



## Now that the Labor Code is passed the National Committees of the LIGA evaluates it as follows:

By having the new Labor Code passed, the Administration did not bring into being the legal conditions for the developmental participation of employees as declared, instead it gave priority to its short term political interests. Rather than ratifying social points, the Administration recognizes the workers' right to participation. As the Administration cannot join the Social Charter and, on the long run, the European Community, which would be the keystone of its self-justification and recognition both at home and abroad, by e.g. taking the responsibility for the housing of young married couples, it has the employees pay the price of ratification. Furthermore, it boasts about establishing the institution of the Company Committee, "introducing advanced European norms", dividing the rights of representation in the process of shaping, between the trade unions and the Company Committees. The Company Committees, which have functionally evolved in Western Europe, are imposed upon the economy by the force of the law in Hungary weakening the trade union movements, still in the throes of birth, and destroying the non-representative trade unions. The result of all this can only be a situation where the representation of the employees' interests, which is of fundamental importance in a market economy, cannot evolve.

In a developed market economy the new Labor Code could be a working and workable law. However, it is to be feared that in the period of transition significant parts of it will not be applicable. On account of the difficult economic situation and the lack of experiences in safeguarding the workers' interests, employees may get into a substantially worse position after the enactment of the new Labor Code in spite of some advantageous provisions.

## The New labor Code

We wish to call attention to a few points of the new Labor Code which are important for safeguarding employees' interests.

The Code separates two areas of the law of labor, which were less clearly delimited before, namely the parts concerning the individual and collective rights of labor.

One of the most important changes in the latter is the establishment of a new institution, the Company Committee. The Company Committee is an organization that is elected by the employees.

### 1. The rights of the Company Committee

- right of joint decision on the use of funds available for social and welfare purposes;

- right of passing an opinion, exercisable before decisions concerning sizeable groups of employees (e.g. reorganization, transformation, privatization, internal rules);

- right of getting and giving information concerning basic issues with a bearing on the financial situation of the employer, of major changes in its scope of activities, and of major investment plans.

The Company Committee has no right of representation, it cannot call strikes.

### 2. The rights of the trade union

#### 2.1. The trade unions are entitled to have:

- the right of bargaining, explicitly the representation of its members' interests;

- the right of control, which is limited to the observation of rules con-

cerning labor conditions, in the course of which they may also initiate investigations;

- the right of access to information in respect of all issues concerning economic and social interests in connection with employment;

- the right of participation in the collective bargaining;

#### 2.2. The trade unions, qualified as "representative" are entitled to have:

- the right of objection to unlawful measures by the employer directly concerning the employees and/or their agency of representation;

- the right of collective bargaining. The collective agreement can be made by the trade union (even on its own) whose candidates received more than 65% of the votes cast at the election of the Company Committee;

The trade unions can sign a contract if their candidates have jointly received more than 50% of the votes cast at the election of the Company Committee.

If the unions do not jointly receive more than 50% of the votes cast at the election of the Company Committee then, although collective bargaining may take place, the contract can only be signed with the approval of the employees (by ballot).

- the immunity of trade union officers: the termination of their employment requires the agreement of the parent union.

#### 2.3. The ways to becoming representative

A trade union is to be considered representative by the employer if:

- its candidates received not less than 10% of the votes cast at the election of the Company Committee;

- not less than two thirds of the employees belonging to the same occupational group joined it;
- it received 10% of the votes cast at the trade union elections.

### 3. The changes in the individual's labor rights

As a matter of basic principle, individual employees and employers are treated as partners of equal standing.

- The precondition of employment is a written contract of employment which may differ, in a way that is favorable for the employee, as compared to the provisions of the Labor Code and the collective labor contract, and can only be amended with the agreement of both parties;
  - The provisions for paid vacation have changed to the advantage of the employees;
  - The provisions for the termination of employment have changed to the detriment of the employees. A termination contrary to the provisions of the contract is allowed, discussion of its merits can take place only after the fact;
  - If the employment is unlawfully terminated the employee may obtain the restoration of his employment through legal action. Should he not want to exercise this right he will be entitled to receive double severance pay.
  - The Code permits local negotiations for reconciliation and the use of the assistance of a jointly appointed arbitrator. If mediation fails either party may resort to a Court of Justice.
  - The term of termination notice changed to the advantage of the employees (not less than 30 days);
  - The Code regulates to the employees' advantage the circumstances under which they can be required to work overtime;
  - The provision regulating the responsibility of the employee in the cases of endangering life, safety, and health respectively was changed to the detriment of the employees even when compared to the original proposal.
- On the whole, on account of the hard economic situation and the lack of experiences in safeguarding the workers' interests, employees will get into a substantially more difficult position after the enactment of the new Labor Code.

