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Hungary ¹

Representativeness of the European social partner organisations: Post and courier services – Hungary

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 post and courier services 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 on their role in collective bargaining.

1. Sectoral properties

Traditionally, Hungary's post and courier services sector only included the Hungarian Post Company ([Magyar Posta](#)) and the trade unions active in this company. Since the country's economic transition in 1989, a number of private companies have been established to provide courier services, and Hungarian Post has outsourced several non-core activities to smaller firms. Nonetheless, industrial relations actors can only be found at Hungarian Post; as a result, the sectoral social dialogue body is composed of Hungarian Post and the trade unions operating in this company. Given Hungarian Post's importance as an employer, industrial relations institutions cover the majority of employees in the sector. Currently, nine trade unions are operating at Hungarian Post, only two of which are deemed representative partners for social dialogue. The smaller unions have established two, partly overlapping loose sectoral-level federations. Nonetheless, member organisations of these federations have maintained their autonomy concerning policymaking. The relevant actors have the possibility to maintain a kind of subsectoral dialogue in the framework of the sectoral dialogue system assisted and maintained by the government. Besides social dialogue, there is no collective agreement at this level.

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Table 1: Post and courier activities (NACE code 64.1)		
Sectoral properties	2003	2005**
Number of companies	63	87
Aggregate employment*	41,744	40,084
Male employment*	n.a.	n.a.
Female employment*	n.a.	n.a.
Aggregate employees	n.a.	n.a.
Male employees	n.a.	n.a.
Female employees	n.a.	n.a.
Aggregate sectoral employment as a % of total employment in economy	1.52%	1.46%
Aggregate sectoral employees as a % of total number of employees in economy	n.a.	n.a.

Notes: * employees plus self-employed persons and agency workers; ** or most recent data ; n.a. = not available

2. The sector's unions and employer associations

This section includes the following trade unions and employer organisations:

- trade unions which are party to sector-related collective bargaining;
- Although no sector-related collective bargaining takes place, there is a subsectoral bipartite social dialogue body which discusses issues concerning terms and conditions of employment. Two trade unions participate in this body, which are deemed representative based on works council election results:
 - The Postal Trade Union (Postás Szakszervezet, [PSZ](#)), the biggest trade union of Hungarian Post, received 68.57% of the votes at the last works council elections;
 - The Trade Union of Postal Workers (Postások Független Szakszervezete, [POFÜSZ](#)) is also a representative trade union which organises employees of Hungarian Post. It received 11.59% of the votes at the last works council elections;
- trade unions which are a member of the sector-related European Union (EU) federations – namely, the Postal Sector of Union Network International Europa Region ([UNI-Europa](#)) and the Post and Telecom Sector of the European Federation of Public Service Employees ([Eurofedop](#));
- employer associations which are a party to sector-related collective bargaining.

The subsector is dominated by one company – the Hungarian Post Company. According to the National Agreement on Sectoral Social Dialogue in a subsector, if one company in a sector represents at least 80% of the employees, this company should be deemed a representative social partner. Based on this agreement, the Hungarian Post Company is the representative social partner on the employers' side in this particular subsector. Hungarian

Post is a member of the National Association of Strategic and Public Utility Companies (Stratégiai és Közszolgáltató Társaságok Országos Szövetsége, [STRATOSZ](#)); however, based on the abovementioned rule, STRATOSZ is not the representative body for employers in the sector;

- employer organisations which are a member of the sector-related European employer federation – that is, the Association of European Public Postal Operators ([PostEurop](#)).

Hungarian Post is affiliated to PostEurop.

2a Data on the unions

2a.1 Type of membership (voluntary or compulsory)

Membership is voluntary.

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

There are nine trade unions operating in this sector. All of these unions only represent employees of the Hungarian Post Company.

