



# Temporary Agency Work as a Form and Channel of Labour Migration in Hungary

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- The main aim of the study was to reconstruct the meaning of temporary work, not only as an employment relationship, but also as a social phenomenon in Hungary. The study also looks into workers' experiences with hiring, triangular employment arrangements, integration, and social relations in workplaces and local communities, as well as perceived effects on individual lives as a specific evaluation of temporary work. This study is based on 40 interviews conducted in 5 counties in Hungary between January and October 2017 with temporary workers from Hungary and neighbouring countries – mostly non-EU – who were working in automotive or electronics user companies.
- Our main finding is that temporary work exemplifies a highly flexible duality. In some cases it was experienced as an opportunity, in others it was felt to be a more coercive arrangement. The contrast was especially striking in the employment arrangements of strictly regulated Transcarpathian (Ukrainian) temp workers as well as local Hungarian workers with dependents on the one hand, and on the other hand other spatially mobile temp workers who could change their workplace and place of habitation with relative ease.
- Specific elements of industrial relations arrangements came into play first of all with regards to individual or group-based problems or demands. The non-transparency of arrangements between temporary work agencies and user companies in terms of fulfilling their obligations both affected temporary workers negatively and increased their sense of dependency. Those employers that avoid complying with legal requirements and obligations seem to have consciously built their practices upon power imbalances, and sought to increase their control over these (temporary) workers.
- One unexpected finding highlighted the problems around housing arrangements for temporary workers. Where housing is substandard (often more than 4 people per room in unhygienic conditions), it is a source of micro-level conflicts, but also fuels resentment from local workers against migrant temp workers who are provided with housing.

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## 1. Introduction

Employment via temporary agencies is an atypical and flexible form of employment. It is based on a triangular relationship, in which an employee signs an employment contract with a temp agency, but (s)he is then leased to a user company, where the actual site of work is located. In Hungary, the use of temp agency employment arrangements has radically increased since 2002. Nevertheless, although its significance is clearly visible, its social implications are not discussed sufficiently in public. There is no autonomous social dialogue involving employer organizations and trade unions about this issue (yet), and no public attention (or at least no sufficiently-informed public discussion) about it. Moreover, a characteristic feature of the Hungarian situation is that the hiring of immigrant workers is occurring in a period of government-induced hostility towards foreigners.

In a situation with a very 'tight' labour market and the sort of flexible, employer-friendly regulations which characterise Hungary, temporary work agencies and informal networks have increasingly begun to play a more important role in attracting, screening and 'supplying' workers from economically depressed regions of Hungary, as well as from non-EU countries, especially from Ukraine and Serbia, to user companies in manufacturing. The Hungarian Labour Code of 2012 and subsequent legal practices offered more autonomy and space to temporary work agencies (TWA) and user companies to agree on a division and distribution of employer rights and responsibilities. In Hungary, TWAs have encouraged migration processes, including the immigration of temporary workers from neighbouring non-EU countries. As there is little awareness, social reflection or open discussion about the nature and social implications of temporary work, its base in international migration, or associated social costs and implications, the main practical aim of this paper is to provide background information to the public and contribute to sufficiently-informed and meaningful discussions.

## 2. Objective and Methodology

Our main research aim was to explore migration trajectories and learn about how people's lives were changing, including the life-work arrangements of guest-workers and (former) temp workers in Hungary. Thus we adopted a bottom-up perspective to assess the role of temporary work agencies in 'supplying' multinationals (in the automotive and electronics sectors) with temporary guest workers from Serbia and Ukraine, as well as Hungarian nationals from more economically-depressed Hungarian counties. Apart from looking into individual mobility motivations, trajectories, and the particularities of industrial relations, we also asked about temp employees' social acceptance in the community and in the workplace. In other words, what we wanted to assess was what it means to be a temp worker – what social and other connotations does it have from the perspective of workers themselves?