*Gábor Soós*

# Fortune-telling or agreement?

The National Reconciliation Committee held its semiannual economic and social forum on July 17, 1992. The LIGA had previously reported that the Administration did not completely abide by the Agreement. *Gábor Horn, Csaba Öry, and Jenő Szalai* stressed: The reform of the major systems of distribution did not take place, 15% of all privatization revenues were not spent on creating new jobs, real wages have not been kept on unchanged level, and family allowances were not increased by 20% as it had been promised. However the Administration was only represented at the level of Under Secretary of State at the National Reconciliation Council's meeting and tried to make the agreements arrived at in December appear as economic prognoses for which it could not take responsibility. The LIGA delegation, headed by *Gábor Horn*, suggested that the Executive Board should evaluate the meeting and turn to the Members of Parliament in an open letter on the subject of the family allowance.

## Opinion of the Economic and Social Forum of the NRC

### I.

The LIGA's Executive Board observes its earlier fears confirmed. The negotiators delegated by the Administration had no proper authority. When discussing questions of economic policy they insisted, despite obvious professional arguments, on the feasibility of its original program. In respect of most subjects, it played for time and agreed upon further discussions of the committees. The LIGA does not ac-

cept such behavior. The LIGA stresses that its aim is to come to an agreement. Social problems can only be solved through agreements resting on firm principles. The LIGA expects its partners to do their best for creating a realistic basis for the talks.

It is unacceptable for the LIGA that the Administration is not prepared to abide by the agreement on the increase of family allowances, from among other agreements concerning 1992.

In the LIGA's opinion the forum on economic policy can be continued in the middle of September, when the parties may try to arrive at new agreements.

### II.

The LIGA Executive Board appeals to the other trade unions, sitting on the Labor side of the NRC, as well as to the organizations of the employers' side, as below:

Our experiences show that with the new Labor Code entering into force and the cancellation of related statutory provisions, several uncertainties in statutory interpretation hinder the completion of collective contracts. The LIGA therefore appeals to the above trade unions and organizations suggesting that negotiations should be started as soon as possible, so that the law can be uniformly interpreted, and occasional situations created by contradictory provisions can be cleared up. It suggests that the parties should consider all the unsettled questions resulting from the present regulation of the Labor Law. It suggests that the two sides should announce the agreements uniformly applicable for the entire nation.

# The LIGA National Committee met on August 28.

While we had to discuss the necessary items to manage the offices of LIGA, this time we had more pressing matters on the Agenda as well. We had to focus on the problems concerning the upcoming inter-union election, its legal and financial consequences, for the more difficulties with the Administration and the resulting impasse in the works of the National Reconciliation Council.

President *Gábor Horn* gave the Executive Board's report. The facts were encouraging. The scorching summer did not impede our organizing efforts and nineteen new affiliations joined us. The fact that they most represent workers at larger firms is very encouraging.

