

## LABOUR MARKET INTEGRATION ISSUES RELATED TO MIGRANTS ARRIVING TO HUNGARY

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**Abstract:** *The migration flows appearing in the recent years have gained central relevance in Hungary. Previously people were having no opinion about the current situation of issues related to migration but the increased media attention lead to the development of mixed attitudes among people. Some people feel sorry for the families who are coming from the war zones and lost their homes, others have fear of losing their position at work, or their families because of the acts they have heard from the media and they are hostile to the issue of integration whether it is about education or the labour market. According to the statistical data; in the third quarter of 2015, more than hundred thousand asylum-seekers arrived to Hungary, which dropped drastically in the fourth quarter caused by the significant transformation of the asylum process. This study is intended to serve two objectives: first describe the comprehensive picture of labour market attitudes towards migrants and secondly to identify factors that affect the employment of foreigners in Hungary using secondary data sources. Based on this analysis those questions can be formulated, which may constitute a basis for further labour market researches for the integration of migrants. From our point of view there are vital aspects of the migrants' successful social integration; we have to integrate the migrants who are coming to our country and plan to stay for a longer time to the field of education and the labour market. The social integration of migrants in a country is closely linked to employment, to the integration into the labour market, and in many cases one of the obstacles in this regard is the prejudiced behaviour and negative attitudes towards migrants which manifests itself as the discrimination in the labour market. The results of the European Commission confirm that in Hungary the ethnicity as a variable appears to be the second on the list of the most serious discrimination factors. Research results show that labour market discrimination is clearly increasing, the location of disadvantaged groups encounter difficulties. Based on the results, the rejection in the case of job seeking and dismissal, redundancy commonly occurs due to the educational attainment and the age, while in the case of office administration the discrimination occurs most often due to the origin. The European Social Survey based on their research for the period of 10 years highlighted that in Hungary in connection with the ethnic Hungarians living abroad, most of the people are refusing to settle down them in their national country. The Institute of Management and Organization Sciences, University of Debrecen launched its research in 2016 which aims to present*

*attitudes towards migration, migrants primarily among university students and employers in labour market terms. Parts of the survey show that the MA-students who consider themselves basically tolerant are rejecting migrants in action. The answers related to the educational level of the migrants have shown that basic qualification and professional knowledge can be assumed if the respondents considered that the migrants have any measurable school education. The migrants' attitudes towards work are generally wrong according to the respondents. Only a low proportion of the respondents would like to work together with migrants or would be their mentor, applying them as an entrepreneur or manager. However, the ratio of uncertain people in all three cases was above 50% which means if we can show positive examples of migrant workers to the students the ratio can be reduced. The researches on the employment of migrants show a mixed picture. The qualified multilingual workforce often experiencing the benefits of the non-Hungarian nationality. Based on studies conducted among immigrants, nearly half of the respondents arrive to Hungary for employment purposes, while nearly one from five to study.*