The main research questions of the project were the following:

*How were migration decisions made, and how are these decisions playing out in practice for individual migrant temp workers (individual mobility dimension)? What trajectories, cross-regional (internal) and international migration patterns can we detect in the life and career courses of individual temp workers (TAW)? What is the social reception and what is the social distance towards migrant temp workers, and even more specifically, temp workers from Ukraine and Serbia? How does temporary work fit into their past experiences and expected future professional trajectories (expectations and anticipations)?*

To answer these questions, a total of 40 in-depth interviews were conducted between January and October 2017 with temp workers employed in automotive or electronics user companies in five Hungarian counties (Jász-Nagykun-Szolnok, Vas, Győr-Moson-Sopron, Komárom-Esztergom, Veszprém). Our research was predominantly a mapping exercise: due to the lack of information and limited resources we were not able to achieve a representative sample. Nevertheless, with our

interviews we intended to reach certain level of depth and thus reveal the kinds of issues and problems arising from this new form of labour which require societal attention.

### 3. Results

The full report is written in Hungarian and consists of five sections:

1. background of our respondents,
2. assessment of temp agency work as employment form at the start of work,
3. analysis of the triangular relationship among user company, temp agency (representatives) and temp workers,
4. Socialization, everyday problems, social acceptance of (migrant) workers,
5. Evaluation of temp work as a mobility strategy – based on individual experiences.

### 4. Our respondents.

Among our interviewees there were 22 males and 18 females; the average age was a little over 35. The average age is, however, misleading (as the standard deviation of 11.5 indicates). We defined two generational groups: one of respondents in their 20s typically at the start of their work careers (18 respondents). In the other group respondents were typically in their 40s (age between 38 and 50). These were experienced workers, who had changed jobs (15 interviewees). There were only a few interviewees over 50 (4) or in their 30s (3).

All interviewees were employed in production, mostly on the assembly line (35); 23 respondents worked in electronics and 17 in the automotive sector. We both renamed our interviewees and coded our respondents, incorporating their origin-migration background as well as information about the user company (sector, capital intensity, employment stability). A slight majority of our respondents came from abroad (21), while among Hungarian workers we had both workers migrating from economically depressed regions and locals. In the latter category, workers of Roma origin were overrepresented (6 out of 9

respondents). As for educational level, most of our respondents had completed vocational high school; among workers coming from Ukraine (Transcarpathia) and Serbia (Vojvodina) there were more workers with university or college degrees. Among workers with elementary school as the highest level of schooling, workers of Roma origin were overrepresented.

Based on demographic statistics and patterns of career trajectories, we defined a preliminary typology of worker groups: 1. Transcarpathian workers, 2. local, (predominantly) Roma workers with lower qualifications or unstable family background; 3. Relatively mobile Serbian and other workers with Hungarian (or EU) citizenship, 4. mobile Hungarian workers from economically depressed regions in the south or east of Hungary (the most mobile, least precarious group). This typology helped us in discussing the findings, but we also highlighted the role of age, education, and family background. The role of groups of friends or family members who migrate together or follow one other also proved significant.

### 5. Assessment of temp agency work at the entry point (hiring and start of work).

Our respondents could not always tell whether they were temp workers or not. Characteristically they employed many other words to describe their form of employment: being an 'external,' employed via an 'intermediary' or 'sub-entrepreneur.' There were various ways of starting employment as a temp. One common form of employment via a temp agency was an extended probationary period (temp employment being typical for all assembly line workers at the start of their work). In this context, the most mobile workers (mostly Hungarian males) screened temp agencies depending on their 'market' – i.e. access to jobs in certain companies with higher wages or better working conditions. In the case of Transcarpathian workers, personal intermediary connections seemed to positively impact the hiring process. Among Transcarpathians, however, the dependency on temp agencies as

employers was highest, and they could have no hope of getting a standard employment contract at the user company (i.e. the fixed term employment contract with the temp agency being a transitory arrangement). Similarly, local, especially Roma workers were typically hired on a seasonal basis. They could 'leave' the job at any time, or look for alternative local employers for seasonal work, with similar arrangements of high dependency and suboptimal working conditions and wage levels. Workers from Serbia (Vojvodina) were typically in between, sometimes staying at the same temp agency, but more commonly changing among user companies, or requesting such a change. While for (younger) Hungarian workers, employment via a temp agency was a regular, accepted form, and at worst as a 'strange' arrangement, for workers from neighbouring countries it was mostly perceived as a viable job opportunity. Nevertheless, there was also a clear difference between Ukrainian and Serbian workers. While Transcarpathians were used to intermediaries, workers from Vojvodina often referred to temp work as a suspicious arrangement requiring a major check, and entailing a major dramatic choice. Good reputation and personal connections mattered in making the decision to take up a job in a distant place, including travelling more than 400 kilometres to the site of labour.

