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ANALYSIS OF EMPLOYEES MIGRATION IN HUNGARY

Summary

At the beginning of the 21st century the European Union faces the greatest challenge in its history. Several problems were raised due to the joining of new member countries to the EU, one of which – the free movement of people – was the most important.

The 15 EU member-states, with fears of the cheap labour of the ten joining countries, in 2003 introduced days of grace for seven years to restrict the free movement of labour.

However the majority of basic rights came into being before the joining to EU, the free movement of people and rather the free movement of employees became a question of serious debates. Facts did not prove these fears even in the case of France where the figure of a Polish mechanic became a topic of voting campaign in 2005. The expected wave of migrant workers never arrived consequently; countries having opened their labour market after 1 May 2004 were out of danger.

At the same time the areas that lost their inhabitants started to decline in terms of both economy and society. This is one of the main reasons for revitalization, which could support the improvement of socio-economic factors of rural areas, decreasing the unfavourable effects of migration. The newer reconsideration of the transition period is coming at an early date; we made a quantitative research with face to face method in Hungary in August 2008. In the questionnaire we analyzed the migration potential of the Hungarian people with 1200 members national representative sampling.

Key words: labour migration, EU, factor analysis

Introduction

Aspects of revitalization, living factors and migration

Migration and revitalization of rural areas are in close relation. The ultimate aim of the revitalization is to improve living conditions of lifeless areas and to decrease the economy-motivated migration willingness.

During the 1990s in the Hungarian socio-economic structure significant changes happened. The urban and rural areas had push and pull factors, which induced inner migration in Hungary [Brown, Schafft, 2002]. From the downsized socialist industrial cities (e.g. Miskolc) the population flowed out to the new developing centres and the city agglomerations (rural areas). At the same time the new centres, developed along the new technological and service functions, powerfully pulled the immigration. Migration from the rural to the urbanized areas increased, at the same time a reflow could be observed, which was characterized by a small part of the urban intellectuals, who started the revitalization of earlier uninhabited settlements (e.g. Gyűrűfű) and adapted and/or developed new sustainable socio-economic living models (i.e. starting ecological farming, formed eco-settlements).

After the transition the former socialist industrial cities of the Central-Eastern European countries (e.g. Miskolc in Hungary or Gdansk as an emblematic urban of Polish economy in Poland) faced new significant challenges as a result of their role having been changed, and in terms of liveability, their revitalization is claimed, which decreases migration of inhabitants, too [Polańska, 2008].

Perfection of living conditions contributes to the improvement of the feeling of life quality to a great extent. Based on American case studies Kotval [1999] pointed out that for example development of the telecommunications, as a soft factor, could be a part of an efficient revitalization strategy.

At the same time it has to be seen clearly, that maintenance of liveability of rural areas requires that revitalization process is not stopped at the level of finishing separate revitalization projects, but complex long term planning and continuous activity is also needed [Wawrzyniak, Sobczyk, 2008].

Possibilities of Employment in the European Union

Free movement of persons, and in the frame of it the free movement of employees, within the EU is one of the four fundamental civil rights (free movement of goods, services, funds and people). The main aim of it – to ensure possibility for work for employees without any discrimination and restrictions in that member-country where the demand for their work has been arisen according to the varying demands of labour market.

The free movement of workers ensures the right for employees:

- 1) *For seeking employment and establishing job in other member-countries as well.*
- 2) Citizens of the European Union have the right *to live*, to move freely on the territory of the EU member-countries and in the case of employment - to settle there without any restriction.
- 3) The Public Law declares that discrimination of employees is prohibited. Prohibited the discrimination of employees – based on their origin, nationality – the salary and working conditions respectively. For example, it is restricted to determine the rate of foreign employees, to prescribe special conditions regarding nationality of the person to be employed and prescri-

be knowledge of the native language without any motivation. The recipient country has to ensure for citizens of other member-countries part of the same social rights which are guaranteed for the native population without any discrimination. Principles of identical manner of treatment should be enforced for other living conditions of migrant employees as well, including social assistance, tax allowance, education, accommodation, civil law, etc., with the aim of ensuring them the same level of life, work and education as for native citizens. (The European Committee 2001) [Lukács, Borbély, 2001].

