

HUNGARY¹⁷³

El affiliates

PSZ	Trade Union of Teachers, affiliated to SZEF
PDSZ	Democratic Trade Union of Teachers, affiliated to LIGA
FDSZ	Trade Union of Employees of Higher Education, affiliated to ÉSZT
TDDSZ	Democratic Trade Union of Scientific Workers

Other unions

MKSZSZ	Hungarian Trade Union of Employees in Public Education and Vocational Education and Training member of MSZOSZ
AOKDSZ	Trade Union of Agrarian Research and Education, affiliated to ÉSZT
MKKSZ	Trade Union of Hungarian Civil Servants and Public Service Employees, affiliated to SZEF and CESI

Ratifications

- C. 87 Freedom of Association and the Protection of the Right to Organise (1948) ratified 1957
- C. 98 Right to Organise and Collective Bargaining (1949) ratified 1957
- C. 100 Equal Remuneration (1951) ratified 1956
- C. 111 Discrimination (Employment and Occupation) (1958) ratified 1961
- C. 144 Tripartite Consultations (1976) ratified 1994
- C. 151 Labour Relations (Public Service) (1978) ratified 1994
- C. 154 Collective Bargaining (1981) ratified 1994

Union Density

Union density in the education sector is around 25%¹⁷⁴ (source PSZ)

Union density total 16.1% (Labour Force Survey of Central Statistical Office 2004)

Introduction

Hungary is a Parliamentary Republic and a Member of the European Union since 2004. The 1949 Constitution was amended in 1997 to provide for Parliamentary and local elections. Following the 2010 election of a majority right-wing Fidesz government, a new Constitution and new Labour Code were introduced, in January 2012, together with radical changes to the organisation and management of the education system and the role of unions. Unions were not consulted about these reforms and there has been considerable protest and opposition and the implications of these reforms are still being worked out.

¹⁷³ Grateful acknowledgements to Dr. Horváth Péter, PSZ expert and Tünde Vajne, PSZ International Relations Secretary who provided valuable information and comments for this study

¹⁷⁴ Written report Dr. Horváth Péter and Tünde Vajne, PSZ International Relations Secretary 17. 12.2012



The Hungarian Constitution states that education is compulsory and it is the government's responsibility to ensure that every child has the right to education up to the age of 18 years. Education is compulsory from the ages of 6-18 years. The 1993 Law on Public Education sets out the public education system and provides for the principle of professional independence. The Act on Higher Education was adopted in 2006 whereby the Ministry of Education and Culture is responsible for general policy, regulation and control.

Decentralisation has been a key feature of the administration of public education. The system of public education is aligned to the system of local government, at municipal and county level. There are 19 counties, 7 statistical regions and Budapest, the capital. Since 2004, local municipalities have had the possibility of creating "multi-purpose regional associations of local government" which also have the possibility of founding schools.

The role of the Ministry of Education and Culture is limited to general regulation and curriculum and determining the final secondary exams. It is the county and municipal authorities who control the schools, although in turn the schools have considerable autonomy. Since 1990, private foundations and Churches have the right to found and operate schools, and in the case of Church schools, the government has committed to providing them with the same level of subsidy as the public schools.

The annual Budgetary Act, which is passed through Parliament, determines the State subvention for education, known as "normative support". The sum of normative support and other financial support granted to local authorities and other school maintainers, such as the Church, must be the same as the previous year, taking into consideration the actual numbers of students enrolled.¹⁷⁵ Hungary's population has been declining for the last two decades. From 2000/2001 to 2008/2009 academic years, there has been a 17.7% drop in the size of the primary school age group. The State allocation covers 50% of the school costs and the local authority or private foundation must match the funds.

Teachers' salaries are low and not commensurate with other professions. Teaching is considered a low status profession. A new law on public education was adopted in 2011 and foresees a major restructuring of the education system, beginning in 2013.