**Keywords:** discrimination, attitudes, migration, integration, employment, prejudice

**JEL classification:** J62, J63, J70, J71

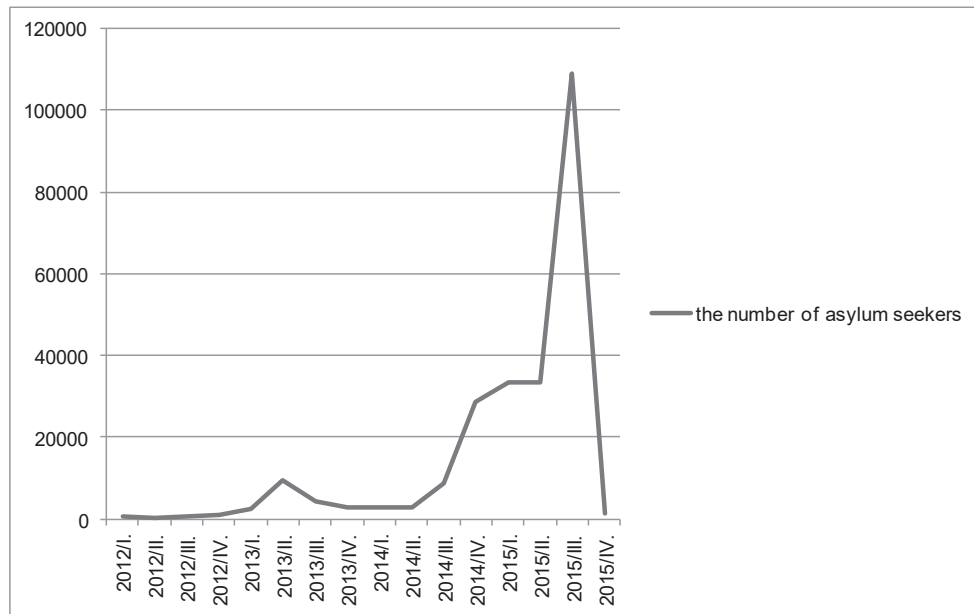
## **1. Introduction**

In 2015 the number of migrants coming to Hungary and to the European Union has increased significantly. We must be prepared to continuously receiving large number of citizens from third countries who cannot or do not want to return to their home countries, however, they would like to work at their place of residence. During the preparation of the study our point was that there are foreigners coming to Hungary who intend to stay here permanently. In terms of the age they can represent several generations, they do not have knowledge of the Hungarian language, their educational qualifications are incomplete or difficult to reveal by official documents. This research aims to analyze the challenges of the active migrant population who are able to work, or studying in Hungary.

The aim of this article is to analyze the labour market chances for the migrants who arrived or will arrive to Hungary, foremost from the perspective of the challenges connected to the labour market integration. After analyzing the statistical data we are considering the elements playing a role in the labour market integration and describing the division of labour market discrimination based on the results of researches conducted in Hungary.

## **2. Wave of migration to Hungary in the light of statistical data**

In recent years, especially in 2015 the number of migrants arriving to Hungary increased significantly. According to data released by the Central Statistical Office Hungary (2016), only in the third quarter of 2015, 109.175 asylum seekers arrived to Hungary, and in each of the first and the second quarters of 2015 the number of asylum seekers was around 33.000. (Figure 1)



**Figure 1: Changes in the number of asylum seekers from 2012-2015 (people)**  
Source: CSO, 2016

This significantly exceeds the aggregate data from the year 2014, when 42,777 asylum applications were registered in Hungary. That rate surpasses many times the 2013's headcount with 18,900, and especially the 2012's full year aggregate data when the total number of asylum seekers was 2157. The prominent - and growing - number of asylum seekers dropped drastically in the last quarter of 2015; in this case total of 1172 asylum-seekers were registered. The latter decline is related clearly to the closing of Hungary's southern border and major transformation in the asylum legislation - in particular the asylum procedures.

The results clearly illustrate the changes in the nature and volume of migration to Hungary. The data from the Immigration and Naturalization shows that in 2014 the highest proportion of refugees came from Kosovo (21,453 people), Afghanistan (8796 people) and Syria (6857 people). The refugees arriving to Hungary are submitting their application as asylum-seekers but everyone doesn't get the refugee status. The number of people who get the refugee's protected and tolerated status in each examined quarter is very low. According to the Official data from 2010 the aggregated number was only 273 people, which in 2011 reduced to 205 people. In 2012 the number has raised to 462 people, and in the subsequent years it has remained above 400 people (419 people in year 2013 and 483 in 2014). Among the Member States of the European Union in 2014, Hungary became the fifth from those states who register the most asylum applications. Most applications were submitted in Germany (202 thousand). It was followed by

Sweden (81 thousand), Italy (65 thousand) and France (64 thousand). In Hungary, nearly 43 thousand asylum applications were registered, compared to the 2012 figures, when only 2157 asylum applications were submitted. At the same time from nearly 43 thousand submitted applications there was a possibility of prosecution only for 5 people (Statistical Mirror, 2015).

By the first-half of 2015, the number of asylum seekers from Kosovo exceeded the prior years' numbers and reached to 23,920 people. The number of asylum seekers from Afghanistan has increased dramatically (17,906), but also the number of Syrian asylum seekers exceeded the figure of ten thousand (10,975 people) in six months. The number of the other citizens applying for asylum has increased from the number of 4299 (2014) to 7478 (first half of 2015) (Immigration and Citizenship Office).

