Hungarian unions under political and economic pressure

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1. Introduction

Among the post-socialist countries one peculiarity of the Hungarian model is the U-turn it executed after the 2010 elections, which Viktor Orbán won (Kornai 2015). In the political sphere this has meant a shift away from a pluralist liberal democracy to a kind of ‘majoritarian’ regime, in which the government has almost unlimited power due to the lack of checks and balances. Although the regime enjoys democratic legitimacy through free elections, the 2011 electoral law changed the rules, despite opposition protests, to favour the incumbent governing party and also to make it possible for a party that gained only a relative election victory to achieve a supermajority in parliament. The government favours a despotic governing style: the elected government has been relentlessly centralising decision-making and side-lining opposition forces and social partners, save those who support its position wholeheartedly. The change in governing style has been accompanied by a statist and nationalist economic-policy turn and a shift from welfare to a workfare-based social policy (Tóth, Neumann and Hosszú 2012). In this chapter, we investigate the impact of the 2010 regime change and, more broadly, the economic and political crisis following the credit crunch, as well as their impact on industrial relations and how major industrial relations actors, especially the trade unions, have responded.

In Section 3 of the chapter we analyse the sources of trade union power (following the model of Gumbrell-McCormick and Hyman 2013), highlighting the recent trends and current positions. From 2010 onwards centralisation of political and economic power also resulted in a break with the practices of the post-1989 industrial relations system. The government has sidelined the social dialogue, particularly national-level tripartism and also has curbed the right to strike and trade union rights at workplace level by legislative means. The government intensified the long-standing rivalry between trade union confederations by choosing one or two confederations (primarily LIGA and, to a lesser extent, MOSZ, the pro-democratic and anti-communist organisations established on the eve of the regime change in 1989) to be preferred partners and has sidelined the other confederations as allegedly left-leaning.

2. Major economic policy developments since the start of the crisis

The year 2006 was crucial in Hungary’s modern history. In April 2006, the incumbent Socialist-Liberal government won the elections with the promise of continuing to expand the economy and the welfare state, following a trend that had begun in 2000.

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Nonetheless, that expansion occurred at the expense of a growing deficit and indebtedness, which violated the prescriptions of the European Stability and Growth Pact. The crisis of the Hungarian political system and of the economy began in 2006, when the European Commission demanded that the re-elected government should meet the criteria of the Stability and Growth Pact. The government introduced a ‘stabilisation’ package in autumn 2006, which provoked a recession. In order to convince the Socialist Party (MSZP) MPs of the necessity of the austerity measures, Ferenc Gyurcsány, the re-elected prime minister, admitted in a secret speech at a closed meeting of the parliamentary group of Socialist MPs that he had felt forced to lie throughout the election campaign and that austerity was a necessary step after years of misgovernment in pursuit of re-election. The secret speech, however, was leaked. The leak caused nationwide protests, but prime minister Gyurcsány, despite the demands of the opposition, did not step down. He hoped that, after a brief recession, a new period of growth would help him to re-establish his political legitimacy. In early 2008 the Hungarian economy had begun to return to growth, but the rebound abruptly ended in autumn 2008, when the worldwide credit crunch caused a new, very deep economic crisis. Hungary had to turn to the IMF to avoid financial collapse. The IMF, in cooperation with the EU, demanded a ‘stabilisation’ package aimed at austerity in order, in their terms, to restore the ‘competitiveness’ of the Hungarian economy and to ensure ‘sustainable’ public finances. The government was obliged to cut welfare spending in 2009. The ‘reform’ package included repeal of the thirteenth-month wage provision. This and similar measures fatally weakened electoral support for the left. FIDESZ, a centre-right party then in opposition, rejected the reform package and promised restoration of the welfare state. It campaigned on the basis of a new growth strategy instead of austerity, on the grounds that the latter causes economic hardship and negative growth. No wonder electoral support for the left collapsed, while that of Fidesz increased considerably.

In the 2010 elections, Fidesz gained a supermajority in the Parliament, which – crucially – allowed the party to amend the Constitution unilaterally. Fidesz declared that a ‘revolution had taken place at the voting booth’ which entitled the party to carry out a wholesale and profound re-organisation of the Hungarian state and economy to replace the failed post-transition model. The political re-organisation of the institutional order was aimed at creating a majoritarian democratic regime, in which the incumbent Parliamentary majority is entitled to create a strong government. The institutions created during the transition as checks and balances were reorganised and weakened. Additionally, new, loyal and pliable leaders were nominated to run the institutions that were supposed to serve as checks and balances on the government. These new leaders were cadres of the governing party and could be trusted to follow the political line of Viktor Orbán. Re-organisation of the political system went hand in hand with reshaping the economy. The government thoroughly re-regulated and re-organised the economy within the possibilities afforded by EU regulations. This complex set of measures was labelled ‘unorthodox’ economic policy, as it mixed, on one hand, neoliberal measures, such as creating a more ‘flexible’ labour market and cutting back the welfare state, and on the other hand, measures to enhance the role of the state as economic actor and regulator of the economy at the expense of market freedom. We argue, however, that an underlying worldview – namely economic nationalism – explains the unorthodox economic policy measures.
The major directions of reorganisation in economic life were as follows:

(i) A break with the IMF-sanctioned economic policy in order to pursue a state-led economic policy. As a political act this signalled to Hungarian voters the beginning of a new economic policy of independence from international financial institutions.

(ii) Reinforcement of the role of the state as economic actor and regulator of the economy. The measures included scrapping the private pillar of the pension system, punitive taxes on the banking sector and selected service sectors, and imposing price controls in a number of key public utility sectors. These contributed to the stability of state budget and allowed the government to launch government sponsored re-organisation of the economy.

(iii) Building up the domestic business class at the expense of foreign-owned firms. The government renationalised a number of key public sectors and eliminated the dominance of foreign capital in banking, in certain key public utility sectors and in retail trade. In addition, preferential treatment of certain groups of businessmen, known to be close to FIDESZ, helped to create their own business empires, mainly in sectors depending on government services and public tenders.

(iv) Creating the most competitive economy in Europe for manufacturing and manufacturing-related business service firms. For this reason, the Labour Code was overhauled, with the aim of creating the most competitive and flexible labour market regulation in Europe. In education policy, the government intends to serve the interests of manufacturing companies by increasing the number of students in vocational training at the expense of tertiary education. The government signed strategic treaties with major multinational firms, mainly in manufacturing and business services, to assure them that the government’s sharp tone against ‘foreign influence’ would not harm their business prospects in Hungary.

