

DIVERSE

Diversity Improvement as a Viable Enrichment Resource for Society and Economy



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1. A General Landscape of Third Country Nationals Migration

Migration issues in Hungary have always been a blind spot to Hungarian policymakers, no significant government activity can be traced that would go beyond administrative issues and adopting the relevant legislation package of the “*acquis communautaire*”¹.

Regarding policies on the integration of migrants into the labour market, Hungary scores rather low on the labour market mobility dimension of Migrant Integration Policy Index (MIPEX), with a score 41 out of 100, ranking 26th amongst the mapped 31 countries. It is noted that there is a general lack of targeted measures, and labour market mobility policies are not ready to tackle future migration needs². Yet, it seems that the government has started to realize the importance of foreign labour-force. The Migration Strategy of Hungary – adopted by the Government Decree 1698/2013. (X.4.) – indicates that one of its goals is to attract highly qualified and skilled labour force to Hungary, in order to enhance economic development of Hungary³. The fact that immigrants

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¹ GÖDRI, I., SOLTÉSZ, B. & BODACZ-NAGY, B. 2013. Dynamic Historical Analysis of Longer Term Migratory, Labour Market and Human Capital Processes in Hungary. Country report developed within the project ‘SEEMIG Managing Migration and Its Effects – Transnational Actions Towards Evidence Based Strategies’.

² HUDDLESTON, T., NIESSEN, J., CHAOIMH, E. N. & WHITE, E. 2011. Migrant Integration Policy Index III, Brussels, British Council and Migration Policy Group.

³ Ministry of Interior of Hungary, 2013. *Az 1698/2013. (X. 4.) Korm. határozattal elfogadott Migrációs Stratégia és az azon alapuló, az Európai Unió által a 2014-2020. ciklusban létrehozásra kerülő Menekültügyi és Migrációs Alaphoz kapcsolódó hétéves stratégiai tervdokumentum.*

generally have better educational attainment than the Hungarian population backs these expectations, especially when taking into account the age structure of immigrants which can – even if only moderately – slow the process of the aging of the population.

It is to be stressed that in the immigrant stock there are indeed many ethnic Hungarians, and a number of non-ethnic Hungarian foreigners stem from neighbouring countries, however the structure of immigrant flow shows that in order to exploit the potential economic benefit of international migration, the actors of labour market – as well as decision makers – must be prepared for a diverse set of immigrants, the majority of them not speaking Hungarian. As it is stressed by the Migration Strategy, most work permits are issued to citizens of non-neighbouring countries, and in 2012 such authorisation was granted to more Chinese citizens than to Ukrainian and Serbian nationals together⁴. Therefore authorities must grow prepared for future job-seekers coming from countries with significantly different educational system, and differing award criteria of certifications. Recognition of qualifications will also be likely to constitute a more important issue.

The structure of the labour market difficulties of refugees and persons granted the subsidiary protection offers valuable insights. It is noted⁵ that although these persons are allowed to work in Hungary, they face serious problems. Besides poor level of education – which generally does not apply to thirds county nationals living in Hungary - three reasons may account for this phenomena. The first one is the inadequate command of Hungarian language, which can obstruct the labour market integration of voluntary migrants, as well. The second one is the general mistrust towards foreigners, which can seriously hinder the integration of third country nationals.

Policy recommendations:

- 1. In accordance with research findings (social and educational) institutions should enhance their capacity of supporting future TCN employees in job seeking and finding and securing their employment.**
- 2. Institutional actors should develop harmonized procedures and acknowledgement of SKC of TCNs and should collect reliable data on the educational systems of major sending countries.**
- 3. There should be targeted policies developed and implemented focusing on TCNs integration into the labour market.**
- 4. In order to adequately inform all stakeholders in the labour market of the employment situation of TCNs' SKC, statistical data collection and production systems should be enhanced and developed.**

2. Third Country Nationals' SKC Recognition

Findings of this section suggests strongly that the purpose of SKC recognition is extremely important when determining good practices as well as issues with space for improvement. In certain cases, where TCNs wish to have SKC recognized for purposes of further education, the system is somewhat flexible as much of the responsibility is delegated to educational institutions in charge.

⁴ Ibid.

⁵ Ibid.

