



Industrial relations and social dialogue
**Hungary: Working life in the
COVID-19 pandemic 2020**

Author: Ágnes Hárs (KOPINT-Tárki)

Research Manager: Christine Aumayr-Pintar (Eurofound)

Eurofound reference number: WPEF21018

Related report: Eurofound (2020), COVID-19: Policy responses across Europe.

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2021
Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Any queries on copyright must be addressed in writing to: copyright@eurofound.europa.eu

Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Contents

Introduction	1
Impacts of the pandemic on working life	2
Political context	8
Governments and social partners response to cushion the effects.....	9
How COVID-19 accelerated and disrupted working life policies and impacted social dialogue	12
Accelerated developments	12
Disrupted developments.....	12
Impacts on the social dialogue and collective bargaining.....	12
Other important policy developments	14
Labour disputes in the context of the pandemic.....	15
Major developments in working time regulation as a result of the pandemic	17
Legislation on working time	17
Collective bargaining on working time.....	18
Ongoing debates on working time	18
Impacts of the crisis on wages and wage setting	19
What is new in working life in the country?	20
References.....	22

Introduction

In Hungary, the two waves of the pandemic were considerably different. While the first wave in spring 2020 can be characterized by strict health measures and an early lockdown, the second wave following the summer of 2020 was treated differently: the focus of the measures moved towards avoiding closures and the impacts on the economy as long as possible, while the number of people affected by the virus was considerably higher and lockdowns had to be introduced.

Political and pandemic-governing authorization. At the beginning of the first wave of the pandemic, an essential political step was taken on 11 March 2020, when the 'state of danger' was declared, and the government was empowered to issue government decrees connected to the extraordinary situation which lasted for 14 days and was followed by a parliamentary legal authorization of the government to introduce regulatory governance in the fight against the coronavirus for an indefinite period. With the easing pandemic situation, the legal authorization of the government ceased on 18 June 2020. However, the situation did not return to the pre-pandemic circumstances, but was replaced with an "epidemic preparedness" phase for at least half a year, which authorized the government to take further emergency measures. In the second phase, on 4 November 2020, due to the worsening epidemic situation, the 'state of danger' was again declared, and the extraordinary law of order was re-established for another 90 days.

Public health measures. 1st wave: Based on the danger of the expected COVID-19, preventive measures were introduced already before the declaration of the 'state of danger'. On 11 March the universities, after 16 March the schools switched to distance learning until the end of the school year. Creches and nurseries were also closed until the end of May. After 16 March, Hungary's borders were closed, and a partial lockdown took place with the closure of theatres, cinemas and other large-capacity entertainment venues. Restaurants and cafés were obliged to close at 3 pm. Following 28 March a curfew was introduced for the general public – staying outdoors was only allowed for important reasons – that lasted until 4 May in the countryside and until 18 May in the capital city of Budapest and surroundings. The borders were gradually opened by 12 June. *2nd wave:* Borders were closed on 1 September. Further restrictions or a lockdown was not introduced for quite some time, and schools, crèches and nurseries remained at their normal routine. On 4 November, with the serious worsening of the pandemic situation and the re-establishing of the extraordinary law of order, strict restrictions were introduced regarding cultural and sport events while a night-time curfew was also introduced. A week later, on 11 November, even stronger restrictions came into effect: the evening and night curfew lasted from 8 pm-5 am, universities and schools from the 9th grade upwards were returned to distance learning, while younger children remained in schools and nurseries. The lockdown affected hotels and restaurants, and cultural and sport events were cancelled.

Impact on the economy and labour market. The drop in the GDP level was measured at -13.6% in the 2nd quarter and at -4.6% in the third quarter of 2020, and -5.5% in the first three quarters of 2020, as compared with the same period of the previous year (HCSO data). The number of the employed population decreased by 117,000 (working at least 1 hour in the previous week), the unemployed increased by 60,000, and the total active population decreased by 60,000, as compared with the previous year (according to the official LFS data (for more details see the following sections).

Impacts of the pandemic on working life

While the pandemic attracted the focus of research on the impact of COVID, evidence is mostly available on the first wave as yet. Not only the focus, but also data collection as well as interpretation of long-time series were affected by the pandemic. The big size representative Labour Force Survey (LFS)¹ is the basic source of labour market development analysis. Nevertheless, considering the drop in employment needs a careful interpretation amongst COVID-19. Table 1 shows various employment rates before and during the pandemic, according to the Hungarian LFS data. The employment rate of those in employment in the previous week dropped by 2.8 percentage points only, while data for those who worked at least one hour dropped by 5.7 percentage points, which is a considerable difference in the short time. The share of employment of those working less than they usually do increased by 22.2 percentage points and their working hours decreased by 2.1 hours. All in all, the employment rate (FTE) dropped by 6.6 percentage points from before to just in the beginning of the pandemic phase.

Table 1 Employment, according to various indicators (15–64 population not in school)

Employment last week	Jan-Feb (pre-pandemic) (1)	March (half pandemic) (2)	April-June (pandemic) (3)	Change pp (3)/(1)
Employed (%)	77.6	76.1	74.8	-2.8
Employed at least 1 hour (%)	75.0	70.1	69.3	-5.7
Working less than usually* (%)	9.0	10.1	31.2	22.2
Employment (full-time equivalent, adjusted to working day) %	73.0	67.9	66.4	-6.6
Effective working hours (adjusted to working days) days	37.6	35.7	35.5	-2.1 (hours)

Source: HU LFS adjusted by KRTK Databank, Published in Köllő (2020)

Change in employment

The employment rate of those employed for at least one hour in the previous week by various groups provides a deep insight into the impact of the COVID-19 crisis in the first wave, as presented in Table 2. Women experienced a higher employment loss than men, and according to age, the younger employees suffered the highest job loss, particularly those employed – and not in school – under 20. While university graduates experienced hardly any job loss, the career starters (who were in school one year before) had an extremely strong drop in employment. Secondary-school graduates with no further vocational training also suffered a high, over 10 percentage point job loss, while low-qualified employees or people with Roma background had a less strong drop in employment. Remarkably, the pandemic affected Budapest more than the countryside.

