

UNIONISATION OF NON-LOCAL WORKERS:

# A CAPACITY-BUILDING OPPORTUNITY FOR TRADE UNIONS?

Policy paper

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“Ein kleines Herrenvolk sieht sich in Gefahr: man hat Arbeitskräfte gerufen und es kommen Menschen.”  
*Max Frisch*<sup>1</sup>



“Freedom of movement for people within the EU is one of the four fundamental freedoms on which the Union is built. But fair and efficient labour mobility depends on workers having the same rights in all member states. Workers and their families should have access to social protection and unemployment benefits, healthcare, education, pensions and to be covered by local trade-union collective agreements on pay and working conditions.”  
*ETUC*<sup>2</sup>

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# Table of Contents

|   |    |
|---|----|
| <b>Executive summary</b>  | 4  |
| <b>Introduction</b>   | 5  |
| <b>Section 1. The environment of union organising in the automotive industry</b>          | 7  |
| <b>Section 2. State of affairs: Identified problems and challenges at the plant level</b> | 11 |
| <b>Section 3. Union choices</b>   | 15 |
| <b>Section 4. Recommendations and interventions: How to move forward?</b>                 | 19 |
| <b>Conclusion</b>   | 22 |
| <b>Main recommendations</b>   | 23 |
| <b>Endnotes</b>   | 24 |

## EXECUTIVE SUMMARY

Plant-level trade unions in the automotive industry operate in a newly configured, highly volatile, crisis environment in Hungary. Besides insecurities stemming from market demand for production, the employment of non-local workers additionally increases the burden on organising work. Trade unions are not fully aware of the new environment: they need to reconsider their core values and adopt new organising strategies, and more apt practices in their operations.

Employment of non-local workers and members of more vulnerable groups indirectly increases the pressure against labour standards and wage levels. In order to maintain labour standards, trade unions need to define (preventive) mechanisms of protection but also consider interest representation of different social groups.

Plant-level trade unions operate with very limited organisational capacities. Small constructive steps, especially if repeated, can, however, make big differences. Experiments in new practices, e.g. focus on better information collection and circulation, launching information sessions and training activities as well as learning from concrete international experiences can help unions on this road.

# INTRODUCTION

Trade unions are in crisis, not only in Hungary. And it is not only falling membership and influence over regulation which make this clear. Changes in production, employment related uncertainties – especially in automotive – and increasing vulnerabilities of various worker groups push trade unions to react, despite their limited capacities. Among the vulnerable groups affected are also non-local workers, those arriving from different regions. Non-locals are increasingly present in workplaces, but their protection, more difficult unionisation and interest representation is not sufficiently discussed or defined in workplaces in Hungary where unions are active. If non-local, temporary workers systematically face disadvantages in their employment, this also affects the life of the plant. Specifically, it puts pressure on employment standards and wages, but it also fragments and potentially divides the very workers unions are trying to organise.

This potential threat is the starting point of our paper. Our aim is to help plant-level unions define and articulate their positions and strategies towards employment conditions, unionisation and representation of non-local workers. In our exercise we deliberately define non-local workers as all employees arriving from other regions, other counties of Hungary or other countries, all of them in need of housing, extra transport services in order to access jobs, and where cultural differences might be detectable, from different habits, dialects or even languages. We can call these workers “long-distance commuters”, a term coined by Hungarian sociologists in the 1970s. In contrast, we find the term “guest worker” problematic as it implies (by definition) a lower social status for these workers, workers who are to remain temporary, with no integration needs or needs to participate in the life of society more broadly, rather than only in the sphere of work.

Plant-level unions are the primary target audience of this policy paper, especially trade unions that wish to revisit their structure, goals, strategies and practices in the light of the changing composition of the workers. This focus has two primary reasons. First, the collective-bargaining system in Hungary is decentralised and more specific collective regulation of work and employment in automobiles is set at the company level. Second, employment problems are often very company specific: e.g. high turnover and

low level of social integration at the workplace. Thus, these processes also affect workplace level unions. However, as autonomous organisations of workers they have a direct, constructive role to play that necessitates an increase of organisational capacities and redefinition of organisational values. This does not mean that there is no need for sectoral or national level coordination, information-sharing and joint learning: on the contrary! It would be precisely the role of sectoral-level unions to provide expertise, training, tools for capacity building, organise effective information circulation along with providing contacts and help plant-level unions to reach out to regional and international allies. In doing so, the sectoral but also the national level confederations are crucial in helping plant-level unions increase their prospects and capacities.

We argue that adjustment of union practices to the new environment is a condition for unions to remain relevant actors and organisations. Fast-paced changes introducing more and more flexible forms of employment (such as posted worker, letter box companies and service contracts) has become the new characteristic of transnational labour markets in CEE and trade unions can lose a lot if they remain reactive, unable to see and predict these trends. At the same time, with some new organising efforts and practices, as well as rethinking their core values, they could increase their capacities and gain organisationally.

But what is this new environment in which plant level trade unions find themselves? And how do issues of equality and fairness play out and actually divide workers on the shop floor? Irrespective of the current dominant hostile discourse about migration in Hungary, industrialisation always implied some form or promise of mobility and worker migration. In today’s globalised economy, also in the EU, migration or geographical mobility is even more pronounced, even expected, in the sphere of work and employment. In the EU there are more than 11.3 million foreign workers,<sup>4</sup> many cross-border workers and even more workers who change their residence according to newer jobs or who commute regularly. In contemporary Hungary, work-related migration is also significant.<sup>5</sup> We see increased mobility associated with work since the transition to market economy of the early 1990s, – due to few job opportunities, high unemployment, and especially since

2016, – due to opposing reasons: lack of workers, insufficient local wage levels or unsatisfactory working conditions.

We base our study on the broadly defined sector of automobiles. Automotive production increasingly taps into transnational labour markets. It requires geographic mobility, flexible, able workers, making quick adjustment both to new products and work processes. In these multinational enterprises labour sourcing – selection and employment of the most appropriate workers – pools from a broader geographical area, an area that has been further expanded due to widespread labour shortages. The role of labour-market intermediaries, especially temporary agencies<sup>6</sup> was highly pronounced in the labour-market adjustment processes, including increasing the labour pool with third-country-national workers. Large, transnational enterprises have increasing power and state support.<sup>7</sup>

Providing a flexible “labour force” of flesh and bone workers to ensure flexible, uneven production cannot be understood as a simple economic question no matter how dominant discourses try to make us think that way. Mobility or migration of workers is also a social and political issue – an issue that is or should be in the core interest of regulators, society, but also intermediary organisations – especially trade unions. Traditionally, trade unions in Europe concentrated on the control and regulation of labour markets at the national level. However, in conditions when companies’ internal labour markets increasingly comprise of workers from abroad, the power of public institutions in regulating the labour market decreases.

In these conditions, Hungarian trade unions need to take into account three major issues: 1) the contemporary development of and change in the production in the (automotive) industry; 2) the role of mobility and migration in meeting the needs of production; 3) available trade-union responses to transnationalisation of the labour market and worker mobility in a wider European context. We outline these issues in Section 1.<sup>8</sup> Section 2 describes the state of affairs at the plant-level and includes the findings from our research. We outline union choices in Section 3. Section 4 proposes some recommendations for discussion and intervention points.

We can say that also in Hungary we live “a time of new uncertainties regarding the trade-union ‘mission’”.<sup>9</sup> Many unions respond to changing production pressures in a reactive way, trying to apply old solutions of interest representation to the new, changed conditions of work and employment. Trade-union response in the domains of values and organisational principles and capacities is a minimum requirement for their organisational reform. Our aim here is to stimulate a discussion that will help unions formulate their very strategies and practices, enabling them to take an open, proactive, assertive stance in relation to non-local workers. Forming strategies is a capacity-building exercise as well: we believe that rethinking and redefining core organisational practices, learning about possibilities and adopting to new challenges are instrumental in increasing the internal organisational capacities of unions. Without this forward-looking thinking, unions face the threat of staying behind the reality of today’s challenges.

## SECTION 1

# THE ENVIRONMENT OF UNION ORGANISING IN THE AUTOMOTIVE INDUSTRY

### 1.1. THE AUTOMOTIVE INDUSTRY: VOLATILE PRODUCT MARKETS AND CHANGING, COST-SAVING PRODUCTION

In global terms, the future scope and prospects of the automotive sector are increasingly insecure – transformative pressures are immense. The Hungarian automotive industry expanded in the 2010s, but the country and its workers seem to be only temporary winners of a global cost-reduction driven transformative adjustment. A crisis in product markets and cost-cutting considerations brought many producers to a position of offering lower wages and increasingly flexible working conditions. Production “optimisation” as well as technological changes in production (automation and digitisation) put new, additional pressure on jobs – both on their very existence and on their everyday content. Finally, changes in the labour market, i.e. in the availability of the very workers who could cope with the increasingly intensifying workload and squeezed incomes affect not only the smoothness and quality of production but also the operation of trade unions.

