Introduction
The migration starting from Hungary and aiming other countries, the longer or shorter foreign residency with the objective of employment or education are playing a special role in the research of labor market tendencies from a certain point of view. Among others its relevance lies in the fact – in accordance with the literature and empirical results – that migrants are not random patterns of society, instead they incorporate special traits which increases the probability that starting from Hungary they try to get along in different countries. On one hand they are capable doing so based on their education, on the other hand they are motivated as well hence their own profession is valued more highly in a financial sense and acknowledged better in other countries than as it is in Hungary. Therefore, it is crucial to measure those tendencies which describe employees, their reasons, objectives and the planned period for how long they are leaving the country. This could provide an additional information for policymakers or if migration – beside its personal motives – is considered as an act of reaction to economic, political and social trends, it could also be reckoned as an indirect form of voting which informs us about how national tendencies appear in the eyes of the population. Therefore, migration does not only affect the labor market – through supply –, but it also has an impact on the long-term actual and potential GDP growth of a country. Moreover, it shifts
the rate between employed and dependants, hence influencing transfers between the mentioned groups of society.¹

The definition of basic concepts concerning migration

According to one of the most general definition migration should be viewed as a process in which individuals switch their residency and society in such a manner which becomes permanent from an initial temporary state. One of the typical cases of the motion of population over the centuries is the migration of workforce which could be increased by many other factors. Similarly the migration based on religious, ethnical and political prosecution has a centuries-old or possibly millenial tradition. Recently an increasing mixture of political and economic factors can be observed in the motivations of migrants.

We call the population flow within national boarders internal migration (e.g. migration from villages to towns or cities, or interregional migration), whilst in case of an international migration more than one state is concerned with migration since there is a "departure" and an "arrival" state. In connection with international migration we can also talk about dissidents who leave their home state illegally without a passport or travel abroad legally but do not return because of economic or political reasons. Temporary emigrants leave a country for a longer period of time due to political causes but intend to return later on, however, permanent emigrants have definite resettling purposes.

Migration denotes more frequently a kind of recurrent working which is interrupted by returning periods instead of a permanent and one-way decision. This circular migration has also many types. There have been several lively debates lately around the interpretation of this concept, moreover, the experienced phenomena have corroded previous models with the assumption of permanent migration.

The forms of migration are various: permanent and circular appear beside each other, alternate or blend in an uncertain way in the career path of a migrant, which is denoted by Black et al. (2010) liquid migration.² Accordingly we are able to study the foreign employment of Hungarians appropriately and describe it accurately if we follow the broader definition of

migration. Beyond the group of foreigners with permanent residency we examine the phenomenon with regards to all forms of working abroad.

The exclusion of commuting from the definition of labor turnover brings an additional perspective to the definition of labor migration, whether commuters cross national borders or other frontiers or not, since the usual place of residence does not change. Long-distance commuting which does not happen on a daily basis is a typical intersection of commuting and temporary like economic migration. In this relation we can mention the example of foreign workers who stays abroad for a shorter or longer period of time with the intentions of job-seeking, succeeding, performing research activities, but who have a firm purpose to return.

It is an essential ascertainment that besides migration the relocation within a settlement, tourism and other visited events can also be interpreted as a form of spatial mobility. From the perspective of the motivation system all forms can be connected to work and employment. Sometimes we move from one district to another within a city, because we want to be closer to our workplace. The phenomena of tourism can be related to labor turnover in two respects: on one hand tourism as a trade provides work for migrants, on the other hand a resident who is considered as a tourist has the opportunity to enter employment legally or illegally in that area.\(^3\)

Beyond labor migrants fugitives are specific types as well. As a result of wars or other large-sized social movements and catastrophes the volume of international migration could also exceed labor turnover. Registered fugitives have the special right to be employed under the same conditions as the citizens of the recipient state.\(^4\)

Migrants with family issues can be characterised in to different ways. The first type has the intention to start a family, whilst the other has the objective of family reunion. When it comes to the volume the latter exceeds the first one.

