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# ***Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe***

## **Final Country Report**

### **Hungary**

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## **1. Socio-Economic and Political Overview**

Hungary, as part of the Soviet Block was a socialist country. There has been an early revolt in October 1956 followed by strong repression. Political changes came about peacefully with the transition period of the late 1980s: the previously communist country turned to democratic development. There has not been political revolt and the territory of the country has not changed in this period.

Hungary lies on both sides of the Danube that is a dividing line between the more developed Western and the less developed Eastern part of the country. Hungary consists of 19 counties and the capital (Budapest) which are the administrative units (at NUTS 3 level). Since 1999 the country has been divided into NUTS regions; there are 7 NUTS 2 level statistical regions (maps of Hungary in Chart 1.1): The principal function of counties is broadly to maintain those services and institutions whose impact extends over larger territories and cannot be managed from lower or municipal level. Counties can also undertake any type of public duty which does not conflict with the interests of local authorities. Regions respond mainly to development planning requirements.<sup>1</sup>

The continuous increase of GDP slowed down in the pre-transition period and stopped in 1990. The transition shock accompanied the early transition period that resulted in a sharp drop of 10% of the GDP from 1990 to 1991 that was followed by a period when the GDP continued to drop and later stagnated until 1996 when GDP reached the 1991 year level and economic growth finally began<sup>2</sup>. The recovery period was even longer and lasted until 1999 when the GDP reached again the level of 1990. Real income and the real consumption followed the trend with some lag (Chart 1.3, Chart 1.4). The development of the GDP has been rather moderate over the transition period and resulted in a slow down all over the second half of the 2000s, prior to the financial and economic crisis. This was followed by a new drop of the GDP in 2008 and 2009: in 2008 the level of GDP was EUR 10,500 per inhabitant at market prices and EUR 9,100 in 2009<sup>3</sup>.

The socio-demographic and economic development of the transition resulted in a huge slump of economic activity of the population. The long trend clearly shows that transition resulted in an enormous decrease of the labour market participation rate<sup>4</sup> that has never recovered. Although the share of the active population to the total population was over 50% in the 1970s and decreased over the decade of the 1980s already to 50% in 1989, the sharp decrease of the economically active population began with the early transition and the bottom of the trend was in the middle of the 1990s (41% in 1996). The increase which followed was moderate, however (44% by 2010) (Chart 1.5)<sup>5</sup>.

The LFS data show a clear picture on labour market development<sup>6</sup>: jobs dramatically disappeared during the early period of the transition, as a result the employment rate decreased to 52%, participation rate to 57% by 1997 (population aged 15-64). The unemployment rate had a peak of 12% in 1993 and gradually decreased in the next decade. Unemployment has been channelled to early retirement, and partly also to disability pensions. The transition shock lasted until 1998 when the employment rate slowly increased, and unemployment continuously decreased until about 2004 when the unemployment rate was 6% (and the employment rate around 57%). In the mid 2000s the labour market started to stagnate, the employment rate did not change while unemployment increased gradually.

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<sup>1</sup> Below the county level, micro-regions (174 all together at NUTS 4 level, composed by groups of settlements bordering each other), and local authorities (about 3,175 municipalities) constitute the smaller administrative and governance units in Hungary. Micro regions refer mainly to the optimisation of the provision of public services on their territory and, to some extent, to specific local development and local planning needs (e.g. waste and waste water management, protection of drinking water, roads maintenance, part of education and health care services).

<sup>2</sup> In 1996 the level of GDP per inhabitant at market prices was EUR 3,500 (Eurostat).

<sup>3</sup> Source: Eurostat.

<sup>4</sup> For a comparison, the participation rate has been calculated as the share of the active and the total population, without age limit.

<sup>5</sup> The chart also reflects the continuously decreasing trend of the total population since the early 1980s, due to natural population change.

<sup>6</sup> LFS data available since 1992.

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The participation rate remained rather low, 60-62% of the 15-64 population. At the end of the period the financial and economic crisis resulted in unemployment over 10%, and a drop in the employment rate (Chart 1.6).

A lucid periodisation follows as the conclusion from the above outlined trends that may, at least theoretically, influence the internal and international migration trends.

Period 1 (1990-1997) lasted from the beginning of the transition of the 1990s until about 1998 when the transition period was completed.

Period 2 (1998-2004) is the upturn period that coincided with pre-accession and accession period of the EU that lasted until the mid 2000s in Hungary.

Period 3 (2005-2007) was a period of economic and labour market stagnation with moderate decreasing growth rate of 2-3%, coinciding with a high level of current account deficit and economic imbalance that has been accumulated since the early 2000s, in fact. Strong economic restrictions began in 2007 to balance the economy.

Period 4 (2008-to date) the strong economic restriction that came about prior the financial crisis has been accelerated by the world economic crisis and lasts until today. Safety and social protection has been rather generous until recently and social benefits and country specific benefits (e.g. generous child benefit, early retirement etc.) were cut gradually (Hárs and Oblath, 2009; Hárs, 2009a).

More characteristic are the regional differences that have not basically changed over the last two decades: the employment rate decreased more strongly and unemployment increased faster in the less developed regions over the 1990s and the situation did not change with the recovery of the late 1990s. Differences are stable. While the transition shock affected all the regions during the 1990s, the effect was less strong and lasted shorter in the more developed Central Hungarian and the Western and Central Transdanubian regions while Northern Hungary or the Northern Great Plain and other less developed regions were hit stronger and even during the recovery period the labour market indicators remained worse. Differences did not change over the 2000s (Chart 1.7).

As regards demographic developments, Hungary has been experiencing population decreases: The population amounted to 10.7 million persons in 1980, 10.4 million (almost 3% decrease) in 1989 and 10.01 million (almost 6% decrease) in 2010. The fall in the number of live births lasting since the mid-1970s continued: in 2009, 22% fewer children were born than twenty years earlier (Chart 1.8). The proportion of young people within the population is lowering, while the share of older people is increasing (Chart 1.9). All these can be attributed to the change in the number of births and to the longer life span.

Hungary is an ethnically homogeneous country with the exception of a considerable Roma population living in Hungary as Hungarian citizens. According to Census 2001, 200,000 persons claimed themselves to be Roma, that is 2% of the total population, which most probably seriously underestimated the number, but studies estimated the size of the Roma population to be 520,000 - 650,000, in 2004 (Kemény et al., 2004), with a continuously increasing trend. According to the estimations of another author (Hablicsek, 2007a, b), the Roma population would be around 660,000 in 2011, that is, almost 7% of the population.

Similarly to the past years since the transition, the poverty rates are the highest among children, single-parent families, large families or the unemployed (Gábos, Szívós, 2010: 68). Poverty rates increased in the greatest extent in case of the Roma (according to the data of the TÁRKI Social Research Institute, 70% of them live under the poverty threshold<sup>7</sup>). Poverty in Hungary does not resemble some other transition economies where poverty is shallow and economic growth is expected to lift many of the poor out of poverty. Poverty in Hungary is much more like entrenched poverty in OECD countries, where concerns have been raised about the emergence of a permanent underclass of the poor (World Bank, 2001).

As to the housing situation, the proportion of privately owned apartments is outstandingly high (92%) (Hegedűs et al., 2009: 2) which reduces the employees' ability to adapt to the

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<sup>7</sup> However, please note that data for the Roma are not representative owing to the small sample size.

uneven regional distribution of jobs. Consequently, there is a correlation between the lack of rental housing and unemployment. Housing mobility is connected to the systems of housing finance and subsidy.<sup>8</sup> Regional differences in housing prices are increasing. The average price of apartments is 5-6 times larger than the average yearly income in comparison with the corresponding average 3-4-fold indicator in the European Union, but there are significant differences between regions and settlement types. Due to lower prices, acquiring a home is easier in villages and less developed regions, even if employment and earning prospects are limited there. In Budapest, the average private rent in 2002 was nearly two and a half times that of other cities or towns. Municipalities provide rental housing exclusively for people who have lived there for several years (Hegedűs, 2004; Hegedűs et al., 2008). An efficient rental housing sector (which would include a rent assistance scheme both for private rental and the communal sectors) could eliminate this obstacle to regional mobility.

## **2. Main emigration and internal migration trends and patterns**

### **2.1. Main emigration trends**

The emigration pattern is connected to the political changes. During the communist period, borders have been guarded and emigration has been controlled by the regime. As for Hungary, huge emigration resulted from the Hungarian Revolution of 1956 when masses emigrated at sudden when the borders were open for a while and illegal emigration was also frequent due to the fear that failing revolt will be followed by strong repression. Following the Revolution, borders were strictly closed and controlled until the early 1960s when the repression gradually eased and the border was partly penetrable during the last decades of the communist period. Registered emigration was moderate (Chart 2.1); irregular migration was similarly modest. With the collapse of the Iron Curtain the transition period resulted in free border crossings and the control of emigration practically diminished. Following the transition to liberal border control, emigration from Hungary remained moderate<sup>9</sup>.

In the 2000s, during the pre-enlargement period and following the enlargement of the EU in 2004, the free movement of persons became liberalized although some countries applied transition periods toward the citizens of the new member countries. Nevertheless, compared to some other new member countries, Hungarians have not reacted with strong emigration while destinations countries remained unchanged (Table 2.1; Hárs et al., 2005). According to the receiving countries' data sources (EU online database, by citizenship) the number of Hungarian citizens living in Europe (EU15 + EEA) is around 150,000 persons in 2010<sup>10</sup> in number and amounts to about 1.5% of the total national population and increased (Table 2.2). In the most important receiving country Germany the number of resident Hungarians increased from around 52,000 in 1998 to 55,000 in the year of enlargement in 2004 and over 65,000 in 2010. In the second most important receiving country, neighbouring Austria, the registered numbers increased more sharply from 14,000 in 2004 to 21,500 in 2009. Official statistics based on the destination countries data cover mostly the legal migrants who are

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<sup>8</sup> Hegedűs et al 2010 describes in detail the housing subsidy programs and analysed how these programs are to alleviate the risk of housing poverty. The following programs are the main pillars of the Hungarian housing subsidy system: subsidies in support of homeownership, programs to promote the increase of the rental stock, housing programs and regional interventions in support of renovation and modernization, housing allowances and arrears management programs. The quoted study concluded that a large part of the housing policy tools in effect and available in 2009 were ineffectual in dealing with many complex housing and particular living situations. Nowadays new plans are being elaborated to alter the system.

<sup>9</sup> Official migration data based on registrations in the population registers underestimate emigration. Official data show a decline after 1990 and slowly increasing emigration over the following years, but it cannot be substantiated in how far this trend displays real changes in emigration or changes in the rates of registration of emigration. Moreover, the registered inflow and outflow of residents in the late 1980s and early 1990s is highly influenced by the immigration and emigration of foreign nationals, particularly ethnic Hungarians with Romanian citizenship after the Romanian revolution and refugees from the dissolving Yugoslavian state (Böhm et al., 1993; Sik-Tóth eds.1996; on legal issues Tóth, 2004).

<sup>10</sup> Rough calculation based on data of 21 EU vs. EEA countries where data were available for 2010 or the recent available year. As for the UK, and France data refer to 2005, as for Greece data refer to 2001, consequently data considerably underrepresent the post enlargement Hungarian population in these destination countries.

resident in the receiving countries and possess Hungarian citizenship. It neglects the size of a considerable part of recent labour emigration and clandestine emigration. Labour force survey data partly covers this type of labour migration<sup>11</sup>.

There is a consensus among Hungarian experts, however, that the estimated emigrant population stock in Europe is about 2% of the total national population. Overseas emigration is less, according to the immigration statistics of the overseas destination countries<sup>12</sup>.

The three main destination countries are *Germany, Austria* and more recently the *United Kingdom*. Hungarian emigrants in Germany outnumber all other destination countries' emigrant Hungarian population; over half of Hungarian citizens, who are covered by EU online data, live in Germany. The second largest emigrant community lives in Austria which is followed by the UK, Italy, Switzerland, Spain and Sweden. Emigration data has increased since the enlargement of the EU in 2004. Although the sequence of the destination countries has not changed, some rearrangements came about. The most important destination country, Germany experienced some loss in the number of resident emigrant Hungarians following the enlargement: the number was 56,000 in 2003, 48,000 in 2005 and increased again as from 2007 to 56,000, while in Austria and in some other countries the number of emigrant Hungarians has steadily increased (Table 2.2). The UK has gained importance in the recent decade although the lack of EU online data fails to show it. In 2004 2.9%, in 2007 4.2% of total labour immigration to the UK (approved applicants from the EU8 countries) were Hungarians (The Accession Monitoring Report, 2007). Evidence from surveys on migration intentions show that migration target countries are stable and focus on the traditional emigration countries of Germany and Austria and more recently the UK. There is also interest in permanent emigration to overseas countries, mainly to the USA (Table 2.1). Hungarians slowly and modestly have got involved in the new emerging migration trends following enlargement while the traditional emigration destinations remained important.

Recruitment policies especially in Germany and Austria backed the labour emigration of Hungarians. Bilateral schemes supported migration to the main destination countries, and the design of these schemes has been dominated by the labour market needs of the destination countries. Different schemes under bilateral agreements served as a frame to get employed abroad like (1) *trainee programmes*, (2) *seasonal worker programmes*, (3) *cross-border programmes* and (4) *project-tied "posted" workers programme*<sup>13</sup>. Some bilateral employment programmes were limited by quotas, and faced additional restrictions concerning conditions of employment while others, in particular the seasonal worker programmes, did not (Hárs, 2003). The number of posted workers in Germany was nearly 10,000 at its peak, prior to EU enlargement, then decreased fast, and the seasonal workers were also numerous, around 5,000 at the top, but this number also decreased after enlargement. The trainee programmes involved some hundred persons only in Germany and Austria. Border commuting programmes exists between the border regions of Austria and

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<sup>11</sup> National LFS data are suitable to describe the structure of migration since it covers various migrant groups and detailed individual data. Due to the survey type data and the availability of emigrants and the hiding nature of persons involved in migration, the data are strongly underestimated in number. The structure of the emigrant population of the LFS considerably differs from the resident emigrant population regarding gender and age indicators. Emigrants with left behind family members or those with a circular character of migration may be covered by the LFS. Those, however, who are not available and no family member is available for the survey will be lost for the LFS. The estimation concerning the size of the emigrant population given above covers the resident emigrants. It may be assumed that real emigration is larger than the estimated based on EU online data, since emigration covered by LFS is possibly not included in the resident statistics.

<sup>12</sup> Hungarians' yearly permanent immigration to the USA was on average less than 1,300 persons, the naturalization on average less than 870 persons in the last decade. Temporary workers were in 2010 less than 2,400 persons (according to US Yearbook 2010). Immigration to Canada was even smaller, on average 500 residents and 160 foreign workers in the last decade (Canada, 2010). The World Bank (2011) data tend to cover all emigrant groups by the place of birth and overestimate the present emigration. For the analysis of the migration of the recent decades these data would strongly distort the picture and overrate the overseas destinations.

<sup>13</sup> Although the latter is, by its principle, a service, where a foreign (German) employer enters into contract with a Hungarian subcontractor to carry out a temporary project with the subcontractor's workers. From the point of view of migration, project-tied work is, however, a sort of guest-work (Faist et al, 1999; Hárs 1999).

Hungary (*Burgenland* and the 3 bordering counties from Hungary), the number of migrants involved continuously increased to around 5,000 persons by the time the transition put an end to the programme. The programmes remained effective following the EU enlargement, until the end of the transition period they were applied by Germany and Austria towards all new member countries, including Hungary, until mid of 2011. Nevertheless they were less attractive and became gradually outnumbered by other possibilities and destinations following the EU enlargement in 2004. With the enlargement of the EU some EU countries opened their labour markets; nevertheless the main destination and orientation of the Hungarians did not change even if the main destination countries applied transitory measures for free movement of workers during the transition period. In line with some recruitment programmes, after 2008, Austria has gradually opened its labour market to 50 mainly manual skilled professions that was extended in 2009 which did not lead to much change in migration pattern though.

Although wage differences to the main destination countries were considerable (measured in GDP differences at PPP) they proved insufficient to induce considerable emigration outflows. Worsening of the macroeconomic achievements sharply influenced the net income, the labour market situation and perspectives and also resulted in restrictions of the welfare system. All this ended in gradually increasing migration pressure and there are signs of an increasing labour emigration at present (Hárs, 2010). Labour migration to the Scandinavian countries, mainly to Sweden, is increasing, although it is still less in number compared to the main target countries (Table 2.2).

To summarise, following the periods defined above, the migration was moderate until recently:

As for *period 1 (1990-1997)*, emigration pressure was moderate and in spite of the transition shock outmigration remained relatively modest partly due to the fact that development was accompanied by a rather generous unemployment benefit system and early retirement schemes. Emigration was characterised by the fact that emigrants originated from the more developed Transdanubian regions with less unemployment. In the frame of bilateral agreements channelled migration was very much characterized by this fact (Hárs, 2003).

In the phase of economic upturn, *period 2 (1998-2004)*, the hope to get employment in the home country resulted in weak push factors of emigration. In the early 2000s the main bulk of emigration of the bilateral programme participants originated from the more developed Western part of the country. In the late 2000s the picture is different, the more depressed North-Eastern part of the country clearly got connected to emigration. On the other hand, the emigration potential of the poor (and especially the Roma) was strong although the completed migration was little (Messing and Molnár, 2010; Bernát, 2006).

*During period 3 (2005-2007)* the economic slowdown and restrictions resulted in unemployment and social benefits cuts that were less impediment of migration; migration slowly but gradually increased, particularly to the UK, as shown above.

Finally, *period 4 (2008-to date)* slowly increasing labour emigration continued, due to the prolonged economic crisis period. Emigration has been gradually spreading out and reached also the more depressed regions.

## **2.2. Main internal migration trends**

Population register data are used for internal migration. Total migration consists of permanent and temporary migration. Permanent migration is registered as change of permanent address. Temporary migration is registered when someone moves within the country, while maintaining the same permanent address, or when someone moves from one temporary address to another one. This section uses data on permanent migration to sketch trends.

The main trend of rural-urban migration has been completed prior to the transition. The most intense phase was prior and during the 1960s while in the process of the economic restructuring Hungary became an industrialised country. Interregional migration was massive and flowed from the agricultural regions (from villages) to the industrial centres (towns and

Budapest). During the 1970s intraregional mobility became more dominant and the flow from villages to urban areas continued (Chart 1.2).

Regarding the volume of internal migration, the changing political system in 1990 did not bring a caesura, moreover, contrary to the expectations, the population replied with decreasing mobility to the economic and social changes.

As for *period 1 (1990 - 1997)*, mobility decreased until 1994, afterwards it stagnated with a slight oscillation. The positive migration balance of Budapest decreased and turned into negative in 1992.

In the next phase, *period 2 (1998 - 2004)* oscillation persisted and the loss of migration of Budapest continued with a peak of around -20,000 persons in 2000 while the migration gain of villages also peaked in 2000.

*In period 3 (2005 - 2007)*, during the slowing down of the economy, the migration rate increased again, and the negative migration balance of Budapest turned into positive again in 2006. At the same time the migration gain of the villages turned into negative.

Finally, during *period 4 (2008 - to date)* in the period of the financial crisis after 2008, migration decreased again to the level of the millennium and the population loss of villages further continued, due to out-migration.

The decreasing internal migration trend after the transition can be primarily explained by limited labour market opportunities and the appearance of mass unemployment together with significant drop in building construction and an extreme differentiation of real estate prices which practically made it impossible for those living in disadvantaged or less attractive regions to leave. Those living in workers' hostels before the transition and who lost their jobs, returned to their villages of origin. The total migration rate of the Hungarian population is (3.2 in 2009) and has been very low since the transition (e.g. 8 in 1960) and the EU accession did not result in a migration turn either.

Although the evolution of internal migration rates does not show a substantial change over time, the underlying structure does. Previously dominant mobility routes, from villages (rural areas) to towns (urban areas) have been reversed<sup>14</sup>. After 1990 the destination of internal migration changed completely. The process of suburbanisation replaced the former migration from villages towards towns (Chart 2.3). The positive migration balance of Budapest has ceased to exist for several years, until 2006. Parallel to this, from the mid 1990s villages had a positive migration balance, but after 2000 these trends gradually decreased and in 2007 the migration loss of Budapest stopped and villages had a negative migration balance (Gödri, Spéder, 2010).

Research reveals various strategies and patterns of internal migration in Hungary.

- Suburbanisation

- Wealthy and educated families move to the suburb/green-belt areas around large towns searching for healthy and pleasant environment (Ladányi, Szélényi, 1997 and 2010; Ladányi, Virág, 2009; Csanádi, Csizmady, 2002).
- A bigger portion of suburbanisation embodies the escape of those urban poor who lost their jobs in the city, came originally from the countryside, mostly have low educational level and Roma, to villages outside agglomerations, due to increasing difficulties to make ends meet, high rental and housing maintenance costs. In these settlements real estate prices are really low. Most of those who formerly moved from the rural regions to the cities and the capital and lived in workers' hostels also moved back to their village of

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<sup>14</sup> There is no single definition for rurality in Hungary. The most widely accepted interpretation is based on the types of settlements. Although the categories of villages and towns do not exactly cover urban and rural areas, lacking exact delineations and especially because there are no statistical breakdowns according to the urban or rural nature of the settlements (but sample surveys do provide data on poverty and social exclusion in a towns/villages breakdown), in studies the village/town breakdown is used as a proxy of urban/rural areas. This is also the case in the National Development Plan, as well as in the Rural Development Plan and the National Action Plan on Social Inclusion and the National Report on Social Protection. (Vukovics, 2008: 123)



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origin after dismissals from work, in the early transition process (Ladányi, Szelényi, 1997 and 2010; Ladányi, Virág, 2009; Csanádi, Csizmady, 2002; Messing, Molnár, 2010).

- Segregation:
  - Already before the 1990s, the population was segregated in poorer and more affluent neighbourhoods. This tendency intensified from the 1990s onwards. It is a characteristic feature of Hungary that particularly the city of Budapest is segmented into small homogenous neighbourhoods. On the one hand, there are poor neighbourhoods, with poor people of Hungarian ethnicity living in different parts than poor Roma. On the other hand, there are affluent city regions especially in the hilly Buda side where only ethnic Hungarians live (Ladányi, Szelényi, 1997; Ladányi, Virág, 2010).

There are two main types of small villages. Firstly, ageing villages, where the population decrease is continuous. Secondly, villages in which everyone who was able has moved away, so only the old and the very poor, mostly uneducated, unemployed young and growing population remained, with a lot of children, and high ratio of Roma. This tendency is discussed as ghettoisation (Havas, 1999; Ladányi, Szelényi, 2004; Virág, 2010).

Commuting as an important form of spatial mobility appeared in Hungary after the aggressive industrialisation process in the 1950s. By 1970, 977,000 people, one fifth of the active population, commuted to their workplace, similarly to 1990. After the transition economic processes decreased the chances of local employment and increased commuting even more: by 2001, 30% of the employed worked in a different settlement. However, it should be noted that population register data which is used to describe these tendencies overestimate commuting and underestimate internal migration, because particularly young people keep their permanent address in their parents' place while actually moving elsewhere. The share of women and those with high level of education and white collar workers has increased, the proportion of the younger generation somewhat decreased among commuters. A special group of commuters are the long-distance commuters, based on data from the LFS 2008 5% of the employed (188,000 people) who can go home only weekly/biweekly, monthly or even more rarely. They are overwhelmingly male (74.2%, mostly aged 15-29. However, a high ratio of single indicates that these persons may have in fact established new households in the place of employment. The ratio of those with high educational level is 23.5% (versus 16.1% of daily commuters). Long-distance commuters usually come from villages, and from disadvantaged regions, e.g. Northern Hungary (Lakatos, Váradi, 2009: 793).

Internal mobility flows from the underdeveloped, disadvantaged Eastern region of the country towards the Western (North-Western) part (Chart 2.4) indicate that most micro regions of Central Hungary, Central Transdanubia and Northern Transdanubia have internal migration gain while Northern Hungary and the Northern Plain have suffered migration loss since 1990. An analysis of the period 2006 to 2009 shows that the population has continuously been decreasing in all regions, except Central Hungary. Earlier trends changed from 2006 to 2007 when the population first increased again in Budapest. The rate of population decrease was the highest in Northern Hungary, about 3% over these three years, while the Northern Great Plain, Southern Transdanubia and Southern Great Plain regions also exceeded the national average (0.45%) (Gödri, Spéder, 2010: 111).

