

A recently published study by IEER looks into the further education choices of seventh-grade primary school students about to make their choice of career. The results are based on the outcome of a national career guidance test by the Hungarian Chamber of Commerce and Industry (HCCI). Most seventh grade students had already addressed the issue of further education, especially in conversations with their parents. The most influential factor in decisions regarding further education is precisely this, that is, the advice of parents, their educational level, and their occupation. Parents that are skilled workers or laborers tend to guide their children in choosing a career more closely, and are more inclined to careers in mechanical engineering, metallurgy and physical jobs

Almost all students (92%) dealt with the issues of further education. Most (86%) made their decisions in conversations with their parents, 69% of them during class, and 24% obtained their information from a school career event.

Most students (55%) were advised by their parents to acquire a profession which they would work at gladly. About 40% of students were suggested by their parents to obtain a profession which pays well, and one that can achieve a high school diploma and a trade at the same time. Another 28% were advised by their parents to obtain a degree, and 25% were encouraged to study a trade. About 43% believe that their parents entrusted them with the decision.

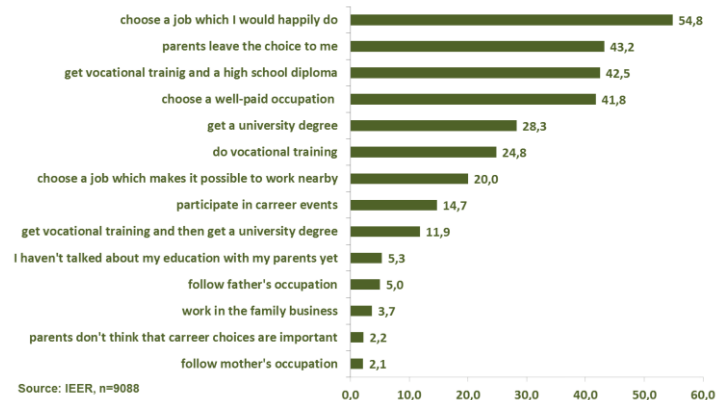
In terms of their plans for further education, a majority of students wish to obtain a college or university degree (33%), followed by those who want only a secondary school leaving examination (18%), with another 18% of them wanting a trade certificate and high school diploma, while 13% would like to become a skilled worker, 12 % simply wish to obtain their high school leaving certificate, and 6% a technical qualification. Only 1% of students indicated that they do not wish to continue their education after primary school.

Looking at future occupations animal welfare, culinary, and computer work are the most popular among students.

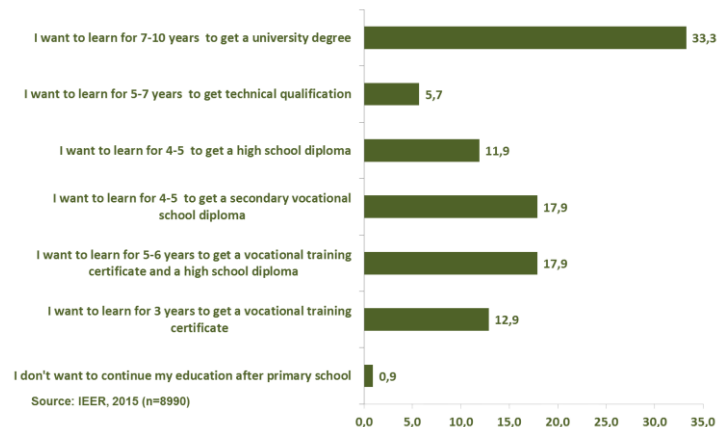
Work-related plans show significant differences by gender, with the father's education level an important influential factor as well. Higher levels of education are generally appealing for children of those parents with intellectual professions. Students usually want an occupation which requires the same level of education as their father has.

Regarding their future careers, most students feel the most important is to have a stable job (95% say this is important) and to don't rely on welfare (88%).