#### 1.1.1. Product market changes.

With the possible exception of the elite car product segment, product market insecurities hit the automotive industry extremely hard in the EU, including in the CEE region. Even in recent years, many automotive plants in Hungary have had uneven production cycles, with annual and sometimes even shorter production plans. Tellingly, in recent years there were both periods of a production overcapacity (with the extreme use of overtime) as well as declines in demand and production resulting in unused capacities. One realistic, perhaps slightly optimistic scenario is that Hungarian automotive plants will continue producing parts and components for existing models with oscillating demand on the global market, requiring flexible, adaptive production for market needs. Such volatility necessarily translates into insecure and changing employment policies in firms’ labour-use strategies (more on this below in point 1.2).

#### 1.1.2. Changes in production.

Automation might mean the loss of jobs. The OECD predicts an average 14 percent of jobs being lost to automation in OECD countries over the following years.<sup>10</sup> For Slo-

vakia it is estimated to be 33.6 per cent, implying that the automotive industry is highly affected. In Hungary the share of affected jobs is also probably very high. Last but not least, internal competition among MNC subsidiaries for projects (and employment) as well as relocation or closure threats additionally increase employment related insecurities. A further change in production technology comes with digitalisation. Such a change might entail re-training for some jobs: for OECD countries, the estimation is an overall 32 percent of jobs that could be radically transformed, for which adult training programmes are needed. Participation in adult learning programmes is especially low for those who most need it, especially production workers with no qualifications beyond secondary education.

#### 1.1.3. Changes in the labour market.

Globally (i.e. also in the USA), a major strategy pursued by firms has been to push the costs of insecurities and transformation onto workers. Automotive companies have increasingly relocated their production to the ‘Global South’, to regions with available labour. But there has also been an internal adjustment without relocation: as wages, working conditions and standards deteriorate, labour turnover rises. Firms increasingly rely on previously marginal groups of workers, such as women, minorities, but also immigrants, whose wages could be played around with and depressed. These companies often receive active assistance from the workfare state, which aggressively pushes people onto the job market i.e. by taking away or pegging to work not only certain benefits, e.g. unemployment and family care benefits, but also by increasing the basic cost of living. A significantly changed workforce composition then also brings in the question of how trade unions can react to the new situation. Organising vulnerable workers, many of whom are unaware of their basic rights, requires greater union intervention.

### 1.2. COMPANY LABOUR-USE STRATEGIES AND LABOUR MOBILITY

At plants, the management, workers and the unions all experienced a higher or lower turnover of workers, especially during the 2016 to 2019 period. Workers, many

### The importance of numbers

Plant-level trade unions seem to have insufficient information on the number of non-local workers, their terms of employment and their needs. For instance, how many workers commute across larger distances? Which of those are accommodated near the workplace? What type of contracts do temporary workers have? And which benefits and subsidies do they receive? This information is crucial for designing union-led actions and organisation.

Many issues closely relate to geographical labour mobility: securing or subsidising housing; for commuters, the means of transport used to get regularly to and from the workplace, etc. For example, the last survey of 2011 indicated that in Hungarian manufacturing 37.1% of workers, that is, 334,817 workers were daily commuters, many of whom used public transportation, mostly buses. Eight years later, the number of commuters is most likely higher than it was. For others, geographical mobility necessitates a search for accommodation in their new place of residence. As of a survey from 2012, in Hungary the relative majority of people who moved had to pay – increasingly skyrocketing – market prices for apartment rentals, yet the share of those with subsidised housing was also significant, at about 20 percent.<sup>11</sup> We know about the phenomenon of mushrooming worker dormitories. Quite recently, the Minister of the National Economy said that there are more than 10 000 workers whose housing is subsidised via the employer – and that this is a temporary solution only.<sup>12</sup>

It is much more difficult to gain quality information from the perspective of the workplaces and specific towns themselves – i.e. on localities, that is, on how geographical mobility plays out in specific towns and even more specifically, in workplaces. At many plants, temporary work agencies were central actors involved in the recruitment, selection and at least the temporary contracting of non-local workers. In other words: temporary agencies were the actors who actively mediated and helped workers to arrive and find basic accommodation. We surveyed 14 plant-level trade unions to learn about how much information they receive from management about temporary-agency workers. Most unionists indicated that they only receive partial information from management. Among our six cases only two unions had more complete information on company subsidies: on housing arrangements, travel subsidies for various categories of non-local workers and on the quality of these services. There is an actual proposal to set rules and standards for the employment of temporary workers via sector-wide collective agreements – a proposal that we find very timely.<sup>13</sup>

At our six research sites, the presence of non-local workers was very uneven, and varied from about 20 per cent to more than 60 per cent, consisting of workers on

different kinds of work contracts. At one company there were as many as six temporary agencies present. None of the unions had concrete or officially communicated numbers available. Unionists gave their estimates of how many workers work on their shift, in their building, in their line. These questions – while they did not give us very reliable and precise numbers – allowed us to understand two very important points with certainty. One point concerned the limited visibility of non-local workers. The second point concerned the undiscussed labour-use strategies of user companies, and how the fragmentation of employment damaged and burdened the trade unions' everyday operation.

Whereas trade unions knew about non-local workers, and also knew some of them individually, their employment conditions, specific requirements and problems remained unknown. Not only the numbers, but also the modes in which these workers were included in the workplaces, such worker density in certain parts of production and not in others – all this made a big difference to the work of the trade unions. There are several lessons that we learnt from the (mis)use of numbers:

- the companies did not provide complete information and had no direct responsibility to inform the union about the numbers and types of the contracts they had used for the non-local workers. In many places, especially those without work councils, unions had insufficient information as to the number of temporary work agencies staffing the plants, or to the contractual relations between these automotive companies and the agencies. While unions mostly gained information from management (via the work councils) more channels of information are necessary.
- in most places there was no direct communication between the union and the temporary agencies. In some cases, unionists often felt insecure as to some basic questions, e.g. of whether they could recruit among temporary-agency workers and protect them? How could they defend the interests of agency workers? Are collective agreements applicable to agency workers?
- salaries, access to accommodation, travel benefits, the length of the probation period and social contributions could vary greatly for workers from different agencies. The connection they had and, in few cases, the help that they were receiving from the local unions was very individualised, rather than based on a union strategy towards a specific group of non-locals or agency workers. In other words, unions had no pre-designed special service “packages” prepared for these.



pressed by need, look for better or suitable employment and income opportunities. In hope of mobility or just staying afloat, they change jobs. A change of jobs often also means geographical mobility. The plant management often fuels mobility by paying for well designed, catchy advertisements designed to attract workers even from distant places. Insecurities in product demand go hand in hand with short term employment strategies of firms. At least periodically they rely on intermediaries, especially temporary work agencies. Many companies employ for fixed term periods, or flexibly. Thus, it turns out that companies are less sensitive to the costs of losing “old” workers, than they are increasingly to the recruitment costs of new workers. It seems that firms have a negative employment adjustment strategy, a vicious-cycle trap, with a deteriorating quality of contracts and employment relations, that go hand in hand with an increase in employment of more vulnerable workers, especially non-locals. Such a situation also affects trade unions.

In public discourse, migration is an often repeated and (purposefully) misinterpreted term. But what is mobility, migration or turnover? We see migration as territorial, geographic mobility, while mobility can also imply a movement in terms of social and class hierarchies. If we observe it from the point of view of the settlement in which the workplace is situated, there are two main groups of “migrants”: the daily longer-distance commuters and those who live, or who have a permanent address further away, but who have moved to their place of work (with a subsidised or unsubsidised housing arrangement). From the perspective of workers’ origin, this would mean both domestic workers coming from a different region and third-country-citizen workers too.

Hungarian sociologists, especially in the 1970s, devoted significant attention to labour mobility. Mobility was grasped through the issue of commuting, and even more concretely, long-distance commuting.<sup>14</sup> Long-distance commuting was a phenomenon that appeared tied to, but also intensified with, new phases and stages of industrialisation (1867–1914, 1918–1939, 1945–1989). This happened to the degree that, in the 1970s, researchers called Hungary the country of commuters. Over time, not only the absolute number, but also the gender ratio closed, and the quantity of “skilled” workers increased. Worker dormitories also came under the spotlight: a central issue for long-distance commuters. Historically, there was an evolution from less-regulated–more-precarious “bed rent” to worker dormitories.<sup>15</sup> The sociography of the 1970s was full of encounters describing worker dormitories in very poor shape, fights, poor social life with a description of workers’ conscious sacrifice in order to climb up the ladder (e.g. via saving). In line with the earlier conclusions of Hungarian industrial sociologists,<sup>16</sup> we contend that geographical mobility (migration), and also its specific variants of turnover – even when it necessitates temporary sacrifices and losses, occurs due to the workers’ hopes of improving their own livelihoods, and perhaps, career development and mobility. We can add that this situation

also implies no available effective channel of representing workers’ interests. Thus, today we see many continuities with the discussion on the mobility of non-local workers from the literature in the 1970s and 1980s.

