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Hungary ¹

Representativeness of the European social partner organisations: Railways sector – 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 railways 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. The study is divided into two parts: the first part deals with railway transport operation, based on research carried out in 2006; the second part focuses on rail infrastructure, based on research completed in 2007.

Part 1 – Railway transport operations

1. Sectoral properties

Sectoral properties	1993	2004**
Number of companies	n.a.	13
Aggregate employment*	n.a.	n.a.
Male employment*	n.a.	n.a.
Female employment*	n.a.	n.a.
Aggregate employees	n.a.	46,855
Male employees	n.a.	n.a.
Female employees	n.a.	n.a.
Aggregate sectoral employment as % of total employment in economy	n.a.	1.2
Aggregate sectoral employees as % of total number of employees in economy	n.a.	1.7

Notes: * Employees plus self-employed persons and temporary agency workers; ** Or most recent data; n.a. = data not available. NACE = Nomenclature générale des activités économiques dans les Communautés européennes (General industrial classification of economic activities within the European Communities).

¹ **Author:** Adrienn Bálint, Máté Illés and László Neumann

Institution: Institute of Political Science, Hungarian Academy of Sciences

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There are two major railway companies in the sector. The Hungarian State Railways Co. (Magyar Államvasutak, [MÁV](#)) is the service provider for practically the whole country, apart from one region in which the Győr-Sopron-Ebenfurt Railway Co. (Győr-Sopron-Ebenfurti Vasút, [GYSEV](#)) operates. In recent times, a number of new companies, such as MÁV Cargo, have started up business in freight transport.

Although earlier data are not available, it is well known that MÁV has been drastically cutting employment. Between 1990 and 2000 the company cut 63,000 jobs, of which about 15,000 were contracted out. While the company employed 58,000 workers in 2000, it currently employs only about 45,000 workers.

2. The sector's unions and employer associations

This section includes the following unions and employer associations:

- trade unions that are party to sector-related collective bargaining;
- trade unions that are a member of the sector-related European Transport Workers' Federation ([ETF](#));
- employer associations that are a party to sector-related collective bargaining;
- employer associations that are a member of the sector-related Community of European Railway and Infrastructure Companies ([CER](#)).

2a Data on the unions

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

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

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

The union structure is extremely fragmented in the railway sector. Two general unions exist: the Trade Union of Hungarian Railway Workers (Vasutasok Szakszervezete, [VSZ](#)) and the Free Trade Union of Railway Workers (Vasúti Dolgozók Szabad Szakszervezete, [VDSZSZ](#)). Three other unions organise special occupational groups: the Union of Track Maintenance Workers (Pályavasúti Dolgozók Szakszervezete, [PVDSZ](#)), the Engine Drivers' Trade Union (Mozdonyvezetők Szakszervezete, [MOSZ](#)) and the Rail Section of Free Union of Engineers and Technicians (Mérnökök és Technikusok Szabad Szakszervezete, [MTSZSZ](#)). In addition to these five major unions, some smaller unions represent local interests, such as the Free Trade Union Federation of Railway Workers (Vasutasok Független Szakszervezeti Szövetsége, [VFSZSZ](#)) at MÁV.

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

VSZ: 12,000 members.

VDSZSZ: 10,000 members.

PVDSZ: 5,000 members.

MOSZ: 4,300 members.

Rail section of MTSZSZ: 2,700 members; MTSZSZ as a whole: 6,700 members.

VFSZSZ: An estimated several thousand – the exact figure remains confidential.

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

Data not available.

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

VSZ: 25%

VDSZSZ: 21%

PVDSZ: data not available.

MOSZ: 85%

Rail section of MTSZSZ: 70%

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

VSZ: 25%

VDSZSZ: 21%

PVDSZ: 10%

MOSZ: 9%

Rail section of MTSZSZ: 6%

2a.7 Does the union conclude collective agreements?

All of the abovementioned unions (or their company affiliates) conclude collective agreements at MÁV and/or the Győr-Sopron-Ebenfurt Railway Co. (GYSEV).

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

VSZ is a member organisation of the National Association of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, [MSZOSZ](#)) and of ETF.

