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Hungary <sup>1</sup>

## Representativeness of the social partners: Agricultural sector – Hungary

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The aim of this representativeness study is to identify the respective national and supranational actors (i.e. trade unions and employer organisations) in the field of industrial relations in the agriculture sector in Hungary. In order to determine their relative importance in the sector's industrial relations, this study will, in particular, focus on their representational quality as well as their role in collective bargaining.

### 1. Sectoral properties

	1993	2004**
Number of companies	25,880****	24,784
Aggregate employment*	229,298	204,900
Male employment*	n.a.	158,000
Female employment*	n.a.	46,900
Aggregate employees	n.a.	80,587
Male employees	n.a.	n.a.
Female employees	n.a.	n.a.
Aggregate sectoral employment as a % of total employment in the economy	n.a.	5.2%
Aggregate sectoral employees as a % of the total number of employees in the economy	8.6%	3.1%

\* Employees plus self-employed persons and agency workers.

\*\* Or most recent data.

\*\*\* Earliest data available (1999).

\*\*\*\* For agriculture and forestry together.

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## 2. The sector's unions and employer organisations

### 2a Data on the unions

#### 2a.1 Type of membership (voluntary vs. compulsory)

By (legal) definition, all unions shall have voluntary membership in Hungary.

#### 2a.2 Formal demarcation of membership domain (e.g. blue-collar workers, private-sector workers, agriculture sector employees, etc.)

There is only one union in the sector: Agricultural, Forestry and Water Management Workers' Trade Union (Mezőgazdasági Erdészeti és Vízgazdálkodási Dolgozók Szakszervezete, MEDOSZ). Beyond agriculture, it represents workers in water management as well.

#### 2a.3 Number of members

MEDOSZ presently has 64 companies and about 5,000 members.

#### 2a.4 Female union members as a percentage of total union membership

N.a.

#### 2a.5 Density with regard to the union domain (see 2a.2)

5% (E).

#### 2a.6 Density of the union with regard to the sector

5% (E).

#### 2a.7 Does the union conclude collective agreements?

Yes.

#### 2a.8 For each organisation, list their affiliation to higher-level national, European and international interest organisations (including cross-sectoral organisations)

MEDOSZ is affiliated to the National Association of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, [MSZOSZ](#)). It has significant international relations: it is a member of EFAT and takes part in the work of the sectors' EU-level social dialogue committee.

Please document these data union by union.

Union density is defined as the ratio of union members to potential union members, as demarcated by the union's domain and by the sector.

If the domain of a union embraces only part of the sector, then the data on density should refer to this part.

### 2b Data on the employer organisations

There is one representative employer organisation in the sector: the National Federation of Agricultural Cooperatives and Producers (Mezőgazdasági Szövetkezők és Termelők Országos Szövetsége, [MOSZ](#)). It takes part in the work of the National Interest Reconciliation Council (Országos Érdekegyeztető Tanács, OÉT), the national tripartite forum. (Interestingly, another smaller agrarian organisation, the Agrarian Employers' Federation (Agrár Munkaadói Szövetség, AMSZ), is also a member of the employers' side of OÉT.)

#### 2b.1 Type of membership (voluntary vs. compulsory)

By (legal) definition, all employers' organisations shall have voluntary membership in Hungary.

#### 2b.2 Formal demarcation of membership domain (e.g. SMEs, small-scale crafts/industry, sub-sectors of agriculture, etc.)

Traditionally, MOSZ represents the successor organisations of cooperatives of the socialist period, while AMSZ represents government-run institutions and water management companies. Nonetheless, this is not a formal demarcation, as both organisations are open to other types of business too.

#### 2b.3 Number of member companies

MOSZ had 891 members in 2002. AMSZ had 2,350 members.

#### 2b.4 Number of employees working in member companies

MOSZ's member companies employed 130,000 in 2002. AMSZ members employed 13,000 to 14,000 (E).

2b.5 Density of the organisation in terms of companies with regard to their domain (see 2b.2)

N.a.

2b.6 Density of the organisation in terms of companies with regard to the sector

For MOSZ it is 4%, for AMSZ it is less than 1%.

