

Gödri, Irén; Soltész, Béla; Bodacz-Nagy, Boróka

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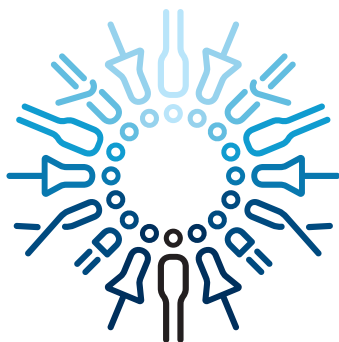
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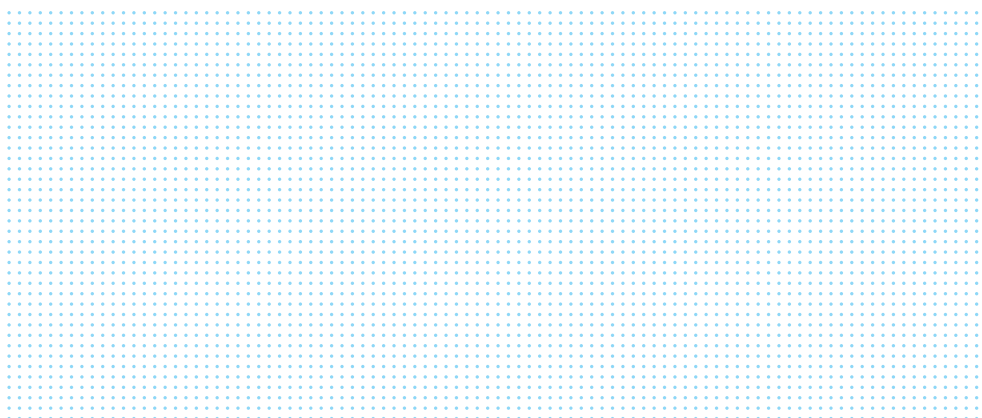
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# WORKING PAPERS

ON POPULATION, FAMILY AND WELFARE

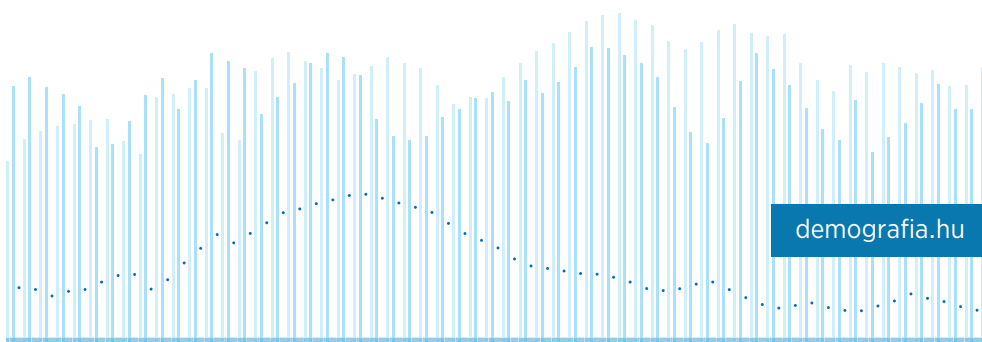


## Nº 19

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MIGRATION TRENDS AND THEIR SOCIO-ECONOMIC BACKGROUND IN HUNGARY:  
A LONGER-TERM HISTORICAL PERSPECTIVE

by  
Irén GÖDRI, Béla SOLTÉSZ, Boróka BODACZ-NAGY



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Address: Hungarian Demographic Research Institute  
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e-mail: godri@demografia.hu



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## LIST OF ACRONYMS AND ABBREVIATIONS

CEE	Central and Eastern Europe
EEA	European Economic Area
EU	European Union
EU8	Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia (CEE countries which became members of the EU on 1 May 2004)
EU15	European Union of 15 Member States from 1 January 1995 to 30 April 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom)
EU27	European Union of 27 Member States from 1 January 2007 (EU15 + EU8 + Cyprus, Malta, Bulgaria, Romania)
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HCSO	Hungarian Central Statistical Office (Központi Statisztikai Hivatal/KSH)
HDRI	Hungarian Demographic Research Institute
HMFA	Hungarian Ministry of Foreign Affairs
ISCED	International Standard Classification of Education
LFS	Labour Force Survey
MGTSZ	Socialist Agrarian Co-operatives (Mezőgazdasági Termelőszövetkezet)
MIPEX	Migrant Policy Integration Index
OIN	Office of Immigration and Nationality
SEE	South-East Europe
STADAT	Ready-made tables with major data, indicators maintained by the HCSO
TFR	Total Fertility Rate
WP	Work Package

## 1 INTRODUCTION<sup>1</sup>

This paper – elaborated in the framework of the international SEEMIG project<sup>2</sup> – aims to analyse specific development paths as regards migratory, labour market, human capital and demographic processes and patterns in Hungary. The objective is to offer a review of migration processes, labour market characteristics, demographic and human capital development, and at the same time highlighting inter-linkages between these different factors. The analysis spans two sections of the period examined: it offers a concise historical review of the changes in these processes from the 1950s to the present day, and it then examines in detail the current situation and the changes in the recent past, including causes and consequences, with a particular focus on the past decade.

The first part of the report (Chapter 2), besides describing the main developments regarding international migration in Hungary since 1950, provides an overview of the general political context and socio-economic development for the period from 1950 to 2012. It covers the main political, economic, social and demographic developments which may be related to changes in immigration to or emigration from Hungary, and which have determined various periods and patterns of these migration processes. Moreover, a separate sub-chapter offers a concise summary of the changes and developments in migration policy and the related legal system, again from the 1950s to the present day.

The current legal framework and regulations concerning international migration are presented in detail in Chapter 3. This also covers current laws in force and their harmonisation with EU regulations, as well as migration policy (or the lack thereof) affecting different areas, such as immigration, emigration or the return migration of emigrants. The same chapter also reviews perceptions of international migration in Hungary, changes in xenophobia, attitudes of the population regarding refugees and immigrants, and their perceptions regarding the advantages and disadvantages of immigration.

Chapter 4 focuses mostly on current developments, and analyses the economic, social, migratory, demographic and labour market processes of the period between 2001 to the present day, covering also their background and antecedents. The main focus of the chapter is on changes in migration trends, such as immigration, emigration and return migration; it also looks at the characteristics (size and composition) of the foreign population living in the country (immigrant stock) and Hungarians living abroad (emigrants stock). This chapter also discusses, with the level of detail determined by available data, various migrant groups such as refugees or people who have acquired citizenship. Economic and social changes which have taken place since 2001, as well as the accompanying demographic and labour market processes are presented mostly from the perspective of their influence on migration. The paper also briefly presents the integration of immigrants into the labour market and the ways in which emigration affects the labour market.

While the main scope of the *long-term perspective* (going back to the 1950s) is shown at the *national level*, and patterns and trajectories are mostly illustrated in a narrative way, the *more recent period* of developments (generally starting in 2001) is traced at the *regional level* as well; therefore, for the latter period county-level traits and regional differences also come to the surface. When we analyse current processes, time sequences are mostly presented from 2001 (or earlier, wherever necessary) till 2011 or 2012 depending on what are the most recent data.

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<sup>1</sup> This working paper was developed within 'SEEMIG Managing Migration and its Effects in South-East Europe – Transnational Actions Towards Evidence Based Strategies'. The project is funded under the third call for proposals of the South-East Europe Programme. See project website: [www.seemig.eu](http://www.seemig.eu).

<sup>2</sup> Eight countries in the South-East European region participated in the project: Austria, Bulgaria, Hungary, Italy, Romania, Serbia, Slovakia and Slovenia.



As regards the target audience, this analysis should be useful for and valuable to researchers, experts and students concerned with processes and patterns related to migration, and for stakeholders (policy makers and civil servants) dealing with policies on migration, human capital, the labour market and demographic change. Besides the *Analysis of existing migratory data production systems and major data sources in Hungary* also prepared in the framework of the SEEMIG project (see: Gárdos – Gödri 2013), this report also reveals the shortcomings of migration-related data, especially in the field of emigration.

## 1.1 METHODOLOGY

This paper is based on available statistical and empirical data in the examined fields, and on the findings of relevant reviewed literature. It is mainly built on national data sources – primarily the databases of the Hungarian Central Statistical Office (HCSO) (such as STADAT database, vital statistics and censuses), or publications of the same office (e.g. Demographic Yearbooks), as well as on various Hungarian survey data (LFS, Hungarian Household Panel, Omnibus Survey, Immigrants Survey). Where we encountered missing Hungarian data in certain topics or indicators, or where we wished to supplement them with additional data, we also made use of the statistical data of international data sources (e.g. Maddison database, Eurostat database, mirror statistics of main destination countries of Hungarian emigrants, World Bank database), or the results of international surveys (e.g. European Social Survey).

The sources of the data used are indicated under each table or figure, and we also offer some background information, when necessary, about methodological changes and the comparability and reliability of the data used. Shortcomings of various data sources, inaccuracy of data and data quality problems are indicated in the text on the given topic<sup>3</sup>.

The most serious challenge we faced was in processing migration statistics. The quality and reliability of statistical data, as well as the narrow range of accessible data, present more of a problem as regards international migration than in areas of other demographic processes. Although there are data about the most basic characteristics of immigrants/foreign citizens (gender, age, country of origin), other important characteristics (such as educational attainment, economic activity or occupation) are incomplete or totally missing from the statistics or are imprecise for other reasons (e.g. indicators of fertility). The main reason is because data were collected for administrative purposes. Thus, we have no other information regarding these indicators than various surveys or the censuses. However, while the former are often not representative and/or samples are too small or they only cover one particular group of immigrants, the censuses, carried out once every ten years, offer only a cross-sectional view and are therefore not well suited to tracking changes in processes. Data about the emigration of foreigners are also inaccurate (reasons for this are explained in detail in report).

Besides inaccuracies and shortcomings of the flow and stock data of foreign nationals, a more serious problem is the lack of reliable national data about the emigration of Hungarian citizens: neither their various characteristics nor their exact number is known. Changes in emigration trends and the number and characteristics of Hungarians living abroad will therefore be presented mostly on the basis of the mirror statistics that have already been mentioned.

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<sup>3</sup> More information is included about this in the SEEMIG Work Package 4 country report (Gárdos – Gödri 2013), which describes the strengths and weaknesses of various migration-related data sources as well as the quality of data they provide.

## 1.2 DEFINITIONS

The main terms and definitions used in this paper generally correspond to the terms and definitions given in the Glossary of the *Data requirement paper* also developed in the SEEMIG project (see: Fassmann – Musil 2012). However, the national definitions regarding international migration are not completely in line with these definitions in all respects.

International migration data for foreigners are derived from the number of residence or settlement documents issued according to legal regulations. *Immigrating foreign citizens* are defined as persons who entered Hungary in the given year and obtained a residence or settlement document. *Emigrating foreign citizens* are defined as persons who have a residence or settlement document and who have left Hungary without intending to return or whose document's validity has expired and the individuals have not applied for extension, or whose document was invalidated by the authorities. For Hungarian citizens data are derived from a centralised population register. *Immigrating Hungarian citizens* refers to persons who register their residence in Hungary with the intention of staying for three months or longer. *Emigrating Hungarian citizens* refers to persons who deregister their residence with the intention of living abroad for three months or longer.

Thus, while *Regulation (EC) No 862/2007* gives a definition of immigrants and emigrants taking into account a period of stay that is (or is expected to be) at least 12 months, Hungarian migration legislation does not take this into account. As a result, immigrants may be included in Hungarian statistics after a three month stay (though follow-up examinations do try to detect and filter this discrepancy). Data on emigrants underestimate real emigration but include people who leave the country either permanently or temporarily (but for more than three months) – although these two groups could be handled separately. This way, both categories (immigrants and emigrants) include both long-term and short-term migrants. Similarly, the foreign population covered by the census contains people who have been staying in the country for longer than three months.

## 1.3 ACKNOWLEDGEMENTS

The authors would like to thank the SEEMIG team of the Hungarian Demographic Research Institute and of the Hungarian Central Statistical Office and the external experts for their useful comments on an earlier draft of the report, as well as the team of the University of Vienna (leader of SEEMIG Work Package), for their continuous support and their valuable recommendations.

## 2 HISTORICAL ANALYSIS OF LABOUR MARKET, HUMAN CAPITAL AND MIGRATION DEVELOPMENTS

### 2.1 POLITICAL AND SOCIO-ECONOMIC OVERVIEW

Politically, the period from 1950 to 2012 in Hungary can be divided into two eras, that of state socialism (until 1989) and that of democracy (from the constitutional reform passed in October 1989). However, if we take a closer look at socio-economic and demographic processes, a major turning point can be identified around 1980, when the population started to decrease (see *Figure 2.1.1*) and when the country became highly indebted (see below).

State socialism started with the repressive Rákosi era, which was followed by the de-Stalinisation process and the revolution of 1956<sup>4</sup>. After a period of retorsion from 1957–63, the milder Kádár era began, with moderate progress in economic and social welfare in the 1960s and 1970s, which, however, led the country to a high level of indebtedness. Mass industrialisation and full employment characterised the 1950s and the 1960s, while from the 1970s onwards a growing second (shadow) economy started to emerge, being gradually legalised as individual or small entrepreneurial legal entities. Altogether, Hungary in the 1970s and 1980s was widely seen as the “happiest barrack” of the socialist camp.

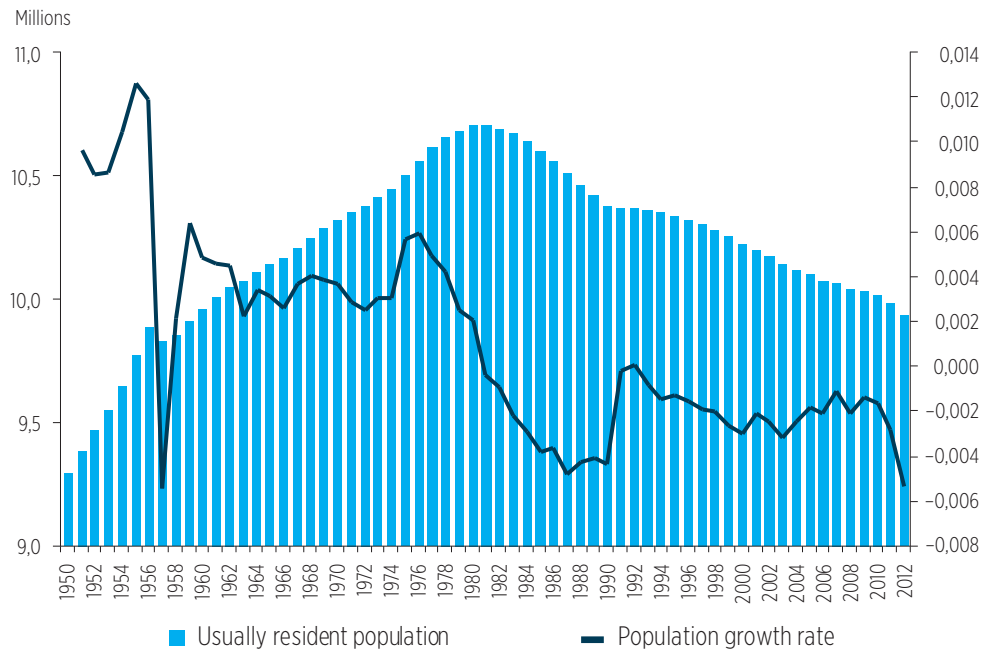
The transition to democracy and a market economy went peacefully, with no bloodshed, no major political disruptions and no mass emigration, as a result of negotiations between the Hungarian Socialist Workers’ Party with their democratic opponents (March – October 1989). A large share of state properties, especially the industrial and agricultural production units were privatised and unemployment appeared as a new phenomenon, after official full employment in state socialist times. Early retirement was made possible for many workers instead of being dismissed, a measure which raised the already high share of pensioners in the population. Other social transfers were (until very recently) quite generous, contributing to a constant budgetary deficit.

Demographically, Hungary is an ageing society with net population decrease. Even if there was a post-war boom in birth, largely due to the prohibition of abortion and the “tax on childlessness” (both until 1956), a low birth rate became prevalent in the 1960s, in many cases because of household budgetary constraints. A popular saying in the Kádár era, “*kicsi vagy kocsi*” (kid or car) reveals the dilemma that young couples faced. While the infant mortality rate decreased throughout the whole period, from an 85.7 per 1,000 births in 1950 to 4.9 in 2011, the death rate had increased to a high level by the 1980s. The main causes of mortality (cardio-vascular diseases and lung cancer) relate to unhealthy lifestyle. The suicide rate also became high. Children of the post-war generation were born in the mid-1970s, creating a second minor baby boom, but from 1981 onwards the natural growth rate of the population has always been negative.

Economic indicators are somewhat difficult to use for the period of state socialism, as it was only the volume index of production that was calculated regularly (from 1960 onwards). Using the 1990 International Geary-Khamis dollar<sup>5</sup>, in 1950 the GDP of Hungary was 23,158 billion (2,480 dollars per capita). It started to increase slowly, experiencing a minor disruption as a result of the revolution of 1956. The economic system that evolved later (especially from the approval of the so-called New Economic Mechanism in 1966) integrated some market economy elements, provided relative independence

4 In 1956 an armed uprising broke out in Hungary that aimed to establish a reformed socialist system of governance and to leave the Soviet Bloc. The revolution failed due to Soviet military intervention and lack of Western support. However, the fear of facing a second “1956” led Hungarian party leaders to take a more moderate approach, thus turning Hungary in a relatively liberal country within the Soviet Bloc.

5 The Geary-Khamis dollar or international dollar is a hypothetical unit of currency that has the same purchasing power parity that the U.S. dollar had in the United States at a given point in time (in this analysis 1990).



Data source: HCSO, STADAT database.

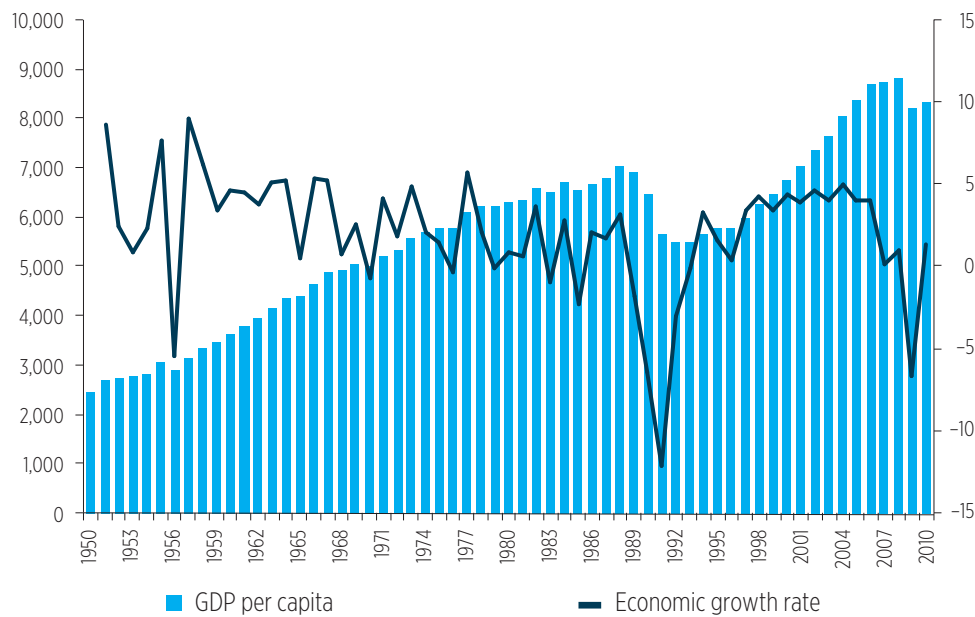
Figure 2.1.1

Usually resident population and population growth rate, 1950–2012

to the state-run enterprises, and had the principal objective of providing consumer goods and an acceptable quality of life to the population in order to ensure political stability and prevent another revolution. In the 1970s Hungary was seen as a relatively well-off country, with an ideologically mixed, liberal-leaning system dubbed “Goulash Communism”. However, this welfare-based approach went well beyond its means and by the 1980s Hungary became highly indebted to mostly Western creditors who were eager to place their capital stemming from the oil price boom into sovereign debt. This meant that during the 1980s, well before the collapse of the Eastern Bloc, Hungary had begun its integration into global capitalism and its market-based mechanisms. On the other hand, future global competition was not foreseen by economic policy makers: the largest share of foreign loans was invested in light industry that was later on unable to compete with Chinese imports (Melegh 2011).

A sharp decrease of GDP was recorded in Hungary in the period 1989 to 1993, with the biggest decline immediately following the Fall of Communism in 1990 and 1991. Privatisation of state property dismantled former production chains, and most of the production units of the secondary sector were unable to compete globally. Foreign direct investment came first as portfolio investment and resulted in an immediate drop in production. A comprehensive austerity package in 1995 completed the picture.

Due to economic restructuring and the inflow of capital, Hungarian GDP recovered in 1994 and kept growing during a period of economic expansion that lasted 14 years until 2008, when it topped at 94,344 billion Geary-Khamis dollars (8,826 dollars per capita). A large share of foreign direct investment arrived from Germany and Austria (see Chapter 4.1.1). The global economic crisis hit Hungary hard, causing a recession in 2009 and a consequent period of stagnation. In many ways the development pattern adopted by Hungary after 1989, relying mostly on Western investment to the manufacturing, finance and telecommunications sectors, became unsustainable from 2008 onwards.



Data source: Maddison database (<http://www.ggdnc.net/maddison/maddison-project/data.htm>).

Figure 2.1.2

GDP per capita (1990 international Geary-Khamis dollar) and growth rate in %, 1950–2010

## 2.2 DEVELOPMENT OF INTERNATIONAL MIGRATION

In 1949 the mass population displacements that followed the Second World War came to an end, and an extremely restrictive border control regime came into being in Hungary. Entering or leaving the country became subject to special permit and those who departed illegally or did not return home from abroad were sanctioned, for instance with deprivation of citizenship, confiscation of property or imprisonment for illegal border crossing. Between 1949 and 1956 migratory movements were officially restricted, although thousands of Hungarians crossed the heavily militarised Austrian border illegally.

Entering and leaving Hungary became significantly easier for passport holders in the spring of 1956, as part of a series of general reforms following the death of Stalin. However, in October 1956 a revolution against Soviet rule broke out and the Austrian border opened for three months. According to the estimations of Háblicsek and Illés (2007), during this brief period of open borders 176,000 people left Hungary, more than half of them previously resident in Budapest. Two-thirds of the emigrants were male, and almost 80 per cent belonged to the 15–39 years old age group. They were much better educated than average: eleven per cent of the university students emigrated. Besides obvious political reasons, it can be stated that this mass emigration was also economically motivated. However, they were recognised as refugees in the first case of international burden sharing (as quota reception) on the grounds of the 1951 Geneva Convention of Refugees. Thus, most of these emigrants headed towards the United States, Canada, Austria and other countries of Western Europe. The sudden emigration of so many young and skilled workers was a painful loss to Hungary, both in demographic and economic terms. Total (both authorised and non-authorised) outward migration in the whole state socialist era (1945–1989) is estimated at around 430,000 (Tóth 1997).