However, Hungarian literature deals only marginally with the trends of child, student and pensioner migration.\(^5\)

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\(^3\) Illés Sándor (szerk.): Magyarország vonzásában, KSH Népességtudományi Kutatóintézetének Kutatási jelentése 85., Budapest, 2009/1. p. 11-13.


Migration data concerning Hungary

Because of the multivarious nature of national and international research regarding the tendencies of migration, the following description is confined only to the review of the most significant data.

Emigration from Hungary:

The basic sources of macro-data concerning the emigration from Hungary are the Statistical Office of the European Union namely the Eurostat and other foreign statistical offices. The drawback of social macro-indices is that these indicators can only be used in simple descriptive statistical analysis, so they are not appropriate for uncovering cause–effect connections or relationships. However, they are advantageous since they are calculated at regular intervals with the same methodology, therefore, they can form a basis for time series analysis. We also have to point out the fact that in a sense official data could be considered as an lower estimate for migration statistics, since such informal forms as undeclared foreign employment or illegal settling remain hidden before statistical offices. Moreover, we should not forget that statistical offices typically identify the home country of migrants based on their nationality, which does not necessarily correspond to the recently deserted country.

According to Eurostat data approximately 2500-3100 emigrants left Hungary per year between 1998 and 2003. After the accession to the European Union between 2004 and 2007 this amount became roughly 3700-4500 capita per year, which more than doubled after the crisis between 2008 and 2010, moreover, following an increasing tendency it even surpassed the threshold of 10000 capita per year. However, we must note that the collection of data concerning migration has been regulated since 2008 by The Regulation (EC) No 862/2007, which aims the comparability of the migration related statistics of the member states. Before the regulation entered into force the member states had been sending their statements voluntarily into Eurostat’s system. In connection with domestic research and data we predominantly find the results of such questionnaires which aim to describe migration tendencies. According to TÁRKI’s results in Spring 2012 the migration potential rose to a level which had not been

experienced in the last twenty years.\footnote{Migration potential is measured by the answers given to these questions. Short term: „Do you plan on going abroad to work for a few weeks or months?“; long term: „Do you plan on going abroad to work for a few years?“; migration: „Do you plan on going abroad to live there?“. Two answers are provided for each questions: yes or no.} With the intentions of working abroad in short- and long-term or with emigration purposes 19% of the adult Hungarian population can be characterized in 2012, whilst this ratio was below 10% in the 1990’s. The migration potential began to increase in the early 2000’s, between 2001 and 2003 it varied from 10% to 12%. After our admission to the European Union the rate went up to 14% in 2005 due to the willingness to work. Then it declined to 7% in 2006 and rose up to 16% in 2008 the starting year of the global economic crisis, which was followed by a steep growth between 2010 and 2012 right after a 3% drop. This migration potential decreased somewhat in 2014, however, it rose again in 2015 considerably when it reached the level of 17%.\footnote{http://www.tarki.hu/hu/news/2015/kitekint/20150511_migracio.html}