The free movement of workers did not fully come into being till the present day. Before the accession of the new member-countries, the 15 EU founder-countries asked for a transition period (derogation) in the subject of free employment, which was motivated by economical, social and labour market reasons. There was a fear that the labour market would be filled with cheap employees coming from new member-states. They thought that due to this fact their labour market would be in a dangerous situation. Hungary asked for transition exemption from the Community Law as well, for the case of prohibition of selling and buying the Hungarian agricultural land by the citizens of member-countries.

In the course of the accession negotiations the 15 EU founder countries have got the right for application of their own national regulations – and not the Community Law – in the transition period after the accession. Duration of this transition period – not more than 7 years till the 1st of May 2011, with the years distribution: 2+3+2 years. During this transition period the 15 EU member-countries have the opportunity to prescribe special conditions towards employment of Hungarian workers.

From the end of the fifth transition year till the end of the 7th year, the EU Law-declaring the free employment of workers – could be used only by those countries which proved that the incoming foreign employees would not cause any danger in their labour market.

Three of the 15 EU foundation-countries – Sweden, Ireland and Great Britain – had opened their labour markets for employees of newly joined countries. In case of other countries (France, The Netherlands, Italy, Greece, Spain and Finland) there was existing a shorter or a bit longer transition period; nevertheless they had opened their market as well. Belgium and Denmark fully opened their labour markets for employees from the countries joined to the EU in 2004 after 5-years' long transition period. It should be underlined that from the 1st of May 2009 permission for employment is needed only for labour markets of Austria and Germany. In spite of different kind of restrictions these countries introduced some kind of lightening of some rules for the case of some labour market territories. Rules of the two-side Agreement concluded by Austria and Hungary are in force at present too. For example: regulations for trainees, for workers living close to the border of the countries. In case of persons having special professions these countries have the right to give admission after serious examination.

In case of Germany, there exists a special quota for employment of workers according to the rules of the two-side Agreement which lightens the conditions for

professional and language-training for 12 months' term. From the 1st of January 2005 the program for home sick-nursing and house-holding admits 3-years term for employment. Rules of seasonal employment are in force by now as well.

Countries, which were newly joined to the European Union in 2004 (Cyprus, Czech Republic, Estonia, Poland, Latvia, Lithuania, Hungary, Malta, Slovakia, Slovenia) mutually opened their labour markets. It means that Hungarian employees have the opportunity to be employed freely at these countries. Hungarians have the right to work in Romania and Bulgaria, who joined the EU in 2007.

By joining the EU Hungary became a member of the European Economic Area. Considering that Norway, Liechtenstein and Iceland are not the EU members, but they are members of the European Economic Area treaty that is why all prescriptions of the EU Agreement are existing in case of the European Economic Area. In Norway official permission is needed for employment of workers originated from the 10 countries joined to the EU in 2004. Iceland ensures rights for free employment of workers of these 10 countries, but the employer has to report it. Liechtenstein has worked out a quota-system the labour market respectively.

Material and methods

We used data source available in the EUROSTAT database, and published books in the migration process subject. The research was made on a national representative sample of 1200 people on personal request, using a questionnaire method. The questionnaire examined the willingness of the Hungarians' migration in 2008.

Table 1. introduces the distribution of the sample on the basis of the main background variables (not exhaustive).

Two analytical methods were used in our research:

Cross table analysis: This analysis helped to reveal a certain nominal or ordinal scale of the existing relationships between the measured data. In this case the Chi-square test was used to estimate null-hypothesis the measured data are the same, therefore there is no link between the two versions. If we reject this null-hypothesis with the help of the adequate test function and level of significance, we find that there is a relationship between the characteristics of the test.

