

Hungary: Fidesz government presents draft of new labour law

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The right-wing government of Hungarian Prime Minister Victor Orban recently submitted the draft for a new labour law, effectively annulling the right to strike. Trade union power will be drastically diminished, and workers' wages and benefits significantly reduced.

The new labour law is a further measure designed to bolster the country's authoritarian and semi-dictatorial political system. It comes on the heels of last year's media law considerably limiting Hungary's press freedom and the adoption of a reactionary constitution directly drawing from the tradition of the Horthy dictatorship of the 1940s.

The 193-page draft labour law legislation can be passed due to the Fidesz Party's two-thirds majority in parliament. By enforcing the law, Orban's main objectives are to disempower the trade unions and virtually criminalise strikes.

The right to strike in Hungary is already extremely limited. Courts usually find in favour of employers in the case of strikes—in either the first or second instance. This is evident from the balance of proceedings in the current year.

None of the nine strike proposals in the first half of this year reached the second instance. In the case of the strike application from trade unions of the Budapest Transport Company, the court's positive ruling in the first instance was dismissed, because it had not established "the facts necessary for arbitration, as prescribed by the strike law to be observed by the labour courts". The higher labour court also found that strikes against government measures were not permitted. This was cited in another case in order to invalidate a strike planned against government legislation.

The new labour law also contains wording that outlaws strikes against measures undertaken by the

government. Any protest against government austerity policies will therefore be suppressed.

On the other hand, state and private enterprises will be exempt from providing a number of previously regulated social benefits for employees. For example, the draft legislation provides for:

- Reduction of shift work and overtime allowances
- Cutting of holiday entitlement
- Termination of employment protection for mothers on maternity leave and older workers
- Requirement of employees to accept changes in their field of work, without having a say in the matter
- Obligation for employees to pay a security deposit if they handle money in the run of their work, and to pay the full amount for any damages they cause
- Restriction of the right to severance pay after termination by the employer
- Employers' right to pass on employees' personal data without their consent to third parties

Workers' representation by trade unions will be largely abolished by additional measures. Workers will no longer be able to be represented by unions in courts or before authorities. Furthermore, job protection and working hours concessions for trade union representatives on the company site will be repealed.

The law also includes already adopted regulations on forced labour for the long-term unemployed, obliging them to work on construction projects and in agriculture, or otherwise to forfeit government welfare aid. These regulations will particularly affect the country's Roma people, who are disproportionately victims of unemployment and poverty.

Representatives of big business have expressly welcomed the proposed legislation. Laszlo Parragh, the president of the chamber of commerce and industry, has repeatedly demanded a reform of labour law. He

claimed that the role of trade unions should be reconsidered because it will hinder the structural reform of the system. He also warned that the current labour code of law constituted a “a giant obstacle to competitiveness”.

The proposed legislation has unleashed panic in the trade union headquarters. The Hungarian unions have worked closely with the various governments over the last 20 years. In the years following 1989, they played a key role in dismantling state-owned companies and transferring them into private hands. They suppressed each and every protest against the mass layoffs and wage cuts associated with the sell-out.

In the late 1990s, the unions positioned themselves emphatically on the side of the governments, which were pressing for accession into the European Union and the associated reforms to labour and social welfare laws so detrimental to the workers.

As a result of the betrayals of its leadership, trade union membership has slumped in Hungary from an estimated 3.9 million union members (83 percent of the country’s 4.3 million employees) in 1990 to around half a million today (about 15 percent of the working population). The largest concentration of union membership is in the public sector and in large public utility companies. The banning of strikes in these sectors means that the government will have virtually dictatorial control over all aspects of public life.

Following Orban’s assumption of power, the unions focussed on close cooperation with his right-wing Fidesz Party, despite the fact that Orban had labelled unions leader as “clowns” in 2010. When Fidesz began at the end of last year to question even the right of trade unions to exist, the major union federations responded with further move to the right, offering themselves to the government as willing stooges ready to suppress the protests that would inevitably follow the drastic cuts in public spending.

It is therefore hardly surprising that the unions are now desperately appealing to Orban, warning him against trying to carry out the attacks on the Hungarian population without their support.

Now, the unions fear that the government’s latest measures will deprive them of their privileges and access to state funds. Four trade unions confederations have announced plans to demonstrate in front of Parliament on September 12. Peter Szijjarto, Prime

Minister Viktor Orban’s spokesman, made clear that the government was not prepared to back down and declared that anyone who fails to understand the necessity of a new labour code stands up for unemployment.

The union leader Laszlo Herczog—who until last year held high offices of state as under secretary and minister in Gordon Bajnai’s socialist minority government—said, “The weakening of trade unions is consciously intended. Not by the experts, but by the politicians.... The prevention of conflict should be the responsibility of the legislature; instead, the weakening of the position of workers and their organisations is giving rise to the logic of destructive confrontation”.

The *Pester Lloyd* newspaper further quotes Herczog unambiguously warning of a social explosion. If the government refuses to take the unions on board, he says, “the situation will be like when you heat water in a pot with the lid on tight.... Tensions are mounting and that can cause an explosion”.

Numerous right-wing trade unionists—such Istvan Gaskoas, an anti-communist and supporter of Orban’s policies—have also warned the head of government: “If strikes are outlawed, then the government will be forcing protest onto the streets, with all the attendant risks”.



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