¹ The Hungarian LFS sample-size of 15-64 population was 20.50, 8.55, and 25.98 in Jan-Febr, March and Apr-June 2020, respectively.

Table 2 Employment rate of various social groups (15–64 population not in school, those have worked one hour at least last week)

	Jan-Feb (pre-pandemic) %	April-June (pandemic) %	Change pp
Men	83.0	77.7	-5.3
Women	67.1	60.8	-6.3
15–19	33.5	13.6	-19.9
20–29	75.2	66.0	-9.2
30–39	78.3	72.8	-5.5
40–49	84.9	80.6	-4.3
50–59	78.5	74.4	-4.1
60–64	41.1	39.9	-1.2
less than primary	29.7	24.4	-5.3
primary	54.3	46.7	-7.6
vocational school	76.4	71.2	-5.2
secondary school (without vocation)	76.6	64.7	-11.9
Secondary school (with vocation)	79.5	73.5	-6.0
College²	82.0	77.6	-4.4
University	85.9	84.0	-1.9
Career-starter (previous year in school)	57.7	25.3	-32.4
Roma	45.6	43.8	-1.8
Budapest	81.8	73.8	-8.0
Countryside	73.6	68.3	-5.3
Total population	75.0	69.3	-5.7

Source: HU LFS adjusted by KRTK Databank, Published in Köllő (2020)

Teleworking and commuting

The pandemic had a strong impact on *home office* that had not been extensive before in Hungary. The intensity from the pre-pandemic to pandemic months increased by nearly 14% with considerable differences by gender, (see table 3): women more often turned to working from home; by age, people aged 20-50 more often work in a home office setup, while very young and older employees work from home at a lower share. College and particularly university graduates worked in home office at particularly high shares (a 30-40 percentage-point increase), and even a higher increase (45 points) was seen for professionals, although the increase was considerable among other non-manual employees as well. As for industries, the increase of home office in education outnumbered any other

² ISCED 5A – 3 or 4 years of tertiary-level education

industries and in the capital city of Budapest, a home office work situation was much more common than in the rest of the country. Nevertheless, the share of those regularly in home office increased by 5.9 percentage points, while the share of those occasionally in home office by 8.1 percentage point. (HU LFS defines regular home office as daily work from home, while occasionally in home office is working from home less than every working day.)

Table 3 Working in home office in the last four weeks (15–64 population not in school, those who have worked one hour at least in the previous week)

	Jan-Feb (pre-pandemic) %	April-June (pandemic) %	Change pp
Men	2.7	13.6	10.9
Women	2.5	20.2	17.7
15–19	0.0	3.4	3.4
20–29	1.5	15.1	13.6
30–39	3.7	19.9	16.2
40–49	2.5	17.2	14.7
50–59	2.7	14.0	11.3
60–64	1.9	13.4	11.5
Less than primary	0.0	0.0	0.0
Primary	0.0	1.0	1.0
Vocational school	0.1	1.2	1.1
Secondary school (without vocation)	2.3	10.4	8.1
Secondary school (with vocation)	2.2	9.3	7.1
College	5.8	37.4	31.6
University	7.5	49.6	42.1
Managers	4.5	22.3	17.8
Professional	8.2	52.9	44.7
Technicians, associate professionals	4.0	19.7	15.7
Clerical support workers	3.0	21.0	18.0
Manual occupations	0.4	1.7	1.3
Agriculture	0.8	3.1	2.3
Manufacture of motor vehicles	1.1	7.6	6.5
Other industry, energy	1.7	7.8	6.1
Utility services	0.0	15.9	15.9
Construction	0.9	5.5	4.6
Commerce	2.0	9.6	7.6
Transport	1.6	8.4	6.8

	Jan-Feb (pre-pandemic) %	April-June (pandemic) %	Change pp
Services	7.0	31.5	24.5
Public administration	1.1	14.6	13.5
Education	1.3	50.3	49.0
Health care	1.0	6.8	5.8
Budapest	6.8	36.3	29.5
Countryside	1.6	11.9	10.3
Regularly in home office	1.0	6.9	5.9
Occasionally in home office	1.5	9.6	8.1
Total	2.6	16.5	13.9

Source: HU LFS adjusted by KRTK Databank, Published in Köllő (2020)

Perceived job security

The chance of dropping out of a job increased in the first wave of the pandemic by 14% which is five times higher than a year ago, according to the calculations based on Hungarian LFS data (see Table 4). In 2019 the chance of a job loss was particularly high among simple manual workers and in public administration, while the turnover was low in general. In the pandemic the picture is different: the chances of dropping out of employment increased considerably in some industrial professions and trades, but in the non-manual occupations as well. Nevertheless, managers, mainly small businesses and the self-employed, experienced a strong impact of the pandemic. As for the industries impacted particularly strongly, lay-offs were most likely in the manufacturing and motor vehicles industry and services.