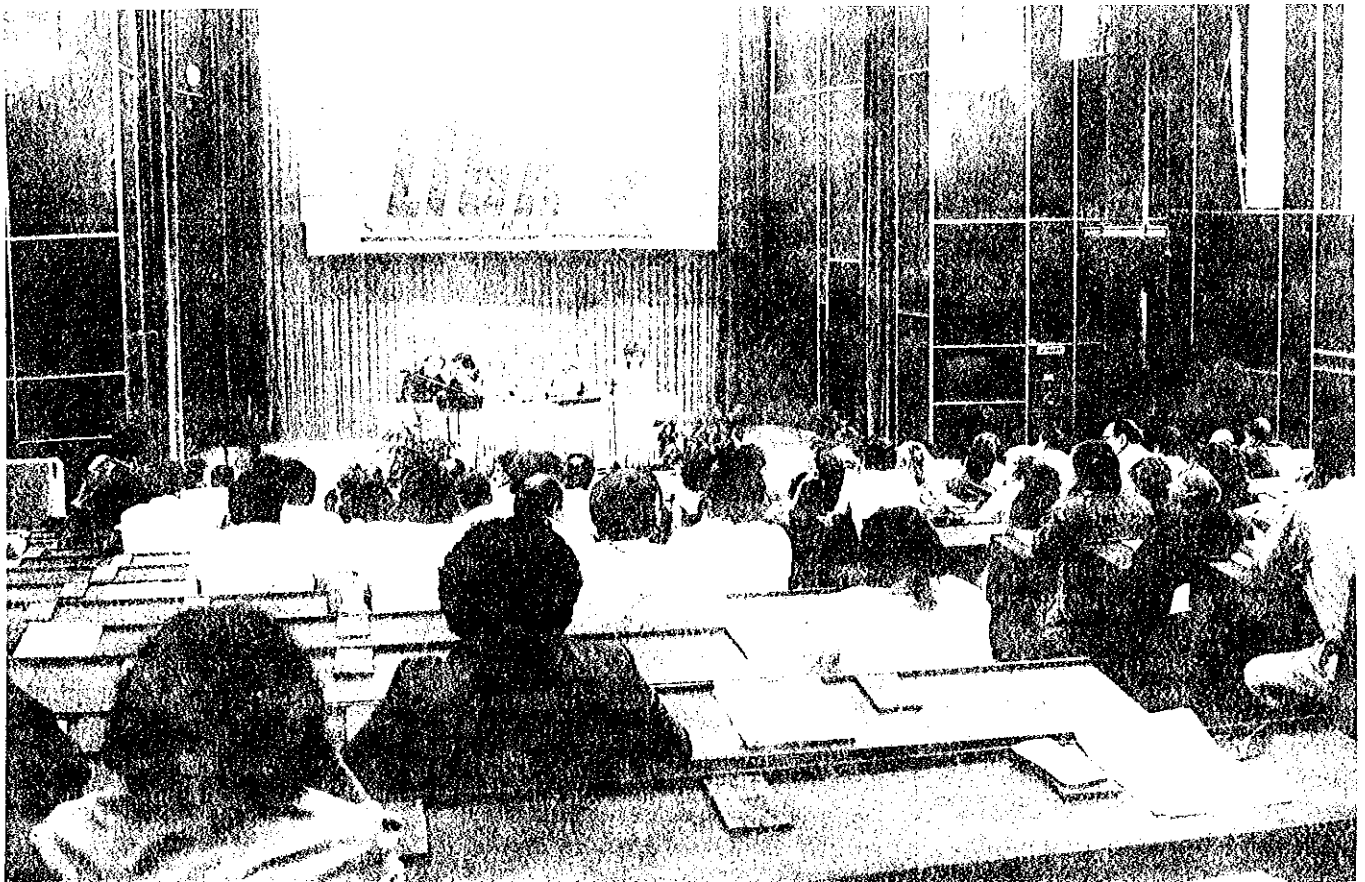
He said, that the LIGA will advocate that the elections should be

held very soon, as early as December. Any delay would be detrimental to the entire labor movement, because skepticism would grow due to the confrontations what goes with such elections. This would bring a disaster in the form of people not showing up to vote. It is the best interest of all concerned parties to see the division of the old regime's assets divided, so that we could go on with more pressing duties of representation. An added benefit would be that the proportion of the votes cast would also indicate the people's choice. An impediment to a successful election is the Administration's reluctance in the National Reconciliation Council. A letter dealing with the subject, addressed to the Prime Minister, is in this publication, it will explain the obstacles.

Vice President *Csaba Öry* gave his observations about the necessity of obtaining the Election Law soon and offered strategies, tactical suggestions to deal with the problem. Another member of the Executive Council, *Béla Kalmár* addressed the same issues. All three reports were adopted.

A resolution passed to have the delegate body meet at the end of December, also certain leadership changes were authorized.

Another resolution was approved concerning an evaluation of the Government's participation in the National Reconciliation Council, their social policies and the current plans to reform the National Health and Social Benefit program.



## RESOLUTION

There is more need now than ever for reconciliatory forums, according to the National Committee of the LIGA. The problem of equal rights and employment relations must be addressed in a manner that the result will be an efficient, professionally devised system. The National Reconciliation Council have the responsibility to facilitate such discussions.

Therefore, the LIGA National Committee authorizes the Executive Board to seek an urgent conference of the entire National Reconciliation Council to discuss the latest alarming developments. The LIGA National Committee requests from the labor representatives group to write a report to the Prime Minister. This letter should describe the concern about the role the government plays in the Council, relate the anxiety of our side about the manner in which the government is preparing meetings, disregard of previous agreements concerning ample disclosure period of the agenda, and the increasing indifference to protocol.