2b.7 Density in terms of employees represented with regard to their domain (see 2b.2)

N.a.

2b.8 Density in terms of employees represented with regard to the sector

For MOSZ it is close to 100%, for AMSZ 5–6%.

2b.9 Does the employer organisation conclude collective agreements?

Only MOSZ concludes collective agreements.

2b.10 For each organisation, list their affiliation to higher-level national, European and international interest organisations (including the cross-sectoral organisations).

Both MOSZ and AMSZ are deemed national confederations, thus they are not affiliated to other national organisations. MOSZ is a member of [IFAP](#); there is a working relationship with COPA and COGECA.

### **3. Inter-organisational relationships**

3.1. Please list all unions covered by this study whose domains overlap.

3.2. Do rivalries and competition exist among the unions concerning the right to conclude collective agreements and to be consulted in public policy formulation and implementation?

No, there is only one union in the sector.

3.3. If yes, are certain unions excluded from these rights?

3.4. Same question for employer organisations as 3.1.

3.5. Same question for employer organisations as 3.2.

3.6. Same question for employer organisations as 3.3.

Overlap or rivalry between the employers' organisations is not known of.

### **4. The system of collective bargaining**

Collective agreements are defined in line with national labour law regardless of whether they are negotiated under a peace obligation.

4.1. Estimate the sector's rate of collective bargaining coverage (i.e. the ratio of the number of employees covered by any kind of collective agreement to the total number of employees in the sector).

Based on the data of the Ministry of Employment and Labour (Foglalkoztatáspolitikai és Munkaügyi Minisztérium, [FMM](#)), in 2004, 69.5% (R) of employees were covered by some kind of collective agreement.

4.2. Estimate the relative importance of multi-employer agreements and of single-employer agreements as a percentage of the total number of employees covered. (Multi-employer bargaining is defined as being conducted by an employer organisation on behalf of the employer side. In the case of single-employer bargaining, it is the company or its subunit(s) which is the party to the agreement. This includes the cases where two or more companies jointly negotiate an agreement.)

In 2004, the existing 64 company-level collective agreements covered 21,814 employees, i.e. 27.1% of agrarian employees. The sectoral agreement, concluded in 2003, covered 882 employers which employ 48,250 altogether, i.e. 59.8% of the employees of the sector.

4.2.1. Is there a practice of extending multi-employer agreements to employers who are not affiliated to the signatory employer organisations?

Extension is regulated by the Labour Code, but so far only four sectoral agreements have been extended in the country. The agricultural agreement has not been extended to the whole sector, thus it affects only the member organisations of MOSZ.

4.2.2. If there is a practice of extending collective agreements, is this practice pervasive or rather limited and exceptional?

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4.3. List all sector-related multi-employer wage agreements\* valid in 2004 (or most recent data), including for each agreement information on the signatory parties and the purview of the agreement in terms of branches, types of employees and territory covered

\* Only wage agreements which are (re)negotiated on a reiterated basis. For the definition of ‘sector-related’, see the conceptual remarks. In case of regionally differentiated parallel agreements, an aggregate answer explaining the pattern may be given.

There was no wage agreement or multi-employer wage agreements in the sector in 2004 (or in other years). The abovementioned sectoral collective agreement does not include stipulations on wage determination. The only exceptional wage agreement was concluded for government-owned companies between MEDOSZ and the Hungarian Privatisation and State Holding Company (Állami Privatizációs és Vagyonkezelő Rt., [APV Rt.](#)) in 1999.

## 5. Formulation and implementation of sector-specific public policies\*

5.1. Are the sector’s employer organisations and unions usually consulted by the authorities in sector-specific matters? If yes, which organisations?

Yes, see 5.2 for details.

5.2. Do tripartite bodies dealing with sector-specific issues exist? If yes, please indicate their domain of activity (for instance, health and safety, equal opportunities, labour market, social security and pensions, etc.), their origin (agreement/statutory) and the interest organisations with representatives in them.