Although labour market conditions play an important part as a motivation for relocation, they are clearly not the only, or the dominant one. One author (Köllő, 2004) proved that there are only moderate wage differences when controlled for other characteristics across regions (that is, there are no significant differences among workers with similar qualifications, but in the characteristics of the local labour markets).

Transaction costs of migration are high, however, and regional mobility is hampered by various factors like housing (Hegedűs, 2004) and high travel cost<sup>15</sup> that is a strong burden on short term mobility or commuting to work (Köllő, 1997; Bartus, 2004).

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<sup>15</sup> The housing situation is described in more detail in section 1. Due to this, if there are no local job opportunities, moving is not an option, only commuting, despite its high and increasing costs.

In a study (Cseres, Gergely, 2004)<sup>16</sup> apart from economic incentives, other motivations for mobility were identified and by factor analysis two main strategies identified: the „active” and the “defensive”. The first one characterises “an upwardly mobile behaviour, seeking better working conditions and infrastructure that a place of living can offer. The second one describes a potentially more defensive strategy. People here seem to flee from costs and financial pressures, taking advantage of leaving rented accommodation due to rising rents and selling purchased accommodation to profit from increasing house prices. Man-made amenities, unlike natural ones, are not particularly valued. Labour market opportunities may not be considered a driving force either” (ibid.: 101). The author stresses the fact that these categories do not correspond to „wealthy” and “poor” but the active strategy most often goes together with moving upwards the settlement hierarchy, whereas moving downwards with the opposite one. In the analysed timeframe the author found a steady rise of the „defensive” factor since 1994, presumably linked to economic problems hitting hard across the population.

### **2.3. Main characteristics of migrants**

Demographic statistics provide information regarding the gender, age and marital status of **internal migrants**. Both before and after the transition women participate in permanent internal mobility slightly more than men and this gap even widened since the mid-1990. Before the transition, temporary internal migration was characterised by more men than women but this trend also reversed after 1990, so nowadays about 54% of temporary migrants are women. The more intense mobility of women can probably be explained by their increasing numbers in higher education and better life prospects (Dövényi, 2007: 341)<sup>17</sup>.

Regarding temporary mobility the most characteristic age group is that of the 15-35 year-olds (Dövényi, 2007). It is above all relevant for young single people who move away from their parents' household but keep a permanent address with their parents. Permanent mobility and moving both affect mostly whole families, mainly parents aged 20-40 and children below 10. During the past years the age structure of permanent migrants has changed most significantly: the proportion of those above 60 grew until 2000 and afterwards started to decrease again. Since 1990 the proportion of the age-groups 15-19 and 20-24 year olds has also been decreasing quite significantly (youth from 9% in to 5.5% in 2004 and young adults from 17.6% in 1990 to 9.5% in 2004; Dövényi, 2007: 342). The age structure of temporary migrants has changed similarly since the transition, with a significant decrease of the proportion of the important age groups of those 15-19 and 20-24. Educational participation probably increased while more limited employment possibilities decreased their volume (Dövényi, 2007: 342).

As to marital status, there has been a change since 1990 regarding the composition of internal migrants. In 1990, 45.2% of permanent migrants were married, this proportion decreased to 36.7% by 2000, while the ratio of singles (especially single women) increased from 41.5 to 46.4%.

Special studies may provide some information regarding other characteristics of internal migrants. A study examining mobility from Budapest and its agglomeration found, that “according to their wealth status, the composition of those involved in movements within Budapest and towards the agglomeration was more or less identical with the average figures prevailing in Budapest, i.e., the ratio of affluent people was nearly 150% of poor people<sup>18</sup>.”

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<sup>16</sup> Data source: 1997 “Regional Development Survey” conducted by Szonda Ipsos, Hungary

<sup>17</sup> After the transition (1989) there has been a very significant expansion of tertiary education, the number of students in full-time education more than trebled over the period, and among them the share of women exceeds that of men (Hungary, 1989-2009: 24-28)

<sup>18</sup> This indicator for the financial position of individuals contained three elements: whether the individuals asked had other properties and assets apart from their homes or not. It indicated a high status too if individuals had certain status symbols in the category of consumer goods. On the other hand, if only an out-of-date version of a consumer goods, listed in the questionnaire, was possessed by an individual, it indicated risks of a low status (for example, only black and white TV, traditional washing machine). Apart from that, an individual was only considered one in a low status if he did not possess assets or consumer goods indicating a high status, listed above, and sometimes the family did not have enough money for food, heating or rent. Therefore, while forming a

However, there was a significant difference between those moving out to growing suburban type areas at the periphery of the city, where the proportion of both extreme groups was lower, i.e., this moving option seems to be chosen by persons of medium status. On the other hand, among those who moved to remote points of the country, there were more than twice as many poor people as the average figures in Budapest, and the ratio of affluent people was only approximately 50% of the figure prevailing in Budapest. Therefore it seems that a significant proportion of population moving to areas around Budapest belong to the middle class, among those moving to remote settlements the proportion of people belonging to lower middle and other lower classes is very high. The relatively conventional and suburban migration motive of “demand for a more spacious and better home” occurred only in 34.5% of cases, while in the other two moving types (moving within Budapest or the areas around Budapest) the ratio was more than 50%. Most probably, it is even more revealing that more than one quarter of the individuals moving to remote places (28.7%) had to move towards cheaper areas, and nearly one quarter (26%) indicated as a reason for moving that they were unable to maintain their former home in Budapest.” (Csanádi et al., 2002: 6-7)

As for **international emigrants**, the share of women to men among emigrants differs considerably by destination countries. In the main destination country Germany the majority of emigrants are men, the ratio of women to men has been 0.6 and slightly increased to 0.7 (over the period since 1998) while in Austria there is a balanced emigrant population by gender, the ratio of women to men has been increasing from 0.9 to 1.1 (2001-2009). In other destination countries the number of emigrants is considerably smaller but women considerably outnumber men like in Italy where the ratio of women to men is over 3, or in Spain 1.6 prior to EU enlargement but the share is decreasing to 1. In most cases the share of women in the emigrant population is on the rise. There is no recent data on the UK but the ratio of women to men was 2.6 to men in 2004 (Table 2. 3). According to the EU statistics of the receiving countries the resident emigrants with Hungarian citizenship are mainly of active age groups (Table 2.4). Immigrants are different by age structure and by country, however. In Germany, that is the main destination 34% are over 45 years, in Austria 25%, in France 30%, while e.g. in the Netherlands or Denmark this share is less than 10%, in the UK 15% in the most recent available year (Table 2.5)<sup>19</sup>.

Research on bilateral employment agreements’ participants of the late 1990s and early 2000s (Hárs, 2003) found that participants in the programme were mainly men in the trainee and border commuters programmes, while the share of women was higher in the seasonal programmes for shorter periods. The young age group is overrepresented among migrants under bilateral employment agreements. Especially the trainees are young. The qualification is mainly apprenticeship school or less. There are no data on the personal unemployment status of the programme participants, but participants mainly originate from low unemployment regions of Western Hungary (Hárs, 2003). Sending regions of emigration under bilateral labour agreements are presented in Chart 2.1.

A follow-up research of potential emigrants revealed the real emigration experience some years after the first time they were initially interviewed about their emigration plans<sup>20</sup> (Hárs, 2008). Research refers to the migration period of the mid 2000s and found that emigrants were more likely men, possibly young although age was less important than gender, the average age was about 31 years. Unemployed declared emigration plans; realised emigration was rare, however. Similarly students living with their families planned emigration

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group in favourable financial conditions, Csanádi et al. considered those as affluent who had assets, possessed at least one of the consumer goods indicating a high status, and did not have any financial crisis in their family for the last 12 months (Csanádi et al., 2002: 5-6)

<sup>19</sup> Data refer to those included in EU statistics and do not cover short term migrants mostly. No systematic data collection or research on emigration over the past two decades is available. Studies on potential or actual migration suggest that people involved in migration are mainly skilled manual labourers, mostly men of younger age groups. (Hárs, 2010)

<sup>20</sup> A special block of the LFS questionnaire questioned about emigration plans in 2003 and a follow up research asked them about their actual emigration experiences 4 years later.

without high share of realised emigration. Emigration was more frequently realised among elder and married persons.

More recent information on labour migration, according to LFS data, confirms these trends on the characteristics of emigrants for the late 2000s and gives more details. The majority of emigrants completed the apprenticeship school (ISCED 2 level of education), mainly those who are employed in Austria and in Germany, that is, in the traditional emigration destinations for Hungarians. The share of better qualified migrants, with a secondary school final examination or even high school graduation is increasing (ISCED 3-6), mainly in new destinations, in the UK, and similarly in other EU15 or EEA countries. Labour emigrants would take very different jobs in various destination countries. In the traditional destination country Germany the skilled and semi-skilled labour in industry and construction was and has remained relevant. In Austria the larger part of labour migrants from Hungary are employed in similar sectors but the service jobs are on the increase. The new immigrant countries, like the UK and other EU countries attract mostly service jobs altering with unskilled jobs previously, and non-manual jobs also seem to be relevant (Hárs, 2010). Chart 2.2 demonstrates the sending regions of labour emigration of destination countries in 2010 based on labour force survey data: emigration from the Western Transdanubian regions of Hungary is, by far, highest to neighbouring Austria whereas emigration from the capital city and Central Hungary towards destinations other than the traditional migration countries Germany and Austria as well as to the UK prevail. Table 2.6 summarises the above discussed evidences of migration characteristics of different periods of emigration according to various studies.

Migration based on bilateral agreements was, by nature, provisory, nevertheless previous work experience abroad significantly influences next emigration. Those who were successful during previous emigration spells will likely get involved in migration in the future as well. That is, return migration is somewhat different in characteristics and the whole migration process can be characterised by circular migration (Hárs, 2003). Evidences on recent migration based on LFS data show that the share of the returnees is high, relative to the labour migration in the period following the crisis. Returnees are often unemployed since the status of unemployment is often a transition period for the person to find a new foreign employment or reasonable job at home. Returnees are at higher rate women than among the emigrants (in the Hungarian LFS 25% of emigrants and 35% of returnees were women in 2010), and they are younger and more often employed in unskilled jobs abroad (Hárs, 2011).

There was some emigration of the Hungarian Roma in the 1990s. The refugee status seemed to be the way of escape for Roma, the main target country being Canada. The number of applicants increased to some thousands by the end of the 1990s and led to the re-establishment of visa requirements between Hungary and Canada in 2001 (Hajnal, 2002). During the early 2000s new waves of Roma emigration took place from Hungary to EU countries, mostly to France and also to Sweden, often following harassment of the Roma in their home. The hope to be acknowledged as refugee was also seen as a chance for better job and social security opportunities (Kováts, 2002). A considerable share of Roma emigration ended up with disappointment or with compulsory return to Hungary, however. Since Hungary became a member of the European Union, the recognition of the refugee status is no more a possibility for the Roma in Europe. Re-abolishment of the visa requirement for Hungarians to Canada in 2008 revived the Roma emigration. Exact figures and systematic national scientific research results are hardly available regarding the total volume of Roma migration, but from the press one can learn that various Roma groups have travel intentions from various parts of the country, e.g. Mohács, Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg counties (Népszabadság online, 2008). These travel intentions often come to the foreground following some insult or crime affecting Roma people. The Roma plan to migrate in families together with spouses and children or groups. It seems that the poorest Roma have no means to realise their migration intentions.

According to a survey carried out on the migration potential of the Roma in 2004 (Bernát, 2006), the migration potential of the Roma proved to be twice as high as that of the general population: 20% of them planned to work abroad for a longer or shorter period. The share of

those with an intention of emigration forever is four times higher than that of the general population. 57% of the Roma planning to work abroad would leave almost immediately, during the next three months as compared to 35% of the national sample. 10% of the Roma have no idea about their destination country (vs. 5% of the general population). The USA, Canada and France were among the frequently mentioned destinations of the Roma. Although twice as many Roma intend to migrate, they have relationships abroad or have relevant migration experiences in their social networks to a smaller extent than the average Hungarians with migration intentions. Contrary to the original expectations of the study, deeper local social network embeddedness in the home country does not hinder, but foster migration in case of both populations (Bernát, 2006).

Although the migration pressure is strong, effective migration of Roma is, in fact, limited. According to a recent survey of the Fundamental Rights Agency (FRA) (2009) only a few of the Roma surveyed had travelled outside their own country. The share was 7% in Hungary, similar to Bulgaria, the Czech Republic or Greece (8%, 5%, in 6%, respectively) and considerably less than in Poland, Romania or Slovakia (11%, 14% and 12%, respectively). There is no available information on which occupational groups of the Roma are affected, but as 80% of Roma adults – compared to 33% in the total population – only have primary education, thus most probably they are involved in unskilled jobs (Kemény et al., 2004).

### **3. Nation-wide labour market and social development trends under the influence of emigration**

#### **3.1. Economic and labour market developments**

Due to the relatively limited size of emigration there is only slightly recognisable influence on the demographic composition of the population. Rough estimations would help to show it based on LFS data in 2010. Using the gender and age distribution of the LFS emigrant population, the estimated data show some effect of emigration on the composition of active population<sup>21</sup>. Results on age distribution show only a slight increase of men's aging and reveal an even less visible influence in case of females (Table 3.1 for the active population and Table 3.2 for the total population). All in all, the present intensity of emigration does not seem to affect the demographic composition of the population in Hungary.

Emigrants are more likely employed people or students who are new entrants to the labour market. There is no evidence on indirect effects of emigration like the replacement effect of emigration on the labour market. Looking at the data obtained from the LFS, emigration does not seem to impact on the rate of participation in the labour market in fact neither for men nor for women (Table 3.3.).

Although a high share of the unemployed declare emigration intentions, effective emigration experience of the unemployed failed to follow the intentions. Research clearly shows the mismatch between actual migration and the migration potential of the unemployed (Hárs, 2008). The case is similar concerning the emigration pressure of the Roma who are at an extremely high share long-term unemployed. Nevertheless, emigration intentions of the Roma end with very little success. All in all, there is no evidence that emigration has been easing unemployment in Hungary.

There are, on the other hand, interview evidences<sup>22</sup> on labour shortages in regions where emigration is concentrated and emigrants are recruited, mainly for manual professions. The problem is characteristic in the Western border region where emigration or stable work contract binds the person to the Austrian labour market, mainly to the other side of the border (Chart 2.2). Employer organisations or labour offices and trade union practitioners often complain about the lack of some professions (e.g. locksmith, carpenter, social assistant,

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<sup>21</sup> Supposing that real emigration registered by the LFS is underrepresented, we calculated with a double of the emigrant population number covered by the LFS as a general size of emigration. That is an estimated outflow but the structure of the emigrants better corresponds to the effective trend than Eurostat data would suggest.

<sup>22</sup> Interview with Sándor Kiss, Chamber of Commerce and Industry. See list of interviews in the annex.

## Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

mechanic, bricklayer, cook, welder<sup>23</sup>) on the Hungarian side of the border due to the pull effect in Austria. It is remarkable, however, that there is also an opposite pull effect mainly in the Western border region. Indeed, since the early 1990s various health services, mainly provided by Hungarian dentists have been flourishing attracting clients from the more developed EU and EEA countries, due to the considerably lower wage cost of the dentists<sup>24</sup>.

In correspondence with the size of emigration, remittances are moderate as well. Eurostat statistics on remittances provide data on the size and structure of remittances that is coming mainly from the European countries<sup>25</sup>. High shares of remittances are covered by the statistics since bank transfer is the most widely used channel of transferring the compensation in case of Hungary. The estimated amount of remittances compared to the GDP is less than 2%<sup>26</sup>.

Remittances are mainly used for personal or family purposes. There is no evidence on investment of remittances at all; on the contrary, researches point to the reluctance to use remittances for investment. According to an early research on Hungarian posted workers in Germany (Hárs, 1999) those who were interviewed about the purposes on how the remittances had been used revealed that investment was no option. A sort of investment the returnees considered as a good possibility was to buy a good car and use it at home as a cab. More recent research (Hárs, 2009b) shows similar evidence on the purposes of remittances and how they had been used. It has revealed that the main purpose of remittances while working in Austria was the building and reconstruction of the home or house. Further important purposes were family investment of buying a car or using the remittances for additional family subsistence. Schooling, that is human capital investment into the children, was important as well although the investment into the children's education is not part of the emigration strategy and aim of the poor but of the middle classes or above (Table 3.4). More recently the burden of redeeming debt has also become an important purpose of using remittances<sup>27</sup>.

Return migration, in accordance with emigration has been moderate and there is no evidence of perceptible influence or disturbance on the labour market up to date. Hungary has not experienced any shock on the labour market due to sudden emigration or return migration. As mentioned above, evidences on migration show a circular pattern of migration, that is, the first spell is followed by succeeding labour emigration spells. Research (Hárs, 2003) revealed that bilateral scheme participants prior to EU enlargement, in the first half of the 2000s followed the strategy of being employed in various schemes, e.g. the expired possibility of being employed in Germany has been followed by an emigration spell in Austria, and then possibly in Switzerland. Recent Hungarian research on recent emigration (Hárs, 2009b) also indicates similar labour market strategies of migrants who are working abroad. Those who once began to work abroad intend to do so until they reach the retirement age when they plan to return home. Another Hungarian study (Hárs, 2008) also found among those who had migration inclination in 2003 and were interviewed 4 years later, that those who returned home after some effective migration experience were unlikely to be employed at home. Those, who were not working abroad in the period of the interview, had mostly the plan to return and work continuously, for some more years abroad or they had withdrawn from the labour market. Nevertheless, a considerable share of those, who intended to work, had no real emigration experience.

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<sup>23</sup> See: <http://www.alon.hu/10-hianyszakma-ahol-fizetnek-tanuloknak-nyugat-dunantulon> (regional website for the border region with Austria, the source of the information is the Western Transdanubian Regional Directorate of the Educational Office, the article was published on 2010. 01. 18., retrieved on 2011.03.10.).

<sup>24</sup> See: Merklin (2009) or study report of Nagy (nd), Department Head of Department of Dental Surgery at University of Szeged Faculty of Dentistry.

<sup>25</sup> See: Eurostat database. Current account, Income, Compensation of employees (including border, seasonal, and other workers) [http://ec.europa.eu/eurostat/product?code=bop\\_remit&mode=view](http://ec.europa.eu/eurostat/product?code=bop_remit&mode=view) (retrieved on 2011.09.12).

<sup>26</sup> World Bank (2011) data based on estimations strongly overestimate the size of overseas Hungarian emigration (see footnote 12). Consequently, the latter also strongly overestimate the remittances from the USA and Canada.

<sup>27</sup> Interview with a EURES advisor. See list of interviews in the Annex.

There are signs of underutilisation of the skills of skilled labour emigrants from Hungary. Interviews with Hungarian labour emigrants in the UK clearly present this pattern of migration in the period of enlargement (Mészáros, 2006). Recent LFS data on emigration to the UK hint that the educational structure of emigrants do not match with the jobs they take. The share of secondary or tertiary education among the UK emigrants is high while the jobs they take are mostly unskilled jobs (Hárs, 2011). In addition to some research evidence, everyday experiences and expert opinions support the assumption that returnees who acquired new skills abroad mostly do not use their new skills after returning. Mostly they even suffer from the underutilisation of their new skills. An earlier study (Hárs, 1999) found that returnees who were skilled labourers and experienced new technical procedures and amounted skills during their work abroad turned to be discouraged when the skills were not valuable after returning. The Project Retour programme gives similar experience on highly educated returnees (see more detailed later in section 6.2). The experience is common among skilled labourers and highly skilled returnees. As everyday experience, the language skills of persons in various service jobs are developing as a result of return migration, e.g. in hotel and restaurants, health tourism, etc.

Sophisticated research focusing on brain drain in Hungary has not been extended. Two successive online researches on Hungarian emigrants (Csanády, Személyi, 2006; Csanády et al., 2008) cover both those who graduated in Hungary or abroad. Evidences prove Hungarians' presence in the international mobility of the highly qualified persons and find that successful emigration is unsure. According to Csanády and Személyi (2006) more natural scientists, less social scientists are involved in emigration from Hungary, and they also found that not many medical doctors were to be found under the emigrant population. They underline that less doctors were involved in real emigration than it had been expected from various media information related to emigration pressure of doctors. Not only is there a high demand for doctors in the old EU countries but the average income in these countries is much above the home average<sup>28</sup>. It has raised strong interest and migration pressure among doctors who suffered from low wages and poor work conditions including working environment, the system of strong hierarchy and informal payment (*hálapénz*) at home. Shortly after the EU accession hundreds of doctors had already *expressed their readiness* to migrate. Around 1,000 Hungarian medical doctors had applied for certification at the British Medical chamber to take a job in the UK (Mészáros, 2006). The majority of all health professionals who were looking for a job abroad were medical doctors. Since the enlargement the total number of applications for certification has been reaching nearly 5,000 medical doctors, around 750 dentists, 226 pharmacists, around 1,350 nurses and midwives and over 600 other health professionals, including those residing in Hungary or abroad already (Eke et al., 2011). In Hungary a mediation centre for doctors helped doctors to find a job in the UK, and the director of the centre reported that after enlargement, daily around 15-20 medical doctors expressed their interest to find a job through the centre. Nevertheless, only 150 doctors were successfully channelled to a job through the mediation centre. The inclination of migration strongly outnumbers effective migration (Mészáros, 2006). In the early period of enlargement a considerable share of those who were applying for certification were already abroad and the application for certification only corresponded to a legalisation of the previous status: this concerned 46% of doctors and 48% of dentists from May to December 2004. As for nurses, the share was lower (23% in 2004) and has somewhat decreased until 2008 (Eke et al., 2011). Recent changes in the health care sector however, coinciding with low wages, hospital closures and job terminations resulted in a recurrently emerging migration pressure even among mid-career doctors of the age of 30-39 or even

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<sup>28</sup> A young doctor earns a net of HUF 95,000 (EUR 365 ) per month, and completing the resident period the wage goes up to net income of EUR 440. Comparable wages in the UK are 6 times, in Scandinavia 10 times higher. As for a mature doctor, income is still the double to the young doctors' (Csernátó, 2010). In Hungary the income of doctors is low although in certain cases some additional informal income is received from patients, which is rather considerable in some special fields of health care, This sum completes the doctors' income, but altogether it is a serious problem of the Hungarian health care system, and this supplementary, unofficial income is not available to each doctor and especially not for the young ones. Consequently the migration pressure from particular segments of doctors is strong.

older, for shorter or longer period according to a survey conducted by a federation of doctors (Lóránth, 2007)<sup>29</sup>. The mismatch between the outstanding job expectations and the poor jobs and work conditions offered at home has not been studied but every day evidences refer to this fact. Medical students and young doctors also hope to find a job abroad; 3 out of 4 career starter doctors declared at least weak migration intentions in the period of 2004-2007, and the main reason is income although for some professionals experience is also important (Eke et al., 2007 and 2009). Expected destinations are mainly the UK, Germany and the Scandinavian countries. Apart from a number of success cases, doctors often keep their position in the home country and accept a week-end inspection or a similar job abroad.

A study (Kiss, 2009) shows that in case of emigration of highly qualified or skilled workers to Scandinavia, mostly of technical graduation, the main reason for migration is partly economic, but partly also promising carrier steps. Survey interviews revealed, however, that these migrants were employed, using professional skills, although different ones from the skills used at home: in this sense their skills were underutilized. According to the emigrants' expectation, the emigration would last over 5 years. Research evidences also pointed to the fact, that skills accumulated during the emigration period is hard to utilise at home.

No systematic research regarding highly educated returnees is available. *Project Retour*<sup>30</sup> conducted a pilot study that was not a representative research and covered 120 people. They found that return plans are different by the level of degree. 47% of BA, 61% of MA graduates and all MBA students have returned, and only those with PhD were not returning. Men are more focused on career advancement in the host country; they are held abroad by their network, financial obligations, and better pay and by non-existent research and career opportunities in Hungary. Women, on the other hand, are faced with the need to make up their minds about having children and more frequently return home. Integration of the returnees is contradictory; in spite of declarations at political level, not much support is available. Some over-qualification even causes tensions when finding a proper job. Evidences are mostly everyday experiences; there is no research in this respect.