## 6. Triangular employment relationship in everyday practice.

Typically the exclusive obligation of temp agencies as employers was signing and ending employment contracts, as well as providing all associated administrative and other services – of which housing or securing travel to work were especially common. Typically, however, the temp agency representative was at best symbolically present at the site of labour (e.g. having an office). The personification of 'real' employers was the direct superiors – team leaders or shift leaders employed at the user company.

In many cases, especially in the case of non-Hungarian speaking Transcarpathian workers, there was a lack of information and clarity on

issues related to changes in working time, as well as on how to raise questions or complaints. In some instances, employers did not follow regulations on providing information in an appropriate and timely manner. For workers accommodated in dorms in the Western counties, a typically very sensitive issue was granting paid holiday leave. While remuneration for temp workers could not be lower than for core workers, we have heard from workers that some temp agencies charge extra for various services, thus negatively affecting the net income of workers. Finally, in most critical instances, in companies in the Eastern Jász-Nagykun-Szolnok County, some temp agencies and user companies used the power imbalance instrumentally so as to force overtime work. Most critically, since Transcarpathian workers were hired on fixed term contracts and their work permits were valid only for a specific temp employer, they found themselves in a situation of dependency and insecurity.

## 7. Socialization and social requests, issues at the site of labour and in the new community.

We found that mobile migrant temp workers spend their days predominantly in two spaces: in the dorm or shared apartments and their vicinity, and in their workplaces. Especially in the case of foreign workers from Vojvodina and Ukraine, a dominant, desired pattern is to work intensively and go home for several days' holiday. Securing appropriate accommodation was and remains a crucial and sensitive issue for mobile workers. What we heard, however, suggests that housing arrangements are typically suboptimal. The general assessment was that in community housing arrangements, individual workers cannot have a real private life. Typically, three, four or even eight workers were accommodated in one room. Unsurprisingly, there were many minor or major internal conflicts, especially among people who had not known each other previously and had different lifestyles. Worse, a socially problematic individual, e.g. someone suffering from alcoholism or depression, could undermine this shared life and make cohabitation unbearable. Not

all temp agencies, which were typically in charge of securing housing, were willing to solve such problems. In the assessment of some workers, the large turnover in some of the plants, at least in the western counties of Hungary, was due much more to alarming housing arrangements than because of work requirements.

Our respondents highlighted the issue of acceptance by locals and local core workers. At first, more generally, our mobile interviewees told us that they were relatively well received in their workplace communities. However, typically, when asked more about issues, feelings, friendships established, and the like, the majority of our respondents told us that there were misunderstandings, divisions, and limited social interaction with local core workers, culminating in 'us' and 'you/them' divides. One telling issue was a publicly-voiced complaint of some core workers, who resented that mobile temp workers had their housing arrangements for free, whereas local core workers received no such extra benefits to cover their living costs. The other division was related to granting paid leave, when internal conflicts could erupt between core workers and mobile migrant workers. Core workers, who were left to work during holidays, felt that migrant workers were making excessive demands when they requested extended holiday leave in order to travel home to spend more time with their families.

#### 8. Perspectives stemming from trajectories of individual careers: where does temp work fit?

From the perspective of the geographic origin of our respondents, those from Vojvodina (Serbia) generally considered temp agency work a dramatic, career-altering opportunity or event. They were also the ones who faced a dilemma, weighing up whether to settle in Hungary – close to their workplace – or to make the move to an EU country further west.