Pieces of advice students got from their parents related to their further education, 2015



Further education plans of students, 2015



## Macroeconomic trends: Spreading recovery. Quarterly forecast of Ifo, Insee, and Istat institutes

As stated in the quarterly forecast of IFO, INSEE, and ISTAT institutes, economic activity in the Eurozone sustained its growth momentum (+0.4%) in Q1 2015. Real domestic product is set to grow at a similar pace in Q2 (+0.4%) and accelerate slightly through the end of 2015 (+0.5% in Q3 and Q4), mainly driven by domestic demand. Growth is expected to average +1.4% in 2015, after +0.9 % in 2014. Production should be driven primarily by a robust household consumption, as well as by an acceleration in productive investment. The labour market situation is expected to gradually improve and the unemployment rate is set to slowly reduce. This should encourage an upturn in real wages over the year and, along with a rise in employment, incur purchasing power gains substantial enough to maintain the momentum in household consumption. Under the assumption that Brent oil price remains stable at 65 USD per barrel and the dollar/euro exchange rate fluctuates around 1.12, inflation is projected to accelerate slightly to 0.2% in Q2 2015, and to reach +0.9% by the end of the year. This forecast is based on the assumption that, despite the “no” victory in the Greek referendum, the stability of the Eurozone will be preserved.

### Slowdown in industrial production

Industrial production accelerated in the first quarter of 2015 (+0.9%), but its performance fell short of this recent dynamic development in April (+0.1%).

Latest business surveys for the Eurozone point towards a deceleration, underlining less optimistic expectation assessments of order-book levels.

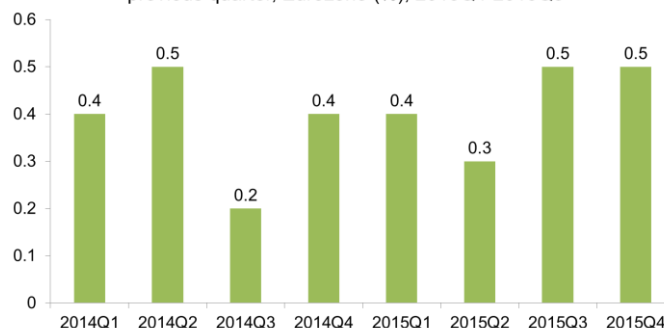
Industrial production is expected to decelerate in Q2 2015 (+0.3%), before accelerating again in the following two quarters (+0.5% per quarter), on the wake of brightening prospects for external and internal demand.

### Upswing in GDP

In the Eurozone, the business climate has kept to a higher level than its long-term average, suggesting a positive short term outlook and a steady expansion pace in Q2 as in Q1 (+0.4%). Household consumption is expected to remain dynamic (+0.4% in Q2 after +0.5% in Q1), sustained by the upturn in household purchasing power. Foreign trade should also sustain growth: imports, which were increased substantially in Q1, particularly in France and Germany, are set to slow in a backlash effect. Moreover, exports are expected to accelerate over the forecast horizon.

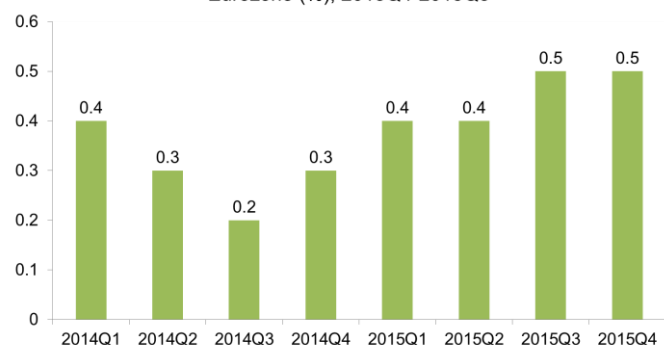
Conversely, investment in construction should drop again – becoming the only major brake to growth –, particularly in France and Italy (where the crisis in construction is not over), but also in Germany (where the drop would be a correction of two consecutive strong quarters).

Forecasted increase in industrial production compared to previous quarter, Eurozone (%), 2013Q4-2015Q3



Source: Eurostat and Ifo-INSEE-ISAE-ISTAT prediction

Forecasted GDP growth compared to previous quarter, Eurozone (%), 2013Q4-2015Q3



Source: Eurostat and Ifo-INSEE-ISAE-ISTAT prediction

In H2, growth is forecast to slightly increase (+0.5% per quarter), driven by domestic demand. Firstly, productive investment is likely to be buoyed up by the recent upturn

in activity and brightening prospects and should gradually accelerate. Secondly, the labour market situation is set to improve in the Eurozone and the unemployment rate is expected to reduce. This should boost real wages over the year and, along with a rise in employment, incur purchasing power gains substantial enough to maintain the momentum in household consumption.