Recent regulations indirectly favour and trigger increasing geographical mobility. The change of the Labour Code in 2012 stimulated regional wage-differences within the same sector. To mention the greatest difference, wages in the automotive industry could be significantly lower in the East than in the West of Hungary for comparatively similar jobs. Such a difference again stokes worker migration and mobility. Furthermore, public investment has strengthened this trend. Worker dormitories existed before, but have further mushroomed in recent years, with governmental subsidies. Especially since 2016, we have also seen an increase in workers from non-EU countries, especially the Ukraine and Serbia, among others. The geographical pool of workers has thus expanded transnationally and transborder labour mobility has been singled out as “immigration” in the current public debate. However, we rather see a continuum stemming from a trend of expanding geographical mobility.

The numbers we gain from the media, official statistics and representative surveys indicate that work-related migration (geographical mobility) has been on the increase in recent years: both to, from and within Hungary. The data we have thus mostly deal with the national level. In the media, increased recent attention has been paid to cross-border immigration for work purposes. Official statistics show that around 75,000 work permits were issued to non-EU workers (i.e. workers without Hungarian passports) in 2018, but that the real number of workers who come from non-EU countries is significantly higher. However, even these numbers do not give us the full picture: many mobile workers have dual citizenship, and while maintaining a transnational household, feature in records as Hungarian citizens.

To conclude, work migration lies at the intersection between company strategies and resources for contracting non-local workers, combined with non-local workers’ motivation to seek work further from their places of residence. In this sense, both worker turnover and geographical mobility should be viewed from the perspective of economic and social conditions, indicative of a landscape of increasing inequality. As both territorial inequalities have increased – also within Hungary – and companies invest more resources into hiring, contracting non-locals in large automotive plants has increasingly become the norm in Hungary.

### 1.3. TRADE-UNION EXPERIENCES WITH NON-LOCAL WORKERS IN EU COUNTRIES

In the EU and especially the old EU-member states, increased attention has been paid to the issue of equal treatment and discrimination based on nationality and

race as a new challenge for trade unions.<sup>17</sup> Even so, the question of the integration of non-locals or marginal groups into the workforce only sporadically appear on trade-unions' agenda. Successful and strong unions have excelled in their quick ability to prioritise concern for specific groups of workers with specific problems, and from a strategic point of view, to reach a position from which they are able to discuss the integration of non-locals, especially immigrants.<sup>18</sup> These trade unions are also well aware that they are intermediary, socially important organisations, with an integrating function to play in the host society, situated above the level of the workplace.

In most European democratic countries, trade unions have faced the question of protection, restriction or unionisation of non-local and migrant workers after WW2 when the initial answer for most trade unions was labour-market control and restriction. In the increasingly globalised economy since the oil crisis of the 1970s, labour markets have become increasingly transnational. From the 1990s onwards, trade unions' possible reply has not only been the active protection of non-local workers, including immigrants, but also their unionisation and involvement in the union. However, different strategies and practices have been pursued, which also depend on the organisational

structures and capacities of the unions, as well as on concrete recent migration experiences, dominant social backgrounds and institutions in both sending and receiving countries.<sup>19</sup>

Tremendous international-migration trade unions in the UK have not only recognised that non-locals, especially cross-border workers, need additional protections, yet have also been among the most vocal and most open in unionising non-local workers even in responsible positions. Guided by the principle of protecting the most vulnerable and developing social communities, unions in Southern Europe, Italy and Spain are probably the most famous for developing activities and engagement with non-local workers outside the workplace too. Their quick launch of information centres for non-locals was a typical action in line with a "protect-first-and-recruit-later" principle. Nordic countries can still rely on the developed infrastructure of the social-market economy when engaging in the unionisation of non-locals, especially workers from other countries. In Eastern European countries, trade unions lack similar entrenched traditions from the more recent past in the integration and unionisation of non-local workers (as vulnerable groups). But here we can also see good initiatives and practices emerging.

## SECTION 2

# STATE OF AFFAIRS: IDENTIFIED PROBLEMS AND CHALLENGES AT THE PLANT LEVEL

We conducted field research designed in collaboration with six plant-level automotive trade unions in four Hungarian towns between April and October 2019. Our intervention was planned and thoroughly discussed with the union representatives and some trustees. During our field research we did not only conduct recorded and unrecorded interviews with non-local workers and union representatives and trustees, but also carried out focus-group discussions involving more stakeholders. We also launched concrete actions with the unions and kept fieldnotes in the form of recorded discussions. In short, the research also included a capacity-building component for the plant-level unions, in understanding and tackling their organisational practices, capacities, but also concrete experiments in informing and sometimes even unionising non-local workers.

We summarise our findings in five interconnected points, all related to work, employment and worker self-organisation and union capacities. Our points move from easier to increasingly more difficult tasks for the union. These five issues are as follows: 2.1. A non-transparent employment policy and fragmentation of the employment relationship; 2.2. Lacking prospects: the perspectives of non-local workers at the workplace; 2.3. Limited social integration: socialisation at and outside of the workplace; 2.4. A lack of communication and social inclusion disproportionately affecting non-locals; 2.5. Coping with an increasing workload with limited union organisation capacities.

In relation to non-local workers, most union representatives and local unionised workers voiced a dual feeling. On the one hand they acknowledged the vulnerability and dependency of non-locals. On the other hand, unionists also judged that non-locals had certain privileges – housing was especially seen as “positive discrimination”, as were various fringe benefits (e.g. transport to work, paid trips back home).

We discussed both claims with non-local workers too and came to the conclusion that especially the second judgement on privileges was lacking certain crucial pieces of information. Both judgements are, however, a good starting point to push for greater trade-union involvement. First, trade unions are often not fully aware of the de-

pendency and of the dangers of discriminatory and exploitative practices for general labour standards. In addition, openly engaging with non-locals might show where a union can be helpful.

In a sense, housing emerged as a stumbling block between non-local and local workers. Non-local workers' ability to save on housing fuelled the resentment of some local worker groups against them and justified such resentment. Similarly, the market in workers' housing inflated prices for rents and accommodation in most locations, making the workers who used such housing easy targets of resentment. At the same time, the unions were often not aware, and especially did not communicate to core-worker groups what changes in free housing meant to non-locals' lives. For most non-locals, living in a worker dormitory was not socially sustainable in the longer run – it was only an intermediary arrangement. In our research, many non-local workers wanted to save in order to start renting an apartment.

Altogether, we find that the environment is full of misunderstandings at present. Worker groups or individuals feel treated in an unjust way, while they are unable to represent their own interests and make claims directed at the employer. Their discontent tends to materialise against groups of fellow-workers or in the direction of an exit from the workplace, rather than towards generating constructive action to improve the situation. In general, local workers often formulated their interests as in conflict with those of non-locals, based on prejudices or insufficient information. More positively, some workers recall good experiences after exchanges and working together with non-local workers. However, these workers with a positive attitude also expressed their frustration that their voice was not dominant in the smaller workplace community, or that it was not backed up by trade-union representatives.

### 2.1. NON-TRANSPARENT EMPLOYMENT POLICIES AND FRAGMENTATION OF THE EMPLOYMENT RELATIONSHIP.

At our sites we discovered that non-local workers had various employment contracts: the majority were employed via temporary work agencies; some were also on fixed term contracts, and only a fraction were direct employees

of user companies. In some workplaces there were more temporary agencies present, and non-local workers had various temporary agencies as their employers. There were often differences between the various temporary agencies, with more or less responsibility and responsiveness towards their employees, which further added to the fragmentation.

The various intermediaries had different practices and services, some of which were evaluated positively, but mostly negatively. Among the positive, services such as organising immigration status, transport home and arranging accommodation were mentioned. Of the negative, the failure to address any ongoing problems, and a lack of choice and autonomy in such arrangements were keenly felt. In addition, the discrepancy between the quality and types of services provided by various employment agencies even within one plant was astonishing. This could manifest itself in such basic conditions of employment as having to/not having to pay for recruitment, transportation from home to the workplace, access to accommodation of various quality, the quality of ongoing support with paperwork and communication, the availability of translation services and the availability of various fringe benefits. Under such conditions the level of misinformation and confusion was very high.