Table 4 Changing probability of dropping out of employment prior to the pandemic (January-February) and in the pandemic (April-June) months of 2020, as compared with the same period of the previous year (%)

Status in January-February	Chance of being dropout form employment (employed in Jan-Febr and dropout in Apr-Jun)		Ratio of 2020/2019
	2019	2020	
Managers (small business incl.)	0.5	6.1	12.2
Professional	1.4	8.1	5.8
Technicians, associate professionals	2.5	12.3	4.9
Clerical support workers	2.4	11.1	4.6
Trade. service provider	3.7	21.2	5.7
Skilled agricultural	2.5	8.4	3.4
Skilled industrial	2.8	13.8	4.9
Machine operator. assembler	2.3	16.8	7.3
Simple manual worker	6.3	19.4	3.1

Status in January-February	Chance of being dropout form employment (employed in Jan-Febr and dropout in Apr-Jun)		Ratio of 2020/2019
	2019	2020	
Agriculture	2.5	6.8	2.7
Manufacture of motor vehicles	2.2	27.1	12.3
Other industry, energy	3.1	12.7	4.1
Utility service	2.3	8.0	3.4
Construction	3.3	13.1	4.0
Commerce	2.9	13.8	4.8
Transport	2.4	11.4	4.8
Services	2.5	19.8	7.9
Public administration	4.1	10.0	2.4
Education	1.9	8.9	4.7
Healthcare	2.1	12.8	6.1
Total	2.8	14.0	5.0

Source: HU LFS adjusted by KRTK Databank, Published in Köllő (2020)

A snapshot of the first shock of the pandemic was measured at the first lockdown (end March-first week of April) by a representative online survey asking 6,400 persons (Zavec 2020). In early April 8% of the employees were on unpaid leave, and another 3% were dismissed without pay. Unpaid leave has already been used in all sectors, but it affects tourism and hospitality to the greatest extent, with a quarter of those working in those sectors waiting to get a job and wages again. With decreasing educational level, the share of those impacted increased: 10% of employees with primary, 7% with secondary education, and 5% tertiary graduates were impacted. Unpaid leave is much more common in rural areas than in Budapest: 11% of workers in villages, 8% in cities, and 4% in the capital city of Budapest were affected. Dismissals occurred more frequently than average (5-6%) in the tourism sector.

Corresponding to the LFS data, a prompt investigation, the TARKI COVID-2020 survey canvassed if the respondent had lost their job in the last month. According to the survey³, 7% did lose a job in the previous month, 6% of men and 8% of women. A total of 10% of the 18-39-year-old respondents reported that they had lost their job recently, which is a fairly high rate, while among the 40-59 age group 7% and for over 60s, 4%. According to the education level, 7% of those with primary, 9% with secondary, and remarkably lower, 5% of the secondary school graduates had lost their jobs. A lower share (6%) of those living in Budapest lost a job, while a higher share in other cities or villages (8 and 7%, respectively).

Income security

Due to the restrictions and the lockdown considerable income losses were measured in the first wave of the pandemic already, at the end of April, and the beginning of May by the Tárki COVID-2020 survey. According to the survey, about 18% of the respondents suffered some income loss, a higher share of

³ The Tarki COVID-2020 survey questioned a nationwide random sample of 878 persons by phone, between 25 April and 3 May 2020. See more details in Tóth–Hudácskó (2020).

men than women (19 and 17%, respectively). While 18% of the 18-39 year- old respondents reported income loss, the share among the 40-59-year-olds was considerably higher (26%) and only 9% among those over 60. While 18% of those with primary and 20% of those with secondary school education had some income loss, the share was lower, only 14% among those with secondary school graduation. The income loss was more extensive in Budapest, where 22% of the respondents suffered income loss, 20% of those living in other cities, while the share of those who suffered income loss was considerably lower (13%) in the villages.

Health, safety, and well-being at work

The Tarki COVID-2020 survey focused on the impact of the pandemic on health conditions, particularly on psychological problems like the feeling of isolation, depression, anxiety, and found that 16% of the people questioned suffered from these problems, with a considerable difference by gender: 11% of men and 20% of women. With age anxiety and psychological problems increased: 11% of young people of the 18-39, 16% of the 40-59 age group, and 22% of those over 60 reported these impacts of the pandemic. In Budapest citizens suffer much more, 22% of them mentioned psychological problems, while only 14% in other cities and 15% in villages. Primary vs. tertiary education resulted in a higher share of psychological problems (17 vs 16%), while 14% with secondary education mentioned this problem.

Political context

In Hungary, the year 2020 was an in-between period as regards the parliamentary cycle, with an election to take place in spring 2022. The governing right-wing Fidesz-KDNP is in power for a third four-year term since 2010. In this regard, no essential political change took place in 2020. Nevertheless, with the empowering of the absolute majority of two-thirds, the government repeatedly initiated significant legal decisions resulting in a curbing of democracy, control of the free press, and the self-governance of the institutions including working life.

In October 2019 the local election resulted in a majority of the opposition winning in big cities, including the capital city of Budapest, consequently the previous majority of the governing party has changed in some of the local governments. Focusing on the parliamentary election in spring 2022, political conflicts have intensified at the local level, including governmental restrictions and regulations curtailing and controlling the activities of the local governments and impeding the smooth collaboration which had an impact on councils' daily work, and urgently necessary responses to COVID-19. Similarly, the governing FIDESZ-KDNP with the strong empowering during the pandemic situation implemented changes in the basic law not necessarily connected to the pandemic, among other modifications in electoral law.

Governments and social partners response to cushion the effects

With the strong empowerment eluded to in the introductory section, the Hungarian government announced several consecutive waves of policy measures and legal modifications to diminish the economic and social impacts of the COVID-19 crisis. The social and labour market policy of the acting right-wing FIDESZ-KDNP government based on its notion of a 'work-based society', i.e. providing work instead of assistance since 2010, coinciding with an extremely short unemployment duration (3-month) and low level of benefit system, has not fostered generous measures to support or secure existing workplaces. The focus of the Hungarian measures during the pandemic was different.