By country, the situation remains heterogeneous: household consumption is expected to continue to rapidly increase in Spain and to remain sustained in Germany, whereas consumption in France and in Italy are expected to expand moderately.

### Inflation on the rise

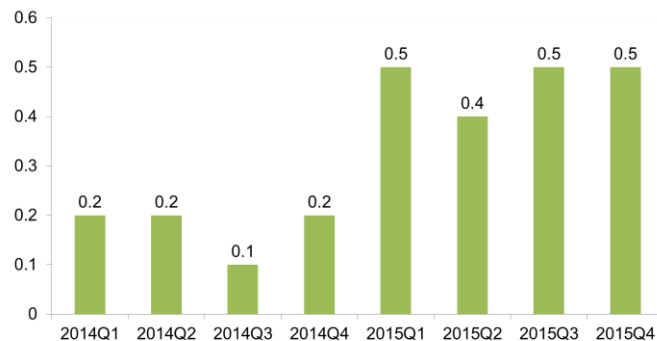
The past fall in oil prices led to a one-off decline in prices in Q1 2015 (-0.3%). Since this effect will gradually fade over the year ahead, particularly with a slight pick up in the price of oil expected in Q2, headline inflation is set to recover over the course of the year also thanks to the acceleration in economic activity, reaching +0.9% by the end of 2015.

### Risks

On the upside, the risk of a new fall in oil price would further stimulate internal demand; the same effect may be induced by a larger than expected ECB's extended asset purchase programme. On the downside lie the risks stemming from the negotiation between Greece and its creditors: a failure of the negotiation could jeopardize the stability of the Eurozone currency bloc.

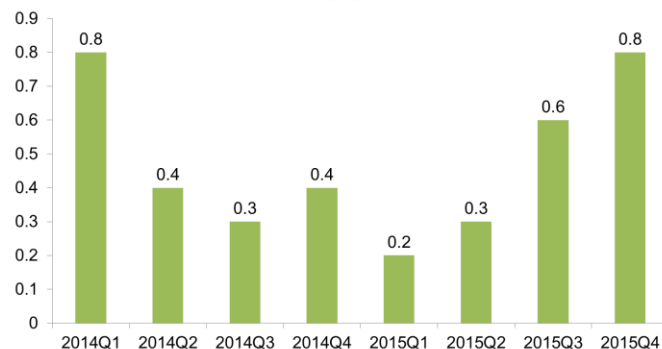
Source: Euro-zone Economic Outlook. June 7, 2015 (<https://www.cesifo-group.de/ifoHome/facts/Forecasts/Euro-zone-Economic-Outlook/Archive/2015/eo-20150707.html>)

Forecasted increase in consumption compared to previous quarter, Eurozone (%), 2013Q4-2015Q3



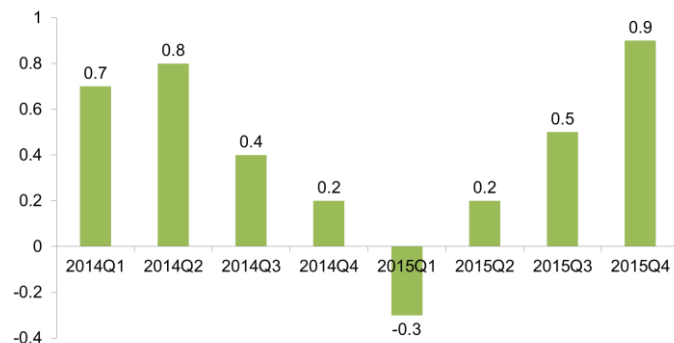
Source: Eurostat and Ifo-INSEE-ISAE-ISTAT prediction

Forecasted increase in investment compared to previous quarter, Eurozone (%), 2013Q4-2015Q3