Based on TÁRKI’s data that can also be concluded that the emigration purpose was above the average in 2012 in case of individuals under the age of 40, and what is more by those under the age of 30 it exceeded this ratio even far greater amounting up to 48%. In 2015 the migration intention fell back to 37% regarding both short- and long-term migration. Besides the typical objectives and destinations of migration can also be determined: the most popular targets in 2012 were Austria, Germany and the United Kingdom. From a territorial point of view the interest towards an Austrian employment has mostly got the attention of those living in the western counties of Hungary (Vas, Győr-Moson-Sopron and Zala), while considering the opportunities in Germany the same statement holds for the inhabitants of Komárom-Esztergom and Tolna, and the chances in England concerned individuals living in the north-east parts (Vas, Győr-Moson-Sopron és Zala) of the country in the examined period.\footnote{Source: Tóth István János, Hajdú Miklós, Türei Gergely: Új Magyar Exodus felé? - Elemzés a külföldi munkavállalással kapcsolatos internetes keresések forgalmáról a Google Trends alapján, MKIK GVI, Google Trends, Budapest, 2012.} The system of \textbf{Google Trends} makes it possible to download such data of time-series which can describe the frequency of the different search expressions or keywords in connection with the Google search engine, if the turnover of the search expressions or keywords exceed a threshold limit defined by Google.\footnote{Google Trends ranks the prevalence of keywords or expressions based on a scale ranging from 0 to 100, which indicates the proportion queries to all searches.} From the survey it can be definitively inferred that since January 2011 the number of number of those individuals who are interested in foreign labor or seeking a job abroad has increased considerably in Hungary. Moreover, during the examined period most of the searches were initiated from Nógrád county, as well as the Internet users in Tolna and Komárom-
Esztergom counties also showed a distinguished common interest for foreign employment. We have to note that concerning the overall weight of the three dominant destination countries, a decreasing tendency can be seen between 2012 and 2015, furthermore, according to another relevant trend the weight of the United Kingdom – especially as the destination country of emigration and long-term employment – also became smaller to the Austrian–German duo.

We can analyze the tendencies of Hungarian foreign job seekers between 1999 and 2011 with the help of the employment data provided by the Hungarian Central Statistical Office (KSH), moreover the characteristics of these groups can also be determined. Foreign employment – in which KSH includes commuting as well – is the most prevalent in the 20–30 age group. According to the level of education among those individuals is foreign employment the most probable who have earned their certificate at a vocational school or at an institution of higher education (university), however, this does not effect all regions equally. The survey of the KSH points out to the fact that the rate of foreign employees with a Hungarian nationality grows in the analyzed period, but this trend includes a breaking-point as well. With respect to the time series from the beginning of the fourth quarter of 2009 the growth of migration has accelerated and shifted to a new path. This acceleration could be related to the crisis in 2008 and the deteriorating economic and labor market conditions which mainly influenced the more developed West Pannon regions in the first few months of the crisis.¹⁹³ Last but not least we have to present the research results of the Hungarian National Bank since of its actuality which was completed in August 2014. According to the research among temporary migrants there are individuals who relocate in a foreign country, but who are planning their return, and we can also find persons who still have a Hungarian residence and are recorded as Hungarian household members. The latter group is called commuters. The analysis refers to the World Bank’s data of the census held in 2011 (World Bank, 2011), which indicates that 462 thousand Hungarians (4.6 percent of the whole population) were living abroad, among them 400 thousand resided in OECD countries.

These databases contain commuters partially, or not at all, and since 2011 the number of those who have relocated abroad has probably grown, hence the upper mentioned data is possibly higher. According to the labor survey the number of commuters was 100 thousand at the end of 2011, and supposedly was about 111 thousand during 2015.¹¹ This database includes all

individuals who are working at a foreign working site, but who are members of a domestic household. From this household one member fills out the survey and supports the household with his/her earnings. Based on the reasearch the ratio of men is higher and the ratio of women is lower. Concerning the level of education two-third of all commuters possess vocational qualification. By sectoral partition a growth in the number of commuters can be experienced in the fields of accommodation providers, catering and construction.

**Situation on migration into Hungary**

Defining the migrant population might be important as well in case of Hungary. First of all, migrants can be distinguished from the local population by their nationality or place of birth. Both these distinctions have their own justification as other factors can be examined. Differences are based on the duration of residence, the legality of stay in Hungary, moreover, the nature and place of employment. Some of those possessing a residence permit may be employed with a work permit, while others may have a job without it. It should be mentioned that some of those possessing a residence permit are not part of the labor market.

To quantify migration the following data sources are used: residence permits, population register, administrative data acquisition of work permits, tax authority registers, research and fieldwork results, or the data of population census. Content of the administrative data acquisition, depending on its purpose, might vary with time. Furthermore, data sources mentioned above only show the phenomenon of legal migration, whilst illegal migration still remains hidden.

