



## MultiLing Country (Desktop research)

### 1. Social context: historical experience of linguistic diversity at the workplace

1. *Historical overview of migration and/or regional factors in a context of globalization and of approach to multilingualism by employers and trade unions. This could involve:*
  - a. *General overview of migration trends and regional developments historically.*

Multiethnicity and multilingualism is an inherent historic tradition of the Central Eastern European region, of which the Austro-Hungarian Monarchy represented an important chapter. The nation-state building ambitions of Hungary in the 19<sup>th</sup> and 20<sup>th</sup> century tried to break away from this strong tradition of multiethnicity and multilingualism (calling for the importance of Hungarian as a national language). Forceful assimilation of ethnic minorities (like Serbs, Slovenes, Croats, Romanians, and most importantly, Jews) was part of this political project in which elimination or restriction of minority languages (and their use) figured as an important element.<sup>1</sup>

During state-socialism (1945-1989), the Hungarian society has been mostly immobile due to the closed borders towards Western Europe, and very limited, state-supervised movement (work-related migration) between countries of the so-called 'socialist block'. Within state-coordinated movement of workforce, guest workers typically moved on project basis (e.g. construction of an industrial plant) and returned home after the completion of the task. Families rarely accompanied such workers. Some of them married locally, settled in Hungary, but only in limited numbers (there are no available official statistics on this). After 1989, and especially since Hungary's EU-accession, this situation has changed gradually— especially in terms of the outgoing migration of Hungarians abroad, searching for new opportunities in Western Europe and elsewhere. Regarding immigration to the country, Hungary hasn't become a major receiving country of immigration despite its EU-accession, due to the economic depression of the post-communist period and the related social difficulties. Furthermore, Hungary has a specific *dual policy* regarding incoming migration with a strong preference for ethnic Hungarians coming from outside of Hungary. This sympathy was further strengthened in concrete legal measures towards this specific group of immigrants, especially in a form of preferential treatment for their citizenship applications, and at the same time making the incoming migration of anyone from outside of the EU extremely difficult, and hindering the naturalization process of those ethnically non-Hungarian immigrants who live and work in Hungary for decades (Vietnamese, Chinese, African migrants).

As a result of the strict immigration policy and the preferential treatment of ethnic Hungarians by the Hungarian state, the total percentage of immigrants in Hungary is below 2 per cent, out of which

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<sup>1</sup> It is a known historic fact that CEE is characteristic for its linguistic nationalism based on an *ethnos* speaking the same language.

2/3 of the immigrants are ethnic Hungarians from the neighboring countries (mainly from the neighboring non-EU countries (that is Serbia and Ukraine), but before its EU-accession, Romania was also a major sending society towards Hungary too.

When speaking about cultural and linguistic diversity, one needs to glance behind the seemingly homogenous image of the nation(-state). As mentioned earlier, Hungary (and its predecessor, the Austro-Hungarian Empire) used to be a multiethnic state. This cultural and linguistic diversity, a result of centuries of migratory movements of workforce, settlement programs and just spontaneous movement of people, can be still traced in Hungary, despite long and systematic efforts of the Hungarian state to assimilate its ethnic groups. After 1989, a progressive system of minority self-governments has been organized among Hungary's officially recognized 'national minorities', and is functional till present. A special law regulates the use of minority culture, community and individual rights regarding protection of minority cultures, languages, customs, traditions, right for schooling in minority languages, etc. However, this law has nothing to say about the language rights of minorities in the world of labour; it is taken for granted that minorities in Hungary are bilingual, and are able to communicate in Hungarian. Needless to say, that this law, addressing rights and needs related to 'autochthonous' minorities of Hungary ('who live on the territory of the country for more than hundred years' as the text of the law spells out) has nothing to tell about 'newly arrived migrants', neither is there any other regulation (other than the 'Migration Strategy' discussed later) which would be related to their cultural and linguistic rights.

#### b. *Geographical spread*

Immigration to Hungary is mostly Budapest-centered. This is due to the significantly larger employment opportunities in the capital city than on the countryside, also higher incomes, and probably the stronger presence of cultural and linguistic diversity in Budapest.

Most call-centers, MNCs are concentrated in Budapest, however the car manufacturing industry, as one of the lead-sectors with good employment opportunities, is located outside of the capital city: in Győr, Esztergom, Kecskemet, etc. These are locations close to the Hungarian borders, with a potential to attract labor from across the border as well. During case studies (as part of this project) migrant labour from Slovakia and Romania involved in car manufacturing industry will be studied.

Based on the statistics published by the National Employment Service<sup>2</sup> (NFSZ), the highest number of work permits is issued in Budapest. This means a 51.9% of the total number of work permits released in Hungary. Among different regions of Hungary it is the Central-Hungary region (Közép-Magyarország), which has the highest number of applicants as well as issued permits (Buda and Pest counties belong here), with 2719 permits in 2014. The second highest number is in the economically prosperous Mid-Danubian Region (Közép-Dunántul) 560 permits, and third is Western Danubian Region (Nyugat-Dunántul), economically similarly on the well-off side. The least number of permits were issued in the Southern Plains (Dél-Alföld, with Bács-Kiskun, Békés, and Csongrád counties) 286, and Northern Hungary (Észak-Magyarország) 140, with the three counties of Borsod-Abaúj, Heves, and Nógrád counties.

