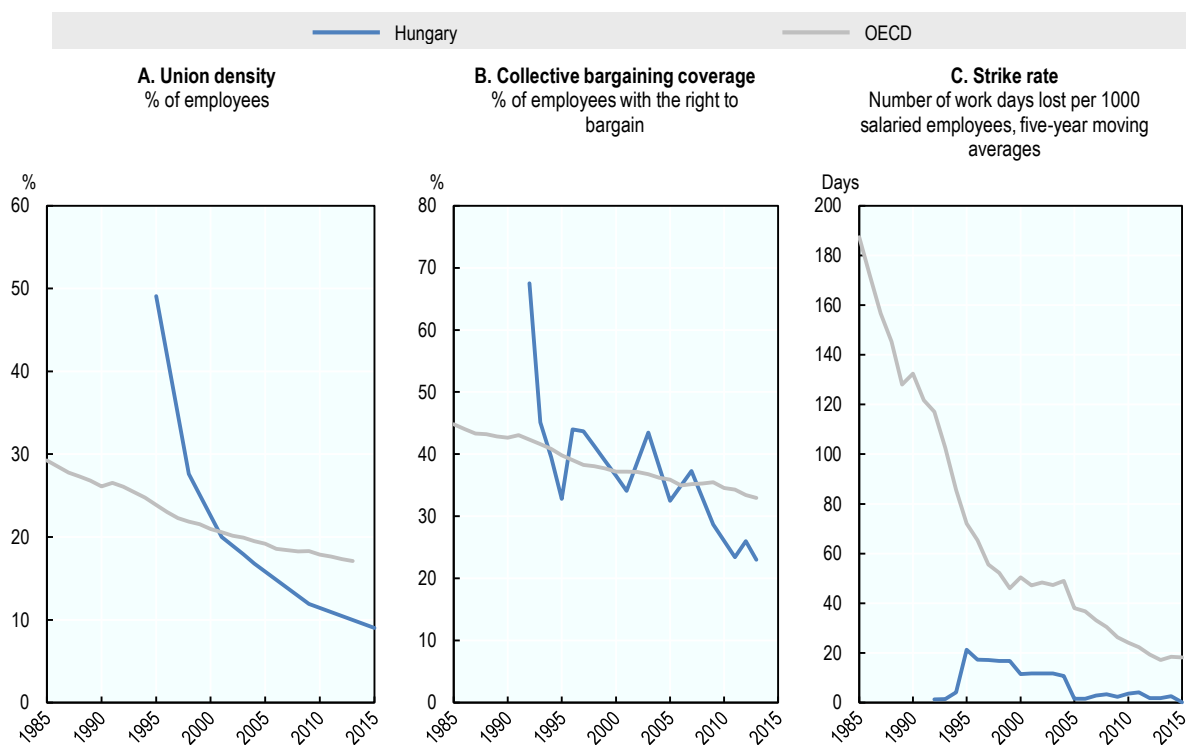


Hungary

KEY FEATURES OF THE COLLECTIVE BARGAINING SYSTEM IN 2015

Predominant level	Company
Degree of centralisation/decentralisation	Decentralised
Co-ordination	No
Trade union density in the private sector	5-10%
Employer's organisation density	40-50%
Collective bargaining coverage rate	20-30%
Quality of labour relations	Medium

TRENDS IN INDUSTRIAL RELATIONS IN HUNGARY, 1985-2015



BUILDING BLOCKS OF COLLECTIVE BARGAINING

The detailed description of the building blocks of collective bargaining mainly relies on information provided by the responses to the policy questionnaires that were sent to Labour Ministries, employer organisations and trade unions in 2016. The information reported in the questionnaires represents the situation in **December 2015**.

Use of *erga omnes* clauses

Legal application of a sector level agreement in the absence of administrative extensions *Erga omnes*

Legal application of a firm-level agreement All workers

Use and coverage of extensions

Use of extensions of sectoral collective agreements Yes, but uncommon.

Procedure Extensions are issued by the Government upon a formal request of one of the parties.

Representativeness criteria Employer organisation have to represent >50% of employees.

Public interest criteria No

Exemptions or possibility of appeal There are no exemptions but the decision can be appealed.

Duration of collective agreements

Average duration 12 months

Maximum duration of collective agreements No

Can contracting parties terminate an agreement before its expiry date? Three month notice but at least six months after its entry into force.

Ultra-activity of collective agreements

Is maximum duration of after-life/ultra-activity of agreements fixed by law? No, but social partners can agree.

Retroactivity of agreements

Do firms have to pay arrears in case of late renewal? No legal obligation, but parties may agree on that.

Does retroactivity apply only to members of signatory parties or does it cover all parties? Not relevant

Use of the favourability principle

Application of the favourability principle is entirely a matter for the bargainers.

Use and scope of derogations and opt-out

Derogations from the law

Possible to favour agreements by SP on part-time employment, derogation from the employment contract, employees' liability for inventory shortage upon bilateral request.

Derogations from collective agreements

Scope

Derogations covering both general opening clauses can be foreseen by higher-level agreements.

Topics

Not relevant

Rationale

Not relevant

Criteria

Not relevant

Other

Not relevant

Forms of co-ordination

Mode of co-ordination

Not relevant

Degree of co-ordination

Not relevant

Enforcement of collective agreements

Sector-level agreements

Firm-level agreements

Do agreements typically include a peace clause?

No

Strike illegal if directed against a currently valid collective agreement.

Do agreements typically include a mediation/arbitration procedure?

No

Yes

Is it compulsory?

No

Yes

Worker representation at the workplace

Work council and union or union representatives but work council predominant.

Board-level employee representation

Public sector

Yes

Private sector

Yes

Scope

>200

Proportion/number of workers' representatives

- Dualistic: 1/3 of the supervisory board (unless otherwise agreed by work council and management).
- Monistic: according to agreement between work council and board of directors.

Nomination of candidates

Work council (duty to ask for trade union opinion).

Appointment mechanism

By the general meeting of shareholders.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
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