VDSZSZ is affiliated to the Democratic League of Independent Trade Unions ([LIGA](#)), a member of ETF and the International Transport Workers' Federation (ITF).

PVDSZ belongs to the Alliance of Autonomous Trade Unions (Autonóm Szakszervezetek Szövetsége, ASZSZ).

MOSZ is affiliated to ASZSZ and is also a member of the Autonomous Train Drivers' Unions of Europe (Autonome Lokomotivführer Gewerkschaften Europa, ALE);

MTSZSZ is affiliated to the Confederation of Unions of Professionals (Értelmiségi Szakszervezeti Tömörülés, [ÉSZT](#)).

2b Data on the employer associations

No employer association operates in the sector.

3. Inter-associational relationships

3.1 Unions whose domains overlap

In the pluralistic Hungarian system of unions, no limitation is in place on the number of unions at a particular workplace. It is characteristic that, especially in the case of larger employers such as MÁV in the railway sector, more than one union organises the same group

of employees and are involved in collective bargaining. A clear overlap can be seen between the organisational domains of the ‘general unions’: VSZ, VDSZSZ, VFSZSZ at MÁV.

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?

Traditionally, rivalry among unions for concluding collective bargaining is strong in the sector, especially within MÁV.

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

Altogether, 18 (mainly smaller) unions exist in the sector, but only the abovementioned unions are involved in collective bargaining.

4. The system of collective bargaining

Collective agreements are defined according to national labour law regardless of whether they are negotiated under a peace obligation.

4.1 Sector’s rate of collective bargaining coverage

100 %.

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

Collective bargaining takes place at company level only. Both MÁV and GYSEV have a company-level collective agreement in place, concluded by the management and the respective company-based unions. Moreover, within MÁV, a number of local-level agreements have been drawn up, which are in legal terms supplementary to the company-level agreement. Such agreements have been concluded by branches of major MÁV unions to adjust the general regulation of the company-level agreement to local conditions.

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

Neither sectoral nor multi-employer agreements exist in the railway sector, which leaves no possibility to use the extension procedure either.

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?

Yes. For example, they have been consulted on the restructuring of MÁV (see the [Hungarian contribution \(45Kb MS Word doc\)](#) to *EIRO thematic feature on Industrial relations in the rail sector*). VSZ, VDSZSZ and MOSZ are the most influential unions that certainly have a say in such consultations.

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

No sector-wide tripartite body operates in rail transport. In order to cope with the extremely fragmented trade union structure, however, the Railway Interest Reconciliation Council (Vasúti Érdekegyeztető Tanács, VÉT) was set up at MÁV in the early 1990s to channel negotiations, consultations and information processes between unions and management.

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 union structure, the 1992 Labour Code (Sections 32–33) sought to define detailed criteria for collective bargaining entitlement at company level.

- 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 more than one trade union is present 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 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 the latter condition is not even met, the negotiations may be conducted with the participation of all of the representative trade unions, which may agree on the wording of the text of the agreement; however, the collective agreement may be concluded only if the employees have voted in favour of it; this outcome will be determined by vote. The voting is not valid unless more than half of the employees take part, and the majority of the voters are in favour of it. In practice, this means that the collective agreement can be concluded with the support of a quarter of the employees (Sections 32–33 of the Code).

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 are also achieve representativeness where a minimum two thirds of the employees belonging to the same occupational group (profession) at the employer are its members (Section 29 of the Code). However, rules are less strict concerning multi-employer agreements.

In contrast to the meticulous company-level rules, the law does not specify any rules of trade unions representativeness for collective bargaining at sectoral level.

For the purpose of extending the coverage of the sectoral collective agreement, the law states that trade unions considered to be especially representative are those that are the most

significant in terms of the number of their members and the level of employee support. Again, support by the employees should be measured on the basis of the results of the last works council elections held prior to the conclusion of the collective agreement (Section 34 (2) and (3) of the Code).

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 for taking part in consultative bodies were established in a draft bill in February 2006 ([HU0602101F](#)), which was passed by the Parliament on 11 December 2006 but later deferred by László Sólyom, President of Hungary, to the Constitutional Court for a review of constitutionality ([HU0701039I](#)). No decision has been made on the law since then. Sectoral representativeness 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: 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; and results of the latest works council elections (for unions only). The committee makes its decisions by using a complicated score system and, in the end, may award a different status for the applicants: consultative, decision-making and representative decision-making. So far, sectoral social dialogue committees in the railway sector have not been established; therefore, the above criteria have not been applied.