The most interesting – and difficult – group to assess is mobile Hungarian workers. In this group, perhaps indicatively, males were overrepresented.

In generational terms, older workers typically had a very difficult, often tragic work-life trajectory. While they typically depended more on the temp agency as employer (e.g. securing good housing) they were also the most careful in selecting the temp agency itself. In the case of younger temp workers, they could aspire to upward mobility, even at the site of work at the user company.

The most precarious groups of temp workers were those of local, mostly Roma workers, and especially Transcarpathian temp workers. For local, especially Roma workers, temp work was just another form of precarious seasonal employment among others. In the life trajectories of these workers, forms of employment changed frequently, depending also on the production cycles of local metal companies. Local workers very often had a sick or disabled family member in need of care, or suffered from illnesses themselves, which prevented them from seeking jobs further afield and/or coping with intensive work requirements for a longer period of time. Transcarpathian temp workers had very precarious, insecure employment arrangements, with up to two years of employment contract and a work permit which was pegged to a concrete employer – a temp agency. Younger respondents had typically been studying in their home country; among older workers we met many with international work experience, but this usually took the form of precarious, seasonal job arrangements. Most of our Transcarpathian interviewees formulated clear strategies to increase their autonomy from their employers, such as learning Hungarian and considering application for permanent residence.

Generationally, the temp agency seemed to be judged more as an accepted, 'normal' form or channel among our younger and most mobile respondents.

#### 9. Conclusions

Based on the experiences related to us by our interviewees, we can conclude that temp agency employment is a Janus-faced arrangement for individual life careers and trajectories. That is, it

provides and stands for a flexible, dual arrangement. For the most mobile (especially younger respondents without dependents, and Hungarians or Hungarian-speakers from areas such as Vojvodina) it can feature as a springboard. For the most vulnerable groups, (locals, especially Roma, domestic caretakers, Transcarpathians, most often women) however, it denoted an almost coercive situation of dependency.

In terms of industrial relations, we could see that it mattered whether a user company or temp agency followed legislation and regulation strictly, or only in more lax manner. In the latter case, consciously using the power imbalance in their favour, we identified several cases of employer violations of employee rights, sometimes extending to misconduct. Even without clear violations of employee rights, temp agencies, sometimes hand in hand with user companies, used their power to put pressure on workers, highlight dependency, and foster insecurity to make workers more docile.

In our research we unexpectedly discovered how significant problems surrounding housing are for temp workers. Even temp workers working for a

'good employer' – the user company – complained about the arrangements and all their side effects. Simultaneously, temp workers highlighted the resentment of core workers stemming from temp workers' housing 'privileges' which were free of charge. The issue of housing has broader social significance, including the lack of opportunities for temp workers to integrate into the local society, issues that call for further public awareness and discussion.

Typically, temp workers did not know to whom they could address any complaints they had. In the best cases, they were lucky to have good team leaders or shift leaders who would represent their voice at higher levels. At the same time, with only one exception, trade unions did not even appear as relevant actors capable of raising or solving worker demands. Finally, in terms of defending and representing employee rights and interests, the most alarming issue is a complete lack of information about where to turn in case of problems. The scale of the power imbalance favouring employers, and the potential for exploitation of the most vulnerable groups, is a further issue that calls for wider awareness and public debate.

## About the author of the brief

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The interviews for the study were conducted by Olena Fedyuk, Cecilia Kovai, Tibor T. Meszmann, and Andras Vigvari. The research and writing of this study was carried out within the AnBlok Kultúra és Társadalomtudomány Egyesület project, generously supported by the Budapest office of the Friedrich Ebert Stiftung (FES) and Die Stiftung für Bevölkerung, **Migration und Umwelt** (BMU - Foundation for Migration, Population, and Environment)

## Imprint

Friedrich-Ebert-Stiftung  
Issued by: Budapest Office  
H-1056 Budapest, Fővám tér 2–3, Hungary  
Tel.: +36-1-461-60-11  
Fax: +36-1-461-60-18  
E-Mail: [fesbp@fesbp.hu](mailto:fesbp@fesbp.hu)

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