Legal emigration and immigration in the three decades following the 1956 revolution, known as the Kádár era, could be permitted upon request in cases of family reunification, although it was not a universal right but decided on a case-by-case basis. Legal immigration and emigration were therefore very much connected to the marriage of

Hungarians with foreigners, while within the Eastern Bloc a circular form of labour migration of a limited number of professionals also existed. Hungarian engineers worked in the Soviet Union and in left-leaning Middle Eastern countries, while Hungary received Cuban weavers and Polish miners (Puskás 1991). These flows were regulated by the states involved, and were intended to be temporary. There were some notable exceptions to this rule, i.e. politically favoured groups who received settlement permits, such as Greek refugees in 1949 and Chilean refugees in 1973. The sum of legal immigrants in the state socialist period (until 1987 and excluding returning Hungarian citizens) was around 52,000 (Tóth 1997). Double citizenship was excluded by bilateral agreements concluded with each Communist state. Due to changes in citizenship policy these agreements were terminated or ceased by 1995.

In the late 1980s the radical political and social transformation began in the South-East European region. It affected Hungary in many ways and one of the most striking features was the intensification of international migration. From the late 1980s Hungary went from being a closed country with very low migration rates to a country with considerable immigration and transit migration. Furthermore, due to the introduction of the right of nationals to freely travel abroad (in January 1988) out-migration also became significant.

As detailed in Chapter 4.2, immigrants arrived in Hungary mostly from neighbouring countries, especially Romania, where in the last years of the repressive Ceauşescu regime a massive flow of illegal migration (or overstaying) started across the Hungarian border in 1988–90 (Gödri – Tóth 2010). Most of the immigrants were ethnic Hungarians. In addition, thousands of ethnic Hungarians from the Ukraine, Yugoslavia and its successor states also moved to Hungary. With the unfolding of the Balkan war non-ethnic Hungarian ex-Yugoslav citizens (ethnic Bosnians, Serbs and Albanians) also arrived in Hungary and applied for asylum (Póczik et al. 2008). In parallel, non-European immigrant groups also appeared, most notably the Chinese and to a lesser extent, several Middle Eastern nationalities. Most of them were small entrepreneurs who took advantage of the collapsing socialist economy and founded successful new businesses, especially clothing shops and fast food buffets.

As a consequence of these inflows, Hungary gained a positive migratory balance, gradually changing Hungary from a net migrant sending to a net migrant receiving country (Melegh 2012). At the same time, many migratory channels have been set up, transiting Hungary from ex-Soviet republics and the Balkans to Western Europe, but these migrants only stayed in Hungary if they were caught by the police and consequently applied for asylum. In general, most of the immigrants live in Budapest, while many Ukrainian and Serbian citizens (by and large ethnic Hungarians) live close to the border.

Emigration from Hungary had a sharp peak immediately after the collapse of Communism mainly due to non-Hungarian citizens who had arrived in the country in previous years. For the mid-1990s it decreased significantly and many emigrants from previous emigration periods also returned to Hungary. In the early 2000s it started to increase again, gaining momentum after Hungary's accession to the European Union in 2004. Member states of the European Union gradually opened their labour markets to Hungarian citizens (the United Kingdom, Ireland and Sweden already in 2004, others, such as Spain, Italy and the Netherlands in 2006 and 2007, while Germany and Austria opened theirs only in 2011). In parallel with this, economic growth slowed down in Hungary, and it fell into recession from mid-2008 until mid-2010 and has stagnated ever since. Outward migration started to rise in 2007–2008 and the issue of emigration has gradually become a key topic in Hungarian public discourse. It is widely believed that current out-migrants are younger and more skilled than the Hungarian average. Outward migration is particularly high among doctors and healthcare professionals, engineers, technical workers and students (as explained in Chapter 4.4.3).

## 2.3 EVOLUTION OF THE MIGRATION POLICY AND LEGAL SYSTEM

Managing the challenges of migration in Hungary is, by large, a legislative issue. Hungarian legislation has always been a follower of international events that affected Hungary in forms of a migration flow or political alignment. First of all, following 1949, in the Stalinist dictatorship imposed in Hungary, the entry of non-Hungarian citizens and Hungarian citizens permanently living abroad was bound to the personal permission of the Minister of the Interior who, according to *Ministerial decree 347.300/1950* ordered compulsory registration of all foreigners in Hungary. Travelling abroad (even to socialist countries) also required permission of the Minister. The restrictions were eased in the spring of 1956, and then suspended during the October 1956 revolution. In 1957 the pre-1956 strictness was restored. From 1961 onwards, slow and gradual reforms were implemented, most importantly allowing passport holders to travel abroad, even to non-socialist countries. While many people took advantage of these opportunities and did not return to Hungary (the term for this phenomenon in the Hungarian language was *disszidál*, “to become a dissident”), there was no mass outward migration from the late 1950s until the late 1980s. In parallel, immigration in the whole state socialist period remained low, bearing in mind the aforementioned exceptions (Juhász 2003).

Migration became an issue once again in the turbulent period of the transition. Following the proclamation of the Third Hungarian Republic inside the *Constitutional Reform (Act XXXI of 1989)*, the rights of migration and the free return of citizens were passed. These new, relatively liberal regulations concerning immigration were conceived in the main part because ethnic Hungarians were considered prospective immigrants – however, this was no longer the case (see the previous chapter). Four years later, the *Act on Hungarian Citizenship (Act LV of 1993)* and the *Act on the Entry, Residence and Settlement of Foreigners in Hungary or “Aliens’ Act” (Act LXXXVI of 1993)* came into force, tightening the 1989 regulations. *Act LV of 1993* stated that a foreign citizen can be naturalised after eight years of residence in Hungary, while the Aliens Act required a minimum of three years working and living in Hungary with a residence permit to obtain the settlement permit (status of immigrant). In parallel, the *Act on Border Control and the Border Guard (Act XXXII of 1997)* bestowed border guards with significant power and resources in order to prevent the illegal entry.

Finally, in 1998 the *Act on Asylum (Act CXXXIX of 1997)* entered into force. It ended the geographical limitation made by Hungary to the 1951 Geneva Convention for refugees, so Hungary readied itself to receive asylum seekers, even from outside Europe. This Act established three categories: “convention refugees” (*menekült*), the “temporarily protected” (*menedékes*) and “persons granted subsidiary protection” (*oltalmazott*). With this, the pre-EU accession migratory legal framework (due to the European Agreement with the EU in 1994) was completed. No further attempts were made to conceive of a comprehensive migratory policy that would go beyond administrative issues (Tóth 2009).

During the period of pre-accession national rules on migration were adapted to EU legal norms, but not to their principles and values. For instance, in 2002 a new legislative package entered into force, the *Act on the Entry and Residence of Foreigners (Act XXXIX of 2001)*, in order to divide the legal status of EU citizens with free movement and status of third country nationals (foreigners). It preserved the requirements of settlement permission, such as three years of working and living in Hungary with a residence permit in order to have a settlement permit (immigrant status), and eight years of residence in order to be applicable for naturalisation. Upon EU accession (2004), all EU regulations were transformed into the national regulation, in particular the *Council Directive 2004/38/EC*. The *Act on the Entry and Residence of Persons with the Right of Free Movement and Residence (Act I of 2007)* provided the implementation of the Directive at legislative level (Gellérné – Illés 2005).



Regarding the institutional framework, *Act XXXIX of 2001* defined the Office of Immigration and Nationality (*Bevándorlási és Állampolgársági Hivatal, OIN*) as the competent authority in matters concerning visas, asylum and residence permits. The OIN had already been founded in 2000 as a specialised authority under the auspice of the Ministry of Interior, with a re-organisation of the former Office of Refugee and Migration Affairs (*Menekültügyi és Migrációs Hivatal*). The OIN has seven regional directorates and 14 offices for the public, with a total of 1100 employees. In 2002 a central register for foreigners was instituted. The OIN's regional directorates became responsible for all alien-related police issues that had previously belonged to the police, and also for all the border issues that were not directly related to unlawful actions on the state border. At the same time, the OIN institutionally incorporated the reception facilities for asylum seekers. With these measures, the migration issue was put in a unified framework in which aliens, police, citizenship and asylum issues were treated in parallel, with a clear focus on "maintaining the public order" (Póczik et al 2008).

While subsequent Hungarian governments have not shown an interest in migration (beyond administrative and public order issues) or migration policy, the topic ranked high in the European Union's policy agenda. Thus, in parallel with the adoption of the Schengen *acquis* in 2007, the Government issued a "short- and medium-term migration strategy" (conceived to cover the period until 2020, determining the principles and aims of migration management), but it has not been discussed publicly, nor implemented in practice for six years (Tóth 2012). Finally, with the *Government Decree 1698 of 2013*, Hungary's Migration Strategy was adopted in October 2013.



### 3 NATIONAL POLICIES AND PERSPECTIVES REGARDING INTERNATIONAL MIGRATION

#### 3.1 LEGAL AND POLICY FRAMEWORK ON INTERNATIONAL MIGRATION

Hungarian immigration legislation (Tóth 2009, 2012) is formally in line with EU directives, the Schengen *acquis* and the relevant instruments in the Hague Programme. These were transformed into the Hungarian law in 2007:

- *Act on the Entry and Residence of Persons with the Right of Free Movement and Residence (Act I of 2007), and*
- *Act on the Entry and Residence of Third-country Nationals (Act II of 2007).*

These laws refer to relevant directives, such as

- *Council Directive 2003/86/EC, on the right to family reunification,*
- *Council Directive 2003/109/EC, concerning the status of third-country nationals who are long-term residents,*
- *Council Directive 2004/114/EC, on the conditions of admission of third-country nationals for the purposes of studies, pupil exchange, unremunerated training or voluntary service, and*
- *Council Directive 2005/71/EC on a specific procedure for admitting third-country nationals for the purpose of scientific research.*

According to *Act II of 2007*, a third-country national can apply for: 1) a long-term visa for a specified purpose and, before it expires, 2) a residence permit. Entry and stay in the territory of Hungary may be allowed for the purpose of visits, family unification, employment, seasonal work, study, research, medical treatment, official visits and volunteering. The issuance of long-term visas (for over three months) and residence permits fall within the competency of the OIN, while the border patrol, formerly belonging to the Hungarian Border Guard Services, became the duty of the police service from 2008 onwards.

A long-term visa is a prerequisite of the immigration procedure. These are granted for an explicitly stated purpose, including employment, study or family reunification. Applicants for long-term visas must meet the following conditions:

- *possession of a valid travel document,*
- *justification of the purpose of entry and stay,*
- *adequate accommodation in Hungary,*
- *sufficient means of subsistence,*
- *health insurance coverage or sufficient financial resources for healthcare services, and*
- *not being subject to expulsion or a ban on entry.*

The issuance of residence permits also falls within the competency of the OIN and its regional units, while the issuance of labour permits is a task of the regional unit of the Labour Office. A residence permit can be issued if the foreigner holds a valid long-term visa, and this has to be submitted from within Hungary. The applicant must have:

- *secured accommodation,*
- *sufficient financial means, and*
- *medical insurance or sufficient financial resources to cover any healthcare expenses.*

“Sufficient” is not explicitly defined, and neither are the required conditions for accommodation. The basic principle is that a foreigner who receives a residence permit must be self-subsistent. If a foreigner has been continuously residing in Hungary for three years, he or she becomes eligible for a national permanent residence permit (*Act II of 2007, Art. 35*).

*Act I and II of 2007* regulate family reunification issues in line with the EU *acquis*. The spouse of a foreigner holding a permanent residence permit obtains a labour permit automatically.

Employment of third country nationals requires the procedure of authorisation, launched by the employer while the potential foreign worker is still outside Hungary. Permits are issued for one year and after they expire the process for prolongation is almost identical. Article 7 of *Act IV of 1991*, on employment and benefits for unemployed persons, allows the Minister of Employment to specify, year by year, the number of foreigners who may be employed in individual occupations. A third country national can also be self-employed if holding a long-term visa for the purpose of gainful employment (*Act II of 2007*, Art. 20(1)). There is no active highly skilled workers programme in Hungary.

According to *Act LV of 1993*, acquiring Hungarian citizenship for preferential applicants can be requested if they:

- *have been living continuously in Hungary for eight years since the accession to the settlement permit,*
- *possess secured accommodation,*
- *possess sufficient financial means, and*
- *have successfully taken an exam on Hungarian constitutional and citizenship issues in the Hungarian language – thus, the law implicitly requires a high-level of Hungarian language knowledge in order to receive citizenship. On the other hand, ethnic Hungarians entitled to participate in the “simplified naturalisation process” (see below) are exempt from this exam.*

Hungarian citizenship may be granted for refugees and family members after three years of residence and for stateless migrants after five years residence (preferential acquisition upon request).

Regarding migration policy, the *Government Decree 2073 of 2004* on the national security strategy of Hungary stated that the Minister of the Interior should prepare the Hungarian migration strategy. The same year, an Inter-ministerial Migration Committee was set up in order to develop a long-term migration policy. The deadlines were modified several times, and it was only in 2013 that the Migration Strategy was finalised. While it is certainly a major step forward in terms of comprehensive and strategic policy making, the strategy document focuses mainly on the immigration and transit migration of third country nationals and asylum seekers. Two very important topics, namely outward migration from Hungary and immigration of ethnic Hungarians from neighbouring countries, are not included in the strategy, though the importance of both issues is unquestionable.

Outward migration (especially that of skilled young Hungarians) has, very recently, become a political issue, but apart from markedly heated debates very little has been done to tackle the issue, and what has been done (obliging students to pay the tuition fee of their previously state-subsidised studies if they decide to move abroad permanently) has only added fuel to the fire.

The situation of ethnic Hungarians in neighbouring countries and their links to Hungary is also a highly sensitive issue. Understood rather as a “national policy” than as a “migration policy”, ethnic Hungarians who live in the territories detached from Hungary by the Peace Treaty after the First World War in 1920 have always had privilege in terms of naturalisation and settlement. Legally speaking, in these cases the acquisition of citizenship derives from their ancestors’ (ex)-Hungarian citizenship under the principle of *ius sanguinis*, or former Hungarian citizens can re-acquire their citizenship upon request. However, between 1989 and 2010 ethnic Hungarians could acquire citizenship only by moving to Hungary, and in the absence of a proper immigration policy an ethnic preference system for Hungarian migrants developed.

Somewhat contrary to this approach, the official Hungarian standpoint has basically encouraged ethnic Hungarians to ‘get along in the lands of their birth’. There has never been a repatriation programme of co-ethnics, as in the case of Germany’s Aussiedler (Brubaker 1998, Wetzel 2011). However, ethnic Hungarians have enjoyed benefits and favourable treatment applying for residence permits and citizenship. *Act II of 2007* provided a special visa and residence permit for five years for third country nationals, for “Hungarian language practice, maintaining national cultural traditions, non-scholarly curricula or self-education, and maintaining contacts with family and friends in Hungary” (*Act II of 2007, Art. 27*). However, this national visa and residence permit is not applicable for free movement of its holder inside the EU, because its preconditions and procedure is not compatible with relevant EU legal norms.

Modifying *Act LV of 1993*, from 1 January 2011 onwards, Hungarian law contains the accelerated or “simplified naturalisation process” (*egyszerűsített honosítási eljárás*) instrument, that is, every non-Hungarian citizen is eligible for fast-track naturalisation if:

- “He or she or any of their ancestors was a Hungarian citizen, or if he or she has reason to believe his or her origin is from Hungary”, and
- “He or she proves their knowledge of the Hungarian language, has a clean criminal record, and naturalisation does not violate the public and national security of Hungary”.

In other words, non-Hungarian citizens living abroad can be naturalised without moving to Hungary if they or their ancestors held Hungarian citizenship, are able to speak basic Hungarian and they have a clean criminal record. According to the relevant government website, between 1 January 2011 and 4 September 2013 the number of applicants was above 500,000, out of which more than 430,000 have already been granted Hungarian citizenship as their second or third citizenship. Most applicants have Romanian (330,970), Serbian (92,188) or Ukrainian (64,030) citizenship. Recent research among ethnic Hungarians in Romania (Kiss – Barna 2013, p. 60.) has found that while 62.8 per cent of the total of respondents applied or considered applying for Hungarian citizenship, this ratio was 88 per cent among those who were considering working abroad, and 93.5 per cent among those who were considering studying abroad. However, there is no information on how many of the applicants have actually moved or plan to move to Hungary, as applications could be made outside Hungary at Hungarian diplomatic missions. It is known, however, that 203,199 applicants were in Hungary at the time of the application (Az egyszerűsített honosítási eljárás honlapja, 2013).

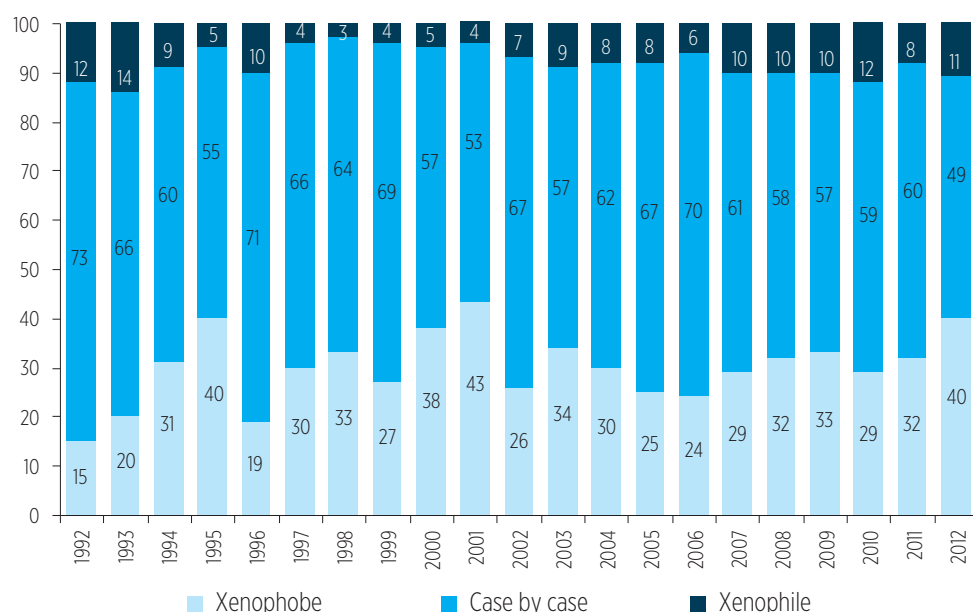
### 3.2 PERCEPTIONS OF INTERNATIONAL MIGRATION

The longest time series evidence about attitudes towards migrants in Hungary has been produced by the TÁRKI Institute of Social Research. From 1992 onwards, TÁRKI has included a refugee-related question in its yearly survey (1992–1997: Hungarian Household Panel, 1998 – present: TÁRKI Omnibus Survey<sup>6</sup>). The fact that it is a “refugee” question harks back to the general perception of the migration issue back in 1992, when the Hungarian population largely understood immigration policy as a humanitarian issue, as was the case for most Romanian and Yugoslav citizens who arrived to the country.

In TÁRKI’s survey questionnaire the “refugee question” is as follows: “Do you agree that Hungary should provide asylum to: 1) every refugee, 2) not a single refugee, 3) some of the refugees (depending on several characteristics)?” In the following question, a set of ethnicities are listed, with a question asking whether refugees of this ethnicity should be granted asylum. The most peculiar item on this list, from the mid-2000s onwards, has been a fake ethnicity (“Piresian”, in Hungarian: *piréz*) whose rejection is supposed

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6 TÁRKI’s Omnibus Survey is a monthly survey with a sample size of 1,000 comprising several question panels.



Source: TÁRKI Hungarian Household Panel 1992–1997, TÁRKI Omnibus Survey 1998–2012.

Figure 3.2.1

*Attitudes towards refugees in Hungary, 1992–2012*

to show the overall, unspecified xenophobia of the respondent (59 per cent when first asked in 2006) (Sik 2012a).

During the 20 years recorded by TÁRKI's survey series, it has always been option three (those believing that some refugees should be let in, while others shouldn't, decided on a case-by-case basis,) that the majority of respondents have chosen. However, the share has fluctuated over time and in 2012, for the first time since 1992, the share of the respondents with a "case-by-case" approach stayed below 50 per cent. The share of "xenophobes" (refusing everybody) peaked in 1995, perhaps because freedom of speech after the transition brought to the surface some previously repressed xenophobia, and since then it has oscillated over the past few years, scoring 40 per cent in 2012. Finally, a minor group of "xenophiles" is also present, typically representing ten per cent of Hungarian population.

In the same survey 82 per cent refused to grant asylum to any Arab, 79 per cent to any Chinese, 75 per cent to any Russian and 71 per cent to any (ethnic) Romanian. In a sharp contrast to these results, only four per cent of the respondents thought that ethnic Hungarians from neighbouring countries should not be granted asylum (even if, as of 2006, the political situation in all of these countries except for Serbia was stable). On the other hand, it must be mentioned that a highly controversial referendum was held on 5 December 2004, in which only 51.5 per cent of the votes were cast in favour of providing dual citizenship for all ethnic Hungarians (with a voter turnout of 37.5 per cent, rendering the referendum invalid).

Traditional explanatory factors for xenophobia were already noted in Hungary in the 1990s and mid-2000s (Dencső – Sik 2007), namely that older, rural dwellers and those with lower educational attainment tended to be more xenophobic than younger, urban and the more skilled population, and that personally knowing a member of a given group reduced the level of refusal to that specific group. An analysis of the 2012 survey results shows that compared to the 40 per cent share of "xenophobes" in the whole population, some groups are more xenophobic than others: those who are not willing to vote for any political party (54 per cent of them being a "xenophobe"), those

with low educational attainment (ISCED level 2 or less) (52 per cent) and, curiously, the Roma (49 per cent) with a result even higher than those who vote on the extreme right Jobbik party (45 per cent). It is also interesting that those who are planning to leave Hungary in order to work abroad are also slightly more xenophobic than the average (44 per cent).

Other surveys, such as TÁRKI's April 2011 Omnibus provides interesting additional information about the phenomena described above. Even if immigration is not perceived as a major threat by the Hungarian population, to the question "*Do you think that in the near future significant immigration will arrive from...?*", 48 per cent of the respondents gave a positive answer with regards to China, 26 per cent to Israel, 23 per cent to Arab countries and 17 per cent to African countries. In the same survey, 64 per cent of respondents stated that immigrants take jobs away from Hungarians (Juhász 2011, Krekó – Juhász 2011), a finding that is in line with European Social Survey's ranking showing that Hungary has the third highest percentage of respondents in Europe who state that immigration is bad for the country's economy (ESS 2010). Another TÁRKI survey showed that Hungarians perceive a far greater number of immigrants in the country than are apparent in the data: on average the respondents guessed that of the total population of Hungary, ten per cent is ethnic Hungarian from neighbouring countries, six per cent Chinese, two per cent Arab and two per cent African. This would add up to 20 per cent of immigrant stock, while according to the latest census data it stands at around 1.5 per cent (Sik – Simonovits 2011). Another piece of comparative research (Population Policy Acceptance, 2003) found that among eight Central European countries, it was Hungarian respondents who gave the largest overestimation of the foreign population in their country, had the highest rate of refusal towards migrant integration measures, and held the most negative opinion of immigration's overall balance of social costs and benefits (Gödri 2010a).

