentage points higher than the Czech rate in 1990, by 2000 it was 5 percentage points lower.

These diverging employment developments also signal differences in how labour markets function in the two countries. In Hungary the total collapse of aggregate employment indicates the disintegration, in the early 1990s, of large parts of the internal labour markets predominant in the 1970s and 1980s, and their dissolution into occupational labour markets (Gábor 1999).

In the Czech Republic, although the scope of internal labour markets narrowed significantly, they did continue to function and were a significant source of over-employment and of job security for core employees (Frýdmanová et al. 1999: 23-25).

As far as gender, age and education are concerned, trends have been broadly similar in the two countries. Women were pushed out of the labour market much more harshly than men. Already at the beginning of the 1990s, in both countries female participation rates were 11 percentage points below male rates; by 2000, differences had increased to 18.2 percentage points in the Czech Republic and 16.1 percentage points in Hungary. Looking at the different age groups, it has been the old and the young that have been most affected by the changing labour market conditions (Večerník 2001a; Keune 1998). Persons of pension age were among the first to be laid off in the early 1990s, also because of the availability of ample early retirement provisions, and confront great difficulties in finding (new) employment, forcing

many to opt for inactivity. Concerning the young, they have consistently had unemployment rates far above the average, and it is particularly difficult for young people to enter the labour market. Finally, the labour market position of those with only low education is especially difficult as the level and type of education have gained in importance in both countries in determining access to employment and wage levels (Večerník 2001b; Kertesi and Köllő 1999).

A further element of labour market change is the enormous shift in the sectoral distribution of employment (Table 1.1). In the 1990s, sectoral developments comprise the rapid decline of the share of agriculture and the more modest decline of the share of industry, combined with the strongly increasing share of services in employment. Indeed, by 2000, in both countries agriculture has become very small while services is by far the largest sector. Industry continues to be a large sector however, in particular in the Czech Republic.

Table 1.1. Employment by broad sectors, Hungary and Czech Republic, 1990-2000

	Hungary					Czech Republic			
	Agriculture	Industry	Services	Total		Agriculture	Industry	Services	Total
1990	17.5	36.1	46.4	100	1990	11.8	45.4	42.8	100
1992	11.3	35.0	53.7	100	1992	8.6	44.8	46.6	100
1994	8.7	33.0	58.3	100	1994	6.9	42.2	51.0	100
1996	8.3	32.6	59.1	100	1996	6.1	41.5	52.3	100
1998	7.5	34.2	58.3	100	1998	5.5	40.9	53.6	100
2000	6.6	33.7	59.7	100	2000	5.1	39.5	55.4	100

Sources: CSU and KSH

Finally, it is important to mention the informal sector because of its potential effects on flexibility as well as the often associated precariousness. This may originate in the limited effect of protective regulations and it can also be assumed that many (though not all) of the employed in the informal sector will have low or irregular incomes (Rossner et al. 2000). Although there are enormous difficulties of definition and measurement of the informal sector, concerning the two countries under study here comparative studies agree that the informal sector is much larger in Hungary than in the Czech Republic. Rosser et al. (2000) estimate the size of the informal sector for 1993-94 as 17.2 per cent for the Czech Republic and 28.1 per cent for Hungary. Schneider (2002) estimates its size for the Czech Republic to be 18.4 per cent and for Hungary 24.4 per cent in 2000-2001. As far as employment is concerned, he estimates that in 1998-99, of the population aged 16-65, respectively

12.6 per cent and 20.9 per cent were active in the informal sector.

As far as specific policies oriented towards the creation of non-standard types of employment and non-regular working time patterns are concerned, from 1989 onward, and in Hungary even since the early 1980s, policy makers have underlined the importance of self-employment as a source of dynamism and employment.⁶ Apart from self-employment, when labour market flexibility was discussed in the first half of the 1990s, it was mainly in terms of dismissal regulations, adjustment of the quality of labour supply, or labour mobility. Policy debates then largely evolved around issues like the management of unemployment, training and education, wage control, or the promotion of structural changes.

This situation has however been changing. During the second half of the 1990s, flexible types of employment and working time arrangements

have more and more moved to the center of the debate on employment and labour market policy in both countries. With the ultimate goal of fostering employment creation, in both countries, employers are increasingly allowed to hire labour on fixed-term, part-time or other flexible contracts, and to schedule effective working time according to their needs. An important role in institutionalizing the call for flexibility in the two countries under study is played by the EU. As part of the EU accession process, the Czech Republic and Hungary have been adopting much of the language and objectives of the European Employment Strategy, including the four pillar framework and its call for flexible types of employment and working time arrangements. As a result, recent policy statements of the Czech and Hungarian governments have become impregnated with calls for such types of flexibility.⁷ Increasingly, policy makers propose the abandoning of open-ended, contract-based, full-time employment with stable working hours, in favour of more flexible employment forms and working time arrangements. And indeed, today there are only few formal limits on flexible contracts and ample possibilities for the flexible scheduling of working time in both countries.