#### c. *Migration/regional policy*

The governmental strategy on immigration to Hungary and further steps in terms of integration strategy are stated in a single strategic document '*Migration strategy*'<sup>3</sup> for the period of 2014-2020, which came to force in 2013. The document includes a definition on immigration, defines the circle of legal and illegal migrants, also persons entitled to international protection. In the section on

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<sup>2</sup> Nemzeti Foglalkoztatási Szolgálat, [www.nfsz.hu](http://www.nfsz.hu)

<sup>3</sup> The title of the document in Hungarian is "Migrációs Stratégia és az azon alapuló, az Európai Unió által a 2014-2020. ciklusban létrehozásra kerülő Menekültügyi és Migrációs Alaphoz kapcsolódó hétéves stratégiai tervdokumentum".

integration, the document vaguely mentions that immigrants need more support and help from the state in terms of linguistic, cultural and everyday integration. The document discusses the lack of organized Hungarian language learning opportunities (in form of courses) for immigrants. While officially recognized refugees get the opportunity to attend free language courses, this is not the case for others (with a non-refugee status). Civil organizations (like *Menedék Migránsokat Segítő Egyesület*, *Migsaw- Migránsokat Segítő Szolgálat*) organize Hungarian language courses from time to time, but often these are project-based (thus not sustainable on a long-run), or migrants have to pay for these courses. Private language schools in Budapest offer Hungarian language courses on market-price rates, but this is not affordable for many. Previous qualitative research indicates (see more in Messing- Árendás 2014, 2015) that lack of the knowledge of Hungarian language is one of the largest problems in the migrant integration process in Hungary.

#### *d. National discourse*

Migration in Hungary used to be a marginal issue both as a social phenomenon and as a political issue. In the recent five to ten years the outgoing migration of Hungarians seems to become a strengthening trend (catching up with trends in other East European countries like Poland, Slovakia, or Romania) with strong social resonance in Hungarian society (both positive and negative attitudes, expectations and worries regarding emigration). The conservative government of Fidesz (in power since 2010, re-elected in 2014) seems to underplay the role and number of outgoing migration on rhetoric level (while the political opposition interprets it as an obvious and direct protest against bad governance and political corruption). The incoming migration was similarly off the political agenda for decades. It has been made into a 'hot topic' on the beginning of the year 2015, triggered by the war-conflict in the Middle-East and the increased number of refugees from Syria and some other countries of the region, also the transiting migrants from Kosovo, whose destination was not Hungary but some other West European country (primarily Germany). These two, coinciding processes caused drastic increase in the numbers of immigrants crossing the borders of Hungary illegally. The PM of Hungary has repeatedly expressed his dissatisfaction over these tendencies, emphasizing that Hungary shall not be 'misused by economic immigrants' [megélhetési bevándorlók] and shall not give shelter to people who want to misuse the Hungarian social security system– in short, the country shall remain for the Hungarians only. The PM repeatedly expressed his strong position against multiculturalism, as a failed model of the West and a potential source of terrorism. Later this year, Hungary closed its borders against illegal migrants on the Hungarian- Serbian border section, and later on the Hungarian- Croatian border section too.

#### *e. Outline historical experience of linguistic diversity at the workplace*

Before discussing language use at workplace, it's worth examining the question of language education in the state education system, as a direct precondition of linguistic diversity at work.

In the 20th century, starting from the break-up of the Austro-Hungarian Empire in 1918 - 1920 until Hungary's accession to the European Union the language of tertiary education was dominated by the nation-state paradigm. Although in the Interwar period Hungarian children could attend elementary and secondary German-, French-, or Italian-medium teaching schools that were supported by the states concerned (Vámos 2011) these schools were a rather marginal phenomena. The language of education in Interwar Hungary was Hungarian. After the Second World War, these foreign languages schools were closed down and the Hungarian educational system was Sovietized by the local communist authorities. This implied that the marginal teaching of Western languages was replaced by the massive teaching of Russian. However, during communism, Russian as a language of the communist regime imposed in a compulsory way was never popular or widely used among Hungarians (Dörnyei, Csiszér and Németh 2006).

After the collapse of the communist system in 1989 a quick disappearance of Russian from the Hungarian educational system could be observed. The last courses in Russian in Hungarian elementary schools were offered in the academic year 1995/1996. Russian was replaced by German or English, former Russian teachers were thought Western languages in form of intensive trainings. In 1999, there was still a slight majority of German as a target language of teaching in Hungarian elementary schools. With the start of Hungary's accession to the Bologna Process, dated in 1999, English as a foreign language in Hungarian education became more prominent than German. In the school year 2009-2010 of the 600.000 pupils in Hungarian elementary schools, one-third took German as a foreign language and for two-third English, thus the latter became the main foreign language (Vámos 2011, 196).

When speaking of different languages at workplace, one needs to consider the historic dimensions of this issue too. The use of Hungarian and German languages was part of the state institutional culture during the Interwar period, as a direct heritage from the times of the Monarchy. After the communist takeover, the German language lost its earlier role after 1948, and the status of other minority languages (Slovak, Croat, Serb, Romani) has not been thoroughly addressed for decades due to the 'sensitivity' of the question in the East European region. After 1989, the whole discourse on the nation-state and the national minorities has re-emerged, Hungary became very vocal and political regarding its co-ethnics abroad (mainly in Romania, Yugoslavia, Slovakia, and Ukraine). As part of this renewed interest and discourse, the question of Hungary's minorities also had to be addressed. Accordingly, the *1993 law on national minorities*<sup>4</sup> dealt with their legal status (collective and individual rights, language use, schooling, minority self-governments), which was long overdue, and came a bit too late (by the late 80's, ethnic minorities in Hungary became linguistically assimilated. At the same time, more recent research also points out emerging new dynamics in their identification processes like double-ethnicity, and re-ethnicization).

As during the post- 1989 transition period the Hungarian economy transformed from a state-planned economy to a liberal market-economy, foreign companies appeared in the country, often with major need for people with knowledge of foreign languages like English and German. A whole new sector of language education was established in form of private language schools, following this sudden and en mass demand of the job-market. Twenty-five years after the political-economic changes, a new generation of workforce is present on the market, typically people with higher qualifications (diploma) who speak English and/ or German languages, in addition other European languages are spoken by many (French, Spanish, Italian among European languages, but Chinese, Japanese languages are also becoming popular).