Furthermore, the National Committee suggests to labor representatives that in the case that the government does not demonstrate interest toward improvements, they should request a hearing of the Goodwill Committee, and brake off discussions with the Administration till conditions will be restored to insure progress.

To promote maximum efficiency in labor representation, the National Committee empowers the Executive Board with the responsibility to persuade the labor side for a profes-

sionally conceived consolidated platform.

The National Committee also calls for an international round

table conference concerning reconciliation, with the hope that this will provide answers to the current predicament in Hungary.

### *To His Excellency József Antall* Prime Minister of the Hungarian Republic Budapest

*Your Excellency:*

*Since during the remainder of this session we will have to find solutions together to the increasing problems of employees to maintain acceptable circumstances at home and their place of work, the labor organizations within the National Reconciliation Council notice with growing apprehension that earlier difficulties with cooperation intensified. This manifests itself, as we observed, that the Administration decided to tear apart and introduce separately to the National Assembly the otherwise closely related matters concerning wages, work place related problems, health insurance, and other social benefits. Many issues were submitted to the plenary session without proper documentation, and without investigations into their bearing and effect on society. It is obvious that this manner of negotiation does not lead to a comprehensive economical and social agreement, therefore it is unacceptable by Labor.*

*Genuine solution could only be reached by mutual compromise which must be preceded by detailed and better preparation of the Agenda when it concerns labor issues; and it must be preceded by obvious improvements in the willingness the Administration to achieve meaningful results. Only when we actually detect this previously declared attitude of the*

*Administration can we resume talks.*

*The labor organizations within the Reconciliation Council will try the utmost to make our work more effective. This have to be so to represent employees' interest in the most professional, well planned and constructive manner.*

*To prepare well for discussion of the differences, civilized debates and exchange of viewpoints, it is absolutely necessary that we do not meet with arrogance, increasingly aggressive attitude, and chastisement which is contrary to the democratic procedure. On the basis of recent experiences, labor representation wish to point out the responsibility of the Administration for the escalating disrespect in communications.*

*We certainly hope, that the Administration will deduce necessary consequences from the unfortunate recent incidents and Your Excellency will exercise personal influence to improve cooperation. Conclusions will have to be drawn from these events, that will point to the need of improved tolerance, self-control to insure that the Fall session will not be burdened with personality clashes and the atmosphere of distrust.*