- PSZ represents the majority of employees, without any demarcation within Hungarian Post.
- The second most important union is POFÜSZ, which also only represents employees of Hungarian Post, without any demarcation.
- The Workers Council of Independent Trade Union of Postal Workers in Debrecen (Postások Független Szakszervezete Debreceni Munkástanácsa), affiliated to POFÜSZ, represents postal workers in the eastern Hungarian city of Debrecen. It has 110 members.
- The Workers Council of Independent Trade Union of Postal Workers in Veszprém (Veszprémi Postások Munkástanácsa), also affiliated to POFÜSZ, represents postal workers in the city of Veszprém.
- The Postal Employees' Union (Postai Munkavállalók Érdekvédelmi Szakszervezete, [POMÉSZ](#)), the Trade union of Hungarian Postal Workers (Magyar Postások Érdekvédelmi Szövetsége, MAPÉSZ) and the Postal Interest Representation '92 ([Postai Érdekvédelem '92](#)) are smaller trade unions with few hundred members, which claim to represent employees of Hungarian Post without any demarcation.
- The Union of Mail Deliverers (Kézbesítők Szakszervezete, [KÉSZ](#)) is a small trade union representing mail delivery workers.
- The IT Workers' Trade Union (Informatikai Munkavállalók Érdekvédelmi Szakszervezet, [IMÉSZ](#)) represents employees involved in information technology (IT).

Due to the Hungarian Labour Code, only PSZ and POFÉSZ (member-unions of POFÉSZ are listed in 2.a.8) are representative trade unions which have the right to conclude an agreement. Nevertheless, the collective agreement of Hungarian Post is also signed by the trade unions listed in 2a.8.

2a.3 Number of union members (i.e. the total number of members of the union as a whole)

- PSZ – 20,312 members
- POFÜSZ – 4,042 members
- POFÜSZ in Debrecen – 280 members
- POFÜSZ in Veszprém – 230 members
- POMÉSZ – 1,000 members.
- IMÉSZ – 110 members
- MAPÉSZ – 1,000 members
- Postai Érdekvédelem '92 – data not available
- KÉSZ – 340 members

Seven smaller unions are members of two rather loose trade union subsectoral associations. The Federation of Trade Unions of Hungarian Posts and Communications Employees (Postai és Hírközlési Dolgozók Szakszervezeti Szövetsége, [PHDSZSZ](#)) is the association of the following trade union organisations: POFÜSZ; POFÜSZ in Debrecen; POFÜSZ in Veszprém; POMÉSZ; IMÉSZ; MAPÉSZ; and Postai Érdekvédelem '92.

PHDSZSZ also represents employees from the telecommunications sector. It has 7,362 members altogether, 4,400 of whom work in the postal sector. Overall, it has 18 member organisations, seven of which are from the postal and courier services sector.

The Independent Interest Representation Alliance of Postal Workers (Postások Független Érdekvédelmi Szövetsége, [POFÉSZ](#)) is the association of the following four trade unions: POFÜSZ; POFÜSZ in Debrecen; POFÜSZ in Veszprém; and IMÉSZ.

2a.4 Number of union members in the sector

There are approximately 27,000 trade union members in the sector.

2a.5 Female union members as a percentage of total union membership

Data not available

2a.6 Density with regard to the union domain (see 2a.2)

PSZ: 52.4%

POFÜSZ: 10.4%

2a.7 Density of the union with regard to the sector

PSZ: 50.7%

POFÜSZ: 10.1%

2a.8 Does the union conclude collective agreements?

There is no sector-related collective bargaining. Nonetheless, a subsectoral bipartite social dialogue body does exist which discusses issues related to terms and conditions of employment. Moreover, a collective agreement has been signed at Hungarian Post by PSZ and POFÉSZ.

The members of POFÉSZ which had a mandate to conclude this agreement were: POFÜSZ, MAPÉSZ and Postai Érdekvédelem '92.

2a.9 For each association, list their affiliation to higher-level national, European and international interest associations (including cross-sectoral associations)

Information was available for the following trade unions (considering the signed affiliations of 2a.3):

- PSZ, the biggest and probably most important trade union in the sector, is affiliated to the National Association of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, [MSZOSZ](#));
- POFÜSZ, the other representative trade union in the sector, is affiliated to the National Federation of Works Councils (Munkástanácsok Országos Szövetsége, [MOSZ](#));
- POFÜSZ in Debrecen is also affiliated to MOSZ, as is POFÜSZ in Veszprém;
- POMÉSZ is affiliated to the Trade Unions' Cooperation Forum (Szakszervezetek Együttműködési Fóruma, [SZEF](#));
- PHDSZSZ is also affiliated to SZEF.
- MAPÉSZ and Postai Érdekvédelem '92 are affiliated to the Democratic League of Independent Trade Unions (Független Szakszervezetek Demokratikus Ligája, [LIGA](#));
- KÉSZ is affiliated to the Autonomous Trade Union Confederation (Autonóm Szakszervezetek Szövetsége, [ASZSZ](#)).