The first wave of the pandemic

The immediate measures of the government (Government Decree 47/2020 (18 March) to alleviate the effects of the virus on the national economy aimed at allowing *new working arrangements* for an indefinite periodⁱ, as well as a *tax relief on labour* for certain target sectors hard-hit by COVID-19 until the end of June 2020ⁱⁱ. Trade unions promptly urged more protective measures calling for government actions to meet employees' needs in connection with COVID-19 impacts.ⁱⁱⁱ

A month later a new set of measures, an *action plan for economic protection* was launched by the government. Among others, the 'Kurzarbeit'-type wage support program for job retention^{iv} was launched, with a narrow scope, however that was later refined, reformulated, and extended to various sectors in need. The measure was set out somewhat late, considering the high number of employees dismissed by that time. While the 'Kurzarbeit'-type subsidy represented a support to retain the employees, it lasted for a limited period only (until the end of August). The next set of policy measures was *wage support for job creation* launched in May, and another term with more strict conditions started in mid-July, restricted to jobseekers under 25 or the long-term unemployed.^v

Another direction of the government action, as part of the action plan for economic protection in April, raised the working time banking period in the pandemic situation^{vi}, in line with the early measure which allowed the new working arrangements (HU-2020-12/659). The government decision raised protests from the trade unions underlining the uneven burden of the pandemic on the employees.^{vii}

Government actions to reduce or alleviate taxes were not a sufficient support for those without a job or any income. Sporadic measures addressed various branches particularly hit by COVID-19 crisis, e.g. the healthcare workers' one-off bonus for COVID-19 work^{viii}, or musicians' support with online "warehouse" concerts, which was allocated from national funds to compensate musicians,^{ix} or various tax reliefs, with little help for those out of work, however. In Hungary, according to the Eurobarometer survey, support of the opinion that economic damage is greater than the health benefit was the second largest (59%) in Europe in the 3rd quarter of 2020. (Eurobarometer 2020, Figure Q3, p.17)

The second wave of the pandemic

The government policy followed the slogan 'the country cannot stop again', to minimize the economic loss of the economy. The measure was backed by the population's fear of losing jobs with the lack of any economic support. Nevertheless, borders had been closed since 1 September, critically hitting tourism, hospitality, and the entertainment branches. Gradual steps of lockdown added to their burden since limited functioning was too expensive for surviving.

Social partners repeatedly urged to continue the 'Kurzarbeit'-type support program.^x In this situation, wage support for job creation was launched again by the government from 15 October, similar to the one in the first phase of the pandemic (cp. HU-2020-21/986), with a considerably lower budget and less support to the target group of young jobseekers under 25, and those with lower than completed secondary education. Social partners were not informed about the start of the new measure and as a warning underlined the danger that the pandemic situation jeopardizes other groups as well with no assistance at all.

Following *11 November* strong restrictions and a lockdown came into effect again with a strong impact on particular sectors. Wage support for the catering and recreation sectors was launched^{xi} for a short period, contrary to the demands of employers and trade unions in the sector, who had expected at least 6 months of support. The hotel- and accommodation-related services were supported by a reimbursement of their losses,^{xii} nevertheless, small and medium-sized hotels are likely to be left without any savings by the end of 2020, in this regard 'Kurzarbeit'-type support would be of more help to maintain jobs in the industry, according to the opinion of the industry officials.

Social dialogue and crisis management

In Hungary, the lack of involvement of social partners in social dialogue practices has been repeatedly mentioned and documented in a forthcoming report to be published by Eurofound (2021). The process of involvement of the social partners has not changed as regards the design of the policy measures in the context of the COVID-19 crisis.

Both the employers' and the employees' organizations had the experience that the measures invented by the government had not been sufficient and timely to avoid the impact of the crisis. In the first phase, social partners initiated a joint letter⁴ to call the interest reconciliation forum to consult before the government would launch the new crisis management Action Plan for economic protection in April 2020. As presented in detail in the forthcoming report on social partners in policymaking in COVID-19 (Eurofound, 2021), the Permanent Consultation Forum of the Private Sector and the Government (*Versenyszféra és a Kormány Állandó Konzultációs Fóruma - VKF*), the existing tripartite interest reconciliation forum decided to organize regular weekly (online) meetings to discuss and decide about the details of the action plan for economic protection. Still, against the expectations of the social partners, at these VKF meetings during the pandemic the government only informed the social partners about the new measures and the progress of the crisis management without meaningful consultation, similarly to the functioning of the interest reconciliation forum of the VKF in the previous years. While social partners strongly urged 'Kurzarbeit'-type support to maintain jobs and industry-specific programmes addressed to industries particularly hit by the crisis, government's actions were

⁴ See: <https://liganet.hu/10465-a-szakszervezetek-es-a-munkaltatok-egyeztetesre.html>

different. The disagreement of the social partners was not taken into consideration, as mentioned briefly by measures above.

As a general judgment, social partners were of the opinion that policy measures were introduced too late, and the scope was too narrow for promptly addressing urgent problems, mainly the extensive loss of jobs, and support for those temporarily or permanently out of a job. Beyond prompt government support, the extension of the duration of the extremely short 3-month unemployment benefit period has been urged.