For many non-locals it was not clear what their status meant. It was also not clear to them what it means to become a core worker: would it entail the risk of losing some benefits or go hand in hand with more job security? In some places, the mechanism of getting a permanent employment contract, as a shift from temporary contract or a move from the temporary agency to the user company was also unclear. Viewed negatively, a rapid change in hiring–firing flows and worker turnover was the case at one site, which raised fears and a lack of understanding about rules and expectations. Lacking information, workers did not want to transfer, but insecurity persisted. Among our cases, most trade unions did not engage in the practice of enquiring into the conditions of “takeover” from the employer – neither user companies nor temporary agencies – and could not inform affected workers about requirements and procedures.

## **2.2. LACKING PROSPECTS: THE PERSPECTIVES OF NON-LOCAL WORKERS AT THE WORKPLACE**

Non-local informants, especially those coming from other countries, recalled hierarchies and hostile cliques among core workers as a barrier to integration. In some cases, non-local (and especially foreign) workers indicated preferential treatment based on membership of or exclusion from such groups, manifested in the distribution of easier tasks, better paid working hours and opportunities for overtime. Some experienced threats and verbal insults, or the feeling that they were a tolerated group only. At least in two workplaces, there were some recorded discrimina-

tory practices, such as not being allowed smoke breaks, or unjust treatment – in tone and demand – of a superior directed more heavily against non-locals. Non-locals typically did not know who to turn to, especially if there was a language barrier. Some non-local workers also found themselves in the trap of a triangular employment relation, where the agency representative discouraged them from requesting payment for all working hours, since, as paraphrased by a worker “you earned much more than at home”.

Typically, non-locals worked on the assembly line. Most of them on temporary or third-party employment contracts felt insecurities and lacked a clear vision in terms of career development. Moreover: production-based requirements and insecurities were immediately felt, either in rising job insecurity, and an increase or lack of working hours imposed on the workers.

Workers felt that they might be more valuable and in control if there was company feedback and recognition of their work, but on many occasions, practices differed. Some interviews indicated that the strictness of monitoring the quality of products oscillated over time, and that different standards were applied to various worker groups or individuals. For instance, at some times the entrance test for the jobs were stricter, while at other times they were only a mere formality. In one case, even receiving further training for other workstations or machines did not guarantee a job, as group dismissals occurred. Company plans and perspectives were unclear, as was the integration of individual workers’ careers within a company’s prospects. Moving up in the hierarchy to more quality jobs typically necessitated a takeover and permanent employment contract – but this perspective rarely, if ever appeared to be clear to our respondents.

It was apparent for us that the automotive companies faced an employment policy dilemma (maybe not consciously) of whether to invest in workers or to invest in maintaining a greater labour pool, mostly via temporary agencies. Although it was costly and more fragile in the long run, companies’ employment policies seemed to favour a combination of these approaches, yet tending more towards a reliance on temporary agencies. Company employment strategies, and mechanisms of advancement were often non-transparent even for trade unions. Unions were thus unable to play a constructive role in informing or helping workers to advance.

## **2.3. LIMITED SOCIAL INTEGRATION AND SOCIALISATION BOTH AT AND OUTSIDE OF THE WORKPLACE**

Shop-floor interactions can entail both conflict and social bonding. In our sites, the workplace offered only limited opportunities for integrating newcomers as well as many “old” workers. The high turnover, as well as a shortening of the time and quality for on the job training and instruc-

### Temporary agencies and employment fragmentation

According to the available statistics, the number of workers employed via temporary work agencies (TWA) in Hungary has increased over the last 15 years about five times. By 2017, four per cent of all employed were temporary-agency workers. Almost two thirds of temporary-agency workers have taken on jobs in manufacturing. Within manufacturing, especially since 2010, temporary-agency workers are also present in automotive companies in greater numbers. According to the last available official data from 2018, 16,858 temporary workers were employed in 297 automotive user companies.<sup>20</sup> As of late 2018, there were 653 registered temporary-agency headquarters, and there were an additional 260 registered regional offices. The official list also indicates a large number of temporary agencies with only one office headquarters (most likely small companies), and ten large temporary agencies with at least three offices in several counties of Hungary.

Temporary agencies have two “faces”. As visible on their websites, they target both those searching for jobs and user companies. Temporary agencies attract – recruit – and employ workers, providing them not only with earning opportunities at user companies but also with associated services. On the other hand, temporary agencies provide a service of “loaning the labour force” to user companies. The latter service greatly adapts to specific user company needs and its concrete arrangement is very flexible.

Many of our worker informants indicated that temporary agencies’ popularity was due to two reasons: they swiftly provided well-paid job opportunities in distant places, along with additional services, while they were also flexible in accommodating individual job requests and searches. Thus, temporary agencies were agents of geographic mobility – and an increasingly important actor in the Hungarian labour market. Moreover, in using the newly relaxed employment procedures, temporary agencies were quick and sufficiently entrepreneurial to make employment of third-country-national workers possible within a very short time span.

During our fieldwork around the workplaces, we saw an increased fragmentation among groups of workers, a situation that also came into effect due to the presence of temporary agencies that contracted workers from various regions, but also for the same user companies. There was also some variation among temporary agencies as employers, in the sense that some did, while some did not respect legal procedures, interpreted their employment contracts very laxly or did both. Thus, there were better and worse TWAs. Workers were often confused about their employer and its obligations – there was a clear information deficit. Among our case studies, only one union had regular contact with temporary agencies and also unionised temporary-agency workers.

tion contributed to this. At the workplace, workers were often isolated or limited to a narrower group. While former friendship bonds seemed to persist, due to a very intensive workload and the fragmentation of production, it was quite difficult to form new friendships or a collegial approach. Outside of the workplace most of non-local workers were typically concentrated in worker dormitories or shared apartments. They were mostly isolated from deeper social interaction with fellow local workers either due to the geographical location of the dormitory, time constraints and, sometimes, language deficits. Positive examples of socialisation or integration were mentioned as personal / individualised examples of goodwill and social skills on the part of the worker.

Integration happened in some cases via union organised activities for union members (a family day, organised excursions) when unionists could meet, talk and learn about each other. These, however, again had their constraints: the design and output of these community events did not seem to have been discussed with members and potential members, there had been no evaluation of the value of these activities for social integration etc. On the part of unions, we saw sporadic attempts and commitments in some places to select and integrate a few, committed, socially sensitive unionised non-local workers. These work-

ers’ role could be crucial in making the first step to workers’ integration via the union: communicating unionist principles, benefits and general information to non-local peers.

### 2.4. A MUTUAL LACK OF INFORMATION: POOR INFORMATION FLOW AND A COMMUNICATION DEFICIT

As earlier mentioned, non-locals (but to some extent also local workers) lacked information about production, employment plans and strategies (those of automotive companies and intermediaries in this case). There was also an information deficit on specific plant-level extra pay-benefits pegged to travel, housing and family benefits. Similarly, the workers also did not know much about each other and did not seem to discuss their position vis-a-vis the employer very openly. In some cases, they thought they were bound by a contractual obligation to maintain secrecy as to the details of their employment. Information circulation was uneven and occurred in mutually isolated groups of workers who spent each day at a particular workstation. As for the trade union, even if non-local workers knew (and many did) about its general purpose and its existence at the workplace, they were often not aware of the special

services that trade unions could help them with (e.g. a solidarity fund, tax benefit information).

Most plant union representatives were aware that union members and especially non-local workers lacked crucial bits of information about their rights, benefits, as well as about each other. In general, on the shop floor, most unions could and did use their billboards to inform members and workers. Some would also introduce themselves to new entrants at training sessions. The union billboard is usually located in a specifically designated place, where many workers do not go at all, which meant that even this bit of information passed many workers by. Significantly, trustees did not seem to give back much information on requests, the special needs of worker groups at workplace level, or of conflicts among them. Union services were typically individualised, assigned to union members who would knock on the door of the union office to obtain information, special services or assistance. Outside of the workplace there was no information circulation that was especially manifest in worker dormitories, which had a high concentration of non-local workers. Trade unions do not seem to have ways to introduce regular opportunities for discussion at designated places neither in the workplace, nor – especially – outside of the workplace. None of the trade unions had established sites outside of the workplace for discussion.

## 2.5. THE ORGANISATIONAL CAPACITIES OF PLANT-LEVEL UNIONS

The reality of organisational life at most plant-level trade unions in Hungarian automotive firms is dire, as these organisations work under highly unfavourable circumstances. While there is an increasing number of tasks, roles and functions to perform, plant-level organisations mostly

lack the capacity and institutional support for them to play a more integrative function. Their function is mostly limited to a short list of interest-related representative functions, especially individual workplace representation and wage bargaining, with some community development events. The capacities of the unions we worked with varied significantly. That is, the unionisation rate, organisational practices, and capacities for collective action were higher or lower, and the quality of industrial relations and social dialogue at the workplace also differed. The worst situation was of course where the union was new and management could not demonstrate its employment policy and commitment to social dialogue transparently; the best was where both the union was strong and the management informed the union regularly on all employment matters, including those of non-local temporary workers. The rest of the unions and industrial relations in the workplace fell in-between this imagined continuum.