In case of SKC recognition, assessment and validation for purposes of employment, the picture is more complicated. Hungary has a high number of professions for which the official nostrification of degree is required - a process that requires several bureaucratic steps as well as financial assets. Such is the case for instance in the health care industry. It remains to be seen whether the economic and demographic pressures that the country is due to face, will result in relaxation of the policies regarding TCNS' nostrification of degrees and therefore their employment in different sectors, previously limited by protectionist legislation.

With the exception of language skills, official procedures for recognition, validation and assessment of TCNS' acquired via informal or non-formal educational channels do not exist at the moment. However, an official procedure of recognizing non-formal and informal SKC might backfire by adding redundant bureaucratic procedures and direct the process more towards more inefficient state institutions, rather than the employers and the market. Crucially, in several cases, the recognition, assessment and validation of TCNS' SKC acquired by whatever means possible (formal, non-formal, informal) falls on the responsibility of the employer, and possible good future strategies may involve training personnel in Hungarian companies to be sensitive to qualifications of TCNS.

For the present, it suffices to propose that employer's efficient practices of TCNS' SKC recognition may result in a significant win-win situation: while TCNS are not pushed to the grey and/or ethnic economy, Hungarian labour market becomes more receptive to new labour forces that the country needs in the face of mass emigration.

Harmonization of statistics and data with regards to different cohorts of TCNS ("voluntary" immigrants, refugees, persons under subsidiary protection) has received significant attention in the current research. On one hand, it can be stated that refugees are more favourably treated than other TCNS s, given that they are exempt from fees and receive information of the degree nostrification procedure already during their asylum procedure. On the other hand, the extremely low percentage of refugees taking advantage of the nostrification service suggests that there are inherent problems with the current procedure. Unfortunately, however, as long as detailed statistics on the number of applications from TCNS of all cohorts, the rate of approvals, proportion of different professions and reasons for successful/unsuccessful applications are not available (as well as information on the cause of the refusals), further discussion on the topic remains speculative.

There are, however, also positive findings in the research that merit further discussion. These intersect in cases where the assessment, recognition and validation fall on the responsibility of the employer, and there has been a DLCM-assessment of the TCN's SKC. For the moment, it is only Artemisszió Foundation that utilizes the innovative tool of assessing "hidden" competencies acquired through non-formal and informal learning processes next to official qualifications and degrees of the person in question. As the researchers did not have access to employers, it was not determined what are the actual benefits of a DLCM -assessment in terms of measuring the procedure's effects. Nevertheless, development of the DLCM -technique in a harmonized manner (setting the widespread Europass-CV as an example) and to heighten employers' and HR professionals' sensitivity to the DLCM as a type of certificate of the candidate's SKC beyond formal qualifications can benefit all the parties involved.

To conclude, bearing in mind not only the fulfilment of the potential of TCNs in the Hungarian labour market, but also the need for Hungarian economy to balance its labour market in response to the emigration of Hungarian youth, it is crucial to develop a more approachable policy environment from the perspective of professions the practice of which requires an official qualification nostrification procedure. Indeed, the SWOT analysis carried out in 2013 by the contributors to the Migration Strategy of Hungary identifies some factors that are closely related with the recognition of third country nationals. First, it admits, that it is an important weakness that immigrants have to take a considerable administrative and financial burden in order to become recognized. Moreover, the Strategy considers as a great opportunity the lowering of the number of regulated professions, which would increase the labour market chances of the immigrants. All in all, the authors of the Strategy are aware of the fact that ‘the potential of migration to contribute to the stimulation of the economy is utilized only to a moderate extent in real terms’⁶.