It is perhaps worth noting that Hungary continues to be a dominantly monolingual country, large segments of the population above 40 years of age speak no foreign languages or only with difficulties, and most importantly basic attitudes towards foreign languages has not changed dramatically since the regime change. This is reflected in the following statistical data:

### Population by knowledge of languages (2011)

Language	Number of speakers	Note
<a href="#">Hungarian</a>	9,896,333 (99.6%)	The only <u>official language</u> of Hungary. Of whom 9,827,875 people (98.9%) speak it as a <u>first language</u> , while 68,458 people (0.7%) speak it as a <u>second language</u> .
<a href="#">English</a>	1,589,180 (16.0%)	<a href="#">Foreign language</a>
<a href="#">German</a>	1,111,997	Foreign language and co-official minority language

<sup>4</sup> Nemzetiségi és etnikai kisebbségek jogairól szóló törvény.(Law on the rights of ethnic and national minorities) (1993)

	(11.2%)	
<a href="#">Russian</a>	158,497 (1.6%)	Foreign language
<a href="#">Romanian</a>	128,852 (1.3%)	Foreign language and co-official minority language
<a href="#">French</a>	117,121 (1.2%)	Foreign language
<a href="#">Italian</a>	80,837 (0.8%)	Foreign language

According to the *Special Eurobarometer 386 'Europeans and their languages'* (2012) report, countries where respondents are least likely to be able to speak any foreign language are *Hungary* (65%), Italy (62%), the UK and Portugal (61% in each), and Ireland (60%). In contrast the proportion able to speak at least one foreign language has decreased notably in Slovakia (-17 percentage points to 80%), the Czech Republic (-12 points to 49%), Bulgaria (-11 points to 48%), Poland (-7 points to 50%), and Hungary (-7 points to 35%). In these countries there has been a downward shift since 2005 in the proportions able to speak foreign languages such as Russian and German.

#### *Foreign languages at MNCs and local workforce migration*

Along with the incoming foreign and MNC companies which require workforce speaking foreign languages (English and/or German), regional movement of workers across borders of CEE also occurs. Such is the case on the border-area of Hungary with Slovakia and Romania, typically in the car manufacturing industry (Győr, Kecskemét, Esztergom). These companies represent peculiar language situations, with German/ English spoken by the top management, mostly expatriates, and local languages spoken by natives plus other CEE employees. However, we don't have much knowledge of the daily language use and company policies in these situations yet. At this stage of the project, it is only supposed that the official company communication takes place in English, while Hungarian is generally used in most day-to-day situations. The question is if any other languages (Slovak, Romanian) are included in daily communication at any level or situation (among some groups of workers, workers and their mid-level managers, etc.) Also, the different levels of language competencies and regional dialects of local languages may also pose interesting questions worth of investigating further (some workers from across the border may be ethnic Hungarians from Slovakia, using a dialect of Hungarian intelligible for other Hungarian employees, but often look upon as inferior). Also, for CEE employees of managerial level may speak English/German at various levels and with different competencies. According to Éva Mária Tóth, president of the Human Resource Foundation (HEA), in general language skills are not very good in Hungary, but those who speak a foreign language are really proficient and the number of languages spoken is high in Hungary. While in India e.g. mostly English is spoken as a foreign language, in Hungary service centers can provide services in 12-15 different European languages and it is almost impossible to name a European or world language in which there is no appropriate worker with language skills.

According to the results of LINEE research project<sup>5</sup>, when examining linguistic diversity and communication in parent and daughter companies of large MNCs in the Czech republic and

<sup>5</sup> *Linee- Languages in a network of European Excellence*. (Thematic Area D- Language and Economy, area research report). Jiri Nekvapil, 2009. 12.10.

Hungary, the investigation revealed that the language-use of the parent companies was 'project-based and dynamic, rather than representing a general approach toward to all their daughter companies or subsidiaries' (Linee 2009: 8). They recalled the example of German companies where it was assumed that people in CEE often speak German, that's why German/ and or English language use was accepted, unlike in other regions, like Asia. The Linee research also revealed that most large companies had an official corporate language, but when employees were directly asked about it, very rarely could they articulate where and how this fact is recorded. Rather, they often referred to the use of one and only common language as a commonsensical issue. The project also brings the example of the Czech republic where the Ministry of Labour could not come up with any legal regulation regarding the language use at workplace. We believe the same applied to Hungary, we could not find any legal provisions for the same during our desk-research.

## 2. Data and trends

1. *Define key notions like migrant* for example (different meanings in each country); find sources on languages spoken and experiences at the workplace in terms of discrimination.

The legal framework of migration may be categorized according to the population segment it targets in the following ways (based on Tóth 2013):

(1) All individuals of non-Hungarian nationality. In addition to certain provisions of the Constitution that prohibit mass expulsion or provide asylum to certain groups, the *Law on Equal Treatment (2003)*, the *Penal Code's (2012)* provisions on illegal employment, trafficking of foreign nationals or provisions on the acquiring of citizenship of the *Law on Citizenship (1993)* all fall under this category.

(2) Citizens with the right of free movement (EU nationals). Regulations affecting individuals in this category refer primarily to free entry and registration, and have little relevance to securing foreigners' access to public services (education, health). There is no mention of the provision of translation services, tuition in *Hungarian as a foreign language* or *access to administration in any language other than the Hungarian language*.

(3) Third country nationals (TCNs). This includes asylum seekers, employees and entrepreneurs, students, and illegal immigrants, with legislation on the latter largely focusing on the control of entry and stay.