2b Data on the employer associations

Hungarian Post acts as a quasi employer organisation and, in this sense, is the only employer organisation in the post and courier services sector. The company employs 38,742 out of a total 40,084 employees in the sector.

2b.1 Type of membership (voluntary or compulsory)

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2b.2 Formal demarcation of membership domain (e.g. small and medium-sized enterprises (SMEs), small-scale crafts/industry, sub-sectors of post and/or courier services, etc)

Hungarian Post Company Ltd.

2b.3 Number of member companies (i.e. the total number of members in the association as a whole)

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2b.4 Number of member companies in the sector

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2b.5 Number of employees working in member companies (i.e. the total number in the association as a whole)

Hungarian Post employs 38,742 persons in total.

2b.6 Number of employees working in member companies in the sector

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2b.7 Density of the association in terms of companies with regard to their domain (see 2b.2)

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2b.8 Density of the association in terms of companies with regard to the sector

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2b.9 Density in terms of employees represented with regard to their domain (see 2b.2)

100%

2b.10 Density in terms of employees represented with regard to the sector

96.65%

2b.11 Does the employer association conclude collective agreements?

Hungarian Post has concluded a collective agreement covering all of the company's employees.

2b.12 For each association, list their affiliation to higher-level national, European and international interest associations (including the cross-sectoral associations)

Hungarian Post is a member of PostEurop and is affiliated to STRATOSZ as a national level employer confederation.

3. Inter-associational relationships

3.1. Unions whose domains overlap

See 2a.2 and 2a.3

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?

Rivalry and inter-organisational tension naturally arises from time to time, especially during works council elections.

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

Non-representative trade unions are excluded from these rights (see 2b.11).

3.4. Same question for employer associations as 3.1

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3.5. Same question for employer associations as 3.2

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3.6. Same question for employer associations as 3.3

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4. The system of collective bargaining

4.1. Sector's rate of collective bargaining coverage

There is one collective agreement in the sector, namely that concluded at Hungarian Post. This agreement covers all of the company's employees. At sectoral level, this collective bargaining rate amounts to 97%, due to the fact that Hungarian Post makes up 97% of the sector in terms of employment.

4.2. Relative importance of multi-employer agreements and of single-employer agreements as a percentage of the total number of employees covered

There is no multi-employer agreement in the sector (see 4.1).

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

See 4.2.2.

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

While there are examples of where collective agreements have been extended, this has never occurred in the postal and courier services sector. Based on the Hungarian Labour Code, the Minister of Labour and Social Affairs authorises the extension of collective agreements. The Minister exercises the right of extension according to the Act on Public Administrative Procedures. It should be noted that the regulation was introduced prior to the establishment of sectoral social dialogue bodies. Thus, the regulation does not have stipulations concerning the sectoral dialogue committees nor does it lay down the criteria for significant sectoral-level social partners. This part of the Labour Code has not yet been amended to take into account the institution of the sectoral dialogue system and the respective social partner agreements on representativeness.

4.3. Sector-related multi-employer wage agreements* valid in 2005 (or most recent data)

There is no sector-related wage agreement.

The annual wage agreement of Hungarian Post is concluded between the employer and the trade unions PSZ and POFÉSZ. However, the negotiations are assisted by the Ministry of Economy and Transport (Gazdasági és Közlekedési Minisztérium, [GKM](#)).

5. Formulation and implementation of sector-specific public policies

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

A Subsectoral Social Dialogue Committee exists in the sector. The social partners representing the sector on this committee are Hungarian Post and the two major trade unions representing employees at the company. Hungarian Post and the representative trade unions may initiate negotiations with the GKM and the National Communication Authority (Nemzeti Hírközlési Hatóság, [NHH](#)). The most recent important consultation took place on the issue of the sector's liberalisation.

5.2. Do tripartite bodies dealing with sector-specific issues exist?

Name of body and scope of activity	Bipartite/tripartite	Origin: agreement/statutory	Trade unions with representatives	Employer organisations with representatives
Subsectoral Social Dialogue Committee	Bipartite assisted by government authorities	National Agreement on Sectoral Social Dialogue Own Constitution of the Committee Resolution of Committee of Participation Permission	POFÜSZ PSZ	Hungarian Post Company Ltd

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

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?