Policy recommendations:

- 1. The system of assessment and nostrification should be harmonized with each other and simplified.**
- 2. Recognition, validation and assessment of TCN's SKC obtained through formal, non-formal and informal channels should be established and put in place.**
- 3. There should be a harmonized statistical system reflecting the existing labour market needs.**
- 4. Administrative and financial burden of the lengthy, complicated and costly recognition procedures should be alleviated and eased.**

3. Diversity Management Practices Implemented by Profit, Public and Non-profit Organizations

For-profit sector

Profit-oriented organisations in the research stated to avoid any potential risk: financial risk, reputation and political risks or a risk that damages their brand image that has been built over long years. They often evaluate if there is any inconsistency between the ownership of the company and the diversity initiative. Risk management is the basis of corporate culture. Which specific diversity group fits the company’s core values, that also improves its efficacy and produces indirectly and/or directly profit for the company? The decision often depends on the sector of operation, the market, and the partners’ and customers’ attitudes. When diversity practises are developed and tailored to the researched company’s needs, they are not driven solely by the desire to increase the direct revenue. A well-chosen commitment to socially excluded people (e.g. the Roma), disadvantaged (e.g. disadvantaged young people), or to socially not tolerated groups (e.g. gay and lesbian) contributes to enhancing the company’s image and making it more attractive to society in general.

For-profit companies in the research resort to TCNs for several reasons. Some companies face severe labour shortages and they attract TCN staff members to fill these spaces. Diversity practices widen the talent pool the company can choose from. Making use of talents from a minority group or

⁶ MINISTRY OF INTERIOR OF HUNGARY. 2013. Az 1698/2013. (X. 4.) Korm. határozattal elfogadott Migrációs Stratégia és az azon alapuló, az Európai Unió által a 2014-2020. ciklusban létrehozásra kerülő Menekültügyi és Migrációs Alaphoz kapcsolódó hétéves stratégiai tervdokumentum. Budapest. (p. 74.)

from TCNS widens the variety of potential employees. Companies widen their talent pool by searching and recruiting employees directly from abroad. Taking into consideration some given country data, such as the educational system in the targeted country, experience and know-how regarding a specific industry, and language capabilities, companies try to find more highly-qualified people than would have been available within Hungary.

Multinational companies often resort to TCN personnel in order to enhance their global management capacity they attract and retain competent workforce with a diverse background, who is able to work within the international network, to overcome linguistic and cultural boundaries at all levels of operations and management. There was only one company in the research (a rapidly expanding start-up company) that expects from its staff openness, tolerance and diversity of people. An inclusive environment might not be simply effective because of a diverse workforce but because how diversity is managed among co-workers, stakeholders, top managers.

Public sector, Non-profit sector

When examining the public sector it can be stated that diversity management is in an initial state. Public institutions have limited freedom to adopt diversity management practices unless the initiative is backed up by legislation or a superior authority gives permission to apply it.

In Hungary, in accordance with Act CXXV of 2003 on equal treatment and the promotion of equal opportunities all public institutions (with budget) employing more than 50 people and all state-owned companies are required to have a so-called “Equal Opportunities Plan” (EOP). Based on the law the State intends to provide effective legal aid to disadvantaged groups suffering from negative discrimination, and commits itself to ensure that all natural persons abiding in the territory of Hungary are treated with the same respect. All EOPs must contain a detailed description of the organisation’s internal and external policies against discrimination and the measures ensuring equality among employees. In the public sector, compiling and enforcing an EOP can be perceived as a way to promote diversity. However, it is a top-to-bottom initiative by the State, which is binding to all institutions, and non-compliance can result in receiving a serious fine or other pecuniary punishment.

Within the limits set by law the institutions have some room for manoeuvre while determining which disadvantaged groups will receive more attention. In the interviewed public institutions mothers/families with small children, single mothers, Roma and students with disabilities were in the focus of diversity management practices. It must be underlined that third-country nationals or any foreign citizens do not receive specific attention while designing the DM strategies. Moreover no differentiation is made between Hungarian, EU or third-country nationals.

Another important finding of the research is that the expression “diversity” is rarely implemented in the internal documents either in companies from the public or from the non-profit sector. In addition employers highlighted that diversity as such does not play a significant role in the public discourse in the companies.

When discussing the non-profit sector it must be underlined that in Hungary there are various types of NGOs such as international NGOs having a country or regional office in Budapest (UNHCR,

FAO, IOM), international organisations with Budapest as a headquarters (European Roma Rights Centre, Tom Lantos Institute, Minority Rights Group Europe) and smaller local NGOs with mostly Hungarian national workers. It is advisable to make a distinction between the above-mentioned three groups, as their attitude towards diversity management is different.