(4) Ethnic Hungarians who are citizens of neighboring countries. The Constitution, §6 (3) declares that public policy should build on the state's responsibility towards ethnic Hungarians living anywhere in the world. Since 2010, ethnic Hungarians may request preferential naturalization from the Hungarian Republic, and the procedures for naturalization were further eased in 2013. Approximately 200,000 people annually (95% of whom are ethnic Hungarians) acquire Hungarian citizenship without living and paying taxes in Hungary, while several thousand migrants of non-Hungarian ethnic origin wait at least 10 to 15 years to acquire citizenship.

### 2. Description of sources:

#### a. *Statistical data*

According to Office of Immigration and Nationality (OIN)<sup>6</sup> the number of immigrants and settled people, with residence permit for more than 3 months was 221. 604 in 2013, and 213.361 in 2014.

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<sup>6</sup> BÁH– Bevándorlási és Állampolgársági Hivatal, <http://www.bmbah.hu/index.php?lang=en>

Based on the data of the National Employment Service (NFSZ), in 2014 4 671 work permits have been released, out of which 586 regular permits, 340 for seasonal work, and 3 745 integrated work permits. In the mentioned year (2014) altogether there were 14 302 valid work permits in Hungary<sup>7</sup>.

Since the 2008 world economic crisis hit Hungary very badly, the following *economic recession is mitigating the number of migrant workers* from other member states of the EU and EEA to Hungary. The central registration of the EU workers and family members noticed by the employers including the simplified employment (Government Decree No.255 of 2007, 23 December) contains data and figures of all freely employed non-nationals in Hungary. Accordingly, the yearly number of registration registered by the employers was **7835** persons in 2012 that means a decrease (-34%) within one year (2011: 11 847). Since 2009 the declination of EU migrant workers has been detected. The component of migrant workers is almost stable: 4521 Romanians, 790 Slovaks, 305 Germans, 261 from UK and 238 Polish citizens, so workers from the EU 15 (1 306) are marginal to the labourers from EU12 (5 789). These labourers were employed mainly in agriculture, trade, processing industry and IT/communication. However, almost the half of these registered workers (3 367) was employed in simple (not qualified) work and only 18.3% of them were employed in highly qualified jobs. The total number of residing registered workers on 31 Dec 2012 was 51 191 persons with right to free movement. From them 49 488 were EU citizens (EU15: 5 145 and EU12: 44 343 persons). (Tóth 2013) On 31 March 2013 the total number of residing registered workers with right to free movement was 51 813 persons and from them 50 049 had Union citizenship. Inside this group the number of Romanian citizens was over 30 000 persons and 9 000 Slovak citizens, while a decline of Polish and German nationals (below 1 500) was registered. (Tóth 2013)

Non-EU citizens that is TCNs have access to the Hungarian job-market only in a very limited way due to the strict visa policy of Hungary. Work-related visa are issued only on the basis of a secured employment prior to the arrival to Hungary, practically it means that only employees of MNCs and foreign companies get employment permit in Hungary. Family members (typically spouses, wives) of those arriving on work-related visa, who during their stay in Hungary (thus, they are already physically in the country) find it extremely difficult to get employed- the Hungarian state (e.g. State employment services) doesn't provide any help for job-seeking foreign nationals. The National Employment Service (NFSZ) keeps records about foreigner employees and job-seekers, but provides no further services to them. Another urgent matter which needs to be changed is the high number of regulated professions in Hungary, where foreign diplomas can't be used directly only after the long and tiresome administrative process of official recognition by the Hungarian state (more on this by Messing- Arendas, 2014).

**Table 1: TCN and EU workers in Hungary<sup>8</sup>**

	2011	2012	2013 Jan-Sept
Number of issued labour permits for TCNs	<b>10 556</b>	<b>11 056</b>	<b>8 601</b> Chinese, Ukrainian, Vietnamese, Serbian

<sup>7</sup> NFSZ data, afsz.hu last visited on 08/06/2015

<sup>8</sup> Tóth, J: Project on developing information for migrant workers through transnational trade union cooperation VS/2013/0204. Country Report - Hungary

Number of valid labour permits issued for TCNs (on 31st Dec)	<b>18 509</b>	<b>18 418</b>	<b>19 381</b> (on 30th Sept)
Number of newly registered workers with right to free movement and preferential TCNs	<b>11 849</b> 6368 Romanians, 1230 from UK, 1615 Slovaks	<b>7 835</b> 4521 Romanians, 790 Slovaks, 305 Germans, 261 from UK, 238 Polishes	<b>6 474</b> 3500 Romanians, 597 from UK, 488 Slovaks, 252 Germans
Number of residing registered workers with right to free movement (on 31st Dec)	<b>~95 000</b> (OIN data)	<b>51 191</b>	n.d.

**Table 2: Foreign resident in Hungary<sup>9</sup>**

<b>Citizenship</b>	
Romanian	38 574
German	16 987
Slovakian	8 246
Austrian	3 936
Polish	1 744
Croat	845
<b>All from the EU</b>	<b>84 568</b>
From Europe but non-EU	27 845
From Africa	2 853
From America	4 739
From Asia	22 304
Others	1 001
<b>Total foreign population</b>	<b>143 000</b>

*b. Existing studies relating to migration developments*

The area of migration research is very vibrant and its output is of high quality in Hungary. Below we will list the most important research projects touching upon the issue of immigrants in the Hungarian labour market and immigrants and language use<sup>10</sup>.

<sup>9</sup> Tóth, J: Project on developing information for migrant workers through transnational trade union cooperation VS/2013/0204. Country Report - Hungary

<sup>10</sup> This information is based on the ASSESS project final report (Messing- Árendás 2014), summarizing the main research projects in the migration area in Hungary.