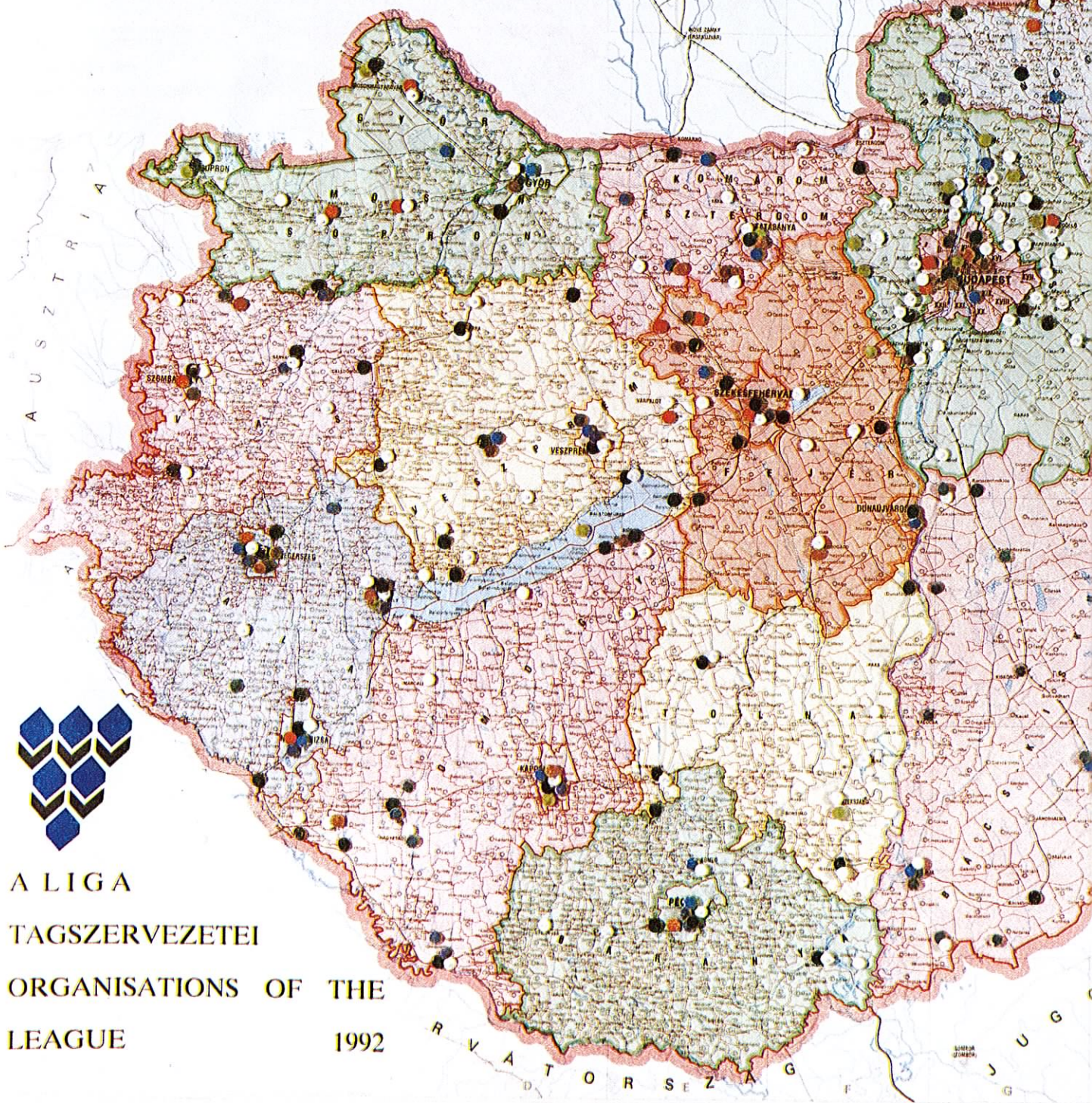
August 28, 1992 Budapest

*/Signed by representatives of all seven labor confederations./*

# LIGA

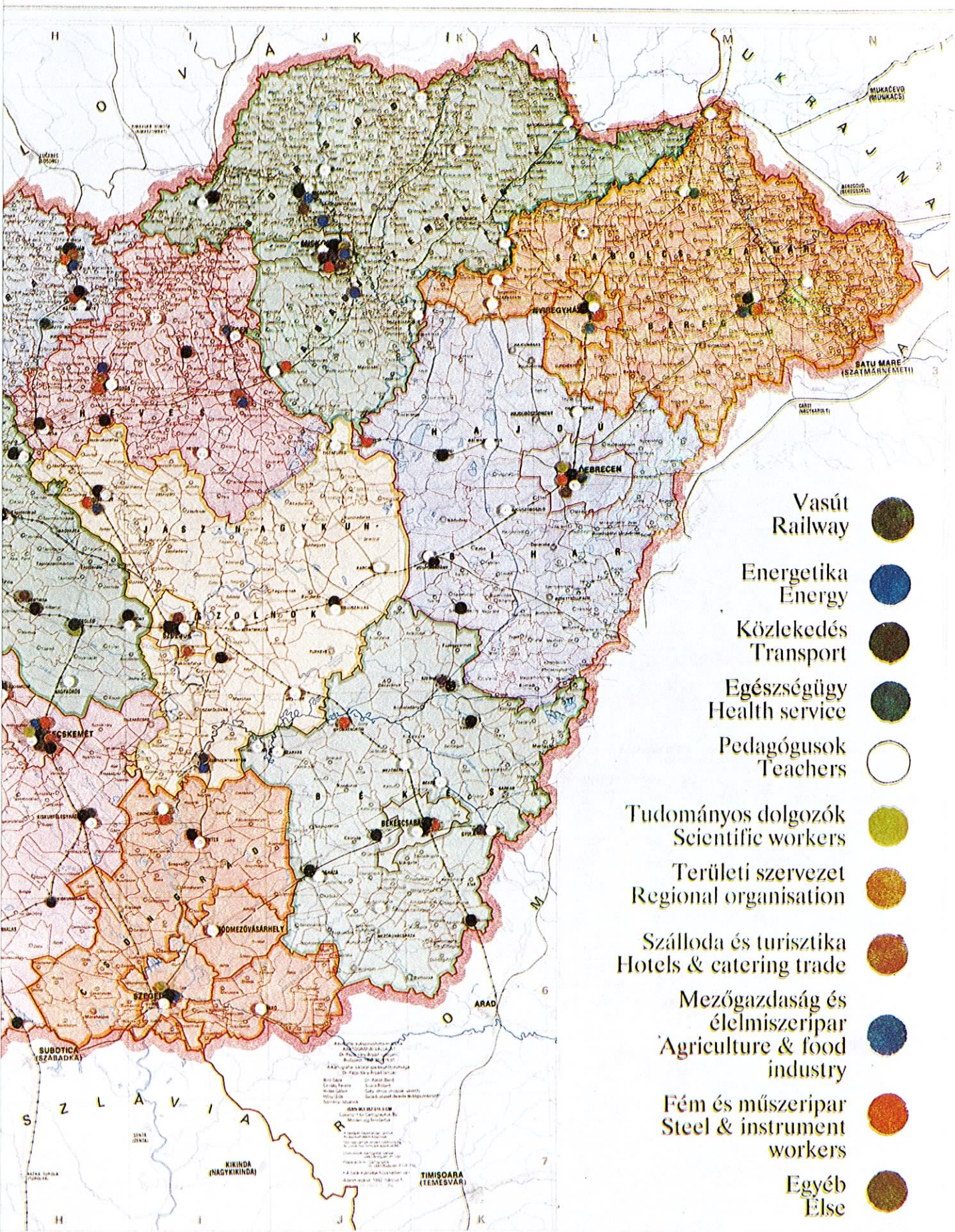


SZAKSZERVEZETEK



A LIGA  
TAGSZERVEZETEI  
ORGANISATIONS OF THE  
LEAGUE

1992



Vasút  
Railway

Energetika  
Energy

Közlekedés  
Transport

Egészségügy  
Health service

Pedagógusok  
Teachers

Tudományos dolgozók  
Scientific workers

Területi szervezet  
Regional organisation

Szálloda és turisztika  
Hotels & catering trade

Mezőgazdaság és  
élelmiszeripar  
Agriculture & food  
industry

Fém és műszeripar  
Steel & instrument  
workers

Egyéb  
Else

## Changes in the hungarian unions' structure

(Excerpts from a study)

Unfortunately, as any other institution in the post-communist transformation, Hungarian unions do not win the contest of popularity. Nevertheless, it is obvious that current social trends dictate the necessity of strong and politically independent labor organizations. To concentrate more control over society the Administration undermines the activities of any civic institution that follows a different path from theirs. While the Prime Minister proclaims that "the organizations representing the interest of the employers and the employees are important components of the emerging market economy", *György Schamsula* Under Secretary of State says: "people remember the unions less and less". This attitude of the Under Secretary reflects in his decision to promote the apportionment of union assets in a way that would place a large amount into the hands of the Government. The Government Party, the MDF put together an organization, called Monopoly Group, to grab union money. They promote a nationwide "welfare" election, votes to be cast by every citizen to decide the faith of these union assets.

Uncertainty is just about the only sentiment shared by the Administration, the opposing political forces and the general public. The confrontation took tragicomic turns at the National Reconciliation Committee's meeting on July 17. The three sides arrived to a shaky understanding, that the previous agreement last December was based on inaccurate Government forecast, therefore much of that did not realize. The Administration was willing to admit this. Yet, they reneged an earlier agreement, signed by the Minister of Finances, to provide increased financial relief to families. An other provision of the agreement in December set the minimum wages. Although the employers' repre-