Though we can observe the population size and nationality of migrants from the mentioned data sources, we only have a fragmentary knowledge of their actions taken and their livelihood. Some of them appear on the labor market, but others might not engage in economic activity, or might do so only partially. Moreover, just a smaller portion of legal residents are part of the labor market, the elderly, children, students and other inactives are not. The latter are dependants (children and adults with no income), pensioners, students with scholarship, or people living from other sources. The following statements can be made based on the data communication of the Office of Immigration and Nationality, which deals with the issuance and administration of residence permits.

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14 Migrant population defined by place of birth is a common practice in the overseas destination countries. Recently the role of the mentioned definition has grown in importance concerning the analysis of multi-generational migration in Western European.
Looking at the aspects of migration to Hungary global, continental, and short distance migration can be identified. As a result of Hungary’s geopolitical status it partakes only in a small portion of global migration, yet it is a destination for the people of the Carpathian Basin, hence short distance migration is characteristic. On the Hungarian labor market mostly people with secondary education, skilled workers and unskilled labor appear, those with high level of education are less present.

Regarding the geographical location of foreigners it should be highlighted that most of them are living in Budapest and Pest county, while only a smaller part of them lives in the vicinity of the Balaton and in near border regions. Most non-European nationalities live in Budapest for a number of reasons. On one hand the distance of the country of dispatch and the level of education of migrants are directly proportional, and highly qualified labor force can be properly accommodated in the capital city in terms of integration and employment. The preferred destination areas of migration therefore are the central areas of large cities, where cultural-ethnical diversity is typical and a wide range of job opportunities are available.

Application for the EU Blue Card which grants free movement within the EU for third country nationals is available in Hungary from 1 August 2011. Since this date until 31 December 2013 only 7 applications were submitted for the EU Blue Card, out of which 4 resulted in the issuance of the Card. On the whole a really small number of highly qualified third country nationals applied for the EU Blue Card. One of the reasons is that this was the first application procedure after the transposition of the EU Blue Card Directive into domestic law, so it was fairly new for employers who were accustomed to the former labor procedures. The other reason is that the wage threshold determined by the Directive is a condition quite difficult to achieve in terms of Hungarian wage relations. As a result, highly qualified third country nationals apply for residence permits for the purpose of employment in larger numbers, and after three years of possession of such permits they are entitled to apply for a national permanent residence permit, and by acquiring it they are being treated equally with Hungarian nationals in plenty of areas.15

The most common reason for external migration: difference in wage levels

The most decisive reason for external migration is the wage expectation. Obviously a lot of other reasons can be listed, like job opportunities, social security systems in the destination countrys etc., but the difference in wage levels is still the most prevalent.

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Consequently, it would be important to compare European minimum wage, the gross and net salaries. In Hungary the **minimum wage** is the least amount (basic salary or performance based payment) to be paid for an employee in full-time employment (40 hours a week). This amount is defined by law every year.\(^{16}\) In 21 member states of the EU does the institution of minimum wage exist and it has been increased in the recent years, in some countries faster than the consumer prices, in others slower or with the similar amount. At the same time the most desired destination countries, Germany and Austria do not have a minimum wage guaranteed by law.\(^{17}\) National minimum wage falls far below those countries which is chosen by Hungarian employees as a destination country. Thus if a Hungarian cook employed for minimum wage finds a job in Great Britain, he could even earn four times his salary as minimum wage.

Looking at national **gross and net salaries** a similar result can be observed with the difference that in cases of some countries salaries can be five or six times higher by employees from the South Transdanubian area. Informations regarding net incomes complement gross income data, and provide information about the income available – which is reduced by the gross income tax and the employee’s social security contribution, and increased by family allowance in case of households with at least one child. Family allowance is a monetary benefit regarding dependant children. The net income of those childless, single persons whose earnings reached a 100% of the average salary of employees working at enterprises in 2012 altered between 3 598 EUR (Bulgaria) and 37 020 EUR (Luxemburg). In these countries was the net income the lowest (4 028 EUR) and highest (59 955 EUR) for couples with two children and only one earner. If both members of the couple were working (and earned 100% of employees average salary), the yearly net income in Luxemburg were 83 368 EUR (couples with two children) and 75 846 EUR (couples with no children). In Bulgaria this amount was 7 197 EUR, regardless of the number of children.\(^{18}\) Since then the magnitude of these ratios remained nearly the same.