The network of trustees clearly needed additional support, capacity building, soft skills and other forms of training. We heard on several occasions the problem of union work being ungrateful: there are high expectations from the union but its instruments and capacities are highly limited, and reinforced by new threats and tasks, as discussed in Section 1. We also see a large discrepancy between one or two union representatives (full time unionists, most often independent of work) and a group of trustees runs almost entirely on enthusiasm. In short, even the collective of core unionists was in most cases unable to support each other as a team, i.e. to have time for developing strategies of self-support and organisational development. It was a major drawback that we experienced during our work with six unions: in order to increase capacities, unions also required more resources, particularly free time for training and education of trustees.

# SECTION 3

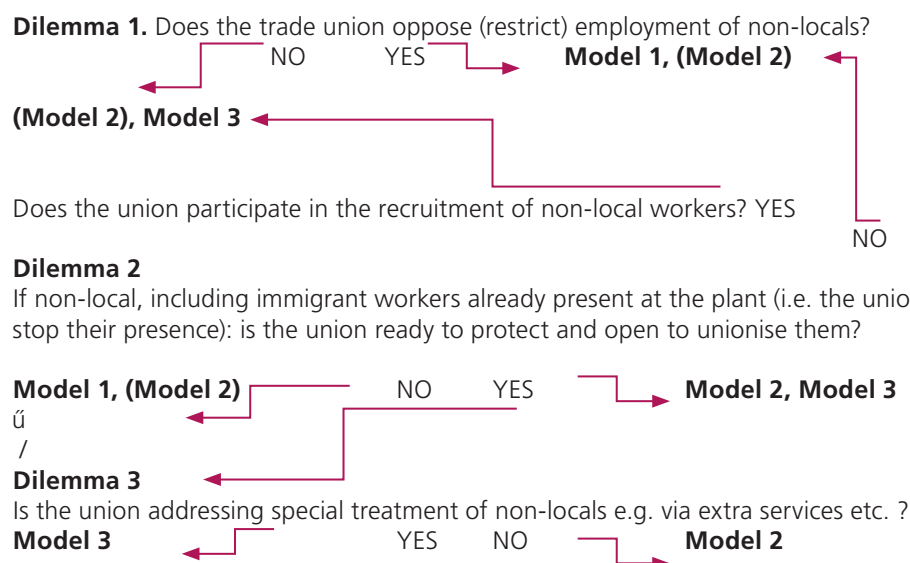
## UNION CHOICES

While contextual factors constrain unions' everyday operation, we felt that there was a reluctance to articulate value-based organisational practices of protection and interest-related representation. Value-based decisions and practices came especially to the fore when discussing protection, unionisation and the potential representation of the interests of non-local workers employed on temporary contracts and through intermediaries. It is also important to highlight the importance of two-tier actions and strategies, and to differentiate between protection and direct representation of interests – unionisation. Worker protection is the minimal unionist task that serves for the enforcement of better labour rights for all workers: it is a core value but also a strategic understanding that better protection for all workers reduces fragmentation and chances of social dumping. Union capacities seem to be overwhelmed by growing needs derived from the fragmentation and deterioration of employment conditions. The difficulties in

articulating interests and representing increasingly heterogeneous groups leave unions prone to reactive responses rather than more proactive and capacity-increasing strategies. In this section we will map out possible choices of unions vis-a-vis non-local and temporary workers.

In mapping out possible union strategies of reaching out to non-local workers, we have developed a typology based on union choices and dilemmas as described in the local and international literature. We have taken into account the Hungarian context of plant-level unions and decentralised bargaining (with minimal sectoral/national coordination), and applied 1) a typology of Hungarian sociological research into industrial worker behaviour and interests, and 2) trade-union strategic dilemmas on the unionisation of immigrant workers. The dilemmas in the immigrants' unionisation were originally developed in the 1990s by Roosblad and Penninx, then reapplied and mod-

Figure 1



ified several times.<sup>21</sup> Below is our application in the Hungarian context.

In the Hungarian context, plant-level trade-union values and positions stem from experiences, values, but also power relations within the workplace collectives. The unions often adapt to expectations, as well as to the main values of their members and local communities. Consequently, we find it useful to bring in three “sticky” behavioural patterns of production workers as observed by the Hungarian economic sociologists Gábor Kertesi and György Sziráczi:<sup>22</sup>

- insider labour-strategy of elite workers,
- mixed strategy of dual-status workers,
- default, income maximisation strategy of marginal workers.

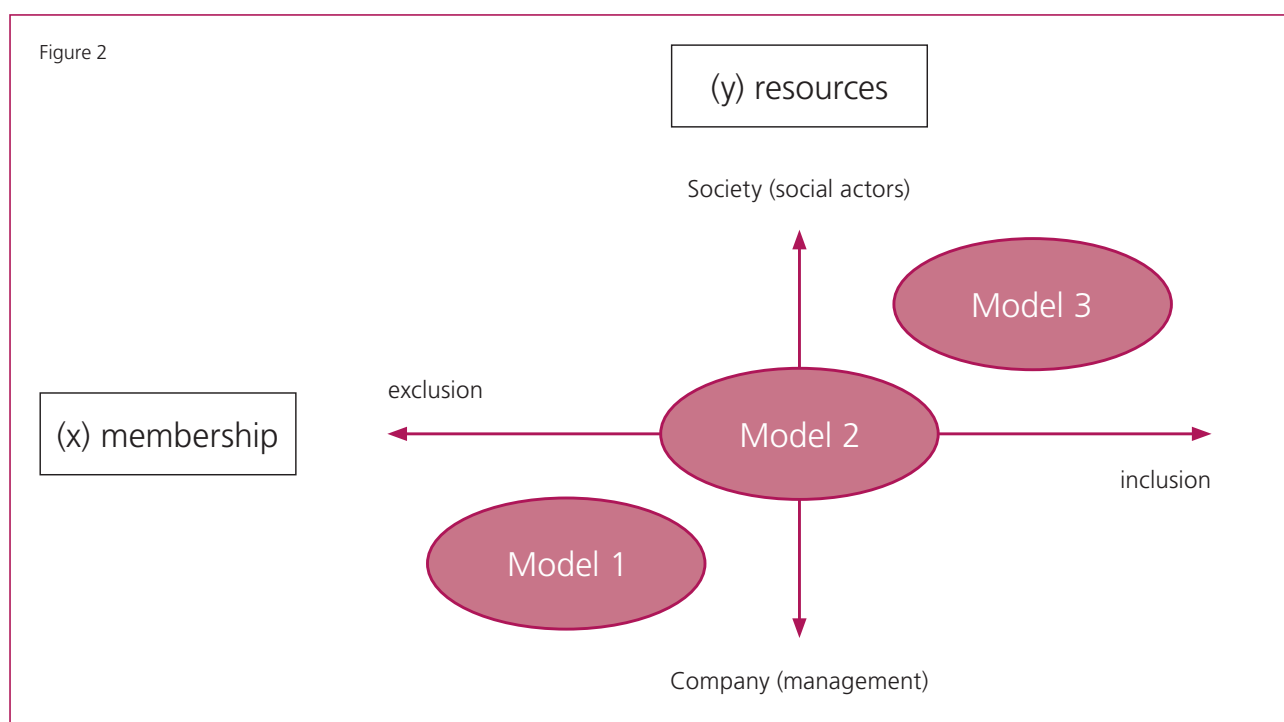
We consider these behavioural models as still relevant and informing our assessment for two main reasons. One reason is that many MNCs after 1989 have adapted to local worker attitudes, thus cementing their strategies in labour sourcing and remuneration. The second reason is that we have observed that the unionist discussions and typical complaints regarding problems of unionisation ran along these lines.

In the rest of this section we combine this typology with the former dilemmas around the unionisation of immigrant workers. What we get is a hypothetical model of Hungarian union responses to non-local workers based on the latter typology of behavioural patterns.

In this chart we model three types of responses that relate to non-local workers. The horizontal (x) axis stands for the continuum of exclusion and inclusion, while the vertical (y) axis represents, besides membership fees, the base of union resources and it stands between company (management) and social resources. We find that there is a correlation between inclusion and reliance on social support. A right-wing, exclusivist union relying on specific social sources is also possible but we have left it out from our models.