6.3 Are elections for a certain representational body (e.g. works councils) established as criteria for union representativeness?

Yes, see 6.1 for details.

6.4 Same question for employer associations as 6.1.

According to the Labour Code, an employer may conclude only one collective agreement with trade unions at a given company/institution. It is also possible to conclude joint (multi-employer) agreements covering several organisations by management and company trade unions.

No legal criterion exists for employer associations to conclude sectoral collective agreements. Consequently, a sort of voluntary collective bargaining takes place at industry (or industrial branch) level, based on the parties' mutual recognition. In practice, however, the by-laws of employer organisations 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 association.

For the extension procedure, representativeness rules, similar to those for unions (see 6.1), are set by the law. According to these criteria, employer organisations that are considered especially representative are those showing the most significance in terms their membership number, economic importance and the number of employees.

6.5 Same question for employer associations as 6.2.

The same as for unions (see 6.2).

Part 2 – Railway infrastructure

Introduction

Based on the most recent data of the Hungarian Central Statistical Office (Központi Statisztikai Hivatal, [KSH](#)), activities related to transport infrastructure (NACE 63.21) are carried out by 90 small and medium-sized enterprises (SMEs), thus trade unions are hardly able to organise their employees. Five out of the 90 companies are members of different employer organisations. Within the railway sector, the major state-owned company MÁV is currently undergoing major reorganisation. Although numerous spin-off units have already been created (the biggest ones being MÁV Start for passenger transport and MÁV Cargo for freight transport), so far railway infrastructure (characteristically track building and maintenance) remained an integrated part of MÁV. In the other, smaller rail company, GYSEV, railway infrastructure activities are also integrated into the company. Following the major reorganisation of MÁV, however, trade unions are often confused with regard to which of the subsidiary companies their members belong to. Furthermore, activities related to railway infrastructure are carried out by companies in the construction industry as well. Therefore, in Hungary, railway infrastructure is not considered an independent (sub)sector. Most road construction companies carry out road maintenance activities but their main profile falls under NACE 45 relating to construction sector activities and social dialogue in the sector is part of the social dialogue in the construction sector. In sum, neither sectoral collective bargaining nor sectoral social dialogue takes place in NACE sector 63.21.

1. Sectoral properties

Sectoral properties	2003	2005**
Number of companies	103	90
Aggregate employment*	9,576	8,885
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 % of total employment in economy	0.35%	0.32%
Aggregate sectoral employees as % of total number of employees in economy	n.a.	n.a.

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

It is important to note that the above table contains figures from KSH for NACE 63.21, based on companies registered with transport infrastructure as their main field of activity. Also worth noting is the fact that, according to the estimates of experts of the railway sector, about 20,000 employees are involved in railway infrastructure activities at the two railway companies.

2. The sector's unions and employer associations

This section includes the following unions and employer associations:

- trade unions that are party to sector-related collective bargaining;
- trade unions that are a member of the sector-related ETF;
- employer associations that are a party to sector-related collective bargaining;
- employer associations that are a member of the sector-related CER and European Rail Infrastructure Managers (EIM).

2a Data on the unions

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

Voluntary.

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

Eight trade unions represent employees in NACE sector 63.21, according to the database of Committee of Participation Permission (Részvételt Megállapító Bizottság):

- Union of Employees in Bus and Passenger Transport (Autóbusz-közlekedésben és Személyszállításban Dolgozók Uniója);
- Alliance of Transport Trade Unions of Budapest (Budapesti Közlekedési Szakszervezetek Szövetsége, BKSZSZ);
- Trade Union Alliance of Transport Workers (Közlekedési Dolgozók Szakszervezeti Szövetsége, KDSZSZ);
- Public Road Transport Trade Union (Közúti Közlekedési Szakszervezet, [KKSZ](#));
- Sectoral Alliance of Transport Trade Unions of the Democratic League of Independent Trade Unions (LIGA Közlekedési Szakszervezetek Ágazati Szövetsége);
- National Trade Union of International and Professional Drivers (Nemzetközi és Hivatásos Gépkocsivezetők Országos Szakszervezete, NeHGOSZ);
- European Trade Union of Freight Transport Workers (Teherfuvarozók Európai Szakszervezete, TESZ);
- Trade Union Alliance of City Public Transport Employees (Városi Tömegközlekedési Dolgozók Szakszervezeti Szövetsége, VTDSZSZ).