### **3.2. Social security**

Hungary has negotiated bilateral social security agreements to enhance the cooperation between the social security authorities of the foreign countries involved (e.g. Canada, Quebec, Croatia, Korea) and to ensure the adequate portability of contributions and entitlements for migrant workers and their families. Nevertheless, not all bilateral social security agreements cover all benefits (e.g. with Canada it covers: old age security, retirement, survivor's benefit, surviving child's benefit, death benefit), so the degree of portability may vary. Most agreements refer to long-term benefits like old-age, disability, survivor pensions, and other annuities. The provisions ensure that periods of contribution to these pensions that have been paid in either of the two states are totalized and payment of pensions can be obtained in either country. Most bilateral social security agreements include the so-called non-discrimination clause. This means that nationals of the signatory states of the agreement are treated equally in the two countries with respect to social law. None of the current bilateral social security agreements envision an export of pensions by a transfer of contributions between the social security institutions of the home and the host country. Instead, all pensions are paid directly from the various social security institutions to the migrant. For pension benefits, the key element for portability is totalisation of contribution periods and amounts in order to avoid disadvantages in eligibility and replacement rate. Such bilateral negotiations are likely to be difficult, in particular if the benefits systems between Hungary and other countries are very different (for more details see: Bilateral Social Security

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<sup>29</sup> Data may be exaggerated since the survey has been conducted by the federation of the doctors, a professional interest association.

<sup>30</sup> It is an NGO with an increasing network of graduated returnee Hungarians. Its main task is to help and support returnees who face serious difficulties after returning and on the labour market.



Agreements, 2008)<sup>31</sup>. In case a Hungarian **migrant** works in a state of the EEA, he has to pay social contributions in the country of work and has no obligation pay social security contributions in Hungary and even no possibility to contribute to the Hungarian social security system based on voluntary contribution. In the case of emigrants working and being insured in an EEA country but still having permanent residence in Hungary, the migrant will be entitled to full medical coverage based on the permission of the insurance provider. However, since the place of residence is determined by the legal provisions of each country, which may differ from the Hungarian practice, generally Hungarians who have been working in the UK, Ireland and Italy will not be provided this full-scale permission<sup>32</sup>.

According to Article 39 of the law LXXX of 1997 everyone having a permanent residence in Hungary, is still obliged to pay health insurance contributions; in case of leaving for abroad while having residence in Hungary, the person is still obliged to pay health insurance contributions. If someone does not pay the contribution amount, it accumulates as a debt with the Tax Authorities; without paying this debt back, the (migrant) person cannot check out from the system later either, unless he/she can prove to have paid health insurance in another country.

In case a pensioner receiving a pension from Hungary leaves for a third country outside the EEA, the transfer of the pension abroad can also pose a serious problem unless the export is provided for by a bilateral social security agreement with Hungary, since Hungarian law does not foresee the transfer of pensions abroad in such cases<sup>33</sup>.

As regards social security coverage of **family members left behind** by a migrant the situation is as follows:

Entitlement to *health care* for family members left behind shall not be a major problem since health insurance covers also non active family members like children, pensioners and other adults, if in need<sup>34</sup>, who may turn to the local notary for an official certificate that provides entitlement to health services. This can be given to more than one family member.

In respect of the receipt of *child benefits* the situation is as follows: in case a migrant father works in Germany and the mother lives in Hungary with two children, the family would receive child benefits from Germany, which have a significantly higher amount than the corresponding Hungarian family provisions<sup>35</sup>. The mother cannot receive child care

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<sup>31</sup> The U.S. and Hungary have not yet entered into a social security totalisation agreement, certain individuals may be required to pay into both countries' social security systems on the same earnings. Source: website of the US embassy in Budapest, Hungary (<http://hungary.usembassy.gov/taxes.html>, retrieved on 2011.03.20.).

<sup>32</sup> Source: the official website of the National Health Insurance Fund (OEP). Frequently asked questions on health care provision abroad and insurance and care for those working abroad in Hungary – without date) [http://www.oep.hu/pls/portal/docs/PAGE/LAKOSSAG/OEPHULAK\\_EBELLAT/EUELLATASOK/110118\\_GYIK.PDF](http://www.oep.hu/pls/portal/docs/PAGE/LAKOSSAG/OEPHULAK_EBELLAT/EUELLATASOK/110118_GYIK.PDF) (retrieved on 2011.03.20.).

<sup>33</sup> In 2011 the average pension in Hungary was HUF 83,640 (EUR 279) a month

<sup>34</sup> a) someone (also if unemployed) in whose family the per capita monthly income is 120% of the lowest amount of the current minimum old age pension b) someone who lives alone whose per capita monthly income does not exceed the 150% of the lowest amount of the current minimum old age pension, and whose family has no wealth.

<sup>35</sup> In the Hungarian family support system the cash grant aids are significant. Among these there are one-off payments (maternity allowance) and recurrent payments for certain time interval: the pregnancy confinement benefit, childcare allowance (GYES), child care fee (GYED), child raising support (GYET)). Some of the recurrent payments are based on individual rights while the others are related to insurance. The maternity allowance is related to the child birth, it is a one-off payment based on individual rights that is intended to compensate the expenses related to the birth. In case the mother did not work before giving birth, besides the maternity allowance – until the child gets 3 year old – she is entitled to child-care allowance and also to the associated insurance. The amount of the childcare allowance (GYES) had been rising till the 1<sup>st</sup> January 2008 with the rate of the inflation; since then it hasn't changed. It amounts to HUF 28,500 (EUR 100) a month, and is paid to parents with no insurance, or those who received child care fee for 2 years, for another 3rd year. The amount of the child care benefit (GYED) is 70% of the average salary of the previous year but maximum 70% of the double of the minimum wage. The child raising support (GYET) is equal to the lowest old-age pension which in case of entitlements stated after 31<sup>st</sup> of December 2007 equals to HUF 28,500 (EUR 100). The family allowance (*családi pótlék* - CSP) is the most common allowance paid in cash. It is based on individual rights and belongs to each child. Its amount depends on the number of children, of the family type (one or two parents) and of the health status of the children. In the general case children are entitled to this subsidy during their compulsory studies so until they get 18 years. The family allowance in 2009 (invariably to 2008) for example in the case of one child and a two-parent family was HUF 12,200 (EUR 47) while for families with three or more children it amounted to HUF

allowance (GYES) in Hungary and thus cannot get the pension entitlement<sup>36</sup> for the given period either.<sup>37</sup> In practice, there have been problems in the application of the rules concerning family benefits in compliance with the EU coordination regulation, as cases reported to the Ombudsman's Office<sup>38</sup> indicate. Since November 2007 the Central Hungarian Regional Directorate of the Hungarian State Treasury has been coordinating cases regarding the grant of family benefits in an international context; despite this, this institution does not have the adequate resources to deal with this task. Deadlines could not be respected (which is especially problematic as family benefits can only be provided to a maximum of 2 months in advance of the acceptance of a request) and documents have been lost, among other problems. Cooperation with other Hungarian and foreign bodies has not been smooth either. Cases are often reported where insurance institutions do not keep the deadline (90 days) to answer a request. Another problem is that the various directorates of the State Treasury do not have a unified, commonly accessible electronic database system.

Family members left behind by migrants can gain entitlement to social welfare provisions, so for example in case the head of the household emigrated, any other household member in active working age may ask for the provision. Problems may occur in case where only one family member may be entitled to a welfare benefit at a time and bad income condition alone is not sufficient for entitlement but other criteria have to be met as well. This is the case for the grant of the "income substitution benefit" or regular social assistance. In order to receive these allowances, the unemployed applicant must register with the Employment Centre and prove effective cooperation by regularly visiting the office and consulting the advisor, by accepting offered job opportunities and participating in proposed training opportunities. In case a person who receives such a benefit leaves for abroad, other family members in active age may apply, but they can only gain entitlement to it if they themselves have previously cooperated with the employment centre (or in case of health problems or in case their own job seeking allowance ran out). In case such a cooperation cannot be proven for a period of one year (in case the person received other benefits before, for a period of 3 months), the family member left behind cannot receive payment of the benefit.

The provisions of the Hungarian social welfare law are generally tied to the condition of place of residence and living in the country, which is defined as having a permanent address in Hungary. As regards commuters in the border regions or even circular migrants, they most often maintain such an address and thus profit from the provisions of this law. The law prescribes only in case of the old-age allowance<sup>39</sup> that payment should be terminated in case of moving abroad. Regarding all other social welfare provisions (e.g. regular social assistance, nursing fee, housing maintenance fee, etc.) entitlement to the provision ceases due to emigration only because the person is no longer under the effect of the law.

### **3.3. Poverty and Social Exclusion**

In European comparison Hungary is a country with relatively low income inequality. Income inequalities rose sharply until the mid-90's, then they only rose moderately and around 2004 started to decrease slightly, but probably due to the crisis very recently they have increased again (Table 3.5). Another measure of income distribution is the share of the various

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16,000 (EUR 60 ) per child and per month. A single parent with one child gets HUF 13,700 (EUR 52) while with three or more children this amount is HUF 17,000 (EUR 64).

<sup>36</sup> In case of receipt of child care allowance, child care fee or child raising support in Hungary, when the retirement pension is calculated, these periods count as if the recipient had worked during that period. It has special significance for women, as whether a person can retire can be decided not only based on age, but also on the number of years of work and insurance (and thus it is very important whether e.g. the 6 years spent on child care leave with 2 children are taken into account or not).

<sup>37</sup> Interview with Dr. Tóth Zsófia (see list of interviews in the Annex) referring to decree 883 and 987/2009/EK.

<sup>38</sup> Interview with the Ombudsman Office, (see list of interviews in the Annex).

<sup>39</sup> This is a minimum benefit, amounting to less than EUR 100 per month paid to people older than 62 or after retirement age who have no income (due to a lack of pension entitlement) and in case per capita income of the household they live in does not reach 80% (in case of living alone, 95%) of the minimum pension. Payment of this allowance must be terminated in case the recipient spends more than 3 months abroad.

deciles<sup>40</sup> of the total income (Chart 3.1). Since the transition the share of the top income quintile increased continuously until 2003, but has been decreasing since. The relative share of the poorest income group on the contrary, decreased until 2003, remained relatively stable until 2007 and then started to decrease again. Thus recently the situation of both the rich and the poor deteriorated, but that of the poor a lot more. (Tóth, 2010: 21). The at-risk-of-poverty rate grew rapidly until the mid-nineties, than started to decrease somewhat, but by 2009 increased again. The poverty gap, indicating the depth of poverty, has been continuously growing since the transition. This detectably negative effect of the crisis appears in the TÁRKI and EUROSTAT figures as well: the share of the population at risk of poverty or exclusion increased from 28.2% in 2008 to 29.9% in 2009, the proportion of those affected by material deprivation from 17.9 to 20.8% (Table 3.6, Table 3.7).

The recent worsening trend resulting from the crisis puts those, already in very meagre position, into an even helpless one without policy effort trying to counterbalance this trend. In 2009, the equivalent value of the poverty line (60% of the median income) was HUF 700,000 (EUR 2,536) a year (Gábos, Szívós, 2010: 58-59) The economic activity status of the household and the educational level of the head of household are the most important independent determinants of poverty in present day Hungary. Ethnicity, age, household composition, the type of settlement, territorial segregation all have very significant, and often mutually reinforcing effects on poverty. The unemployment or inactivity of the head of household, together with age, type of settlement and ethnicity (being Roma) play an increased role in the poverty risk of the household as compared to two years before. Those living in villages are among the poor with a six times higher risk in 2009 as compared to a double risk in 2007 (Gábos, Szívós, 2010: 71)<sup>41</sup>.

In 2009, poverty was the highest among single-parent families (31%), "other households with children" (23%), among not old, single households (18%), with the highest (6-7%) increase in the first two groups as compared to 2007. Differences between settlement types increased even further during the preceding two years' period: the smaller the settlement one lives in, the higher is the risk of poverty. While only 2% of those living in the capital city of Budapest are poor, this concerns 20% of those living in villages. Poverty among the Roma increased dramatically during this period (Gábos, Szívós, 2010: 68-69).

Before the transition, old people were most affected by poverty in Hungary. Since the transition the poverty risk of children has increased continuously, while that of those older than 65 years decreased. The profile of the poor in 2009: almost one third of them are aged 0-17, whereas only 5% above 65 years. Half of the poor are living in completely inactive or unemployed households with zero work intensity. More than 53% live in villages (as compared to 1/3 of the total population) (Gábos, Szívós, 2010: 74). At present, the poverty rate in households with children is nearly 50% higher than the overall rate for all Hungarian households, and is nearly double the rate for households without children. The proportion of children living in jobless households is the second highest in the EU (Gábos, Szívós, 2010: 73) and as it can be seen in section 4 below, labour market opportunities also have very significant regional differences.

Material deprivation indices show that 12% of the Hungarians are both income poor and materially deprived. The primary indicator of material deprivation is 51.2%, while the average of deprivation items is 4.2. 75.7% cannot afford to go on an at least week-long holiday, 71.7% cannot afford to pay unexpected required expenses, 41.3% cannot afford to eat meat every second day, 28.6% has no car, 21.5% has arrears relating to mortgage payments, rent, utility bills, hire purchase, 19.8% cannot heat their homes properly. Households affected most by material deprivation are where the head of the household is Roma (95%), inactive or unemployed (80%), the work intensity of the household is between 0 and 0.5 (64%), the family has a lot of kids (65%), or lives in villages (61%) (Gábos, Szívós 2010: 77-78, based on EUROSTAT data)

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<sup>40</sup> The top, S10, the two middle (S5+S6) and the lowest (S1).

<sup>41</sup> There is no available data on the level of regions.

## Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe VT/2010/001

The ratio of social protection expenditure to GDP declined from 30% in 1993 to 21.4% in 2008 of the GDP in Hungary, while EU average was at 26.3%. The value of benefits per capita in Euros, calculated at purchasing power parity, is half of the EU25 average (50.6%). The performance of the Hungarian social protection system is satisfactory, if it is judged by its function of decreasing income inequality and poverty, however, significant changes can be expected soon. In the near future, the government plans to radically reorganise the social protection system. The work incentive element has been given increasing emphasis and the conditionality of social benefit provision is increasing, thus one can expect a decrease in the number of recipients and the worsening of their situation, which is unfortunately not counterbalanced by an increasing number of job opportunities<sup>42</sup>. The amount of the minimum pension (approx. EUR 100 per month), which serves as a baseline figure for most social provisions (e.g. social assistance, childcare benefit etc.) and also family allowance, and is a very important source of income for poor families with children, has not been increased, which resulted in the real value decrease of the income of most of the poorest. The flat rate tax system introduced in January 2011 also impacts the income of the poor negatively as the positive impact (increasing income) of the new tax system can be experienced only in the higher income brackets.

Hungary's social welfare system fails to assist the poorest to migrate to areas where labour market conditions are better. Welfare subsidies to housing purchases are distributed only by the authorities where the applicants live (in other words, assistance is tied to residence); no welfare relief is paid to people who wish to migrate with the purpose of getting a job; the quality of schools in the poorest settlements and neighbourhoods is low, and the high level of segregation in those localities has few parallels in Europe (PISA, 2009). As urban residents with low or no qualification are paid very low wages<sup>43</sup>, few of them can collect enough money to move to areas where labour prospects are brighter (Ladányi, 2008).

Suburbanisation and gentrification as a post-socialist phenomenon appeared almost simultaneously, as recent research evidence supports it<sup>44</sup>. In practice it often meant the "export" of social problems and sources of tensions from cities to less developed settlement types (villages) and to less developed regions.

Indebtedness is a serious problem, not only in case of poor households, where the problem is primarily with paying utilities or the rent, but significant numbers of middle class families, during the recent years took loans, often in foreign currency, and the devaluation of the HUF especially against Swiss franc, combined with unemployment due to the crisis drove many to hopeless situations. As to the increasing levels of indebtedness, the number of those on the "black lists" of banks is dynamically growing<sup>45</sup>. The volume of utility bill debts has almost doubled between 2003 and 2009. Debt management services are available only in 4-5% of the settlements. Emigration or working temporarily abroad is a viable option for some people trying to cope with their debts, as some interview data supports it<sup>46</sup>.

There is no quantitative data linking emigration, poverty and social exclusion. The missing link between emigration and poverty can be attributed to the very small scale of the migration phenomenon. Contrary to what is generally hypothesised, in Hungary people migrate to avoid poverty or decreasing living standard or even hope to achieve better living conditions that is, emigration dominantly is not the strategy of the very poor. As it can also be phrased, migration results in escaping poverty or avoiding the deterioration of social and economic status. Furthermore, migration does not result in the poverty of family members (e.g. left

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<sup>42</sup> The new National Social Policy Concept is currently under professional debate. See [http://www.szozsak.eu/adat/dokumentumtar/hu32\\_NSZK\\_2011\\_10.pdf](http://www.szozsak.eu/adat/dokumentumtar/hu32_NSZK_2011_10.pdf)

<sup>43</sup> The minimum wage is less than 300 EUR/month in Hungary, and that is mostly what unskilled workers receive. The absolute poverty line (the minimum subsistence level, set by the Central Statistical Office per consumption unit) is almost an identical sum.

<sup>44</sup> E.g. in medium sized town, centre of a NUTS 3 region of Veszprém the reconstruction of the historic city centre financed by middle-class capital resulted in moving 235 disadvantaged Roma families (and also transporting their problems) from the area to villages nearby (Váradi, no date).

<sup>45</sup> See: the website of the webpage of BISZ Central Credit Information, <http://www.bisz.hu/khr/lakossagistat>, retrieved on 2011.03.20.).

<sup>46</sup> Interview with a EURES advisor (see list of interviews in the Annex).

behind), because on the one hand the social assistance system has been quite generous (although continuously stricter) to help the family left behind and also emigrant family members have maintained contact with the rest of the family.

Although quantitative data is lacking, some qualitative studies touch upon emigration or circular migration among survival strategies of the poorest, including the Roma, but this data cannot be quantified, it only indicates the phenomenon. The authors (Messing and Molnár, 2010) in their qualitative study of poor people in two small, former industrial Hungarian cities (Komló, in Southern Transdanubia and Kazincbarcika, in Northern Hungary) mentions the following: from the north-eastern town those, who cannot find a job locally, try to find employment in the regional centre, or in Transdanubia, via the employment centre, or rarely go abroad. The length of foreign employment is usually a couple of months and skilled workers can find a job this way. From the poorest groups “girls go to Italy to be bartenders”, which basically means that they have to dance and provide sexual services. They work in two weeks’ shifts. In the south-western formerly mining town skilled miners collectively acquired a job, mostly in Spain, in an organised way. Interviewees estimated the numbers to be 1 to 400 miners. This strategy was most characteristic of a specific area of the town. Miners could also take their families with them, and also, working abroad contributed to the future calculation of miners’ benefit, which is another advantage (Messing and Molnár, 2010).

#### **4. Labour market and social development trends in net migration loss / gain regions**

##### **4.1. Identification of net migration loss / gain regions**

In Hungary there is one region with above average migration which suffers from (social) problems due to above average in-migration. Central Hungary, the only migration gain region is a booming region.

Among the regions of Hungary, Northern Hungary has been suffering particularly from population losses because of above average and long-lasting out-migration, especially internal migration to other parts of the country, which have not been compensated by in-migration. This region has experienced the highest net internal migration loss throughout the whole period since the transition: in 1990 4.43, in 1998 2.39, in 2004 3.09 and in 2008 7.35 ‰ loss.

Internal and international migration loss in the Northern Hungarian region is not coinciding. As compared to the national highest within internal country outmigration, participation in international emigration from the Northern region is low and hardly influences the total migration losses of the region. As can be seen from Chart 2.2 there was some emigration abroad from the county of Borsod-Abaúj-Zemplén, a main centre of previous socialist industry, but hardly any emigration from the other parts of the Northern Hungarian region.

The population decreasing rate has been the highest in this region since 2006 (about 3%). Another region with considerable high cross-border emigration flows (Western Transdanubia) cannot be considered as a migration loss region since emigration has been limited and also compensated by in-migration (mostly internal but also foreign immigration is present). Net migration by regions for the period from 1990 to 2008 is presented by Chart 4.1 and shows constantly negative migration rates for the Northern Hungarian region (and the Northern Great Plain) over the whole period, including a worsening of the situation as of 2004, the year of EU accession. As a consequence, further developments under this chapter will focus on the only relevant region in this regard, Northern Hungary.

The Northern Hungary region is actually located in the north-eastern part of the country. The region's centre and largest city is Miskolc (population: 172,600). The region is bordering with the Slovak Republic and the Ukraine. In 2010, the population of Northern Hungary counted 1,209,472 persons, which makes 12% of the total population of Hungary. Population density is the second highest in Northern Hungary with 95.19 persons per sq. Km (national average is at 111.69). The proportion of persons aged 60 and more in the permanent population is 21.43% in Northern Hungary (ranking 5th out of 7 regions, while the national average is 21.69%). In Northern Hungary the rate of children and elderly people to the working age

population (total dependency ratio) was the highest in the country with 69.69% (the national average being at 67.04%).

Northern Hungary as a statistical region includes the three counties Borsod-Abaúj-Zemplén, Heves and Nógrád. Northern Hungary is composed of 605 settlements, including 39 towns. In view of all the regions, urban population is the lowest in this region. Approximately half of the inhabitants live in towns. The proportion of small villages with less than 500 inhabitants among settlements in the region is 29%, and the proportion of people living in such villages (3.6%) exceeds the national average (2.8%). The central settlement in the majority of the micro-regions is a small town not having or incompletely having urban functions and which are hard to access by public transport. In these settlements, entrepreneurial infrastructure is underdeveloped, there are no industrial areas that can be built up, and services to encourage businesses are of low standard – all these prevent job creation and the development of local businesses. Furthermore, municipalities' institutional services are not adjusted to inhabitants' needs, and are of poor quality. In minor settlements of areas with small villages at the edge of the region, the mostly Roma population typically has a low level of schooling and highly unfavourable social standing. Owing to deficiencies of the public transportation system due to possible drawbacks of cul-de-sac villages, which have only a road leading to them but no further way to somewhere else, the provision of basic education and social services is insufficient, and the lack of jobs forces younger and trained age groups to migrate. Settlements are made less attractive by incomplete environmental infrastructure, by deteriorated conditions of the environment and community buildings (North Hungary Operational Programme, 2007).

The region belongs to the 3 out of 7 Hungarian NUTS 2 regions (Northern Hungary, Northern Great Plain, Southern Great Plain) which are among the ten least developed of the 254 regions of the EU-25, and all are located in the Eastern part of the country. There are substantial regional differences in the per-capita GDP. In 2009 the national average of the GDP per capita was HUF 2,600,000 (EUR 14,857) while in Northern Hungary it reached only HUF 1,568,000 (EUR 8,960). The economic situation has gradually worsened. In 1995 the GDP per capita in Northern Hungary compared to the national average was 72.6%, in 2000 64.2%, and in 2009 61.7%<sup>47</sup>. As another indicator the personal income tax basis of the population also varies very significantly regionally. The frequency of registered companies was the lowest in Northern Hungary (10.96 in 2008).

The number of those entitled to the provision of those in active age (a kind of social assistance) is the highest in the North-Eastern counties, together with the numbers of those receiving availability assistance (a kind of social assistance for those capable of work) and participating in public work projects<sup>48</sup>. Another characteristic of this region lies in the fact that the Roma population is also overrepresented in the north-eastern part of the country, especially in Northern Hungary. Chart 4.5 demonstrates that a very high share of the total Hungarian Roma population lives in Northern Hungary, and their share of the total local population is also the highest in this region.

Housing prices are also significantly different which substantially limits the chances of mobility: the average housing price in 2003 was HUF 9.33 million (EUR 53,314) while HUF 6.04 million (EUR 34,514) in Northern Hungary<sup>49</sup> (Hegedűs, 2004).

#### **4.2. Labour market development in net migration loss / gain regions**

Up to the nineties, the region of Northern Hungary had been one of the most industrialised regions of the country, one of the domestic centres of mining and heavy industry (primarily, metallurgy and the engineering industry based on it) and chemical industry. However, by the end of the nineties, as a result of the decline of traditional sectors, recession in industrial production, the economic structure of the region had dramatically changed, which led to the prolonged, permanent crisis of the region. Counties of Northern Hungary were most affected

<sup>47</sup> Source of data in the section: Central Statistical Office.

<sup>48</sup> This system of social allowances has significantly been changed since January 2011.

<sup>49</sup> Calculated with EUR 1 = HUF 175.

by the transition in the sense that a dramatic impoverishment was the result of the transition. Not only the former local socialist heavy industry collapsed but as industrial job opportunities in Budapest also decreased significantly, former commuters also had to move back home to the region. The ratio of those who found employment in the agricultural sector was low, as was the average overall educational level of the local population. At the early stage of transition (weekly) commuters with low educational level, in particular a considerable proportion of the Roma, were dismissed and had to return as unemployed to their home in Northern Hungary. The persistent differences of the labour market situation and the unfavourable labour market position of Northern Hungary are striking. Since 1992, up till now, the employment rate of this region (similarly to the region of the Northern Great Plain) has been the lowest of all the seven Hungarian regions, dominantly below 50%, while the unemployment rate being the highest, mostly well above 10% (Chart 1.7). Regional differences regarding the educational level of the population in Hungary is partly a cause and partly a result of the present situation. The share of those with only primary education (ISCED2 level or less) in 2009 was 19% on average at national level while it was 22% in Northern Hungary. Northern Hungary however is only one of the most disadvantaged regions in this regard (Chart 4.2). Considering the share of early school leavers it was 11.7% on national average but 14.5% in Northern Hungary in 2008 (Chart 4.3), the second worst rate in the country.