Source: Eurostat and Ifo-INSEE-ISAE-ISTAT prediction

Inflation Forecast, Eurozone (%), 2013Q4-2015Q3



Source: Eurostat and Ifo-INSEE-ISAE-ISTAT prediction

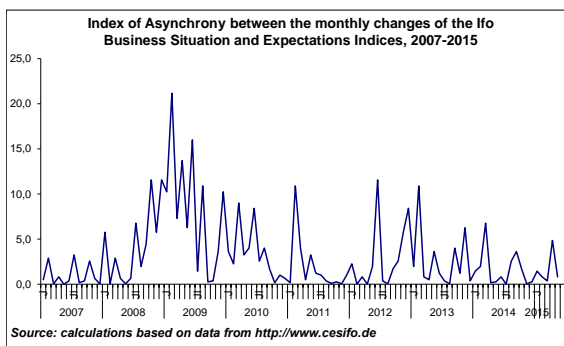
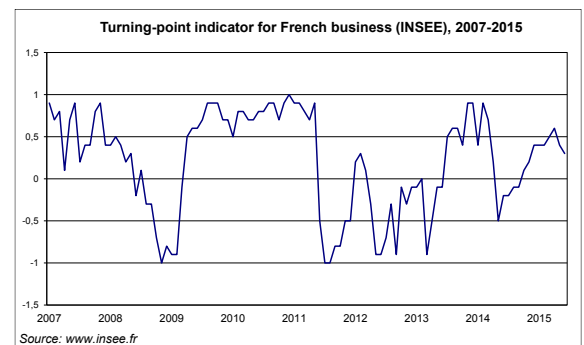
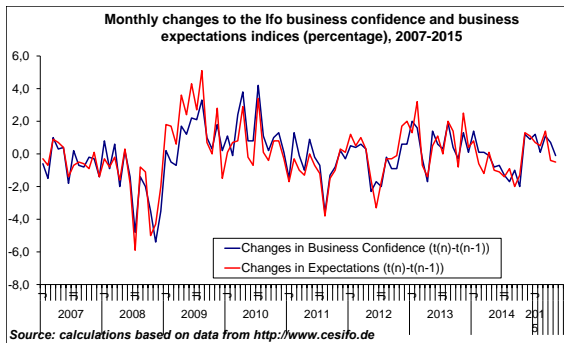
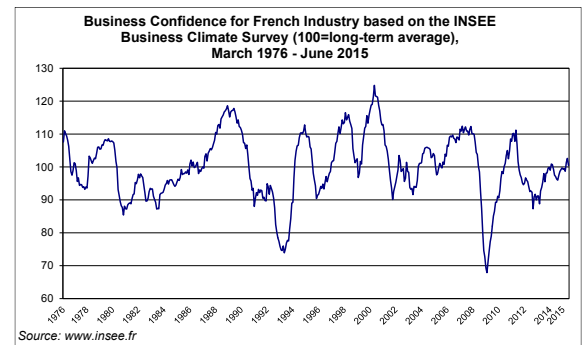
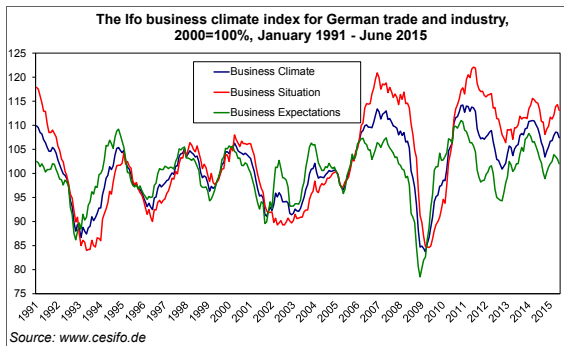
## International trends

The Ifo Business Climate Index for German trade and industry fell to 107.4 points in June from 108.5 points last month. After reaching the year's highest level in May, assessments of the current business situation deteriorated somewhat, but nevertheless remained good. Business expectations deteriorated for the third consecutive month and are now only slightly optimistic. The gap between the current business situation and the expected developments, as calculated by the IEER Index of Asynchrony, decreased to 0.04 points in June from 0.8 points in May, so the business confidence index showed almost no uncertainty. According to Ifo analysts, the outlook for the German economy is overcast.

(Source: Ifo, <http://www.cesifo-group.de>)

Results from the June survey by the French statistical office (INSEE) show that the business climate in industry in France has fallen back. The composite indicator which measures it has decreased by three points, after an increase of four points between March and May. It has returned to its long-term average (100). The turning-point indicator has decreased albeit remaining in the zone indicating a favourable economic outlook. After an increase by 25 points between March and May, the balance of opinion on past activity has dropped sharply in June (-9 points) but stands above its long-term average. The one on personal production expectations remains unchanged, slightly above its long-term average. The balance of opinion on general production expectations of the sector is virtually stable above its long-term average.

(Source: INSEE, <http://www.insee.fr>)



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