2. FORMS OF EMPLOYMENT AND WORKING TIME ARRANGEMENTS

2.1. Forms of employment: incidence and basic characteristics

Table 2.1 gives an overview of the distribution of the various types of employment prevailing in the Czech and Hungarian labour markets in 2001. The first conclusion we can draw from the table is that in both countries the vast majority, just over two-thirds, of the employed have so-called standard employment, a permanent, contract-based and full-time job, with Hungary slightly exceeding the Czech Republic. Non-standard or flexible forms of employment thus concern 32.9 per cent of jobs in the Czech Republic and 31.7 per cent in Hungary.⁸

An examination of the composition of non-standard employment evidences, firstly, that it concerns almost exclusively self-employment,

In section 3 we will discuss the incidence and characteristics of types of employment and working time arrangements in the two countries. Following from the above-presented differences and similarities in historical and more recent labour market developments and policies, we would expect to find considerable differences between the two countries. Hungary's enormous decline in aggregate employment, the resulting weaker position of the employed towards their employers, and the country's larger informal sector would suggest that it would be more flexible in terms of types of employment and working time patterns. It also has a larger service sector, known to be the sector where much of flexible employment can be found in the West. It is less obvious, however, what shape the differences between the two countries would take. They may concern the characteristics of standard employment and regular working time schedules (such as hours worked, income, etc.), the incidence of standard employment and regular working time schedules, the composition of flexible types of employment, or the social groups or branches most affected. In the next section we will shed light on these questions.

fixed-term full-time employment, and employment without a contract, together responsible for 80.9 per cent of non-standard employment in the Czech Republic and for 82 per cent in Hungary. Permanent part-time employment, fixed-term part-time employment, casual jobs, on call workers, temporary agency work and work on a fee basis play only a small part in both labour markets, and together make up 6.4 per cent of total employment in the Czech Republic and 5.8 per cent in Hungary. This does however not necessarily mean they are meaningless; some of the more flexible and precarious jobs might be located precisely in this segment. Secondly, there are impor-

tant differences in the composition of non-standard employment. The most striking difference is that in Hungary no less than 9.9 per cent of employment lacks a contractual basis, while in the Czech Republic this is much lower, 5.4 per cent. This means that in both countries a significant part of employment falls outside the legally regu-

lated sphere and lacks any formal protection and security, but in Hungary this segment is almost twice as large as in the Czech Republic. This also confirms that the informal sector in Hungary is much more extensive than in the Czech Republic.⁹

Table 2.1. Types of employment by gender, Czech Republic and Hungary, 2001 (per cent)

	Total		Males		Females	
	CZ	HU	CZ	HU	CZ	HU
Permanent full-time employees	67.1	68.3	66.4	66.4	67.9	70.5
Permanent part-time employees	1.9	2.9	0.9	1.1	3.1	4.9
Fixed-term full-time employees	9.2	6.3	8	5.4	10.6	7.4
Fixed term part-time employees	0.9	1.3	0.4	1.3	1.5	1.2
Self-employed	12.0	9.8	13.1	12.4	10.6	6.8
Other types of contracts*	3.6	1.6	4.3	1.3	2.7	1.8
No contract**	5.4	9.9	6.9	12.1	3.5	7.4
	Total	100	100	100	100	100
	N	987	697	535	372	325

Notes: *casual jobs, on call workers, temporary work agency, work on a fee basis
** excludes self-employed

Source: HWF Survey 2001 – Unified international data collection

In the following we will discuss differences between gender, age groups, educational groups and branches in terms of types of employment in the two countries. We will mostly limit our analysis to the four main types: permanent full-time, fixed-term full-time, self-employment and employment without a contract. Only occasionally we will refer to the other, less salient, types, which, for the sake of comprehensiveness, will however be presented in the tables.

As far as gender differences are concerned, a higher percentage of women than men have standard jobs, in particularly in Hungary, but the differences are limited (Table 2.1). However, as female participation rates have been falling further behind the male ones, in absolute terms more men than women have standard employment. Part-time employment, as in most parts of Europe, is more widespread among women, while self-employment is more widespread among men, the difference being particularly significant in Hun-

gary. Striking is that employment without a contract is particularly high among men, the relative weight being twice as high for men as for women in the Czech Republic and 1.6 times in Hungary. Fixed-term full-time employment is slightly higher for women than for men.

Concerning age groups, in both countries the percentage of standard employment is low first of all for the lowest age group of 18-24 olds, but also for the highest age group of 55-65 olds, the two age groups also having a weaker position in the labour market in terms of employment and unemployment rates (Table 2.2). However, in Hungary the differences between the age groups are much more polarized than in the Czech Republic: in the former the lowest and highest age groups trail the age group with the highest incidence of standard employment by no less than 18.7 and 16.9 percentage points respectively, while in the latter these differences are 8.8 and 5.7 percentage points respectively.

The lowest and highest age groups are thus much more involved in non-standard employment, particularly in Hungary. For the young this reflects in their higher-than-average fixed-term employment, in the Czech Republic 1.5 times the average and in Hungary 1.9 times the average, presumably largely linked to their entry into the labour market. Another factor is their high levels of part-time employment (Hungary) and of other types of contracts (Czech Republic), both indicating that many combine education with employment. In addition, especially the Hungarian young show a very high incidence of employment without a contractual basis, no less than 18.6 per cent. The high level of employment without a contract is also the most striking factor in the case of the highest age group in both countries, with the situation in Hungary again being much more polarized. Indeed, it clearly indicates the more precarious position of these age groups and their relatively high level of participation in the informal sector. In Hungary the highest age group is also above average involved in self-employment.

As far as education is concerned, in both countries it is those with only primary education that have the lowest levels of standard employment. In absolute terms, this affects more people in Hungary than in the Czech Republic, considering that in the former 16.6 per cent of the sample had maximum primary education and in the latter only 7.4 per cent. Also, while in the Czech Republic the differences between educational groups are fairly small, in Hungary especially the difference between those with primary education and those with tertiary education is noticeable, their respective percentages of standard employment being 59.5 and 76.1 per cent. In addition, the main alternative to standard employment for the lowly educated in the Czech Republic is fixed-term employment (17.8 per cent), while in Hungary it is employment without a contract (20.7 per cent), suggesting a much more precarious position for the latter.