sentatives were parties to the wage accord, now they demonstrated mock indignation when the unions pressed the issue. The unions were forced into a role very much as if they were extras in a play. Lot of energy was wasted by Labor's side with a four hours long conference to draft a position letter. Suddenly all three sides, Government, employers and Labor became petrified from the realization that they are negotiating and agreeing without any consequences.

None could provide any guarantee to adhere to any agreement. The unions, and representative organizations of employers might come to an accord but the individual firms might disregard its provisions. Leadership of the seven confederations and the member unions are unable to arrive to a binding agreement as well. More than half of the working force left the unions. The supposedly largest union called a warning strike last year that received very little support; later they organized a mass meeting for their stewards, where not many shown up. Last year we talked of lowering taxes to encourage investment thus creating jobs; there was even talk of lowered demands by the employees. Understanding of social problems was overdue, some compromise started to emerge because the political parties and the Administration finally realized that economic conditions were at a total standstill. A perception begun to form that if the parties now in charge of the economy can not come up with solutions, control over deteriorating conditions will be lost to the point of street demonstrations. According to a decision by the Constitutional Court, the election should be held in 1992 to decide the distribution of union assets and in the same time have a show down for which union enjoys support from their membership. The inter-union fight is a prelude to the

1994 political elections as well. Thus it became the interest to the political organizations to keep the approximately 3000 unions weak, and disjointed, therefore controllable.