Freedom of Association and Collective Bargaining

The new Constitution provides a statutory right to bargain and conclude agreements and to take joint action or hold strikes in defence of their interests.¹⁷⁶ However, the new Labour

¹⁷⁵ *Structures of Education and Training Systems in Europe, Hungary 2009/2010 prepared by Judit Juhasz, Judit Lannert, Edit Sinka, Eva Tot, Eurydice, Cedefop and European Training Foundation p.10*

¹⁷⁶ http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=HUN&p_classification=01.01&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY ILO NATLEX accessed 15.01.2012

Code has weakened previously acquired rights in relation to the protection of trade union officials and the right to collective bargaining and appears to severely restrict the right to freedom of expression.¹⁷⁷

The Law 33/1992, on the legal status of public employees, determines the public employee status of all employees of Ministries and local government, including teachers. The law covers working time, annual leave, severance pay, salary scale, and career progression and performance evaluation systems.

The law determines the role of unions, referred to as “interest protecting organisations of public employees”, and their right to participate in the formulation of working conditions, including working time, promotion systems and training. The law states that a public employees’ trade union having at least a 50 per cent support may conclude a collective bargaining agreement.

A further Law 73 /2009 established a National Public Officials Interest-Conciliation Council (OKÉT) with a broad remit to discuss living and working conditions, including budgets, long-term wage policies and annual wage policy. Under this umbrella, there were specific sectoral social dialogue committees for public and higher education, known respectively as the National Interest Reconciliation Council in Public Education and the National Interest Reconciliation Council in Higher Education, with the counter-part social partner represented by alliances of cities, regions and local authorities.

While this does not amount to formal collective bargaining, in the past there have been de facto negotiations or “quasi-bargaining” whereby the percentage annual increment for public officials is agreed, although the government issues the final decision.

This is in contrast to the private sector whereby the 1990 Act on the Right of Association, obliges employers to engage in collective bargaining with the recognised trade unions. The National Interest Reconciliation Forum is a tripartite consultative body for sectoral social dialogue in the private sector, with the power to recommend the national minimum wage and other minimum rates.

At local level, prior to the recent reforms, collective contracts were signed between the schools and the PSZ with approximately 80% of schools covered by a collective contract.

Trends in freedom of association and collective bargaining 2008-2012

Even prior to the October 2008 financial crisis, Hungary was experiencing a period of slow

¹⁷⁷ ITUC Annual Survey on Trade Union Rights 2012 Hungary accessed 15.01.2012 <http://survey.ituc-csi.org/Hungary.html#tabs-3> and ILO CEACR adopted 2011 and published 2012 http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:2698651:NO



growth and austerity measures, designed to reduce public sector expenditure as the country sought to address its budget deficit in order to meet the macro-economic conditionalities to enter the Euro. The financial crisis therefore compounded an already difficult situation, with a vulnerable economy dependent on FDI, a credit crisis and a sharp drop in consumer demand. The State debt reached 73.9% of GDP and Hungary was forced to agree a bailout package with the IMF, World Bank and European Commission (known as the Troika) and devalue the Forint.

The socialist government of Ferenc Gyurcsány (2002-2009) was forced into a coalition with the liberals under György Matoksy and in 2010 the centre-right party Fidesz won the parliamentary elections to form a government under Prime Minister Viktor Orban in coalition with the Christian Democrat Party (KDNP).

As indicated in the introduction, Fidesz has introduced a large number of new laws, notably a new Labour Code, restrictions on the rights of public employees and a new law on the media and a new law on public education. The new Labour Code which came into force in 2012 has been heavily criticised by the trade unions and Hungary's 6 trade union confederations have addressed a joint letter to the ILO, particularly for the restrictions on tripartite social dialogue. The National Interest Reconciliation Council (OÉT) which has been functioning since 1988 and in its present form since 2002, was replaced in January 2012 by the National Economic and Social Council (NGTT). This body will not have decision-making rights, it can only draft proposals. The cabinet can now decide unilaterally on wage and employment related matters.¹⁷⁸

The government has also sought to introduce changes to the way that public officials are paid and their rights. The dismissal of employees without cause will be allowed and in the case of mass redundancy, employers will no longer have to notify the employment authority or consult with employee representatives. At the same time, the pay system in the public services will change from the previous strict payment table to a system of remuneration based on individual performance. No objective criteria have yet been set for how this will be judged. On 5 April 2011, the Constitutional Court ruled that dismissing public servants without cause was against the Constitution and blocked the new law.¹⁷⁹