Unemployment rates have been the highest in Northern Hungary throughout the whole examined period, ranging between 8 to 16%, mostly being double than that of the regions with the lowest unemployment rate (Central Hungary and Western Transdanubia) (Chart 1.7 and Chart 4.4). In addition, a significant problem connected to the labour market situation is the decreasing labour market participation rate and the high share of long-term unemployed workers, which reflects the disadvantageous position of Northern Hungary. Labour market position and poverty have very strong links in Hungary, joblessness being a major cause of poverty. In 2008, 16.1% of the population lived in unemployed households in Northern Hungary (while the national average was 10.7% and only 6.9% in the most developed Central Hungary).

Differences by employment according to economic sectors and various regions are considerable. Looking at the employment structure of the regions by main economic sectors (Table 4.1), Northern Hungary is located somewhat below the national average as regards agricultural employment; the share of industrial employment however is above average and below average in the field of services.

The rate of commuters, a good indicator of the mobility of the region is high in Northern Hungary, 32% of the employees are commuters (second highest proportion in the country) (Table 4.2)<sup>50</sup>. However, there are problems with the accessibility of a number of settlements in the region. In the north, the key problem is caused by the quality of the roads between small villages in mountainous areas. Whereas, in the south, several settlements are hardly accessible; it takes a long time to get to micro-regional centres and county centres. It can be demonstrated that one of the reasons for social-economic inequalities evolving within the region is the difference between access to various micro-regions and their centres on the one hand, and the poor quality and structure of the transportation network, on the other hand. The proportion of settlements having a bus stop is almost 100%, although there are drastic differences in the frequency of services. The isolation of settlements is enhanced by the lack of proper public transport timetables for going to work in several shifts and at the weekend (North Hungary Operational Programme, 2007).

#### ***4.3. Poverty and social exclusion in net migration loss / gain regions***

The risk of poverty has increased in the 1990s by geographic location. Although the settlement type (villages) and/or the settlement size (small settlements) have always been risk factors for poverty, the risk of poverty and social exclusion in rural areas has increased dramatically during the 1990s. By now it turns out that long-term poverty is mostly

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<sup>50</sup> Usually people commute to neighbouring settlements, but no detailed data are available in this regard.



concentrated in rural areas and in the North-Eastern parts of the country<sup>51</sup> (Vukovich, 2008) which includes Northern Hungary which has most suffered from population losses due to out-migration. Poverty in large cities is far below the average, smaller towns are around the national average, while villages are much more affected by poverty than any other settlements. Thus, regions with significant rural areas and a lot of small villages, like Northern Hungary, are more extensively affected by poverty.

While in 2009, the at-risk-of-poverty rate was 12.4% nationally, it was 16.9% in Northern Hungary and the Great Plain<sup>52</sup>. As to material deprivation, a worsening trend since 2008 is more visible, the national material deprivation index in 2009 was 20.8%, while it was 24.5% in Northern Hungary and the Northern Great Plain. The ratio of households who could hardly make ends meet in 2008 was the second highest (19.4%) in Northern Hungary while the national average stood at 16.2%. The proportion of households which did not have enough money for food was 12.8% in Northern Hungary while the national average was 10.6% in 2008. This indicator suggests a worsening trend as it was 8.9% in the region in 2006 and 13.2% by 2009 (Gyerekesélyek, 2010: 26).

Northern Hungary (and Southern Transdanubia) has the biggest Roma populations (Chart 4.5) as has already been pointed out before. Unemployment and inactivity and thus poverty especially affect the Roma population. The increasing concentration of the Roma minority in the rural areas intensifies the motivation of non-Roma residents to move out of their villages. These processes of segregation often affect several adjacent villages simultaneously, the problem has assumed regional dimensions.

The regional concentration of social problems in the migration loss region goes hand in hand with poor accessibility of welfare and public services. Although access to basic residential services would be the key to ensuring adequate living standards and the proper socio-economic development of any region, operating such services is an exceptionally daunting task in rural settlements, particularly in remote and scarcely populated areas. Child care facilities are very important on the one hand to facilitate the employment of women, but also as agents of early childhood development for disadvantaged families. These facilities are lacking in a number of settlements, or if service is provided (which is compulsory for kindergarten), it may be provided in another settlement. Thus, the lack of kindergartens and crèches is a good indicator for insufficient infrastructure. The number of settlements without pre-school childcare facilities is 152 in Northern Hungary (in the whole county 919 settlements lack such facilities locally). The ratio of children in kindergartens from a disadvantaged family background is the highest in Northern Hungary, where it was 43.8% in 2008 (and 31.5% in 2006), while the national average was at a far lower level of 25.8% in 2008 (and 18.4% in 2006) (Gyerekesélyek, 2010).

Another big problem is that services are missing or are least accessible and of least good quality in areas where they would be needed most, where larger cities are scarce and the region is dominated by tiny, isolated villages. Some few examples illustrate this: in case of family support centres the average caseload of a social service professional was 27.3 children in Northern Hungary while the national average was 19.3 in 2009. The proportions are similar but not so drastic in the case of child welfare services. Despite this, the proportion of employees having a qualification for the position in family support activities is the lowest (72.6%) in Northern Hungary where caseloads are the highest (Gyerekesélyek, 2010).

The fact that social and labour market disadvantages go together with health inequalities, can also be supported by data, e.g. the ratio of premature births by region, drastic differences in life expectancy or child or infant mortality rates. This latter figure in 2008 was

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<sup>51</sup> The regional concentration of inactive and marginalised people has further been increasing. In national statistics on poverty data are available for 3 categories of cities and towns (1. Budapest, 2. cities of county seat status, 3. other towns) and for villages. Thus it is hard to provide regional data on poverty.

<sup>52</sup> Hungary does not have an official poverty index, and a number of EU indices are not available by regional split-up. Only the at-risk-of-poverty rate and the material deprivation index can be found in the EUROSTAT database by regional split-up, and only regarding NUTS I regions (1. Northern Hungary and Great Plain, 2. Central Hungary, 3. Transdanubia) and for periods after the EU accession in 2004.



8.8 in one thousand in Northern Hungary as compared to 5.6 nationally. The prevalence of underage pregnancy, another indicator of bad social status and a source of intergenerational transmission of disadvantages is 35.9‰ in Northern Hungary while 21.8‰ nationally. The accessibility and availability of health services are also worse in the more disadvantaged regions like Northern Hungary; the regional differences in the numbers of general practitioners or paediatricians per 1,000 inhabitants show this. However, it is not because doctors emigrated from this region, but because this has not been an attractive region for young doctors so they do not come to take a job here: people are poor, caseloads are high, infrastructure is bad, especially in the smaller villages. In 2010, the life expectancy at birth in Northern Hungary (77.16 years for women and 68.7 for men) were below the country average (78.11 for women and 70.5 for men).

The huge regional differences of real estate prices were mentioned before, but the quality of the housing stock (e.g. the availability of toilets and bathrooms, sewage system etc.) is also an indication of deprivation and it is significantly worse in the Northern region. The proportion of dwellings connected to the public water supply in 2009 was the lowest (89.77%) in Northern Hungary, as compared to the national average of 95.03% and the proportion of dwellings without toilet and bathroom in 2009 was the highest (17.10%) in this region also (national average of 11.07%)<sup>53</sup>.

The question about populations left behind, impact of remittances in itself is not fully adequate in the Hungarian context. As described above, migration loss regions as Northern Hungary suffer from a number of disadvantages, among others bad access to health care, segregated and lower quality education, lacking accessibility and availability of various kinds of services, but it is not primarily because people left, but it is the reason why those who can leave and will continue to leave. At then those in the best positions leave which further aggravates the differences between “losers” and “winners”, amplifying not only the destruction of social cohesion at a local, but also at a national level.

## **5. Impact of migration on vulnerable groups**

(Out)migration may influence the family composition and separation. Nevertheless, the issue of the impact of emigration on family structures and family members left behind by migrants lacks evidences in Hungary. As far as it can be judged based on the very scarce (qualitative) data some deterioration of family ties and the possible breaking up of e.g. marital relationships seems to be a problem<sup>54</sup> which can be very problematic beyond the emotional burden, especially regarding housing, when someone returns home and does have no place to live. Nevertheless, the scarce evidence may prove that migration does not typically end with family conflict. Also, in case one parent is left alone with the child(ren), the family practically functions as a single parent family where the single parent is faced with multiple role expectations which often leads to chronic stress and resulting psychological and physical problems (Csoboth, Susánszky, 2010). In Hungary the limited availability of atypical working arrangements (like part-time, homework, etc.) and the lack of flexible childcare facilities makes it very difficult to reconcile work and family life, which further aggravates the situation in case one parent is absent from the family because of migration.

### **5.1. Women**

A considerable share of emigrants has regular contact with the family. As these emigrants are dominantly male, women left behind have to face increased burden from household and caretaking chores. Although the heads of households send home money which is essential in the family budget, they cannot participate in the solution of everyday problems (around the home, caring for children etc.). There is no data available on left behind women and their characteristics.

The share of women who participate in circular migration is rather low and concentrates in some countries (e.g. Spain or Italy, at a lesser extent in the UK). Women mostly migrate

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<sup>53</sup> Based on data from the Central Statistical Office.

<sup>54</sup> Interview with a EURES advisor. See list of interviews in the Annex.

when they are living with parents or on their own before having kids or when they are already retired. Another author (Turai, 2010) examined the migration of older women in the Central and Eastern European region, including Hungary, with qualitative methods. She found that Hungarian care workers orient towards Austria, Germany, Switzerland, the UK and the USA. Their main motivations are financial problems, extra financial needs of the second generation, unemployment, lack of possibilities, personal problems (e.g. alcoholic husband, divorce, build-up of a new life, children in the receiving country, need to feel useful, mourning), aspiration of social and financial mobility and the attractiveness of a richer country. Care workers are at the intersection of familialistic work, professional job and servant service and range at the bottom of the labour hierarchy. Usually, a standard and formal work frame is lacking so these workers are defenceless in face of the informal employer. The author calls attention to the possible consequences of this massive female migration, such as abandoned children and elderly parents and constant black work. Further, since these workers are outsiders of the pension and health system, it is questionable how the pension, health and social services system of the home country can face the returning, not insured population.

Other authors (Co et al., 2000) having examined the labour market performance of return migrants using data from the Hungarian Household Panel Survey found in case of returning female migrants that “premium for foreign experience is apparently nil for men, while it is positive for women. This can be explained by the fact that the main employment sectors for men and for women after return (construction and industry for men, financial services for women) place very different values on foreign experience.”

### **5.2. Children**

Usually fathers of families emigrate, but unfortunately there is no data available in Hungary regarding their children left behind. The option for men is either working in two or even more jobs in Hungary or emigration. Nevertheless, the increased burden on women may negatively affect the relationship with children and of course the lack of the father in everyday life is also a hiatus. As nuclear family is the characteristic family type, if the father leaves, it is difficult to find someone to help. On the other hand, the better financial position of the family due to migration is a positive effect. Still, characteristically the mother is at home, even if working but she is the person who takes care of the children. Children live and stay at home with the mother, possibly having help from the parents, as long as the father is abroad<sup>55</sup>.

As mentioned above an important purpose of the remittances is the schooling of children. Regarding education, it leads to better schooling of children due to the better financial means of the family. In this respect we can see again that working abroad is the possibility for additional sources to get better off. Otherwise no visible effect can be found (Hárs, 2009b). Children as bread-winners are practically non-existent in Hungary in the context of emigrated parents. Children left behind are also those whose one parent have been leaving for abroad in order to avoid parental duties or the payment of child support while the other parent faces difficulties to work as the only bread-winner. Cases reported to the Office of the Ombudsman offer some evidence for this.

### **5.3. Elderly**

Elderly left behind is an issue on the agenda in Hungary not only regarding emigration abroad but rather because of internal migration. In Northern Hungary, e.g., the proportion of those elderly persons receiving meals (free-of-charge or at a reduced price) and of those receiving in-home support both increased by 21% since 1996, which is higher than the national average (North Hungary Operational Programme, 2007: 37). The availability of permanent and temporary care for the elderly there indicates a condition worse than the national situation; furthermore the conditions of social services' provision are not adapted to the needs<sup>56</sup>. The deterioration of services in areas characterized by high internal out-

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<sup>55</sup> Anecdotal evidence gained from the media and everyday experience.

<sup>56</sup> See: North Hungary Operational Programme, 2007. No further details/data are accessible on the topic.

migration has negative consequences: aging regions with a high share of small settlements without active earners and growing poor hinder the return migration of younger generation.

Nevertheless, the emigration of nuclear families are resulting also in social deprivation of the elderly who are left alone and wait for the short visit or presents or remittances of the children. On the other hand, remittances may add to the living standard of the elderly in case of emigration and it can be assumed that it may also help the elderly to access private or better quality services. The problem is not researched; only everyday evidences are available on this topic.

As mentioned before, there is some evidence that regarding women partly work abroad after the retirement age, especially women taking up caring tasks. They usually seem to take seasonal and/or illegal job opportunities, in order to complement their pension (Turai, 2010).

### **5.5. Roma**

The Roma population (approximately 6% of the total Hungarian population) concentrates in Northern Hungary and in Southern Transdanubia (Chart 4.5); the concentration is growing in the North. Although the proportion of Roma living in towns and cities has increased considerably in comparison to the 1970s, the majority (60%) still lives in villages (Kemény et al., 2004) and, within this category, in the most disadvantaged small rural settlements, often in segregated colonies, in houses with no conveniences. The level of employment for the Roma dramatically changed after the transition; the main losers of this period were, in fact, the Roma who had regular employment in the lower segments of the economy during the socialist period. In 2003, in Budapest 64% of the Roma men were employed, in other towns 27.5% and 20% in the villages. As for women, employment was lower, in Budapest 36%, in other towns 15% and 10% in the villages. In 2003, among the employed Roma 71% had a job all over the year, 19% had a job for some weeks or months, and 10% had casual employment (Kertesi, 2010). Even the low level of employment is mostly unstable, including short-term jobs with a high turnover on the margin of the labour market. Some authors (Kertesi, 2009; Fleck and Messing, 2009 and others) estimate that a considerable share of these jobs as being supported jobs of welfare programmes. Latest income data indicates that 70% of the Roma are poor (Tóth, 2010).

Presently 90% of young Roma complete primary school education and 85% of them go on to study in some form of secondary institution. In recent years the proportion of Roma students at secondary school institutions providing a school-leaving certificate has risen from 9% to 15%, which is still a very low figure; moreover, most young Roma acquire qualifications in professions where there is a little chance of finding employment. Only 0.3% of the Roma population holds a university or college degree. The health status, mortality and morbidity rates of the Roma are significantly worse than the average Hungarian population, their life expectancy at birth is 10 years shorter (Kosa, 2007).

Residential segregation based on ethnicity and income overlap significantly and shows high correlation with the regionalism and size of the settlements. The concentration of poor people is more characteristic of small settlements and in regions where the Roma population is overrepresented (Kopasz, 2004). Ghettoisation now does not only affect settlements but whole regions, where demographic and social trends are opposite to the nationally characteristic ones. These are: the high fertility rate, the high proportion of the population under 14 years of age, ethnic concentration and increasing unemployment rates (Ladányi, Virág, 2009) The escape of the poor from cities to villages outside agglomerations so as to cut living costs and escape increasing financial burdens of housing costs (e.g. paying utility bills, most markedly in flats with distant central heating) affects the Roma in high extent, partly because after the transition they were the first to lose their jobs (Ladányi, Szelényi, 1997 and 2010, Ladányi, Virág, 2009; Csanádi, Csizmady, 2002; Messing, 2010).

There is only scarce evidence of the impacts of Roma (e)migration on family members or community segments left behind. As mentioned above<sup>57</sup>, when the Roma emigrate, they emigrate with families, or even in bigger groups, mostly the whole part of the community. There are scarce evidences that returning Roma, in case they successfully emigrated at all and return after some emigration spells utilise their social network and social capital. They buy or possibly collect and sell various goods in form of intermediary trading and utilise their connections as sources of information or as business partners (Messing, 2010).

### **5.6. Other ethnic and religious vulnerable communities**

Hungary is an ethnically homogeneous country, apart from the Roma population there are small ethnic communities like Serbs, Germans, Slovaks, etc. In addition, there are small refugee groups who stay in refugee camps. All in all, these small communities are affected by specific problems regarding social exclusion in context of migration.

## **6. Policy responses**

Migration from Hungary has not been widespread in the last two decades and is not considered as a solution for labour market imbalances. Unemployment benefits and other social provisions like early retirement or disability pension were widely accessible and rather generous. Social benefits and allowances were gradually cut but still served as a solution in times of economic hardship and social imbalances. Since there has been no general policy strategy regarding migration, specific issues like poverty and social exclusion affecting migrants and their families have not been on the agenda either. Emigration has received little policy attention in general in Hungary and policy-makers have handled migration in a spontaneous way, and even less so in view of social impacts and exclusion<sup>58 59</sup>.

Within the country migration may appear in policy documents as

- (1) the description of the demographic and employment situation of the country, e.g. „the balance of migration continues to be positive in the former regions, mainly in Central Hungary, loss due to migration can be observed in the Eastern regions” or „migration is still highest in the least developed regions, Northern Great Plain and Northern Hungary, although its rate is declining. In international comparison internal mobility is low and has only a slight compensatory effect on the labour market” (JIM, p. 10);
- (2) and thus a target of development plans to promote employability via local projects or enhanced mobility (NAP 2005-2008, NAP 2008-2010, NSR SPSI 2008-2010) and decrease regional inequalities (e.g. NSR SPSI 2006-2008: 37). „In order to revitalise the sub-regions characterised by small settlements and suffering from migration, projects focusing on enterprise development, community development, tourism, information technology, promoting co-operation within and among the settlements and popularising renewable energy sources shall be supported” (NSR SPSI 2006-2008: 37.)

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<sup>57</sup> See Section 2.3. above in particular.

<sup>58</sup> The authors of this report tried to obtain information, even particular pieces from a wide variety of sources, e.g. a request was posted in this regard to persons indicated on a major mailing list of social service providers and professionals („szocszakma” list), however hardly any responses arrived, only 4 out of which 3 were inadequate. Ulicska László, a social politician working at the Ministry of Social Affairs and Justice, State Secretariat for Social Inclusion, Strategy Department (formerly part of the Ministry of Social Affairs and Labour) could not provide any information except that „there are no relevant data on migration in social service provision statistics, such as OSAP and MAK”. For more details, see the list of references.

<sup>59</sup> Policy documents including social inclusion issues (Joint Inclusion Memorandum (JIM), the National Reform Programs (NRPs) and the National Strategic Reports on Social Protection and Social Inclusion (NSR SPSI) and the New Hungary Development Plan for 2007-2013) do not contain any references to the issue of emigration from Hungary. Only in one of them such a reference can be found, as well as in the NRP submitted in April 2011. When joining the EU, the JIM mentions: “although on the increase, international immigration is still far behind the figures in EU Member States: in the 1990s, approximately 14 000-16 000 foreign citizens immigrated to Hungary each year. Emigration from the country was significantly lower.” (JIM, p. 10). In the latter case emigration is mentioned as a possible obstacle to reach the educational target regarding tertiary education as „those who receive a degree suitable for domestic use often go abroad to work” (NRP 2011:13.). As to international migration, its low, but growing level is mentioned (JIM, NAP 2005-2008, NAP 2008-2010, NSR SPSI 2008-2010).

### **6.1. Encouragement of circular migration**

As for international migration, even if circular migration is effectively an increasing form of migration of Hungarians, no explicit policy measures have ever been formulated to promote it. Hungary does not provide a comprehensive migration policy but small pieces of policy fragments have been formulated<sup>60</sup>. According to the four phases of transition different fragments of migration policies can be identified:

During *period 1 (1990-1997)* spontaneous out-migration was moderate and no particular forms of emigration channels existed.

In *period 2 (1998-2004)* the Hungarian government signed several bilateral agreements to extend and channel various forms of migration primarily towards the main destination countries. As mentioned earlier in this report, the provisions covered trainee programmes, seasonal worker programmes, cross-border and project-tied “posted” workers programme. Most of the programmes, especially the guest-worker type trainee programmes, were reciprocal; citizens of both countries had the right to work in the corresponding country. In practice, however, the agreements worked asymmetrically and offered employment abroad for Central and Eastern European (Hungarian) citizens. The project-tied employment was, by its principle, a service, where a foreign (mainly German) employer entered into contract with a Hungarian subcontractor to carry out a temporary project with the subcontractor’s workers. From the point of view of migration the project-tied work was, however, a sort of guest work (Faist et al., 1999; Hárs, 1999). Some bilateral employment programmes were limited by quota, trainee programmes were available for a limited age group and for a limited period only, while others, in particularly the seasonal worker programmes, were not. Part of the programmes were targeted at unskilled labourers, seasonal work in agricultural and non-agricultural jobs, while others, like the trainee programme were designed for skilled workers with age restrictions and a requirement of proof of certificate of the skills. Participants to the skilled labour programmes were obliged to find the employer by themselves. In that sense they were strongly pushed to be active in the receiving country’s labour market. These bilateral agreements proved to be useful and most of the programmes were popular, particularly prior to EU accession of Hungary since these programmes were channelled and provided some help for the labour emigrants. As timeframes were limited, participants returned and often entered into new migration schemes again. As bilateral agreements were an important tool in migration, these were effective in the early migration period and added to the development of effective circular migration.

Since free movement of labour turned to be an option to most of the EU15 countries during *period 3 and 4 (2005 - to date)*, the possibilities offered by the bilateral employment programmes lost their unique feature, importance and popularity and gradually disappeared. Although the two main destination countries, Germany and Austria, extended the transition period until 2011, these bilateral programmes were no more the main tool for promoting circular migration. In general, emigration from Hungary is short-distance to Austria and by its nature significant proportion involves daily or longer commuting.

In Hungary there are no special programmes promoting return or circular migration, although at the Western border regions of the country where migration is strong to the neighbouring Austria, a number of specific services have been launched to encourage migration and support emigrants. Trade unions in both sides of the border initiated a common bilingual cross-border project (*JÖVŐ a Határtérségben*) in order to mutually support cross-border employment, share information and shelter the employer involved in migration as well as encourage the fully legal employment of migrant<sup>61</sup>. EURES-T PANNONIA is a cross-border

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<sup>60</sup> Researchers and civil activists in the 1990s already pointed to the fact that the lack of migration policy will be a problem in the country with emerging emigration and immigration. “In accordance with the contract concluded with the Ministry of the Interior in August 1998, the Centre for Migration and Refugee Studies operating within the Institute for Political Sciences of the Hungarian Academy of Sciences agreed to develop a proposal for the governmental agencies involved in the formulation of Hungary’s migration policy based on the results of research conducted in recent decades.” (Proposal, 2001).

<sup>61</sup> Web page of the EU-funded project “Jövő a határtérségben IGR” ([www.igr.at](http://www.igr.at), 2011. 01.10. retrieved on 2011.01.12.).

EURES region with the task to shelter labour migration in the border region<sup>62</sup>. E.g. cross-border job fairs organised by the Public Employment Service are an organised opportunity to help those who consider emigration to meet foreign employers. The thoroughly prepared fairs bring the interested employers and employees together, no other official steps are taken<sup>63</sup>.

There are no specific policies and measures to facilitate the return and (re)-integration of circular migrants into the labour market in Hungary. According to an interview with the officials of the Hungarian National Employment Service (see Annex), the need for such specific support programmes is clearly ignored since other problems are considered as more pressing than this, e.g. taking care of the presently unemployed Hungarian people<sup>64</sup>. The lack of such services is also observed in an international comparative study which included Hungary as well (Beusse, 2009).