There is a trend emerging, two organizations which have no roots in the communist controlled previous ineffective all encompassing singular union, the LIGA and the Workers' Councils experience a constantly growing membership. Some organizations switch affiliations all together. There is a concord between the two organizations. Since we are present at different industries, there is no competition between us for membership. The LIGA's streamlined operation became more specialized by providing coordinated and concentrated efforts within a certain industry, thus capable to represent a variety of industries. We gained strength in the transportation industry which will soon translate into more effective representation.

The union group which is the direct descendent of the formerly communist controlled establishment, the MSZOSZ declared affiliation with the socialist party, the MSZP. For all practical purpose this is still the conservative union bureaucracy now connected to the party that still controls the government owned largest industrial structures. The old managerial clan and the old union clan still do their thing together. Pluralism and MSZOSZ still don't mesh. *János Vágó* of the MSZOSZ said that "if the LIGA grows, the MSZOSZ weakens" and that makes peace impossible between them and us.

The other confederations concentrate basically only on one industry. Some groups are unwilling to participate in a confrontation, which is an unfortunate but necessary part of the changing society. Some look at the scene with much suspicion,

just as their membership. The MSZOSZ isolates itself, thus hoping to keep the largest portion of the asset distribution.

The previous description is of the situation in Hungary but not unlike with any other emerging post-communist nation's. Experts look with apprehension for chaos, decaying economy, and society in this hemisphere. We Hungarians found a way out, a free democratic election, a choice between unions will decide and thus stop further disintegration. The outcome of the election will, no doubt, influence trends to similar solutions within other nations struggling with the same predicament.

*Csaba Öry*

## The LIGA is in the driver's seat in the transportation industry

We have to report of success during the last six months in in the transportation field. We are present at practically every facet of the industry, as a deciding factor in many ways.

Bus transportation was the monopoly of the Government till recently. While changes take place, not necessarily in the ownership but in the structure, the field provides a new challenge for the unions. The majority of the employees now realize that they are in need of more effective representation. Entire groups switched affiliations and joined the LIGA.

The picture is somewhat different at the railroads. Although only 20% of the work force joined the LIGA yet, our groups are the most active and in leading position in policy making.

We are present in the air and marine transportation, and we work with truck and taxi drivers as well.

The result of all these activities is the newly organized Federation of Hungarian Transportation Workers within the LIGA. They represent the great majority of employees in the transportation industry.

We are proud of this achievement and that the new members recognized our commitment to their needs.

# Semiannual report of the activities by the LIGA Academy

## First half of 1992

About 30 seminars were held. Among others, we organized a highly successful workshop to labor lawyers concerning the new Labor Laws. We will continue to address this subject with follow up sessions.

We encourage emphatically our regional units to request seminars to deal with their local problems.

We received help from the American Federation of Teachers', they gave a seminar on basic organizational skills. Response from the participants were very positive, they consider the information informative and useful. A LIGA officer joined the instructor to ensure that a wider range of subjects will be discussed.

When specific circumstances call for a seminar to deal with current problems, that is held as soon as it could be organized. This was the case to address issues of sectoral collective agreements. We focused on legal and economic factors; the seminars provided basic bargaining skills as well.

Needless to say that besides the information our activists received, this was a great occasion to meet each other and exchange experiences, and observations to the benefit of all. Thus, the added benefit of these seminars comes from getting every participant involved.

We still observe low interest, because people are puzzled about the new concept. Of those who came, some were interested to receive answers to particular subjects out of the scope of the session.

Many participants were already busy in our organization and we have a hard time to recruit new activists.

In addition, our educational work is difficult, we have too few instructors with the necessary skills and dedication. We lost our educational organizer *László Kozák* to our press department, which left us without a replacement till August. Now days he edit our union news, LIGA HARSONA.

*Ágnes Kende*  
LIGA Academy

## ACADEMY

With cooperation from the American AFL-CIO, the LIGA Academy will hold seminars this Autumn to prepare for the upcoming union elections. We will coordinate these sessions with the Workers' Councils. In order to be convenient for all participants, the plans call for two workshops to commence on October 29-30, to be held most likely in Budapest. The discussions will concentrate on the subject of organizing a campaign, publicity, tacti-

cal preparations and general logistics. The first workshops will be directed by *Eugene Morrill* and *Donald Spatz*, to be followed on November 9-10 by the next session lead by *Charlie McDonald* and *Joe Shantz*.