The last major wage increase for the public sector was in 2002 and since then, salaries have not kept pace with inflation. In terms of pay levels, Hungary is placed 27th out of 31 OECD countries.¹⁸⁰ Since 2006, there has been a public sector wage freeze and measures

¹⁷⁸ EIRO Published 31 January 2012 Unions slam new Labour Code HU 11110111 Author Máté Komiljovics

¹⁷⁹ EIRO Extension of governmental power in Hungary 8th July 2011 HU10120111 Márton GerCE and Zsuzsa Rindt

¹⁸⁰ PSZ "The Impact of the economic crisis on public education in Hungary" Power point presentation, Budapest, October 2011

designed to reduce public expenditure. In 2008, public sector salaries were frozen for a year and the right to a 13th salary was abolished. Other working conditions also deteriorated (such as hours of contact, pupil teacher ratios and a new unfavourable method of calculating overtime). The PSZ union calculates that teachers' salaries in real terms have lost 25% of their value since 2008. They further calculate it would be necessary to increase teachers' pay by 50% to reach the level of other professionals in Hungary, which in turn would require an increase of 38%-40% in the budget allocation for public education based on 2010 figures.¹⁸¹

The education sector has been additionally affected because of the decline in pupil numbers which form the basis for the budgetary calculations each year. As the union argues, education costs are not directly proportional to pupil numbers, as maintenance costs and other charges are not affected. However, the education budget has been cut consistently from 2008 onwards. In addition, other charges, like the health costs of teachers have now been transferred to the education budget .

Since 2010, the government has allowed local authorities to transfer schools to the Church while no longer requiring that they continue to provide 50% of the funds. This has resulted in a large number of schools being handed over to Churches. Over the last 4 years, 85 schools with a total of 20,000 pupils have become Church schools. The government has also required primary schools which do not provide the full 8 grades of education to close and be integrated into a larger catchment area.

A new law on public education has recently been adopted in 2012 together with a new system of local government. The new law on education separates teachers from other public employees and foresees setting up a new salary scale and career progression specifically for teachers either from September 2013 or September 2014. Under the supervision of the Ministry of Human Resources, the Klebelsberg Centre (KIK) will become the employer of the teaching workforce. The law also stipulates the number of obligatory teaching hours as 22 per week but the KIK can require a teacher to work up to 32 hours per week.

From 2013, local government will be based on districts, a territorial division which existed historically but was abolished in 1972. New school management systems will be set up and it is planned to have 176 management centres based on the districts and counties and 23 in the capital city. The KIK will be responsible for managing all the primary and secondary schools, upper secondary and professional colleges. The KIK will also be responsible for the management of schools in communities with less than 3000 inhabitants but the local authorities will be responsible for the building maintenance and security.

The PSZ considers that there is now the possibility of establishing a national collective agreement for the education sector with Ministry of Human Resources. In order to adjust its own organi-

¹⁸¹ *idem*



sational structure to this new situation, PSZ held a working congress to review the changes and propose a new structure. It is holding local elections over the period December 2012 June 2013 and its Statutory Congress in June 2013.

According to PSZ, the new education reforms have been badly prepared and the new education districts are not yet in place.

“The restructuring proposals are in perpetual flux and the division of responsibilities and tasks is not clear. The maintenance and upkeep of the schools has been separated from the educational responsibilities, such as curriculum and manuals, employment and class hours, except in the case of the pre-schools. The PSZ signed an agreement with the Minister in order to save 22,000 jobs but we have always opposed the new Law.”¹⁸²

Dr. Horváth Péter, PSZ Adviser

Education expenditure and GDP growth

% GDP spent on education	% public expenditure spent on education	GDP % Growth
2007: 5.4 %		1.7%
2008: 5.1 %	10.4 %	0.6%
2009: 5.1 %	10.0 %	-6.3%
2010:		1.2%
2011:		1.7%

Source World Bank/IndexMundi

¹⁸² Report from PSZ dated 04.02.2013 and interview with Tünde Vajna, International Relations Secretary, PSZ