(v) A shift towards the model of a workfare state instead of a welfare state. In this area the most important measures were the reduction of unemployment benefit entitlement to three months and the introduction of compulsory public work for those whose benefit has expired and who have not been able to find a job. On the other hand, the new government provided tax reductions for working parents with children in order to halt the declining demographic trend.

(vi) In order to meet the prescriptions of the European Stability Pact the government practically froze the wages of public service employees.

(vii) The government also introduced a 16 per cent flat personal income tax rate, which entailed a tax hike for low wage earners. At the same time, the statutory minimum wage was increased.

The reorganisation process had a rocky start. The economy experienced a relatively mild recession in 2011 and 2012. The political changes initiated by the government provoked new waves of protests by unions and civil movements. Out of the protests and new civil movements a new left-wing formation had arisen, Együtt (Together). Együtt aimed to replace the old left MSZP, whose legitimacy had been tarnished by the dramatic events after 2006.

Nonetheless, Fidesz manoeuvred through the recession period and fended off political contestation. The period 2013–2014 saw a consolidation of the new regime, accompanied
by a return to economic growth. The arrival of EU funds – worth up to 5 per cent of GDP – boosted the economy and helped the return to growth. The government seized the momentum and announced a general reduction of household public utility bills. The return to growth underpinned the government’s claim that it had successfully initiated a new unorthodox economic policy epoch based on economic nationalism and the recovery of national independence from international financial organizations. This led to a solid, though on the surface not decisive 40 per cent support for the government among the voters on election day. Nonetheless, Fidesz gained a supermajority in the Parliament due to the new Electoral Law of 2011, which increased the number of individual constituencies and stipulated only one round of elections. This regulation favours the governing party as it was able to gain individual constitutions with a relative majority of votes against a divided opposition, composed of different parties.

Figure 1  GDP growth, Hungary (2000-2017, %)

![GDP growth graph](http://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qpt008b.html 06 Hungary update commSL_LN.docx)

In the period 2014–2018, in the context of a return to growth across Europe, Hungary has also enjoyed sustained growth, at 3–4 per cent annually, on average (Figure 1). This growth was aided by the large influx of EU structural funds, as in the other central European EU member states. The presence of a key foreign-owned manufacturing sector, especially in the automotive sector, ensured export-driven economic growth with a considerable surplus over imports. Real GDP already surpassed its pre-crisis peak in 2014, whereas domestic demand and investment reached similar levels only by 2017, after years of uninterrupted growth. This was achieved despite the fact that the Hungarian government, in order to meet the European Stability Pact criteria, had pursued a strict macroeconomic policy to keep the budget deficit below 3 per cent and to reduce annual public debt by around 1 per cent. This policy slowed down income convergence and Hungarian incomes have been relatively slow to rise, lagging behind regional peers. This laggard position was partly due to the very cautious wage increases in the public sector, which also depressed wage levels in the private sphere. Nonetheless, the relatively low wage increase has contributed to bringing down unemployment to a historic low, close to 4 per cent.
Hungarian unions under political and economic pressure

The economic impact of the new policies has been controversial. Economic trend statistics indicate that the economic development trend that began after the 2009 measures (Figure 1) had been halted by 2012–2013. Hungary’s recovery from recession was also an outlier trend in the CEEC region (Figure 2).

A key long-term problem that the government managed to cope with was compliance with the strict budgetary rules of the European Stability Pact by nationalizing the private pension funds and ending the two-pillar pension system introduced in 1995. Nonetheless, the cost of the pay-as-you-go pension system will increase in the future in the context of a rapidly aging population. Additionally, pensioners are the most active voters and incumbent political parties in particular are very keen to ensure pension increases in order to win elections.

One of the major problems of the Hungarian labour market and the economy is the rapidly aging population and the demographic decline of people of working age. In recent years the active age population has declined by 100,000. This trend is exacerbated by the outward migration of Hungarians seeking better pay and living standards. According to estimates, 300–500,000 people have migrated out of Hungary, especially the younger, better trained and more entrepreneurial. Though outward migration has contributed to apparently favourable employment statistics, in the long term, if the migrants do not return, Hungary’s human resource capacity will be undermined, along with the viability of the welfare state, especially the pension system in an ageing society.

After the 2010 elections, the Orbán government considerably expanded the public works scheme. This scheme has been providing work to about 200,000 people, about 4 per cent of the active workforce. The labour market impacts of these policies are complex and controversial; for example, they have turned out to be ineffective in helping people return to the labour market. Nevertheless, since 2016 the combined impact of economic...
growth, outward migration and decreasing active age population has led to a situation in which unemployment is low by EU standards and companies have begun to complain about labour shortages. As a result, 2017 saw a dramatic rise in income levels in the private sector by almost 10 per cent, despite a low inflation rate.

With regard to Hungary’s long-term competitiveness, one of the most worrying developments is the downward trend in public education. The Hungarian education system has undergone a government-inspired reshaping towards vocational training (schools in which general subjects, IT skills and foreign language learning are missing from the curriculum) at the expense of tertiary education. Hungary cut its education budget more drastically during the 2008–2009 crisis than any other member state. Unfortunately, the new government has not changed the trend, but has continued the cuts in the education budget and a cut in tertiary education. Partly related to the decline of tertiary education is the low level of R&D spending in Hungary, which is one of the lowest in the EU (Figures 3a and 3b).

Figure 3a and 3b Government expenditure on education (primary to tertiary, 2014) and R&D as a percentage of GDP

From a trade union perspective, the labour market situation between 2010 and 2018 can be divided into two distinct periods. The first lasted from 2010 to 2015, and the second began in early 2016. In the first period the government’s labour market and wage policies created an unfavourable environment for unions and for workers’ attempts to organise. The 16 per cent flat income tax meant in practice a lowering of the tax burden on high and middle class wage earners, while it raised the tax level of low wage employees, including many blue-collar workers and service employees. The government tried to balance the negative impact of tax raises for lower wage strata by increasing the statutory minimum wage by 30 per cent. Taking into account social security contributions, the tax wedge for lower wage strata became one of the highest in the EU. The combined impact of tax and statutory minimum wage increases was rising costs for employers. This had a negative impact on job creation and arguably contributed to the mild recession of 2011–2012. The government, in response, established the public works scheme at a level of compensation well below the statutory minimum wage to provide a cushion for low skilled workers in depressed areas (Figures 4a and 4b).

