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“Country Report”
From HUNGARY

EPSU has six Hungarian affiliates, however this short report is based on the opinion of five unions (BDDSZ, EVDSZ, HVDSZ2000, KKDSZ, VKDSZSZ).

1. Trade Union density in the sectors covered by the TUs, tendency of the membership:

BDDSZ: TU density is approx.: 25 % among crèche workers. It also has members from child protection and social care subsectors. The membership has decreased a little compared to the 2017-2018 data. The fluctuation is big, the total trade union membership decreased by 120 members.

EDVSZ: TU membership is 60%. It represents all TU members from electrical industrial companies. TU membership has decreased a little, or stagnated. Reasons: retirement age has been increased and there has been no expansion or investment in the sector. The TU will have the possibility to organise members at the new Nuclear Power station in Paks II. The TU offers various services to recruit new members, e.g.: different discount services. It also has a new webpage.

HVDSZ2000: In the sector, it is present at 35% of the companies (public service providers or their subcontractors). Here the coverage ranges from 10 to 75%, but where the trade union is present it is representative according to the Hungarian Labour Code. TU coverage is 25% overall.

TU membership stagnates, but behind this stagnation there is a considerable work to keep membership number at the same level. The main problem is that the generation that was socialized at the height of the trade union system is currently before retirement, and it is harder to organise young people; furthermore, in the industry the TU represents it is more difficult to retain younger workers as salaries are higher in the for-profit sector. Emigration is also an aggravating factor so they can state that there is a shortage of labour force in the sectors. In recent years, the government measures have had negative effects affecting the sector badly; for example the 2008 salary gain (advantage) over the Industrial sector (not counting the automotive industry), has now turned into a significant salary disadvantage.

Because of the economic measures of the government, in the area of public utility management (such as chimney sweeping, etc.) in the most important field i.e. waste management a significant transformation has taken place. It is now under state supervision. The rearrangement of the sector has resulted in a loss of membership and its effects will still be felt in the future.

The area focusing on people with reduced working capacity is constantly struggling to survive, state subsidies are being reduced, there are no centrally secured orders, and these workers' salary is low due to free market competition. Employment decrease as a result of deteriorating economic conditions, and the fluctuation is high due to "regulated" employment. This sector is currently undergoing nationalization. Companies in the hands of private and non-governmental organizations are nationalized or, in the absence of orders, closed down.

The union has had difficulties to recruit new members instead of the leaving ones, and retaining the membership is a serious task in this area.

KKDSZ: Their estimated coverage was 15% in 2018 in libraries, archives, museums and other cultural institutions, which means stagnation, compared to the last representativity measurement (in 2014 15.71%, with 1523 members; and in 2017 with 1566).

KKDSZ is not representative in sports, entertainment, leisure, and education sectors; in these areas it has approx. 180-200 members. (Employment statistics are not available in these areas; the TU is only present due to national salary fights.)

The number of people working in the non-profit sector who are KKDSZ members is 102.

(The statistics are incomplete in this area, so the base value is not known either).

Reasons for membership stagnation:

- Direct intervention of the political power into institutional professional life (organizing/outsourcing institutions into a non-profit sector, privatization of national institutions, professionally incompetent management);
- Negative attitude towards trade unions.

Possible reasons for keeping membership number stable:

- Active and radical wage policy by the trade unions, with organised media coverage;
- The entry of young people into the trade union, typically due to professional and not existential expectations;
- Professional organizations do not undertake the representation of professional interests and do not want confrontation with the government while the trade union does.

VKDSZSZ: They lost 1000 workers because one affiliate left VKDSZSZ. This means the TU coverage became 35% from 41% in the sector. Otherwise the number of members shows a decreasing tendency due to emigration and retirement.

2. Most important questions of labour relationship:

BDDSZ: salary, job security, work clothes, vaccination, institutional financing.

EDVSZ: Changes in the labour Law have negative effects (Slave low). Labour market situation: there is a "brain drain" of electricians, engineers (primarily by domestic multinational and small companies and Western Europe). At E.ON the TU achieved salary increase in the middle of the year, so workers stayed. Salary situation. The State repurchased DÉMÁSZ Power Company.

HVDSZ2000: The most significant problem is the salary, and the funding and coordinating bodies should be involved in the negotiations. Reasons for this: Nationalization has caused major disturbances in public utility management; several executives blame the central funding organization, as payments are late and, due to this, operations cannot be planned based on their accounts. Furthermore, the transformations of companies are still in progress. Company mergers and divisions are taking place, the deadline of which is 31stDecember.