The Hungarian Diaspora is partly located in Western Europe and overseas and partly in adjacent countries, but their activities are different. The Western Diaspora and emigrant networks have not been very active in attracting and encouraging emigration. At the same time they made some effort in the early stage of transition to cooperate with the government in offering support and transferring knowledge and resources. A well-known example for this is the activities of the Soros Foundation. Nevertheless, systematic cooperation was unsuccessful up to now and initial efforts have faded away. As a consequence of the huge Hungarian Diaspora in adjacent countries, immigration of ethnic Hungarians from these countries to Hungary became important and has been addressed by Hungarian Diaspora policy<sup>65</sup>.

## **6.2. Encouragement of return migration and support of integration of returnees**

The encouragement of return migration in Hungary has focused on the highly skilled, mainly academic persons up to now. Such (rather scarce) programmes only exist to target highly educated professionals, researchers, such as the previously mentioned *Project Retour* programme, a promising but unfulfilled initiative or a programme of the National Scientific Research Fund (OTKA)<sup>66</sup> which probably paved the way for the most recent “Lendület” (Impetus) program of the Hungarian Academy of Sciences launched in 2009. This latter programme rewards less than 10 young scholars who have studied and graduated abroad yearly and supports them in creating a study group in Hungary<sup>67</sup>. These programmes are at a very small scale and do not tackle problems of social exclusion; further their efficiency cannot be judged yet due to the short time span of implementation.

*Project Retour* (2003-2007) was a grass-roots pilot project focused on finding solutions to the brain drain phenomenon. It involved facilitating the return of graduates and professionals from around the world to Hungary by establishing global, local and virtual networks and communities through the media and via the Internet. It provided counselling services as well, but had to stop operating due to the lack of financing.

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<sup>62</sup> See the website of the EURES T Pannonia ( <http://www.eures-pannonia.hu/index.php?lang=de&site=151>, retrieved on 2011.01.10.).

<sup>63</sup> Information is based on information provided by PES officials responsible for foreign affairs and mobility and participation of the authors of the report at job fairs as participating observer.

<sup>64</sup> Interview with a representative of the Hungarian National Employment Service. See list of interviews in the Annex.

<sup>65</sup> Due to the historical past, the public and political debate on the status of ethnic Hungarians living across the state borders emerged a number of times since the transition. During the first years of post-communism there were several cases of ethnic Hungarians living in various EU countries who played a relevant role in shaping domestic politics. Finally, in relation to Hungarian Diaspora politics, ethnic Hungarians living in the neighbouring countries also play an important role in Hungarian political and civic life.

<sup>66</sup> The Strategy 2008-2010 of the National Scientific Research Fund (OTKA) contained a call for proposals for outstanding Hungarian scholars planning to return to Hungary from abroad and form a research group. The program was to support 3-6 proposals for 3 years ([http://www.otka.hu/index.php?akt\\_menu=3679](http://www.otka.hu/index.php?akt_menu=3679), retrieved on 2011.03.20.).

<sup>67</sup> See e.g. [http://mta.hu/tudomany\\_hirei/a-jovo-zaloga-a-lendulet-program-126962/](http://mta.hu/tudomany_hirei/a-jovo-zaloga-a-lendulet-program-126962/) (The official website of the Hungarian Academy of Sciences)



Various pieces of qualitative information form and experiences made with *Project Retour*<sup>68</sup> as well as information gained through an interview<sup>69</sup> all support the assumption that the qualifications of the returnees are mostly not acknowledged and rewarded upon return in Hungary or, even worse, sometimes they even prove to be a disadvantage on the labour market, as a number of employers consider their qualification as an undesirable competition for the average employee. Stories about highly skilled (young) academics who made the effort to return and transfer their research activity to Hungary but failed to be successful due to a number of obstacles, such as very low salaries, no funding for research, no proper infrastructure, provoked media attention as well.

Emerging problems of returning migrants do not arise from a lack of social security coverage but stem from unsatisfactory life and work prospects of individuals and from a disproportionately high (often mental and emotional) burden of administration and reintegration into an envious and not inclusive community: because they have lived abroad for a number of years these young professionals lack adequate networks after return, many lack housing, and due to the high level of current unemployment in Hungary among the highly educated, they are often unable to obtain employment<sup>70</sup>.

#### **6.4. Development of net migration loss/gain regions (incl. assessment of SF use)**

Decision making regarding social policies, including welfare policies, and rural policies is mostly centralised. Social policy implementation, however, is mostly decentralised: most social policy measures are implemented at the local community level, with normative funding from the central government, but this is usually not sufficient to cover the total expenses for social welfare provisions and funds often need significant top-up from local (often non-existent) resources. While local communities have locally elected self-governing bodies which, in principle can bring majority decisions in almost every sphere of life, their scope of decisions is very limited by the availability of resources, which may partly come as revenue from local taxes. The less developed regions and settlements have few (especially few profitable) enterprises and, in particular, few enterprises with large turnover. Thus, particularly in the most needy settlements there are not enough resources to provide the necessary or at least legally prescribed services. The availability of EU development programmes and funds made it possible to finance a number of improvements both regarding infrastructure and services. However, the less developed regions and settlements are the less capable to compete for funds or raise the amounts needed for co-funding or just secure the liquidity of projects. There are some good examples of local initiatives: In the village called Igrici (Borsod-Abaúj-Zemplén county) the expert(s) of a non-profit foundation initiating a complex programme incl. an employment component, conducted a thorough assessment of the needs in the village. The idea emerged to initiate an agricultural cooperative and obtain the investment needed for the production financed through micro-financing. Following the decision about the production profile, the foundation helped the village authorities to get a preferential credit for the planned activity. The success of the cultivation of gherkin provided employment initially to 25 persons; since the crop was good, additional persons had to be employed for the harvest. There is a future possibility that the cooperative will increase and employ more persons and set up new direction of cultivation, trade etc. An important feature of the project was that the Roma population itself found the profile that mobilized their activity.

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<sup>68</sup> See: [http://en.wikipedia.org/wiki/Regina\\_Saphier#Project\\_Retour\\_.282003-2007.29](http://en.wikipedia.org/wiki/Regina_Saphier#Project_Retour_.282003-2007.29), <http://www.nethirlap.hu/cikk.php?cikkid=22191>, <http://hvg.hu/itthon/20050928saphier> (retrieved on 2011.03.10.). During 2 years this volunteer initiative (*Project Retour*) of a return migrant scholar, Regina Saphier, could have become a true success story having registered monthly 3,000 people from 46 countries visiting the web page of the organisation, but due to lack of funding the project could operate no longer.

<sup>69</sup> Interview with a EURES advisor. See list of interviews in the Annex.

<sup>70</sup> Source: our own extended personal experiences as researchers and other media sources: (blogs and other virtua community websites) <http://job-allas.postr.hu/visszateres-kulfoldrol-nem-leanyalom>, <http://www.klubhalo.hu/modules.php?name=News&file=article&sid=1705>, <http://www.magyaronline.net/forum/viewtopic.php?topic=4576&forum=75&485> (retrieved on 2011.03.20.).

In another village the preparation of another possible project resulted in a very different profile, their initiative was the production of a special quality of stone while in a third case the tradition in the village was to collect herbs. In each case the people' informal activity was transferred into the employment of the new initiation of the project<sup>71</sup>. In the village of Bódvalenke<sup>72</sup>, the approach chosen is a different one: frescoes are painted on the walls of the houses by Roma artists and thus try to attract touristic attention and generate some local employment opportunities while promoting the dialogue between the Roma and the majority population. Four universities also support the project, however, the annual cultural festival called Dragon celebration may not be organised this year due to the lack of minimum resources.

Generally speaking, attention towards social exclusion is focused on regions where people are trapped in very bad circumstances regarding housing, availability of services and job opportunities, but here in fact the lack of internal migration possibilities is the issue and not migration itself. For example, the Rural Development Programme 2007-2013 places an emphasis on the lower activity rate of employees in rural areas, and states that 61% of those living in villages have to commute to their workplace as there are no local employment opportunities. This document also points to the phenomenon that „the emigration of population of active age and work ability from the villages suffering from poor employment opportunities, and therefore, the growing ratio of the inactive and unemployed population are further aggravated by the immigration of the unemployed population of low status – in many cases Roma – displaced from towns and cities, who have lost their jobs and could no longer shoulder the higher costs of living and are forced to move into impoverishing villages” (p. 57).

The New Hungary Development Plan 2007-2013 aims to improve the employability of the population, „to promote migration within the labour market” (p. 12); its states that „the lack of workforce in certain sectors resulting from increased growth can be reduced by immigration from neighbour countries, in addition to the strengthened flexibility of the national labour market” (p. 32). The rate of migration of labour is low, and mobility is limited. Regional differences in employment and unemployment result partly from the fact that the population of Hungary has strong local links; therefore, differences are not motivated by lacking work opportunities alone. So, spontaneous processes leveraging the geographical differences of demand and supply can work to a limited extent only. Disadvantaged regions see the particular problem that even if there are possibilities to find a job (for example in county capitals or major towns), it is difficult to access these locations by public transport” (p. 18.).

There are examples of specific policies addressed to disadvantaged net internal migration loss regions<sup>73</sup>, for example the START programme which aim is to promote the employment of various disadvantaged population groups (women, the elderly, career starters, etc.) and which also includes a regional component, called the START RÉGIÓ scheme introduced on January 1, 2009. In case a worker originates from a disadvantaged locality (many of which are located in Northern Hungary), his/her employer is fully exempted from social insurance contributions for a period of 3 years with the condition that the hiring of the new worker increases the workforce of the company and this is maintained for the duration of the subsidy. The START programme is also financed from the Structural Funds (measure: TÁMOP 1.1.2.)<sup>74</sup>.

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<sup>71</sup> Csák, Gergely (2009), article „Túl nagyra nőtt a siker az igrici cigányoknál” (*Success grew enormously at the Igrici Gypsies*) on the website 168 óra online, 28 July (see: <http://www.168ora.hu/itthon/termeloszovetkezet-alapitottak-az-igrici-romak-a-problema-most-az-hogy-tul-nagyra-nottek-az-uborkak-40688.html>, retrieved on 2011.03.20.).

<sup>72</sup> See: the website of the village, <http://www.bodvalenke.eu> (retrieved on 2011.03.20.).

<sup>73</sup> These do not address disadvantages caused by emigration abroad, but only those generated by internal migration.

<sup>74</sup> Based on data provided by the managing authorities, from July 2007 until January 2011, 5,745 people got involved in the START RÉGIÓ programme. 3,287 of them participated in trainings, 88.6% finished it successfully. 40% of those involved in the programme could maintain their jobs for more than 180 days.



The complex programmes<sup>75</sup> trying to support the most disadvantaged small regions (“LHH33”) are a similar initiative with not much detectable positive impact thus far.

Although the ambition to decrease regional disparities has appeared in strategy papers since 2004 (e.g. National Strategic Report on Social Protection and Social Inclusion) and significant amounts of EU funding have been spent on this purpose both in the framework of the regional Operational Programmes (OPs) and other OPs (such as complex training and employment programmes for special groups, like women or disadvantaged groups including the Roma<sup>76</sup>), regional differences have not stopped increasing yet. There have been some model programmes, e.g. the Szécsény model programme of the “Let it be better for our children” national strategy to fight child poverty<sup>77</sup> but their return cannot be statistically measured from data. These measures are mostly financed by EU (ESF) funds.

The comprehensive target of the Regional Operational Programme of Northern Hungary 2007-2013 is to promote economic competitiveness through which spatial, social and economic differences within the region would diminish. The following five priority areas have been defined which shall contribute to this objective: create a competitive local economy, strengthen the touristic potential, settlement development, improvement of the human community infrastructure (public education, health care and social services) and improvement of regional transportation. For this, a budget volume of EUR 903,723,589 from European Regional Development Fund sources has been made available. The interim evaluation of the North Hungary Operational Programme<sup>78</sup> provides no specific details regarding the outcomes of the programmes.

#### **6.5. Support to vulnerable groups related to migration (incl. assessment of SF use)**

As to our best knowledge, no programmes or initiatives towards specific (vulnerable) groups of the population exist in Hungary which have been planned or launched in order to tackle difficulties resulting from migration. However, a number of various strategies and action plans have been initiated in Hungary to improve the situation of disadvantaged social groups including the Roma. These are the Joint Inclusion Memorandum on Social Inclusion, National Action Plans, Employment Action Plans, Roma Government Programme, a government decree (1021/2004 (III.18.) on measures related to government programmes to promote the social integration of the Roma, which all serve as the basis of the Action Plan of the Roma Decade. The previous Socialist government joined the Roma Decade in 2007 and published a strategy. In the framework of this programme specific measures focusing directly the Roma population and more broadly, all disadvantaged social groups, should be realised in parallel so as to achieve the best results and efficiency. The issue of Roma integration has been on the agenda of the government and a priority of the Hungarian EU presidency in the first half of 2011. The new FIDESZ government (taking office in 2010) established a new ministerial unit with considerable resources for promoting the integration of disadvantaged people (among them Roma); The Ministry of Public Administration and Justice, has a Minister of State for Social Inclusion (Zoltán Balog). The most recent government decree numbered 1136/2011. (V.2.) on certain short-term measures promoting the social inclusion of the Roma has set deadlines and responsibilities for each proposed area of action. The most recent and quantified targets regarding the reduction of poverty and handling the situation of the Roma are set out in the National Reform Programme submitted in April 2011. Reducing regional disparities and improving the situation of the Roma are declared to be horizontal principles of the final NRP.

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<sup>75</sup> See website of the Hungarian National Development Agency (<http://www.nfu.hu/lhh>, retrieved on 2011.01.30.).

<sup>76</sup> Human Resources Development OP measures 1.3. or 2.1.

<sup>77</sup> See the official website of the program

[http://www.gyerekesely.hu/index.php?option=com\\_content&view=article&id=9&Itemid=182](http://www.gyerekesely.hu/index.php?option=com_content&view=article&id=9&Itemid=182) (retrieved on 2011.01.15.).

<sup>78</sup> See the interim evaluation of the North Hungary Operational Programme:

[http://www.norria.hu/files/820/kalocsai\\_kornel.pdf](http://www.norria.hu/files/820/kalocsai_kornel.pdf) (retrieved on 2011.03.16.).

Generally speaking, one can say that the proposed (and existing) policies and programmes, if implemented, could substantially improve the present situation of the poor and also the Roma as the analysis of their problems is scientifically grounded and the approach to this problems is complex. However, during the past years one could also witness how well planned and appropriate programmes on paper did not turn out to be really effective in practice, for a number of reasons: even if the content of such programme were good, there have been facing or will in the near future face problems with their sustainability. The fact, that project financing does not permit the realisation of long-term programmes, and often complex programmes cannot be realised, are serious obstacles to their efficiency.

The initiative entitled „Making the Most of EU Funding for the Roma” of the Open Society Institute (OSI)<sup>79</sup> aims to tackle some of these problems, that „major sources of funding have yet to "trickle down" to ideal candidates”. The OSI intends to maximize the use of available resources and funds by governments in the region and to help major European Structural and other European Funds "flow" to local governments, civil society, and private sector actors.

An overview about Roma employment policies point out that the past years' programmes aimed at Roma employment were not able to successfully influence the level of Roma employment. The problems of the system can be linked to the definition of the target population (a very grave and not yet solved problem), the goals and priorities, the indicators, and the procedures for grant applications, as well as the lack of monitoring and impact analysis (Fleck-Messing, 2009). Even an official evaluation by the State Audit Office (2008) of Roma projects initiated by the government described the above mentioned anomalies of the Roma programmes and their failure in diminishing the social and labour market exclusion of the Roma population (ÁSZ, 2008).

As to the Hungarian National Roma Integration Strategy (NRIS), the precise title is „National Social Integration Strategy”, with the subtitle “Extreme poverty, child poverty, the Roma – 2011-2020). As the title itself indicates, the Strategy does not only concentrate on the Roma population but includes all disadvantaged population groups, while in all description highlights also the situation of the Roma. The NRIS provides a clear and comprehensive description of the situation. It is not an innovative but rather a comprehensive strategy. The strategy contains no new elements, but builds on the EU strategy framework and previous local initiatives, e.g. the Decade of Roma Integration Programme, the "Making Things Better for our Children!" National Strategy and the programme to improve the situation of the most disadvantaged micro-regions of Hungary (“LHH33”), all based on the same intervention logic; as they were based on a wide agreement, the relevance of the present Strategy cannot be questioned. The focus is on complex development, but in fact the realisation of the proposed measures, the successful management of the difficult coordination tasks can only be evaluated in the future.

### **6.6. Best practice examples of policy responses**

Prior to the enlargement the channelling of labour migration through bilateral programmes was a good example, since participants were selected and channelled in a most proper way at the time. The bilateral programmes were important for channelling migration in the period when migration was not fully free and employment needed some legal and institutional framework as described in detail above. In this regard risks and connected negative effects of emigration can be overcome. Nevertheless, participants of the bilateral programmes were mainly recruited from the more developed Western parts of the country which are not so much affected by poverty and social exclusion like other regions of Hungary.

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<sup>79</sup> See website of the Open Society Institute ([http://lgi.osi.hu/documents.php?m\\_id=188](http://lgi.osi.hu/documents.php?m_id=188), retrieved on 2011.02.15.).

## **7. Key challenges and policy suggestions**

### ***7.1. Key challenges of the social impact of emigration and internal migration***

The characteristics of both emigration and internal migration make it difficult to identify key challenges. Emigration has mainly affected the more developed Western regions of Hungary, although there are minor signs of emerging emigration from less developed North-Eastern regions (in particular Northern Hungary) with high unemployment, previously dominated by heavy industry which collapsed after the transition. As for internal migration, although the migration rates do not show a substantial change over time, the underlying structure does. Previously dominant mobility routes, from villages to towns have been reversed. After the transition the destination of migration essentially changed, the process of suburbanisation replaced the former migration from villages towards towns. This is partly due to the actions of the better-off population groups but a major reason is in fact that those, who cannot keep up with the costs of life in town move to villages. The regional disparities which emerged since the transition did not change much. Mostly skilled manual labourers have been involved in emigration, so emigration primarily involves not those socially excluded and helps them to maintain their social and economic status and satisfy their needs (buying, building or reconstructing their house, supplementing the household budget, savings or covering pressing mortgage debts, it facilitates better schooling of the children).

Mobility costs are extremely high in Hungary which impedes internal mobility. Additionally, internal migration has been often directed to the periphery of the country (as a strategy to cut living expenses and trying to make ends meet in an environment where housing related costs are lower). This process resulted in a segmentation of the county; there are regions where people are trapped and become less and less capable of participating in either internal or international migration. From the most disadvantaged regions the least vulnerable can leave. Emigration is a very limited option for those in need. People affected by social exclusion are less capable of making use of mobility. A key challenge is to improve drastically the situation of people remaining in the loss migration regions (in particular Northern Hungary) by the creation of jobs, attracting return migrants, improvement of services and education possibilities.

There are sporadic signs indicating that the deterioration of the social provision system may result in unsuccessful attempts to cope with the situation. The case of the Roma is special and ambiguous. There is a considerable Roma population in Hungary and their majority is affected by social exclusion. Their deteriorating situation is further worsened by increasing discrimination. The Roma have strong motivations to emigrate, their migration pressure is strong, yet they can emigrate with limited success due to renewed visa impositions and forced return procedures. As emigration is not a solution to the Roma problem, existing national strategies targeting to improve the situation of the Roma in a number of fields in a coherent way need to be effectively implemented.

### ***7.2. Policies to be taken by different actors (national, regional, local governments, Diaspora, EU, host countries' institutions)***

Due to its low scale emigration has attracted only marginal policy attention in Hungary; however, the adoption of an elaborated migration strategy and evidence-based policy measures would be useful. The lack of a coherent strategy regarding migration is clearly a problem to be solved.

It cannot be expected that mobility will increase and regional differences will decrease substantially in the near future without significant policy interventions. The decrease of mobility costs is a central problem affecting employers (to cover travel expenses of employees), employment policies (employment centres e.g. to encourage mobility by covering commuting costs or travelling costs related to job seeking of unemployed), to improve the public transport system (by adjusting timetables to the needs of employees), improve availability of child care facilities, improve the flexibility of housing options (improving the social housing system). These areas are often addressed at by national and regional development policies, however sustainable implementation would also be needed to achieve

a real impact. Broader time-frames, more accountable financing in the long run and often more flexibility would be needed for achieving sustainability. A part of the problem lies in the fact that the burden of implementation and sustainability is mainly put on the local governments although often with insufficient or mismanaged central (EU) funding, especially in disadvantaged areas, like Northern Hungary.

As for emigration, it is mainly a spontaneous process without any guidance for returnees. Together with emigration, return migration is on the increase as well. The majority of emigration potential surveys and also migration research reveals the circular character of migration or the expected return of emigrants. Returnee or potential returnee workers may however face problems of reintegration into their family, circle of friends, work environment and society. Taking into account the volume of present migration the services to be provided for returnees is not a hot issue; the local reception of returnees/circular migrants has not been a priority up to now, and satisfactory guidance is missing. Nevertheless, emigration is on the rise and preparation for increasing return migration is needed.

Further, the situation of Hungarian emigrants is not necessarily optimal in the destination countries. Good cooperation between national and receiving countries officials and national representatives abroad (Diaspora) would mitigate the negative impacts of migration in the receiving country. Evidences of cases at the Ombudsman's office prove the need for support and guidance services. Trade unions in collaboration with other non-profit and government organisations should give advice and provide legal help to those working abroad.

Proper (re)-integration of returnees would be beneficial both for Hungary and for the micro-environment of the returnee. For this, systematic support should be provided in the form of various services in the framework of labour market policies and guidance; NGOs should also participate in channelling returnees into the national labour market. Returning migrants should be seen as a special target group and adequate services should be provided targeted to their needs and problems. If this kind of support is not available, there is a fear that a number of the positive effects of migration and return migration cannot be fully utilised, or will even be lost, e.g. the transfer of new skills, knowledge and culture including language skills and work culture. Thus, a set of reintegration services such as counselling or guidance at PES or private labour offices should be provided *prima facie*. In addition, it has to be taken into consideration, that services connected to migration should be tailored to individual needs. This should be provided at a regional level, as the needs of the emigrants and returnees are region-specific to some extent due to the very significant regional differences. There is no need at present for policy efforts to target the social inclusion aspect of migration (since it is not the most pressing problem). However, individuals' efforts to solve their own problems and improve their situation should be encouraged also in case they consider returning to their home country Hungary. Individual solutions should be sought and supported by all possible and adequate targeted measures. In this sense targeted programmes to provide various kinds of services, possibly financed from EU funds, would be necessary.

There are small scale targeted programmes supporting the return of a very small number of highly qualified academics whose return is relatively generously compensated. This support is disproportionately high, in relation to other sources of assistance supporting academic research. Acknowledging the importance of encouraging the return of this top quality emigrant academic group, it would be useful however to widen up the target group of such programmes, and at the same time to extend the pool of available research resources for academics in order to prevent the emigration of the highly skilled for economic reasons<sup>80</sup>.

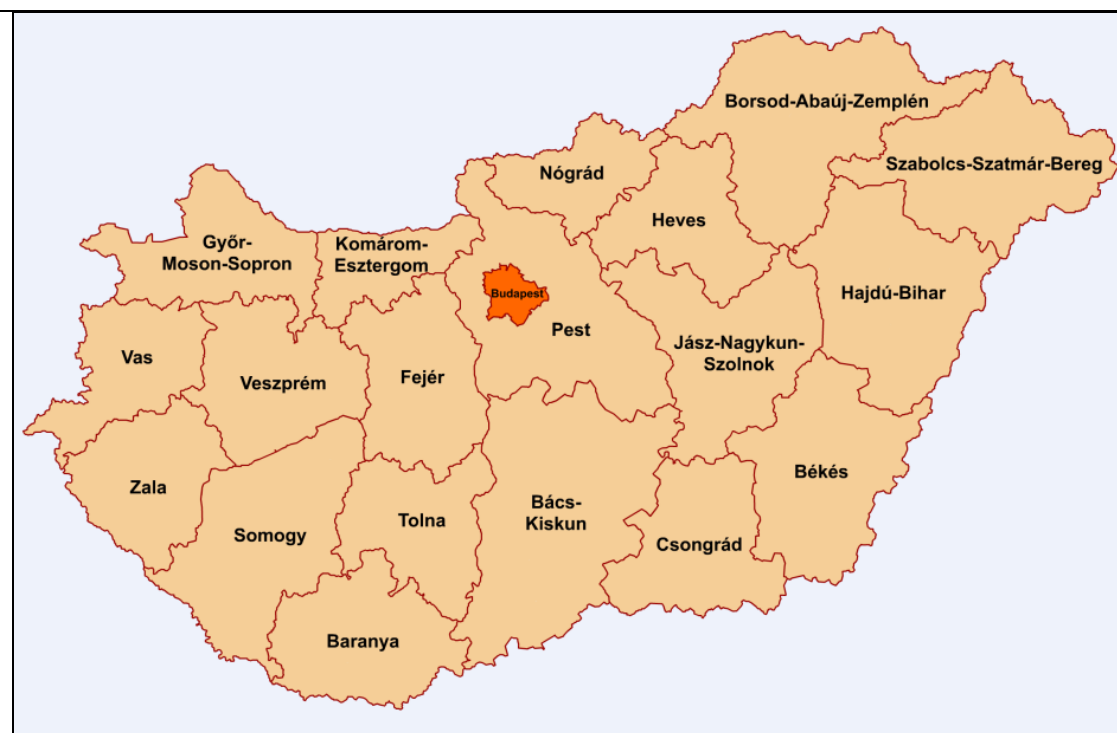
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<sup>80</sup> There have not been such projects so far at all, apart from one grass roots initiative which had to stop operating due to lack of any support.