**Figure 4a and 4b** Employment by place of employment (1,000 persons) and public expenditure on unemployment benefit and public works (billion HUF)

Source: Portfolio.hu; Index (http://index.hu/gazdasag/2014/11/13/szocialpolitika/).
Thus, the first part of the decade saw a continuation of the dismal years of the post-socialist transformation for many workers. Unemployment forced workers to accept low wages. The overall picture in Hungary was one of stagnating wages, poverty and lack of a future in many sectors. Of even more concern is the public perception of an apparent decline in Hungarian wages compared with those in neighbouring countries, such as Slovakia or Czechia. Figure 5 shows the changes in net earnings in two typical households: a young low-wage single person and a lower-middle-class family of two wage earners and two children (Borbély and Neumann 2015).

Figure 5  **Annual net earnings development in the Visegrad countries**

5a **Single person without children, 50 per cent of average wage (EUR)**

5b **Two-earner married couple, one at 100 per cent, the other at 67 per cent of average wage, with two children (EUR)**

In this situation, trade union efforts were directed mainly towards achieving a higher statutory minimum wage in order to force out higher wages for employees. Their efforts coincided with the intention of the government, which also preferred to raise the minimum wage to show that it cares about low-wage earners. At plant level only a few unions were able to negotiate better wages due to the impact of the statutory minimum wage across the wage scale.

However, the emergence of labour shortages in early 2016 created a new situation for workers and unions. The strikes for higher wages at a number of key automotive plants signalled the changing situation. A new period had begun, in which employers are chasing workers rather than the other way around.

### 3. Trade union power resources

As for organisational structure, the post-socialist Hungarian unions have traditionally been fragmented, with weak sectoral and national centres in terms of finance and authority over their company chapters. With the split of SZOT, the monopolistic socialist trade union centre, into four successor organisations in 1989–1990, the 19 sectoral federations also broke up into smaller industrial sub-associations. Partly due to new statutory requirements introduced by the 1990 Association Law (voluntary membership, representation of workers’ interests as the objective of association declared in the charter of organisation, democratic internal structures and so on) and partly in response to grassroots pressure, the previous top-down model of administration was turned into a bottom-up structure and company unions evolved as the basis for governance within the ‘reformed’ union confederations as well.

Even though not all company trade unions are registered as independent legal entities, they do enjoy a high degree of autonomy in the sub-sectoral federations in terms of both shaping their company-level interest representation policies and controlling membership dues. Company trade unions were free to decide which federation they wanted to join. Instead of a clear hierarchy, this resulted in a complicated web of affiliations, which makes union organising, sector-wide union actions and sectoral bargaining extremely difficult.

#### 3.1 Structural power

The economic changes during the transition in the 1990s hit unions hard at the workplace. With their formal rights curbed by the Labour Code (1992) and with their bargaining position weakened by a slack labour market, trade unions often encountered fresh employer militancy that sometimes used newly imported and sophisticated human resource management techniques to push them further back. Although by the end of the 1990s the consolidation of the economy brought about a growth in manufacturing employment and wage increases, unions have been unable to translate these improving conditions into a rejuvenation of their organisational base. Nonetheless, although company trade unions have survived in most of the larger privatised companies both in...
manufacturing and in public utilities, the industries that have remained union strongholds are those that remained in state ownership (transport, education, health care).

In Hungary, like the other post-socialist countries, the (economic) liberal post-socialist governments proactively reshaped the welfare state in order to pacify high-risk category groups and lower their collective action capacities and inclinations (Vanhuysse 2006). Indeed, when the country lost roughly 1 million jobs during economic restructuring in the 1990s there were few notable protest actions in the private sector or in privatised companies. During these years the government maintained almost fully the welfare provisions inherited from the socialist state. Moreover, it generously offered the escape route of early retirement for redundant workers (which later caused enormous problems in the pension budget) and ‘sweetened the pill’ by issuing free employee shares for those who kept their jobs in privatised workplaces (workers’ participation).

As for labour market developments, two new phenomena over the past five years are the steeply growing outward migration and the general labour shortage. To begin with, migration was limited to the young and partly the prime age workforce. Indeed, this entailed skill shortages in certain trades, although unions were not able to capitalise on the tight labour market. The only exception was the young doctors’ action (see below), which resulted in a deal that raised physicians’ and nurses’ wages, separating their wages from the general salary scale of public service employees. For the rest of the workforce, however, particularly the low skilled, a labour surplus was the prevailing phenomenon, in which one cannot expect robust union action; even organising is minimal in the contingent workforce.

By 2015–2016 the fundamentally changing labour market had strengthened the unions’ bargaining power. The general labour shortage not only resulted in a hike in the national minimum wage, but also led to union success in company level bargaining. The first notable example was Auchan, the Belgian owned supermarket chain, which reported that, following negotiations with the company union, three-quarters of supermarket employees were to receive a 10 per cent raise from October 2015. The beginning of 2016 witnessed a wave of wage agreements with similar raises at major manufacturing companies exposed to the growing labour shortage. In 2017 strikes and other forms of industrial action occurred more often than in previous years, not independently of the growing labour shortage, which strengthened the unions’ position. The most spectacular industrial action was the two-day strike at the British-owned TESCO, where the unions’ two demands were a 25 per cent wage increase and a 15 per cent increase in staffing to cope with increased workload due to the labour shortage. The agreement concluded on a headcount increase is something new in Hungarian wage agreements.

In general, Hungarian unions represent the core workforce, not precarious labour. This is striking, given that the share of fixed-term and temporary agency workers has been growing continuously in the past two decades, a phenomenon exacerbated during

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2. For details see: https://www.eurofound.europa.eu/hu/observatories/eurwork/articles/hungary-latest-working-life-developments-q3-2017
the recovery from the crisis. During the crisis, despite the decreasing importance of national-level discussions, company trade unions played an important role in fighting layoffs at certain companies. According to a case study, in order to preserve the jobs of the core workforce, trade unions were willing to bargain concessions in wages and flexibility, and often managed to reach agreement with the employer on partial compensation for loss of earnings due to shortened working hours. These accords basically served the job security of the core workers, sometimes on the expense of deteriorating the position of the contingent workforce (for example, agency workers, employees of supplying firms) (Neumann and Boda 2011). Labour economic research has found significantly lower than average redundancies in companies with a collective agreement (Köllő 2012). Temporary agency workers are hardly or not organised at all by the user company’s union. Union representatives claim that temps cannot be organised as they are outside the legal boundaries of company collective agreements. This is true de jure, but the Hungarian legislation that transposed the EU’s Temporary Agency Work directive requires equal treatment, including wages and fringe benefits, therefore indirectly – de facto – the user company’s collective agreement is in force. It is very rare that company unions admit the real reason for non-organisation: the core workforce (represented by the union) considers temps a buffer contributing to their job security.