- Ágnes Hárs (2003, 2009, 2010) researches on labour market integration, employment and economic situation of immigrants in Hungary for more than a decade now. She uses survey data of the Hungarian Statistical Office (HSO), also census and administrative data.
- '*Migrants in Hungary*' was one of the largest researches (Gödri and Tóth 2005), focusing on ethnic Hungarians from across the borders, finding answers for their employment situation, education, living conditions, identity, and networks.
- '*Immigrants in Hungary*' was another big research project focusing on immigration, most particularly on six immigrant groups including Chinese, Turks, Vietnamese, Arabs, Ukrainians, and ethnic Hungarians (Örkény and Székely 2010). The comparative study analyzed their labour market integration, including self-employment, level of education, language, interpersonal and social networks.
- In 2005-2006, the most in-depth qualitative research has been conducted on situation of migrant children in the Hungarian education system (Nyíri- Feischmidt 2006)
- In 2011, Panta Rhei's research focused on the integration of immigrants to the labour-market in Hungary, comparing various immigrant groups and their strategies in terms of employment, self-employment and education.
- ASSESS project (Messing- Árendás 2014, 2015) focused on integration of three vulnerable immigrant groups: TCN women, children and victims of trafficking. The section on women clearly stated that TCN women do not get any state assistance in their labour-market integration, they often struggle with to get their educational qualifications recognized due to the long and expensive administrative procedures prescribed by the Hungarian state in this area.
- Attila Melegh, Éva Kovács and Irén Gödri (2009): comparative research of the Hungarian Statistical Institute (KSH) jointly with other European countries on life course perspective, integration of female immigrants and attitudes toward immigrants in eight European countries<sup>11</sup>.

### 3. Sectors affected by migration:

Based on the statistics of the National Employment Service, most of the permits are released in the *processing industry* (25.3%); *commerce and car-repair industry* is the second (17.6%) and *hotel industry* is the third largest sector (10%). These three industries absorbed 52.9% of all the work permits given to foreigners in 2014. It can also be added, that *information and communication* sector has almost the same rate of foreign employees as hotel industry (9.9%), and in the area of highly qualified professions, professional, scientific, technical activities give 4.7% of all permits regarding foreign employees.

In terms of multilingualism at work, *shared service centers* represent an important sector. The main competitive advantage of Hungary for this sector is that the average salary level is below that in Western European countries. In addition, the low salary level is coupled with a high expertise level in this region and so the companies operating the *shared service centers* can employ a similarly skilled workforce at a much better price. Not only the salary level is lower but also the other associated costs (office space, training, etc.) are cheaper than in the West-European countries (Nagy, 2010). According to a research report by Randstad Hungary in 2011 (Randstad, 2011), this sector employed an estimated number of 40,000 persons directly in shared service centers. However, this number does not include the employees of different business services (recruitment, financial services, accounting, etc.), SMEs or the small call centers. In the CEE region the largest

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<sup>11</sup> Melegh, A- Kovács, É- Gödri, I. "Azt hittem célt tévesztettem" A bevándorló nők élettörténeti perspektívái, integrációja és a bevándorlókkal kapcsolatos attitűdök nyolc európai országban. *KSH Kutatási Jelentés*, 88. Budapest. 1-234.o

competitor of Hungary is Poland, whose market is twice the size of the Hungarian (Gyimóthy, 2011).

#### 4. *Languages and social class:*

MNCs and foreign companies usually employ foreign management, who speak English or German, and local employees, depending on their position in the company are expected to speak some English/German, but daily communication happens mostly in Hungarian, while the official language is the one of management. We know of more diverse cases too, like TATA consultancy services headquarters in Budapest, where the Indian high-level management speaks English (Indian English), mid-level managers are usually foreigners (speaking English and another European language) or Hungarians, and the employees are Spanish, Italian, and other Europeans (mostly highly qualified IT personnel). Indian management speaks English and some local Indian languages (Malayalam, Tamil, Hindi among themselves), while European employees speak Hungarian, and other European languages, and English *lingua franca*.

### 3. Legislative and industrial relations landscape (3-4 pages)

#### 1. *General overview of legislation, both national and European relating to migration, employment and language spoken at work.*

The legal context of migration is set in two laws: the Law on the Entry and Stay of Third Country Nationals (2007/2) and the Law on Asylum (2007/80). The Law on the Entry and Stay of Third Country Nationals defines conditions of temporary and permanent settling, the regulations (and their enforcement) relating to entering and leaving the country, expulsion, detention, deportation, and the controlling of TCNs. It also regulates the various registration obligations of TCNs (residence, birth, education) and the procedures of registration (Messing- Arendas, 2014). The legal framework mirrors the diversity that characterizes migration processes Hungary in a very limited manner (Tóth 2013). The main focus of the legal framework is the controlling of foreign entrants at and within the boundaries of the country. At the same time, regulations concerning the most influential and numerous segments of the migrant population –i.e. employees, entrepreneurs and students –are very general and scarce in terms of provisions supporting their social integration (Messing- Arendas, 2014).

A new *Labour Code* was passed by the Hungarian government in December 2011. The code came into full effect on 1 January 2013 after a six-month transition period. It replaced the Labour Code 1992, which was introduced immediately after the democratic transition from state socialism. The expectation of the government was that the law would make employment more flexible, cheaper and more market-compliant. However, it has been heavily criticised by unions.

#### *The new Labour Code (2012)*

A new Labour Code has been introduced by Hungary's government which aims to align the regulation of collective rights with that of contractual individual law enshrined in the country's Civil Code. The Labour Code, in principle, allows collective agreements, agreements with works councils in companies where there are no unions, and individual labour contracts to regulate the content of work differently to that stipulated by law. To achieve further flexibility, it also now allows agreements to deviate in favour of the employer and not only in favour of the employee.

The Fidesz-KDNP coalition government wanted to introduce a more radically revised Labour Code, but had to back down following protests from the Hungarian social partners, other political parties

and the general public, and also to comply with international labour standards and European common law.