Factor analysis: The aim of it – to create artificial variables integrated from a lot of hardly controllable but at the same time co-relating variables, which is to explore hidden behind the data latent interrelation.

For achieving the highest reliability of calculations we used Kaiser–Meyer–Olkin's index number and Bartlett's test.

Table 1

Distribution of the sample on the basis of the main background variables

Gender distribution		
	Number of persons	%
Man	590	49,2
Woman	610	50,8
Total	1.200	100,0
Age distribution		
	Number of persons	%
Between 18–29	303	25,3
Between 30–39	221	18,4
Between 40–49	243	20,3
Between 50–59	210	17,5
60 or older	223	18,5
Total	1.200	100,0
Education distribution*		
	Number of persons	%
Not completed the elementary school	10	0,8
Elementary school	185	15,4
Vocational, vocational schools	341	28,4
High school graduate	474	39,5
Higher education	190	15,9
Total	1.200	100,0
The respondent's legal status/main activity distribution		
	Number of persons	%
Active manual workers	392	32,7
Active intellectual workers	312	26,0
Childcare, childcare fee	36	3,0
Retailed	296	24,7
Student	83	6,9
Household	8	0,7
Unemployed	58	4,8
Other inactive	15	1,2
Total	1.200	100,0

Source: own calculations based on the questionnaire.

Results

In our previous research work [Huzdik, Schwang, Takács, 2009], made on the basis of the same national representative sample by using method of factor analysis we revealed those factors which were essentially influencing the willingness of Hungarians' migration and moreover we tried to find out answers for six additional hypotheses as well.

In our above-mentioned and present research the data analysis was performed using the SPSS statistical program.

In the course of analysis there were found three factors that determine the willingness of the Hungarians' migration. On the basis of analysis:

- age,
- education and,
- income are the factors which are greatly influencing the migration of Hungarians.

With the help of these three factors the involved 51,4% of the data has been successfully explained in the study.

Therefore, we can say that willingness of individuals' to migration is in higher percentage inversely dependent from their age and income and is in direct ratio dependent from the level of education; with the highest level of education the willingness of people to live and work abroad is more evident.

In the course of this research work we investigated the following (11) hypotheses:

- 1) *If somebody has decided to move, it is mostly due to employment.*

78,5% of questioners moved at least once in their life, but only 17,9% of mentioned above questioners declared that they moved due to employment.

So above hypothesis was not proved. (The most frequent reason for moving was the improvement of living conditions – approximately 66%).

- 2) *Male employees are of that opinion that they will find work abroad and will be employed, rather than female.*

The Cross Table analyses and Chi-square test introduced us that there is a significant relationship between the sex of persons and the employment in foreign countries.

While the 30% of women think of the possible work abroad, in the case of men this value – 45%.

- 3) *Young generation think that they have a fair chance of success to be employed and work abroad rather than the elder fellow-countrymen.*

There was explored a significant relationship between the age of people and the willingness to be employed abroad. While 61,2% of young persons (the group of people between ages 18–39) think of possibility to work abroad, only 19% of the group of elder people (of age 40 and higher) think similarly.

From stated above it is evident that our supposition is correct and that younger people are more opened, more venturesome in the question of foreign employ-

ment and supposedly they do not have basically formed living conditions as in the case of elder ones.

- 4) *Persons of low educational level/skilled labourer think that they have a fair chance of success to be employed and work abroad rather than those having higher education.*

There was explored a significant relationship between the level of education and possibility of employment abroad.

The achieved result was contradictory to our hypothesis: with higher level of education the possibility of employment abroad is higher (Table 2).

Table 2

Interrelation between the highest educational level and possibility for employment abroad

The Highest Educational Level	Per cent of persons showing willingness to be employed abroad
Elementary school	27,22%
Vocational school	33,33%
High school graduate	42,25%
Higher education	43,10%

Source: own calculations based on the questionnaire.