### MODEL 1: UNIONS ADAPTING TO AN “ELITE WORKERS” STRATEGY

This model reflects the domination of interests of a limited group of privileged unionised workers, i.e. securing beneficial positions for a core group of workers with stable contracts. In this model unions and their constituents invest in informal networks that would increase bargaining power for their selected group. Highly interested in wage setting, this group and its members insist on attaining seniority, taking control of productivity with an hourly wage rise, while resisting income maximisation at any cost. If the trade union adapts or dominantly incorporates this group’s strategy, it is more exclusivist in representing interests, and risks coming close to the position of a business union. In the 2009 crisis many trade unions in Hungary, especially in the higher segment of value chains, adopted this strategy of protecting their core workforce and pushing the costs onto outsiders – either temporary workers or those lower-down on the chain. This unionist strategy also favours a high labour-market control-threshold already at the workplace level, but it strongly opposes the employment of marginal groups, including non-local labour, at least in core positions. At best, it cements marginal employment and the position of non-locals. Referring to Dilem-





ma 1 in Chart 1, the question of restricting the employment of non-locals is answered with a YES, and the union also does not participate in setting selection and recruitment criteria. The second dilemma is answered with a NO, i.e. the union is closed to non-local workers, as these workers are perceived as highly flexible “slack” labour, which might overlap with the company’s flexible labour-use strategy.

## **MODEL 2: UNIONS ADAPTING TO THE “DUAL-STATUS WORKER” STRATEGY**

Workers with a dual status have a more mixed attitude towards the company. These workers are stuck at lower positions and do not have much chance of upward mobility in the company hierarchy. To make up for the lack of opportunities, they deliberately restrain their labour at workplace level in order to receive incomes from other informal spheres. In our view – and in contrast to the original typology – we also count here typically female workers with household and reproductive duties. In the original typology, under the conditions of labour-market shortages, there was a compromise situation between a company and its dual-status workers. These workers would fill up specific jobs that are not too difficult (or where a lower work intensity was tolerated), but would have no career prospects.

In our cases with multinational companies such a compromise was not present. For this type of workers, especially if not unionised, worker turnover was a major means of pushing up wages, or finding a job that reconciles the two statuses. If trade unions adjusted their strategy to also protect and represent the interests of these workers, this would lead to a more inclusive strategy, and be more fruitful for sectoral-level coordination as it goes beyond the factory level. The unionist activation of dual-status workers, however, is more difficult to achieve. One must note that the employers’ premiums and supplement system – of benefit to the most flexible workers – often go against the interests of this worker group. In general, it seems that these workers are more difficult to organise, yet organising them is important, as they need union protection and demonstrate a sensitivity to supplementary benefits. They seem to be more present in companies situated either in the middle or lower-down in the supply chain.

In our research the dominant union strategy that corresponds to representing the interests of this group resembles that of general unionism. It follows the established logic of industrial unionism acting both economically (controlling the labour market, wage setting) and politically (e.g. exerting an influence over policies), and regulating social reproduction including work–family balance issues. The imagined arena of action is still national, it relies on the functioning of democratic institutions, and on flexible adjustments to work organisation. This model is more inclusive, especially since incorporating those workers with a dual status entails in-

clusive practices and more encompassing strategies of communication and information exchange. Yet, it is still likely to be more exclusivist towards marginal groups and, especially, towards immigrants. A test here is the exclusion of migrants from the better paid and more secure jobs at the workplace, thus relegating them to a marginal position more vulnerable in times of crisis. This is based on an acceptance and strengthening of labour segmentation, which is not in itself inconsistent with the principle of equal pay for equal work. In this model, non-locals are already present in the workplace, and unions seem to be willing to participate in selection criteria. This strategy is prone to answer the second dilemma ambiguously: protecting but not targeting specifically the organisation of non-locals. The main weakness of this strategy is that it does not take into account the highly volatile economic environment as well as an increasingly transnational labour market.

## **MODEL 3: UNIONS ADAPTING TO A “DEFAULT STRATEGY OF MARGINAL WORKERS”**

Marginal workers historically derived from a migrant proletarian group of agricultural labourers (*vándorproletárok*, *szegényparasztok*) with a background of low-family support – and none to low inclusion of their interests into union strategies. Historically, these were workers from poorer regions, but they also included Roma. Without other income possibilities, and without a strong social background, these workers with “low skill” (unrecognised skills) try to maximise their income with quantitative flexibility, earning as much as possible in the shortest time possible. Two subgroups of marginal workers are: seasonal workers (who also have, classically, an agricultural plot of land) and are not always available, and those without any other means of subsistence. We place non-local workers, especially those with temporary contracts, and also the bulk of temporary-agency workers in this group. However, while having the least amount of power, this group of workers might also induce social dumping to a plant, if this suppresses wages directly or indirectly (via increasing production norms).

Trade unions in Hungary typically had few incentives or will reach out and protect the interests of the most vulnerable groups of workers. This was the case since work with the most vulnerable necessitated more attention, educational and organisational efforts with very insecure outcomes in terms of unionisation. Their job instability also decreased incentives for unions to deal with these groups. However, in other places, such as in Poland and also Italy in the period after WW2, these were the very workers who were successfully incorporated into the workers’ movement, and who contributed to its development. Today in Hungary, the share of marginal workers, especially of non-local workers, increased at many plants, and union incorporation of outsiders is all the more necessary – also for the unions’ survival. It is also important

to mention that some of the earlier marginal workers after the end of the crisis and re-employment became the “new core” workers, also active in trade unions – which could be an advantage. This strategy is also fruitful ground for developing inclusive solidarities – an all-encompassing transnational action – that also requires contacts abroad, nurturing ties to social groups and initiatives, and increasing soft skills and capacities.

Efficient protecting, information-sharing, and educating of those with a lower social status, including non-locals, is very important in order to prevent social dumping. It is also the most challenging, difficult path, especially if the union does not stop there but also pays attention to special group interests, develops special services to non-local outsiders, and reconciles issues of special treatment etc. among worker groups. In the classic scheme, this model includes a fight against segregation, fosters integration, and also supports economic and social development in the migrants’ and immigrants’ countries of origin. Part of this strategy involves establishing and nurturing ties with unions or other organisations abroad, thus again relying

on sectoral and national levels of union organising. All this means that this is the most difficult path to take – it requires interaction and a vivid trade-union organisation and community.

In conclusion, we observed a paradoxical situation stemming from production hierarchies. Unions at companies at the top of the production chain have greater capacities but they seem to be more exclusivist and more difficult to push in the direction of more inclusivist strategies. At lower production levels, however, trade unions have weaker capacities, but are likely to be more inclusivist. Therefore, the sectoral level is crucial for mediating and levelling out such differences. Under the present conditions, unions should rely less on management and more on alternative actors and resources, although this goes against established union traditions. Under conditions of greater geographic mobility and high uncertainties it is indispensable to unionise non-locals in a more socially encompassing way. Most unions we have worked with are in model 2, but some have greater chances of experimenting and moving to model 3.

## SECTION 4

# RECOMMENDATIONS AND INTERVENTIONS: HOW TO MOVE FORWARD?

In the final section we propose some recommendations for unions that are willing to become more proactive in their strategies and practices in relation to non-local workers. We saw that remaining passive in the face of this growing heterogeneous group of workers puts serious limitations on the union's actions and development. At the same time, it was clear that even under the present capacity constraints, unions could do much more in reaching out to non-local workers. Small actions and initiatives, such as communication and responding to acute information deficits, made a big difference to union visibility. Unions need to act on more levels simultaneously within the union and outside – their work needs to be turned simultaneously towards plant management, workers and employment agencies where needed. Based on our experience in the field and on the discussion above, we identify three points of intervention for unions to increase their capacities relating to non-local workers, and to empower workers too. Each recommendation is then followed up by a discussion of its practical importance.

### 4.1. INFORMATION CIRCULATION AND UNDERSTANDING THE (INTERNAL) LABOUR MARKET

**RECOMMENDATION 1.** Create effective modes of information circulation that include unions, management (employment chains) and workers. **Unions should embrace the principle of “First – inform! Then – organise!”** as is widely used among many trade unions in the EU. Actively collecting, sharing and facilitating transparent information circulation is a key precondition to protection and labour rights' enforcement, but also a precondition to further, effective organising.

The creation of information flows should take into account the companies' internal labour market and its geographic and sourcing characteristics. In this situation it is by far not enough for the unions to simply pass on pieces of information they have to workers. They have to take on a much more proactive role in both information generation and circulation. In this light, we suggest viewing information circulation as comprised of three indispensable stages:

1. Information gathering from production workers. For instance, the unions can map out who is who on the shop floor; what type of employment contracts are used, what differences there are in employment conditions; and what the needs and expectations of workers in these various employment relations entail. It is important that unions also map out the workers' social background and needs. In this way the unions can have first-hand information on the needs of various groups that would enable them to define more specific service packages for various groups.
2. Trade unions should regularly request full information from employers (via work councils) on recruitment strategies. This should not only include insights into service contracts with temporary agencies, but also selection criteria for prospective employees. However, under the present conditions it is not sufficient to rely on management as a source of information. Thus, it is equally important for unions to establish and nurture effective communication channels with various employment actors, especially temporary agencies, but also state offices, and they should check information on workers' employment conditions etc. The unions should also learn about available information from alternative sources (researchers, NGOs, international support groups and organisations). The horizontal exchange of information with other unions and learning from each other's experience is also crucial.
3. Disseminating and circulating information in a systematic way, discussing, opening up space and channels is the final and crucial step. As such, it enables the union to increase its internal capacities, making it an indispensable actors. This the union the potential to exert an influence over employment policies and work practices at the very workplace. Information exchange is key, but the mode of dissemination and exchange should be discussed, so as to reach out to workers in a way that works for them.