Regarding the institutional actors, it must be stated that although the legal framework for coping with migration issues is satisfactory, according to the MIPEX III<sup>7</sup> report the overall Migrant Policy Integration Index score for Hungary is not too high (45 per cent), mostly because "foreigners living in Hungary for years are slightly discouraged from becoming Hungarian, contrary to policies for co-ethnics abroad". Hungary scores relatively highly in anti-discrimination and family reunion, while it has low scores for access to citizenship for non-ethnic Hungarians (MIPEX 2010).

Finally, perceptions of outward migration and becoming a migrant have changed significantly in the past decade. TÁRKI's time series on willingness to go abroad for a longer time period show a cumulated total of six per cent in the 1990s, which started to rise after 2000 and reached 19 per cent by 2012 (Sik 2012b). Approximately one-third of these respondents have been thinking about definitive emigration. Another interesting feature is that while 12 per cent of the respondents to TÁRKI's 2011 survey could easily imagine emigrating and *at the same time* support immigration to Hungary, 29 per cent of respondents was neither willing to emigrate nor to let immigrants come to Hungary. The exception to this general picture is the 18–35 age group, where the first group accounts for 26 per cent of the total and the second for 20 per cent, showing that younger generations are more prone to accept the phenomenon of migration in both directions (Sik 2012c).

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7 MIPEX measures migrant integration policies in all European Union member states plus Norway, Switzerland, Canada and the USA using 148 policy indicators. The Hungarian experts and peer reviewers who contributed to the MIPEX III Hungary chapter were András Kovács, Boldizsár Nagy, András Kádár, Lilla Farkas and Ákos Gocsál.

## 4 RECENT SITUATION AND DEVELOPMENTS IN THE LABOUR MARKET, HUMAN CAPITAL AND INTERNATIONAL MIGRATION

### 4.1 SOCIAL AND ECONOMIC DEVELOPMENT

#### 4.1.1 Economic development

Following the collapse of state socialism, former Eastern Bloc countries underwent a process of privatisation and economic readjustment to world capitalism which ranged from shock therapy in Estonia at one extreme, to a very smooth and gradual transition in Slovenia at the other. In this continuum, Hungary stood closer to the “shock therapy” endpoint, contrary to other Visegrad countries<sup>8</sup> that were privatising their economies more gradually. In many ways, this was not a choice but a must: due to high indebtedness it was more important to get additional resources to the central budget than in other countries in the region. In the short run it had a stabilising effect on the Hungarian transition, however, in the long run the capacity for independent economic development for subsequent Hungarian governments largely diminished: 1.5 million workplaces were lost and were never recovered.

Large-scale privatisation, together with the 1995 austerity package and the inflow of foreign direct investment brought a relatively prosperous decade (1995–2008) in macro-economic terms. Up until 2008 the economic growth rate stood steadily between 4–5 per cent. GDP per capita in 2001 was 7,444 dollars (1990 International Geary-Khamis dollar) and 9,500 dollars in 2008. From late 2008 to early 2010 the global crisis hit Hungary heavily and caused recession, which was followed by a period of stagnation, with the annual economic rate of growth staying below one per cent from 2010 onwards.

Foreign direct investment (FDI) stock per capita in Hungary had been the highest in post-socialist Central and Eastern Europe for several years, and the majority was invested in the service sector and the competitive branches of the industry, such as in the production of machinery. Following a sharp rise in the previous years, FDI stock peaked in 2008, followed by a massive withdrawal, leaving it standing at around 60 billion euros of stock at the end of the period of analysis. Approximately 79 per cent of the foreign direct investment arriving in Hungary originates from EU15 countries, Germany being by far the largest investor (25 per cent), followed by the Netherlands (14 per cent) and Austria (13 per cent). The United States is the largest investor from outside the EU (five per cent), though many investments are made through EU countries using US capital (HMFA 2009).

Structural problems in the Hungarian economy were already visible before the 2008 crisis. The rate of indebtedness grew constantly from a historical low (52.7 per cent of the GDP) in 2001, to 81.4 per cent in 2011. The prosperity enjoyed for a decade became unsustainable as the wage gap between Hungarian and EU15 employees started to become narrower. Given the nature of privatisation and pro-FDI taxation policies, foreign ownership and high concentration of ownership has become a feature of the Hungarian economic scenery, with ten companies producing more than one-third of the country's GDP, eight of which are of foreign majority ownership (Haász 2012). Production is also concentrated geographically: Budapest and north-west Hungary have been developing dynamically, while other regions, especially north-east Hungary's former heavily industrialised areas have experienced severe declines. Small and medium-sized enterprises face multiple challenges, such as lack of capital and an excessive bureaucratic

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<sup>8</sup> The Visegrad Group is an alliance for international co-operation between the Czech Republic, Hungary, Poland and Slovakia. These countries are often referred to as the Visegrad countries or the Visegrad Four.



burden, a fact that also fosters informality in employment and a large zone of “grey” (semi-formal) transactions.

Internal migration reflects the spatial restructuring of Hungarian economy, with the two above-mentioned prosperous areas attracting most internal migrants. As migration has gained an international dimension, migrant remittances have started to become significant. In 2001 the share of remittances in the GNI was around 0.36 per cent. In 2004 Hungary became a member of European Union, and in just one year’s time remittances had increased significantly, even though only the United Kingdom, Ireland and Sweden immediately opened their labour market to Hungarians). The level of remittances continued to increase, reaching a peak of 2,509 million dollars in 2008, or around 2.66 per cent of the GNI, and slightly falling back to 2,188 million dollars in 2012. Compared at the regional level this is still a relatively low value. It should be noted that remittances are increasing in the whole region and they can be interpreted as an indicator of dependent integration in the global economy (Böröcz 2012).

#### 4.1.2 Social development

Under state socialism Hungarian society was egalitarian, in which full employment and a broad range of social transfers compensated for the lack of individual entrepreneurial perspectives and the scarcity of consumption options. With the transition to democracy and capitalism, a sudden growth of the Gini coefficient<sup>9</sup> took place, though this had started increasing even before the political changes of 1989. From a very low 0.21 in 1982, the coefficient rose to 0.31 in 2003. Thereafter a small decrease can be seen, but from 2008 onwards it climbed back to around 0.30, though still relatively low in a European perspective, and very low in a global perspective.

Nonetheless, several social groups were hit heavily by the transition and the dismantling of full employment and social protection. These groups are named commonly in both scientific discourse and everyday talk as “the losers of the transition”. Following a seminal essay by Ferge (1996) it can be stated that although at a political level the transition was beneficial for every Hungarian citizen, as it provided everyone access to human and civil rights, the negative structural and individual processes regarding economic and social security led to a common statement that “life was better under Kádár”. This was echoed by many Hungarians as early as 1995, a phenomenon not unknown in other post-socialist countries.

One of the groups most negatively affected by the transition was the Roma. The Roma population has always been marginalised in Hungary, while under state socialism a rather heavy-handed integration process was implemented. From 1961 onwards, full employment, access to schooling and housing were the key policies used to promote Roma integration; these met with relative success, but in a paternalistic and culturally insensible way. The Roma could not make their way into most of Hungarian society and after the transition they became marginalised again, both socio-economically and geographically. As of 2011 the Roma are estimated to account for eight per cent of the Hungarian population, and have a 23 per cent lower participation in the labour market compared with the (already low) Hungarian average. The main reasons for this are: low educational attainment, living in geographically distant areas with few job opportunities, the lack of social networks to access ‘middle-class’ jobs, the significant racism of the employers and the unstable and precarious nature of many jobs available to them (Dupcsik 2009).

Regarding age groups, the generation between 45 and 60 years at the moment of transition (born between 1930 and 1945) are also considered as “the losers of the transition”. The collapse of the industrial sector and the dramatic shrinking of the labour

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<sup>9</sup> The Gini coefficient is an indicator measuring social inequalities.

market favoured those who were younger because in a situation of competition for scarce jobs the employment experience gained in no-longer existing production regimes was regarded as useless by the (mostly western European) investors. As already mentioned, early retirement was the general way these employees were compensated. As of 2011, 41 per cent of the persons receiving pension transfers were under the official retirement age (KSH 2011).

Much of the rural population also lost its livelihood after 1989. The dismantling of the socialist agrarian co-operatives (*MGTSZ*) and the “indemnification” (*kárpótlás*) of the former owners of the lands meant that agricultural property disintegrated, with growing transaction costs, lack of funding and structural problems in both production and distribution. Both agricultural raw materials and high quality agro-industrial goods experienced declines in production. Unemployment rose in the countryside and ageing of the population became prevalent. With regards to regions, central and north-west Hungary register much lower rates of unemployment (7–8 per cent) than eastern and north-east Hungary (15–17 per cent) (KSH 2012).

Finally, privatisation of the previously state-owned flats made the Hungarian housing sector extremely inelastic. Approximately 8–10 per cent of all flats are rented, which is a low figure in international comparison, the rest being owned by their inhabitants. This has caused two major problems: first, the issue of homelessness, as there are practically no social housing options available for the homeless, and second, the case of home owners with mortgages who had bought (otherwise inaccessible) flats with low interest foreign currency loans right before the 2008 crisis, mainly in Swiss francs, which soared in value compared to the domestic currency.

On the other hand, Hungarian upper and middle classes still enjoy a relatively high standard of living. As opposed to the previously mentioned categories, urban, younger, higher educated and better-off Hungarians managed to take advantage of the structural transformation of the economy, thus becoming the “winners of the transition”.

In a survey 20 years after the transition (Hack-Handa 2009), 56 per cent of the respondents stated that things had “got worse” since then, although only six per cent thought that the transition would have been evitable, given the international context. That would mean that there are more “losers” than “winners”. However, it must be added that having been an egalitarian society before the transition, the sense of relative deprivation compared with the *nouveaux riches* (and towards western European middle classes) contributes to most Hungarians’ rather negative perception of the changes in their social status.

#### 4.1.3 Social policy

Social policy making in Hungary after the transition may be characterised as ‘constant crisis management’, with three major hindrances: first, the lack of funds, second, the high expectations of Hungarians to achieve a Western-style social welfare system, and third, the nostalgia for the paternalistic, overall provision of services by the state. The first is easy to understand: following the transition, one-third of workplaces were lost and have never been recovered, meaning that only around 60 per cent of the active-age population has a job, contributing insufficient resources to social funds. The second is somewhat more complex: having Austria and Germany (traditional destination countries for Hungarian emigrants) as the main reference points, Hungarians understood democratic transition and EU accession very much in terms of catching up (quite rapidly) with the welfare and consumption standards of these countries. Finally, due to the sudden or gradual loss of social benefits enjoyed in the Kádár era, many Hungarians started to feel nostalgia about the times when everything was “for free”, even if informal ways of accessing better services through “gratuities” (*hálapénz*) and by other means did actually make a difference between clients of social security during state socialism (Krémer 2004). These elements



are also important for understanding why subsequent Hungarian governments were reluctant to cut social transfers, even with an ever-growing budgetary deficit. As detailed later on, generous social transfers have, until very recently, been a reason why Hungarian outward migration was amongst the lowest in the region.

Family policy is a good example of how social policy patterns managed to survive the transition, until they were ‘wrecked’ by the 2008 crisis. While other Visegrad countries applied income testing in awarding family allowances, Hungary (after a short period of austerity in the mid-1990s) reintroduced universal provision. Together with universal child care benefits, a relatively long maternity leave (maximum three years) and extensive coverage of nurseries and *crèches*, Hungary maintained the state socialist pro-natalist approach, of key importance in a country with an extremely low birth rate. However, no significant increase in births could be detected, and due to budgetary constraints a bias towards middle-class families started to evolve, providing tax allowances for families with children or home-building subsidies, rather than universal grants (Avdeyeva 2009).

For clients, however, the key feature of social policy making is unpredictability. Being a politically sensitive issue, there have been constant changes according to the current political landscape. Ferge (2010, p. 21.) takes the example of three key pieces of legislation and modifications thereof. The *Social Act (Act III of 1993)* was amended 58 times between the time it was adopted and March 2010 – meaning nearly four amendments a year. The *Child Protection Act (Act XXXI of 1997)* was amended 41 times in 12 years, and the *Family Support Act (Act LXXXIV of 1998)* was amended 29 times in ten years. All of these amendments (128 altogether) were followed by the same number of changes in local ordinances and in implementation decrees for 3,200 local governments. It is no wonder that social policy measures are rarely taken into account by middle class Hungarian families when planning their futures. On the other hand, poorer families who rely on subsidies of an ever-changing nature are rendered extremely vulnerable.

## 4.2 MAIN INTERNATIONAL MIGRATION TRENDS AND CHARACTERISTICS OF MIGRANTS

For decades before the democratic transition, international migration to and from Hungary was controlled and partly repressed<sup>10</sup>, and therefore on a very modest scale (as described in Chapter 2.2). From the late 1980s onwards this was replaced by significant immigration. The process began with a flow of refugees arriving from Romania in 1988–89, and then, after the democratic transition in Central and Eastern Europe, as the borders were opened and the political and economic structures were transformed, the process intensified. Besides immigration, transit migration became significant in the country, while emigration also grew moderately.

After introducing general migratory trends, we examine the processes of immigration and emigration separately, looking at the composition of the two migrant populations, while not losing sight of the fact that the reliability and content of available data sources and their usability vary widely with regard to these opposing processes.

### 4.2.1 International migration flows

#### 4.2.1.1 General trends

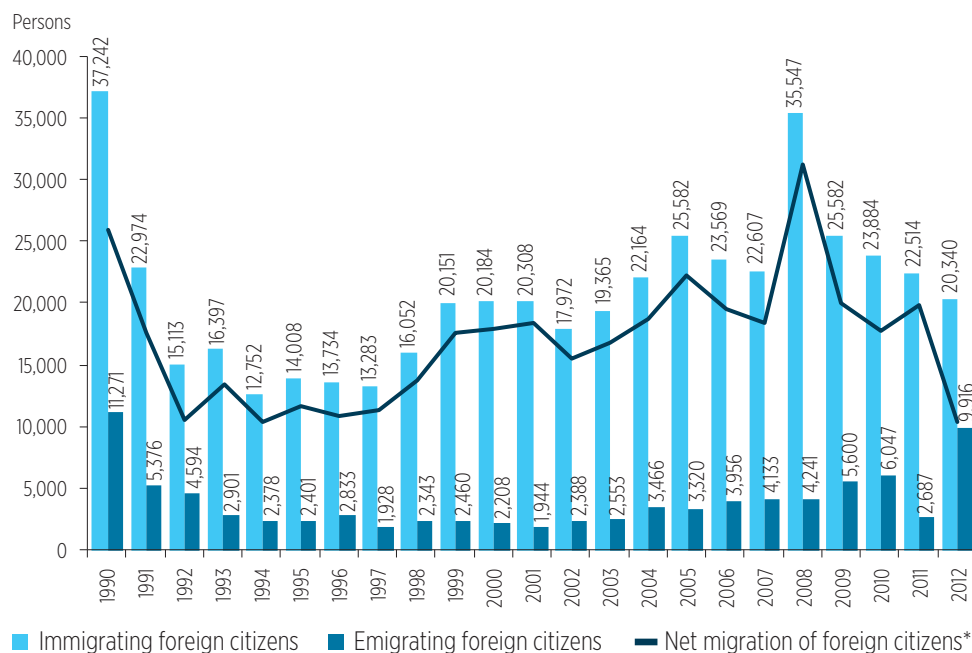
The first major flow of immigration, which peaked in 1990 with 37,000 immigrants, came to an end in 1991, and the number of immigrants stabilised at a moderate level, i.e. between 13–16,000 persons per annum until 1998, when at around the turn of the millennium it reached 20,000 persons. The period between the late 1980s and 1992 was characterised

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<sup>10</sup> Regulated tourism inside Communist states was gradually allowed from 1976 on the grounds of bilateral agreements, then in January 1988 the right to a passport was introduced and therefore free travel abroad (Tóth 2012).

by the establishment of the institutional system and legal framework of migration, which had consolidated and stabilised by the turn of the millennium. Another period of increase in the immigration of foreign nationals took place after 2004, following Hungary's EU accession, and by 2005 the number of registered immigrants exceeded 25,000 (*Figure 4.2.1*). This increase was mainly due to a higher number of entries from the EU15, which stood at almost 8,000 persons in 2005 (as opposed to less than 2,000 in previous years).

The next significant flow of immigration came in 2008, when figures approximated those seen in 1990. However, this was mostly due to changes in legislation made the previous year. In the wake of the new Immigration Act (*Act I of 2007 on the Admission and Residence of Persons with the Right of Free Movement and Residence*), which entered into force as of 1 July 2007, EEA citizens<sup>11</sup> with the right of free movement could apply for a *registration certificate* and *permanent residence card*. The introduction of these new types of permits, which could be acquired through a relatively simple and quick process, resulted in a sudden rise in the number of immigrants: of the more than 35,000 persons registered as immigrants in 2008, some 20,000 held permissions of this kind (Gödri 2012). From 2009 onwards there was a gradual decline in immigration, presumably due to the economic downturn and its impact on the labour market. This impact was also observable in the significant decrease of work permits issued since 2009 (reflecting that Hungary became a destination for fewer foreign workers from third countries), though this was partly due to administrative changes too<sup>12</sup>.



Data source: HCSO, Demographic Yearbook 2012.

Note: Retrospective data are not comparable, because since 1995 the processing has been carried out using a different method: until 1994 data were generated from the registry of the Ministry of Interior according to the status on 31 December 1996, while from 1995 onwards, the data were generated from the registry of the Office of Immigration and Nationality (OIN) according to the status on 1 January 2000. By 1 January 2000 the data processing method of the OIN relating to the registration of foreigners had changed. In addition, the number of emigrating foreign citizens from 2012 contains estimations as well.

\* The net migration figure is not fully accurate, due to incomplete data on emigration.

Figure 4.2.1

Inflows and outflows of foreign citizens in Hungary, 1990–2012

<sup>11</sup> Citizens of the European Economic Area (EU member states, Switzerland, Iceland, Lichtenstein and Norway). As of 1 January 2007 Romanian citizens, who constitute the largest group of immigrants to Hungary, also belong to this category.

<sup>12</sup> On 1 January 2009 Hungary opened its labour market to all EEA countries, so these citizens no longer need a work permit.

Besides foreign nationals, there was also inflow of Hungarian citizens immigrating into Hungary<sup>13</sup> after the transition, but their numbers were considerably lower: the total figure of Hungarian citizens returning from abroad or born in foreign countries and immigrating into Hungary remained well under 2,000 in the 1990s. After the turn of the millennium their number grew to some extent, but did not reach 3,000 until 2011 (see *Table A4.2.1* in Annex). Since 2011 a significant increase in the number of immigrating Hungarian citizens can be observed, partly due to the fact that from 2011 this number was supplemented with persons who established a Hungarian address after being granted Hungarian citizenship without Hungarian residence (for more about the simplified naturalisation see Chapter 3.1).

While data on the number of foreign nationals entering the country legally are relatively accurate, Hungary – similar to most sending countries – lacks reliable data about emigrants. The transition removed barriers to emigration (national borders became open, legal condition changed<sup>14</sup>), but it also became impossible to track or control. Although it was obligatory to deregister a residence at the municipality if a person left the country with the intention to live abroad for three months or more<sup>15</sup>, failure to comply had no particular consequences so deregistration did not usually take place. As a result, the number of *emigrating Hungarians* in official Hungarian statistics is way below the figures shown by mirror statistics. This is why the net migration calculated on this basis may indicate the direction of the trend – the growing negative balance of the recent years is clearly visible (*Table A4.2.1*)<sup>16</sup> – but certainly not its order.

The statistics of *emigrating foreign citizens* includes not only those who had a residence or a settlement document and left Hungary in the given year without the intention to return, but also people whose residence or settlement document's validity expired and who did not apply for a renewal, or whose permit was invalidated by the authorities. This makes the data somewhat more accurate, though it presumably lags behind the real number (as types of permits exist without date of expiry, and those holding a permit of this kind will never appear in the statistics if they leave the country unless they personally report it to the authorities). The number of emigrating foreigners showed a slight increase from 2004 onwards, and then after a drop in 2011 a more significant rise in 2012 (when the number also contains estimations). Net migration mostly follows the immigration trend with the same peaks and setbacks (*Figure 4.2.1*).

Besides settlement and long-term immigration, short term – primarily income-related – movements, and different forms of so-called quasi-migration (false tourism, incomplete migration) have emerged since the early 1990s. These new movements were often periodic or repetitive, and most commuters found job on the informal labour market in Hungary. A special form of this was the public places where foreigners gathered, waiting for Hungarian patrons to show up and take them to work for a day (Sik 2006). In the 2000s the labour force out-migration and entrepreneurial migration of Hungarian citizens became more prevalent, especially to Austria and mainly from the Western-Transdanubia region (Hárs 2009). However, according to research carried out

13 Immigrating Hungarian citizens cover persons whose previous residence was abroad and who register their residence in Hungary with the intention to stay for three months or longer. Up until 2009 data were derived from a centralised Population Register, but since 2010 it comes from the Register of Social Insurance. Since 1999 the group of Hungarians 'returning from temporary stay abroad' has been recorded separately in the statistics, amounting to a few hundred a year or even fewer.

14 The Constitutional Reform in 1989–1990 ensured the right to free travel, citizens' return to Hungary and prohibited deprivation of citizenship (Tóth 2012).

15 As of 1 March 2013, the only case in which people are expected to deregister is if they are planning to emigrate without an intention to return. The law does not define a time limit or duration, it merely considers the citizen's intent. At the same time, citizens are obliged to announce any stay abroad exceeding three months to the social security organisation (TB) and the national tax office (NAV).

16 Officially registered net migration seems to be positive in 2012, due to a relative high number of immigrating Hungarians (most of them new citizens), and in spite of the fact that – as we will see later – emigration further increased and most probably exceeded immigration.

in the Hungarian–Slovak–Ukrainian tri-border region in 2010, the international income-generating migration was at the lowest rate in Hungary (Koltai – Sik 2012).