The results from 2015, which are several times higher than the previous migration headcounts made the phenomenon of migration really visible in almost entire Hungary. In fact, only small geographic parts of Hungary were affected by the migrants' routes, which mean in the other parts of the country, the local and national press' choice of topics had a strong influence on the emerging impressions about migration because of indirect examples.

However, we should not ignore the fact that average Western European citizens spend 15% of their income and Hungarians spends 27% of their income on food as compare to African and Asian citizens, who spends 60-80% of their income on food. In this situation if food prices continue to grow and these people will not be able to pay, then millions can start coming to Europe in the hope of making a living that can lead to mass immigration. "The challenge of Europe is not the financial and economic crisis, but the migration from Africa in a time when the EU is a failed multi-cultural model of society" (Science Focus, 2012).

### **3. Migrants' Integration Opportunities in the labour market**

"The need is increasingly realized in the European Union's integration policies for researchers to be able to characterize the social integration of the immigrants objectively on the basis of the social science research and with more or less standard social metrics"(Osvát, 2013). The practical realization of social integration is closely linked to employment and integration into the labour market, and in many cases one of the obstacles in this regard is prejudiced behaviour and negative attitudes which is manifested in the form of discrimination in the labour market.

#### **3.1. Discrimination in the labour market**

Unemployment doesn't mean the same vulnerability for all workers. The risks of the labour market are affecting certain groups more deeply and increasingly threaten them with the danger of becoming unemployed. In the vulnerable groups the employees are often classified based on "natural" basis. The common feature of these groups includes their weak market strategic defence potential, the low position in the social structure and as a result of both: the disadvantaged situation in the labour market (Csehné, 2008). There are other factors that also contribute to the difficulties of such groups e.g. in many cases the tools to tackle the unemployment cannot be applied automatically, or the lasting results in their

employment can only be achieved with the consideration of their specifics. The international standards and experience suggest that the development and operation of multiple and coordinated state-funded programs can and should reduce the risk of unemployment of disadvantaged groups. Csehné et al, (2009) offer few guidelines in this regard:

- The existing employment policy instruments should be made available for vulnerable groups
- In order to improve their position in the labour market their lags should be reduced, their converted values and abilities should be recognized and activated
- For the people struggling with employment disadvantages, special employment policy instruments should be developed and the existing ones should be expanded in this direction. Forms of employment should be developed and supported in order to approve and utilize the endowments and limits of this specific labour force.

The groups that are particularly vulnerable to unemployment include: young people and entrants, those who are close to retirement age, the elderly, women, ethnic minorities; people with reduced working capacity; long-term unemployed people, as well as refugees and immigrants.

Based on statistical data of the past few years (CSO, 2013), labour market discrimination clearly shows an increase. Employment opportunities for disadvantaged groups are difficult. Based on the results of the year 2012, 15% of the respondents between the ages of 19-64 felt that for some reason in some areas they were discriminated. Based on the results, in case of job seeking, dismissal or layoff after the educational level and age, the candidate's state of health is the cause of the rejection or the layoff. Almost a quarter of the respondents marked the option at the point where they were asked about discrimination at the field of office routine that they are discriminated because of their origin, the following most common answers were educational attainment and health status. The disadvantaged groups are facing difficulties when it is about employment opportunities. In the case of office administration the origin related discrimination was identified by almost quarter of the respondents that is followed by the educational attainment and health status. The respondents marked the educational attainment with the highest rate (27,8%) as the main cause of the discrimination experienced in the labour market (Table 1), and these results are consistent with the findings of the previous studies.

**Table 1: Distribution of the discrimination experienced in the labour market, according to the incidence and cause (%)**

<b>The reason for discrimination</b>	<b>Job seeking</b>	<b>Layoff, Rejection</b>	<b>Office administration</b>	<b>Sum</b>
<b>Educational attainment</b>	29,3	27,1	21,8	27,8
<b>Age</b>	25,5	24,2	15,6	24,0
<b>Health status</b>	12,8	17,0	16,8	14,4
<b>Family</b>	12,4	11,1	12,8	12,0

<b>circumstances</b>				
<b>Origin</b>	9,3	9,6	24,2	10,9
<b>Sex</b>	6,5	6,3	5,3	6,3
<b>Other cause</b>	4,3	4,7	3,4	4,7
<b>Sum</b>	100,0	100,0	100,0	100,0