Under the auspices of the Ministry of Agriculture and Regional Development (Földművelési és Vidékfejlesztési Minisztérium, [FVM](#)), there is a standing tripartite body called Agriculture and Regional Development Interest Reconciliation Council (Földművelésügyi és Vidékfejlesztési Érdekegyeztető Tanács), with the participation of more than 20 social, professional and civic organisations. It also has different subcommittees specialised for agriculture, forestry, fishery, food industry and sector-related public services.

Since 2004, Sectoral Social Dialogue Committees have been set up in Hungary ([HU0212106E](#)), and one of them is assigned to deal with the agricultural sector. According to the national agreement of September 2004, both employer organisations and unions have to provide a special committee with proofs/documents of their representativity. ([HU0501105F](#)) In February 2006, this special committee issued its statement about the agriculture sector. It recognised MOSZ and MEDOSZ as representative sectoral organisations and declared the Agricultural Sectoral Social Dialogue Committee (Mezőgazdasági Ágazati Párbeszéd Bizottság) officially established with the above two founding members.

Name of the body and scope of activity	Bipartite/tripartite	Origin: agreement/statutory	Unions with representatives (reps)	Employer organisations with reps**
Agriculture and Regional Development Interest Reconciliation	Tripartite	None	MEDOSZ Trade Union of Workers in Agrarian Research and Education (Agrárokztatási és Kutatási Dolgozók Szakszervezete, <a href="#">AOKDSZ</a> )	MOSZ AMSZ National Alliance of Leasers of Public Land (Állami Földet Bérlők Országos Szövetsége) The Federation of Hungarian Food Industries (Élelmiszer-feldolgozók Országos

Council (Földművelésügyi és Vidékfejlesztési Érdekegyeztető Tanács)			Trade Union of Employees in Veterinary and Food Safety Services (Állategészségügyi és Élelmiszer-ellenőrzési Dolgozók Szakszervezete) Trade Union of Employees in Forestry and Wood Industry (Erdészeti és Faipari Dolgozók Szakszervezete) Federation of Foodworkers' Trade Unions (Élelmezésiipari Dolgozók Szakszervezeteinek Szövetsége, <a href="#">ÉDOSZ</a> ) Trade Union of Hungarian Civil Servants and Public Service Employees (Magyar Köztisztviselők és Közalkalmazottak Szakszervezete, <a href="#">MKKSZ</a> ) Trade Union of Employees in Science and Innovation (Tudományos és Innovációs Dolgozók Szakszervezete, <a href="#">TUDOSZ</a> )	Szövetsége, <a href="#">EFOSZ</a> ) Hungarian Federation of Forestry and Wood Industries (Fagazdasági Országos Szakmai Szövetség, <a href="#">FAGOSZ</a> ) Agricultural and Rural Youth Association Hungary (Fiatal Gazdák Magyarországi Szövetsége – <a href="#">AGRYA</a> ) Hungarian Fish Farmers' Association (Haltermelők Országos Szövetsége és Termék Tanácsa, <a href="#">HALTERMOSZ</a> ) National Association of Gardeners (Kertészek és Kertbarátok Országos Szövetsége) Federation of Private Forest Owners in Hungary (Magán Erdőtulajdonosok és Gazdálkodók Országos Szövetsége, <a href="#">MEGOSZ</a> ) Association of Land Owners in Hungary (Magyar Földbirtokosok Országos Szövetsége) National Association of Hungarian Farmers' Societies (Magyar Gazdakörök és Gazdaszövetkezetek Országos Szövetsége, <a href="#">MAGOSZ</a> ) Association of Hungarian Producers' Sales and Service Organisations and Cooperatives (Magyar Termelői Értékesítő és Szolgáltató Szervezetek/Szövetkezetek HANGYA Együttműködése, <a href="#">HANGYASZOV</a> ) Association of Agricultural Enterprises (Mezőgazdasági Gazdasági Társaságok Szövetsége) National Federation of Water Management Associations (Vízgazdálkodási Társulások Országos Szövetsége, <a href="#">VTOSZ</a> )
Agricultural Sectoral Social Dialogue Committees (Mezőgazdasági Ágazati Párbeszéd Bizottság)	Formally bipartite	National agreement	MEDOSZ	MOSZ

\* Sector-specific policies specifically target and affect the sector under consideration.

\*\* Including professional and civic organisations.