#### 4.2.1.2 Immigration flows

In spite of fluctuation in the number of immigrants, the share of Hungarian citizens within total immigration was relatively constant until 2010: after the millennium it varied between 8–13 per cent and sank lower than this only in 2008 at 5.6 per cent (*Figure A4.2.1*). However, in 2011 one-fifth of immigrants, in 2012 40 per cent of them were Hungarian citizens. This sudden increase is partly due to the previously mentioned change in the Citizenship Act, which implies that since January 2011 increasing numbers of newly naturalised Hungarian citizens (ethnic Hungarians) live in neighbouring countries, and in case of immigration into Hungary they no longer appear as foreign immigrants.

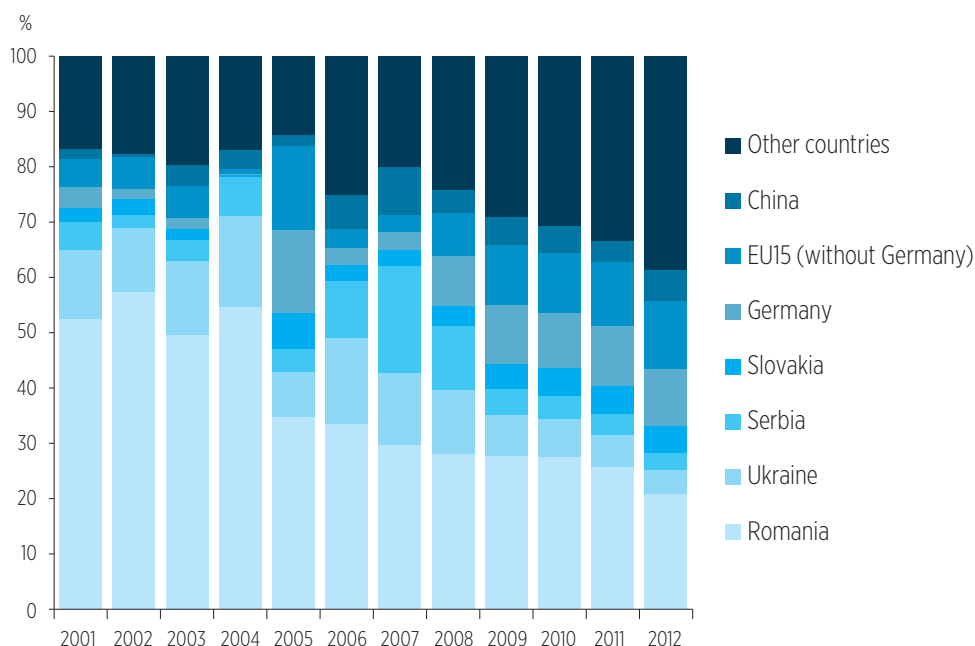
At the same time, there has been a considerable change in the recent years as regards the distribution of foreign immigrants according to citizenship. A typical characteristic of immigration to Hungary is that the majority of immigrants, amounting to two-thirds of the total in the 1990s, arrived from neighbouring countries, mostly from Romania, the Ukraine, former Yugoslavia and its successor states and, to a smaller extent, from Slovakia. Altogether, their share exceeded 70 per cent after the turn of the millennium. The main country of origin, Romania, still provided 50–57 per cent of immigrants in the first half of the 2000s (*Figure 4.2.2*). As mentioned in Chapter 1.2, most of these immigrants were ethnic Hungarians. Ethnicity played an important role in these immigrant flows into Hungary, though from the 1990s onwards this was not because of ethnic discrimination in the country of origin, but because ethnicity represented an important form of cultural, ethnic and social capital in the country of destination (Brubaker 1998, Horváth 2002, Gödri 2010b). At the same time (according to the *Immigrants 2002* survey<sup>17</sup>) economic and career-related motivations, as well as family reunification were also important pull factors in immigration from neighbouring countries around the turn of the millennium (Gödri – Tóth 2005).

From 2008 onwards, however, the share of foreign immigrants from neighbouring countries (except for Slovakia) began to decline (arrival from Romania started to drop as early as 2005) and by 2012 only 33 per cent of foreign immigrants arrived from the four neighbouring countries, 21 per cent from Romania. This is presumably due to the worsening of the economic and labour market situation in Hungary, and to an increased flow of emigration in the 2000s from Romania to southern and western Europe, in which ethnic Hungarians also took part through their local networks<sup>18</sup>. Since 2011 the decrease can also be attributed to the fact that some of the immigrants coming from neighbouring countries entered Hungary as (new) Hungarian citizens.

In parallel to this, the share (and number) of immigrants from the EU15 increased considerably: while it was under ten per cent at the turn of the millennium it peaked in 2005 (30 per cent), and from 2009 onwards remained continually over 20 per cent. Since 2005 almost half of immigrants arriving from the EU15 have been Germans, whose share within the total immigrants reached ten per cent in recent years. Most of them belong to older age groups (which could imply that the number of returnees is also significant among them). In 2007, when the main country of origin Romania also became an EU member, the share of EU27 nationals among immigrating foreigners stood at 40 per cent. Since then it has varied between 50 and 56 per cent.

17 The *Immigrants 2002* survey was carried out by the Hungarian Demographic Research Institute (HDRI) in 2002 (as the first wave of a two-wave panel survey) on a representative sample of immigrants (1,015 persons) aged 18 and over, who arrived from one of the neighbouring countries and were granted immigrant status in 2001.

18 This phenomenon was recorded also by surveys on migration potential: as far back as the mid-2000s Hungary was no longer the primary destination country – as it had been before – for those planning emigration among ethnic Hungarians living in Romania (Gödri – Kiss 2009).



Data source: HCSO, Demographic Yearbooks, 2007, 2012.

Note: Data on Serbia includes data on Montenegro until 2011.

Figure 4.2.2

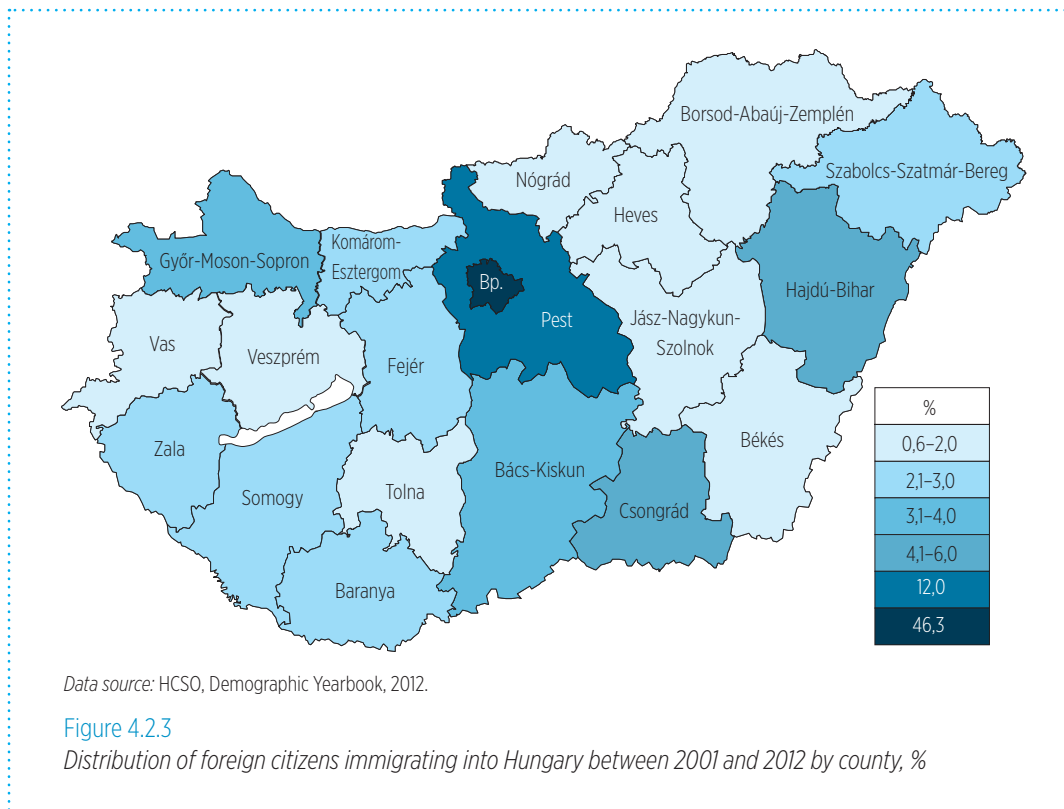
Distribution of foreign citizens immigrating into Hungary by main countries of citizenship, 2001–2012

The other large group of immigrants consists of people arriving from Asian countries. In the second half of the 2000s their number, but also their ratio (14–19 per cent), exceeded that of previous years. Chinese people have constituted the majority within this group, but since 2007 (when some 2,000 Chinese immigrants arrived in the country) their number and proportion have declined substantially.

Although Hungary receives immigrants from practically all parts of the world (from more than 100 countries in total), the overwhelming majority come from a few main sending countries. Between 2001 and 2007 some 80–90 per cent of all immigrants arrived from the ten main sending countries, but after 2008 their share began to decline continually and by 2011 only amounted to 66 per cent (*Table A4.2.2*). All of this indicates the growing diversification of immigrants according to country of origin. At the same time, compared to other European countries Hungary's immigration is modest, both in terms of the number of immigrants and their ratio per thousand inhabitants. In the 2000s the latter indicator varied around 2 and 2.5, and very few European countries had rates lower than this.

The territorial distribution of immigrants is quite distinctive, most of them choose the central region: between 2001 and 2011 47 per cent moved to Budapest and a further 12 per cent to the belt surrounding the capital (Pest county) (*Figure 4.2.3*). This is mainly due to the favourable labour market opportunities in this region, but social networks also play a role. A further significant share of immigrants arrived in the Southern Great Plain (eleven per cent on average), mainly to Csongrád county (6 per cent) – in which geographical proximity was also an important factor, since most were Serbian citizens with Hungarian ethnicity – and to the Northern Great Plain (8 per cent), mainly to Hajdú-Bihar county (4.4 per cent), while only 3.4 per cent of the immigrants in the whole period settled down in economically disadvantaged Northern Hungarian areas.

The territorial distribution of immigrants also varies widely according to their country of origin. The proportion of Chinese and other Asian immigrants arriving in Central



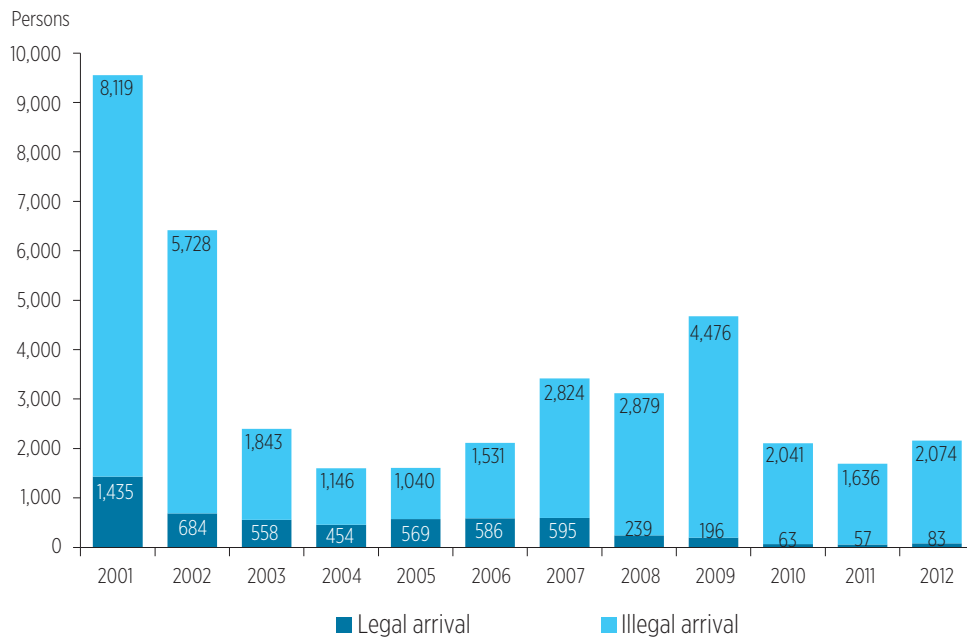
Hungary (particularly in the capital) far exceeds the average. This region is also the main destination area for new arrivals from Romania and the Ukraine. At the same time, immigrants arriving from neighbouring countries also show a preference for regions and counties close to or bordering their country of origin (see *Table A4.2.3*). By contrast, those arriving from the EU15, and particularly from Germany, are far less likely than the average to choose the capital city and tend to settle instead in the South or West of Transdanubia and, latterly, in the South of the Great Plain.

#### 4.2.1.3 Asylum seekers

The total number of asylum seekers arriving in Hungary between 2001 and 2012 was 40,865 – the figure was particularly high at the beginning of the period (*Figure 4.2.4*). Most of them (87 per cent) arrived illegally with the help of human traffickers or across the ‘green borders’.

While in the early 2000s the majority of asylum seekers were Afghan, Iraqi and Bangladeshi, by 2007 the most significant group of arrivals were from Serbia and in 2008–2009 from Kosovo (*Table A4.2.4*). At the same time, the number of Afghan asylum seekers remained high and since 2010 onwards they have once more been at the top of the list. What the number of asylum seekers actually reflects is the number of asylum procedures launched in a given year, but only a few applicants (less than one-tenth) were actually granted asylum in any of the years in question. The applicant may obtain refugee, subsidiary protection or tolerated stay status. Many asylum applicants disappear before a decision is ever reached, probably making their way further west, which supports the ‘myth of transit country’ associated with Hungary (Tóth 2012).

More recently the number of asylum seekers in Hungary has shown considerable growth: while in 2012 a total of 2,157 people requested for international protection, in 2013 this figure was about 17,000 in only the period from January till the end of October, according to the Office of Immigration and Nationality (OIN). This may be due to relaxation of the relevant regulations, as from January 2013 onwards asylum seekers who arrived illegally have not been arrested during examination of the application. Most asylum seekers in 2013 arrived from Kosovo (more than 6,000), while Pakistan, Afghanistan and Syria continued to remain important countries of origin.



Data source: HCSO, STADAT database.

Figure 4.2.4

Asylum applications by type of arrival, 2001–2012

#### 4.2.1.4 Naturalised foreign citizens

Between 1993 and 2010 over 135,000 immigrants were naturalised in Hungary (on average 7,500 per year), and 87 per cent of them came from neighbouring countries, mostly from Romania (66 per cent), and the great majority were ethnic Hungarians<sup>19</sup>. The proportion of those coming from neighbouring countries has been higher among new citizens than among immigrants in general, due to the fact that the Hungarian ethnicity and mother tongue made it easier for them to fulfil the naturalisation requirements. Despite the relatively high number of immigrants from Asia, few of them (1-2 per cent) have become Hungarian citizens.

The simplified naturalisation process introduced in 2010 and coming into force on 1 January 2011 (see Chapter 3.1) is leading to substantial growth in the number of new citizens, but these persons no longer need to have residence in Hungary. In 2011 20,554 persons (with residence in Hungary) were granted Hungarian citizenship, in 2012 their number was 18,379 and 97 per cent of them in both years had previously held the citizenship of a neighbouring country. By contrast, since simplified naturalisation was introduced the number of new Hungarian citizens who took the citizenship oath, either in Hungary or abroad, reached 500,000 in December 2013. This makes estimating outward migration from Hungary quite difficult, as it was the mirror statistics of immigrants by citizenship (the number of Hungarian citizens appearing in other countries' statistics) which served as a basis for such estimations, while from 2011 onwards Hungarian citizens in destination countries do not necessarily come from (or were born in) Hungary. Due to this fact, the country of birth and the country of last residence before migration are also required for the estimations.

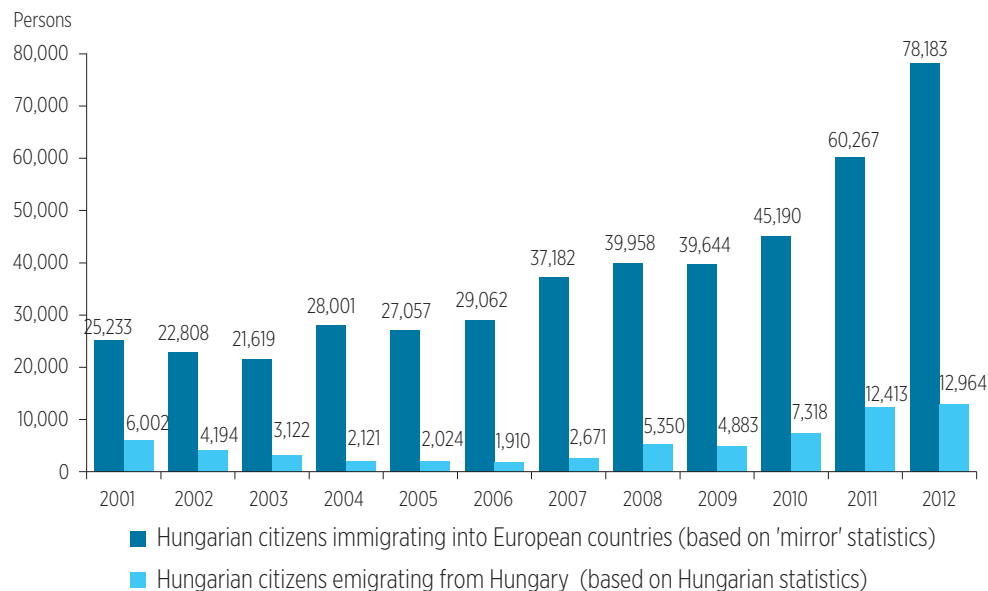
<sup>19</sup> In Hungary naturalised immigrants can keep their former citizenship and can therefore become holders of two (or even three) citizenships, even double citizenships of two EU countries.



#### 4.2.1.5 Emigration flows

*Emigrating foreign citizens* amounted to some ten per cent of foreign immigrants around the turn of the millennium, then, increasing from the mid-2000s onwards, reached 22–25 per cent by the late 2000s and dropped back to 12 per cent in 2011<sup>20</sup>. According to migration statistics, 16 per cent of all immigrants who arrived in Hungary between 2001 and 2011 left the country: either they returned to their country of origin or migrated onwards. But the real number of foreigners leaving Hungary can only be defined (in more or less accurate terms) in a retrospective manner, using successive census data, which also makes it necessary to clean previous years' statistical migration data (see Chapter 4.2.2.1).

As regards the number of *emigrating Hungarian citizens*, as noted earlier, the mirror statistics of destination countries could serve as a basis for a realistic estimation. If we compare these figures with national statistics' emigration figures we find significant differences. Nevertheless, the growing trend of emigration of the past few years is clearly also reflected in the Hungarian data (*Figure 4.2.5*)<sup>21</sup>.



Data source: Eurostat database (updated on 4 April 2014); for 2009–2012 supplemented with data from German and Austrian Statistical Offices; HCSO, Demographic Yearbook 2012; (author's data collection).

Note: Data for the United Kingdom from 2006 and for France for the whole period are missing in Eurostat database (so these figures are not included in the cumulative data).

Figure 4.2.5

Annual outflows of Hungarian citizens to European (EEA) countries by 'mirror' statistics and Hungarian statistics, 2001–2012<sup>22</sup>

Hungary's accession to the EU was followed by only a moderate increase in emigration. A significant change came about in the late 2000s, when the unemployment started to rise and the negative effects of the financial crisis, as well as the labour force demand of main destination countries, contributed to intensified out-migration, particularly in the direction of the two main countries of destination – Germany and Austria (*Table 4.2.7*). Germany registered over 20,000 Hungarians each year since 2007; their number

<sup>20</sup> Data for 2012 is not comparable with data of previous years because the number of emigrating foreign citizens since 2012 contains estimations.

<sup>21</sup> Since 2010 the number of emigrating Hungarian citizens is calculated based on the Register of Social Insurance.

<sup>22</sup> The cumulative data of the mirror statistics only contains data for European Economic Area (EEA) destination countries (and some data are missing for some years), while Hungarian citizens may also have emigrated to other continents.



exceeded 40,000 in 2011 and approached 54,000 in 2012 (according to Destatis' data). In Austria the number of newly registered Hungarians was one and a half times higher in 2011 than it had been a year earlier, and doubled between 2010 and 2012.

As restrictions on the labour market were gradually lifted, from 2007 onwards Hungarians began to arrive in growing numbers in other EU countries as well, such as Spain, Italy, the Netherlands and Sweden (*Table 4.2.1*), though this process has slowed down lately. The growing number of emigrants to Slovakia was probably due to the return of former immigrants who acquired Hungarian citizenship.

**Table 4.2.1**

*Number of Hungarian citizens immigrating to major European destination countries, 2001–2012*

Destination country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Germany	17,039	16,506	14,252	17,411	18,574	18,654	22,175	25,151	25,258	29,220	41,136	53,892
Austria	3,039	2,640	2,844	3,156	3,424	3,567	4,492	5,195	5,768	6,412	9,250	13,066
United Kingdom	3,150	1,322	1,990	4,062	1,088	–	–	–	–	–	–	–
Ireland	–	–	–	–	–	2,093	1,605	914	794	714	725	743
Switzerland	570	607	422	391	359	485	751	1,073	1,140	1,194	1,751	1,819
Netherlands	544	434	379	565	594	571	975	1,721	1,668	1,820	1,904	2,173
Spain	280	298	345	597	759	1,270	2,051	1,203	886	854	995	997
Italy	–	351	677	602	545	613	1,409	1,144	1,054	921	871	853
Sweden	167	222	159	228	269	462	776	1,018	893	770	706	857
Slovakia	11	12	81	309	384	533	815	1,108	1,065	1,082	662	706

*Data sources:* Eurostat database (updated on 4 April 2014); Germany 2009–2012: DESTATIS (2013); Austria 2009–2012: Statistik Austria (2013); (author's data collection); –: no data.

However, it is important to note that these figures only include officially registered persons who intend to spend a longer period of time (at least one year) in the country of destination, and do not reflect all those who left Hungary for short periods or those who worked abroad commuting from their permanent residence in Hungary. Differences are shown clearly, for instance, by the number of Hungarian employees registered in Austria, which has also increased over recent years. In 2010 the annual average was 26,000 and in 2011 it approached 35,000; after the opening of the labour markets on 1 May 2011, the figure rose further and in 2012 an average of 48,000 Hungarians were registered as employees in the Austrian social security system, and by the end of 2013 this figure had reached more than 63,000.

Similarly, in the United Kingdom there were altogether some 55,000 Hungarian employees registered between 1 May 2004 and 30 April 2011 (according to the Worker Registration Scheme<sup>23</sup>), in spite of incomplete immigration statistics (see *Table 4.2.1*)<sup>24</sup>, and almost 24,000 in Ireland (based on the number of Personal Public Service Numbers issued). After the enlargement of the EU in 2004, both countries immediately opened their labour markets and became new destinations for labour force migration from new

<sup>23</sup> On 1 May 2011 the Worker Registration Scheme in the UK was abolished, and EU8 nationals were no longer required to register their employment.