Besides, **tax wedge** is to be mentioned as an influencing factor. Tax wedge shows the amount drained form total labor costs through various taxes and contributions. In this case informations

\(^{16}\) Oppinions on minimum wage differ: supporters claim that minimum wage helps to increase living standard, decrease poverty and motivates enterprises to function more effectively. Opposers claim that the amount is too high to be funded by simply increasing efficiency, so it leads to layoffs, thus unemployment. Minimum wage is especially detrimental for underqualified and disadvantaged employees, as they could be excluded from the labor market.

\(^{17}\) In Germany mandatory laws can establish minimum hourly wages in some sectors (construction, electrical installation, building cleaning etc.). Employers have to apply employment conditions (hourly wage, supplements, number of days off, other benefits) determined by the trade unions of both employers and employees. In Austria the trade unions of employers and employees fasten the minimum wage in the wage agreement which is part of the sectoral collective agreement. All enterprises have to comply with this. Source: Eures

regarding the tax wedge indicates burdens (taxes and social security) related to labor costs and concern low income employees. In the case of the EU 28 the tax wedge was 34.9% in 2014. The tax burden for those with low income in Belgium, Hungary, France, Germany, Italy, Austria, Latvia, Romania and Sweden were the highest (above 40.0%) in 2014. The lowest tax burden was in Malta, Ireland, the United Kingdom and Luxemburg (below 30.0%) for those with low income. In Hungary tax burdens amounted to 49 % against the 35.9% of OECD member states in 2015.19

**Summary**

**International and Hungarian labor markets** are influenced by many factors. The amount of people available to the labor market is of great importance; as well as the principles and social strategies affecting the people, well-being and living standards; the efficiency of social security; and the existence of social and professional mobility. 

The emergence of the principles of market economy (human resource efficiency and recovery) is elementary when analyzing its economic factors; as well as the appropriate human resources available, rationality and elasticity; and the assurance of the relative balance between supply and demand with economic growth. Then again economic growth in itself does not resolve the problems arisen in the area of employment. It does not create enough jobs, and often the created jobs are not structured in accordance with the available labor force.

The economic situation in Hungary contributes greatly to the growth of mobility, including migration. This process might have both negative and positive consequences, and some might be the following:

The possible **positive consequences** are decreasing (or at least not increasing) unemployment, and lower social expenditures. Further positive effects can be those remitted sources of money as well, which could contribute to the national (regional) improvement of living standards and quality of life. It could promote also knowledge transfer, and the conversion of international work practices.

An obvious **negative consequence** is the outflow of youth and qualified workforce, which denotes the lack of territorial cohesion. Tax revenues were and are decreasing, the labor market conflict has become more serious due to salaries. „Brain-drain” is a common negative

19 Source: OECD http://www.oecd.org/hungary/taxingwages-hungary.htm
consequence, meaning the loss of expenses invested in education. These expenses will not pay off.

On the whole, migration from a country stems from economic problems. Current economic problems are closely related to wages and social security. Basically the intensity of migration is slowing, though negative effects are still held true, especially in case of qualified labor force.

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International and Hungarian labor markets are influenced by many factors. The amount of people available to the labor market is of great importance; as well as the principles and social strategies affecting the people, well-being and living standards; the efficiency of social security; and the existence of social and professional mobility. These trends generate a great challenge on the labor market
everywhere in the Central-Eastern Europe and in Hungary as well. This paper presents the mobility trends of Hungary between the period of 2010 and 2015 and focusing on the impacts of employment of the country.