Annex - Tables and charts

Chart 1.1. Map of Hungary, NUTS II regions

Map of Hungary, counties (NUTS 3)



Map of Hungary, regions (NUTS 2)

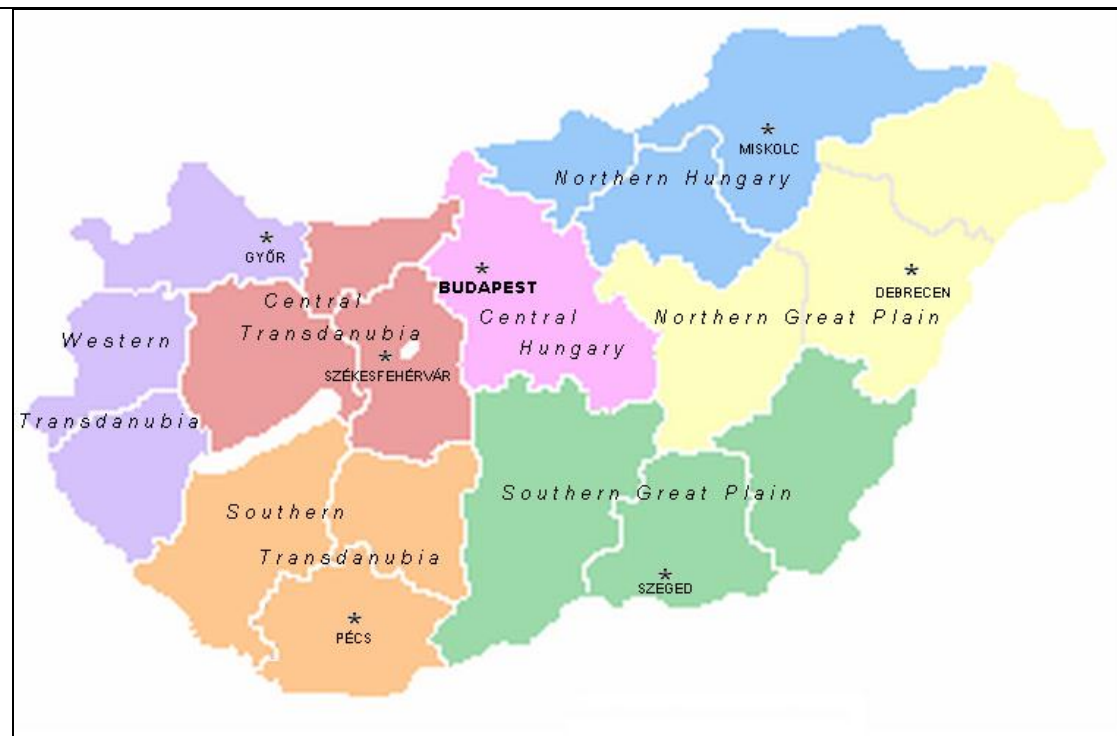
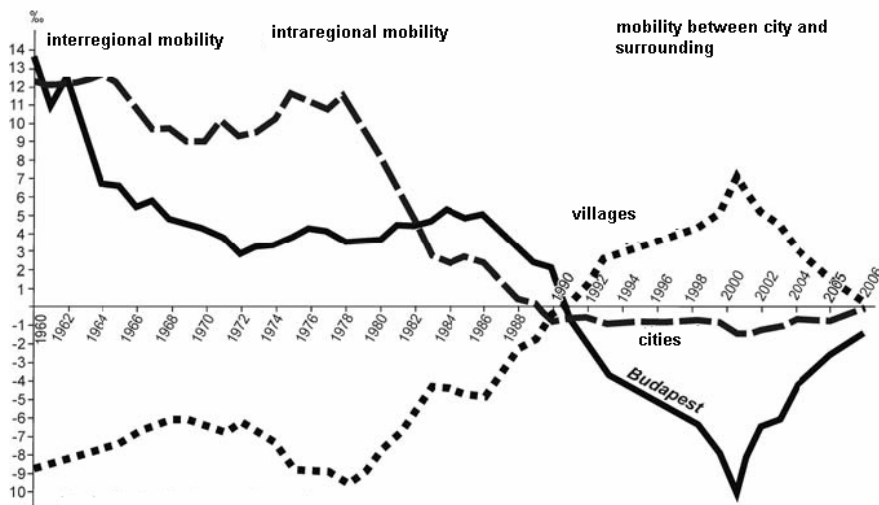
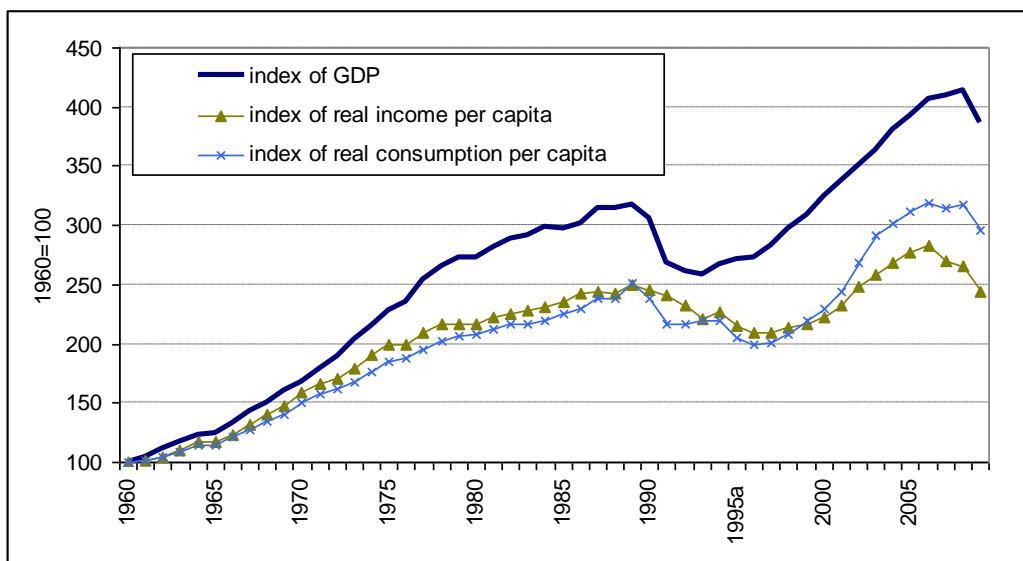


Chart 1.2. Migration by the type of settlement and its character (1960–2006)<sup>81</sup>



Source: Dövényi (2007)

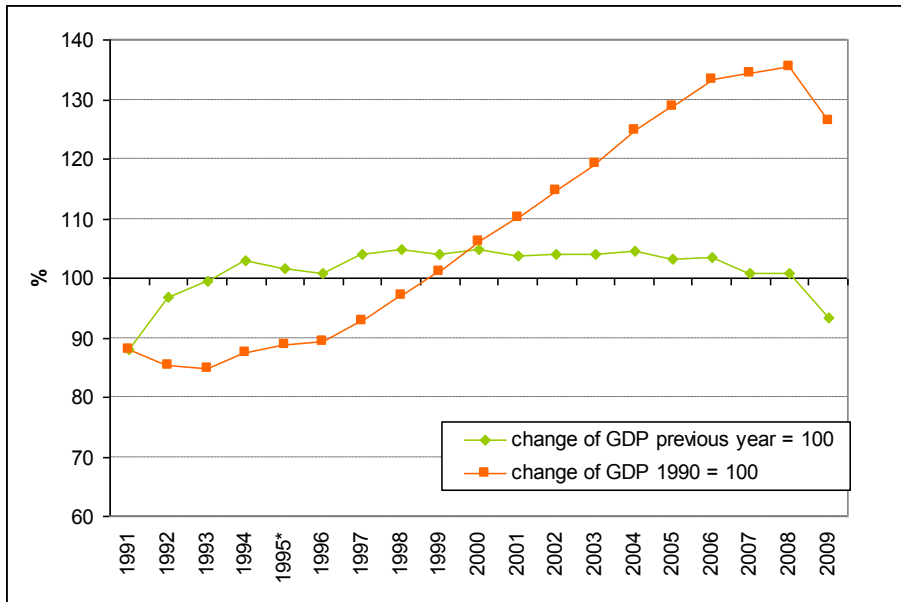
Chart 1.3. Long-term economic development: GDP and real income vs. consumption index. 1960=100



Source: HCSO Statdat online database, in 1995 GDP methodological change, 1995 old data, 1996 new data

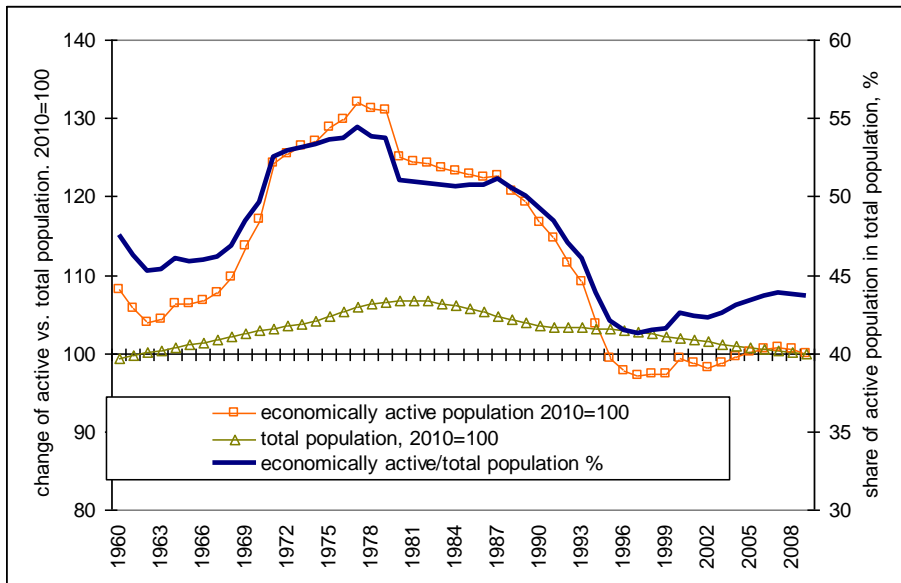
<sup>81</sup> 1960-77 interregional mobility, 1978-1989 intraregional mobility, 1990 – mobility between city and surrounding  
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Chart 1.4. GDP development from 1991 to 2009



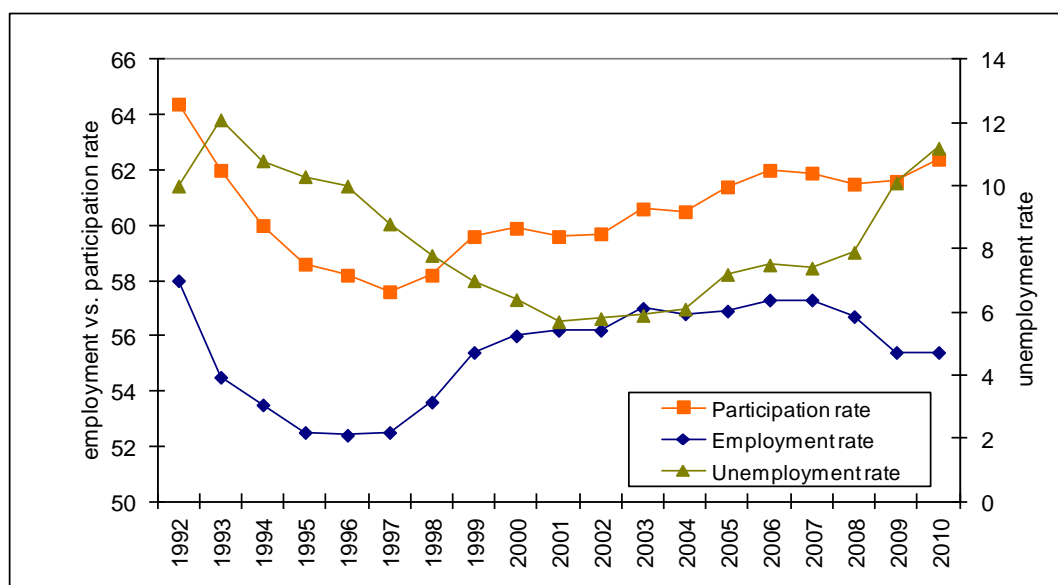
Source: HCSO, Statdat online database, in 1995 GDP methodological change, 1995 old data, 1996 new data

Chart 1.5. Economically active and total population, long-term trend of 1960-2010 (on 1st January)



Source: HCSO Balance of labour force, 1st, January; until 1979 incl. those on maternity leave

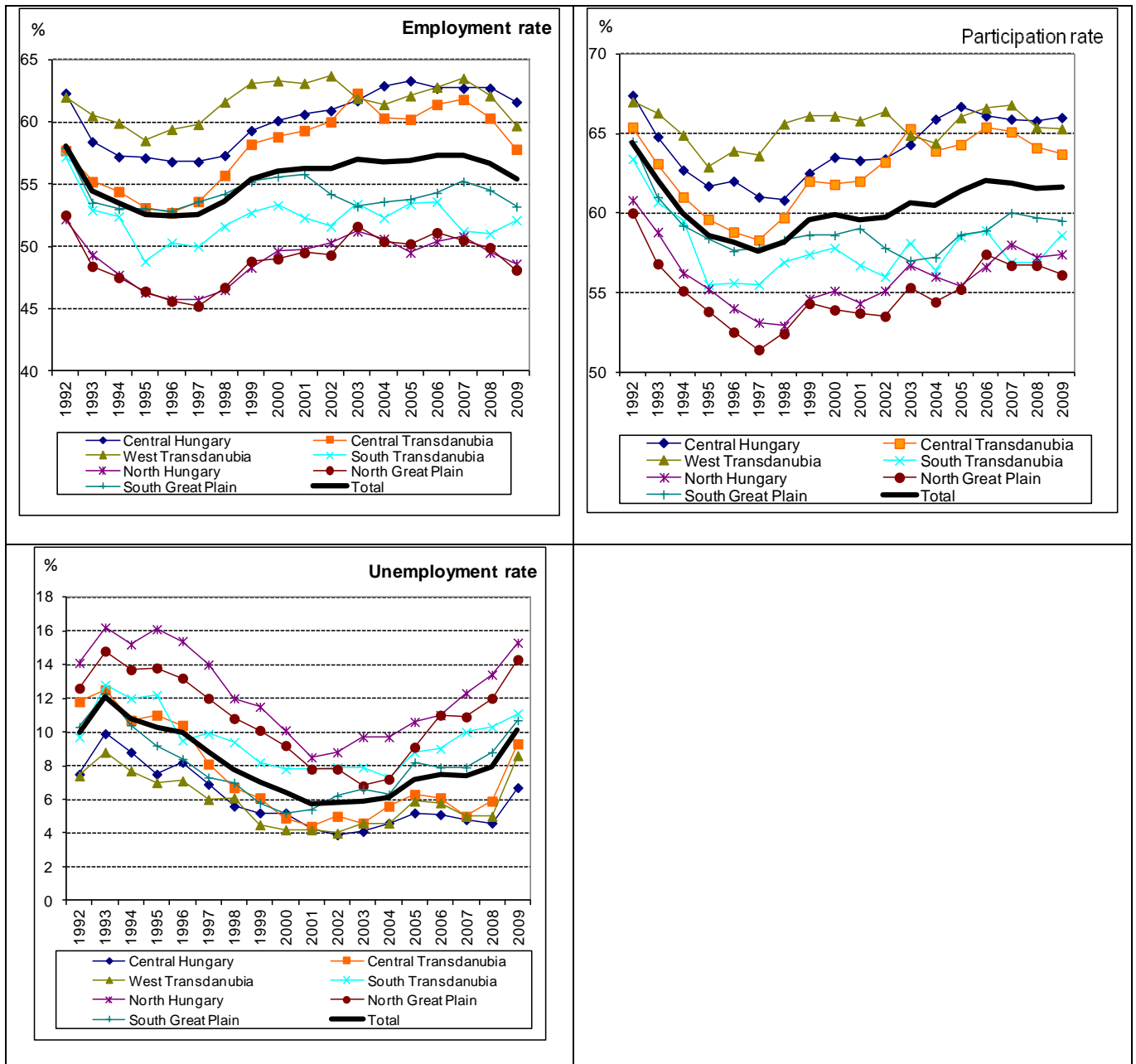
Chart 1.6. Labour market indicators, 1992-2010, age group of 15-64 years old, in %



Source: HCSO Hungarian LFS 1992-2009

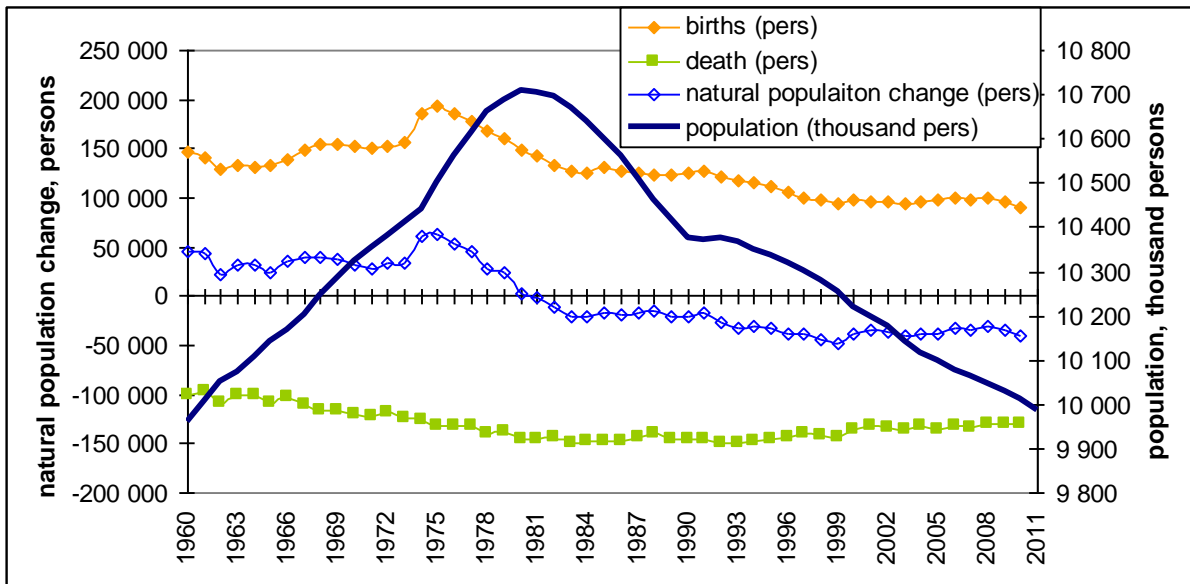


Chart 1.7. Labour market indicators by regions 1992-2010, age group of 15-64 years old, in %



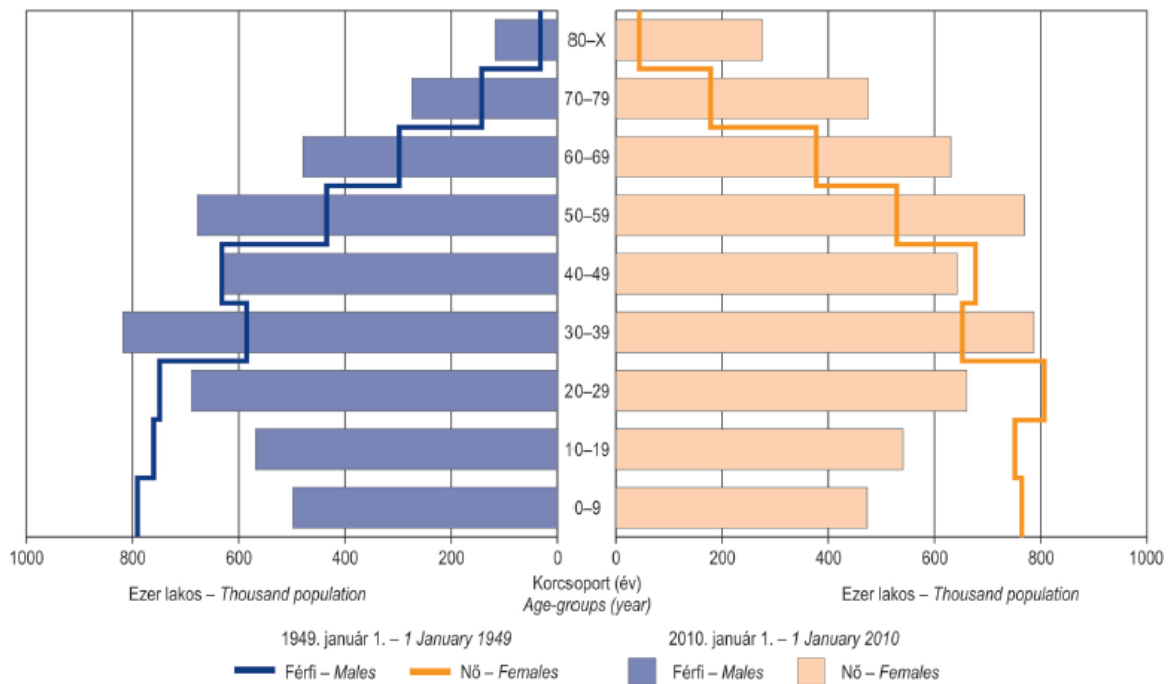
Source: HCSO Hungarian LFS 1992-2009

Chart 1.8. Natural population change without migration, 1960-2011



Source: HCSO Statdat online database

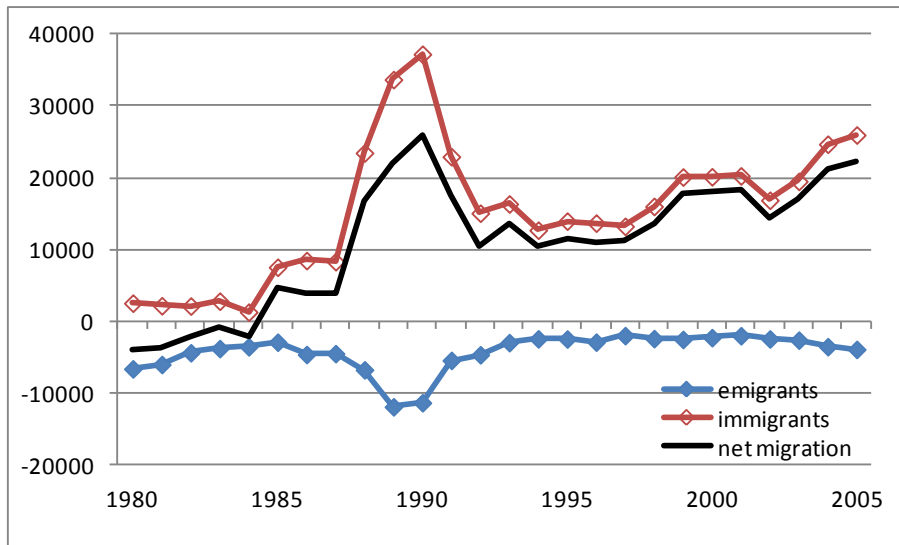
Chart 1.9. Population by sex and age groups 1949 and 2010, on January 1.



Source: Yearbook of Statistics 2010.