<sup>24</sup> According to other sources, the relevant British ministry issued almost 100,000 new tax numbers between 2002 and the first quarter of 2012 (Kádár 2013).

member states. However, the increase in emigration of the Hungarian labour force only began in 2007, before the start of the financial crisis when the economic indicators started to worsen and the government initiated the first restrictive measures (Hárs 2013), but remained under the emigration level of most Central and Eastern European countries. As compared to the size of population of origin, it was only the Czech Republic and Slovenia that sent fewer migrant workers to the UK and Ireland than Hungary, while Lithuanians, Latvians, Slovaks and Poles had the greatest rates in the EU8 (Gödri 2012).

Labour Force Survey (LFS) data also indicate that the three main Hungarian labour migration destination countries are Austria, Germany and the United Kingdom, which altogether absorb 70–76 per cent of Hungarians seeking employment abroad. At the same time, these surveys show that while working in Germany tends to lead to permanent living abroad, Austria and the United Kingdom appear to be destinations characterised by circular labour force migration (Hárs 2011).

The change in trends is also reflected by the migration potential surveys. While previously the willingness to migrate was low in Hungary (in the 1990s 5–6 per cent, at the beginning of the 2000s about ten per cent of the population planned some kind of migration according to TÁRKI's surveys), the results of Eurobarometer since 2010 have indicated a population with a high propensity to migrate, even compared to other European countries (Nyíró 2013). In 2012 almost one-fifth of the adult population was planning to move abroad for a shorter or longer time period (Sik 2012b). Accordingly, the Hungarian LFS has also been measuring a growing willingness to work abroad from 2008 onwards.

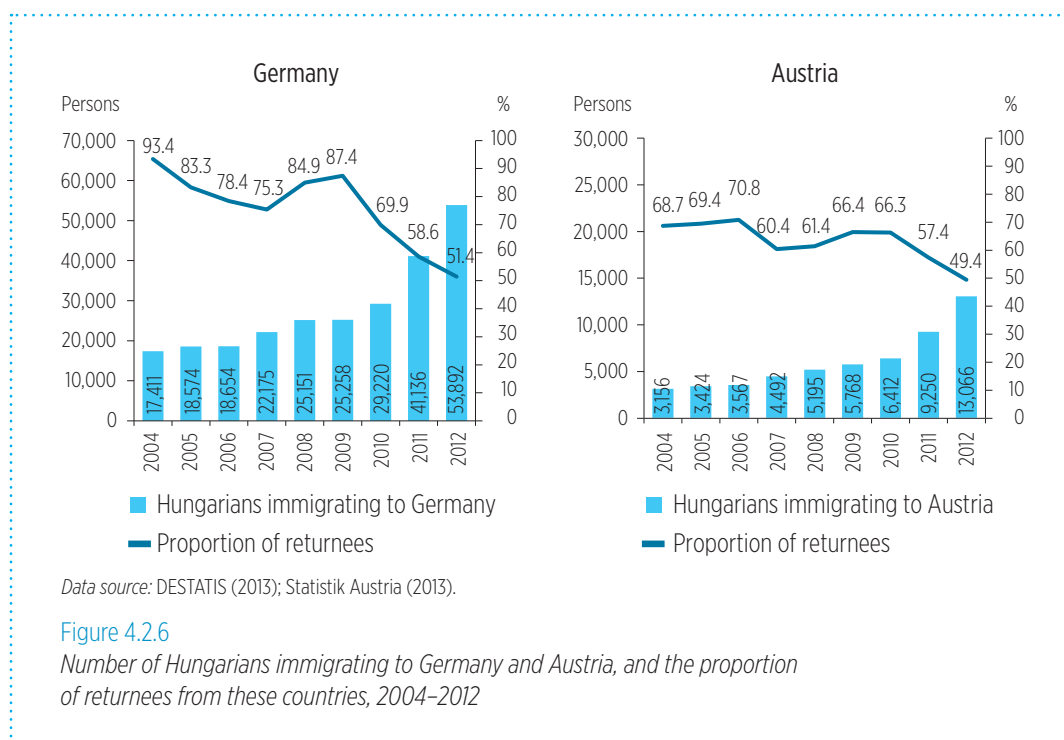
#### 4.2.1.6 Return migration

Besides increasing emigration, the process of return migration can also be observed, although the exact number of returnees is unknown. The mirror statistics of the main destination countries show a considerable number of 'emigrant Hungarian citizens', but in these cases we cannot tell the proportion that returned to their home country and how many migrated onwards to third countries. However, Hungarian statistics are not more accurate regarding the return of Hungarian citizens<sup>25</sup> than they are with regard to the emigration before. After the country's accession to the EU in 2004, the already modest number of returnees, only slightly more than 1,000 a year, suddenly dropped to under 200 per annum (*Figure A4.2.2*). A recent increase started in 2010 (not long after the acceleration of emigration), and the number of returning Hungarians already exceeded 4,000 in 2011. From 2004 onwards we also notice a growth of immigration of Hungarian citizens born abroad, which was particularly high in 2012. However, in their case we cannot talk about 'returning', because they had not emigrated before. Since 2011 their number has also included new Hungarian citizens from neighbouring countries, who were naturalised according to the simplified naturalisation process (see above).

Based on the national statistics of the two main and traditional destination countries for Hungarians, Austria and Germany, the emigration (or return migration) of Hungarians from these countries is far higher than appears in Hungarian statistics (*Table A4.2.5*). If we compare this figure to the number of immigrants for the given year we find that after 2004 returnees amounted to 75–87 per cent of Hungarians immigrating to Germany, while in Austria's case this share was between 60–71 per cent. In the case of Germany the share of returnees to Hungary (their number compared to the number of immigrants arrived from Hungary in the same year) has substantially decreased since 2009, while in the case of Austria a similar trend can be observed since 2010 (*Figure 4.2.6*).

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<sup>25</sup> According to the definition in the Demographic Yearbook, Hungarian citizens immigrating to Hungary consist of Hungarian citizens who were born abroad or who have lived abroad and returned to Hungary in order to settle down, as well as Hungarian citizens who have returned from temporary residence abroad.



The Hungarian LFS also offers useful information regarding a specific group of returnees, those returning home after working abroad, more precisely, people who were not working at the time of data collection and whose last employment was abroad. Analysing these data for 2007–2010, Hárs (2011) notes that the number of people returning grew rapidly from 2009–2010, reaching a 25 per cent return-home rate. While the ratio of people returning home from Austria was relatively low, the ratio of those returning from the UK in 2010 was notably high. This may be related to the fact that UK is the country where under-employment of the Hungarian work-force was most characteristic.

According to 2011 census data, from 1990 onward 141,210 Hungarian-born people have been returned to Hungary, one-third of them in 1990s, half of them in 2000s and 17 per cent since 2010. While in 1990s most of returnees (32 per cent) came back from Germany, in the last few years the share of those returning from United Kingdom increased significantly (which is in accordance with LFS data). This accurately reflects the changing distribution by destination countries of Hungarian emigration.

## 4.2.2 Characteristics of the migrant stock

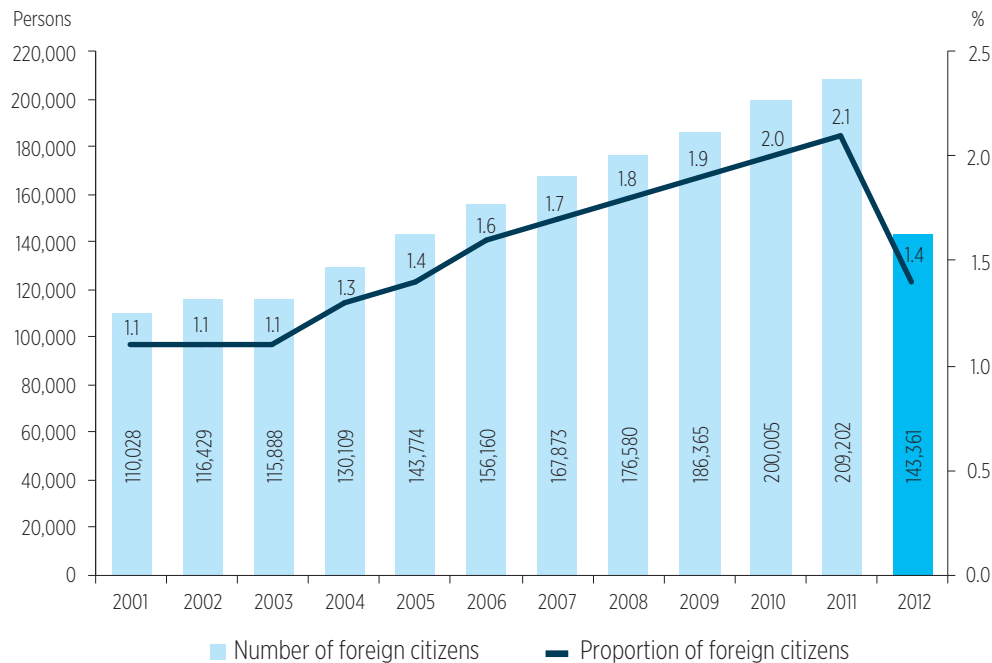
### 4.2.2.1 Immigrant stock

In spite of emigration and naturalisation of foreigners, the number of foreign citizens resident in Hungary shows moderate growth after 2001, increasing from 2004 onwards<sup>26</sup>. By 2011 it had reached almost 210,000 compared to the 110,000 in 2001 (*Figure 4.2.7*). Accordingly, the proportion of foreign citizens within the total population nearly doubled in this period. In spite of this, the *rate of foreign citizens* can be considered modest when compared to other European countries<sup>27</sup>, and the *rate of foreign workers* is also lower in Hungary (less than four per cent) than in most EU member states.

<sup>26</sup> According to Eurostat's recommendation, since 2005 the stock of foreign citizens also includes refugees, with numbers varying between 1,600 and 2,300 person for these years.

<sup>27</sup> With a 2.1 per cent rate of foreigners, Hungary is still behind most European countries, even if it is ahead of Romania, Bulgaria and Slovakia (other SEEMIG partner countries).

Although the increase was significant, if we take into account the balance of migration and the number of naturalisations, the total stock of foreigners should be a higher figure<sup>28</sup>. This indicates that statistical data underestimates emigration of foreign citizens as well. This assumption is also supported by the fact that according to the census conducted in October 2011 there were only 143,197 foreign nationals living in the country (62,000 fewer than the preliminary foreign stock for 2012)<sup>29</sup>. In 2013 a revision of the database of foreign citizens residing in Hungary was conducted, and the number of foreigners has been adjusted to the 2011 census data, resulting in a registered decrease in foreigner stock of more than 60,000 persons compared to the previous year (*Figure 4.2.7*).



Data source: HCSO, 2013.

Note: Since 2005 the stock of foreign citizens includes refugees. For 2012: data adjusted to the 2011 census.

Figure 4.2.7

Number of foreign citizens residing in Hungary, and their proportion in total usually-resident population, 2001–2012 (1 January)

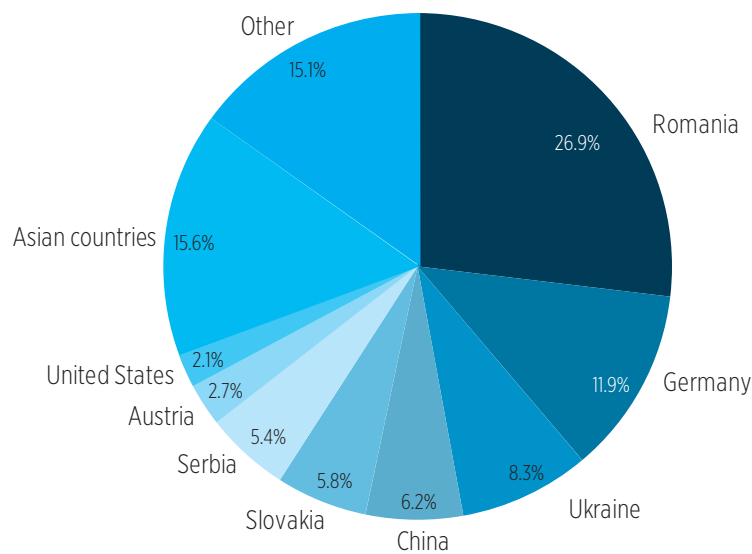
Regarding the *composition by country of citizenship*, the largest proportions of foreign citizens are from the three neighbouring countries – Romania, Ukraine and Serbia –, as well as Germany and China (*Table A4.2.6*)<sup>30</sup>. These countries were the top five and accounted for 65–75 per cent of the total resident foreign population between 2001 and 2011. Apart from them, citizens from Russia, Poland, Vietnam, the USA, Slovakia and, in the last few years, Austria, fall into the top ten, altogether accounting for 76–86 per cent of the total foreign population. The remaining part (14–24 per cent annually) includes citizens from all the EU member states, but citizens from Norway, Turkey, Israel and Japan are also present and exceed 1,000. Altogether we can conclude that the vast majority of foreigners residing in Hungary (82–89 per cent) have been Europeans every year since 1995.

<sup>28</sup> Between 2001 and 2011 the balance of immigration and emigration of foreign citizens was altogether 218,759 persons, of whom 87,682 persons acquired Hungarian citizenship. Adding the former to the 2001 stock and subtracting the latter from that figure we arrive at 241,105 persons which, if corrected by the negative natural growth rate of the total population, is a far greater number than appears in the stock records.

<sup>29</sup> This figure does not include the number of dual (Hungarian and other) citizens.

<sup>30</sup> Due to changing borders in the SEE region, immigrants coming from a specific country at different times in history might be registered with different citizenships e.g., citizens of Yugoslavia/Serbia and Montenegro/Serbia, or citizens of former Czechoslovakia/Slovakia.

Regarding the 2011 census data, the distribution of foreign citizens resident in Hungary on 1 October 2011 shows the same picture (with the same main foreign groups). However, the share of Romanian citizens was smaller by ten percentage point compared to data from migration statistics. This indicates that although many of them were previously registered as foreign residents (presumably with registration certificate without expiration), most of them had already left the country. According to the 2011 census 79 per cent of foreign citizens resident in Hungary were Europeans (59 per cent EU citizens) and 16 per cent Asians.



Data source: HCSO, Census 2011.

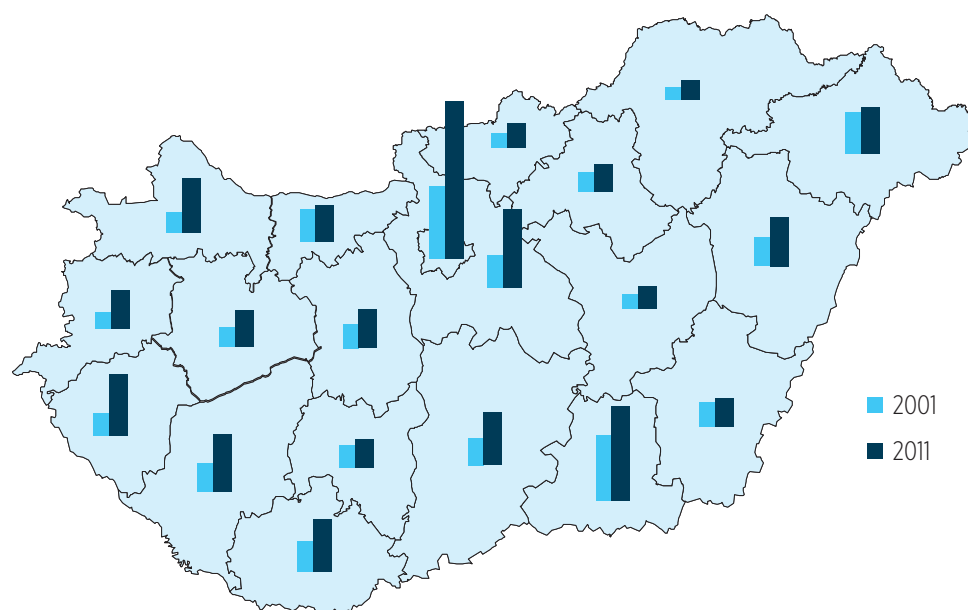
Figure 4.2.8

*Distribution of foreign citizens residing in Hungary by country of citizenship, 2011*

The gender ratio is relatively similar among foreign citizens. According to migration statistics, men have been slightly over-represented (53–56 per cent) since 2010, particularly among the population resident in Budapest. At the same time, the 2011 census states that the ratio of women among foreign citizens is slightly higher (51 per cent). This indicates that non-registered emigration was mainly characteristic of men among the foreign population. In certain citizenship groups (Russians, Poles, Slovaks, Ukrainians), however, both sources state that the rate of women is higher (59–66 per cent).

As regards age distribution, we find a young age composition, which is usually characteristic of migrant populations. On 1 January 2012 one-third of the foreign nationals resident in Hungary were under the age of 30 and more than one-fifth were between the age of 30 and 39. Altogether 44 per cent belonged to the 20–39 age group, but their proportion was higher (50 per cent) in Budapest. Census data show similar figures, though the share of under-15s was somewhat higher (by four percentage point) and the 15–39 and 40–59 age groups slightly lower. The share of 15–39 age group was higher than average (46 per cent) among Slovakian (61 per cent), Romanian (51 per cent) and African citizens. By contrast, the share of those above the age of 60 was highest among Austrian and German citizens (34 and 33 per cent, respectively, compared to the average of 16 per cent).

The ratio of the foreign population per 1,000 inhabitants grew particularly in the capital (Budapest) and in its region (Pest county) over the past ten years (where it was already higher in 2001), as well as in two counties of Western Transdanubia (Zala and Győr-Moson-Sopron). Besides Central Hungary, the ratio is still highest in the Southern



Data source: HCSO, Demographic Yearbook 2011.

Figure 4.2.9

Number of foreign citizens residing in Hungary per thousand inhabitants by counties (NUTS 3), 2001 and 2011

Great Plain (Csongrád county) (Figure 4.2.9). The rate of foreigners per 1,000 inhabitants in towns and villages is barely one-third of that found in the capital, but survey results nevertheless show that xenophobia and a negative attitude to immigrants is highest in these smaller communities (Dencső – Sik 2007, Gödri 2010a) (see also Chapter 3.2).

In Hungary the size of foreign-born population is about twice the size of the population of foreign citizens. The 2001 census registered 283,951 foreign-born persons, which amounted to 2.8 per cent of the total population. By 2011 their number had reached 383,236 (according to the 2011 census) and their ratio had reached 3.9 per cent<sup>31</sup>. Within this group the share of people born in the surrounding countries is even more pronounced (73 per cent) than it is among foreign nationals (49 per cent).

#### 4.2.2.2 Emigrant stock

Besides the foreign population living in Hungary, the number of Hungarian citizens residing abroad also grew continually after the mid-2000s. Growth in absolute numbers was most pronounced in Germany, which is the primary country of destination: in 2010 there were 65,000, in 2012 nearly 90,000 and in 2013 114,000 Hungarians registered in Germany (according to data from the beginning of those years). In Austria and other destination countries one can discern continued but smaller growth (Table A4.2.7). It seems that the process has remained unbroken despite the economic crisis of 2008 and the resulting flow of people returning.

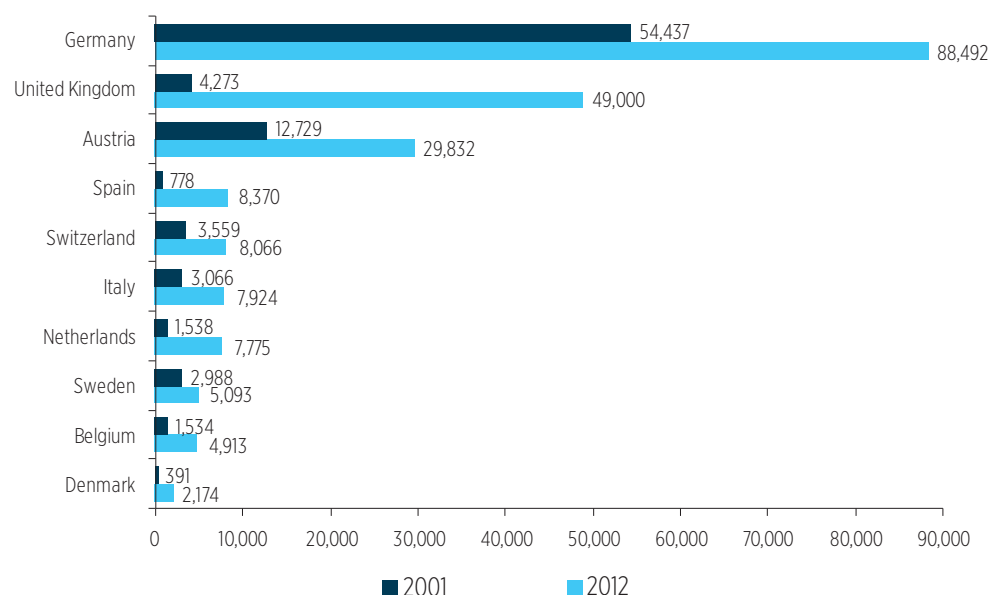
In the 2011 census more than 200,000 people living abroad were registered. Accordingly, there were 143,000 Hungarians living abroad *for a period of at least a year (12 months)* on 1 October 2011. This figure 'may be considered a minimum number of people living abroad, since the census cannot always identify when the entire household is living abroad and households' homes stood empty or used by tenants' (KSH 2013a). Besides, there were 70,059 persons (0.7 per cent of the population) living abroad *for a period shorter than one year* (but longer than three months) at

<sup>31</sup> Although according to population estimation the foreign-born population in 2011 was far higher: 443,289 persons.

the time of the census. Although the 143,000 long-term emigrants counted by the census could be considered the minimum emigrant stock, it is worth noting that 30 per cent of them were from Budapest, and 11 per cent from the capital city region (Pest county). As regards short-term emigrants, a smaller share of them were from the central region of the country (23.5 per cent from Budapest or Pest county), while a relatively large share (9.5 per cent) were from Borsod-Abaúj-Zemplén county – the economically disadvantaged north-eastern part of the country. Two-thirds (65 per cent) of short-term emigrants were male and nearly two-thirds (63 per cent) of them belonged to the 20–39 age group<sup>32</sup>.

If we add up the number of Hungarian citizens residing in different European countries of destination (using figures from previous years when they are missing), we can state that in 2012 in countries of European Economic Area (EEA) alone there were some 239,000 officially registered Hungarian citizens residing abroad (*Table A4.2.8*). This is about 2.4 per cent of the population of Hungary, and is more than twice the figure seen in 2001.

The growth in the number of Hungarians living in various European countries between 2001 and 2012 is reflected in the fact that besides the traditional destination countries (Germany and Austria) a remarkable increase can also be observed in a number of new destination countries (the United Kingdom, Spain, Italy, the Netherlands) (*Figure 4.2.10*).



Data source: Eurostat database (updated on 10 December 2013); Austria 2012: Statistik Austria (2013); the United Kingdom 2012: data from Annual Population Survey (2012), estimation; (author's data collection).