If we then look at the branches, first of all we can identify two particularly flexible branches with very low levels of standard employment. One is agriculture, particularly low in Hungary (47.5 per cent) but also far below the average in the Czech Republic (59.4 per cent). The other is trade, repair and other services, particularly low in the Czech Republic (48.6 per cent) but also far below the average in Hungary (58.9 per cent). All other branches have standard employment levels clearly above the average, or close to it in the case of culture and education in the Czech Republic. Much of non-standard employment can be traced back to trade, repair and other services, the fastest growing branch of the 1990s, linking non-standard employment closely to the structural changes in the two economies. Because of its size (26.4 per cent of total employment), this branch comprises no less than 41.3 per cent of all non-standard jobs in the Czech Republic. In Hungary this is not much lower: 37.2 per cent. In the Czech Republic, it includes 52.1 per cent of all self-employment and 51.9 per cent of all employment without a contract; the respective percentages for Hungary are 46.2 and 40.4. Especially the high incidence of employment without a contract is an indicator for the precarious nature of many jobs in this branch. Agriculture, small as it is as a branch, is responsible for 8.4 per cent of self-employment and 11.5 per cent of employment without a contract in the Czech Republic; the respective percentages for Hungary are much higher: 24.6 and 21.1. Especially in Hungary this underlines the marginal position of this branch.

The above should however not lead to the conclusion that manufacturing is of little importance in terms of non-standard employment. Indeed, manufacturing has high levels of standard employment. However, because of its size, in the Czech Republic it includes 25.6 per cent of all fixed-term full-time jobs, 23.5 per cent of all self-employment, 34.3 per cent of other contracts, and 23.1 per cent of employment without a contract are located in manufacturing. Likewise, in Hungary, 32.6 per cent of all fixed-term full-time jobs, 22.2 per cent of all other contracts, and 21.1 per cent of employment without a contract correspond to manufacturing.

Table 2.2 Distribution of types of employment by age, education and branches, The Czech Republic and Hungary, 2001 (per cent)

	N		Permanent f-t		Permanent p-t		Fixed-term full-t		Fixed-term part-t		Self-employed		Other con-tracts*		No contract**	
	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU
Age group																
18-24	104	59	60.6	57.6	1.9	6.8	13.5	11.9	1.9	0	3.8	1.7	11.5	3.4	6.7	18.6
25-34	255	208	69.4	66.3	0.8	3.4	12.9	8.2	0.4	2.4	10.6	7.2	2.4	2.4	3.5	11.1
35-44	258	173	67.4	76.3	2.3	1.2	7	4.6	0.8	0.6	15.5	10.4	2.3	0.6	4.7	6.9
45-54	257	183	68.5	71.6	2.3	2.7	7.8	4.4	0.4	1.1	13.6	14.2	2.3	0.5	5.1	6.6
55-65	113	69	63.7	59.4	2.7	2.9	5.3	5.8	2.7	2.9	10.6	11.6	4.4	2.9	10.6	17.4
Education																
Primary	73	116	58.9	59.5	1.4	6	17.8	7.8	1.4	2.6	4.1	3.4	6.8	0.9	9.6	20.7
Vocational	367	244	66.8	67.2	0.3	2	11.4	7.4	0.5	1.2	13.4	10.7	3.8	1.2	3.8	10.2
Secondary	398	220	69.3	69.5	3	2.3	6.5	5.5	1.3	1.4	10.1	11.4	3.5	3.2	6.3	7.3
Tertiary	149	117	65.8	76.1	3.4	2.6	6.7	5.1	0.7	0	17.4	11.1	1.3	0	4.7	5.1
Branches																
Agriculture, forestry, fishing	64	59	59.4	47.5	1.6	0	12.5	3.4	0	1.7	15.6	27.1	1.6	0	9.4	20.3
Manufacturing, mining, quarrying	315	185	74.6	78.4	1	0.5	7.3	7.6	0.6	1.6	8.8	4.3	3.8	1.1	3.8	6.5
Transport and storage	69	50	92.8	78	0	2	0	6	0	0	2.9	10	2.9	0	1.4	4
Trade, repair and other services	259	180	48.6	58.9	1.2	4.4	11.2	5	0.4	0.6	24.5	16.7	4.2	1.7	10.4	12.8
Financial intermediary, insurance	31	17	71	70.6	0	0	3.2	5.9	0	0	19.4	11.8	6.5	11.8	0	0
Public admin., defence; soc. sec.	75	40	75.3	76	2.6	4	10.4	10.7	2.6	2.7	0	0	5.2	5.3	1.3	1.3
Health	67	44	73.1	77.3	1.5	2.3	13.4	9.1	1.5	0	9	6.8	0	2.3	1.5	2.3
Culture and Education	101	68	66.3	72.1	8.9	8.8	11.9	7.4	3	4.4	3	0	3	1.5	4	5.9

Notes: *casual jobs, on call workers, temporary work agency, work on a fee basis

** excludes self-employed

Source: HWF Survey 2001 – Unified international data collection

3.2. Types of employment and personal and household income

One of the implicit assumptions in the flexibility-deregulation debate is often that non-standard employment in general and certain types of it in particular do not only provide less security to the person employed, something derived directly from their contractual characteristics, but also that they come with worse conditions in terms of income and working hours. What can we say about these issues based on the HWF survey? Let's first consider the matter of income, focusing again on the four main types of employment.¹⁰