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

Accordingly, if only one trade union is active at the employer, and it received 50% of the works council election votes, this trade union has the right to conclude the collective agreement.

If there is more than one trade union at the employer, then – as a basic rule – all trade unions jointly have the right to conclude the collective agreement, provided that they received at least 50% of the works council election votes.

If the collective agreement cannot be concluded by all of the trade unions, the representative trade unions have the right to conclude the agreement, provided that they have received 50% of the works council election votes.

In some cases, not even the representative trade unions can conclude the collective agreement, because they did not receive 50% of the votes cast or failed to reach agreement among themselves on the employees' standpoint. In such instances, the trade union that received 65% of the votes has the right to conclude the collective agreement independently.

If this condition is not even met, the negotiations may be conducted with the participation of all of the representative trade unions who may agree on the wording of the text of the agreement; however, the collective agreement may only be concluded if the employees have voted in favour of it. This voting is not valid unless more than half of the employees take part in it and the majority of voters are in favour of it. In practice, this means that the collective agreement can be concluded with the support of one quarter of the employees (Sections 32–33).

The criteria for achieving representation at a company are also prescribed by the law: at least 10% of the votes should be obtained at the works council election. A trade union may also become representative if it achieves an extremely high level of organisation within one occupational group. As a result, such trade unions also achieve representativeness where a minimum of two-thirds of the employees belonging to the same occupational group at the employer are its members (Section 29). However, rules are less strict in relation to 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?

The rules for sectoral and national representation regarding participation in consultative bodies were set out in a draft bill in February 2006. Together with the bills on the National Interest Reconciliation Council (Országos Érdekegyeztető Tanács, OÉT), the draft bill was passed by the Hungarian parliament but was submitted by the President of Hungary to the Constitutional Court (Alkotmánybíróság, [AB](#)) for a review of its constitutionality ([HU0701039I](#)). Issues raised by the president concern legitimacy in exercising public power with regard to the OÉT and sectoral social dialogue committees. To date, the Constitutional Court has not made a decision. Sectoral representativity rules are based on a 2004 national agreement between the social partners, which laid down the criteria and established a special committee to decide which organisations should be deemed representative ([HU0501105F](#)). The complex criteria for participation in the sectoral social dialogue committees include issues such as the appropriate legal foundations of the organisations, the proportion of companies and employees covered by them, affiliation to national and international federations, previous experience in social dialogue and collective bargaining, and the results of the latest work council elections (for trade unions only). The committee reaches its decisions through a complicated score system and may finally award a different status for the applicants – such as a consultative, decision-making or representative decision-making status.

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.

The most recent works council elections were held at the end of September 2007, with the following results:

- PSZ – won 214,829 votes or 68.57% of the votes;
- POFÜSZ – won 36,300 votes or 11.59% of the votes.

6.4. Same question for employer associations as 6.1

According to the Labour Code, an employer shall conclude only one collective agreement with trade unions at the given undertaking.

There is no legal criterion for employer organisations to conclude sectoral collective agreements. In practice, however, the by-laws of the organisations shall include authorisation for it on behalf of its members, or a procedure for ratification or possible opt-outs concerning the agreement negotiated by the organisation.

6.5. Same question for employer associations as 6.2

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6.6. Are elections for a certain representational body established as criteria for the representativeness of employer associations?

Same answer as 6.4

7. Commentary

Given the dominant role of Hungarian Post within the post and courier services sector, the Hungarian approach to accept this company as a quasi employer organisation is not only legally acceptable but also makes sense practically. It is important to note that the few major courier companies present in the sector appear to offer better terms and conditions of employment than Hungarian Post. Thus, the non-extension of the Hungarian Post collective agreement to the whole sector does not represent a significant problem at present. On the trade union side, two major unions are deemed to be representative social partners based on the results of the works council elections. Nevertheless, smaller trade unions also participate in the collective bargaining process at Hungarian Post; therefore, no major legal disputes have arisen among trade unions in the sector thus far concerning recognition or bargaining rights. However, problems may arise in the future over the fact that trade unions are only present at Hungarian Post and that there is no trade union representation in the sector's courier companies, nor are these companies part of any employer organisations at sectoral level. If liberalisation, and possibly a subsequent privatisation scheme, should diminish the relative importance of Hungarian Post in terms of employment, then representativeness issues may have to be reconsidered.