Figure 4.2.10

Number of Hungarian citizens residing in main European countries of destination in 2001 and 2012

According to mirror statistics, half of Hungarian citizens living in EEA countries in 2012 were resident in Germany or Austria and one-fifth lived in the United Kingdom (*Figure 4.2.11*). As we have seen in Chapter 4.2.1.5, these three countries were the primary destinations for Hungarian emigrants and those seeking employment abroad.

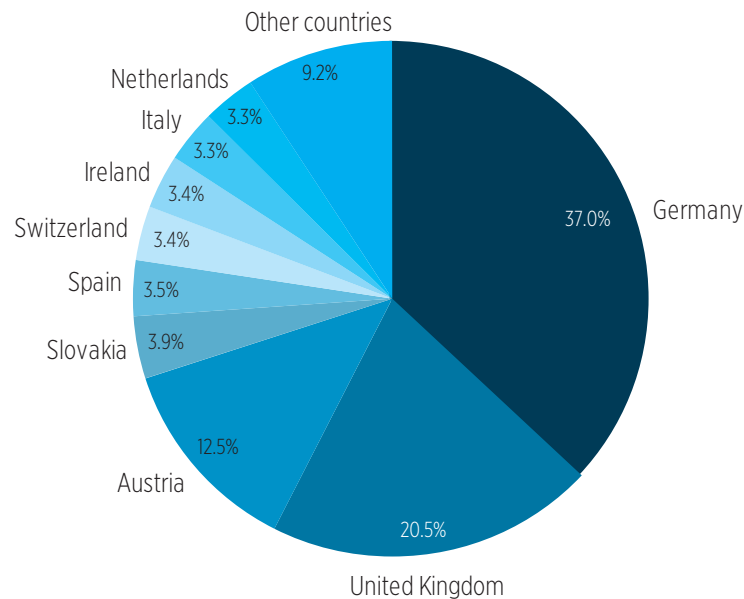
These numbers, however, do not include emigrants who had in the meantime acquired citizenship in their country of destination<sup>33</sup>. In most countries of destination the number of people born in Hungary exceeds the number of Hungarian citizens. For

<sup>32</sup> As regards long-term emigrants, only the number of them was recorded on the dwelling questionnaire of the 2011 census and no other data were collected about these persons.

<sup>33</sup> At the same time, there are also Hungarian citizens and people born in Hungary living outside Europe in other continents (e. g. America and Australia).



instance, in Austria between 2001 and 2012 the number of Hungarian citizens resident in the country grew from 13,000 to 30,000, while the Hungarian-born population grew from 31,000 to 43,000. In Sweden the number of Hungarian citizens was just under 5,000 in 2011, but those born in Hungary stood at well over 15,000.



*Data source:* Eurostat database (updated on 10 December 2013); Austria 2012: data from Statistik Austria (2013); the United Kingdom 2012: data from Annual Population Survey (2012), estimation; (author's data collection).

**Figure 4.2.11**

*Distribution of Hungarian citizens residing in EEA countries in 2012 (239,000 persons)*

According to World Bank estimations, in 2010 there were 462,000 people born in Hungary and living abroad (all over the world), which is about 4.6 per cent of the population of Hungary. This is the second lowest rate in the EU8 (after the 3.6 per cent of the Czech Republic) and is well behind main sending countries of the region<sup>34</sup>. The main destination countries of this emigrant stock were: Germany (19.4 per cent), the United States (17.7 per cent), Canada (11.6 per cent) and Austria (8.4 per cent) – 57 per cent of Hungarian-born emigrants lived in these countries in 2010.

Besides the above-mentioned data sources (Census 2011, Eurostat, World Bank), various estimations have been prepared recently in Hungary to assess the scale of emigration and the size of the emigrant stock. Based on a new methodology, the HDRI published an estimation of the number of persons aged 18–49 with permanent residence in Hungary and who were staying abroad: 7.4 per cent of the age group mentioned, that is 335,000 persons were staying abroad at the turn of 2012–2013 (Kapitány – Rohr 2013). The SEEMIG pilot research used an innovative methodology to collect information about persons living abroad through their household members and siblings in Hungary (see Blaskó – Jamalia 2014). Based on various data sources, estimations and expert opinions, the number of Hungarian citizens living abroad (not only in EEA countries but all over the world) in 2013 is estimated to be between 280,000 and 350,000.

Although it is known from Hungarian surveys that it is mainly the young and economically active age groups that have plans to leave the country (Sik 2012, Gödri – Feleký 2013), the age composition of the emigrant population (those living abroad) can mostly

<sup>34</sup> The share of the population born in the country and living abroad in 2010 was 15 per cent in Bulgaria, 12–13 per cent in Romania, Estonia, Lithuania and Latvia, ten per cent in Slovakia and eight per cent in Poland (according to the World Bank data).



be revealed through the statistics of receiving countries. Accordingly, we can see that while Hungarians living in Germany are characterised by a predominance of men (their rate has been around 60 per cent ever since 2000), a very high proportion (70–80 per cent) of Hungarians living in Italy are women. Of the Hungarian population living in Sweden and Spain, 60 per cent were women at the beginning of the millennium, while after 2007 the gender ratio equalised. The share of male population among Hungarian citizens resident in Austria has slightly decreased (from 52 to 47 per cent) between 2002 and 2012.

Concerning age composition, while among Hungarians living in Spain the rate of the 25–34 age group was exceedingly high (44 per cent), and that of other age groups very low in 2009 (with only five per cent of the population over 55), the elderly were more highly represented among Hungarians living in Germany (16 per cent over 55 and less than 30 per cent between 25 and 34). This reveals quite clearly the difference between new and traditional countries of destination. In Germany, which is a traditional country of destination for Hungarians, nearly one-fifth of the Hungarian population resident there in 2011 had been living in the country for more than 20 years, which also explains their age composition. By contrast, the Hungarian population in Sweden is characterised by its high share of young people: in 2009 one-fifth of them were under the age of 20 (and 15 per cent under 15), which indicates that this emigrant group is more likely to include families with children (Gödri – Tóth 2010). Altogether, the proportion of the active-age population (15–64 years) is very high among Hungarians living abroad (80–90 per cent in most countries), which indicates that the emigrant stock mostly constitutes the active, working-age population.

## 4.3 DEMOGRAPHY AND HUMAN CAPITAL

### 4.3.1 Population change

The main demographic trends in Hungary between 2001 and 2012 can be described as continuous population decline, with the process beginning in the 1980s. In 1981 the number of deaths was higher than the number of live births for the first time and since that time every year the natural population change has been negative (*Figure 4.3.1*), despite the fact that up until 2001 the number of women of reproductive age (15–49) was still on the increase. From 2001 to 2011 the number of births dropped by ten per cent (from 97,000 to 88,000), the largest decrease taking place between 2009 and 2010.

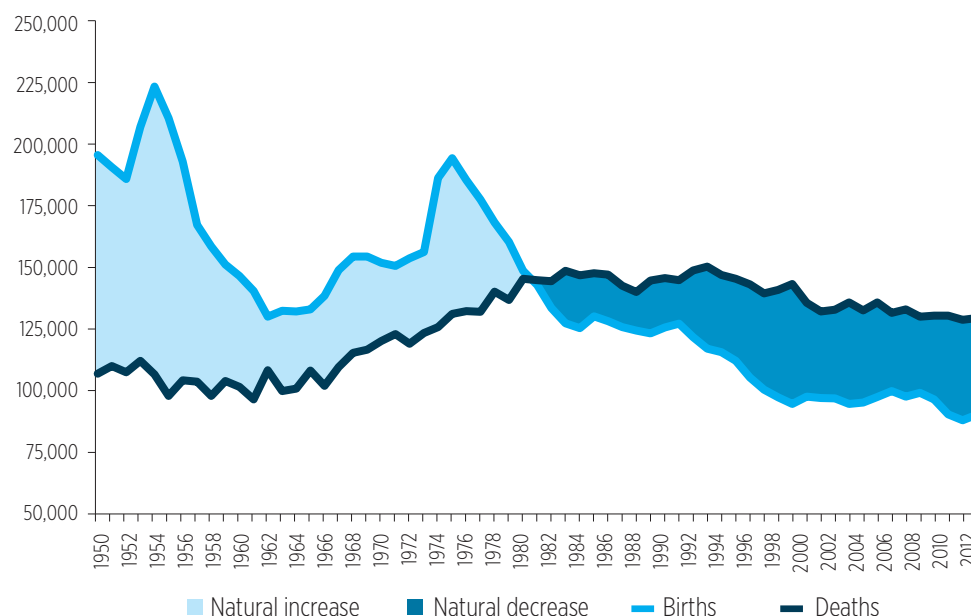
While immigration does to some extent compensate for the decrease of the population, it is not enough to hold the process in check. Based on census data, between 1990 and 2001 the international migration surplus (195,000) compensated for the half of the total natural decrease (373,000). Between 2001 and 2011 this compensation was even more moderated, the international migration balance (126,518) mitigated only one-third of the total natural decrease (387,205).

The decline in the *total fertility rate* (TFR) began at the turn of 1960s and 1970s, which was followed by a short but significant increase (in 1974–75) as a consequence of the births of “Ratkó grand-children”<sup>35</sup>, then after a subsequent decrease it stabilised at about 1.8 between 1981 and 1991. This was followed by a decline in the 1990s and stabilisation in the 2000s (since which time the TFR has stood at around 1.3). The rate has constantly been lower than 2.1 – the figure necessary for the replacement of the population – since 1979.

The TFR shows a permanently low rate in Hungary in the 2000s, despite the fact that between 2003 and 2009 the fertility rate increased at the European level. After

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<sup>35</sup> Anna Ratkó (minister between 1949 and 1953) introduced a penalty tax system on those without children and a complete ban on abortions, which caused the marked increase in the number of births in the years of 1953–55 (see *Figure 4.3.1*). The regulations were withdrawn in 1956. The ‘Ratkó children’ reached reproductive age around the middle of 1970s, so the second generation of this era (the ‘Ratkó grandchildren’) was born in the 1970s.



Data source: HCSO, STADAT database.

Note: The third component of population change, net migration (calculated as the difference between immigration into and emigration from the country during the year) is not represented in the figure, since the number of emigrants is considerably underestimated in national statistics (as described in the Chapter 4.2).

Figure 4.3.1

Population change by components: number of births and deaths, 2001–2012

2000 the total fertility rate increased in all of the Visegrad countries as well<sup>36</sup>, except for Hungary where reached its deepest point (1.24) in 2011 (see Annex Fig. A4.3.1). However, there are significant differences between regions of the country: the western parts have the lowest TFR, while it is outstandingly high in the north-east, particularly in economically disadvantaged areas. In this part of Hungary in 2010 there were four sub-regions where the TFR exceeded 2.0 (Kapitány – Spéder 2012). As regards the total fertility rate of immigrants, we only have data for certain groups of foreign citizens, but even these do not accurately reflect reality<sup>37</sup>.

The average age of women at the birth of the first child began to increase in the 1990s and the process continued between 2001 and 2011 when it increased by three complete years, so by 2011 it had reached 28.3 years (and had not changed by 2012). This indicator is still lower (though only by about half a year) than the EU average. As the birth of the first child is increasingly delayed, women are less likely to have the same number of children they had originally planned for, especially as only 40 per cent of women who were planning to have a child in two years actually gave birth to a child within three years (Spéder – Kapitány 2009).

The average age of women at the birth of the first child seems to be lower among foreigners than for Hungarian nationals, but there are differences by citizenship. Romanian immigrants were closest to the Hungarian population in terms of this indicator (28.1 years), Germans were older (32.2 years), while Ukrainian, Vietnamese and Chinese mothers were the youngest (26.6–27 years) in 2012 (see Annex Figure A4.3.2). However, a shift in the age is noticeable among immigrants too: over the past ten years this figure increased by 2.5 years.

<sup>36</sup> Visegrad countries are the Czech Republic, Poland, Slovakia and Hungary (in addition see Footnote 8).

<sup>37</sup> The basis for calculating the fertility rate of foreigners is the number of live births of mothers who are foreign citizens. It is possible, however, for a mother to have a permanent place of residence in one of the neighbouring countries, and only come to Hungary at the time of the birth. This is probably the case for women with Romanian, Slovak and Ukrainian citizenship – populations where the number of births registered was particularly high.

*Life expectancy at birth* in Hungary increased by 2.8 years for women and 1.8 years for men over the past decade, but is still low (78.1 years for women and 70.9 years for men in 2012) compared to EU27 average (82.4 years for women and 76.8 years for men). Life expectancy is higher in the main emigrants' countries of destination (Germany, Austria, UK) and lower in the main immigrants' countries of origin (Romania, Ukraine) than the Hungarian average. However, except for Ukraine the countries of origin (Romania, Serbia, China) are closer to the Hungarian average (*Figure A4.3.3*).

The *crude mortality rate* in the period examined was between 13–13.5 per thousand and dropped to below 13 by 2011 for the first time since 1977 (*Figure A4.3.4*). The most frequent causes of death are various cardiovascular disorders – explaining half of the total mortality rate (Kovács 2012). The mortality rate is lower than the Hungarian average in all migration partners countries (destinations and origins) except for Ukraine.

The *infant mortality rate* dropped considerably in the past decade, in total by 3.2 percentage points: it was 4.9 per thousand in 2011 and 2012 (*Figure A4.3.5*), which is still high in EU terms (the average of EU27 was 3.9 in 2011). Infant mortality among immigrants was higher in most years of the period examined than in the total population (varying between 4.7 and 9.6 deaths per thousand)<sup>38</sup>.

Immigration may influence the fertility rate and the replacement level of the receiving population in the long run if there is significant immigration and the fertility behaviour of the immigrant population differs from that of the population of the destination country (e.g. if immigrants are much younger, and if the proportion of women of reproductive age among them, as well as their fertility rate, is higher). However, the immigrant population is relatively small in Hungary compared to most other European countries, and it therefore has no significant impact on demographic processes of Hungarian society. According to population forecasts, actual Hungarian net migration should be at least 13,000 (after subtracting the real emigration) and the fertility rate should be at least 1.9 in the total population for many years to keep the population size on the level of the 2000s (Hablicsek – Tóth 2000).

#### 4.3.2 Population structure and spatial distribution

The *ratio of women to men* was 1.102 in the total population in Hungary on 1 January 2012 (which means 52 per cent woman and 48 per cent men). Men dominated the younger generations (the 0–39 age group), but over 40 the balance switches. Due to lower life expectancy among men, in the over-65 age group the ratio of men is only 37 per cent.

Considering the population structure by age, the elderly represent a growing proportion of the population. In 2011 one in ten inhabitants was aged 70 or older. The share of the population between 15 and 64 grew continually until 2002 and began to decline in 2007.

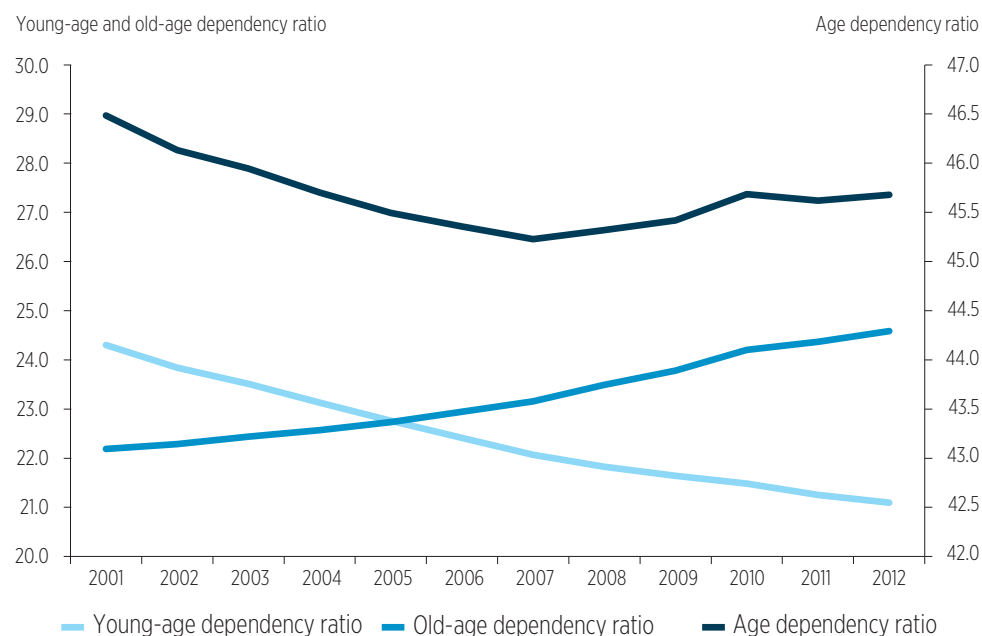
The *ageing index* (the ratio of those aged over 65 compared to those under 15), which shows the demographic balance, grew from 91.3 to 114.7 over the past ten years; from 2005 onwards the proportion of the population over 65 has always been higher than the proportion of children. The *old-age dependency ratio* (the ratio of the elderly – over the age of 65 – compared to the active age population) was 24.6 in 2012, which is lower than the EU27 average (26.9), but is constantly increasing (*Figure 4.3.2*). The old-age dependency ratio is higher in all of the destination countries of emigration than it is in Hungary, but the growing emigration of Hungarians may cause the Hungarian ratio to increase faster in the future.

The *young-age dependency ratio* (population aged 0–14 years compared to the population aged 15–64) has been declining continually since the 1970s. This process

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<sup>38</sup> The above-mentioned 'child-birth tourism' could be one possible explanation for this phenomenon, because the foreign mother who only comes to Hungary at the time of the birth received prenatal care in her country of origin and the prenatal care has an important role in the development of the foetus. It is also possible that foreign mothers come to Hungary with problematic pregnancies.

has continued over the past ten years: in 2012 the rate of the 0–14 age group compared to the 15–64 age group was 21.1 per cent. The total *age dependency ratio* (the number of dependents – population aged 0–14 and over 65 – to the population aged 15–64) was between 45–47 per cent in the period examined. A decline began in the 1980s and continued between 2001 and 2007, after which a slow increase set in.



Data source: HCSO, Demographic Yearbook 2012.

Figure 4.3.2

Young-age, old-age and total dependency ratio, 2001–2012

Ageing of the population is a basic process of demographic change in Hungary. The areas where ageing is most noticeable are the Southern Great Plain and Southern Transdanubia. A low fertility rate can cause shrinking of the young population ratio, while the increase of life expectancy can lead to a higher rate of the elderly. This process has negative effects on the education, social and health care systems, particularly concerning their sustainability. Emigration of young people – especially if it is permanent – can also have an impact on the level of population ageing and on connected social insurance problems.

The *age structure of immigrants* differs from the total population's age structure: 78.4 per cent of foreign citizens are aged between 15 and 64 (compared to 68.6 per cent of the total population) and the proportion of children and elderly is much lower among them than among the whole population. The youngest immigrants are Asian, especially Chinese (the share of 0–14 age group is 15 per cent among them, while it is only seven per cent in the whole foreign population). The proportion of the elderly (aged 65 and over) is outstandingly high among German and Swiss citizens: 25 per cent and 40 per cent, respectively, while it is 11 per cent in the whole foreign and 17 per cent in the total population<sup>39</sup>.

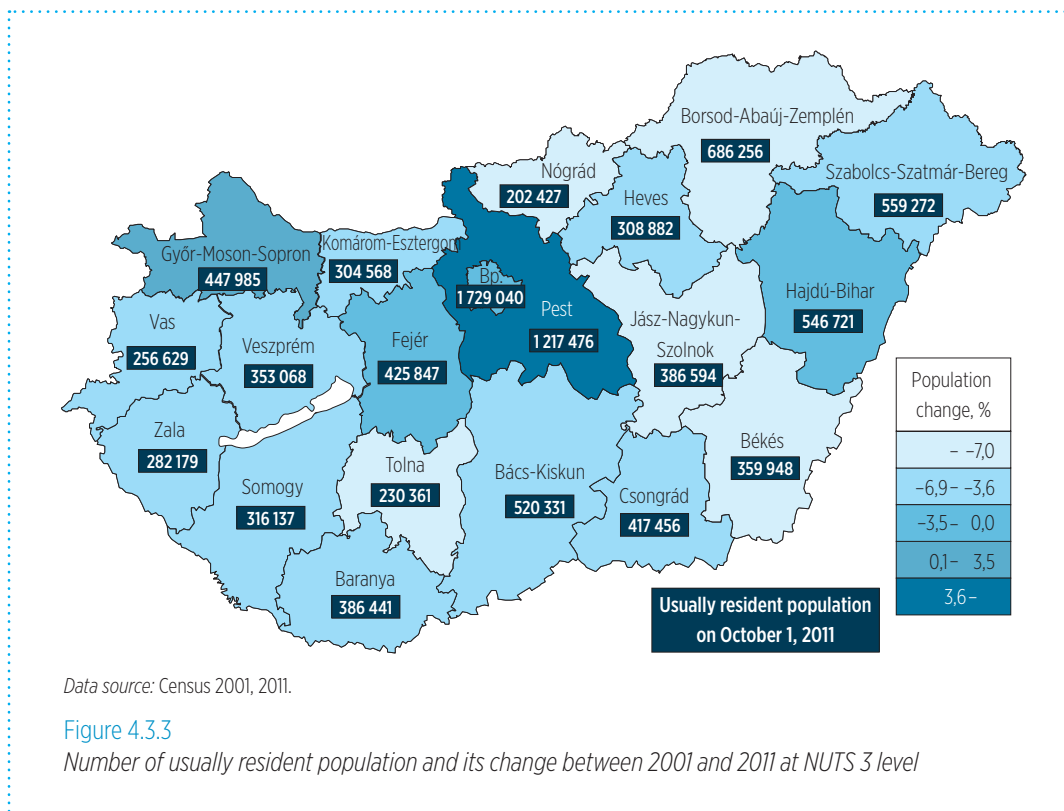
Figures from the 2011 census show that the number of people belonging to different *national and ethnic minorities* almost doubled compared to 2001. In Hungary

<sup>39</sup> Based on 2001 census data, three-quarter of Swiss citizens in Hungary declared themselves Hungarian nationals, which may explain the high share of those aged 65 and older among them: Hungarians emigrated to Switzerland, gained Swiss citizenship and moved back to Hungary for the years of retirement (Gödri 2011). A similar phenomenon can be observed among German citizens, though to a more moderate extent.

autochthonous and immigrant ethnic groups can be distinguished; the *Act LXXVII of 1993 on Rights of Minorities* identifies 13 autochthonous national or ethnic groups – those who have been present in the country at least for 100 years: Bulgarians, Gypsies, Greeks, Croatians, Poles, Germans, Armenians, Romanians, Ruthenians, Serbs, Slovaks, Slovenians and Ukrainians. The number of these so called ‘domestic nationalities’ grew from 314,000 (in 2001) to about 556,000 (in 2011)<sup>40</sup>. It is important to note that in Hungary – unlike in other countries of the region – it was possible to mark more than one nationality when providing answers to the census questionnaire.