If we consider personal income, from table 2.3 we can observe that the type of employment an individual has is indeed of great importance for her income position. First of all, in both countries, the percentage of those having standard employment that fall in the lowest income group is far below the average. In Hungary, this also counts for the second income group, while persons with standard employment have higher than average shares in the upper two income groups. In the Czech Republic this counts as well for the second-highest income group but not for the highest income group. Indeed, in Hungary, standard employment is more likely to provide relatively high incomes than in the Czech Republic. The main reason for this is the different position of self-employment in the two countries. In the Czech Republic, self-employment is clearly a high income activity as the share of Czech self-employed falling into the highest personal income group is no less than 2.3 times the average. At the same time, the share corresponding to the lowest two personal income groups is below that of all other forms of employment. In comparison, in Hungary, self-employment tends much more to be a low-income activity, considering that the share of Hungarian self-employed falling into the lowest income group is more than twice the average and that of those falling into the second-lowest income group almost twice the average; their share in the highest income groups is well below the average. This suggests that in the Czech Republic, with its more limited employment de-

cline over the 1990s, self-employment is more a result of pull factors, that is, of positive income opportunities, while it in Hungary it is more the result of push factors, that is, it is more an alternative for unemployment and poverty.

Hungarian fixed-term fulltime employment is also a low income activity: it has around double the average share in the lowest two income groups, and an even lower share in the highest income groups, almost half the average. Persons without a contract in Hungary trail the average even further, in particular because their share in the lowest income group is 3.8 times the average. For Hungary we can then conclude that there is a clear divide between standard employment as a relatively high income form of employment and the various types of non-standard employment as relatively low income forms of employment, in particular where employment without a contract is concerned. This suggests that not only much self-employment, but much of all non-standard employment has the function of an alternative to unemployment and poverty, a situation closely linked to the sharp decline in aggregate employment in the 1990s.

In the Czech Republic, the situation is less clear cut. Like in Hungary, fixed-term full-time employment is a low income form of employment, with much higher-than-average shares in the lowest two income groups and much lower-than-average shares in the highest two income groups. However, as mentioned above, self-employment is the clearest high income type of employment, more than standard employment. And as far as employment without a contract is concerned, like in Hungary this group has a very high share in the lowest income group, 3.5 times the average. However, unlike in Hungary, in the Czech Republic an important portion of employment without a contract is indeed relatively well rewarded, considering that its share in the highest personal income group is above the average and as well above that for standard employment.

To what extent does this situation concerning personal income change when we look instead at per capita household income? Do they confirm the relative earning positions of the various types of contracts? An important question here would

be if households have other income sources (other employment, social benefits) with which they soften the disadvantageous position of the more precarious, low income types of employment.

Table 2.3. Types of employment and personal and per capita household income, Czech Republic and Hungary, 2001 (per cent)

	N	Total	Permanent full-time	Permanent part-time	Fixed-term full-time	Fixed-term part-time	Self-employed	Other contracts*	No contract**
Czech Republic, personal income groups									
I	81	8.6	4.9	22.2	14.6	12.5	4.4	39.4	30.4
II	210	22.2	21.0	22.2	37.1	37.5	15.9	27.3	19.6
III	207	21.9	24.5	16.7	22.5	12.5	15.0	6.1	17.4
IV	287	30.4	35.0	22.2	22.5	25.0	26.5	6.1	13.0
V	160	16.9	14.7	16.7	3.4	12.5	38.1	21.2	19.6
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Czech Republic, per capita household income groups									
I	186	18.0	16.3	21.1	23.4	22.2	12.2	21.4	36.7
II	269	26.0	26.3	15.8	28.7	22.2	25.2	38.1	15.0
III	160	15.5	15.4	10.5	18.1	22.2	16.3	16.7	10.0
IV	201	19.4	20.8	26.3	19.1	11.1	16.3	14.3	13.3
V	218	21.1	21.1	26.3	10.6	22.2	30.1	9.5	25.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hungary, personal income groups									
I	40	9.1	2.7	0.0	18.8	20.0	22.2	14.3	34.8
II	47	10.7	5.7	50.0	18.8	0.0	19.4	14.3	17.4
III	83	18.9	19.8	12.5	25.0	20.0	8.3	14.3	19.6
IV	138	31.4	37.2	12.5	21.9	40.0	25.0	42.9	8.7
V	132	30.0	34.6	25.0	15.6	20.0	25.0	14.3	19.6
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hungary, per capita household income groups									
I	52	14.1	10.4	33.3	17.2	0.0	16.1	11.1	31.4
II	77	20.9	21.9	25.0	24.1	50.0	25.8	11.1	5.7
III	62	16.8	16.7	0.0	13.8	0.0	16.1	44.4	20.0
IV	86	23.3	24.7	25.0	20.7	50.0	16.1	11.1	22.9
V	92	24.9	26.3	16.7	24.1	0.0	25.8	22.2	20.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: *casual jobs, on call workers, temporary work agency, work on a fee basis

** excludes self-employed

*** The income groups represent near income quintiles for the total sample, including the unemployed and inactive.

Source: HWF Survey 2001 – Unified international data collection

From table 2.3 it can be concluded that in both countries taking into account the per capita household income moves the distribution over the five income groups closer to the average for all four main types of employment. Because of the size of households and/or the presence of other types of incomes, the relative income position of the more precarious types of employment is somewhat strengthened and that of the better earning types of employment weakened. However, little change can be observed in what types of employment are related to higher and lower

incomes, here the rank order stays the same, it is only less polarized. In the Czech Republic, self-employment is still related to the most favourable per capita household income situation while in Hungary this remains standard employment. Also, employment without a contract continues to show a bifurcated distribution over the income groups. It is only fixed-term employment in Hungary that considerably improves its relative position in comparison with the average, suggesting that here more than in the Czech Republic, this concerns young people living with their parents.