## 6. Statutory regulations of representativeness

6.1. In the case of the unions, do statutory regulations exist which establish criteria of representativeness which a union must meet so as to be entitled to conclude collective agreements? If yes, please briefly illustrate these rules and list the organisations which meet them.

In the context of the pluralistic union structure, the 1992 Labour Code intended to define detailed criteria for collective bargaining entitlement at company level:

- a trade union shall be entitled to conclude a collective agreement with an employer if its candidates received more than half of the total votes during works council elections;

- if more than one trade union has representation in respect of an employer, the collective agreement can be concluded jointly by all such trade unions if the candidates of these trade unions received more than half of all the votes in works council elections;
- if it is impossible for the trade unions to conclude a joint collective agreement in accordance with the abovementioned, the collective agreement shall be entered into jointly by the trade unions having representation, provided that the candidates of these trade unions received more than half of all the votes during the works council elections;
- if it is also impossible for the trade unions having representation to conclude a joint collective agreement, the collective agreement shall be concluded by the employer and the trade union whose candidates received more than 65% of all the votes during a works council election;
- if in these cases set forth the candidates of the trade unions fail to obtain more than half of all the votes, negotiations leading to a collective agreement may be conducted, but the approval of the employees should be sought to make the collective agreement effective (Section 32–33).

The criteria for having representation at a company are also prescribed by the law: 10% of the votes should be obtained at an election for the works council or at least two-thirds of employees belonging to the same occupational group should be members of the union (Section 29). However, rules are less strict concerning multi-employer agreements.

6.2. In the case of the unions, do statutory regulations exist which establish criteria of representativeness which a union must meet so as to be entitled to be consulted in matters of public policy and to participate in tripartite bodies? If yes, please briefly illustrate these rules and list the organisations which meet them.

The rules for sectoral and national representation for taking part in consultative bodies were established in a draft bill in February 2006, which is not yet on the agenda of the Parliament ([HU0602101F](#)). Sectoral representativity rules are based on a 2004 national agreement between the social partners, which laid down the criteria for deciding which organisations should be deemed representative and which established a special committee to make the decision ([HU0501105F](#)). The complex criteria for participation in the SSDCs include appropriate legal foundations of the organisations, the share of companies and employees covered by them, affiliation to national and international federations, previous experience in social dialogue and collective bargaining, results of the latest work council elections (for unions only), etc. The committee makes its decisions by using a complicated score system and may finally award different status for the applicants: consultative, decision-making and representative decision-making ones.

6.3. Are elections for a certain representational body (e.g. works councils) established as criteria for union representativeness? If yes, please report the most recent electoral outcome for the sector.

Yes, see 6.1 for details.

6.4. Same question for employer organisations as 6.1.

According to the Labour Code, an employer may conclude only one collective agreement with trade unions at a given company/institution.

There is no legal criterion for employer organisations to conclude sectoral collective agreements, but in practice, their by-laws are supposed to include the authorisation to do so on behalf of the members, or a procedure for ratification (or possible opt-outs) concerning the agreement negotiated by the organisation.

6.5. Same question for employer organisations as 6.2.

The same as for unions. See 6.2.

6.6. Are elections for a certain representational body established as criteria for the representativeness of employer organisations? If yes, please report the most recent outcome for the sector.

No.

## **7. Comments**

Collective bargaining in the agricultural sector is relatively immature, as the tradition of company-level bargaining has never been characteristic in the sector due to the cooperative system of the state socialist regime, which paradoxically banned unions from organising cooperative members. Agriculture was fundamentally transformed during the transition period: the vast majority of the cooperatives were broken up until 1992, and former coop members, if they were able to keep their job, became ordinary employees whose employment relationship is regulated by the Labour Code. Other reasons for the relatively low level of union density are the fragmented farm structure, the large number of micro and small organisations and the general adversity to trade unions. As there is no tradition of union organising and collective bargaining in the sector, the abovementioned sectoral collective agreement between MOSZ and MEDOSZ indicates a breakthrough in this field.

Comment on methodology: Following authorisation of each organisation, we used data of trade unions and employer organisations which they submitted for the special committee for establishing representativity.