3.2 Organisational/associational power

*Union density* is now below 10 per cent. Official data from the Labour Force Survey are available for 2001, 2004, 2009 and 2015. The latest survey showed a 9 per cent overall density, with substantial differences across industries and workplaces with different company size and ownership structure (Hungarian Central Statistical Office 2015; Figure 6). While the electricity industry (29 per cent), transport and postal services (22 per cent), education (19 per cent) and health care (18) are still trade union strongholds, while at the other extreme hotels and catering (1 per cent), construction (2 per cent) and retail (3 per cent) are customarily barely organised. The strategically important manufacturing sector was also slightly below average with 8 per cent unionisation. Not independently of the sectoral distribution, unions traditionally fared better in larger companies and state/municipality-owned workplaces. However, since 2009 public sector unions have suffered the most serious drop in their membership. Teachers’ union density has fallen by 21 per cent, unionisation in health care and social work has dropped by 12 per cent and by as much as 41 per cent in the water, gas and steam industry. The record high loss, however – 52 per cent – has occurred in public administration and defence, which was attributable to a decree of the Internal Minister which phased out the check-off system, that is, the automatic deduction of union dues by the employer. Labour Force Survey data support the results of a 2015 population survey on a smaller sample, which indicated a mere 5 per cent union density in the private sector (Dabis et al. 2015). Administrative data are also available for the public sector (without state/municipality owned companies and public works schemes), because unions have to report annual membership data in order to prove their representativeness in social dialogue forums. These data show a 25.5 per cent membership decrease between 2011 and 2014, which means a 19.9 per cent drop in the unionisation rate if we take the 8 per cent headcount shrinkage into account (Dura 2015).
The Labour Force Survey also allows the study of union membership in various demographic dimensions. While density is almost equal between women and men, age differences show an increasingly aging membership (with the highest unionisation rate, 12.2 per cent, above 55) and extremely low unionisation among the young (2.3 per cent under 25s). Concerning occupational distribution, there has been a remarkable shift towards white-collar jobs and now the highest unionisation rates are among managers and professionals (15 per cent). Accordingly, the higher the respondent’s educational attainment, the higher the unionisation rate in their category. Naturally, the bigger the workplace, the higher the unionisation rate. Not so surprisingly, union density is lower among part-time workers (4 per cent) and those with a fixed-term contract (1 per cent) or employed through temporary work agencies (4 per cent). Nonetheless, one may doubt the accuracy of the latter data due to the small size of the sample (2,000 union members); they roughly show the trends of union organising patterns.

The organising activity of Hungarian unions has been very modest since the mid-1990s. (The exceptions are rare grassroots union formations and the greenfield sites of foreign companies, provided that the trade union or works council of the mother
company ensured a permissive environment, notable cases being the two large German automotive plants, Audi and Daimler-Benz.) While theoretically the union leaders agreed on the necessity of an ‘organising unionism’ model, they generally argued that they cannot afford large-scale organising campaigns. Instead, most union leaders are convinced that enhancing union services to members (cheap mobile phones, union-organised holiday facilities, social events, financial assistance for needy members and so on) would be attractive for non-members. In this respect local union financial resources are decisive. The new Labour Code has substantially decreased support from companies. In the past 15 years or so the union confederations LIGA and, to a smaller extent, MOSZ have invented a new way of growing, poaching members from other confederations. In the spirit of ‘economies of scale’, they did not poach single members or challenge incumbent unions, but rather targeted whole sectoral organisations. With the right-wing electoral victory, from 2012 LIGA received huge state support, among other things, for organising purposes. Not surprisingly, it has kept on poaching large sectoral unions, which has further aggravated the long standing divide between confederations (Tóth 2013).

At both the confederation and sectoral levels, the main obstacle to an appropriate quality of interest representation is lack of specialised staff. Until the tripartite committees were up and running (that is, before 2010) trade unions had hardly enough experts to fill the available positions; the same people often participated in meetings that required very different kinds of knowledge and specialisations. Nowadays a confederation or an industry federation rarely has more than a dozen employees. (The only temporary exception was LIGA, which increased its staff to 100 due to generous state support, and then dismissed the majority when the subsidised project ended.) Therefore the union centres persistently suffer from a lack of professional experts and organisers, which a few volunteers can hardly make up for. The available staff are obviously insufficient for organising and performing interest representation tasks in the strict sense, which in Hungary also includes assistance to company unions in decentralised bargaining.

The shortage of experts is the result of the trade unions’ dire financial situation. In the decentralised union structure federations and confederations derive little benefit from membership fees. Traditionally, union dues represent 1 per cent of a member’s gross earnings, but many unions reduce this rate to attract members. Sometimes competing unions undercut each other with lower or even symbolic union dues. The majority of collected dues are utilised at company level and a substantial share is spent for assistance on occasions such as birth of a child, beginning of the school year and so on. Allegedly, members expect such union assistance because they became used to this function of local unions in the state-socialist period. Company unions in theory are supposed to transfer 40 to 60 per cent of the collected dues to higher union organisations, but in practice a smaller portion winds up in the union centres’ coffers.

In addition to membership dues, in recent decades trade unions have raised revenue from two other sources: inherited or redistributed union assets (typically selling real estate) and grants from public funds. All the union confederations and a majority of sectoral federations have already consumed a large part of their assets. With extensive
media coverage, they have sold their headquarters and moved their offices to smaller, sometimes rented premises. Plummets membership, assets and collected dues forced trade unions to cut expenses and staff, including those doing the interest representation work. MSZOSZ, for example, laid-off the staff in its rural interest representation network in course of one of the ‘rationalisation’ waves.

Since the mid-1990s unions have increasingly become beneficiaries of public subsidies, although government support for social partners has thus far not been rendered transparently. Until 2010 public support was generally split equally between unions and employers’ confederations and on each side the confederations distributed the money among themselves. The right-wing government from 2010 changed the system, which now favours one applicant only, a union–employer consortium (for details see below). These funds have sometimes been earmarked according to different functions, such as education, research, developing sectoral social dialogue and preparations for EU membership. Despite the earmarked nature of subsidies, it is very likely that union centres have been covering a growing share of their operational costs from government and EU funds.