The number of some autochthonous minorities is also increasing through immigration. In 2001 more than 50 per cent of Ruthenians had been born outside of Hungary and almost half of all Ukrainians and Romanians were also immigrants. The share of people born outside the country is also high among the Bulgarian and the Polish minority (42 per cent), but extremely low among Gypsies<sup>41</sup> (0.45 per cent) (Tóth – Vékás 2004).

The largest ethnic minority group in Hungary is Gypsy (Roma). In the 2011 census nearly 316,000 people claimed to belong to this ethnic group, but earlier empirical research yields far higher estimates than this figure (650,000 for 2011) (Habicsek 2007). The real number of Roma population in Hungary is a disputed question. After the Gypsy minority, the most populous groups are Germans, Romanians and Slovaks. Non-indigenous ethnic minorities – those with immigration background – are mostly Russians, Chinese, Arabs and Vietnamese. It is important to note that a significant share of immigrants is ethnic Hungarian, so despite foreign citizenship they are not counted as minority.



<sup>40</sup> The growth can partly be attributed to the change in the form of the question: while in the 2001 census there was one question referring to nationality and respondents could provide more than one answers, in the 2011 census there was an additional question asking about a (possible) second nationality of respondents. This structure of questions most probably encouraged respondent to provide a second nationality (ethnicity). The growing number of national/ethnic minorities can also be attributed to the fact that before the 2011 census they were more intensely encouraged by local self-governments to answer the non-compulsory questions concerning nationality/ethnicity.

<sup>41</sup> This term is used in the census questionnaire.

In 2011 the share of native speakers of the ethnic language was lowest among the Armenian minority (13 per cent) and highest among Bulgarians (82 per cent) and Slovenians (72 per cent). The immigrant minorities also have a high share of persons speaking the native language (84 per cent). Among indigenous ethnic groups the process of linguistic assimilation could be observed already in 2001, and has continued over the last ten years.

The *spatial distribution of the total population by counties* (NUTS 3) has not changed considerably between 2001 and 2011. Over the past ten years the population of every county decreased except for two of them (Pest and Győr-Moson-Sopron), where the population was by 12.3 per cent and 2.1 per cent respectively, higher than it had been in 2001 (*Figure 4.3.3*). The decline was sharpest in the south-east (Békés county), where the population was 9.5 per cent lower in 2011 than it had been ten years earlier. The reasons for these changes cannot be explained by births and deaths alone, but also by internal migration. It is important to note that the employment rate is highest in the western and the central part of the country, which can draw the direction of the internal migration and affects the population change of the counties.

Immigrants contributed to the increase of the population in Pest county, and they may have compensated for the decrease in Csongrád and Hajdú-Bihar counties (where significant ratios of immigrants can be observed, as was described in Chapter 4.2.1.2).

### 4.3.3 Education

The educational level of the Hungarian population has changed considerably over the last decades. Between 2001 and 2011 the share of people with upper secondary and tertiary education (ISCED 3–4 and 5–6 level) among those aged 15 and over has continued to increase, while the share of those with primary or lower secondary education (ISCED 1–2) has decreased<sup>42</sup>.

**Table 4.3.1**

*Attained educational level of the population (in respective age groups) by gender, 2001 and 2011 (%)*

Gender	Population		
	aged 15–x	aged 18–x	aged 25–x
	with at least		
	lower secondary education	final secondary school examination	higher education
<i>2001</i>			
Male	92.3	35.9	13.8
Female	85.8	40.2	11.6
<i>Total</i>	<i>88.8</i>	<i>38.2</i>	<i>12.6</i>
<i>2011</i>			
Male	96.9	45.5	18.2
Female	93.5	52.1	19.7
<i>Total</i>	<i>95.1</i>	<i>49.0</i>	<i>19.0</i>

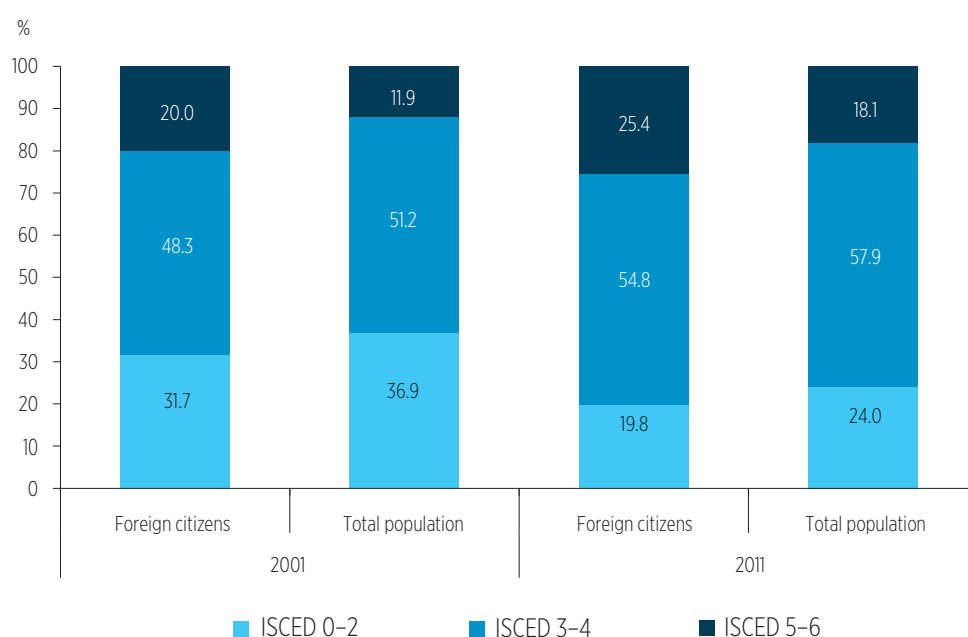
*Data source: Census 2001, 2011.*

42 The International Standard Classification of Education (ISCED) classifies education programmes by their content in different levels: ISCED 0 – pre-primary education, ISCED 1 – primary education, ISCED 2 – lower secondary education, ISCED 3 – upper secondary education, ISCED 4 – post-secondary non-tertiary education, ISCED 5–6 – tertiary education, ISCED 7–8 – master and doctoral level.

Between 2001 and 2011 there was a considerable change in both sexes' educational attainment (*Table 4.3.1*). Census data show the expansion of tertiary education, though the change was major among women. In 2001 the ratio of college or university graduates (ISCED 5–6) was higher (14 per cent) among men aged 25 and above, but in 2011 this phenomenon changed: the rate of graduates was higher among women (20 per cent) of this age group<sup>43</sup>.

Having lower than a lower secondary level of education is typical almost exclusively in the over-75 age group: one-third of them completed less than eight years of schooling. The share of people who completed a secondary level of education is outstandingly high in the 20–29 age group (67.4 per cent), while from the 44-year-old age group onwards this share drops consistently. The proportion of graduates is highest among those aged 25–34 (28 per cent).

Based on the census data, in the population aged 15–64 foreign citizens in Hungary showed higher educational attainment than the total population in both census years: the share of people with primary and secondary levels of education was slightly lower and that of graduates higher (20 per cent in 2001 and 25.4 per cent in 2011) among foreign nationals (*Figure 4.3.4*). It is important to note that the foreign population is younger and their educational attainment is therefore in general higher. Nevertheless, survey results among immigrants from neighbouring countries also show that their educational attainment is higher regardless of the age structure (Gödri – Tóth 2005).



Data source: Census 2001, 2011.

Figure 4.3.4

Distribution of foreign and total population aged 15–64 by highest level of education attained, 2001 and 2011 (%)

There are two main and opposing effects of immigration and emigration: the *brain gain* and the *brain drain*. The higher educational level of immigrants is a positive outcome of migration, as it allows the country to experience the benefits of immigration, so brain gain is noticed in Hungary. On the other hand brain drain may be hypothesized, although accurate national data about people emigrating from Hungary is missing (see

<sup>43</sup> Census data offer the possibility to analyse the educational attainment of the population in respective age groups: ISCED 0–2 among persons aged 15 and above, ISCED 3–4 among persons aged 18 and above, ISCED 5–6 among persons aged 25 and above.



Chapter 4.2.1), and therefore their exact educational attainment is not known either<sup>44</sup>. But it is assumed that current emigrants are more skilled than the Hungarian average (see Chapter 2.2). We only have systematic data on the emigration of graduated people in the health service (see Chapter 4.4.3), however, brain drain is presumably more prevalent and has a negative effect in Hungary both on the labour market and on the education system. Young people are increasingly planning to study for a degree abroad (Gödri – Feleký 2013). We have seen attempts by the Hungarian government to prevent the negative consequences of brain drain, both through incentives (offering grants to Hungarian resident doctors, or scholarships for highly skilled returnees) and through restrictions (imposing a contractual obligation to stay in the country for a set number of years for newly graduated people). Nevertheless, the long-term consequences of emigration on the transformation of the higher education, as well as on the distribution of population by highest level of education, are still unknown.

## 4.4 LABOUR MARKET

### 4.4.1 General characteristics of the labour market

The Hungarian labour market between 2001 and 2012 was characterised by its *very low employment rate* (in European comparison) and *rising unemployment* which had already started to increase slightly before the economic crisis and suddenly accelerated afterwards. Transformations after 1989 should be taken into account when looking at processes over the last ten years. As noted in Chapters 2.1 and 4.1, after 1989 unemployment appeared as a new phenomenon, contrary to previous full employment<sup>45</sup>. Besides high unemployment, a significant part of the previously employed population left the labour market and became inactive, thereby increasing “hidden unemployment” (Nagy 2000).

According to the Labour Force Survey (LFS), from 1992 onwards<sup>46</sup> a steep decrease can be seen in both the employment rate and the activity rate, which started after the transition and reached its bottom point in 1996–1997. After 1997 the employment and activity rates started to increase and stabilised around the millennium (see *Figure 4.4.1*), though at a level still low compared to the period before 1992 and to other European countries. The employment rate did not change considerably from 2001 to 2008, but during the years of the economic crisis it fell back to 55.4 per cent. Then, in 2011, it started to increase and in 2012 reached the level that had been recorded before the crisis (57.2 per cent). The *communal work programmes* played an important part in the increase: they significantly compensated for the decline of the number of employees in the private sector (Cseres-Gergely – Kátay – Szörfi 2012). The decreasing labour force in the agricultural and industrial sectors and the increase in the service sector (by five percentage point between 2001 and 2011) can also be observed.

The enduring low employment rate that characterises Hungary is unusual, even when compared to neighbouring and Visegrad countries. Hungary’s employment rate remained way below the EU27 average (64.3 per cent) in 2011, when only Greece was below Hungary in terms of employment, and despite the increase ranked fourth from the bottom of the list (ahead of Greece, Spain and Italy) in 2012.

Particularly low rates of employment can be observed among women (52.1 per cent), people aged 55–64 (36.9 per cent) and those aged 15–24 (18.6 per cent) – the EU27 average was 58.6 per cent, 48.9 per cent, and 32.9 per cent in these respective categories in 2012. The fact that the share of part-time employment in Hungary (6.6 per cent) is lower than that of most EU countries (in the EU27 this rate is 19.2 per cent),

44 LFS data have been available since 1999 concerning members of the household who are currently working abroad (for less than one year), but they constitute only a very small group of emigrants (see Hárs 2011).

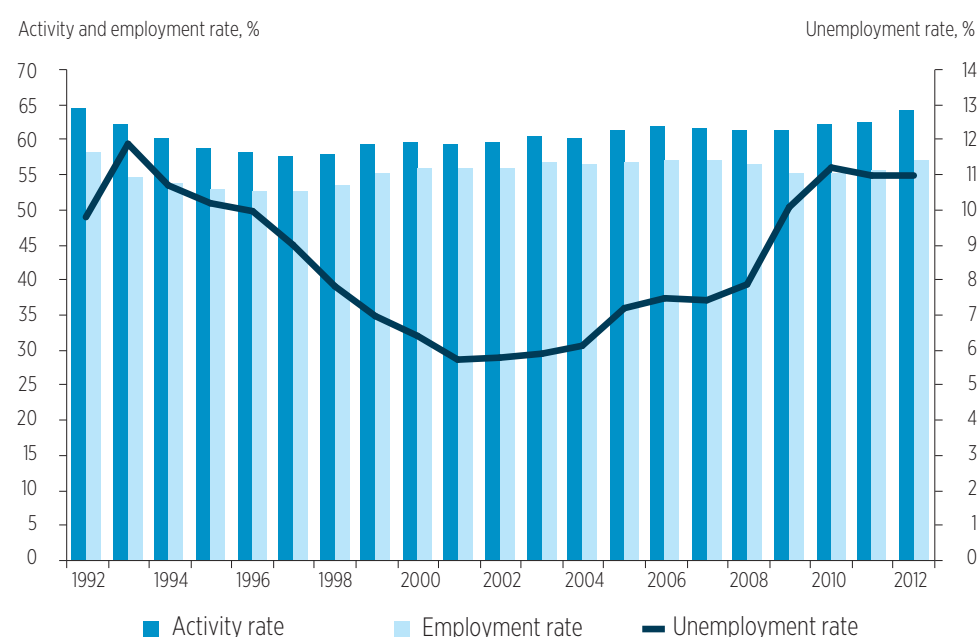
45 The highest unemployment rate was 12 per cent, observed in 1993.

46 LFS data on labour market participation of people aged 15 and over are available from 1992.

also contributes to the low employment rate. However, employment of the “best” active age-group, 25–54, is currently only slightly lower in Hungary than the EU27 average.

However, there are significant differences regarding the employment rate of low and highly educated people. The employment rate of those with lower secondary education is only 26.5 per cent, while of those with higher education is 78.7 per cent (KSH 2013b).

The activity rate in the 15–64 age group increased between 2001 and 2012, particularly from 2009 onwards, because as a result of the crisis labour market activity of previously inactive persons also increased. In addition, raising the official retirement age could explain part of the higher activity rate, as well as decreasing numbers can leave the labour market through the social insurance system and become inactive. The employment rate did not follow this growth in the activity rate, which means that unemployment increased. The Hungarian activity rate was 64.3 per cent in 2012, still much lower than the EU average (71.8 per cent).



Data source: Labour Force Survey.

Figure 4.4.1

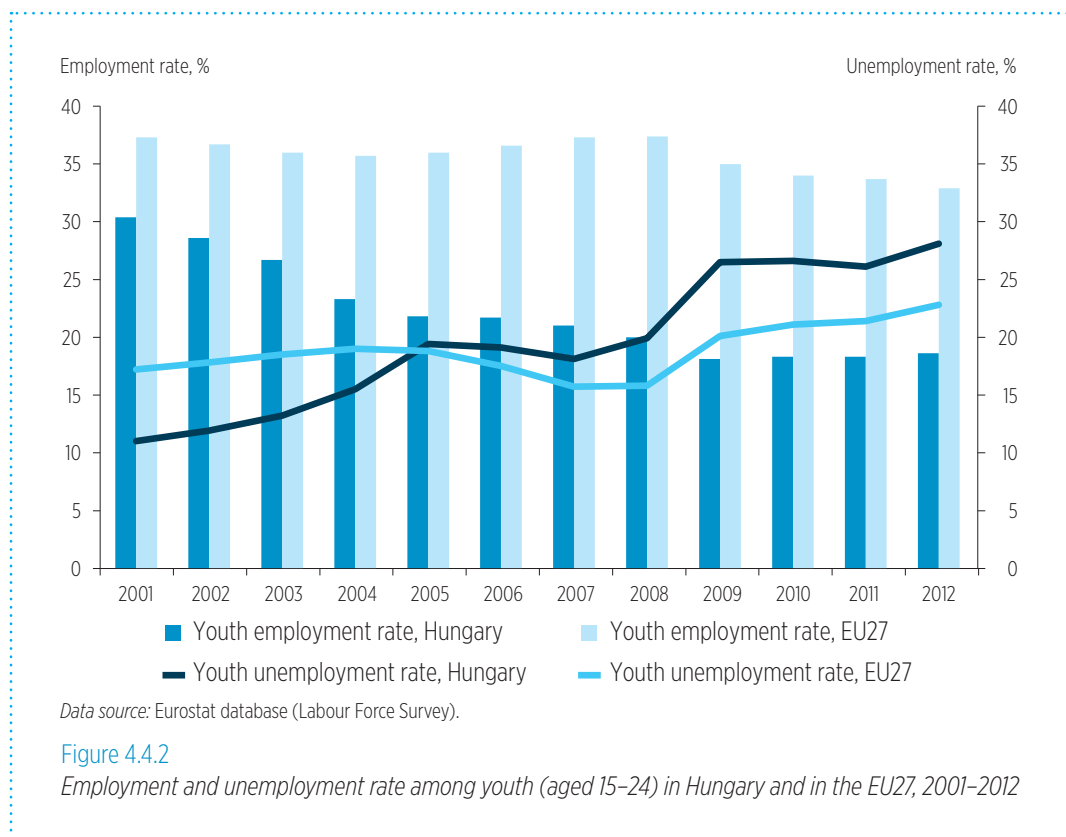
Activity rate, employment rate and unemployment rate in population aged 15–64, 1992–2012 (%)

After unemployment reached its highest level in 1993, it started to decrease and stabilised around the millennium at around six per cent. It was stable until 2004, but after EU accession it started to increase again, and then grew rapidly during the economic crisis (2008–2010), and has not yet returned to the level seen before the crisis. Despite stagnating since 2010, the unemployment rate in 2012 (eleven per cent) was almost double compared to ten years earlier. Moreover, the number of unemployed people in the 15–64 age group (474,800) was almost double as well (Figure A4.4.1). At the same time, the share of the inactive and dependent population decreased, especially the share of those who were retired or on maternity leave.

Marked differences can be seen in the employment rates of men and women through the whole examined period. The employment rate of women has not changed considerably in the past decade (it decreased slightly in 2009, but in 2012 it exceeded the level before the crisis). However, the employment rate of men decreased continually between 2007 and 2010 and it is still lower than in 2007 (Figure A4.4.2). The differences of the

unemployment rate between sexes are less marked. The unemployment rate was higher among men until EU accession (the cause of the difference could be the women leaving the labour market earlier due to retirement), which was followed by a period between 2005 and 2008 when the unemployment rate of women was slightly higher. Since the unfolding of the economic crisis, this rate has again been higher among men, due to the fact that the narrowing of the labour market was most prominent in sectors primarily employing men (e.g. the construction industry).

Economic activity of the 15–24 age group also changed considerably between 2001 and 2012 (*Figure 4.4.2*): the *youth unemployment rate* increased from 11 to 28.1 per cent. The highest increase was noted during the peak of the economic crisis (from 19.9 per cent to 26.5 per cent). The youth unemployment rate in Hungary has constantly been higher than the EU average since 2005. The risk of unemployment was substantial even among young people with a degree: the unemployment rate of graduates aged 20–24 was 18.9 per cent in 2012 (KSH 2013b). The mismatch of training programmes and labour market needs also played a crucial role in this.



Prolonged periods of training can also contribute to the lower employment rate among young people. The increasingly difficult employment situation of young people and difficulties entering the labour market can contribute to young and qualified people emigrating from Hungary. Educated young people may choose to enter a western country's labour market instead of being unemployed in Hungary – even if this means '*brain waste*': taking a job abroad that requires a lower level of educational attainment, and failing to take advantage of their higher level of education.

Economic activity shows considerable differences according to regions and type of settlement (see *Table 4.4.1*). The highest employment rate (60–62 per cent) and the lowest unemployment rate (8–11 per cent) are observed in central and western Hungary, while the highest unemployment rate (16–17.5 per cent) is observed in the economically disadvantaged north-eastern part of the country. This may be a result of the lower levels of educational of the local population and the high ratio of the Roma minority in

north-eastern counties, as well as the regional distribution of the multinational companies and job vacancies which support the high employment rate in the western and central regions (see Chapter 4.1.1). The decrease in regional differences in employment could be promoted by more intense internal labour force mobility.

Besides communal work programmes, the *growing number of persons working abroad* over the last few years has contributed to employment figures, since persons having worked abroad for less than a year are also included in employment statistics. According to the 2011 census 57,000 persons – that is 1.4 per cent of the employed – worked abroad and 68 per cent of them were aged under 40 (KSH 2013a). According to the LFS data 80,000 persons worked abroad one year later at the end of 2012, and 98,000 in 2013 – which is 2.5 per cent of total employment (KSH 2014).

Both economic and labour market changes identified in Hungary since 2007, and the opening of labour markets of the main destination countries in 2011, have contributed to intensified emigration. Rising, or at the very least stagnating unemployment, decreasing or stagnating real wages, and the reforms in higher education may sustain a high degree of willingness to migrate – especially among younger people; cutbacks in the welfare system may also promote emigration (Hárs 2012).

Low employment and high unemployment rates, especially in the younger generations and their difficulties entering the labour market, can encourage emigration, particularly as the employment rates of the three main destination countries (Germany, Austria and the United Kingdom) are among the top seven in the European Union (Hungary occupied the 24<sup>th</sup> place in 2011 and it has not increased significantly over the last 20 years).

#### 4.4.2 Integration of immigrants on the labour market

Analysis of immigrants' labour market situation is possible through census data, LFS data and some other migrant-targeted surveys. While the census is a full-scope survey, it shows only a cross-sectional picture for the census year; changes can be followed through LFS (however, the proportion of foreign citizens is fairly low in the sample).

Based on the 2001 and 2011 census, foreign employment was higher and unemployment lower than that of the total population in both years (*Table 4.4.1*)<sup>47</sup>. This phenomenon can be explained by foreigners' generally higher educational attainments and the high share of ethnic Hungarians among them (see details in Chapter 4.2) who did not experience language difficulties in searching for a job. Among foreigners the proportion of those working in services, as well as the proportion of white-collar workers, is higher than in total population.

However, significant differences can be observed in foreigners' labour market position *by sex, by country of origin and by territorial distribution* in Hungary. The employment rate of foreign men of economically active age (15–64) is higher, the unemployment rate is lower than that of foreign women in the same age group. Polish, Romanian, Asian and EU15 citizens' employment rates were particularly high, Ukrainian citizens' employment was, however, below average and the unemployment rate was highest among them (except for Afghans). In the case of Afghan citizens the employment rate was remarkably low, as was the activity rate, presumably as a result of their arrival as asylum seekers, which restricted their labour market prospects<sup>48</sup>.

Worse labour market indicators of foreign women in various age groups and at various level of education can be observed in most immigrant groups (Gödri 2011a). Some

47 The unemployment rate measured by the censuses was higher than the figures in the LFS in both census years (12.7 per cent versus 11 per cent in 2011), despite identical concepts. The difference could be a result of methodologies used to collect data, and it can be observed in other countries too (KSH 2013a).

48 In Hungary asylum seekers are not allowed to work, but those recognised as a refugee or who have received subsidiary protection are allowed to work without a work permit. For information about targeted support (such as subsistence allowance, accommodation allowance, housing support, etc.) for refugees or subsidiary protected persons see Kiss – Magyar (2013).