4. There are various forms of labour-use strategies used by employers, along with newly evolving business models, which include the use of intermediaries as well as outsourcing. Unions need to be aware of, follow and mutually inform each other about these changes.

Practical tips:

- Conduct surveys on various issues in the workplace, visit dormitories for regular and one off information sessions and discussions, organise community events at various locations in order to map and gather information
- Disseminate information (leaflets, Facebook groups, info boards about the union’s mission and achievements)
- Provide free information – education sessions for the integration and protection of non-local workers’ rights, e.g. a list of the most common risks, problems in rights’ protection, invitations to external experts (lawyers, researchers, activists) to provide training and information
- Note that the challenge Hungarian trade unions are facing is not without parallels or similar accounts in other countries. International organisations, transnational solidarity groups and organisations could provide good practices in protection and unionisation, and in developing collective-bargaining skills.

## 4.2 NON-LOCALS’ PATH TO UNIONISATION: LONG-TERM ORGANISATIONAL STRATEGIES AND CAPACITY BUILDING

**RECOMMENDATION 2.** In order to cope with increasingly diverse and fragmented groups of workers, unions should both increase their existing shop-floor intermediary capacities (especially support and developing trust), but also bringing in new active members into the union organisation, including from a group of non-local workers.

The protection and unionisation of non-local workers from various social backgrounds and with diverging needs is a difficult organisational task, especially for unions with modest resources and personnel, where union trustees are working in production. The challenge is to make it a doable and sustainable practice. The aim is both to guard standards, but also to increase the union’s capacities.

Many union representatives and trustees have said that union work is ungratifying, and that it needs a very strong social commitment. Trustees suffer under a heavy workload but they are also in charge of many practical union tasks on the shop floor. Maintaining, supporting the work of trustees, and supporting them through training and professional growth is essential.

Unions should also include socially sensitive, assertive members from various groups in the organisational life of a union. With their help, unions can develop certain service packages that take into account both the vulnerability of these workers and their need for help in certain areas. Temporary-agency workers need to be addressed more specifically, via stretching out union links to temporary agencies as their employers.

Building up capacities should be a gradual process, in both reaching out to more active union members, while also increasing, sharing tasks and responsibilities among them, and equally importantly, securing regular exchanges on experiences, problems and good practices among them. The role of union leaders should be decreasingly that of “leading” an organisation in an authoritative sense, but rather that of managing active members and union functions. Implementing value-based choices would be necessitated through internal discussions and may lead to constructive debates and conflicts.

Practical tips:

- Unionisation should occur as community organisation activity as well, and as such, also outside of the workplace. Integrational and educational programmes can occur in spaces where non-local workers are concentrated, such as worker dormitories. Trade-union educational activities can also be designed in a format or with the trappings of popular culture (e.g. screening films, music, club activities etc.)
- Reach out to activist groups, civil groups, but also to experts with special knowledge e.g. intercultural educators who could help with developing understandings but also with finding a common language with non-locals.
- Experiment and regularly discuss new practices (also with other unions) and design regular social events for trustees and union activists. Even for a small group of unionists, new organisational practices could be discussed at these gatherings, information shared and educational sessions performed.
- Make unionism socially appealing by collecting and recognising those members especially, trustees with strong empathy, organising skills and practical knowledge (e.g. speaking languages). Allocate time and work to educational – even emancipatory – community building practices and activities.
- Develop/invest in (rethinking) the union’s communication infrastructure: make sure that it is not only a platform for “spreading information” but also make sure that there is a net for receiving information and feedback.
- Reach out to international contacts and links, establish and nurture ties with unions or organisations in which locals are involved. Develop and help a network for the exchange of good practices as well as errors among plant-level unions. Establish an FAQ, and good and bad practices available in more languages on their own internet sites and publications.

### 4.3 THE APPLICATION OF JUST REMUNERATION AND THE JUSTIFICATION OF SPECIAL SERVICES.

**RECOMMENDATION 3.** The issue of equality and just wages should be treated by unions by following two “tracks”: first, by pressing for better recognition of and remuneration for all aspects of work (including experience, skills upgrading, training tasks, etc.) and, second, by acknowledging the situational vulnerability of certain groups and developing service packages that would remedy structural disadvantages.

In our fieldwork, we saw conflict between the workers’ groups that stemmed from the devaluing of established workers and resentment towards the newcomers. The former saw that their experience or extra tasks and skills were left unrewarded, while the latter were perceived as receiving preferential treatment in terms of housing, fringe benefits and quicker recruitment procedures. Our proposal for the unions is to recognise these processes and concerns as embedded in the deterioration of employment standards. Tackling both concerns simultaneously would help to prevent pitting sides against each other and bringing the principle of solidarity to life. This could also remedy the processes of social dumping and downgrading. Such a strategy would request extra incomes and recognition for experienced workers, including the designing of training and mentoring positions with higher pay or extra benefits. On the other hand, trade unions should acknowledge that “positive discrimination” in the form of a housing arrangement is a trap: a housing arrangement is at best a fragile

mobility opportunity for vulnerable groups and worker individuals. Furthermore, trade unions should not shy away from developing and offering special services to non-local workers (e.g. helping with administrative etc. issues).

Trade unions can have an overview and influence over power relations at the workplace. However, it is precisely here that we sensed that trade unions have very limited influence e.g. over intermediary management conduct or the organisation of production. Is the allocation of certain jobs to prejudiced non-local marginalised groups happening? Does requesting higher norms, greater discipline from the “others” occur? Even if currently these are outside of union capacities, the implementation of a two-tier strategy would enable unions to deal with these questions.

Practical tips:

- Map interests of different social groups and try to find common denominators, differences and synergies (e.g. create a package – increase the base wage, resist an increased workload, insist on the monthly payment of overtime, as well as on premiums for weekend work)
- Press management to provide resources on Hungarian language courses for non-Hungarian speakers, as well as intercultural courses. Language courses may also cover the teaching of practical lessons and keywords, covering topics such as legal standards, health and safety issues, various potential conflict situations (e.g. the end of contracts), etc.
- demand extra benefits or new jobs etc. for mentors, integrators, trainers

## CONCLUSION

Values are the core of union identity, and the basis of their action. Most importantly, unions should not forget that workers cannot be reduced to solely an economic category of labour power and its associated cost. Workers are people, social and political beings. As such, trade unions have a special role and responsibility for the social (protection, integration) and political (the representation of interests) engagement of workers. In the case of non-local workers, we think that trade-union concerns should aim to encompass the efficient organisation of all workers, that is a form of their self-organisation and not an organisation that cements the variety of workers' statuses. Such organisational reform is achievable, but it necessitates the

questioning of entrenched organisational traditions. Moreover, the crisis necessitates new, more open and inclusive organisational practices if unions are to remain relevant – and not only reactive – actors. Participation and self-organisation should also be taken into account when creating organisational structures, defining the anti-discriminatory policies, needs etc., of social groups and other forms, to therein develop more inclusive solidarities. Apart from actively fighting to stop the negative spiral of downgrading, trade unions can gain from a refreshed membership, and more inclusive, informed and active members, who are able to navigate not only locally but in flexible labour markets, including in transnational spaces.

## MAIN RECOMMENDATIONS

Non-local temporary workers are an indispensable part of industry in Central and Eastern Europe, including in Hungary. If unions want to survive and remain relevant actors in the fast-changing landscape of employment relations they need to think of win–win ways of protecting and possibly also including new groups of marginalised workers as their allies. Any thinking that unions can preserve power via the exclusion of this workforce or by capitalising on their vulnerability will only weaken the union in the short and the long run.

Unions face many constraints but they have to make an effort to increase their capacities, especially via available

resources. Such resources include using available know-how, information collection and sharing, support from civil groups, and establishing ties with various social actors.

Trade unions should aim to secure the means to train workers, with their skill development not only directed towards production, but also towards practical language courses for better integration of non-Hungarian speakers. With regular information-sharing sessions, unions should involve (potential) members and thus also prepare for more inclusive collective-bargaining processes.