Source: Statistical Mirror, 2012

The second highest rated factor causing discrimination in labour market is age (24%). In the background of this, duality can also be experienced. The employers on the one hand can consider the candidate too old for the job or too young, which often results in the lack of experience or practice, and this can cause the rejection of candidate in case of job seeking, but similar reasons may exist in the case of layoffs. After the age, health status (14.4%), family circumstances (12%) and origin (10.9%) was marked by the respondents as a cause of discrimination. Only 6.3% of the respondents marked that discrimination is related with sex, however, it can be stated that the family circumstances as a cause of discrimination are almost exclusively marked by women, meaning that it is far from reality that men and women equality in the labour market had been achieved (Statistical Mirror, 2012).

The European Union also examined the discrimination from many dimensions in 2012 (European Commission, 2012). The results of workplace discrimination have shown that the most serious discrimination factors in Hungary are: age over 55 years (75%), ethnicity (70%), disability (54%) and gender (44%). Hungary is ahead of the average of the EU27 in the above-mentioned factors. Discrimination is causing serious problems in the countries of the European Union and in Hungary as well. The prohibitive legal frameworks do not always protect against discriminatory behaviour. To reduce discrimination, according to Csizmár - Münnich (2005) – it would be necessary to launch changes in people's behaviour and on the level of the attitudes, and norms.

### **3.2. Labour Market Attitudes towards migrants**

In theory strengthening of receptive attitude towards migrants would allow the creation of a more multicultural society than today's in Hungary. According to Grunzó (2013) the public attitudes gradually changed towards the migrants who were initially positively received by the Western European societies - and after the Second World War were treated mostly as guest workers -, as it became clear that the newcomers' political culture is different from the local. Csege (2015) also confirms that migration can trigger a number of positive social impacts, as well as it has the ability to meaningfully stimulate the economy. However, the fact remains that identification of both legally and illegally arrived migrants are very difficult enforcement tasks which any country's authority has to deal with.

Bogáromi (2015) pointed out – by analyzing the European Social Survey data recordings from 2002 to 2012 - that in Hungary in connection with the ethnic Hungarians living abroad, most of the people are refusing to settle down them in their national country. In addition, it was also found during the analysis of the



survey results, that the Hungarians do not like the non-Hungarians who intend to settle in Hungary.

The Institute of Management and Organization Sciences, University of Debrecen launched its research in 2016 which aims to present attitudes towards migration, migrants primarily in labour market terms. The questionnaire-based study was conducted among university students and employers. Parts of the results from the survey conducted among university students (n=120) found that 46% of the respondents agree with the integration of the test group, while 54% do not support it. The answers related to the educational level of the migrants have shown that basic qualification and professional knowledge can be assumed if the respondents considered that the migrants have any measurable school education. During the research respondents were asked about the relationship between the migrants and work. The negative attitude unfolded this question as well. According to the results, 46% thought that the migrants coming to Hungary have specifically work-shy behaviour. Similar proportion, 44% of the respondents' opinion was that not happily but they work, and only 8% thought that migrants are eager to work. The migrants' attitudes towards work are generally wrong according to the respondents. Respondents were also asked about their willingness, if they would like to work together with migrants, would be their mentor or would apply them as an entrepreneur or manager. The answers are clearly showing uncertainty, since the ratio of uncertain people ("I cannot tell") in all three cases was above 50% but at the same time the number of the people answering with yes was only about 10%. Based on these results it can be concluded that if the students are shown positive examples of migrant workers their willingness to work with migrants can be increased.

According to the results of the survey it can be generally concluded that it is more likely to experience negative attitude among the respondents towards the issues with the labour market integration of the migrants. The respondents who consider themselves basically tolerant have a clearly negative picture of the migrants. This is even more puzzling master students were interviewed, who are about to become players in the labour market, who will not only become future group leaders, but based on their majors they will work as a human resource specialist. The results definitely point out that we should examine what factors influence the students' thoughts and what kind of information influence their dismissive opinions. The answers related to the educational level of the migrants have shown that the respondents assign low qualification to migrants; perhaps this is the reason that they don't fear their prospective jobs from them. However, we cannot forget that at the university there are foreign students (BSc, MA, PhD) with whom the respondents meet every day but from the word "migrant" they do not associate with the people who are in many cases their friends rather with those people who are part of those giant immigrant groups the media features.