Probably the most important changes for unions in the new code are cuts to the entitlements and rights of union activists. These specify that<sup>12</sup>:

- only up to five union officials are entitled to legal protection, depending on the size of a workplace – the former code provided legal protection to all officials;
- the statutory working time exemption for performing union duties has been reduced from two hours per month each for up to three trade union members, to one hour per month for each of two trade union members;
- the legal right of union officials to claim financial compensation for unused exempted working time has been removed;
- the working time exemption for trade union education of representatives has been removed;
- the code no longer mentions the right of unions to participate in the electoral committee which organises works council elections;
- the unions' rights of veto and control over the living and working conditions of employees have been limited;
- in some cases, unions' consultation rights have been shifted to company works councils;
- unions with at least 10% membership at a company are entitled to conclude a collective agreement.
- The information and consultation role of the works council has been given more emphasis than in the former code. The new code has also given the task of monitoring the observance of employment rules to the works councils. However, in order to conclude a collective agreement, the employer remains obliged to provide economic information to a representative trade union.
- Works councils now have the right to conclude works agreements with the employer in cases where there is no collective agreement in force and no representative union present at the workplace. The works agreement may regulate terms and conditions of employment in a collective agreement, with one important caveat – it cannot regulate wages and other forms of pay.
- Some of the entitlements of work councilors have been reduced. Only the president of the work council is entitled to legal protection while holding office and for six months afterwards, providing he or she has served in the role for at least 12 months. The former code provided employment protection to all work councilors during their term of service and for 12 months afterwards, providing they had served as works councilor for at least six months.

#### *Social Partners' reaction*

Representatives of employer organizations were unhappy that even though the code shifted the balance towards the employers' side, they were not consulted beforehand. When the government presented the code, the unions were surprised by the scope of the regulations. For a long period they were told they would have no chance to suggest amendments. However, the government eventually agreed to a minimum level of consultation. Six months were still available for negotiations, and in the end the code was introduced based on a negotiated agreement.

According to one of the largest employers' organizations, the Confederation of Hungarian Employers and Industrialists (MGYOSZ), the code supports to a large extent the competitiveness of the Hungarian economy. MGYOSZ says it gives space to social partners to both negotiate and agree

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<sup>12</sup> based on EurWork, 'New Labour Code takes full effect' by Krén, I- Rindt, Zs.; [www.solution4.org](http://www.solution4.org)

on the framework of employment and working conditions. It provides flexible possibilities for employers, takes the security interests of employees into consideration, and creates chances to increase employment in Hungary. The National Association of Entrepreneurs and Employers (VOSZ) emphasized that the changes to overtime regulation were especially important. The trade unions, however, felt that the code clearly changes the balance of regulation between employers and employees. They have condemned the code's lowering and diluting of minimum standards, flexibilization and the shifting of some of the risk of employment to the employee. In their view, it now ensures flexibility for employers and, at the same time, lowers substantially the security of employees. Three unions, MSZOSZ, Munkástanácsok and LIGA, eventually formally accepted the code, despite their persistent condemnation of the way negotiations were concluded before it was introduced, and even though they continued to condemn it as the second most flexible Labour Code in Europe. They thought this flexibility will be very expensive for the employees, especially in companies where there is no trade union. But the code does at least ensure the minimum conditions for the functioning of trade unions in workplaces, which was given as the reason why MSZOSZ had to accept the new code.

## *2. General outline of the industrial relations systems and recent developments.*

The mid-1990s can be considered as a turning point in the economic processes and in the system of industrial relations in Hungary. The economic growth which has started after the "transformational recession" and the subsequent macroeconomic stabilization opened up new prospects in the negotiations of social partners. By that time the trade unions and employer organizations were more over their legitimacy in-fights, and a new system of relations has developed. The Failure to reach a social pact (Social and Economic Agreement 1995) made the constraints of macro-level interest reconciliation obvious. The role of collective labor law institutions at companies had also crystallized at micro-level too (Koltay- Neumann, 2006). The general characteristics of Hungarian IR include decentralized wage determination, the limited scope and regulatory power of collective agreements, the survival of informal bargaining at the workplace, the dominance of unilateral employers' decisions and of direct market factors, the decline in organized labour, the fragmented nature of employee and employer organizations, the increasing individualization in industrial relations.

The Hungarian IR system is characterized by a duality of employers' associations and trade unions, with their own history of how they are organized, what are their interest advocacy policies and financial- human resources. At the intermediate level of IR are the County Labour Councils, which are important in two ways: through their role in distributing resources allocated to employment policy finding they directly influence the functioning of the labour market; also they act as a vehicle for the social partners in decisions on the distribution of various EU funding and on the strategies of vocational training.

Regarding collective bargaining, traditionally the most important issue of IR, company level of bargaining strategy of Hungarian trade unions coincides with the modern human resource policy of employers regarding flexible wages.

Also when speaking of IR in Hungary, one needs to point out the importance of the European works councils at multi-national companies in Hungary. EWCs are a new phenomenon here, as it became mandatory only after Hungary joined the EU to invite representatives of Hungarian employees to the bodies working at the European company headquarters or to set up EWCs at the few MNC headquarters in Hungary. Some researchers draw attention to the problem of "individualisation" in IR that is to problems of workplaces without a trade union or with a "soft" one. (Koltay- Neumann, 2006) One of the most important actors more or less hidden, of the IRs in Hungary is the Hungarian state– that is the government in power. Besides its direct role in negotiating with trade unions as an employer and participating in tripartite interest reconciliations on a macro-level, the government plays an important role in shaping the IRs and their institutions. Evaluating the activity of National Interest Reconciliation Council many researchers point out that

it primarily depends on what role the government wants it to play. Research on sectorial dialogue committees point out the contradictions involved in the government's supportive intervention that may jeopardize the autonomy of social dialogue. Investigations about regional interest reconciliation describes how regulations have degraded the county labour councils (*munkástanács*), set up more or less spontaneously after the regime change.