3.3. Types of employment and weekly working hours

A final aspect of the various types of employment concerns the hours worked (Table 2.4). On average the weekly hours worked in Hungary are some 3.7 hours higher than in the Czech Republic. This difference basically stems from the fact that in Hungary no less than 21.3 per cent of the employed work more than 50 hours a week, compared to 12.8 per cent in the Czech Republic. In both countries men work more hours than women and for men the percentage working over 50 hours a week is more than double that for women. In both countries the vast majority of the employed work 36 hours or more weekly, 89.5 per cent in the Czech Republic and 88.2 per cent in Hungary.

Specified by types of employment, there are three particularly striking features of the weekly hours worked. First of all, in both countries self-employment stands out as the type of employment with the highest weekly working hours and of which the highest percentage works over 50 hours weekly, in particular for men. While this is not surprising, it does underline the fact that self-employment is highly time intensive and that it has precarious working conditions in this sense. Secondly, the distribution of weekly hours worked for those working without a contract has

a bifurcated character. A high percentage works over 40 hours, 64.2 per cent in the Czech Republic and 47.8 per cent in Hungary, but also a high percentage works less than 30 hours weekly and would in this sense qualify as part-time employment, 20.7 per cent in the Czech Republic and 24.6 per cent in Hungary.

Thirdly, possibly the most significant difference between the two countries concerns the large group in standard employment. In Hungary, this group on average works 4.9 hours more per week than in the Czech Republic. Also, in the former country, no less than 20.6 per cent of this group works more than 50 hours a week, almost three times the percentage in the Czech Republic, a difference possibly linked to overtime regulations.¹¹ This difference in hours worked may explain the fact that standard employment in Hungary is a relatively high income activity, while in the Czech Republic only few persons with standard employment fall in the highest income group. However, it also shows that standard employment in Hungary requires greater effort. Indeed, both in terms of income and of hours worked standard employment is not exactly the same thing in the two countries.

Table 2.4. Types of employment and weekly hours worked, Czech Republic and Hungary, 2001

	N		Average		0 to 14		15 to 29		30 to 35		36 to 40		41 to 50		over 50	
	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU
Permanent full-time employees total	662	475	43.5	48.4	0.0	0.0	0.0	0.0	3.6	2.3	43.5	30.9	45.2	46.1	7.7	20.6
Males	355	246	44.6	50.7	0.0	0.0	0.0	0.0	2.0	0.8	39.2	24.4	48.5	48.0	10.4	26.8
Females	307	230	42.2	45.9	0.0	0.0	0.0	0.0	5.5	3.9	48.5	37.8	41.4	44.3	4.6	13.9
Permanent part-time employees total	19	20	14.3	20.2	63.2	20.0	36.8	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Males	5	4	11.8	14.8	80.0	50.0	20.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Females	14	16	15.2	21.6	57.1	12.5	42.9	87.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed-term full-time employees total	91	43	43.7	45.3	0.0	0.0	0.0	0.0	8.8	4.7	38.5	32.6	42.9	55.8	9.9	7.0
Males	43	20	44.3	44.8	0.0	0.0	0.0	0.0	7.0	5.0	41.9	25.0	39.5	65.0	11.6	5.0
Females	48	24	43.2	45.6	0.0	0.0	0.0	0.0	10.4	4.2	35.4	37.5	45.8	50.0	8.3	8.3
Fixed term part-time employees total	9	9	17.7	17.1	33.3	44.4	66.7	55.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Males	2	5	16.5	14.6	50.0	60.0	50.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Females	7	4	18.0	20.0	28.6	25.0	71.4	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-employed total	178	68	49.8	54.5	3.4	5.9	5.1	5.9	5.1	4.4	8.5	16.2	40.7	30.9	37.3	36.8
Males	70	46	53.4	56.6	1.4	6.5	0.0	6.5	1.4	2.2	7.1	13.0	45.7	26.1	44.3	45.7
Females	48	23	44.5	50.3	6.3	4.3	12.5	4.3	10.4	8.7	10.4	21.7	33.3	39.1	27.1	21.7
Other types of contracts* total	35	11	33.8	44.1	17.1	18.2	20.0	18.2	8.6	0.0	14.3	9.1	25.7	18.2	14.3	36.4
Males	22	5	35.8	61.3	13.6	0.0	18.2	20.0	9.1	0.0	9.1	0.0	27.3	20.0	22.7	60.0
Females	13	6	30.6	30.7	23.1	33.3	23.1	16.7	7.7	0.0	23.1	16.7	23.1	16.7	0.0	16.7
No contract** total	53	69	45.4	43.4	9.4	17.4	11.3	7.2	1.9	11.6	13.2	15.9	32.1	21.7	32.1	26.1
Males	37	43	47.2	45.4	8.1	18.6	10.8	2.3	2.7	11.6	10.8	16.3	32.4	20.9	35.1	30.2
Females	16	23	41.1	39.7	12.5	17.4	12.5	17.4	0.0	8.7	18.8	13.0	31.3	21.7	25.0	21.7
Total	987	695	43.3	47.0	3.0	3.7	3.2	4.6	4.3	3.5	35.0	26.5	41.7	40.4	12.8	21.3
Males	535	369	45.3	49.7	2.4	4.3	1.9	2.4	2.6	2.4	31.4	21.1	44.7	41.5	17.0	28.2
Females	452	326	40.9	44.0	3.8	3.1	4.9	7.1	6.2	4.3	39.2	32.2	38.3	39.6	7.7	13.8