- 5) *Single persons are of the opinion that they will find work abroad and will be employed, rather than persons having family.*

Single persons are those persons – according to their own statement – who are living separately, divorced, widows, or unmarried ones.

There was explored a significant relationship this hypothesis respectively as well. The 51,70% of single persons think that there may be a possibility for foreign employment but in the case of married ones/or living with a life-partner this proportion is only 28,07%. The main reasons of it are: partner relationship, emotion, love and banter which have preference over the work.

- 6) *Persons having children of age under 14 think that they will not ever have possibility to be employed abroad.*

There was not explored a significant relation between the **quantity** of children of age under 14 and the possibility of foreign employment. In the case if we shall investigate that the persons have got a child of age under 14, the relationship is provable. What is very interesting, it is just in contrary to that supposed by us.

35,9% of persons having **no** children of age under 14 think that they may have possibility for employment abroad, while 41,12% of persons having children of age under 14 are of the same opinion.

Perhaps it is due to the age of the persons: parents having children of age under 14 probably younger (that is why they are more movable) cooperatively to the

other group having children of age above 14; in to that group of people we include as well older persons having grown-up children, living separately.

7) *Chance for foreign employment does not depend from the actual working status of the person – active (intellectual or physical) or inactive.*

We have to refute our hypothesis, because there was explored a significant relationship between active/inactive employees and the possibility for foreign employment.

While 44,17% of active employees saw the chance for employment abroad, at the same time only 27,9% of inactive persons (mothers' being on child-care leave – GYES or GYED, family members, pensioners, students, unemployed ones, or other inactive people) were of the same opinion.

One of the reasons of such a point of view may be that the inactive persons are more pessimistic: they think if they were not employed at home why it could be possible abroad?

Referring to the previously mentioned, older persons (pensioners) and those persons who are having small children (being on GYES or GYED) for obvious reasons do not want to work abroad any more/ just now.

8) *Individuals living from the income which is beyond the Hungarian average earning see the chance for employment abroad comparatively to those whose earning is above it.*

In that case we have explored a significant relation between the level of income and the possibility for foreign employment. It is introduced in the Table 3.

Table 3

Interrelation between the level of income and possibility for employment abroad

The level of income comparing to the average earning (gross 165 thousand Ft)	The percentage of those who see the chance for work abroad
Income is much beyond the average earning	30,83%
Income is beyond the average earning	28,01%
Having an average earning	43,20%
Above the average earning	47,29%

Source: own calculations.

From the table 3 the following conclusion could be drawn: persons who are living from the income equal to the average earning or above it see the better chance to be employed abroad comparatively to those whose income is beyond the average.

9) *Persons who had been previously working abroad would have greater chance for foreign re-employment.*

The Cross Table analysis and Chi-square test proved our supposition. 65,69% of persons who had been working abroad saw the possibility for foreign re-employment. 33,75% of people who did not work abroad before had the same opinion.

It is due to the following two reasons: those persons, who had been previously working abroad know what will they undertake by re-employment and what it will bring to them (advantages and disadvantages). For persons, who do not have such experience – everything is unknown, questionable and problematic, that is why their interest towards foreign employment is lower.

10) *Persons with knowledge of at least one foreign language are of the opinion that they will have greater chance for foreign employment comparatively to those ones who does not speak any foreign languages.*

Present analysis reckons that person as a foreign language speaker who speaks foreign language at least at the basic level.

On the basis above it could be said that there is a significant interrelation between the knowledge of foreign languages and possibility for employment in foreign countries. Only 20,03% of people without knowledge of foreign languages think that there will be a possibility for finding work abroad. 57,09% of persons with foreign language knowledge think that they will have better chance for working abroad.

There is nothing unusual in the achieved result: that person who can communicate with people in the foreign country thinks that the work abroad is possible for him or her comparatively to person without knowledge of any foreign languages.