Until 2013 mergers could be achieved at sectoral level only, where the old industry unions shrank and became unsustainable. However, in 2013 the three, allegedly ‘socialist-oriented’ union confederations announced a merger plan, partly in response to the government policy of abandoning them. To date, this has not been managed entirely, with the major public sector union left out from the full-fledged merger. They have thus been unable to solve one of the most serious problems, the long-standing public–private divide between the confederations.

As for the unions’ mobilisation capacity, it has been the case since the 1990s that employees prefer a softer version of industrial action – petitions, public demonstrations, workers’ assemblies and so on – to strike action, especially in the public sector. An innovative example of such soft action emerged recently among social care workers. They posted selfies on Facebook with a sheet of paper on which they listed their job position, length of service and the miserable sum of last month’s take home-pay. The same lists appeared later pinned to their clothes during a public rally. In 2016 demonstrations continued in the public sector, although public demonstrations rarely reach the threshold that forces the government to take demonstrators’ demands into consideration. Recently, only two three mass actions were able to show enough muscle to succeed, neither organised by unions. (In 2002 students staged a series of rallies and occupied university halls against higher education reforms, in 2004 an almost spontaneous mass demonstration condemned the plan to tax internet usage and in 2017 signature collection for a referendum blocked Budapest’s candidacy for the 2024 Olympic Games. In these cases the government gave in.)

Under the new strike laws unions are in practice unable to go on strike due to the extremely high level of essential services laid down by law (the formerly strike prone public transport and postal services) and theoretically due to the rulings of labour courts. The latter impose effective bureaucratic hurdles on unions willing to go on strike. Moreover, a recent population survey showed that the vast majority of workers
are not willing to go on strike, and a considerable part do not accept it as a legitimate means of union leverage, not to mention solidarity strikes (Dabis et al. 2015).

According to the statistics strike activity has been fairly low in Hungary. Between 2000 and 2009 there were 87 strike events with the participation of 172,255 workers (Hungarian Central Statistical Office). Roughly half of them occurred in 2006–2008 when the austerity measures were implemented by the increasingly unpopular socialist-liberal government led by Ferenc Gyurcsány. Not surprisingly, the figures have been even lower since 2010 when the strike law was changed. Between 2010 and 2014 there were altogether 20 precedents, of which six were warning strikes lasting two hours at most and one was a solidarity strike (Berki 2016). However, as mentioned above, 2016–2017 witnessed an increasing number of strikes in both the private and the public sector.

Union leaders tend to explain the low strike activity by workers’ insecurity, saying that they are simply afraid of losing their jobs in case of industrial actions or making their collective voice heard in any way (traumatised worker effect). Nonetheless, the social reasons are more deeply rooted in the lack of trust in unions, and more generally in workers’ values, in which solidarity and willingness to partake in collective actions are played down. In addition to the everyday general feeling of political apathy, a couple of research studies addressed population attitudes to political and civil activity. According to the European Social Survey (EES), in Hungary active youth participation in political institutions is getting lower and lower. In 2000 one-third of respondents, in 2004 15 per cent and in 2012 only 6 per cent said that they were affiliated in any way to a civic, political, church-based or charity organisation, sports or cultural club and other community group. (While sport, student and leisure time organisations were the most popular, party and youth organisation membership was below the measurable level.) Civil society has thus been stretched very thin and over the time it is becoming even thinner. This is not a uniquely Hungarian phenomenon; the EES shows low levels of participation as a general feature among the ‘new democracies’.

Union–party links are quite weak or even hidden. Following some unions’ failure to ally with the Socialist Party in the 1990s and partly in the 2000s, nowadays all union confederations claim that they work independently of any political parties. However, during the crisis confederations’ relationships with political parties also shifted. Although MSZOSZ, the major private sector union, and SZEF, the biggest public sector trade union did not break their traditional ties with the Socialist Party, it became increasingly obvious that they had lost influence on the actions of the Socialist Party-led government. At the same time, the LIGA confederation became the tactical ally of the right-wing opposition. The socialist-liberal government’s planned reform measures concerning mainly education and health insurance were rejected by the opposition led by FIDESZ. These reforms finally were cancelled through a referendum that was originally the idea of LIGA, which also staged a series of demonstrations against the austerity measures and threatened the government with a continuous strike alert among railway workers.

Nowadays the former socialist allies have to accept that they cannot rely on full support from any left-wing or liberal political party. This is partly understandable as even the Socialist Party, with its dramatically decreasing electorate support, aims to be a catch-
all party, and thus unions and workers’ issues can no longer get a privileged hearing. On the other hand, the two confederations (LIGA and MOSZ) obviously close to the governing party also claim to be independent, in an effort to disguise their privileged position. Particularly worrying is the far-right party, Jobbik, which has achieved substantial electoral success with its populist rhetoric and huge mobilisation capacity, which is ready to support and pick up unions’ demands fast.

The political radicalisation of certain trade union leaders was a short-lived episode right after political change in 2011–2012. As already mentioned, during the economic slowdown civil organisations played the most important role among the forces intent on changing the government. The lack of credible democratic centre parties opened up the space for them. In 2011 civil organisations organised a series of mass demonstrations, for instance against the government’s media regulation curbing freedom of speech. Shifting some of the unions’ traditional focus from employee grievances to political demands was largely the result of the government’s cancellation of social dialogue, implementing measures unilaterally and violating employees’ interests. A notable example was that the government retrospectively eliminated the early retirement scheme of armed personnel and fire-fighters and their trade unions had no choice but to take to the streets (demonstrations, road blockades) because they were practically deprived of the possibility to strike. As an umbrella organisation of such radical unions, the Hungarian Solidarity Movement was established by a couple of union leaders. It staged huge street rallies together with the major union federations, but never received their wholehearted support (Neumann 2012). By the end of 2012 Hungarian Solidarity formally became a member of a civic umbrella organisation (Együtt 2014 – Together 2014), which later on converted into a political party running for the 2014 general election. However, with its electoral defeat in April 2014 the Solidarity Movement practically ceased to exist.