#### 4. Actors

##### 1. *Role of trade unions:*

In the period after the regime change trade unions were fighting for survival. In the decade after the consolidation period of the new pluralistic structure, the trade union movement suffered significant losses. Each of the trade unions lost membership and some of their inherited assets, also their mobilizing force. In parallel, they became significantly dependent on the institutions of social dialogue set up by various governments and on the possibility of lobbying through these institutions. The political turns in Hungary in the last twenty-five years made the trade unions specifically vulnerable.

However, in the past two and a half decade the trade unions followed different strategies to reach their goals. The oldest model was *craft unionism*, known from the period before the communist take-over in 1948 as the most widely known organizational principle in Hungary. After 1989, they remained successful only in monopolistic public sector enterprises where strikes could potentially paralyze the whole country.

*Sectorial trade unions* are similar to the dominant Western model of trade unions. They were set up before 1989, and most of them survived till the present day. *Company trade unions* were based on the old socialist legacy and the traditional system of collective bargaining. They were strengthened by the democratization process coming along the regime change. New organizations followed this model too. Sectorial trade unions are alliances of such company trade unions, and lack the power of workplace trade unions in Western parts of Europe. (Koltay- Neumann 2006)

After the regime change, the pluralistic, competing trade union model was dominant in Hungary. Presently, the sharp clashes are not characteristic, but latent disagreements are present, with a continuous effort to push out each other from the representational arena. After the EU-accession, the appeal of the "European social democratic" model has increased, and today most of the national trade union confederations subscribe to this rhetoric (Koltay- Neumann 2006)

In terms of membership, most recruitment took place in the early 1990's in Hungary. This was the time when grass-root trade unions were formed, when the biggest campaigns of reformed trade unions happened. They targeted new green-field foreign enterprises (e.g. Suzuki car manufacturing plant in northern Hungary, in the city of Esztergom, where Metal Workers Trade Union made several attempts to organize workers of Suzuki) (Toth 1996)

Trade unions in the early 1990's adjusted to the model of IRs the government offered to build up corporatist institutions at the national level. Thus, embedding themselves in these institutions became their primarily goal. This strategic choice made the trade unions exposed to party politics till the present. Instead of being engaged in real workplace interest representations, trade unions are mainly absorbed in strengthening their position in national forums and sectorial dialogue committees. The grassroot principle of organization characteristic of the transition period has been gradually replaced by a top-down model, especially in case of "new" confederations (Neumann 1996).

##### 2. Churches, NGOs and social movements

- a. *Refugee Mission of the Reformist Church of Hungary:* The Mission helps migrants in their social integration. After their initial activities of refugee camp visits, they have launched programs to help schooling of secondary school migrant children, helping

- in housing problems of migrant families, and assisting in labour market integration and vocational training of migrant women.
- b. *Menedék- Migránsokat Segítő Egyesület* (Menedék- Association Helping Immigrants) is the largest and the most active civil organization focusing on immigrant integration in Hungary. Their projects, mostly EU-funded, focus on refugees as well as other types of migrants. Their programs target the area of education of immigrant children and adults, changing attitudes of majority society, training staff working with immigrants (including healthcare workers, teachers, police, administrative personnel, etc).
  - c. *Artemisszió Alapítvány* (Artemisszió Foundation), the foundation's main profile is intercultural education. Their partners are usually immigrants and former refugees. One of their latest projects focused on TCN women and their social integration and integration to the world of labour.<sup>13</sup>
  - d. As there are no official training bodies (supported by the state, or any other professional organization), NGOs fulfil such roles, always on project basis mostly funded by the EU Integration Fund<sup>14</sup>. Such was the initiative and project of *Jövőkerék Foundations*, a civil organization working with TCN women, helping their job-market integration, providing them with training for job interviews and helping them in job-search within a two-year EU-funded project<sup>15</sup>.

### 3. Labour inspectorates, labour courts

The Hungarian Labour Inspectorate (Országos Munkavédelmi és Munkaügyi Főfelügyelőség - hereinafter referred to as OMMF-) is regulated by the Act 75 of 1996 on Labour Inspection and the Government Decree No. 295/2006 on the Hungarian Labour Inspectorate; several provisions on the Act 93 of 1993 on Labour Safety apply too to the Hungarian Labour Inspectorate. In June 2009, the Hungarian government amended several laws in favour of employers to tackle economic crisis, one of which was the Labour Inspection Act that was amended in such a way that, in some cases, OMMF has no longer the discretionary power to decide whether or not to impose a fine.

The OMMF is a central body depending directly of the Minister of Social and Labour Affairs, and from a global point of view, it has the responsibility to carry out general inspections on occupational health and safety and working conditions and on labour issues with regards to private labour relationships (no competence is allowed to the OMMF concerning public administrations).

In the framework of social dialogue a tripartite Council for the Support of Labour Inspection has been established to assist the Labour inspectorate by consulting it on current issues of labour inspection. According to the last available ILO' statistics in 2008, there were 696 labour inspectors in Hungary, who have the status of civil servants. Candidates must hold a degree either as a lawyer or an economic engineer or equivalence in academic or professional qualifications in labour relations, public administration or human resource development.

The scope of Labour inspectors' authority is regulated by paragraph 3 of Act LXXV of 1996 according to which Labour inspection main task is to control employers' compliance with the provisions figuring in the Law and in collective agreements on: working time, salaries and wages; posting, assignment, hiring-out of workers; work of women, young workers, disabled workers; equal treatment between women and men; anti-discrimination measures; work of foreigners; occupational health and safety; undeclared work.