To involve all our activists, both workshops will be repeated at four regional centers as well.

*Ágnes Kende*  
LIGA Academy

## NEWS

An open letter was addressed by the Federation of Hungariann Transportation. They point out that in spite of numerous attempts, the Ministry declines the opportunity to any other labor organization but the "good ole' buddy" group to discuss industry problems. Yet, such discussions of mutual interest would be vital to the whole country. Because of lack of a well developed program and proper relations with labor representation the country and the transportation industry must bear the burden of wasted assets during the process of privatization. The workers are reluctant witnesses and victims of this devastation. The government owned railroad, marine, trucking, air transportation, and bus services, all together the entire transportation system, are in danger. The conclusion is that the Ministry's questionable practices are contrary to the provisions of existing laws as well as the interest of the nation.

\*

A show for handicapped youth was organized on July 8th by the LIGA's Békés County regional organization. Besides gifts to our special guests, there was much music, children's entertainment and a campfire to conclude the event.

\*

There was a kind of victory celebration on July 22 at Kaposvár. As the result of extended disputes, the local LIGA organization moved into the headquarters of the former communist union.

\*

Representatives of the Belgian Engineers, Technicians and Intellectual Workers, the FGTB and Mr André Langenus visited in August for four days our regional LIGA council of Zalaegerszeg. This was a fact finding trip at several location in the area. The event concluded with a cooperation agreement.

\*

The charity work of the Knights of Malta eases the life of many in Hungary. They lacked drivers to extend services for needy handicapped. The LIGA's *Zoltán Galgóczy* and *Sándor Báthonyi* volunteered thus returning the assistance Hungarian long distance truck drivers received from the organization during a blockade in Greece earlier this year.

## WORKSHOP IN JUNE

There was a workshop in June, with cooperation by the Italian CGIL, in which the LIGA and the MSzOSz discussed "The Problems of Macro-economic Stabilization" and it's social consequences.

The LIGA's *Tamás Réti* spoke about "economic stabilization and unions in Hungary"; *András Tóth*, also from the LIGA, gave a report of unemployment in smaller cities and rural Hungary.

The conclusion of the two days long conference pointed to the mutual understanding that:

- minimum wages should be keyed with the inflation factor, and low minimum salaries will lead to more economic recession;

- came to the conclusion that there have to be a two tier method in

bargaining for wages: one which is nationwide and one which pertains to the individual companies;

- the unions must accept some setbacks in the changing economy, but can not take a passive stand. We should press for a method that will advance the layoff of the least amount of workers. The unions will urge the development of new policies to provide a personal interest for the worker or unemployed to obtain work and/or keep their jobs.

The CGIL concluded the session with a suggestion to open an office in Budapest within the TEMPUS program and to continue with more conferences toward a solution of "The unions and changes in the macro-economy, economic reorganization, integration"..

## INTERNATIONAL NEWS

*Dr. Nomura Masami* visited us on July 21 to study union activities in Hungary. Dr. Masami heads the Department of Economy at Okayama University.

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The DGB of Bavaria and a territorial Foundation invited the LIGA and the Workers' Council to a two weeks long field trip. Our delegation traveled in the second half of October to study the local system of Health and Social Insurance, visited the Department of Labor in Munchen and brought back many useful informations about the way their Workers' Councils operate.

\*

Professor *Guillermo Jose Grenier* of the International University of Florida held a seminar on July 24 to teach skills in handling conflicts. He expressed his wish to conduct more workshops and to spend more time in Hungary to study the specific work of the LIGA. *Mr. Reniceros* accompanied him, who works at the US Embassy in Budapest.

\*

We welcomed as our distinguished guests the representatives of the Italian UIL's Institute of Labor (*Progetto Sud-Instituto Bruno Bruozzi*). *Dr. Fabio Porta* is in charge of East European affairs and *Mr Enzo Cresta* is the Head of their International Department. They hope to start a project to ease distress in an area where economic conditions are alarming.

\*

We expect representatives of the French CFDT in October to work out details of closer cooperation.

\*

President *Marian Krzaklewski* of Poland's Solidarity was our guest in August. He, and *Gábor Horn* held a joint press conference in which they established again that the relation between the two independent unions is pleasant and constructive.

\*

*Jack Ortero*, Vice President of the American AFL-CIO was our guest in September and he met our transportation industry representatives.

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