Despite the lack of clear-cut party alliances, all confederations are pursuing a sort of pro-European political strand, focussing on the European Social Model. This is not so obvious nowadays, as the Hungarian government is shifting away from mainstream European policies. It is waging what it calls a ‘war of independence’ against Brussels, trying to enlarge its room for manoeuvre, even at the expense of former allies, courting Putin’s Russia and other autocratic regimes in the East. However, this does not mean that trade union confederations have openly condemned the government’s anti-EU rhetoric. Instead, in the spirit of ‘independence from political parties’ they have remained silent on foreign policy issues. Pursuing such a neutral policy is more difficult in relation to Jobbik, the far-right political party. Nonetheless, while in the 1990s avoiding partisan politics seemed to be a practical solution in order to prevent internal conflicts stemming from a politically divided membership, this internal policy has become less effective nowadays. On one hand, the far right has strengthened in terms of its electorate, including union members and even officials. On the other hand, Jobbik as a parliamentary party launches its own initiatives in labour-related issues or more often takes up union initiatives and offers alliances for lobbying. According to different confederation sources Jobbik MPs have actively sought cooperation with unions on such issues as the Labour Code, early retirement, re-legislation of student work and so on.
3.3 Institutional power

From 1990 the main features of Hungarian industrial relations were the top-level tripartite negotiations and decentralised bipartite bargaining in the private sector and state/municipality-owned companies. From 1988 the National Council for the Reconciliation of Interests (OÉT) provided the institutional framework for tripartite negotiations. Besides the consultations on major economic and social policy issues in the transition period, participation in the OÉT sessions with large media coverage was important to trade unions and employer associations, as it provided them with legitimacy as social partners. Among the functions of OÉT, minimum wage setting was particularly important for Hungarian unions, as it somewhat compensated for trade union weakness in sectoral and company-level bargaining. There were several years before the crisis when the minimum wage increase was far higher than the level that unions could successfully bargain at companies, especially in low-wage industries. In the heyday of tripartite institutions top-level negotiations somewhat substituted for the weak bargaining power of unions at sectoral and company levels. The national agreement to some extent substituted for the lack of established wage levels (‘tariffs’) tied to qualifications and experience in collective agreements, as from 2007 onward additional minimum rates were set for skilled workers.

In Hungary tripartism allowed the highest level of social partner involvement at the beginning of the 1990s, until the first major austerity package was introduced in 1995. Between 1998 and 2002 the first Orbán government reorganised the tripartite body in order to curb its competences, but the successor socialist government returned it to its original function and institutional framework. However, the socialist-led government later also weakened the OÉT when it established a parallel body, the Economic and Social Council (GSZT), which included civil society organisations, economic chambers and other organisations. In 2006–2009, during the economic crisis the ongoing tripartite negotiations had no real impact on austerity programmes. With the landslide right-wing election victory in 2010 the second Orbán government eliminated the standing tripartite forum (OÉT) and replaced it with a quarterly convened consulting council which includes – apart from the earlier members of the GSZT – churches and ethnic Hungarians in the adjoining countries. The situation changed again in February 2012, when following the negotiations on the Labour Code (see below) a new tripartite body, the Standing Consultative Forum for the Competitive Sector and the Government (VKF), was set up to discuss employment issues on the initiative of the social partners. However, only three confederations on each side of the social partners have been invited to participate in this new body and its role and publicity are more limited than those of the former OÉT. It worth noting that so far VKF negotiations have yielded very few gains for trade unions. As a latest development, in 2018, at the initiative of the trade unions a new tripartite forum was established for the state-owned utility companies.

In 2010–2011 the institutional and legislative changes were introduced by the government unilaterally, without any previous social dialogue and meaningful parliamentary debate with the opposition parties. (Some of them, for instance the amendment of the strike law, circumvented even the legal requirements of legislation, as the bills were submitted
by MPs of the ruling party, a ‘lawful’ trick used so many times by FIDESZ, the current
governing party, which had a super majority in the Parliament, anyway.) The only
exception was the proposed amendment of the Labour Code, when trade unions asked
expert opinions from international organisations (the ILO and the EU), which in the
end led to negotiations with a limited set of social partners invited by the government,
which finally was willing to make some compromises on a few issues. The trade unions,
which had been used to having strong institutional power through the established social
dialogue forums (most notably through the OÉT), immediately found themselves in an
institutional vacuum.

The unions are still doing their best to restore institutional channels – so far without
any success. When the agreement on the 2014 minimum wage was concluded formally
in the VKF the government promised to open up negotiations on three issues that trade
unions have kept on the agenda since 2010–2012, when the government unilaterally
introduced the legislative changes already mentioned. Expectations were high at the
beginning of a new round of negotiations with regard to early retirement, strike law and
the Labour Code. The joint proposal of trade union confederations was completed by
February 2015, but the negotiations soon reached a deadlock. Basically, the government
tended to agree only to proposals endorsed by the employers’ associations. The latter
agreed only a few marginal changes and so the unions declared the negotiations a
failure. The bill finally proposed by the government does not include all the items the
social partners agreed upon, for instance, the abolition of constraints on collective
bargaining at state or local government-owned companies. In turn it contains a couple
of minor amendments that have not been discussed with the social partners before. All
in all, the changes in the Labour Code is of little importance, while on the two other
issues on the agenda (early retirement and the strike law) there were no legislative
changes at all.

Until 2016 the government’s wage restraint policy and behaviour towards the unions
had not changed very much. For instance, in May 2015 unions and employers’
organisations asked the government to start the traditional wage negotiations in
parallel with launching parliamentary deliberations on the following year’s tax
legislation and budgetary planning, but the government refused (Krén 2016). However,
in 2016 the role of tripartite social dialogue within the framework of the VKF was
reinforced, with more frequent meetings and meaningful discussions. The main issue
on the agenda was tackling the emerging labour shortage, and the final outcome was a
two-year agreement on a substantial hike in the minimum wage and gradual lowering
of the record high Hungarian levies on wages. Interestingly, in the course of these
negotiations employers took the lead; the VKF discussed a proposal submitted by the
Confederation of Hungarian Employers and Industrialists (MGYOSZ) to address the
labour shortage. In response, the Ministry of the National Economy (NGM) announced
its plans for a gradual reduction of social security contributions to mitigate the labour
shortage. Although the employers’ side in the VKF advocated a higher reduction of
employers’ burdens for both 2018 and 2019, the initial government offer was eventually
accepted. The agreement also means that the trade unions’ long-standing demand that
the net value of the minimum wage should reach the subsistence minimum for a single
person household would be met within two years (Neumann 2017).
All in all the existing tripartite social dialogue channels did not prove effective enough in hard times (austerity measures under the socialist-liberal governments, the economic crisis or the determined government position that has prevailed since 2010). Union leaders have learned the lesson that, regardless of the political strand of the ruling government, informal channels to politicians of the governing parties are needed in addition to, or in lieu of formal social dialogue forums. This has led to a somewhat schizophrenic situation: while almost all social partner organisations claim to be independent of any political parties, they are well aware of the value of informal ties to the ruling parties. Of course, their possible access to decision-makers is uneven, depending on their history, affiliation and ideology or even personal relations built in the past. What seems to be developing in the most recent period is a sort of limited cooperation, the confederation(s) in the best position to lobby have taken the lead in fostering the unions’ common case (for instance, in April 2017 they were able to fend off a bill on further flexibilisation of working time and rest-time regulations in this way; see Kiss 2017). However, it is questionable how sustainable this model will be, partly because of the inequality of unions’ professional and financial capacity, partly because of the still prevailing cleavages between the trade union confederations.

