Hungarian trade unions line up behind Orban government

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The chairmen of two Hungarian trade union confederations, LIGA and Workers' Councils, met for talks with Prime Minister Viktor Orban in April. The meeting, which came at the request of the union representatives, reveals that Hungary's trade unions must now be assigned to the right wing of the political spectrum. The Hungarian government, led by the ultra-nationalist Fidesz Party, is now looking to the unions to impose its far-reaching social attacks.

Although little of the content of the talks has been made public, commentators agree that they concentrated on closer cooperation between Fidesz leaders and the unions in order to control and suppress resistance to the government's ruthless cost-cutting program.

The last such talks between the unions and the head of government had taken place in December of last year. At the time, Prime Minister Orban stated unequivocally that due to his party's two-thirds majority in parliament he placed no value on cooperation, and actually questioned the raison d'être of the trade unions. Now, however, with evidence of mass protest against his austerity program growing, Orban is reconsidering his position.

In recent weeks, protests against the cuts have been conducted by firefighters, police and teachers. The government fears that the sporadic protests could turn into a mass movement.

Public sector workers had already suffered painful cuts in income and allowances under the previous governments led by Gordon Bajnai and Ferenc Gyurcsany. Orban has continued these attacks and recently announced further similar measures.

Additional cuts are to be made in supplementary payments for workers and paid overtime. The retirement age will be raised and redundancy payments, which were essential for older workers given the low level of pensions, are to be subject to a 98 percent tax rate.

This comes following a drastic decline in salaries for the great majority of workers with the introduction of a 16 percent flat tax. Calculations have shown that the flat tax only has a positive affect for incomes exceeding 330,000 forints. The average wage in the public sector, however, is just 200,000 forints (€750).

The protests conducted against these attacks lack leadership and perspective, and on some occasions the extreme right has been able to exploit widespread popular discontent. Police officers, organized in the police union, which is close to the fascist Jobbik organisation, held their own protest demonstrations in Budapest.

Since the collapse of the Hungarian Stalinist state in 1989, the six Hungarian trade union federations have worked closely together with the various governments and supported privatisations and cuts. As a result, they lack any sort of popular support among workers. Their membership has almost halved during the past decade, falling from 20 percent of the total workforce in 2001 to 12 percent in 2009. In the early 1990s, over 70 percent of workers were unionised.

Four trade union federations emerged from the former Stalinist trade union organisation. They maintain close relations to the Socialist Party (MSZP) and represent around four-fifths of all union members, many of whom are in retirement. The LIGA and Workers' Councils were established in the process of the collapse of the Stalinist system and are characterised by their anticommunism.

The Workers' Councils have supported Orban's right-wing politics since he took office. They describe

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themselves as Christian-conservative and their leader, Imre Palkovic, is a strong supporter of the new constitution, which refers to God and country. In the early 1990s the Workers' Councils had considerable influence, but today they have only a few members in the transport industry. It remains unclear how the union is able to fund its relatively large apparatus.

The bigger LIGA seeks to stress its political independence—at least verbally. Its orientation to the political right was an open secret and LIGA chief Istvan Gasko is a fanatical anticommunist. When in 2007 and 2008 right-wing and fascist forces protested against the MSZP government led by Ferenc Gyurcsany, LIGA organised a railway strike and a petition against the privatisation of health insurance. Orban supported both actions at the time. Gyurcsany eventually resigned, paving the way for the triumphant election victory of Orban in 2010.

Gasko's LIGA fully supports Orban's current privatisation program but could not accept the government's onslaught against the incomes of its members and the rights of trade unions without at least a pro forma protest.

An important issue in recent talks with Orban has been the role of the Free Railway Union (VDSzSz), which is also run by Gasko. This group of workers are regarded as among the best paid and most militant in Hungary. This is the main reason why Orban moved to limit the right to strike in public services shortly after taking over government.

Gasko criticised this measure, but did not call for strikes or protests. Instead, he announced that he would solve the problems in a "dialogue" and return to a new "social partnership". The education officer of LIGA, Laszlo Kozak, justified this stance by saying that the union had to take into account the "considerable sympathy" for the Fidesz government within its ranks.

The unions that are close to the MSZP have also refrained from undertaking any action to oppose the cuts and attacks on democratic rights. There are a number of indications of their readiness to also close ranks with Orban.

The two main organisations, MSZOSZ and SZEF, as well as the Autonomous Confederation and the ESTZ, are worried that Orban will curtail the influence of the unions and their extensive privileges. In a joint statement they accused Fidesz of ruining the "consolidated system of industrial relations" between companies and workers.

Since the collapse of the Stalinist regime, the union leaders have been able to profit greatly from this system of "industrial relations". They played a major role in selling off former state property to Western companies and enforcing mass layoffs, wage cuts and plant closures. In many cases the so-called labour leaders were able to make a considerable fortune. They were also able to pocket the proceeds from hiving off the considerable assets and property of the former state union.

In the 1990s, despite their differences, the Hungarian trade unions—all members of the European Trade Union Confederation—supported the integration of Hungary into the European Union. This move resulted in massive cuts in the country's social infrastructure, and it was once again the trade unions that stifled any working class resistance.

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