In organisations belonging to the first group it was found that diversity management is a main concern on international level, headquarters have well-founded and developed internal diversity guidelines. However in the Hungarian local/regional offices of those NGOs the implementation of general diversity management rules – although mandatory in the long run – has only just been started, if at all.

In institutions belonging to the second group the adoption of diversity management practices is strongly associated with the director's (or the head of the recruitment unit's) personal interest and devotion. Typically these organisations have already adopted some diversity management practices (concerning the Roma, minorities, mothers with small children), but they are not yet formalized. However, plans have been made for the future to deepen diversity management and formalize the different practices related to it in an internal Staff Book or Code of Conduct.

In smaller local NGOs the number of foreign workers is very small. Even organisations purposefully employing third-country nationals do not have DM practices nor do they address the issue of diversity management. Furthermore, good practices in respect of diversity management are hard to find in these Hungarian local NGOs.

To sum up, according to our research, designing and implementing diversity management practices addressed specifically to TCN personnel is not on the agenda of public- and non-profit organisations in Hungary, nor will it be in the foreseeable future as only a relatively small number of third-country nationals are employed in those two sectors. The main reason for this lies in the fact that salaries in Hungary in these two sectors are not competitive enough compared to the ones employees receive for a similar position in Western European countries. In addition, especially in the public administration – and in most of public institutions and smaller local NGOs – Hungarian language is a strong requirement. Properly mastering the language can take many years of study, thus many TCNs either prefer to find a position within the for-profit sector or go to a Western European country.

Another main finding of the research is that no differential treatment is applied based on the employees' nationality in the public- and non-profit sector. That is to say, from the recruitment procedure to the signing of the work contract and later on during the everyday work no distinction is made between Hungarians, European Union citizens or third-country nationals. Positive discrimination does exist but it is not related to citizenship.

TCN employees have the same rights and obligations within the public- and non-profit organisations as their Hungarian peers. No preferential treatment is applied towards third-country nationals; only if they belong to one of the disadvantaged groups.

As a concluding remark it must be emphasised that chances are high that in the foreseeable future greater emphasis will be put on promoting diversity and adopting diversity management

practices. As European convergence strengthens within the EU – especially in the case of the public sector – Hungary will be pushed to encourage its institutions to resort to more DM practices.

Policy recommendations:

- 1. HR departments of for profit organizations should be put in dialogue with the social, educational and employment administration, and service providing organizations should intensify their contact and communications with potential employers both the public and for profit sectors.**
- 2. Assessing and presenting SKCS of potential TCN employees should be implemented in accordance with the requirements of potential employers.**
- 3. Diversity management policies should be promoted by service provider organizations, in order to sensify employers toward the peculiar situation of TCNs.**
- 4. Internal diversity policies (Equal Opportunities Plan, Diversity Plans, etc.) of the various sectors should be harmonized with each other.**

5. TCNs' Participation in Voluntary organizations

TCNs formal volunteering has not been researched and evaluated consistently in Hungary yet, since TCNs are not present in mainstream organizations' structures; outside the scope of migrant organizations they can be found only on an *ad hoc* basis. The small number of TCN immigrants in Hungary plays a role in this (ethnic Hungarians with Hungarian language skills from neighbouring countries make up the highest proportion of TCNs), as well as their short presence in Hungary. Country specificities, such as a generally low civic engagement in the host society and the underdevelopment of the formal voluntary system are of relevance, too.

According to mainstream organizations, the biggest hindering factor for TCNs volunteerism is the strong requirement for Hungarian language skills. Further immigrant specific factors such as the lack of a specific social network, gender role issues, but also more general factors like priority of paid work, being unfamiliar with the concept of volunteering, lack of confidence to volunteer, and unconcern for volunteerism are present, too.

Volunteering as part of the integration process (as a process helping integration), does not play a significant role yet.

The approach of mainstream organizations and TCN volunteering could be strengthened in two areas:

Bi-national organizations assume the role of mediators between natives and immigrants. On one hand, bi-national organizations can help migrants to develop civic skills and teach them organizing and fundraising methods specific for the host country. On the other hand, natives can become acquainted with the values and organizational culture of the country of origin.

The youth community service could provide another good opportunity for the TCN volunteering, whereby a mentoring system could be established in order to help TCN youth to find appropriate organizations where they can benefit from their cultural assets hence adding specific contribution to their integration.