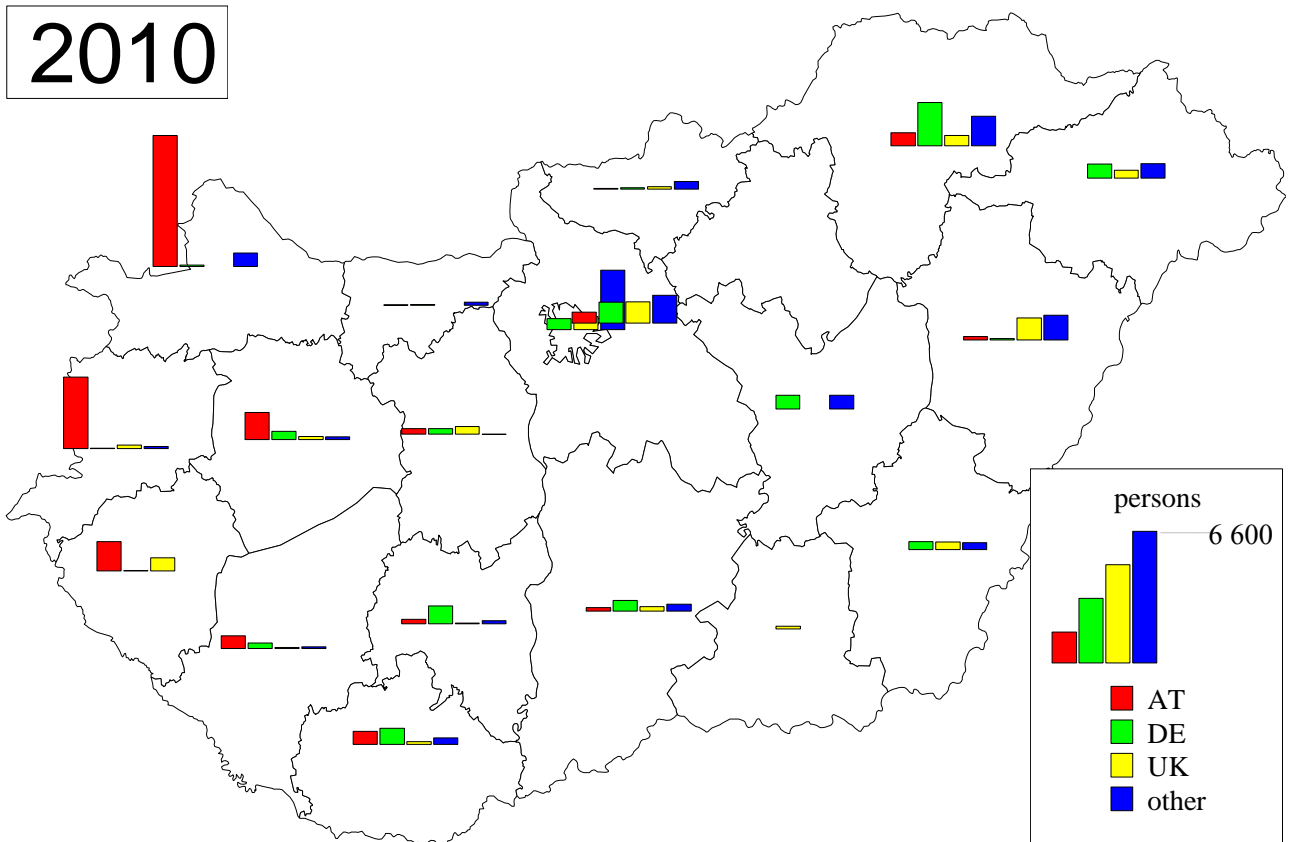
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**Chart 2.1. Main migration flows – according to population register, 1980-2005, in thousand**



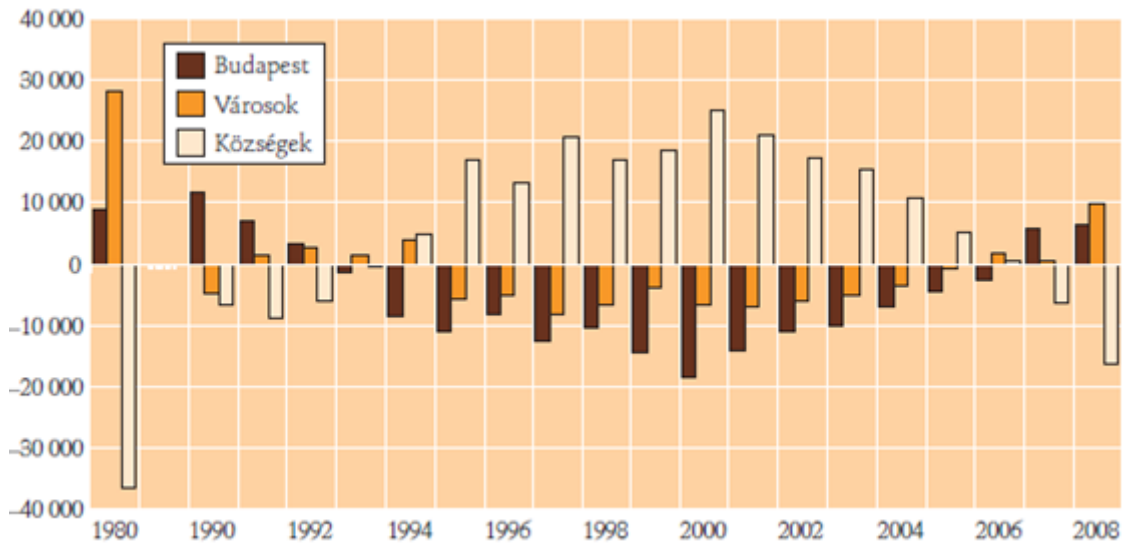
Source: until 1993: Illés-Hablicsek (1996) based on population register data, 1994-2000: HCSO (2003), more recent data own calculation both from Office of Immigration and Nationality online (<http://www.bmbah.hu/statisztikak.php>)

**Chart 2.2. Sending regions of labour emigration, by destination countries, 2010**



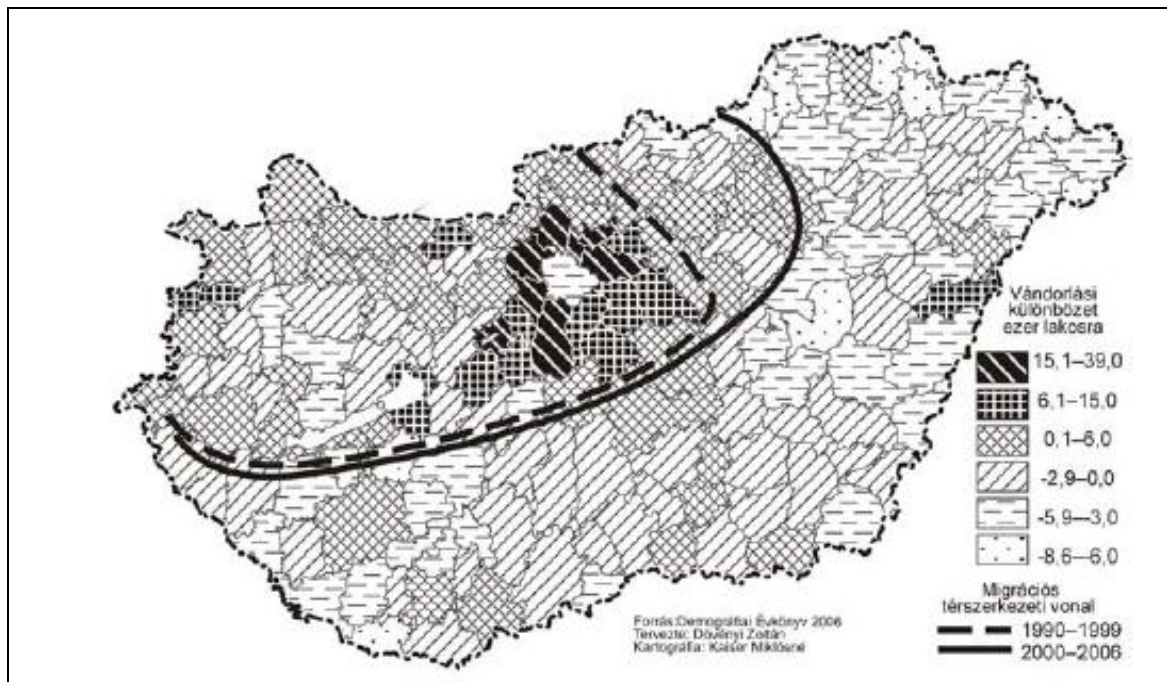
Source: Hungarian LFS, 2010

Chart 2.3. Total migration difference by settlement type 1990-2008



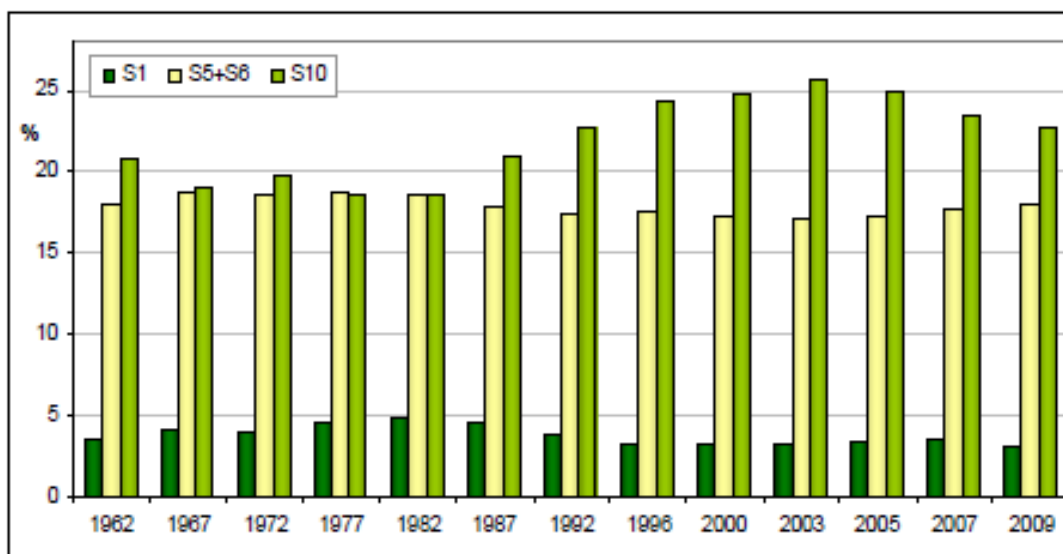
Legend: Dark: Budapest, Dark orange: towns, Light orange: villages  
Source: Gödri-Spéder (2010)

Chart 2.4. Balance of migration in the sub-regions and the boundaries of migratory space structure (2000–2006, ‰)



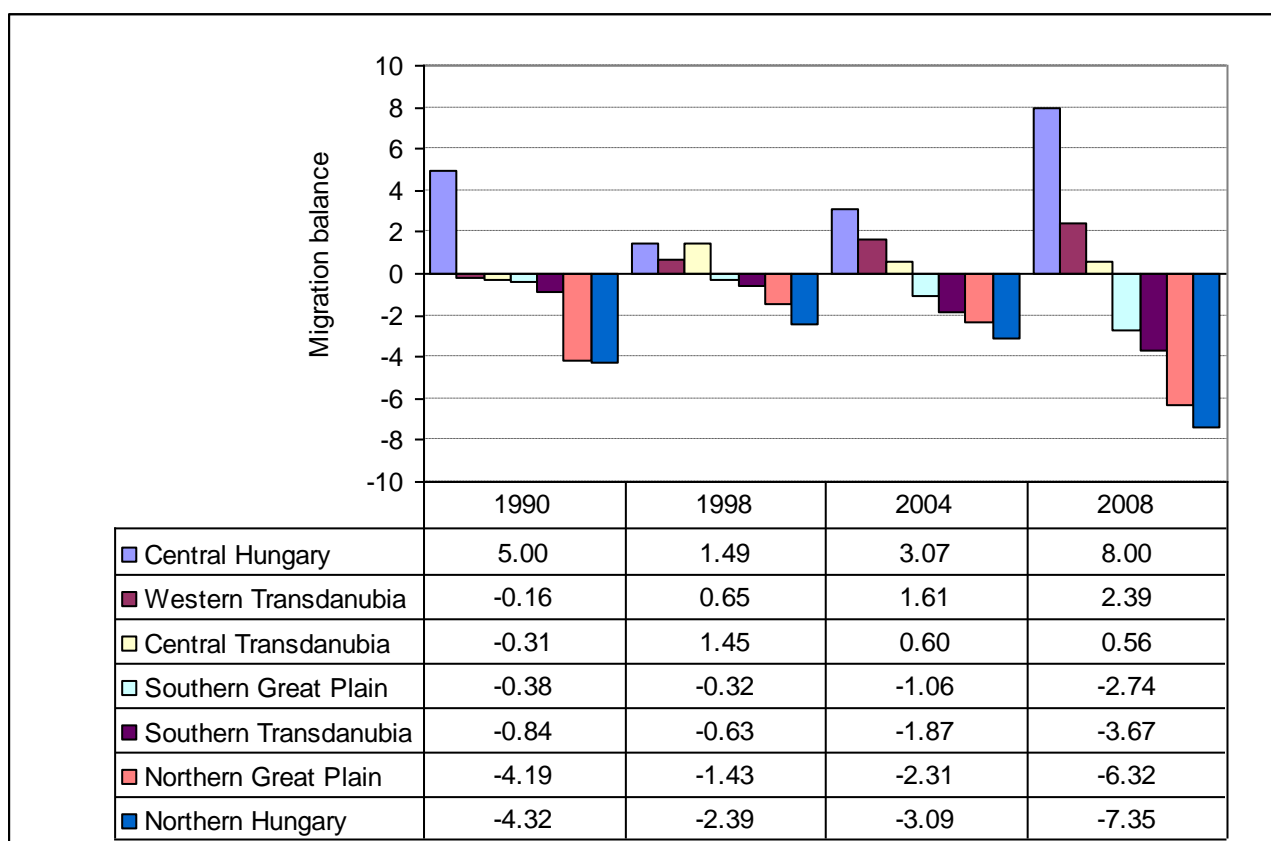
Legend:  
 Above: Migration difference per 1,000 inhabitants.  
 Below: Migration space demarcation line (1990-1999 and in 2000-2006)  
 Source: Dövényi, 2009: 7

Chart 3.1. Share of per capita income deciles from the total income between 1962-2009



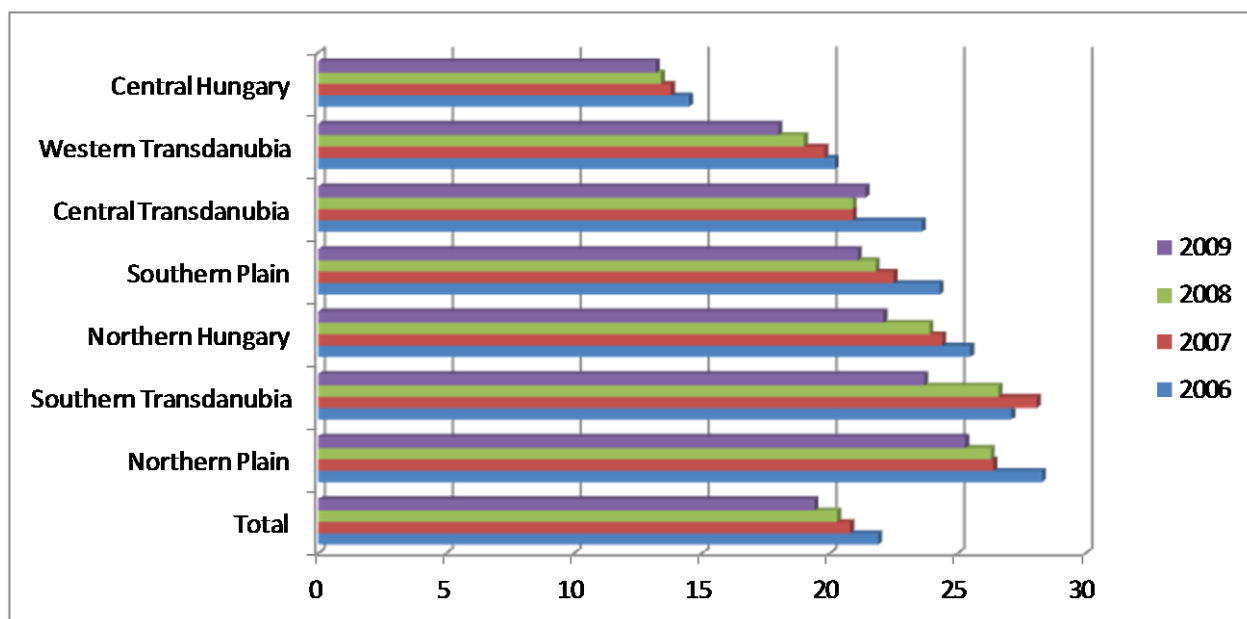
Source: Tóth, 2010: 22

Chart 4.1. Net migration by region in Hungary, 1990-2008, in ‰



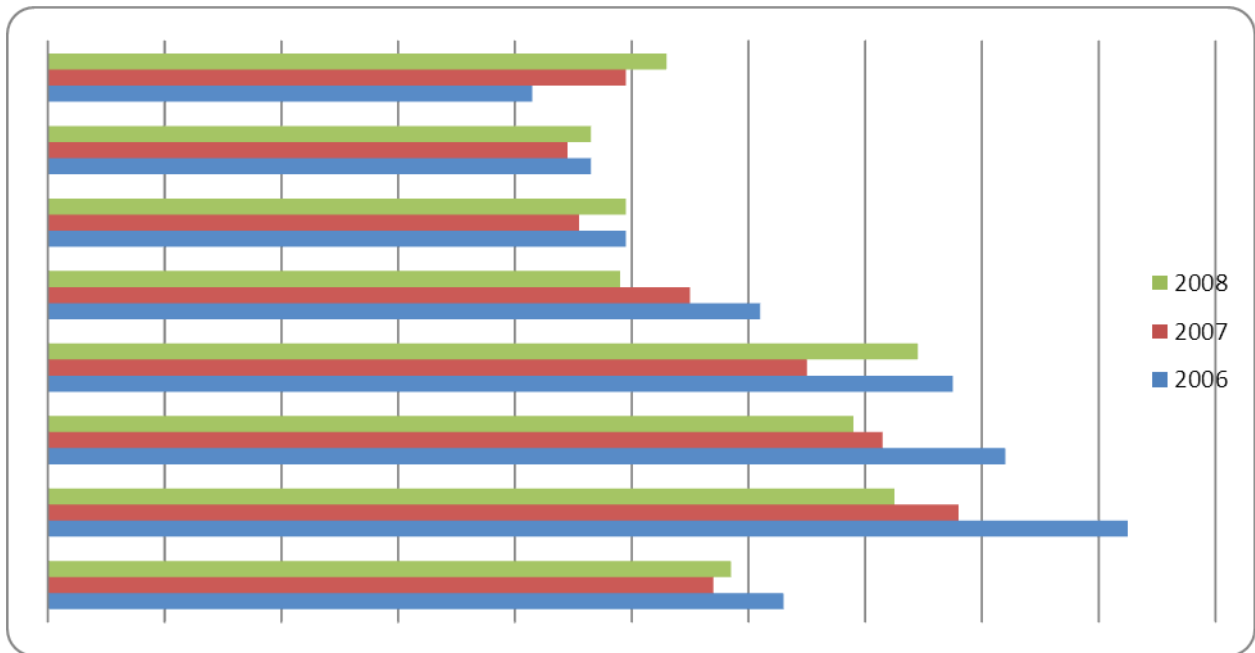
Source: Regional online database of the Institute for Economics of the Hungarian Academy of Sciences  
<http://www.eroforrasterkep.hu/>

Chart 4.2. Share of population with low educational level (ISCED2 or less), in %



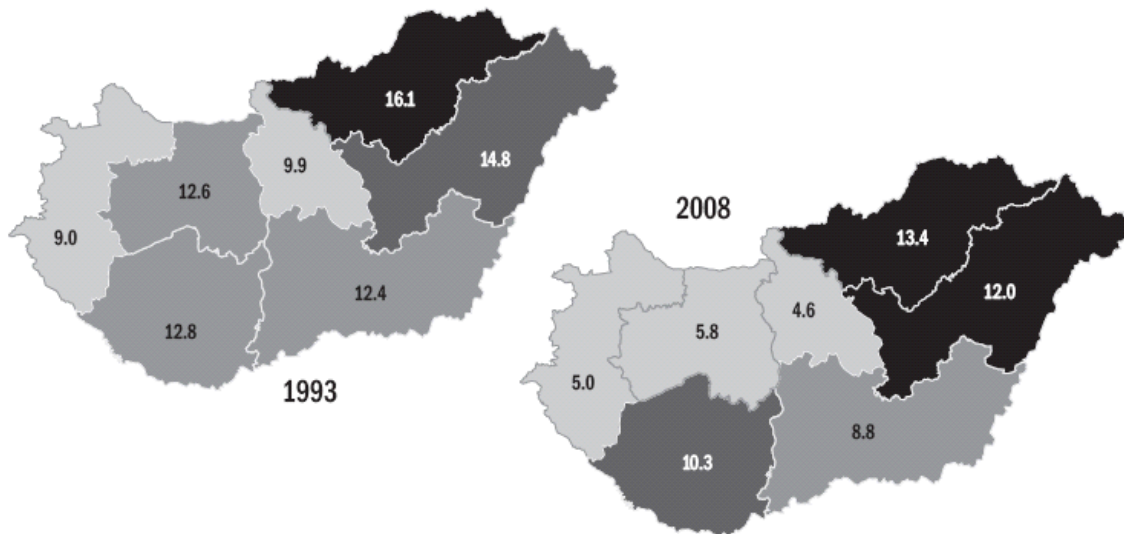
Source: Hungarian LFS 2006, 2007, 2008, 2009

Chart 4.3. Share of early school leavers among 18-24 year olds, in %



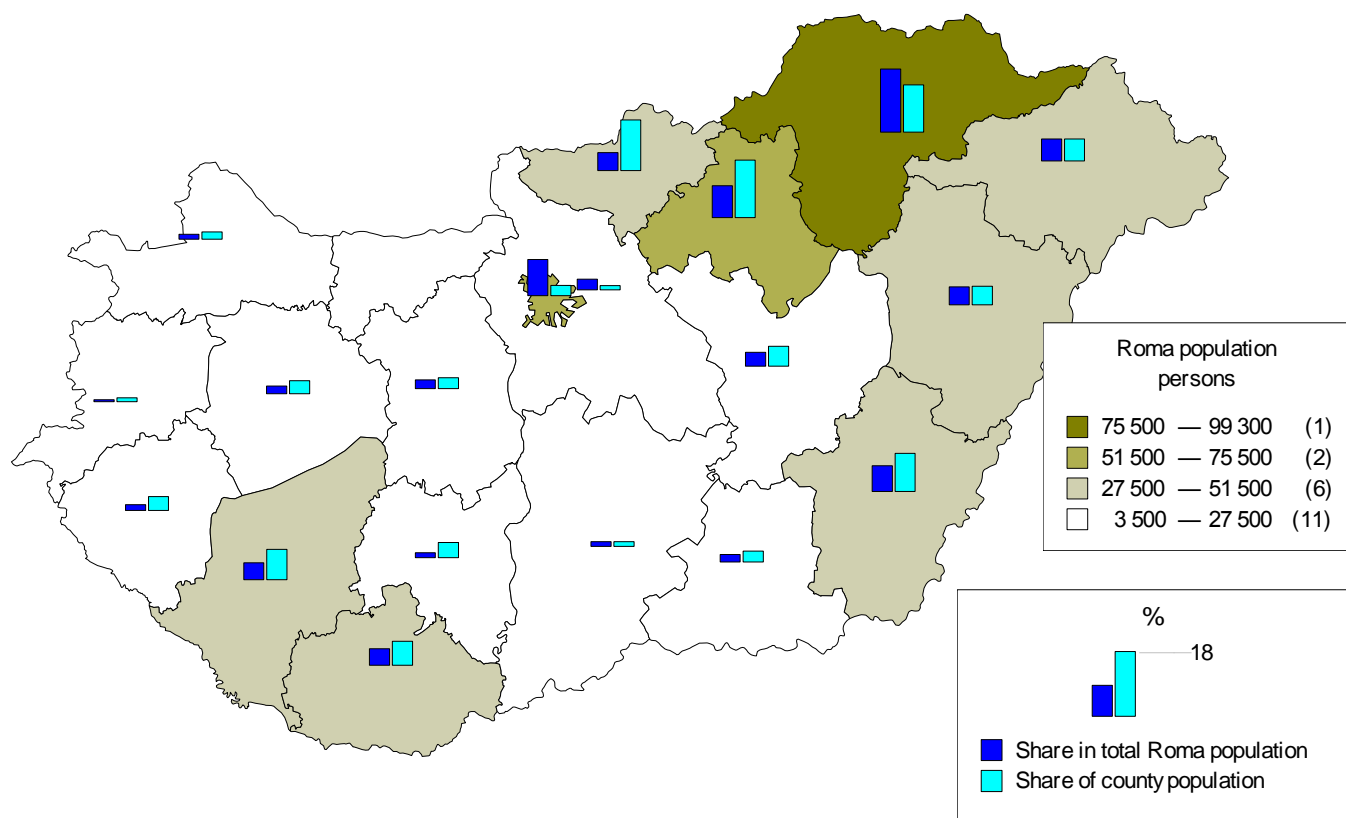
Source: Hungarian LFS, published by Gyerekesélyek, 2010