Social dialogue and sectoral dialogues are missing or they are just formal/„for show”. Negotiations are under way with the central financing body (NKHV Zrt.) and the Ministry of Innovation and Technology (ITM) on the recommendation of a minimum wage for workers in the sector.

KKDSZ: Generally employers do not want / recognize the trade union as a real partner in the workplaces. Institution leaders see TU only as a "service provider". However, resolutions prepared by the trade union lawyer are respected.

VKDSZSZ: There is a valid wage agreement in the majority of state-owned companies for 2017-2019 (2017 13 %, in 2018 12%, in 2019 5% increase). At companies owned by local governments they do not have wage sectoral agreement, they make agreements at local level. Employees at one company where there was no salary increase have organised several demonstrations this year. At

privatized companies, wage agreements are carried out annually, depending on their own possibilities. Due to differences in integration, outsourcing and ownership, there are tensions in the sector, and also among trade union members.

3. Status of the social dialogue:

BDDSZ: Institutions of social dialogue (local, sectoral, national) exist, but dialogue is mostly formal. Proposals are not shared with the TU. Government does not use these forums as a platform for active dialogue but rather as a platform providing publicity to inform the so-called partners about governmental decisions. Last year, no agreement was reached at any level.

EVDSZ: 2018 sectoral salary agreement has already been approved. Restart of training and education (engineer trainee, skilled worker); sharing work experience; “stress-agreement”. A new institution has been established: KVKF (Public Utility Consultancy Forum, only applies to state-owned companies).

HVDSZ2000: The government does not participate in the dialogue. At present a new government is being established in Hungary and appointments are in progress. They hope that the appointed people responsible for this sector will be more cooperative. HVDSZ2000 is ready for dialogue, but it does not shy away from pressure making on the government either. Unfortunately, the right of strike in Hungary has been strictly limited recently. Real dialogue cannot be established.

KKDSZ: The sectoral dialogue did not work in 2018 either. (Formally operated in 2014-2015, and it was at low intensity in 2016).

VKDSZSZ: There is a Sectoral Dialogue Committee in the water works sector, but in recent years the connection is formal.

4. Collective Bargaining Processes:

BDDSZ: Due to existing regulations it can only be negotiated at local level; at sectoral level the Public Sector Code does not give a statutory mandate for this. Approx. 30% of the employees are covered by local collective agreement. New collective agreement has not been negotiated. One was terminated by mutual agreement due to reorganisation.

EVDSZ: Modification and extension of sectoral collective agreement. (Mainly due to the renaming of the companies concerned).

HVDSZ2000: Collective bargaining, in the absence of sectoral collective agreement, is at local level, in many places they have already been closed. At several workplaces, a long term salary-development strategy has been developed, e.g.: 8% salary increase each year for the coming three years. Perhaps there is now hope in the waste management sector for a comprehensive wage minimum.

KKDSZ: In the directly state-owned area, the possibility of collective bargaining depends on management behaviour. The initiative for sectoral collective bargaining was rejected again in 2018.

VKDSZSZ: There is a valid, multi-employer collective agreement in the sector covering more than 50% of the employees.

5. Data and information related to salaries:

Average information about salary in 2019.

<u>The full-time workers monthly wage:</u>	<u>GROSS 352.200 HUF (EUR 1,067)</u> <u>NET 234.200 HUF (EUR 709)</u>
<u>National minimum wage (2019):</u>	<u>GROSS 149.000 HUF (EUR 451)</u> <u>NET 97.595 HUF (EUR 295)</u>
<u>The guaranteed minimum wage (2019):</u> <u>(skilled workers)</u>	<u>GROSS 195.000 HUF (EUR 590)</u> <u>NET 129.0000 HUF (EUR 390)</u>

BDDSZ: The basic problem is that since 2008 the public sector salary table has been frozen. In the sector, 95% of the workers earn the minimum salary as their basic salary. As a result of governmental responses to various trade union actions, 4 types of salary-system have to be applied within the social sector, which impedes execution and control, and generates internal tensions. In 2018, workers were not willing to participate in sectoral trade union actions at all, so they did not receive sectoral salary developments (in previous years: between 2014-2016, all the trade union actions, demonstrations or strikes resulted in salary increases). In 2019, only the increase of the minimum salary (8 %) and guaranteed wage minima (8 %) created an increase in the salaries. As a result of the previously introduced wage measures and minimum wage increases, the average earnings in the social sector in 2019 are gross HUF 250,000 (EUR 757) that means net HUF 168,000 (EUR 509) salary.