ⁱⁱ Eurofound (2020), [Allowing new working arrangements due to pandemic](#), case HU-2020-12/659 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2020), [Relief of tax on labour for certain target sectors hard-hit by COVID-19](#), case HU-2020-10/653 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2020), [Trade unions' joint positions on COVID-19 measures](#), case HU-2020-12/1335 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2020), [Wage support programme for job retention - Kurzarbeit with training obligation](#), case HU-2020-18/640 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^v Eurofound (2020), [Wage support for job creation](#), case HU-2020-21/986 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin

^{vi} Eurofound (2020), [Working time banking period raised in the pandemic situation](#), case HU-2020-17/722 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{vii} Eurofound (2020), [Trade unions' joint positions on COVID-19 measures](#), case HU-2020-12/1335 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{viii} Eurofound (2020), [Healthcare workers' one-off bonus for COVID-19 work](#), case HU-2020-27/1213 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{ix} Eurofound (2020), [Support for online "warehouse" concerts](#), case HU-2020-32/1037 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^x Varga Dóra (2020)

^{xi} Eurofound (2020), [Wage support for the catering and recreation sectors](#), case HU-2020-46/1562 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{xii} Eurofound (2020), [Provisions relating to accommodation services](#), case HU-2020-48/1571 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

Accelerated developments

The low wages and the pressing need for a wage increase for doctors has been one of the long-time unresolved problems of health care in Hungary. The issue was now expedited by the pandemic. The original proposal was for a complete review of doctors' salaries in every pay grade, which became acute by the increase in doctors' burdens due to the coronavirus. The bill went before parliament on 5 October based on the proposals of the Hungarian Chamber of Doctors (MOK). However, at the last minute the reform slipped sideways. In last-minute changes, the government included rules that doctors employed in public sector service must obey, and also added the caveat that in special cases the employer can deviate from the pay-table by up to 20%, theoretically both ways, but the employer would likely deviate downwards. The measure of new service contracts for doctors in wake of coronavirus^{xiii} was passed unanimously on 6 October. Although the bill creates conditions for doctors' salaries to increase significantly, which is regarded as an unprecedented success, critics fear that the last-minute obligations added to the public-service contracts would be unacceptable to doctors. The unsolved problem of doctors' wage increases continued, with further problems to be solved.

The practice of working from home or home office increased sizeably in the first wave of the pandemic as presented earlier in this report. Teleworking is regulated by the Labour Code, nevertheless, those regulations were not very flexible. The rules for home office have become more flexible for the duration of the emergency (Govt decree 487/2020). Regulations adjusted to the new situation were enacted in the second wave of the pandemic after the 11 November lockdown. The regulations laid out in the Labour Code on telework working arrangements do not apply to the pandemic. Instead, however, individual arrangements between the employer and employee could apply, while the rules of work safety will not apply temporarily^{xiv}. Remarkably, the layout of the present regulation has proven the need for more flexibility and led to an update of regulations on this increasingly popular form of employment.

A particular case of home office is distance learning. No individual measure has been set off among pandemic policy measures, although in March 2020, among the first restrictions, universities and schools turned over to distance learning. Digital preparedness is relatively low in Hungary. Although a digital strategy for education has been on the agenda since 2016, the education system faced the pandemic unprepared. However, the deficiencies have shed light on the burden of school teachers connected to digital backwardness.

Disrupted developments

No particular policy areas related to working life has been identified.

Impacts on the social dialogue and collective bargaining

According to the available information, social dialogue and collective bargaining institutions were not impacted seriously by the COVID-19 crisis. Online platforms were available, and meetings were organised smoothly. Although interest reconciliation is weak in Hungary, as discussed earlier, the

existing tripartite interest reconciliation forum, the VKF (Permanent Consultation Forum of the Private Sector and the Government) organised regular online meetings and debates were possible according to the normal routine. Considering the lack of involvement of social partners in social dialogue practices, as mentioned in previous reports, the impact of the pandemic was limited on social dialogue.

^{xiii} Eurofound (2020), [New service contracts for doctors in wake of coronavirus](#), case HU-2021-1/1243 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{xiv} Eurofound (2020), [Allowing new working arrangements due to pandemic](#), case HU-2020-12/659 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

Other important policy developments

The transformation of the status of civil servants employed in cultural institutions and amending certain laws relating to culture has been on the agenda before the pandemic already, in line with the government's reform plan to transform the legal status of various groups employed in cultural or academic institutions, as under the regulations of the Labour Code. The trade unions affected, asked not to submit the amendment of the Law on the Status of Civil Servants to the parliament until the emergency caused by the coronavirus was over, and a detailed and scheduled social debate on the matter was possible. Nevertheless, the law was passed on 28 May 2020 with a protest of the social partners. The tripartite interest-reconciliation body for public service, the National Public Service Interest Reconciliation Council (*Országos Közszolgálati Érdekegyeztető Tanács, OKÉT*) called a meeting on 27 May, following several preparatory online consultations with the social partners. At the meeting they stressed their right to express the opinion on the transformation of the legal relationship of those employed in cultural institutions, as well as consultations on the status of civil servants and the future of the Act on the Status of Civil Servants (Liga, 2020a). Nevertheless, the Act was passed without any meaningful consultation. The VKF, the Permanent Consultation Forum of the Private Sector and the Government (*Versenyszféra és a Kormány Állandó Konzultációs Fóruma*) had the issue of the transformation of the status of civil servants repeatedly on the agenda. Due to the foreseen amendments, at the meeting of the VKF on 28 October, the social partners initiated putting the issue of legislation that has already been amended or was planned to be amended in connection with the change in the legal status of civil servants on the agenda of the VKF (Liga, 2020b).

Labour disputes in the context of the pandemic

The impact of the Fidesz-government's strike law which has been in force since 2010⁵, was a huge deterrent to the quality of labour law, and the number of strikes and industrial actions (Berki, 2019). While the possibility of disagreement and strike in the non-business sector has been restricted and controlled due to the condition of providing sufficient operation during the strike. Still, the protest of teachers and municipal workers was repeatedly on the agenda.

Municipal workers held a three-day warning strike in September across the country over the long-lasting problem of the lack of career prospects and decent wages and working conditions in their sector. The strike was carried out by the Hungarian Public Servants, Civil Servants, and Public Service Workers' Trade Union (MKKSZ). The strike was called as a last resort, because as part of the COVID-crisis measures the government withdrew municipal resources and also threatened the employment security of social, cultural, educational, health, and office workers. The trade union attempted before and during the strike, according to the law, to negotiate the problems that fundamentally determine the economic and social situation of municipal workers with the government. However, the minister in charge did not show a willingness to negotiate.

