

SOWELL Final Conference

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BUSINESS
SOCIETY
MIGRATION



Central European
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Institute

SOWELL – Research results

HUNGARY

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RESEARCH-BASED FINDINGS – QUADRILEMMA AND ACTUAL CHALLENGES

• Quadrilemma

- **Service coverage** – disproportionate coverage in HU (nurseries – 21% did not does not receive services at the place of residence; LTC – long waiting lists)
- **Budget constrains** – both sectors: under EU average
- **GENERAL findings: decreasing number of collective agreements, and TU membership in Hungary:**
 - **ECEC-LTC: Lack of social dialogue and sectoral collective bargaining** in both service sectors

• ECEC

- **Lack of cooperation** between social and education services (legislation, pay scale, wage bonuses)
- Ageing, female-dominated workforce – ECEC sector is a less popular for the young generations
- Workers with degree – migration into other sectors
- Sectoral social dialogue – **SZÁÉF** (reconciliation forum) – since **2020 inactive** – TUs' internal cooperation

• LTC

- 2022: changes in the **Social Act of 1993** – govt.'s “contracting-out” from the social services
- Inconsistent and **low wage levels** – depending on the role and background of the workforce (+ wage bonuses)

Quadrilemma dimensions	ECEC	Solutions	LTC	Solutions
Service Coverage	0-3 yrs. – high number of children did not receive services at local level 3-6 yrs – municipality-level lack of free places	2017 transformation of the nursery system	Low access to the services – long waiting list	Service outsourcing, increasing the private sector (competitiveness of the public sector)?
Budget Constrains	0-3 yrs – 0.1 % of GDP (1 200 USD PPP per children) 3-6 év – 0.6 % of GDP (6100 USD PPP per children) Decreasing trend of budgetary spendings	EU Funds? Increase budget spendings (share of the central budget)	0.4% of GDP (2019) – under the EU average (1,6%).	EU funds – improvement of the facilities, workplace
Job Quality	Low wages, high work intensity – social sector – minimum wage-based pay scale – minimum wage – ageing workforce	Local solution – wage bonus – extra finance operated by the local government, service providers	Low wages, high work intensity – social sector – minimum wage-based pay scale – minimum wage – ageing workforce	
Service Quality	0-3 yrs. – social sector 3-6 yrs. – public education Nurseries: lack of direct access to services (21% of all children in the 0-3 years age group)	Stronger cooperation? – joint legislative/budgetary background	Wages, working conditions, and the quality of workplace strongly important to keep the quality of services	Problem-specific solutions
Social Dialogue	Lack of national/sectoral collective bargaining – centralized legislation and budgetary spending – but decentralized decision-making ((local) govts., providers)	TUs – focusing on basic topics Transformation of the reconciliation/bargaining? Strengthening the local reconciliation?	Lack of national/sectoral collective bargaining – centralized legislation and budgetary spending – but decentralized decision-making ((local) govts., providers)	Transformation of the reconciliation/bargaining? Strengthening the local reconciliation?

CASE STUDIES – LTC

Challenges: wages and wage structure, workload, staff shortages and internal competition, lack of social dialogue, unilateral steps of the government, minimizing state responsibility and outsourcing care responsibilities onto family

Municipality support in wage increases (Veszprém)

- The municipality decided to use an own budget to supplement tariff wages, which are low and fragmented for various qualifications
- Joint service provision by several municipalities – effectiveness (2 residential care homes, 5 care service facilities)
- Cooperation with NGOs and service providers, preempts trade union role

MUNICIPAL PATERNALISM

Budapest wage bonus (LTC)

- Response to low wages and fragmented wage tables
- 2022 City council of Budapest initiated a wage bonus at 60% of the MW
- Agreement with city-based trade unions signed, salary policy for 2021-2024
- Reiterating regional differences, but facilitating regional social dialogue

LOCAL SOCIAL DIALOGUE REGIONAL DIVERSITY

CASE STUDIES – ECEC

Job stability and wage increases via trade union cooperation (Veszprém)

- Response to staff shortages and low wages
- Municipal cooperation with the BDDSZ trade union – success at the local level (unlike the national level)
- Partly eliminates competition between childcare facilities for children 0-3 and 3-6 years
- Agreements on wage supplements and job stability, no dismissals in the times of COVID-19
- Trade unions used this opportunity for organizing

OPPORTUNITY FOR UNION ORGANIZING

Improvements via strikes (Budapest)

- National civil strike committee on behalf of public sector unions announced a strike in 2019
- BDDSZ and the teachers' union PSZ
- Requests: guaranteed minimum wage (tariffs often below), salary supplement of 100%
- Failure at the national level, but success at the workplace – one nursery launched own collective bargaining upon the strike initiative

NATIONAL FAILURE FACILITATED ACTION AT THE

LOCAL LEVEL

**THANK YOU FOR YOUR
ATTENTION**