### 3.3 The perception of the migrants' employment

In addition to the discrimination, however, this fact has to be mentioned that according to census data and administrative records: the employment situation of migrant population is better than the Hungarians'. The employment and the activity rate are higher than the average in the migrant population (Kováts, 2013). The economic activity of immigrants from third countries compared to the domestic population is high: based on the National Health Insurance Fund's data from 2009, more than 70% of them are active, while with the domestic society, this ratio is only 40% (Kisfalusi, 2012).

This is confirmed by the results of the research "Safe journey to the Hungarian labour market?!" that "third-country nationals believe that in Hungary after the difficult acquisition process of the necessary documents they have got similar chances to Hungarian citizens in the labour market. In fact, the skilled and multilingual workforce is often experiencing the benefits of non-Hungarian nationality." (Southern Great Plains Region Social Research Association, 2009)

The Research by the Corvinus University of Budapest in 2001 (n=500) conducted tests among immigrants. The basis of the sample was people over the age of 18, coming from a third country, who had a residence (52%), immigration (6,4%) or (national or European) permanent residence permit. The study was intended to investigate that what are the main purposes of the immigrants arriving to Hungary. The results of the study show that nearly 40% of the respondents came with the purpose of employment, 17,8% to study, nearly one third of them because of family reasons, and 10% came with the intention of settlement in Hungary, but without family reasons (Kisfalusi, 2012).

The research from 2011, titled "The challenges of the labour market integration in Hungary – Opportunities and limits of the integration of employees from third countries" (Juhász et al, 2011) examined the requirements of how much Hungary needs the work of the temporary or permanent immigrants in the present and in the future. The basis of the research was expert interviews and questionnaire survey that reflects the controversial image of the migration from third countries.

It can be stated based on the classification of factors playing a role in the employment of foreigners (Table 2), that the average values are homogeneous and relatively got closed to the main value. Looking at the ranking, the respondents pointed out that foreign workers are more flexible, more mobile and cheaper to employ. In the case of entrepreneur respondents, the low mobility of the internal labour force indicated the highest average value; followed by a more flexible supply and the knowledge of the Hungarian language were the main factors affecting the employment of foreigners.

**Table 2: Classification of the factors playing a role in the employment of foreigners from 1 to 5**

	<b>All answers</b>	<b>Entrepreneurs</b>
Foreigners are more mobile, flexible supply	3,41	3,17
Foreigners working for less	3,25	2,83



The internal labour force mobility is low	3,25	3,58
The knowledge of the Hungarian language	3,22	3,00
Nationals do not undertake the specific work	3,18	2,92
The foreigners are more unassuming with the working conditions	3,12	2,75
There are no properly qualified domestic labour force	3,12	2,67
Existing social networks	3,10	2,58
They work fairly and reliably	2,65	2,08

Source: Juhász et. al, 2011.

The research also examined that according to expert's opinion (employee representative, business, National Employment Service, state government bodies, researchers, Non-Government Organizations) what is the impact of foreigners' labour market participation on the Hungarian economy and society. Based on the results, the most highlighted positive impact is that the less attractive, low-paid jobs can be filled. The work of the foreigners at home conserves the poor working conditions (3,00) and contributes to the growth of prejudice (2,9) and these are considered by them the most significant negative effect.

### Conclusion and suggestions

The integration of migrants and refugees is a very significant challenge that must be faced by building massive integration systems by the EU and its members. The integration should mean a two-way process in which the social partners, the local government and civil society also play a significant role. It should be a priority to manage the access of migrants to the labour market, more specifically the recognition of their qualifications and the technical and language training (European Migration Strategy, 2015). This study provides a brief, non-exhaustive overview about the background of the immigrants', migrants' integration, giving a particular view on the labour market situation, by which the issues can be formulated, those that are faced during the integration of migrants.

Research possibilities and proposals in the field of the labour market integration are as follow:

1. Integration of refugees in the labour market – building up a possible model
2. Survey and analysis of the jobs which could be filled by refugees
3. The relevant questions from the side of HR about the inclusion and integration of the refugees
4. The assessment and development of the refugees' entrepreneurial competences
5. The preparation of Hungarian employers for receiving and implicating workers from third (non-EU) countries
6. Examination of the migrant's involvement with the domestic population

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