Notes: *casual jobs, on call workers, temporary work agency, work on a fee basis

** excludes self-employed

Source: HWF Survey 2001 – Unified international data collection

3.4. Working time arrangements

Closely linked to the issue of weekly working time is that of various types of working time arrangements. Here we consider regular working time, shift work and irregular working time patterns (Table 2.5). In both countries the majority of the employed have regular working time arrangements, however, in the Czech Republic the share of this group in total employment is 5.5 percentage points higher than in Hungary. Also the share of shift work is higher in the Czech Republic, almost double that of Hungary. The main difference between the two is the share of irregular patterns of working time, making up 37.7 per cent of Hungarian employment compared to 25.3 per cent in the Czech Republic. Looking at gender differences, women have much higher shares of regular working time and shift work in both countries, while men have much higher shares of irregular working time patterns, no less than 32.3 and 45.2 per cent respectively in the Czech Republic and Hungary.

As far as the four main types of employment are concerned, the main difference occurs between standard and fixed-term employment on the one hand and self-employment and employment without a contract on the other. Standard employment and fixed-term full-time employment have predominantly regular working time patterns, between 60-65 per cent, while self-employment and work without a contract have predominantly irregular working time patterns, over 60 per cent in both countries. However, also an important share of standard employment shows irregular working time patterns, and this share is no less than 10 percentage points higher in Hungary than in the Czech Republic. Or: standard employment in Hungary not only has higher average weekly working hours as discussed above, it is also more irregular. The share of shift work in standard employment and fixed-term full-time employment is much higher in the Czech Republic. This further confirms that standard em-

ployment does not have the exact same meaning in the two cases.

As far as age groups and education are concerned, in the Czech Republic, with increasing age or education, also the share of regular working time arrangements increases, while the share of shift work decreases; the share of irregular working hours is particularly high only for those with tertiary education. In Hungary, regular working time is relatively rare for individuals with maximum primary education, while only very few of those with tertiary education perform shift work. Also, it is the lowest and the highest educational group that show comparatively high percentages of irregular working time patterns.

Finally, at the level of branches we can see that high shares of regular working time patterns are the privilege of the public or semi-public branches, as well as Czech manufacturing. The share of shift work is clearly branch related and is highest in the health, transport and manufacturing. The share of irregular working time patterns, then, is high in agriculture, financial services, trade and services, and transport and communications.

A last aspect of working time arrangements is the weekly hours worked (Table 2.6). Average weekly working hours are the lowest for those with regular working time patterns. In both countries the number of hours worked are above average for those with irregular working time patterns. This is peculiar because this is the only working time patterns that also has relatively high shares of persons working less than 30 hours weekly. Indeed, the average for this groups is high because of is particularly high share of persons working more than 50 hours weekly, some 29 per cent in both countries. The number of hours worked is high as well for shift workers in Hungary, underwriting the hypothesis that in Hungary overtime is frequently used to increase time flexibility.

Table 2.5. Working time arrangements by age, education and branches, Czech Republic and Hungary, 2001 (per cent)

	N		Regular		Shift work		Irregular	
	CZ	HU	CZ	HU	CZ	HU	CZ	HU
Total	987	727	59.4	53.9	15.3	8.4	25.3	37.7
Males	538	388	55.4	47.5	12.3	7.2	32.3	45.2
Females	449	339	64.1	61.2	18.9	9.7	16.9	29.1
Types of employment								
Permanent full-time employees	661	472	65.1	62.3	17.9	10.2	17.1	27.5
Permanent part-time employees	19	20	63.2	70.0	10.5	15.0	26.3	15.0
Fixed-term full-time employees	91	43	60.4	65.1	28.6	9.3	11.0	25.6
Fixed term part-time employees	9	9	77.8	33.3	0.0	0.0	22.2	66.7
Self-employed	118	68	39.0	22.1	0.8	0.0	60.2	77.9
Other types of contracts*	34	11	44.1	9.1	8.8	0.0	47.1	90.9
No contract**	51	69	35.3	24.6	2.0	7.2	62.7	68.1
Age group								
18-24	104	64	49.0	54.7	31.7	6.3	19.2	39.1
25-34	255	220	56.1	55.5	17.3	9.5	26.7	35.0
35-44	259	179	58.7	59.8	13.5	6.7	27.8	33.5
45-54	255	193	64.7	47.7	11.8	10.4	23.5	42.0
55-65	114	71	65.8	50.7	7.9	5.6	26.3	43.7
Education								
Primary	73	121	53.4	45.5	23.3	10.7	23.3	43.8
Vocational	365	253	57.8	56.1	21.9	11.5	20.3	32.4
Secondary	400	231	61.5	55.4	12.3	7.8	26.3	36.8
Tertiary	149	122	60.4	54.1	3.4	1.6	36.2	44.3
Branch								
Agriculture, forestry, fishing	64	62	56.3	41.9	6.3	1.6	37.5	56.5
Manufacturing, construction	319	198	60.8	50.0	19.4	13.6	19.7	36.4
Transport, storage, communications	69	52	49.3	46.2	20.3	9.6	30.4	44.2
Trade, repair and other services	260	185	50.4	47.6	16.9	8.6	32.7	43.8
Financial intermediation, insurance	31	19	48.4	57.9	3.2	0.0	48.4	42.1
Public admin., defence; social sec.	74	41	62.2	78.0	8.1	2.4	29.7	19.5
Health	67	44	65.7	65.9	26.9	15.9	7.5	18.2
Education, research, culture	101	69	83.2	65.2	3.0	2.9	13.9	31.9