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<sup>13</sup> [http://artemisszio.blog.hu/2014/08/06/migracio\\_az\\_artemisszio\\_alapitvanyban](http://artemisszio.blog.hu/2014/08/06/migracio_az_artemisszio_alapitvanyban)

<sup>14</sup> It is important to note that the Hungarian state outsources the task of migrant integration to civic organizations specialized on this area and acts only as a coordinator and distributor of EU-funds.

<sup>15</sup> <http://jovokerek.hu/noi/index.html>

The activity of Labour Inspectors includes also a large cooperation with other public administrations: the Labour inspectorate provides data on workers employed without valid contracts, and non-registered workers to the National Employment Agency, at monthly intervals; joint inspections are carried out with other civil servants (Tax authorities, Police, etc.)<sup>16</sup> Work of foreigners and undeclared work, also anti-discrimination measures might be areas where activities of Labour Inspectorate could be relevant for our research purposes. However, language use at workplace situations doesn't seem to be a central area of activities for labour inspectors.

#### 4. Employers

Along with the incoming foreign and MNC companies which require workforce speaking foreign languages (English and/or German), regional movement of workers across borders of CEE also occurs. Such is the case on the border-area of Hungary with Slovakia and Romania, typically in the car manufacturing industry (Győr, Kecskemét, Esztergom). These companies represent peculiar language situations, with German/ English spoken by the top management, mostly expatriates, and local languages spoken by natives plus other CEE employees. However, we don't have much knowledge of the daily language use and company policies in these situations yet. At this stage of the project, it is only supposed that the official company communication takes place in English, while Hungarian is generally used in most day-to-day situations. The question is if any other languages (Slovak, Romanian) are included in daily communication at any level or situation (among some groups of workers, workers and their mid-level managers, etc.) Also, the different levels of language competencies and regional dialects of local languages may also pose interesting questions worth of investigating further (some workers from across the border may be ethnic Hungarians from Slovakia, using a dialect of Hungarian intelligible for other Hungarian employees, but often look upon as inferior). Also, for CEE employees of managerial level may speak English/German at various levels and with different competencies.

According to the results of LINEE research project<sup>17</sup>, when examining linguistic diversity and communication in parent and daughter companies of large MNCs in the Czech republic and Hungary, the investigation revealed that the language-use of the parent companies was "project-based and dynamic, rather than representing a general approach toward to all their daughter companies or subsidiaries" (Linee 2009: 8). They recalled the example of German companies where it was assumed that people in CEE often speak German, that's why German/ and or English language use was accepted, unlike in other regions, like Asia. The Linee research also revealed that most large companies had an official corporate language, but when employees were directly asked about it, very rarely could they articulate where and how this fact is recorded. Rather, they often referred to the use of one and only common language as a commonsensical issue. The project also brings the example of the Czech republic where the Ministry of Labour could not come up with any legal regulation regarding the language use at workplace. We believe the same applied to Hungary, we could not find any legal provisions for the same during our desk-research.

## 5. Conclusion

### 1) Social context:

Two-third of immigrants in Hungary are ethnic Hungarians from the neighbouring states. Immigration is a marginal issue in CEE, 2% of the population are immigrants only. Despite its EU-

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<sup>16</sup> Based on: "A mapping report on labour inspection services in 15 European countries. A Syndex report for EPSU. 2012.

<sup>17</sup> Linee- *Languages in a network of European Excellence*. (Thematic Area D- Language and Economy, area research report). Jiri Nekvapil, 2009. 12.10.

membership, Hungary remains mainly a transit-country of the East-West migration. However, the Hungarian right-wing government has recently launched a strong anti-immigrant campaign, which is expected to worsen further the anti-immigrant attitudes of the Hungarian population.

Hungary has strong multiethnic traditions, but these were mostly overwritten by the nation-state building ambitions of the 19-20<sup>th</sup> century where assimilation of minorities and dominance of the Hungarian language and culture was a guiding principle. After the change of the regime, compulsory Russian education was changed for education of West European languages, with more or less success. Many workplaces (especially the non-governmental sector) require knowledge of English or German language. However, in daily life the norm remains that immigrants are expected to learn Hungarian, and not the other way round. Most of immigrants (apart from the ethnic Hungarians), especially if TCN, arrive to Hungary with a prior job contract– they are usually employed by MNCs, international organizations, etc. A few of them like spouses of Hungarian citizens, need to actually search for a job after arrival to Hungary.

## 2) Data and trends:

Our preliminary ethnographic data indicate that workplaces usually a combination of Hungarian language plus a foreign language (mostly English or German, in some specific cases Italian, French, Spanish, etc). Our research is expected to throw light on the possible use of regional languages (Slovak, Romanian, and Ukrainian) and certain dialects of Hungarian typical of ethnic Hungarian speakers from abroad. These regional languages and dialects may thus further diversify the picture of multilingualism at workplaces. We would also like to make a point that different levels of language competencies and dialects may also produce diverse language situations (e.g. managers speaking English at a certain level, workers speaking the same language at a basic level etc.)

Despite a major transformation in education system regarding language education in Hungary and the presence of language school industry, the majority of the population doesn't speak foreign languages, though those who do speak, usually speak them well according to some ethnographic evidence. On the other hand, immigrants in Hungary do not receive sufficient help in their language integration (no free language teaching only in case of refugees).

According to previous research (like the *Linee* project findings) mother companies implement flexible, project based policy regarding language use at local level companies. While there is usually an official language at MNCs, employees take it more as an issue of commonsense and may not be able to identify the legal source of this practice.

The actual day-to-day internal company communication, the language use of managers (often expats) and employees, the cross-border employees (usually blue-collar ones) and the regional languages and dialects brought with them open up several new questions in the area of multilingualism in IR and call for further investigation.

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