University students of the SZFE (*Színház- és Filmművészeti Főiskola* - University of Theatre and Film Art) in protest to the privatization of the university without any consultation, and against what they see as an illegitimate new board of trustees, held a blockade at the premises of the university building starting 1 September. The citizens of SZFE mostly complained that the selection of the new members of the board of trustees of the university, which was placed in the ownership of the foundation, and the adoption of the new university statutes were done arbitrarily by the government. As a result, part of the teaching staff resigned, and the remaining teaching staff went on strike from 1 October. The blockade of the students raised nationwide solidarity while the pandemic situation forced them after 70 days to leave the building (Herczeg, 2020). The strike of the teaching staff has been repeatedly declared legal, nevertheless, the new owners of the university were not accepting terms. Although the strong protest raised by the SZFE was not a direct consequence of the pandemic, the new management used the pandemic situation to ignore the postulations and fight against them without any consultation (see Frei 2020).

Several large companies, mostly big multinational firms, were reported to have terminated their collective agreements due to the impact of the COVID-19 crisis.^{xv} Consequences included postponed payments to workers, layoffs or workers allegedly pressured into short-time work contracts. Terminating collective agreements allows the employer to take measures against the company without consulting employee representatives, and it also ends practices like paying certain bonuses or non-wage compensation or observing special rules about sick pay and leave. The stipulations of the Hungarian Labour Code, amended in 2012, prevails when no collective agreement exists.

When steelmaker Dunaferre reportedly terminated the collective agreement in August 2020 the Hungarian Alliance of Trade Unions (MASZSZ) reacted with disagreement. The MASZSZ-member 'Vasas' trade union tried to re-establish talks regarding the terminated collective agreements, but with no success. Press reports said Dunaferre had not paid part of workers' wages, citing COVID-19 losses as

⁵ Act CLXXVIII of 2010 adopted on 31 December 2010.

the reason. The steelmaker company had long-lasting problems, and workers were not paid correctly. The trade union is of the opinion that the company infringes on several clauses of the collective agreement and had not fulfilled its obligation to consult the trade union in advance on the rescheduling of benefits. In their view, these measures jeopardize the economic and social interests of employees and the future of the company. In response, a demonstration was organized in front of the Embassy of the Russian Federation, to press the Russian management, and a protest at the entrance of the Dunafer (Tamásné, 2020).

At the tire-manufacturing company Continental, the collective agreement was terminated. The company dismissed people in mass at the company's plant (in Makó, south Hungary), referring to the coronavirus epidemic and the decline in production due to the crisis, the tire industry trade union GSZSZ claimed. However, in some months the production had risen again, but management was not eager to hire new employees but instead increased the work intensity of the remaining staff. Due to the measure which raised the working time banking period in the pandemic situation^{xvi} as part of the action plan for economic protection in April, mentioned earlier, the employees who remained with the company were obliged to use their annual paid leave and weekly rest days when work intensity was low. Due to the pressure a strike committee was formed at Continental's Makó plant after negotiations stalled between the employer's representatives and the trade union (Pósfai, 2020).

In other places, like General Electrics and tire manufacturer Michelin, the collective agreements were “suspended with guarantees”, trade unionists said.

^{xv} Eurofound (2020), [Collective agreement changes during COVID-19](#), case HU-2020-31/1268 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{xvi} Eurofound (2020), [Working time banking period raised in the pandemic situation](#), case HU-2020-17/722 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

Major developments in working time regulation as a result of the pandemic

Legislation on working time

Among the first measures to avoid the impact of the COVID-19 crisis, the government allowed the employers to *deviate from the Labour Code* or any part of an *existing collective agreement* in making new working arrangements to allow the employers to make flexible changes in work conditions to avoid layoffs.^{xvii} The measure was started on 19 March 2020 with no definite end date. The measure raised sharp disagreement of the trade unions since they were of the opinion that the burdens and vulnerability of the employees would be too high as the outcome of the measure.

As a next step, the working time banking period was raised to 24 months in the pandemic situation, as part of the action plan for economic protection in April.^{xviii} As regards the legal weekly working time regulations, the extended working time banking would raise the problem that legal regulations should be calculated for the total period on average. In case of uneven workload due to the pandemic, the workload would be postponed to the end of the period. As a consequence, the real working time deviates from the maximum working time and the minimum day of rest for a long period. The measure started on 25 April 2020 with no definite end date. The government decision raised protests of the trade unions underlining the uneven burden of the pandemic on the employees.

By the end of legal authorization of the government on 18 June, an epidemic preparedness phase followed. The act regulating the transition period partly terminated the previously introduced crisis management measures⁶, including those regulating work time and working time budget. However, the working time budget introduced unilaterally or upon agreement will last until the end of the work time budget. The act regulating the transition period allows the employer to apply a working time frame period of a maximum of 24 months in case of investment with new job creation if the implementation of the investment is of a national economic interest.

In this regard, the situation was not returning to the pre-pandemic circumstances, but partly remained the same, which raised unrest and protests among employees and trade unions. The issue has been repeatedly on the agenda at the VKF meetings. No evidence of the possible returning of these measures to the pre-COVID status has emerged.

^{xvii} Eurofound (2020), [Allowing new working arrangements due to pandemic](#), case HU-2020-12/659 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{xviii} Eurofound (2020), [Working time banking period raised in the pandemic situation](#), case HU-2020-17/722 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

⁶ 2020 LVIII. Law on transitional emergency arrangements and epidemiological preparedness.