The story of public sector social dialogue is slightly different. Here the social dialogue institutions (most notably OKÉT, the National Interest Reconciliation Council of the Public Service) formally remained intact, but negotiations have not led to increases in the general wage scale of public sector employees, frozen since 2008. (If there is any wage increase it is due to the regular annual minimum wage increase, which affects mainly low skilled public employees.) Instead, the government has engaged in selective negotiations with different groups with strong bargaining power and introduced separate wage scales and other incentives for these groups. A notable example is the case of young doctors. Similar to their Czech and Slovakian counterparts they threatened to resign and the government had to give in (Kohancová and Szabó 2015). In this way certain weaker groups (for instance social workers, elderly care nurses, technicians or other support staff and so on) are systematically left out of wage rises and the government has successfully divided public sector employees and their unions. In recent years such measures have pacified the signatory unions of teachers, health and social care workers and armed forces personnel; moreover it could divide public sector unions organising different sub-sectors. No wonder public sector confederations (SZEF and ÉSZT) cannot cope with the situation, because the government is not willing to engage in meaningful negotiations with them in OKÉT, the traditional tripartite forum encompassing the whole public sector. In 2015–2016 there was a series of demonstrations and even strikes in the public sector, but trade unions have not really achieved anything in the prolonged negotiations with the government. In the social dialogue forums the government has used the tactic of ‘surface negotiations’, to use the US term for such employer conduct, or as a last resort has announced unilateral decisions to promise certain groups small and staggered wage raises. Thus the government reaction to the abovementioned sectoral actions was a series of negotiations with the less militant trade union(s) of the given sector. For example, in the health care sector, following protracted negotiations, the representative trade unions (MSZ EDDSZ and Ambulance Workers’ Union) and professional chambers agreed with the government on a staggered salary increase.
for physicians and other medical professionals (the signatories named it a ‘sectoral collective agreement’ because formally the director of the major state-run hospital signed as a representative of the employers). Interestingly, the smaller, more militant Independent Health Care Trade Union, which staged a series of public rallies in 2015–2016, was not a signatory to the agreement.

While under the state socialist system, almost every workplace had a company-level collective agreement, national and sectoral negotiations did not begin until 1990. Then Hungary created a three-tier system. In the course of the annual bargaining rounds, following the agreement and recommendations of the national tripartite forum, employers (or their organisations) could sign collective agreements with the respective trade unions at the sectoral and company levels. However, the company level remained dominant in the bargaining system.

Overall, collective bargaining coverage fell between 2001 and 2012 from 47 per cent to 33 per cent; today it is slightly below 30 per cent. The highest coverage can be found in state/municipality-owned companies. While collective agreements are valid for several years (most of them are open-ended), annual agreements on wage increases are handled in separate wage agreements. There has been a dramatic decline in the number and coverage of annual wage agreements since 2001 in company-level bargaining. There are only 19 genuine industry-level agreements with employers’ organisations in the private sector and despite the efforts of previous governments to strengthen industry-level social dialogue. Within the framework of a lack of meaningful sectoral bargaining legally regulated extension procedures are rare; since 1992 this has occurred in only five sectors. The prevailing attitude of employers is still a reluctance to join employers’ associations or to authorise them to conclude industry agreements. Moreover, the 2012 Labour Code curbed unions’ rights and operating conditions at the workplace – which are very influential factors in a decentralised bargaining setting – and increased the scope of unilateral management decisions, which removes the previous ‘incentives’ for employers to conclude agreements at both sectoral and company level. The 2012 Labour Code authorised works councils to conclude quasi-collective agreements in the absence of local trade unions with bargaining entitlements, although these agreements cannot regulate wages. (A similar regulation was in force between 1999 and 2002 but only a few agreements were signed by works councils.)

The bargaining approach of Hungarian trade unions is largely inherited from the state-socialist era. The primary responsibility of trade unions is to develop a broad framework of working conditions. While they fight for higher wages, what they bargain for is to

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3. Data come from the compulsory registration of collective agreements, which are probably biased upward due to the methodology. However, another data source, the Hungarian Central Statistical Office, produced much lower coverage figures: in the 2015 Labour Force Survey respondents were asked whether their workplace was covered by any collective agreement and only 21 per cent answered positively (although 22 per cent of respondents said they did not know).

4. If one further scrutinises the 19 sectoral agreements, only five, covering different segments of the electricity industry and road transport, have been concluded or modified since 2011 when the Labour Code was changed fundamentally. New initiatives for sectoral agreements are quite rare; the most notable exception is the health care agreement signed in 2017.
increase the gross wage bill at the company level, minimum wages for certain groups of employees (such as the unskilled and semi-skilled) or substantial wage increases for privileged groups of employees. Within this basic framework of collectively agreed wages and working conditions there are broad possibilities for management to make unilateral decisions based on the performance of individual employees, as well as to bargain informally with individuals and groups outside trade union control (Tóth 2006).

The other contents of collective agreements are often weak, parts of them simply repeating regulations in the Labour Code. However, another – presumably smaller – part contains meaningful stipulations on relations between the signatories, statements on wages, terms and conditions of employment. This has proved to be fairly resilient. This is not just due to a sort of inertia; in these cases trade unions effectively bargained to mitigate the effect of the economic crisis and to ‘fend off’ the negative impacts of legislative changes. Therefore, the issues regulated by these collective agreements and their provisions remained almost unchanged. It is worth noting that the 2012 Labour Code fundamentally changed the legal philosophy of contractual deviations from the mandatory conditions: now the bargaining parties may agree upon anything that is not prohibited explicitly by the law concerning the individual employment relationship, even to the detriment of the employee. (The former Labour Code contained minimum standards and applied the ‘favourability principle’ – collective agreements and individual contracts might deviate from the legal minimum standards only to the benefit of the employee – and enumerated the rare exceptions for negative deviations.) However, in many cases even the management was moderate and took good relations with the union, human resource management objectives and the company’s reputation into consideration (Nacsa and Neumann 2013).