EVDSZ: On average, 8% salary increase has been realized in 2018. There are companies where it is only 3%, but there are others where it means a 13% increase. Guaranteed minimum salary levels have been increased by 12.5% in 2018, so a new employee who only starts work now earns almost the same as those who have been working at the same workplace for 20 years. Old, experienced workers have not received 12.5% increase everywhere. The salary gap has opened wider and wage tensions have emerged. They have had to fight for differentiated salary budget to handle and solve this problem.

HVDSZ2000: The average basic salary in the public utility sector is between gross EUR 480-750 that means net EUR 310 - 500. With the various supplements it can add up to its double. Unfortunately, salaries vary greatly due to the lack of sectoral collective agreement and the existing big differences in regional characteristics.

KKDSZ: The problem of salary table/guaranteed salary minimum is also present in the public service sector.

Compared to 2017 the situation deteriorated further in 2018. In 2018, the government did not prepare any discussion, information or plan to increase their salaries in the cultural sector.

VKDSZSZ: The average salary in the public utility sector (waste water and waste management companies) is lagging behind the national average; in 2018 it was less than the average in the industry-sector and the national average. This has only increased considerably due to the increase in the minimum salary in the last two years. Manual workers' salaries are usually at or near the level of the minimum salary or the guaranteed minimum salary. The average age is high in the sector; it

is nearing 50. On average one third of the workers are women. There is a difference in salary, but there is no accurate or detailed data in connection with it.

5. Trade union actions, if they were in the last year ...

BDDSZ: They could not organize wide range trade union actions due to the total indifference and passivity of their members. They were able to settle individual labour debates (such as classification, overtime, afternoon supplements, etc.) mostly peacefully. There was no separate action in the childcare and in the social sector in 2018. However, members of BDDSZ participated – but not a big number – in national TU actions. These were: demonstrations because the government changed cafeteria system by increasing its TAX; demonstrations against the modification of the Labour Code (also known as: Slave Law). Because the low salary in the social sector BDDSZ joined to the National Public Sector Strike Committee in February. Sad to say the negotiation about the strike requests was not successful with the government, now we are in the preparation of strike since February. In Hungary TUs has responsibility to organise a legal strike, and we do not get answer from the government to our offer about minimum service during the strike.

EVDSZ was one of the main organisers of a lot of demonstrations which became confederations actions with support of lot of other TUs (on 5th July, 6th November) against the government when it changed the cafeteria system by increasing its TAX, and some month later (8th December, January) demonstrations against the modification of the Labour Code without social dialogues (also known as: Slave Law).

1st May 2019 Demonstration for Decent work decent salaries, where we could listen to Jan-Willem Goudriaan's (EPSU) great speech.

HVDSZ2000: There were several actions for recruitment last year, and they are planning to organize similar ones this fall. We are planning a series of training sessions for union officials, and we will involve officials from larger companies in lower-level negotiations. Taking advantage of the upcoming municipal elections, we are already trying to prepare for next year's wage developments in contracts.

KKDSZ had several actions:

- 22 January 2018, organised a demonstration for the decent wages and handed over a petition (with 3,000 signatures) for the state secretary of the Cultural sector in Budapest.
- Before the Hungarian parliament election (21 March 2018), organised a flash mob protest against the government because it paralyzed negotiations in Pécs.
- 23 June 2018, in Pécs: Demonstration, flash mob and flyer distribution, press conference on the street at the "Night of Museums". Claim: Renewal of wage negotiations. Slogan was: "The Night of Low Payment."
- 5 July 2018 in Budapest. Joint press conference of several union leaders, including the president of the KKDSZ, in front of the Hungarian Parliament, against the government because it changed the cafeteria system by increasing its TAX.
- 6 November 2018 in Budapest. Joint trade union protest against the cafeteria tax changes. The President of KKDSZ made a speech. (With EPSU support.)
- 7 November 7 2018 in Zalaegerszeg. KKDSZ demonstration to raise local wages. (It was a successful action.)
- 8 December 2018, Budapest. Joint trade union demonstration against the modification of the Labour Code (Slave Law) - With EPSU support.

KKDSZ is also member of the National Public Sector Strike Committee. You can read about it on BDDSZ part of it.

VKDSZSZ: There were no significant trade union actions last year. No strikes, signature collections or other demonstrations were organized. Only affiliate demonstrated many times this year, the next one it will hold in September, They goal: salary raising.
They also managed to protect jobs and salaries.

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