Collective bargaining on working time

The lack of involvement in social dialogue has been the experience of social partners for a long time and has not changed as regards the design of the policy measures in the context of the coronavirus crisis. Early measures of the government in the first phase of the pandemic^{xix}, as mentioned in the previous section, raised repeated protests, particularly trade unions objected because of fear of an increasing and uneven burden on the employees stemming from the new measures, while employers' organizations agreed with the measure and suggested some refinement of the policy measure to the government regarding the working time flexibility.

At the end of 2020, the unions were protesting again against the use of the 24-month working time banking introduced with the act regulating the transition period by mid-June. At the meeting of the VKF (Permanent Consultation Forum of the Private Sector and the Government) on 3 December 2020, the employers' side proposed to re-order the working time frame. The participants of the employees' side (the Hungarian Trade Union Confederation MASZSZ, the League LIGA, and the Workers' Councils - *Munkástanácsok*) unanimously rejected the proposal. The president of MASZSZ finds it outrageous that in some sectors the work of people who are out of work due to illness would be done by employees who are still at work, while the overtime might have to be accounted for only two years later. Besides, the legitimacy is highly questionable, as employers can unilaterally order overtime of any duration, even for weekends, by way of derogation from the Labour Code and without the agreement of the trade unions. The essence of the Act is to have an average working time of 40 hours per week for an average of two years. In other words, during this time, the employee may work for 6 months a week for up to months, without paying overtime or shift allowances.

Trade unions are deeply concerned also about the case that in some companies, especially in the state-owned social and health sectors, the workload of workers is constantly increasing to be able to perform the growing task with a smaller number of employees.

^{xix} Eurofound (2020), [Allowing new working arrangements due to pandemic](#), case HU-2020-12/659 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

Ongoing debates on working time

No particular debate has been identified.

Impacts of the crisis on wages and wage setting

In Hungary, the official wage statistics measures, the average wage of those employed full time in enterprises with 5 or more employees all mirror good achievement, e.g. an 8.8% increase even in October 2020 with the same period of the previous year. Neither the median wages nor the employees of small enterprises with lower wages are included. However, the gap between the average wages and the wage bill is increasing. According to the calculations of the Ministry of Finance with a 9.3% average wage increase, the wage bill increased by 5.2% in 2020, while in the previous year, when the pandemic did not affect the wages, the same gap was 11.4%, and 11.8%, respectively.

Nevertheless, the main guideline of the national economy, the agreed increase of the minimum wage has a large impact on the wage settings. The increasing wages in the recent years were influenced by the economic growth and coincided with a six-year wage agreement that was concluded about the continuous increase of the minimum wage and guaranteed wage minimum and a reduction of the tax burden of employers, correspondingly. Still, the negotiations about the minimum wage in recent years were troubled with the sharp disagreement between the employer and employee representatives. Notably, several social allowances are bound to the minimum wage level, i.e. unemployment benefit, childcare allowance, sick pay, and several others.

In Hungary, wage compensation of the COVID-crisis was not very extensive, as regards the 'Kurzarbeit'-type wage support program for job retention,^{xx} while measures focused mostly on wage support for job creation.^{xxi} Social partners urged earlier and more generous support, as discussed earlier in detail in this report. By the time the 'Kurzarbeit'-type wage support program and its extension were launched, layoffs were extensive. Considering the extremely short (3 months) unemployment benefit (called 'job-search support') and its limited amount, people fired were in need to find any income. Social partners urged to increase, at least tentatively, the unemployment benefit period, with no impact, however.

The negotiations about the minimum wage of 2021 were subject to sharp debates among the social partners. There were consecutive consultations without success. While employers suggested the wage increase compensating the inflation as a first step and further increase will be discussed later, depending on the economic upturn, employees were fighting a possible continuous increase of minimum wages and guaranteed wage minimum. Although the social partners' opinions considerably approached, the agreement would have been greatly enhanced, if the government would have given any support, nevertheless neither any suggested measure to decrease the burden on wages nor any influence on the agreement has been added from the government side. As an outcome, no agreement was concluded by the end of 2020, which was an unprecedented situation. The agreement came after very much drawn-out negotiations at the end of January 2021, but with two out of three trade unions signing it.

^{xx} Eurofound (2020), [Wage support programme for job retention - Kurzarbeit with training obligation](#), case HU-2020-18/640 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

^{xxi} Eurofound (2020), [Wage support for job creation](#), case HU-2020-21/986 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

What is new in working life in the country?

Public health systems

The public health system with its long-lasting budget, workload, and labour shortage problems has been at the front-line of the health crisis. The emigration of doctors is continuous due to low wages and work conditions (Varga, 2020), and also the shortage of health care assistants who leave health care jobs and work abroad or in other jobs in Hungary, due to unattractive work conditions and low wages. In the pandemic situation, the problems of the health care system were more obvious than ever. One of the problems, namely the low wages of doctors were addressed during the pandemic, although with the problematic deficiency of changing their status^{xxii} while that of health care assistance has been largely neglected. The working conditions in health care were outside the focus of the measures as well. While the unsolved problem of doctors' wage increases moved on, further problems should be faced, however.

^{xxii} Eurofound (2020), [New service contracts for doctors in wake of coronavirus](#), case HU-2021-1/1243 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin.

Telework

The pandemic had a strong impact on telework and home office that has not been extensive before in Hungary. From the pre-pandemic to the early pandemic months working from home increased by nearly 14%point , as presented earlier (cf Table 5), with considerable differences by educational level and profession. Telework has not been extensively used in Hungary, and it revealed both the limitations and the advantages of home office. According to data, the share of both, people working in home office regularly and occasionally increased during the pandemic, although the latter at a considerably higher rate.