Notes: * casual jobs, on call workers, temporary work agency, work on a fee basis
 ** excludes self-employed

Source: HWF Survey 2001 – Unified international data collection

Table 2.6. Working time arrangements and weekly hours worked by gender, Czech Republic and Hungary, 2001 (per cent)

	N		Average		up to 14		15 to 29		30 to 35		36 to 40		41 to 50		Over 50	
	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU	CZ	HU
Regular	586	391	42.3	45.2	1.9	1.3	2.6	4.3	5.1	2.8	41.6	34.5	41.3	42.5	7.5	14.6
Males	298	185	44.9	48.2	1.7	1.6	0.7	0.0	4.4	1.1	38.6	31.4	46.0	44.3	8.7	21.6
Females	288	205	41.2	42.5	2.1	1.5	4.5	8.3	5.9	3.9	44.8	37.6	36.5	41.0	6.3	7.8
Shift work	151	62	43.2	49.0	1.3	0.0	0.0	4.8	2.0	0.0	38.4	14.5	51.0	50.0	7.3	30.6
Males	66	28	44.0	49.3	1.5	0.0	0.0	7.1	0.0	0.0	37.9	14.3	48.5	53.6	12.1	25.0
Females	85	33	42.5	48.7	1.2	0.0	0.0	3.0	3.5	0.0	38.8	15.2	52.9	48.5	3.5	33.3
Irregular	250	275	46.0	48.5	6.4	8.7	6.4	5.5	3.6	5.1	16.8	17.5	37.6	34.2	29.2	29.1
Males	174	175	49.3	51.3	4.0	8.0	4.0	4.6	0.6	4.0	16.1	13.7	41.4	33.7	33.9	36.0
Females	76	99	38.4	43.7	11.8	10.1	11.8	7.1	10.5	7.1	18.4	24.2	28.9	34.3	18.4	17.2
Total	987	728	43.3	46.8	2.9	4.0	3.1	4.8	4.3	3.4	34.9	26.4	41.8	40.0	13.0	21.4
Males	538	388	45.3	49.7	2.4	4.4	1.7	2.6	2.6	2.3	31.2	22.2	44.8	40.2	17.3	28.4
Females	449	337	40.9	43.5	3.6	3.9	4.9	7.4	6.2	4.5	39.2	31.5	38.3	39.8	7.8	13.1

Source: HWF Survey 2001 – Unified international data collection

4. SUMMARY

Building upon diverse types of state socialism and showing both similarities and difference in the process of post-socialist transformation, the Czech Republic and Hungary have been constructing their particular versions of capitalism since 1989. The analysis presented in this paper allows us to draw a number of conclusions concerning the way one core dimension of contemporary capitalism, that is, labour market flexibility, is constituted in the two countries in terms of types of employment and working time arrangements. Within the context of strongly declining aggregate employment, in particular in Hungary, increasing labour market differences between gender, age groups and educational groups, and profound changes in the sectoral structure and functioning of the two labour markets, this paper presents and analysis of the incidence and characteristics of types of employment and working time arrangements in the two countries. The analysis demonstrates important similarities as well as diversity.

Very similarly, in both countries some two-thirds of employment fit the definition of standard employment, quite high rates in comparison

with EU countries. However, standard employment does not entirely have the same meaning in the two cases. In the Czech Republic, persons with standard employment work less hours weekly and have a higher incidence of regular working time patterns than in Hungary. Also, there are important similarities and differences in the composition of non-standard employment. In both countries this consists largely of self-employment, fixed-term full-time employment, and employment without a contract. However, in the Czech Republic, self-employment is the most important type of non-standard employment, followed by fixed-term full-time employment, and employment without a contract; in Hungary, self-employment and employment without a contract have more or less the same weight, while fixed-term full-time employment is the least important of the three. In both cases, but particularly in Hungary, the significant number of people working without a contract is related to the extensive informal sector functioning outside the formal regulatory framework, as well as an indication of

the existence of a very precarious segment in the labour market.

As far as the relation between the type of employment and income is concerned, in both countries persons with standard employment rarely fall into the lower personal income categories. In Hungary, standard employment is also closely linked to the high income groups and clearly contrasts in this sense with the various types of non-standard employment, all largely lower income activities. This is less the case in the Czech Republic, where self-employment is most clearly a high income activity. This suggests that in the Czech Republic, with its more limited employment decline over the 1990s and its higher employment rate, self-employment is more a result of pull factors, while it in Hungary it is more the result of push factors.

In terms of weekly working hours, the Hungarian employed work on average more than their Czech colleagues. In both countries, self-employment stand out as the type of employment with the longest working hours, while the distribution of weekly hours worked for those working without a contract has a bifurcated character. Concerning working time patterns, in both countries the majority of the employed have regular working time arrangements, in particular in the Czech Republic. Also the share of shift work is higher in the Czech Republic, almost double that of Hungary. The main difference between the two is the share of irregular patterns of working time, making up 37.7 per cent of Hungarian employment compared to 25.3 per cent in the Czech Republic. Standard employment and fixed-term full-time employment have predominantly regular working time patterns while self-employment and work without a contract have predominantly irregular working time patterns. Regular working time patterns are largely the privilege of the public or semi-public branches, and the share of irregular working time patterns is high in agriculture, financial services, trade and services, and transport and communications.