Although KDSZSZ and KKSZ indicated to the Committee of Participation Permission that their membership includes employees from NACE 63.21, in their answer to this questionnaire they replied that they have no members among employees in railway infrastructure. The same situation may also hold true for the other abovementioned unions predominantly organising employees of the road transport sector. It is possible that VTDSZSZ organises workers in a small fraction of railway infrastructure, namely in the suburban train system.

Furthermore, two unions, the Trade Union of Public Road Workers (Közúti Dolgozók Szakszervezete, KDSZ) and the Trade Union of Workers in Road Construction and Civil Engineering (Közlekedési és Mélyépítők Szakszervezete, KMDSZ), have obviously members working in NACE 63.21, but they did not appear at the sectoral level social dialogue.

Based on data from KSH, no activity or division of MÁV falls under the category of NACE 63.21, although the company carries out related activities. One trade union is specialised in

this field of activity – PVDSZ, with about 1,000 members in NACE 63.20. This union does not participate in sectoral level dialogue either, because it negotiates together with other unions of MÁV and participates in the VÉT (see 5.2).

The biggest union at MÁV is VSZ, which has approximately 6,000 members working in the railway infrastructure sector. However, according to a VSZ staff member, their registration is not precise, nor updated. The other major union at MÁV is VDSZSZ with 5,000 members working in railway infrastructure activities. The Free Trade Union of Workers of Győr-Sopron-Ebenfurt Railway (Győr-Sopron-Ebenfurti Vasút Dolgozók Szabad Szakszervezete, GYDSZSZ) organises the workers of the Hungarian-Austrian border railway transport. They also carry out activities in sector 63.21, but the number of members in the railway infrastructure sector amounts to about 200 people only.

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

- Union of Employees in Bus and Passenger Transport: 2,564 members
- BKSZSZ: 3,035 members
- KDSZSZ: 2,226 members
- KKSZ: 13,993 members
- Sectoral Alliance of Transport Trade Unions of the Democratic League of Independent Trade: 1,046 members
- NeHGOSZ: 1,046 members
- TESZ: 1,700 members
- VTDSZSZ: no data available
- PVDSZ: about 1,000 members
- GYDSZSZ: 1,000 members
- KDSZ: about 600 members
- KMDSZ: 1,200 members
- VSZ: 11,000–12,000 members (data are not exact, as this estimate was given by a representative of VSZ)
- VDSZSZ: 10,000 members

2a.4 Number of union members in the sector

Apart from estimates on VSZ (6,000 members in the sector), VDSZSZ (5,000) and GYDSZSZ (200), this study could not determine the exact number of trade union members in NACE sector 63.21.

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

No data available.

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

No data available.

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

No data available.

2a.8 Does the union conclude collective agreements?

PVDSZ, VSZ and VDSZSZ conclude company-level agreements together with two other unions in the framework of the VÉT, which covers workers employed by MÁV.

KMDSZ concludes agreements in the Construction Sectoral Social Dialogue Committee, which covers the workers and companies of NACE 45, and settles collective agreements at the level of its member companies.

GYDSZSZ concludes company-levels agreement at GYSEV.

KDSZSZ and the Union of Employees in Bus and Passenger Transport conclude sectoral agreements for bus transport.

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

Only those unions that have members working in the railway infrastructure sector are listed below (based on information received from the various organisations).

KMDSZ is affiliated to the Federation of Building, Wood and Material Workers' Unions (Építő, Fa- és Építőanyagipari Dolgozók Szakszervezeteinek Szövetsége, ÉFÉDOSZSZ). At national level, it is affiliated to MSZOSZ. At European level, it is affiliated to the European Federation of Building and Woodworkers ([EFBWW](#)). At international level, it is affiliated to the Building and Wood Workers' International ([BWI](#)).