Public education

A particular experience of the pandemic and the lockdown has been distance learning in schools. Remarkably, no specific measure has been set forth among pandemic policy measures for this situation, although in March 2020, among the first restrictions universities and schools switched to distance learning. According to data, the increase of home office in education outnumbered any other industries. However, digital preparedness is relatively low in Hungary. Although the development of a digital strategy in education had been on the agenda since 2016, the education system faced the pandemic unprepared. The pandemic revealed the deficiencies of the educational systems and has shed light on the burden of schoolteachers connected to digital backwardness. Besides, the social backwardness of particular groups or regions suffered from the lack of technical and material resources. The policy has to be faced with the serious deficiency of the educational system that has to be solved in the near future.

Benefit system

In Hungary, the unemployment benefit, which is rather called 'job-search support' is provided at an extremely short maximum period of three months, and the amount is limited depending on the illegibility period. The change of the unemployment benefit system is connected to the notion of the 'work-based society' social and labour policy of the incumbent Fidesz-government. During the pandemic, the lack of unemployment benefit has been remarked by the social partners, and calls were made to increase it for up to six months, with no success, however. The lack of any benefit and the poor assistance of those out of work has been more problematic than before and needs further reform.

To summarize the novelties in working life, the use of info-communication and telework have been the most influential new aspects, with considerable lessons on the extensive use of working from home, but also its deficiencies. Most other aspects revealed the burdens of the pandemic and the need to keep the new experiences and develop the various fields with the focus of budget and policy reforms.

References

All Eurofound publications are available at www.eurofound.europa.eu

All cases related to Eurofound's COVID-19 EU PolicyWatch database can be found at <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

Berki, Erzsébet (2019), Munkaügyi akciók 2010 és 2019 között Magyarországon, különös tekintettel a sztrájkokra (Industrial actions between 2010-2019 in Hungary, with special regard to the Strikes.) Friedrich Ebert Stiftung, available at <http://library.fes.de/pdf-files/bueros/budapest/15596.pdf>

Eurobarometer (2020), Uncertainty/EU/Hope. Public Opinion in The EU in Time of Covid-19. Kantar Brussels. https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2020/public_opinion_in_the_eu_in_time_of_coronavirus_crisis/report/en-covid19-survey-report.pdf

Eurofound (forthcoming 2021), The involvement of national social partners in social and economic reforms in the context of the COVID-19 and the European Semester. Forthcoming. Dublin.

Frei, Balázs (2020), After 71 Days, Theater Uni Blockade Ends Due to New Coronavirus Restrictions, <https://hungarytoday.hu/szfe-barricade-blockade-restrictions/>

Herczeg, M. (2020), Az egyetemfoglalás 70 napja, Blog post, 10 November 2020, <https://kepek.444.hu/2020/11/10/az-egyetemfoglalas-70-napja>.

Köllő, János (2020), Foglalkoztatás a koronajárvány első hullámának idején. (Employment during the first wave of the COVID pandemic. In Munkaerőpiaci Tükör 2019/Közelkép, MTA KTI, pp. 220-232, available at https://www.mtakti.hu/wp-content/uploads/2020/12/mt_2019_kozelkep9.pdf

Liga (2020a), Hogyan változik a közszolgálat?, Web article, 2 June 2020, available at: <https://www.liganet.hu/10567-hogyan-valtozik-a-kozszozgalat.html>

Liga (2020b), Tájékoztató a VKF 2020. október 28-i üléséről, Web article, 30 October 2020, available at: <https://www.liganet.hu/10718-tajekoztato-a-vkf-2020-oktober-28-i-uleserol.html>

Pósfai, Orsi (2020), A makói gumigyárban teljes a sztrájkkészültség (The Tyre plant in Makó in full prepared for strike) <https://merce.hu/2020/11/04/a-makoi-gumigyarban-teljes-a-sztrajkkeszultseg/>

Tamásné Szabó Zsuzsanna (2020), Nagy a baj a Dunafernnél, a dolgozók kétharmada csak bére egy részét kapta meg (The trouble is great at Dunafer, two-thirds of the workers received only part of their wages) <https://24.hu/fn/gazdasag/2020/10/09/nagy-a-baj-a-dunafernel-a-dolgozok-ketharamada-csak-bere-egy-reszet-kapta-meg/>

Tóth, István György–Hudácskó, Szilvia (2020), A koronavírus-járvány társadalmi hatásai a közvélemény-kutatások tükrében (Social impact of COVID pandemic in the light of public surveys) In.: Társadalmi Riport 2020, eds: Kolosi, Tamás, Szelényi, Iván, Tóth, István György, Budapest, available at https://www.tarki.hu/sites/default/files/2020-10/553_572_Toht_Hudacsko_web.pdf

Varga, Dóra (2020), Mentőöv helyett csak csepegtetett munkaerőpiaci támogatás (Insted of life jacket only drops of the labour market support is given) [nepszava.hu, 15/10/2015 available at https://nepszava.hu/3095548_mentoov-helyett-csak-csepegtetett-munkaeropiaci-tamogatatas](https://nepszava.hu/3095548_mentoov-helyett-csak-csepegtetett-munkaeropiaci-tamogatatas)

Varga, Júlia (2020), Az orvosok elvándorlása 2009–2017 között (The emigration of doctors between 2009–2017), In Munkaerőpiaci Tükör 2019/Közelkép, MTAKTI, pp. 147-150, available at https://www.mtakti.hu/wp-content/uploads/2020/12/mt_2019_147-150.pdf

Závecz, Tibor (2020), A magyarok kétharmada arra számít, pénzt veszít a járvány miatt. (2/3rd of Hungarians expects loss of money due to the pandemic) www.index.hu, 2020. április 15, available at https://index.hu/gazdasag/2020/04/15/zri_zaveczeni_felmeres_koronavirus_jarvany_penzugyi_gazdasagi_hatasok_penz_negativ_kovetkezesek/

WPEF21018

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.