The relative position of the various social groups and branches is largely similar in the two countries. Women suffered stronger employment declines than men in the years 1990-2000 and today have considerably lower employment rates. In turn, they have a higher percentage of standard employment, have a higher percentage of regular working time arrangements, and work less hours weekly. They also show a higher incidence than men of part-time and fixed-term employment, and a lower incidence of self-employment and employment without a contract. Standard employment is comparatively low for the lowest and highest age groups, and for the lowly educated. Considering that these groups also have the least favourable employment and unemployment rates and thus a weaker position on the labour market, this suggests that for many of them non-standard employment is a 'forced choice' and the only alternative to unemployment. In spite of these similar tendencies, however, the Czech labour market is much more 'egalitarian' and the Hungarian one more 'polarized', in the sense that the differences between gender, age groups and educational groups are much less pronounced in the former. Standard employment is also particularly low in agriculture and in trade, repair and other services. In both these branches self-employment and employment without a contract are strongly over-represented, partially reflecting the nature of the respective economic activities and partly the precarious nature of large parts of the jobs they provide.

Summarizing, broad trends tend to follow similar patterns in the two countries as far as types of employment and working time arrangements are concerned. However, as shown in this paper, important differences also prevail. These seem to originate to an important extent in the stronger market orientation of reforms in Hungary as well as in the closely related differences in the development of aggregate employment.

NOTES

1. I would like to thank Colin Crouch, Endre Sik, Jiri Vecerník and Claire Wallace for valuable comments on earlier versions of this paper. I am much indebted to Bori Simonovits and Petra Štěpánková who provided me with tailor-made access to the HWF database.
2. For a grip out of the abundant flexibility literature of the past two decades: Sarfati and Bonoli 2002; Standing 1999; Esping-Andersen and Regini 2000a; OECD 1994, 1986; Stråth 2000; Boyer 1988; Buechtemann 1993; Pollert 1991.
3. Data from the 1996 European Survey on Working Conditions of the European Foundation for the Improvement of Working and Living Conditions (http://www.eurofound.ie/themes/health/hwin4_2.html).
4. The survey covers the population aged between 18-65 years old and has a sample size of 1556 in the Czech Republic and 1165 in Hungary. For detailed information on the survey, the questionnaire, or publications, see the Households, Work and Flexibility project web page: <http://www.hwf.at>.
5. For detailed discussions of structural and institutional labour market change in the country cases, see e.g. Večerník and Matějů 1999; Večerník 2001a; Nešporová and Uldrichová 1997; Keune 2002a; Fazekas and Koltay 2002; Frey 1997.
6. Self-employment is an important element in the discussion on flexibility as well as precariousness. One of the reasons for this is that self-employment may be the result of 'pull' factors – self-employment as an opportunity for income and personal development – but also of 'push' factors like the lack of alternative employment opportunities or sources of income. In the latter case self-employment comes close to being a survival strategy. In addition, in many cases person are formally self-employed but are dependent on one single employer similarly to the position of employees. Employers may be interested in such an arrangement to avoid social security and tax payments, to increase external flexibility or to shift part of the entrepreneurial risk onto the self-employed. To illustrate this, according to a survey among small entrepreneurs in 1993, only 48 per cent characterized their decision to start an enterprise as a positive decision based on good business opportunities (Laky 1996).
7. To illustrate this, a few examples:
 - 'Flexible contracts could become one of possible response of enterprises, shielding them against fluctuations in demand, or assist them in bridging the periods of changes of technological equipment. Part-time and fixed-duration contracts could also be a means to a gradual integration of vulnerable groups into the labour market. (Progress report on the implementation of the conclusions of the Joint Assessment of Employment Policy of the Czech Republic, November 2001, Ministry of Labour, p.2)'
 - 'To establish conditions for the introduction of flexible forms of work organisation and flexible working time arrangements with a view of achieving the required balance between the employers' and employees' needs (one of the main objective mentioned in the Czech National Employment Plan in early 2002).'
 - 'The Government's objective is to increase the level of employment, reduce the level of unemployment, and establish a more flexible labour market. The Government will endeavour to reduce compulsory employers' contributions, thereby encouraging the creation of jobs; it is also endeavouring to introduce and regulate more flexible forms of working (Joint Assessment of the Employment Policy Priorities of Hungary, 16 November 2001, Hungarian Government and the European Commission, p 29).'

- 'Many jobs can be created by showing greater flexibility and exploiting further the potential of part-time employment ('Government Programme for a Civic Hungary, The New Millennium is Impending', the programme of the 1998-2002 Orbán government, 1998).'
8. Part-time employment is defined as contract-based dependent employment of less than 30 hours weekly. Full-time employment is contract-based dependent employment of 30 weekly hours and more.
 9. Work without a contract can have a variety of meanings. In the countries under study here the most obvious one is work in the informal sector.
 10. Some caution should be observed when interpreting the income data. This on the one hand because there are quite a high number of missing values in the Hungarian sample. On the other hand, there may be cases of under-reporting, in particular in the case of the self-employed.
 11. The yearly maximum number of hours of overtime an employer can order is quite similar in the two countries: 150 hours in the Czech Republic and 144 hours in Hungary. However, in the latter this number can be increased to 200 by collective agreement and to 300 by multi-employer agreement. Research on collective agreements shows that 67.1 per cent of collective agreements in Hungary includes such higher upper limits (Keune 2002b).

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