11) *In case of possible foreign employment – countries of the European Union are counted to be as the most popular ones.*

It was admitted to questioners to point out primary and secondary target-country as the imagined foreign work-place.

On the basis of our analysis it may be stated that countries of the European Union are the most popular target-places. From the questioners 89,4% of people put EU countries to the first place and 85,4% – to the second place.

Perhaps among the reasons of this achieved result were the following: the fact that Hungary is a member of the EU; conditions of certain EU countries for the free labour flow; desire for higher living standards associated to Western (mostly Western European) countries.

The following table (Table 4) introduces the most popular target-countries.

Conclusions

Opening inner borders of the European Union for the employees has generated a great possibility for migration because of economic reasons. On those areas which are left by inhabitants the socio-economic circumstances start to decline, that further forces the migration willingness. Only the revitalization of these lifeless areas could stop the degradation of local societies and economies, it im-

proves their attraction for the people and makes them a target in contradiction to source of migration.

Present research deals with the migration due to search of work abroad that is – to foreign employment. It was proved that 78,5% of questioners were moved at least once in their life, but only 17,9% of them declared that they moved because of the work – employment. Mostly at the background of the movement lied the desire for improvement of living conditions. Nearly the half of questioners did not wholly preclude the possibility for undertaking work abroad in the future.

Present research shows that greater part of women excluding the possibility of working abroad is higher comparatively to men. Greater part of men expressed that they are sure in their willingness to work abroad (or perhaps they would like to be employed abroad) comparatively to women.

Table 4
Target-countries chosen by the questioners as possible foreign employment countries

Target-country	Primary	Secondary	Total sum	Weight
Germany	103	101	204	307
Great Britain	131	63	194	325
Austria	97	66	163	260
Ireland	19	25	44	63
USA	16	19	35	51
Italy	8	22	30	38
The Netherlands	13	15	28	41
Switzerland	12	11	23	35
Spain	12	10	22	34
Sweden	9	6	15	24

Source: own calculations based on the questionnaire with the help of SPSS program.

What concerns the age of persons, with the lateness in life the chance to be employed abroad decreases. The willingness of people of the age 18–39 to be employed abroad increases while the rate of elder people' willingness significantly decreasing. With progress of individuals' knowledge (higher education level) decreasing the rate of those persons who are excluding the possibility to be employed abroad. With progress of knowledge (as higher the educational level) the possibility for obtaining job, that is to be employed abroad much more increasing.

We found out a significant interrelation between persons' income and possible foreign employment.

The chance for sure employment of the group of people with average income in the future is greater, comparatively to those ones whose income is below the

average earning. So, with the growth of income the possibility of persons to be employed abroad – increases. We have to pay attention to the opinion of those questioners who were previously employed abroad. They think that there is a greater possibility to work abroad again, but what concerns the duration of foreign work – the conceivable term for the most of questioners – app. 1 year. There was found out a significant relation between the knowledge of foreign languages and the possibility for employment abroad. Only 20% of persons without foreign languages knowledge show willingness for foreign employment, at the same time 57% of employees with foreign languages knowledge would like to work abroad.

What concerns the question of the target-countries chosen by the questioners as possible foreign employment countries, the questioners were divided by us into two groups. The preferable target-countries for one of the group were Austria and Germany because of their location. Persons, who would like to work in above mentioned countries, have to obtain official permission for employment. Despite of that fact people are choosing these countries because of the easiness of travelling and they would like to be not far from their families. The other group chooses England or Ireland as primary target-countries, because there is no need in obtaining special employment permissions.

As a final conclusion we would like to underline that Hungarian employees will not cause any danger for EU countries because the movement willingness of Hungarian workers is very low and in case of employment – the one-year term is the most acceptable for them. Among the younger generation and persons with higher educational level the willingness to movement is higher, the main reasons of it are as follows: acquisition of knowledge, proper learning of languages.

At the same time in order to decrease the inner migration forced by living factors the rural areas have to be revitalized to improve the willingness of inhabitants to live there.

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