VSZ is affiliated to MSZOSZ and ETF.

VDSZSZ is affiliated to LIGA and ETF.

GYDSZSZ is affiliated to VDSZSZ. Through VDSZSZ, it is affiliated to LIGA and ETF.

KDSZ in Szeged is not affiliated to any higher-level union.

No information is available regarding the affiliations of PVDSZ.

2b Data on the employer associations

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

Voluntary.

2b.2 Formal demarcation of membership domain (e.g. SMEs, small-scale crafts/industry, subsectors of transport, etc)

Two organisations indicated in the registration sheet of the Committee of Participation Permission that they have members operating in NACE 63.21:

- National Alliance of Carrier Enterprises (Fuvarozó Vállalkozók Országos Szövetsége, [FUVOSZ](#))
- Hungarian Road Transport Association (Magyar Közúti Fuvarozók Egyesülete, [MKFE](#))

These associations participate in the work of the sectoral social dialogue committee in the subsector of public road transport.

Data from the Committee of Participation Permission show that the National Federation of Hungarian Contractors (Építési Vállalkozók Országos Szakszövetsége, [ÉVOSZ](#)) has also member companies that carry out activities in NACE 63.21. ÉVOSZ participates in the

Construction Sectoral Social Dialogue Committee (Építőipari Ágazati Párbeszéd Bizottság), but this subsector does not play a role in the activity of this committee.

With regard to railway transport, no employer organisation exists. Therefore, the main bargaining party is MÁV as the employer.

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

FUVOSZ: 2,800 member organisations

MKFE: 1,750 member organisations

ÉVOSZ: 500 member organisations

2b.4 Number of member companies in the sector

Five – FUVOSZ has three member companies and MKFE has two member companies, all of which are small and medium-sized enterprises (SMEs), without unionised workers.

No data are available for ÉVOSZ.

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

No data available.

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

No data available. Their number, however, must be very low since the abovementioned five companies are SMEs.

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

No data available.

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

No data available.

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

No data available.

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

No data available.

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

No sectoral-level agreement is currently in place in relation to NACE 63.21.

FUVOSZ and MKFE partake in the Road Transport Sectoral Social Dialogue Committee (Közúti Közlekedési Szolgáltatók Alágazati Párbeszéd Bizottsága) and conclude sectoral collective agreements that also cover NACE 63.21.

ÉVOSZ also concludes sectoral agreements for the construction sector.

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

ÉVOSZ is affiliated to the Confederation of Hungarian Employers and Industrialists (Munkaadók és Gyáriparosok Országos Szövetsége, [MGYOSZ](#)) and the National Association of Entrepreneurs and Employers (Vállalkozók és Munkáltatók Országos Szövetsége, [VOSZ](#)). At international level, it is affiliated to the European Construction Industry Federation ([FIEC](#)), the Federation of European Window and Curtain Walling Manufacturers' Associations ([FAECF](#)) and [EuroWindow](#).

FUVOSZ and MKFE have no international relationships.

Employer density in terms of companies is defined as the ratio of member companies to the potential member companies, as demarcated by the employer associations' domain and by the sector.

Employer density in terms of employees is defined as the ratio of the number of employees working in the member companies to the number of employees working in the potential member companies, as demarcated by the employer associations' domain and by the sector. If the domain of an employer association embraces only part of the sector, then the data on density should refer to this part.

3. Inter-associational relationships

3.1 Unions whose domains overlap

See section 1.

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?

Traditionally, rivalry among unions is very strong at MÁV. The representativeness of PVDSZ is questioned by VSZ and VDSZSZ. PVDSZ refers to the stipulation of the Labour Code that recognises a trade union as a bargaining partner if it organises the qualified majority of employees belonging to the same occupational group (profession) at the employer. The other unions at MÁV refuse this claim, as they do not consider 'track workers' as an occupational group (profession).

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

No.

4. The system of collective bargaining

Collective agreements are defined according to national labour law regardless of whether they are negotiated under a peace obligation.

