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

Executive Summary

Hungary

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Hungarian emigration and internal migration has been moderate over the two decades of the transition (the total migration rate of the Hungarian population was 3.2 in 2009). During the transition shock in the years 1990 to 1997 over 1 million jobs disappeared, unemployment increased over 12% and the participation rate in the labour market dropped sharply. In spite of the shock both emigration abroad and internal migration remained relatively modest. Starting with the end of the nineties until EU accession in 2004, Hungary experienced a period of GDP increase and labour market recovery. This phase coincided with a moderate job increase and modest unemployment and the hope to get employment opportunity at the home country resulted in weak push factors for emigration. On the other hand, social differences increased and the emigration potential of the poorest part of the population (especially the Roma) was strong, although their effective capacity to complete migration remained low. Hungarians have not reacted to EU accession with strong emigration while moderate immigration inflow remained continuous. Strong economic restrictions came about prior to the financial crisis that have been accelerated by the crisis and resulted in a gradually increasing labour emigration. The previously relatively generous safety and social protection system (e.g. child care benefits, unemployment benefits, early retirement, etc.) that had acted as an impediment to migration before, has been continuously and recently radically curbed.

Emigration abroad has mainly affected the more developed Western regions of Hungary, although there are minor signs of emerging emigration from less developed North-Eastern regions with high unemployment, previously dominated by heavy industry which collapsed after the transition. Main destination countries are Germany, Austria and more recently also the UK; emigration to Austria entails a large commuting trend with some impact on the labour force with shortages in manual professions in bordering regions. Emigration is mainly of circular character, with a gradual increase of emigration, and return migration as well over the last decade. Mostly skilled manual workers have been involved in emigration, thus emigration primarily affected those who are not socially excluded and helps them to maintain their social and economic status or to satisfy their needs (investment in their housing, supplementing the household budget, savings or covering pressing mortgage debts, schooling of the children). 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, whereby the ratio of women to men has slightly increased since 1998 while in Austria there is a balanced emigrant population by gender. In other countries (like the UK, Italy and Spain), female migrants outnumbered male migrants, but the proportion of women has been decreasing in some of them over the last years. Emigrants to the traditional destinations Germany (and Austria to a lesser extent) tend to be older and less educated than migrants that have moved to new destinations like the UK in the last 10 years. The migration pressure among medical students and young doctors but also among mid-career doctors is strong, mainly to Germany, the UK and Scandinavia although there is considerable mismatch between job expectations and real emigration.

As for internal migration, although the evolution of migration rates does not show a substantial change over time, the underlying structure does. Previously dominant mobility routes, from villages to towns have been reversed: the main trend of rural-urban migration has been completed prior to the nineties. After the transition the destination of migration essentially changed – although the magnet of the Central region has not changed – the process of suburbanisation replaced the former migration from villages towards towns. The major reason for this in fact is that those, who cannot keep up with the costs of life in town moved to villages.

Mobility costs are extremely high in Hungary which impedes internal mobility. Additionally, internal migration has been often directed to the periphery of the country (to disadvantaged regions and to small, isolated settlements), 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 country; there are regions where people are trapped and become less and less capable of participating in either internal or international migration (primarily Northern Hungary). The regional disparities which emerged since the transition did

not change much the country continues to be divided into a more developed north-western region (Western and Central Transdanubia, Central Hungary) and the less developed Southern Transdanubia and East Hungarian regions, namely Northern Hungary, Northern Great Plain, Southern Great Plain. From the most disadvantaged regions the less vulnerable can leave. Emigration is a very limited option for those in need and affected by social exclusion.

There is a considerable Roma population in Hungary, especially in Northern Hungary and Southern Transdanubia, and their majority is affected by social exclusion. Their deteriorating situation is further worsened by increasing discrimination. Their migration pressure is strong, yet they can emigrate with limited success. Proper policy targets have been formulated so far as regards the Roma, however they are in need of effective and proper implementation and monitoring.

Emigration, due to its moderate scale – in spite of its gradual increase – has attracted marginal policy attention. Yet, the lack of a coherent strategy regarding migration is clearly a problem to be solved and evidence-based policy measures would be useful. Emigration is mainly a spontaneous process without any guidance, especially for returnees, that raises certain problems. Currently emigration is not a social exclusion problem in Hungary, not even for family members left behind. However, returnee or potential returnee workers and highly educated professionals have to face problems of reintegration into their family, circle of friends, work environment and society. In order to exploit the added value of the emigration experience and to help reintegration, systematic support should be provided in the form of specific labour market policies, various services of labour market guidance and networking opportunities. NGOs could participate in increased extent in channelling returnees into the national labour market. The currently existing targeted programmes supporting the return of a very small number of highly qualified academics, whose return is relatively generously compensated, are disproportionately expensive. Acknowledging the importance of encouraging the return of this group, the widening of the target group would be useful together with widening the pool of available resources for professionals to prevent their emigration due to economic reasons. In addition such services connected to (return) migration should be tailored to individual needs. These 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. If this kind of support is not available, there is a fear that a number of the positive effects of emigration and return migration cannot be fully utilised, e.g. transfer of new skills, knowledge and culture including language skills and work culture. Furthermore, the emigration pressure on health care professionals, mainly doctors, needs special policy attention at home, particularly due to the gap of wages and work conditions of these professionals in the receiving countries compared to home country.

It cannot be expected that internal migration, which is quite unrelated to international migration in Hungary will increase and regional differences will decrease substantially in the near future without significant policy interventions. The decrease of internal mobility costs is a central problem that appeals to employers (coverage of travel expenses of employees), to employment policies (encouraging mobility by covering commuting or travelling costs related to job seeking of the unemployed by employment offices), to the improvement of the public transport system (by adjusting timetables to the needs of employees), of the availability of child care facilities and of the flexibility of housing options (improving the social housing system). These challenges should be addressed at by carefully designed national and regional development policies. Although policies have been formulated, the necessary steps to effectively realise them should be taken. The burden is mainly on the local governments although often with insufficient central funding. EU financing often does not reach the most disadvantaged territories/settlements.