Migrant organizations specificities

Activities carried out by TCNs organizations include cultural programs, community development, education, youth and children's conditions, charity, fundraising, international cooperation, ethnical group issues, and representation of the organization. More than 40% of the

migrant organizations mentioned the cultural profile as their main field of activity. Only one migrant organization marked immigration as its main field of activity; dealing with the problems of the ethnic group of the organization was not mentioned as a relevant field of activity. About half of the organizations are active on the previously mentioned fields, *“but the migrant background or the ethnicity represent rather the functional context of the organizations than their target area”*⁷.

The financing structure of migrant organizations significantly differs from that of the non-migrant civil organizations. Most of the income of the organizations comes from membership fees, donations, corporate or ambassadorial aid; the ratio of sources from grants is very low as migrant organizations lacking capacity and experience oftentimes do not meet the rigorous application requirements. Federal or municipal aids are almost non-existent. Community based financing is one of the big strengths of migrant organizations. Looking into the future, preparing organizations to receive larger grants is important, but probably not the primary goal; establishing links to authorities, NGOs, and capacity building as first steps are far more relevant.

Migrant organizations contribute to the shaping of the public discourse and foster understanding and interaction between the host society and migrants by providing essential social services. Public authorities should therefore have a strong interest in supporting migrants’ organizations and building their capacities, providing training opportunities and competence development, and supporting their infrastructure development.

Deficiencies in the legal framework

Migrant communities look for all kinds of solutions to adapt themselves to integration policy deficiencies; they either accept the fact that they stagnate at a certain level of organizational developmental stage, or they feel pushed to find alternative solutions, for example aspire the status of national minority. According to one migrant organization, obtaining this status would ease their position in the dialogue with the official authorities, and would help them to receive financial support. The need for establishing specific legal framework on ethnic organizations is obvious. Other migrant communities that are registered as national minorities can use their right of self-organizing and social policies, operate organizations and institutions that are not available for others. An important step would be to involve migrant organizations in the integration policies through governmental, local governmental and non-governmental organizations, considering their organizational culture, mode of operation, and cultural specificities. *“With us and not about us”* is how TCNs organizations want to be part of the public discourses by being involved in the integration, decision-making and decision-preparing processes, since migrants’ organizations play a key role in welcoming and giving help to new immigrants, having the different perspective of immigration. Therefore authorities should recognize the activities of migrant organizations.

Initiatives like *“Budapest Migrant Roundtable”* that facilitate the cooperation of authorities and migrant organizations to develop integration policy recommendations, should be institutionalized so migrant organizations can later on become part of decision-preparing and policy making processes.

Besides considering migrant organizations as clients or beneficiaries, governmental and local authorities should also see their mediator role between the host country and their sending countries, and their economic and cultural resources and transnational networks as strengths that can contribute to the host society.

⁷ Ibid. p. 24.

Informality

It has to be mentioned that informal volunteering is significantly stronger in Hungary than in Western Europe, which can be the result of the distrust against institutions or practical reasons, such as occasional and not frequent volunteering.

There are many informal migrant organizations that, similar to formal organizations, provide cultural, community bonding, and service activities, and therefore their presence in the civil sector is important. The reason for their informal functioning could be financial, cultural or practical (to avoid bureaucracy). Despite of working informally, they can be well organized, even more than their formal counterparts, and therefore their involvement in the public discourse is also of relevance.

Policy recommendations:

- 1. The public image and perception of TCN volunteers should be enhanced. Media should promote the idea of TCNs contribution for social goals both in the communal and social level. Social dialogue of TCN volunteering should be promoted by the media.**
- 2. Volunteer umbrella organizations such as “Volunteer Center” should focus on involving more TCN volunteering organizations. There should be a system of sending and receiving organizations for TCNs.**
- 3. There should training materials developed and trainings organized in various levels:**
 - 3.1. Training of TCN volunteers to empower them in their volunteering activities.**
 - 3.2. Training of receiving organizations (both non-profit and public), supporting them in working with TCN volunteers.**
 - 3.3. Enhance for-profit and public organizations to create their diversity policies regarding TCNs, based on the experiences stemming from voluntary NGOs training and consulting.**