## ENDNOTES

- 1 "A small nation of masters sees itself in danger: it called for labour power, but human beings are coming instead" (translation by Tibor T. Meszmann). Introduction to Alexander J Seiler, ed. *Siamo Italiani – die Italiener: Gespraechе mit italienischen Gastarbeitern* as quoted in C. T. Husbands, "Immigrant Workers and Class Structure in Western Europe. Stephen Castles, Godula Kosack", *American Journal of Sociology* 80, no. 4 (Jan. , 1975): 1054–1056.
- 2 "Labour mobility" <https://www.etuc.org/en/issue/labour-mobility>
- 3 The research that this paper is based on was generously supported by the Friedrich Ebert Stiftung, Budapest Office and a Central European University research grant; the CEU grant and an internal grant from the Center for Policy Studies at Central European University, who funded the writing of this report. We benefitted from feedback provided at the workshop at the CEU on January 27<sup>th</sup>, especially from Marek Čaněk, Sonila Danaj, Goran Lukić, Ákos Molnár, and Bernadett Pető, but also from constructive comments from Csilla Malomvölgyi and Timo Rinke.
- 4 *Ibid.* ETUC concentrates more and more on the issue and particularly on the rights of mobile workers and their families, see especially Ger Essers and Katrin Distler, *Guide for Mobile European Workers* ETUC 2017 <https://www.etuc.org/en/publication/guide-mobile-european-workers-0> Such an initiative received very little practical attention and application among Hungarian trade unions for mobile workers on its territory.
- 5 For an example of how mobility is understood as a crucial requirement of competitiveness and economic prosperity see e.g. Marianna Sebők, Comments on Workforce Mobility (*sic!*) in Hungary. *Modern Geográfia* 2015. III. pp.49-67
- 6 Although there is a frequent overlap between non-local and temporary-agency workers, this paper does not focus on temporary-agency workers per se.
- 7 Some companies, of strategic importance, in Hungary enjoy privileges also in terms of employment. For a list of these companies and contracts see Stratégiai partnerségi megállapodások Külgazdasági és külügyminisztérium <https://www.kormany.hu/hu/kulgzdasagi-es-kulugyminiszterium/strategiai-partnersegi-megallapodasok>
- 8 The rising xenophobia and racism in popular and state discourse is another important context that unions have to acknowledge. Discourses on migration are especially abused in political discourses. For a basic overview of these terms and the phenomena they denote, visit <https://tudasbazis.sulinet.hu/hu/szakkepzes/rendeszet/tarsadalomismeret-etmod/a-tarsadalom/mobilitas-migracio-es-demografiai-helyzet-a-mai-magyar-tarsadalomban>. For a more recent and thorough overview and lecture see Márton Czirfusz' blog <https://gazdasagfoldrajz.wordpress.com/2014/11/26/miert-kutatja-a-gazdasagfoldrajz-a-munka-vilagat/> This paper, however, does not have space to elaborate on it.
- 9 Richard Hyman, R. (1996). Union identities and ideologies in Europe. In P Pasture, J Verberckmoes, & H de Witte (Eds. ), *The lost perspective? Trade unions between ideology and social action in the new Europe*. Volume 2: Significance of ideology in European trade unionism (pp. 60–89). Aldershot: AveburyHyman 1996: 53
- 10 For all the data, including of some countries see *OECD Employment Outlook 2019* <http://www.oecd.org/employment/outlook/>
- 11 People in the EU – statistics on geographic mobility Eurostat [https://ec.europa.eu/eurostat/statistics-explained/index.php/People\\_in\\_the\\_EU\\_-\\_statistics\\_on\\_geographic\\_mobility](https://ec.europa.eu/eurostat/statistics-explained/index.php/People_in_the_EU_-_statistics_on_geographic_mobility)
- 12 A munkaerő-mobilitást segítik a munkásszállók Origo May 13 2019 <https://www.origo.hu/gazdasag/20190513-varga-a-munkaeromobilitast-segitik-a-munkasszallok.html>
- 13 Balassa Tamás Kövesdi Péter "Ha meghalok, hát meghalok, de amíg bírom, addig dolgozni fogok" Népszava December 15 2019 [https://nepszava.hu/3060326\\_ha-meghalok-hat-meghalok-de-amig-birom-addig-dolgozni-fogok](https://nepszava.hu/3060326_ha-meghalok-hat-meghalok-de-amig-birom-addig-dolgozni-fogok)
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- 15 (Imre Ferenczi A munkáslakáskérdés in *Magyar munkásszociográfiák 1888–1945*. Kossuth Könyvkiadó Budapest, 1974., Sándor Veres, "Munkásszálló – kérdőjelekkel." *Valóság* 1979. No. 4 1979
- 16 Especially, István Kemény
- 17 Ouali, Nouria, and Steve Jefferys. "Hard times for trade union anti-racism workplace strategies". Transfer: European Review of Labour and Research 21.1 (2015): 99–113., Phizacklea, Annie, and Robert Miles. "The British trade union movement and racism". *Racism and antiracism. Inequalities, opportunities and policies*, SAGE, Londres (1992): 30–45.
- 18 Lorenzo Cachón, Miguel S. Valles Trade unionism and immigration: reinterpreting old and new dilemmas. *Transfer*, 2003 Volume: 9 no 3, page(s): 469–482 p. 476
- 19 For the experiences of unions in the US and UK see: Chipping Away at the Fortress: Unions, Immigration and the Transnational Labour Market Gamze Avci Christopher McDonald *International Migration* Volume 38, Issue 2 June 2000 Pages 191–213, Cachon and Valles, *Transfer*, 2003 op. cit for Spain, and for the most recent review of 11 EU countries Stefania Marino, Judith Roosblad and Rinus Penninx (eds), *Trade Unions and Migrant Workers: New Contexts and Challenges in Europe*. Cheltenham Edwrd Elgar publishing 2017
- 20 Gedei Henriett "Összefoglaló a munkaerő-kölcsönzők 2018. évi tevékenységéről" Pénzügyminisztérium, Elemzési és Bérpolitikai Osztály, Budapest May 2019 [https://nfsz.munka.hu/Lapok/full\\_afsz\\_kozos\\_statistika/stat\\_osszefogl\\_munkaero-kolcson\\_tevekeny/content/stat\\_osszefogl\\_munkaero-kolcson\\_tevekeny\\_2018.pdf](https://nfsz.munka.hu/Lapok/full_afsz_kozos_statistika/stat_osszefogl_munkaero-kolcson_tevekeny/content/stat_osszefogl_munkaero-kolcson_tevekeny_2018.pdf), pp22, 25, 38
- 21 Penninx, R, Roosblad, J (eds) (2000) *Trade Unions, Immigration, and Immigrants in Europe, 1960–1993: A Comparative Study of the Actions of Trade Unions in Seven West European Countries*. New York: Bergahn, 2000. For reapplications E.g. by Phizacklea and Miles 1992 op.cit but also Marino et al 2017
- 22 Gábor Kertesi and György Sziráczi "Munkásmagatartások a munkaerőpiacon" in Laky Teréz, Ferenc Nemes *Szöveggyűjtemény a Szociológiai alapismeretek és módszerek c. tárgyhoz*. Tankönyvkiadó Budapest 1984. Vol. 2 pp 48–74. We left out the ideal type of marginal workers, as marginal jobs are not present in automotive plants. Their insights are based on other studies See István Kemény *Velük Nevelkedett a gép*. Vita kiadó, Budapest 1990., Héthy Lajos, Makó Csaba „Munkateljesítmény, érdek, hatalom, környezet. . . Új írás 1971/2 sz. 90–104 o. Reprint in: *Szöveggyűjtemény a „Szociológiai alapismeretek és módszerek” című tárgyhoz* II. Kötet. Tankönyvkiadó Budapest 1981 Neumann László (2000): Decentralised Collective Bargaining in Hungary. *International Journal of Comparative Labour Law and Industrial Relations*. Vol 16. No. 2. pp. 113–128).



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## Unionisation of Non-Local Workers: A CAPACITY-BUILDING OPPORTUNITY FOR TRADE UNIONS?



Non-local temporary workers are an indispensable part of industry in Central and Eastern Europe, including in Hungary. If unions want to survive and remain relevant actors in the fast-changing landscape of employment relations they need to think of win-win ways of protecting and possibly also including new groups of marginalised workers as their allies. Any thinking that unions can preserve power via the exclusion of this workforce or by capitalising on their vulnerability will only weaken the union in the short and the long run.



Unions face many constraints but they have to make an effort to increase their capacities, especially via available resources. Such resources include using available know-how, information collection and sharing, support from civil groups, and establishing ties with various social actors.



Trade unions should aim to secure the means to train workers, with their skill development not only directed towards production, but also towards practical language courses for better integration of non-Hungarian speakers. With regular information-sharing sessions, unions should involve (potential) members and thus also prepare for more inclusive collective-bargaining processes.

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