Thus the present Hungarian wage determination system, as well as the regulation of terms and conditions of employment, is fairly decentralised and individualised by western European standards. Individual bargaining prevails and ‘supply and demand’ on the labour market is a crucial factor in setting wages. Little wonder sizeable wage differences across regions, industries and companies prevail. Contrary to western European experiences, decentralised bargaining does not mean that unions have a strong presence at the workplace; ‘job control’ unionism is alien to the Hungarian tradition.

The workplace presence of trade unions is controversial. Given the decentralised bargaining system, company unions enjoy great autonomy within the union organisation. However, as mentioned above, the contents of most collective agreements are fairly weak; they rarely regulate individual wages. Unions’ workplace presence has long been limited by another problem: the lack of established grievance procedures in the workplace. Furthermore, the 2012 Labour Code eliminated unions’ rights to monitor working conditions; theoretically, works councils were put in charge of ‘controlling’ the lawful operations of employers. With this legislation, together with other legislation curbing the Labour Inspectorate’s scope of action, unions are practically helpless in enforcing labour law and collective agreement stipulations.
3.4 Discursive power

Surveys on public trust in political institutions have always yielded a relatively low ranking for trade unions among different institutions. However, the TÁRKI (2013) survey found positive changes between 2009 and 2013, which were mainly attributable to the very low level of trust in 2009, amidst the political and economic crisis, especially in the government and political institutions. The 2010 landslide election victory of FIDESZ is reflected in the growing trust in direct political institutions, such as parties, Parliament and government, while there was a relatively small change in the evaluation of trade unions. This is fairly understandable, as they work more independently of the government than many others in the list.

In retrospect, trade unions have often suffered from a lack of the appropriate terms in which to formulate their positions. From the crisis onwards, austerity packages and labour law reform plans have been presented by the government mostly with the straightforward support of employers’ associations. Thus trade unions have been squeezed into a defensive position and they are generally made to look as if they are complaining about a ‘lost paradise’. Even if they formulate their own proposals or demands, they rarely get through in the media. Such trade union initiatives either do not reach public attention or are not backed by sufficient arguments. Both shortcomings applied to the ‘living wage’ campaign conducted by several confederations in 2014–2015. Challenging the government wage policies mentioned above, the campaign basically aimed at raising the minimum wage to the level of the subsistence minimum for a single person household. Until 2016, despite the campaign’s efforts, the in-work poverty issue was confined to a couple of meetings organised by the trade unions themselves, occasionally together with their allies in professional circles and the Friedrich Ebert Foundation. However, due to the tight labour market, in 2016–2017 wage issues increasingly featured in public discourse. Beyond employers’ and the government’s efforts to cope with labour shortages, international union cooperation also helped the trade union campaign for higher wages. The events of the International Trade Union Confederation’s (ITUC) wage campaign\(^5\) in Hungary and the dissemination of relevant publications of the European Trade Union Institute (ETUI)\(^6\) both helped to unfold a public debate on lower wages in central and eastern Europe. The union campaigns on in-work poverty, aimed at increasing the minimum wage in order to reach the subsistence minimum, has gained new impetus.

Unfortunately, on most of the employment-related issues on the government agenda trade unions have no robust standpoints or lack the expertise necessary to elaborate them. For instance, trade unions were practically silent during the profound reforms that introduced a dual system of education into vocational training and higher education initiated by the government and the Chamber of Economy and Trade. Even on issues raised by the unions, professional preparation of the proposals is meagre. A brand new

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\(^5\) See: https://www.ituc-csi.org/end-corporate-greed-the-world

Hungarian unions under political and economic pressure

development, in the run-up to the general election of 8 April 2018, MSZSZ published a ‘white book’ that summarised its expectations of the next government. This is the first time a trade union confederation has tried to give a comprehensive overview of the socio-economic situation. The proposals deal in detail with, for instance, wages, in-work poverty, health care, pensions, vocational education, labour law and inspection and social dialogue. This brochure also proves that the new confederation has successfully recruited a group of outside experts ready to help formulate union demands.

In the public sector, union demands are often formulated in the language imposed by the government. Here wages of some groups are lagging so far behind private sector wages that the very livelihoods of families are endangered, as so cleverly illustrated by the abovementioned ‘selfie’ campaign. However, in the unions’ statements every group of public sector employees demands a ‘career path’ for themselves, which merely takes over – and thus is taken over by – the government’s language, which refers to regular promotion across wage brackets over the lifecycle, which has already occurred for a selective set of public employees: as if employees needed some sort of vague promises for the future, not an immediate wage rise ...

4. Outlook

As we have indicated, from 2010 onward one option was the return to a single, monopolistic, government-friendly union confederation of the kind characteristic of the state socialist period. The other five confederations have publicly blamed LIGA for poaching their member organisations, but this was a belated effort, failing to address the real problem, namely the government’s favouritism. However, István Gaskó, president of LIGA, was forced to resign in January 2016, following the escalation of the internal conflicts with one of the biggest member federations, VDSZSZ Szolidaritás, a railway union. Thus the intended monopolistic confederation failed. MOSZ, the other favourite government confederation is relatively small, clearly not in a position to compete with other confederations.

As for the ‘socialist-oriented’ union confederations the crucial issue is what the outcome of the recent union merger process will be. As mentioned above, the confederation is now able to formulate demands with the help of a group of experts to address broader social problems (in-work poverty, education reform, social policy and pension system).

In recent years the tight labour market has propelled the unions into a position in which they are able to achieve a considerable hike in the national minimum wage and in wages at flagship companies, in both manufacturing and retail. Will trade unions be able to translate the labour shortage not only into immediate wage hikes, but also into a better and more sustainable system of social dialogue and collective bargaining? Of course, such a development would also require new government policies supportive of social dialogue, as well as promoting collective bargaining and the cooperation of employer organisations. Without them, in the context of decentralised collective bargaining and union structures the crucial issues remain the strength of workplace representation and the success of local bargaining, which may contribute to the badly needed union renewal.
References


All links were checked on 19 April 2018.