Chart 4.4. Regional inequalities: LFS-based unemployment rate in NUTS2-level regions, in 1993 and 2008 (in %)



Source: KSH (Central Statistical Office) LFS, Fazekas et al 2010:279

Chart 4.5. Share and geographic concentration of the Roma in Hungary



Source: Roma survey 2003, data published in Kemény et al., 2004

Table 2.1. Migration intentions of Hungarians by target countries, 2002, 2008, 2010, (in %)

| Destination country | Short-term employment abroad |      |      | Long-term employment abroad |      |      | Emigration |      |      |
|---------------------|------------------------------|------|------|-----------------------------|------|------|------------|------|------|
|                     | 2002                         | 2008 | 2010 | 2002                        | 2008 | 2010 | 2002       | 2008 | 2010 |
| Germany             | 35                           | 20   | 22   | 32                          | 19   | 19   | 22         | 19   | 10   |
| Austria             | 18                           | 14   | 21   | 15                          | 15   | 18   | 19         | 14   | 9    |
| UK                  | 11                           | 18   | 14   | 10                          | 19   | 18   | 10         | 15   | 16   |
| <i>3 together</i>   | 64                           | 52   | 57   | 57                          | 53   | 55   | 51         | 48   | 35   |
| USA                 | 7                            |      | 6    | 9                           |      | 5    | 14         |      | 14   |
| Others              | 29                           |      | 37   | 34                          |      | 40   | 35         |      | 51   |
| <i>Total</i>        | 100                          |      | 100  | 100                         |      | 100  | 100        |      | 100  |

Source: TÁRKI Monitor 2002, 2010 & Omnibusz survey 2008



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**Table 2.2. Resident Hungarian citizens in European countries (EU +EEA), 1998-2010, number of persons**

|                 | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Germany         | 52029 | 51905 | 53152 | 54437 | 55978 | 55953 | 54714 | 47808 | 49472 | 56075 | 60221 | 63801 | 65443 |
| Austria         | :     | :     | :     | 12729 | 13069 | 13684 | 14151 | 15133 | 16284 | 17428 | 19318 | 21527 | :     |
| UK              | 6580  | 5879  | 7133  | 4273  | :     | 6599  | 6021  | 5157  | :     | :     | :     | :     | :     |
| Spain           | 298   | 412   | 540   | 778   | 1060  | 1457  | 1724  | 2298  | 3044  | 4704  | 6628  | 7791  | 8365  |
| Italy           | :     | :     | 2817  | 3066  | 3186  | :     | :     | 3734  | 4051  | 4389  | 5467  | 6171  | 6868  |
| Ireland         | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     | 5884  | 5543  |
| The Netherlands | 1275  | 1400  | 1385  | 1538  | 1719  | 1832  | 1886  | 2029  | 2271  | 2386  | 2921  | 4044  | 5294  |
| Slovak Republic | :     | :     | :     | :     | :     | :     | 1539  | 1526  | 1760  | 2106  | 2702  | 3623  | 4602  |
| Sweden          | 2925  | 2954  | 2992  | 2988  | 2727  | 2463  | 2303  | 2309  | 2349  | 2560  | 3104  | 3862  | 4525  |
| Denmark         | 366   | 377   | 406   | 391   | 445   | 447   | 463   | 527   | 624   | 724   | 1019  | 1357  | 1586  |
| Finland         | 454   | 508   | 597   | 654   | 708   | 687   | 678   | 634   | 687   | 724   | 900   | 1117  | 1198  |
| Portugal        | 96    | 97    | 112   | 158   | 136   | 161   | :     | :     | :     | 251   | 386   | 333   | 352   |
| Belgium         | 966   | 1022  | 1089  | 1534  | 1629  | 1564  | :     | :     | :     | :     | 2917  | :     | :     |
| Greece          | 609   | :     | :     | 538   | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| France          | :     | 2961  | :     | :     | :     | 2961  | :     | 2954  | :     | :     | :     | :     | :     |
| Cyprus          | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     | :     |
| Luxembourg      | :     | :     | :     | 143   | :     | :     | :     | :     | :     | 597   | 688   | :     | :     |
| Malta           | :     | :     | :     | 12    | :     | :     | :     | :     | :     | :     | 107   | :     | :     |
| Switzerland     | 3645  | 3570  | 3613  | 3559  | 3640  | 3809  | 3847  | 3849  | 3833  | 3972  | 4400  | 5150  | 5839  |
| Norway          | 226   | :     | 254   | 291   | 308   | 341   | 336   | 360   | 395   | 484   | 651   | 832   | 1020  |
| Iceland         | 40    | 45    | 52    | 49    | 49    | 54    | 53    | 46    | 48    | :     | 87    | :     | 119   |

Source: EU online data on population by citizenship by countries, <http://epp.eurostat.ec.europa.eu/portal/>

**Table 2.3. Relation of women to men in the population of Hungarian citizens in the EU+EEA 1998-2010, %**

|                 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Germany         | 0,6  | 0,6  | 0,6  | 0,6  | 0,6  | 0,6  | 0,7  | 0,7  | 0,8  | 0,7  | 0,7  | 0,7  | 0,7  |
| Austria         | n.d  | n.d  | n.d  | 0,9  | 0,9  | 1,0  | 1,0  | 1,1  | 1,1  | 1,1  | 1,1  | 1,1  | n.d  |
| UK              | 1,3  | 2,3  | 1,3  | 1,4  | n.d  | 2,1  | 2,6  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Spain           | n.d  | 1,6  | 1,5  | 1,6  | 1,6  | 1,6  | 1,6  | 1,5  | 1,4  | 1,2  | 1,0  | 1,0  | 1,0  |
| Italy           | n.d  | n.d  | 3,0  | 3,2  | 4,9  |      |      | 4,0  | 3,8  | 3,8  | 2,8  | 2,6  | 2,4  |
| Ireland         | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | 0,7  | 0,7  |
| The Netherlands | 2,2  | 2,1  | 2,2  | 1,9  | 1,6  | 1,6  | 1,5  | 1,8  | 1,6  | 1,8  | 1,5  | 1,3  | 1,2  |
| Sweden          | 1,4  | 1,4  | 1,5  | 1,5  | 1,4  | 1,4  | 1,3  | 1,3  | 1,3  | 1,2  | 1,1  | 1,0  | 1,0  |
| Denmark         | 1,2  | 1,2  | 1,2  | 1,3  | 1,3  | 1,4  | 1,3  | 1,3  | 1,2  | 1,2  | 1,1  | 1,1  | 1,1  |
| Finland         | 0,9  | 0,9  | 0,8  | 0,8  | 0,9  | 0,9  | 1,0  | 1,1  | 1,1  | 1,0  | 0,9  | 0,8  | 0,9  |
| Portugal        | 1,0  | 1,0  | 1,2  | n.d  | 1,5  | 1,5  | n.d  | n.d  | n.d  | n.d  | n.d  | 2,4  | 2,2  |
| Belgium         | 1,3  | 1,4  | 1,4  | 1,1  | 1,2  | 1,0  | n.d  | n.d  | n.d  | n.d  | 1,3  | n.d  | n.d  |
| France          | n.d  | 0,9  | n.d  | n.d  | n.d  | 0,9  | n.d  | 1,2  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Greece.         | 2,6  | n.d  | n.d  | 1,9  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Luxembourg      | n.d  | n.d  | n.d  | 1,9  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Switzerland     | 0,9  | 0,9  | 1,0  | 1,0  | 1,1  | 1,2  | 1,3  | 1,3  | 1,4  | 1,4  | 1,4  | 1,3  | 1,3  |
| Norway          | 1,4  | n.d  | 1,8  | 2,0  | 2,1  | 2,2  | 2,4  | 2,3  | 2,0  | 1,8  | 1,5  | 1,3  | 1,1  |
| Iceland         | 1,2  | 1,1  | 1,4  | 1,7  | 1,7  | 1,8  | n.d  | n.d  | n.d  | n.d  | 0,8  | n.d  | 0,7  |

Source: EU online data source <http://epp.eurostat.ec.europa.eu/portal/>

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**Table 2.4. Share of active age Hungarian resident emigrant population (age group 15-64 years), 1998-2010, in %**

|                 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Germany         | 91   | n.d  | n.d  | 92   | 92   | 92   | 92   | n.d  | 93   | 92   | n.d  | 92   | 91   |
| Austria         | n.d  | n.d  | n.d  | 89   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | 88   | n.d  |
| UK              | n.d  | n.d  | n.d  | n.d  | n.d  | 85   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Spain           | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | 87   |      | 88   | 87   |
| Italy           | n.d  | n.d  | n.d  | n.d  | 89   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Ireland         | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | 62   | n.d  |
| The Netherlands | 86   | 88   | 89   | 90   | 91   | 92   | 92   | n.d  | n.d  | 91   | n.d  | 91   | 91   |
| Sweden          | 77   | 77   | 78   | 79   | 79   | 79   | 79   | n.d  | n.d  | 81   | n.d  | 82   | 81   |
| Denmark         | 83   | 87   | 87   | 87   | 88   | 89   | 91   | n.d  | n.d  | 93   | n.d  | 94   | 92   |
| Finland         | 78   | 79   | 79   | 80   | 80   | 80   | n.d  | 81   | n.d  | 81   | n.d  | 84   | 85   |
| Portugal        | n.d  | n.d  | n.d  | n.d  | n.d  | 81   | n.d  | n.d  | n.d  | n.d  | n.d  | 90   | 92   |
| Belgium         | 80   | 81   | 82   | 78   | 78   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| France          | n.d  | 75   | n.d  | n.d  | n.d  | 75   | n.d  | 75   | n.d  | n.d  | n.d  | n.d  | n.d  |
| Greece          | 91   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |
| Luxembourg.     | n.d  | n.d  | n.d  | 76   | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  | n.d  |

Source: EU online data on population by citizenship by countries, own calculations  
<http://epp.eurostat.ec.europa.eu/portal/>

**Table 2.5. Age structure of Hungarian resident emigrant population, recent year\*, %**

|                 | -15       | 15-24     | 25-34     | 35-44     | 45-64     | 65+       | all        |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Italy           | 5         | 9         | 45        | 16        | 19        | 6         | 100        |
| The Netherlands | 8         | 19        | 45        | 20        | 9         | 1         | 100        |
| Portugal        | 7         | 9         | 43        | 32        | 9         | 1         | 100        |
| Denmark         | 8         | 26        | 41        | 17        | 8         | 1         | 100        |
| Finland         | 15        | 7         | 39        | 25        | 13        | 1         | 100        |
| Belgium         | 9         | 10        | 39        | 20        | 12        | 5         | 95         |
| Spain           | 11        | 10        | 39        | 24        | 14        | 2         | 100        |
| UK              | 6         | 24        | 37        | 18        | 6         | 9         | 100        |
| Luxembourg      | 9         | 15        | 33        | 13        | 14        | 4         | 88         |
| Austria         | 10        | 10        | 32        | 23        | 23        | 2         | 100        |
| France          | 9         | 15        | 32        | 14        | 15        | 15        | 100        |
| Sweden          | 15        | 10        | 29        | 23        | 19        | 4         | 100        |
| Germany         | 5         | 9         | 28        | 24        | 30        | 4         | 100        |
| Ireland         | 13        | 9         | 21        | 13        | 19        | 25        | 100        |
| <b>Hungary</b>  | <b>15</b> | <b>12</b> | <b>15</b> | <b>14</b> | <b>26</b> | <b>17</b> | <b>100</b> |

\* Data referring to the recent available year: Hungary, the Netherlands, Portugal, Denmark Finland, Spain, Sweden and Germany 2010; Austria, Ireland 2009, Belgium 2008 (under 15: 2002), France 2005, United Kingdom 2003, Italy 2002, Luxembourg 2001, Greece no data

Source: EU online data on population by citizenship by countries, own calculations  
<http://epp.eurostat.ec.europa.eu/portal/>

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**Table 2.6. Main characteristics of emigrants in different periods, according to various surveys**

|                                 | Channelled emigrants <sup>+</sup> |                          | Realized emigration plans <sup>++</sup> | Survey covered emigrants <sup>+++</sup> | Resident national employed population (15-64) |      |
|---------------------------------|-----------------------------------|--------------------------|---|---|---|------|
|                                 | Bilateral employment              |                          | Follow up / LFS                         | LFS data                                | LFS   |      |
| Period                          | around 2000                       |                          | 2004-2008                               | 2010                                    | 2001-2010                                     |      |
|                                 | Skilled <sup>1</sup>              | Unskilled <sup>2</sup>   |   |   | 2001  | 2010 |
| Age (average)                   | 26-35                             | 34                       | average 31                              |   |   |      |
| Share under25 (%)               | 11-39                             | 21.7                     |   | 10                                      | 11.2  | 5.8  |
| Share of 25-29 %                | 23-38                             | 23.0                     |   | 23                                      | 14.4  | 12.0 |
| Share of 30-39 %                | 22-34                             | 25.9                     |   | 36                                      | 25.6  | 30.9 |
| Share 40 & over %               | 1-31.5                            | 29.3                     |   | 32                                      | 48.8  | 51.3 |
| Share of men %                  | 73-80                             | 48.5                     |   | 73                                      | 54.6  | 53.5 |
| Apprenticeship school or less % | 65                                |                          |   | 47                                      |   |      |
| Status prior foreign employment | low unempl. <sup>3</sup>          | low unempl. <sup>3</sup> |   |   |   |      |
| Occupation                      |                                   |                          |   |   |   |      |
| Sending region                  | urban <sup>4</sup>                | rural <sup>4</sup>       |   |   |   |      |
| Destinations                    | DE, AT                            | DE, AT                   |   | DE, AT,UK                               |   |      |

<sup>1</sup>trainees and commuters, <sup>2</sup>seasonal worker,

<sup>3</sup>estimated by the unemployment of the settlement of the migrant

<sup>4</sup>estimated by settlement size: rural: small size settlements, urban: larger settlements

Source: own calculations based on <sup>+</sup>Hárs (2003), <sup>++</sup>Hárs (2008) <sup>+++</sup>LFS unpublished data 2010, given by the HCSO

**Table 3.1. Influence of emigration on age distribution of active population of 15-64 years, 2010**

| Age group | Active population, age 15-64 years |        |       | Active population, without migrants, age 15-64 years |        |       | Difference |        |       |
|-----------|------------------------------------|--------|-------|--|--------|-------|------------|--------|-------|
|           | male                               | female | total | male   | female | total | male       | female | total |
| -25       | 7.3                                | 6.6    | 7.0   | 7.2  | 6.6    | 6.9   | -0.1       | 0.0    | -0.1  |
| 24-29     | 13.0                               | 11.7   | 12.4  | 12.7   | 11.5   | 12.2  | -0.3       | -0.2   | -0.3  |
| 30-39     | 32.6                               | 28.2   | 30.6  | 32.5   | 28.1   | 30.4  | -0.1       | -0.1   | -0.1  |
| 40-       | 47.1                               | 53.5   | 50.0  | 47.6   | 53.8   | 50.5  | 0.5        | 0.3    | 0.4   |
| total     | 100.0                              | 100.0  | 100.0 | 100.0  | 100.0  | 100.0 |            |        |       |

Source: Hungarian LFS, 2010

**Table 3.2. Influence of emigration on age distribution of total population of 15-64 years, 2010**

| Age group | Total population, age 15-64 |        |       | Total population without migrants, age 15-64 |        |       | Difference |        |       |
|-----------|-----------------------------|--------|-------|--|--------|-------|------------|--------|-------|
|           | male                        | female | total | male   | female | total | male       | female | total |
| -25       | 16.4                        | 14.8   | 15.6  | 16.5   | 14.8   | 15.6  | 0.1        | 0.0    | 0.1   |
| 24-29     | 9.4                         | 8.4    | 8.9   | 9.1  | 8.3    | 8.7   | -0.3       | -0.1   | -0.2  |
| 30-39     | 21.9                        | 19.6   | 20.7  | 21.6   | 19.5   | 20.5  | -0.3       | -0.1   | -0.2  |
| 40-       | 52.3                        | 57.1   | 54.8  | 52.7   | 57.3   | 55.1  | 0.4        | 0.2    | 0.3   |
| total     | 100.0                       | 100.0  | 100.0 | 100.0  | 100.0  | 100.0 |            |        |       |

Source: Hungarian LFS, 2010

**Table 3.3. Influence of emigration on participation rate of population in the age group 15-64 years, 2010**

| Age group    | Participation rate total |        |       | Participation rate without emigrants |        |       |
|--------------|--------------------------|--------|-------|--------------------------------------|--------|-------|
|              | male                     | female | total | male                                 | female | total |
| -25          | 28                       | 22     | 25    | 27                                   | 22     | 24    |
| 24-29        | 86                       | 68     | 77    | 85                                   | 68     | 76    |
| 30-39        | 92                       | 71     | 82    | 92                                   | 70     | 81    |
| 40-          | 56                       | 46     | 51    | 55                                   | 46     | 50    |
| <b>Total</b> | 62                       | 49     | 55    | 61                                   | 49     | 55    |

Source: Hungarian LFS, 2010

**Table 3.4. Purpose of spending remittances and savings of emigrants working in Austria, in %\***

| Purpose of spending                                  | Distribution |
|--|--------------|
| Building and reconstruction of home                  | 43           |
| Buying car   | 13           |
| Family subsistence                                   | 10           |
| Schooling of children                                | 8            |
| Savings, pension, other forms of long-term self care | 4            |
| Enterprise   | 4            |
| Vacation, holiday                                    | 4            |
| Other  | 14           |
| <b>Total</b>   | 100          |

\* Weighted sample, open questions N=330

Source: Hárs 2009b

**Table 3.5. Indices of inequality based on personal income distribution 1987-2009**

|                  | 1987  | 1992  | 1996  | 2000  | 2003  | 2005  | 2007  | 2009  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| S10/S1           | 4.6   | 6.0   | 7.5   | 7.6   | 8.    | 7.6   | 6.8   | 7.2   |
| Robin Hood index | 17.0  | 18.5  | 20.7  | 21.2  | 21.8  | 21.4  | 19.9  | 20.5  |
| Gini index       | 0.244 | 0.266 | 0.300 | 0.306 | 0.316 | 0.308 | 0.288 | 0.292 |

Source: Tóth, 2010: 24

**Table 3.6. Population at-risk-of-poverty or exclusion – EUROSTAT data%**

|   | 2000 | 2002 | 2005 | 2006  | 2007 | 2008 | 2009 |
|---|------|------|------|-------|------|------|------|
| Population at-risk-of-poverty or exclusion - %            |      |      | 32.1 | 31.4  | 29.4 | 28.2 | 29.9 |
| Persons living in households with very low work intensity |      |      | 9.5  | 12    | 11.3 | 12   | 11.3 |
| Persons at-risk-of-poverty after social transfers         | 11   | 10   | 13.5 | 15..9 | 12.3 | 12.4 | 12.4 |
| Severely materially deprived persons                      |      |      | 22.9 | 20.9  | 19.9 | 17.9 | 20.8 |

Source: EU online data, own calculations

[http://epp.eurostat.ec.europa.eu/portal/page/portal/europe\\_2020\\_indicators/headline\\_indicators](http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators)

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**Table 3.7. Population at-risk-of-poverty or exclusion – TÁRKI data%**

|   | 1992 | 1996 | 2000 | 2003 | 2005 | 2007 | 2009 |
|---|------|------|------|------|------|------|------|
| Persons at-risk-of-poverty after social transfers | 11.9 | 14.2 | 12.9 | 13.5 | 12.0 | 12.6 | 13.9 |
| Poverty gap %                                     |      | 16.8 | 19.1 | 18.9 | 19.3 | 18.3 | 21.8 |

Source: Gábos, Szívós (2010): 59-60

**Table 4.1. Employment according to economic sectors by regions, 2001**

| Regions                     | Distribution of employment by sectors |                           |                |       | Difference from country average |                           |                |
|-----------------------------|---------------------------------------|---------------------------|----------------|-------|---------------------------------|---------------------------|----------------|
|                             | Agriculture and forestry              | Industry and construction | Service sector | Total | Agriculture and forestry        | Industry and construction | Service sector |
| <i>Country average</i>      | 5.5                                   | 32.87                     | 61.63          | 100   |                                 |                           |                |
| <b>Northern Hungary</b>     | <b>4.21</b>                           | <b>37.27</b>              | <b>58.53</b>   | 100   | -1.29                           | <b>4.4</b>                | -3.1           |
| <b>Central Hungary</b>      | <b>1.48</b>                           | <b>25.2</b>               | <b>73.32</b>   | 100   | -4.02                           | -7.67                     | <b>11.69</b>   |
| Northern Great Plain        | 7.75                                  | 32.4                      | 59.84          | 100   | 2.25                            | -0.47                     | -1.79          |
| Southern Transdanubia       | 8.24                                  | 32.69                     | 59.06          | 100   | 2.74                            | -0.18                     | -2.57          |
| Southern Great Plain        | 12.51                                 | 31.6                      | 55.89          | 100   | 7.01                            | -1.27                     | -5.74          |
| <b>Western Transdanubia</b> | <b>5.68</b>                           | <b>40.94</b>              | <b>53.38</b>   | 100   | 0.18                            | <b>8.07</b>               | -8.25          |
| Central Transdanubia        | 5.1                                   | 43.41                     | 51.47          | 100   | -0.4                            | 10.54                     | -10.16         |

Source: HCSO Census data 2001

**Table 4.2. Rate of commuters\* by regions, 2001**

| Regions                     | Rate of commuters | Difference from country average |
|-----------------------------|-------------------|---------------------------------|
| Central Transdanubia        | 35.09             | 10.3                            |
| <b>Northern Hungary</b>     | 32.36             | 7.57                            |
| <b>Western Transdanubia</b> | 29.45             | 4.66                            |
| Southern Transdanubia       | 26.47             | 1.68                            |
| Northern Great Plain        | 21.46             | -3.33                           |
| <b>Central Hungary</b>      | 20.57             | -4.22                           |
| Southern Great Plain        | 17.09             | -7.7                            |
| <i>Country average</i>      | <i>24.79</i>      |                                 |

\* Those who worked and lived in different settlements at the time of the census survey

Source: HCSO Census data 2001

***Expert interviews***

| <b>Name</b>     | <b>Organisation</b>   | <b>Function/Area of expertise</b>          | <b>Type of consultation</b>          | <b>Date and duration of consultation</b> |
|-----------------|---|--|--------------------------------------|--|
| Ulicska László  | Ministry of Social Affairs and Justice, State Secretariat for Social Inclusion, Strategy Department                                     | Social politician                          | E-mail interview                     | March 16, 2011.                          |
| Sramkó Katalin  | ÁMK Medgyesbodzás Mayor's Office Medgyesbodzás  | Social worker and child protection officer | Telephone interview and emails       | March 9, 11, 31, 2011 (1 hour by phone)  |
| Ispán János     | Family Support Centre, Monor  | Director, social worker                    | Telephone and face-to-face interview | March 8 (2,5 hours by phone)             |
| Dr. Tóth Zsófia | Ministry of National Resources, State Secretariat for Social, Family and Youth Affairs, Department of Welfare Assistance and Provisions | Counsellor                                 | E-mail interview                     | March 8, April 5, 2011                   |
| Kiss Sándor     | Chamber of Commerce and Industry, County Vas  | President                                  | Face to face interview               | March 29, 2011(1.5 hours)                |
| Informal*       | EURES, West Hungary   | EURES advisor                              | E-mail interview                     | March 31, 2011                           |
| Undisclosed     | National Employment Service (PES)   | International Department                   | Telephone interview                  | March 10, 2011(1.5 hours)                |
| Judit Tóth      | Ombudsman Office  | Lawyer, expert for the ombudsman           | Face to face interview               | (March 17, September 30, 2011 (3 hours)  |

\*Informal interview answer. A short survey has been prepared to interview the EURES advisors of the Western border region where considerable share of emigration may have social influence on those emigrating. The email interview has been prepared; email questionnaire has been sent. Unexpectedly, the official answer from the PES denied the answering due to the fact that "experiences of the EURES advisors are not part of the main obligation".

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