4.1 Sector's rate of collective bargaining coverage

Based on data from the Ministry of Social Affairs and Labour (Szociális és Munkaügyi Minisztérium, [SZMM](#)), a total of four company-level collective agreements are in place:

- VSZ concluded two agreements;
- KDSZ concluded one agreement;
- MKKSZ concluded one agreement – however, no information is available on the membership of this union related to NACE 63.20.

These companies are state-owned companies carrying out public road or railway maintenance activities. In statistical terms, the coverage among the companies registering NACE 63.20 as their main area of activity is close to zero.

Nonetheless, collective agreements at the two major rail companies also cover employees in the railway infrastructure sector. In this regard, the coverage rate in railway infrastructure is 100%, or more precisely, close to full coverage, if one takes smaller companies in the railway infrastructure sector into consideration.

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

At the moment, no multi-employer bargaining takes place. However, reorganisation of MÁV may result in multi-employer bargaining, if trade unions manage to maintain collective bargaining at the level of the whole railway system, namely that a multi-employer agreement will cover numerous spin-off companies.

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

Not in this sector.

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?

PVDSZ, VSZ and VDSZSZ are usually consulted by the authorities at VÉT.

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

Name of body and scope of activity	Bipartite/tripartite	Origin: agreement/statutory	Unions having representatives (reps)	Employer associations having reps
Railway Interest Reconciliation Council (<i>Vasúti Érdekegyeztető Tanács</i> , VÉT)	Not sectoral; Company-level dialogue at MÁV	Constitution of VÉT	5 trade unions of MÁV, including PVDSZ, as a union of NACE 63.21	MÁV is a state-owned company

Road Transport Sectoral Social Dialogue Committee (<i>Közúti Közlekedési Ágazati Párbeszéd Bizottság</i>)	Bipartite	National agreement and the constitution of the committee Resolution of Committee of Participation Permission	See. 1. (2 of them affiliates 5 companies from NACE 63.21)	See 3. (But none of them affiliates workers from NACE 63.21)
Sectoral Social Dialogue Committee in Construction (<i>Építőipari Ágazati Párbeszéd Bizottság</i>) (NACE 45)	Bipartite	National agreement and own constitution of the Committee Resolution of Committee of Participation Permission	EFEDOSZSZ	ÉVOSZ, VOSZ, IPOSZ

*Note: * Sector-specific policies specifically target and affect the sector under consideration.*
No sector-wide body exists in railway transport. In order to cope with this extremely fragmented trade union structure, however, VÉT was set up at MÁV in the early 1990s to channel negotiations, consultation and information processes between unions and the management. However, as the reorganisation of MÁV continues, the role of VÉT may change as well. As the former integrated rail company splits up into spin-off companies, it is very likely that VÉT will be a forum for umbrella organisations having affiliates in various subsidiary companies.

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

- 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 more than one trade union is represented 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 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 or failed to reach agreement among themselves concerning 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 agreement; however, the collective agreement may only be concluded if the employees are in favour of it. This voting is not valid unless more than half of the employees take part in it and the majority of the 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 (profession) at the employer are its members (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?

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 representativeness 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 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 makes its decisions through a complicated score system and may finally award a different status for the applicants – such as a consultative, decision-making and representative decision-making status.

6.3 Are elections for a certain representational body (e.g. works councils) established as criteria for union representativeness?

No data available.

6.4 Same question for employer associations as 6.1.

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

No legal criterion exists 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.

No data available.

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

Assessing collective bargaining and social dialogue in the railways infrastructure sector has proved to be a particularly difficult task. It should be highlighted that in Hungary no unified social dialogue takes place covering the entire sector. Moreover, in Hungary, rail infrastructure is not considered an independent (sub)sector, while NACE 63.21 seems to represent a broader, mixed category for rail and road transport infrastructure.

Sources of information for this report included the following:

- the database of the Hungarian Central Statistical Office;
- the Collective Agreement Registry of the SZMM;
- the Registry of the Committee of Participation Permission (*Részvételt Megállapító Bizottság*) at SZMM;
- personal interviews with officers in organisations.

Unfortunately, the information provided by officers in the various organisations contacted did not always correspond with the abovementioned registry.

Adrienn Bálint, Máté Illés and László Neumann, Institute for Political Science, Hungarian Academy of Sciences