Table 4.4.1

*Distribution of foreign citizens and total population aged 15–64 by economic activity, 2001 and 2011 (%)*

Economic activity	2001		2011	
	Foreign citizens	Total population	Foreign citizens	Total population
Employed	53.9	52.7	62.4	57.0
Unemployed	4.7	6.0	4.3	8.3
Inactive	16.1	26.2	13.4	19.7
Dependant	25.3	15.1	19.9	15.0
<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
Activity rate	58.6	58.7	66.7	65.3
Unemployment rate	8.0	10.2	6.4	12.7

*Data source: Census 2001, 2011*

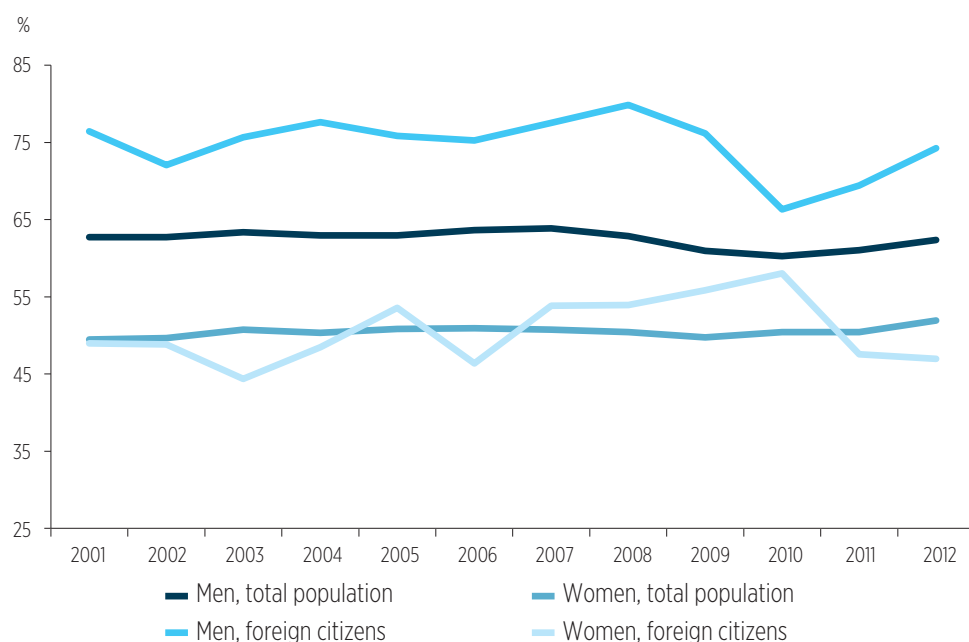
Asian groups (Chinese, Vietnamese, Mongolians) are an exception to this: women of these groups are also characterised by high employment rates and low unemployment. The employment rate of women from other eastern countries of origin (for example Syria, Turkey and Israel) are, however, lower than the employment rate of men of these same groups. In these cases differences between genders probably have cultural roots: due to social norms, traditional gender roles and traditions, certain groups of women (for instance women arriving from Muslim countries) are more likely to remain outside the labour market and remain dependent. At the same time, it can also be shown that although a higher level of education generally provide better labour market opportunities for immigrants, it increases employment possibilities more for men than women (Gödri 2011a).

*Regional differences* can also be observed in the labour market position of foreign citizens (Table A4.4.2). Those living in the central and north-western regions and Budapest had the best labour market position in both census years: they had the highest employment rate (64–68 per cent) and the lowest unemployment rate (3–4 per cent). By contrast, foreign citizens living in northern and eastern regions and villages characterised by worse economic indicators showed much higher unemployment rates (9–12 per cent in 2001, 13–18 per cent in 2011) – in 2001 it was higher than of the total population. This observation was valid after considering the different composition of foreign citizens living in various regions according to age and education (Gödri 2011b).

Similar to the census, the LFS data also shows the higher employment rate of the foreign population aged 15–64 in the period of 2001–2011. At the same time, the difference between genders can also be observed: while the employment rate of the foreign male population is much higher than that of the total male population over the whole period, the employment rate of the foreign female population is lower than that of the total female population in some years and higher in others (Figure 4.4.3).

Creating a panel from LFS data of years 1997–2005, Hárs (2010) came to the conclusion that the employment rate of Ukrainian citizens who immigrated to Hungary is much lower, while the employment rate of Slovak citizens is slightly lower than that of the Hungarian population. The employment rate of Chinese citizens proved to be especially high, but Romanian and German citizens also had higher employment rates than the average. The labour market situation of foreigners living in Hungary with a settlement permit was more prosperous than those who had a work permit<sup>49</sup>. Most of

49 Since 2009 only third-country nationals need a work permit in Hungary (if they have no settlement permit), while citizens of the EEA countries and their family members have free access to the labour market.



Data source: Labour Force Survey.

Figure 4.4.3

Employment rates in the foreign and total population aged 15–64 by sex, 2001–2011

the foreigners with work permits have lower educational attainment and the proportion of those who are employed in unskilled jobs is higher among them (Hárs 2010).

Data of the representative survey *Immigrants 2002*<sup>50</sup>, carried out among immigrants from neighbouring countries, enables comparison of immigrants' employment rate before and after immigration. It revealed the growth in employment and the decrease of unemployment: their unemployment rate was 12.8 per cent before immigration and dropped to 5.3 per cent. It is important to note that most of these immigrants were ethnic Hungarians, who were minorities in their countries of origin, while in the destination country (Hungary) language difficulties did not hinder their entry to the labour market. Even so, some of them experienced the devaluation of their educational attainment or professional knowledge. The length of time that had elapsed since immigration was also an important factor as regards the integration of immigrants on the labour market: the unemployment rate was highest (8.6 per cent) among those who had arrived two years or less before the survey was conducted, while for those who had been in Hungary for more than four years it was far lower (2.9 per cent) (Gödri – Tóth 2005). Based on the second wave results of this survey in 2006, it has been proven that beyond the effects of social capital, immigrants' integration in the labour market is very much affected in the long run by the sex of the immigrant and their country of origin (Gödri 2008).

#### 4.4.3 Effects of emigration on the labour market

At present there are insufficient data and research evidence on emigration from Hungary to assess the exact labour market effects of this process. In general in those countries where significant emigration can be measured, its effects on the labour market can also be observed. Nevertheless, the nature of these effects is not always clear. Emigration in the 1990s had a negative effect on the wages of less educated native workers in OECD countries and increased inequality within countries (Docquier 2011). In more recent years

50 See Footnote 17.

it was observed that emigration contributed to the decrease of the unemployment, but it also caused labour shortage in some countries (Hárs 2012). These effects have not been observed sharply in the Hungarian labour market yet – although in some professional fields some signs of labour shortage can already be discerned. However, if current emigration processes continue in the future then significant effects on the labour market and economy could well become apparent.

As outlined in Chapter 4.2.1, emigration from Hungary was less intensive after EU accession compared to other countries in the region, where the effects of emigration caused changes in labour market processes. But mirror statistics and LFS data show that emigration and labour force out-migration has increased in the past five years in Hungary, especially since the unfolding of the economic crisis, and the end of labour market restrictions (in 2011) for EU8 citizens in Germany and Austria. The growing number of persons working abroad has contributed to the increase of employment (since those working abroad for less than a year are included) and stagnation of unemployment in the last few years. On the other hand the emigration of skilled labour force presumably has a negative effect both on the labour market and on the economic development. The question is whether this loss is permanent or return migration will follow.

As regards LFS data on those who had been working abroad for less than a year (at the time when the data were recorded), labour migration increased from regions with a high unemployment rate, as opposed to previous trends where most emigrants left the western and central regions of Hungary (Hárs 2012b). The region closest to Austria has also a high level of employees who tend to commute to Austria (Hárs 2011).

With regards to occupations, shortage of the labour force has already been experienced in the health care system. The emigration of graduated health workers could be measured through the number of official certificates issued for diplomas obtained by doctors wanting to work abroad. Based on this, an increasing tendency can be seen where the number of certificates issued is close to the number of medical doctors trained that year, which means that an already existing shortage of experts may keep on worsening in the forthcoming years. The age group most likely to leave is 30–39 – doctors who are experienced and usually also qualified specialists (Girasek – Csernus – Ragány – Eke 2013). When looking at the net balance of the number of medical doctors between 2006 and 2010, one can see that Hungary is losing some 780 medical doctors per year by emigration, and in 2010 the country already needed another 4,000 doctors to supplement the shortages that occurred through doctors dying, becoming inactive or emigrating (Balázs 2012). The dominant factors in this emigration – according to those leaving the country – are low salaries, poor working conditions and limited opportunities for research. At the same time, the shortage of human resources in terms of health workers in many destination countries and the fact that Hungarian qualifications are automatically recognised in the EU also contributed to and facilitated this out-migration process.

Whether a result of emigration or not, labour shortage has already become prevalent in certain professions, while the trained workforce, which could fill that gap, appears in the labour markets of other countries. The effects of emigration on labour supply can be manifested in a demand for skilled workers (especially in certain professions) since unskilled workers seem to emigrate less.

All in all, if those who are planning to leave the country (33 per cent of population aged 18–40 in 2013) actually emigrate, it will cause further negative effects on the Hungarian labour market. The migration potential is higher than average among younger age groups, students, and those who have attained a secondary or tertiary level of education (Gödri – Feleky 2013, Sik 2013). Consequently, those who are planning to leave the country are the best potential participants in the labour market and their emigration could lead to a significant loss in human capital, which could have knock-on effects on future economic development.



## 5 SUMMARY AND CONCLUSIONS

In view of the fact that the drivers of international migration are related to economic, labour market, political and demographic changes, and that understanding the past and prospective course of these processes is a prerequisite for shaping migration policies, this study places the historical analysis of international migration in Hungary in the wider context of economic, labour market, political and demographic processes. The analysis encompasses two time frames: first, it provides a concise historical overview from 1950 until the present, and second, it analyses in detail the current situation, taking into account events over the last decade that have defined present-day processes.

Migratory movements were largely defined by the political framework in the analysed period: state socialism until the end of the 1980s and democracy from 1989 onwards. During the four decades of state socialism, Hungary was a relatively closed country regarding migration: cross-border migration was controlled in both directions and mostly repressed and hushed up. Apart from a few special cases (described in the historical section), immigration was on a very small scale (about 2,000 immigrants per year) and emigration was somewhat higher, but still not significant. The only major exception to this was the period following the revolution of 1956, when some 200,000 people left the country. After this period, up until the end of the 1980s, Hungary was seen as an emigration country, although mass-emigration was no longer characteristic (the negative migratory balance was 3,000 persons per year, while at the end of the period illegal emigration became more considerable).

This period was also characterised by full employment, modest economic growth and relative affluence (compared with the rest of the Eastern Bloc). This acceptable living standard also secured a kind of political stability, and population growth was continuous from the 1950s up until 1980 – although the total fertility rate sank below replacement level in the mid-1960s and the early 1970s, with the mortality rate also worsening from the 1960s onwards.

The turning point came, both in the demographic and partly the economic sense, around 1980. Natural population decrease, which has been continuous ever since, began in 1981. Fertility stayed below the replacement level and mortality kept on rising in the 1980s. All of these effects together resulted in a rather unfavourable demographic situation in Hungary even before the end of the state socialist period.

From the perspective of migration, it was at the very end of the 1980s when the country arrived at a turning point. The change was triggered by the arrival of a great number of refugees from Romania, and the need to regularise their status. In the spring of 1989 the Office of Refugee and Migration Affairs was created, Hungary joined the 1951 Geneva Convention and in October the country's new legislation on refugees entered into force. With the democratic transition, political control over migration came to an end and national borders became permeable, opening the way to free unfolding of migratory processes, and the previously negative migration balance turned positive (although the exact number of emigrants remains unknown). From a country of emigration Hungary turned into a destination country of international migration (and partly a transit country), and remained one until the end of the 2000s (when out-migration started to increase). At the same time, the reliability of national emigration statistics worsened considerably and the process became impossible to measure.

The democratic transition resulted in a number of economic and social changes as well. Due to the end of full employment and the loss of 1.5 million jobs, unemployment appeared as a novel social phenomenon, accompanied by inflation and significant setbacks in economic prosperity. The groups most negatively affected by the negative effects on the labour market were the generation aged between 45 and 60 at that time, the Roma and the rural population. Consequently, the demographic situation of the

country further deteriorated: the total fertility rate kept on declining, reaching a point of stability around 1.3. The stagnation at this low level for more than a decade seems to remain a unique Hungarian characteristic. Mortality reached its highest point in the early 1990s and remained around this high level until the end of the 1990s, showing a slow recovery only after the turn of the millennium.

All of this accelerated population shrinkage. Natural decrease reached its peak in 1999, with a negative balance of almost 49,000 which was reduced to an annual loss of between 30–40,000 people. The country's positive immigration surplus, as shown by official national data, worked to reduce the previously mentioned population shrinkage to some extent but it could not fully counterbalance it.

Starting from an early high level, immigration stabilised in the 1990s at a lower rate, to start a further period of growth just before the turn of the millennium. However, except for the year 2008 it did not reach the level it had in 1990. At the same time, a continuous flow of emigrants also existed, although not accurately registered by Hungarian statistics but clearly reflected in the relevant mirror statistics. However, despite low employment and activity rates and negative economic processes, emigration remained low for a long time. Following EU accession in 2004 it grew modestly, though new opportunities opened to work abroad (the United Kingdom, Ireland and Sweden opened their labour market immediately) and the idea of taking up this opportunity was increasingly accepted by Hungarian society. However, the out-migration and the rate of Hungarians working abroad stayed below that of other new member states. This was probably partly due to welfare benefits and social welfare support being relatively high level at the time in Hungary compared to the rest of the region.

Nonetheless, Hungary was characterised by worsening economic and labour market conditions even before the financial crisis which began in 2008, and these worsened under the influence of the crisis. These traits also showed significant regional differences. In the meantime major migration destination countries showed increasing demand for the Central and Eastern European labour force and in 2011 Germany and Austria also ended labour market restrictions for EU8 citizens. Together, this led to a state where emigration flows from Hungary, which had already started to increase in 2007, gained unprecedented dynamism from 2011 onwards.

According to migration potential surveys, intention to work abroad and/or emigrate also remained quite low until recently, and the ratio of people planning to migrate, particularly to work abroad over the long term, only began to increase considerably from 2010 onwards. The fact that it is increasingly difficult for young people to enter the labour market (unemployment is particularly high in the age group 15–24), and reforms (cutbacks) were implemented in higher education, contributed to more and more young people making plans to work or live abroad for various lengths of time and going on, in growing numbers, to realise those plans. Realisation was made easier by the fact that good language skills are more common in this generation and options to study abroad are also increasingly available.

Even so, in the period between the censuses of 2001 and 2011 the total balance of international migration was still positive (126,000 persons), but while in the previous decade it had counterbalanced almost half of the natural shrinkage, in the recent decade it only made up for one-third. However, the outward migration not registered in the Hungarian official statistics but reflected in the mirror statistics exceeded the level of immigration since the last years of 2000s, and thus the migration balance is presumably negative which further worsens population shrinkage.

Along with the decrease of the Hungarian population, its age composition is also changing in an unfavourable direction: the number of people of an economically active age is dropping gradually, while the dependency ratio of the elderly is growing, which will lead to a series of economic, social and budgetary problems over the long term;

much of this is already noticeable. Even though the age composition of the immigrant population is relatively young, the level of immigration is too low to be able to solve the problem of the ageing population. For that to become possible the country would need to receive a significant number of consistently young immigrants for an extended period of time. This, however, would also alter the population composition in other respects (ethnic and religious), or if immigrants continued to arrive from Hungarian minorities outside the country's borders this would further lower the share and thus worsen the position of these minorities in the neighbouring countries.

Following EU accession in 2004, changes in the composition of immigrants can also be observed: the number and share of immigrants from EU15 has been increasing, while that from the neighbouring countries has gradually decreased. This is partly due to the fact that the main country of origin of immigrants, Romania, also became an EU member in 2007, which (conjoined with Hungary's economic situation) caused the rate of immigrants from that country to further decline significantly. The impact of simplified naturalisation (which entered into force on 1 January 2011) on migration is still not known, but it has already increased the number of new Hungarian citizens by half a million people. It remains a question whether a high number of new Hungarian citizens living outside the borders will contribute in the long term to increased immigration into Hungary – if not in itself but conjoined with other economic and social push factors.

Regarding out-migration, it is not only the growth in terms of number of emigrants and labour migrants that deserves attention but also the diversification of the destination countries: although the two traditional destination countries (Germany and Austria) have maintained their primacy, the United Kingdom has joined them as third, and in many other countries an increase in the number of Hungarian citizens can be observed, albeit in a more limited way.

The future course of this process, and the further growth or permanence of emigration, are hard to predict since they depend on the kind of economic, social and political changes which might take place in Hungary on the one hand, and on the economic processes of the destination countries and their labour force needs on the other. Intentions to emigrate may be reduced and out-migration be slowed if the economic situation in Hungary improves, if there are positive changes in society and the labour market (indeed, under such conditions even a return migration process may be triggered), or if restrictions in potential destination countries are introduced. If, however, negative tendencies continue or become prolonged, and as emigrant networks emerge and expand in the destination countries, the flow of emigration may well become lasting and the likelihood of people staying permanently abroad may increase. The longer the outflow persists, the harder it will be to halt the process, as mechanisms of cumulative causation are likely to emerge, which makes it self-perpetuating. At the same time, emigration means a loss in human capital, which may have a negative effect on economic development, and due to its age-specific nature it might also affect the future trends of fertility.

Whether and to what extent emigration continues, which professional groups it will affect most seriously, and whether this will lead to the emergence of heightened labour demand in certain segments of the Hungarian labour market are all factors which will influence immigration. The question arising from this is the following: how attractive will Hungary be for immigrants in the long run and for which groups of immigrants?

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## ANNEX

Table A4.2.1

Summary data of foreign citizens' and Hungarian citizens' international migration (flow data), 1990–2012

Year	Immig- rant	Emig- rant*	Net migration of foreign citizens***	Immig- rant	Emig- rant	Net migration of Hungarian citizens***	Immig- rant	Emig- rant	Total net mig- ration***
	foreign citizens			Hungarian citizens**			total		
1990	37,242	11,271	25,971	397	1,054	-657	37,639	12,325	25,314
1991	22,974	5,376	17,598	323	588	-265	23,297	5,964	17,333
1992	15,113	4,594	10,519	368	368	0	15,481	4,962	10,519
1993	16,397	2,901	13,496	1,220	327	893	17,617	3,228	14,389
1994	12,752	2,378	10,374	2,801	564	2,237	15,553	2,942	12,611
1995	14,008	2,401	11,607	1,427	772	655	15,435	3,173	12,262
1996	13,734	2,833	10,901	1,250	809	441	14,984	3,642	11,342
1997	13,283	1,928	11,355	1,159	894	265	14,442	2,822	11,620
1998	16,052	2,343	13,709	1,217	716	501	17,269	3,059	14,210
1999	20,151	2,460	17,691	1,343	2,042	-699	21,494	4,502	16,992
2000	20,184	2,208	17,976	1,710	3,280	-1,570	21,894	5,488	16,406
2001	20,308	1,944	18,364	2,229	6,002	-3,773	22,537	7,946	14,591
2002	17,972	2,388	15,584	2,644	4,194	-1,550	20,616	6,582	14,034
2003	19,365	2,553	16,812	2,857	3,122	-265	22,222	5,675	16,547
2004	22,164	3,466	18,698	2,184	2,121	63	24,348	5,587	18,761
2005	25,582	3,320	22,262	2,296	2,024	272	27,878	5,344	22,534
2006	23,569	3,956	19,613	2,209	1,910	299	25,778	5,866	19,912
2007	22,607	4,133	18,474	1,820	2,671	-851	24,427	6,804	17,623
2008	35,547	4,241	31,306	2,105	5,350	-3,245	37,652	9,591	28,061
2009	25,582	5,600	19,982	2,312	4,883	-2,571	27,894	10,483	17,411
2010	23,884	6,047	17,837	1,635	7,318	-5,683	25,519	13,365	12,154
2011	22,514	2,687	19,827	5,504	12,413	-6,909	28,018	15,100	12,918
2012	20,340	9,916	10,424	13,362	12,964	398	33,702	22,880	10,822

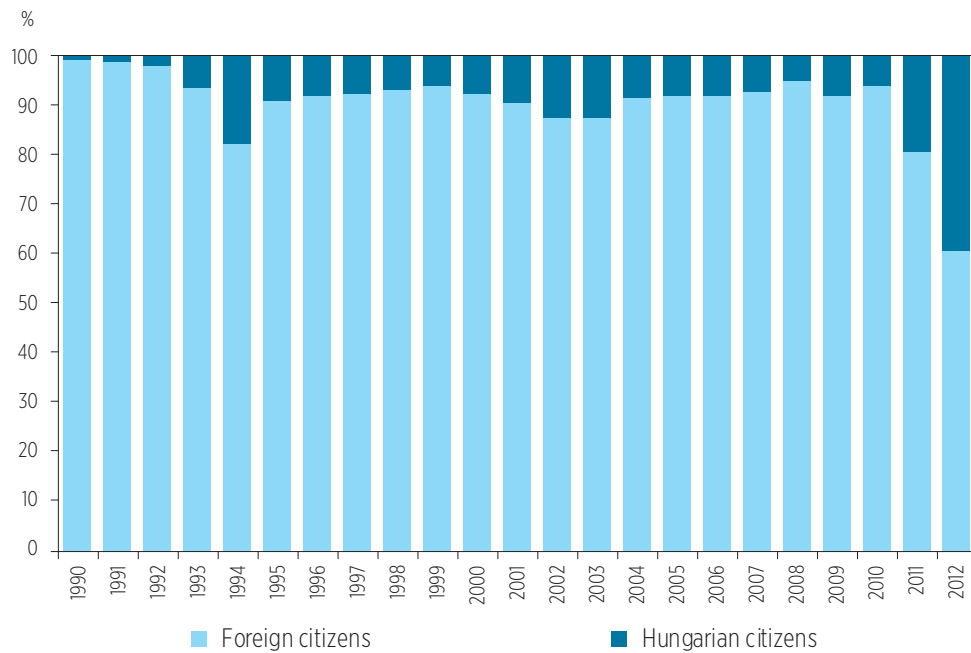
Data source: HCSO, Demographic Yearbook 2012.

Note: Retrospective data are not comparable; since 1995 the processing was carried out by different methods (see p.24).

\* The number of emigrating foreign citizens for 2012 contains estimations.

\*\* Until 2009 the number of Hungarian citizens immigrating into Hungary, as well as the number of Hungarian citizens emigrating from Hungary, was calculated based on the Population Register, while from 2010 it is calculated based on the Register of Social Insurance. At the same time, the number of Hungarian citizens immigrating into Hungary from 2011 was supplemented with persons who established a Hungarian address after being granted Hungarian citizenship without Hungarian residence.

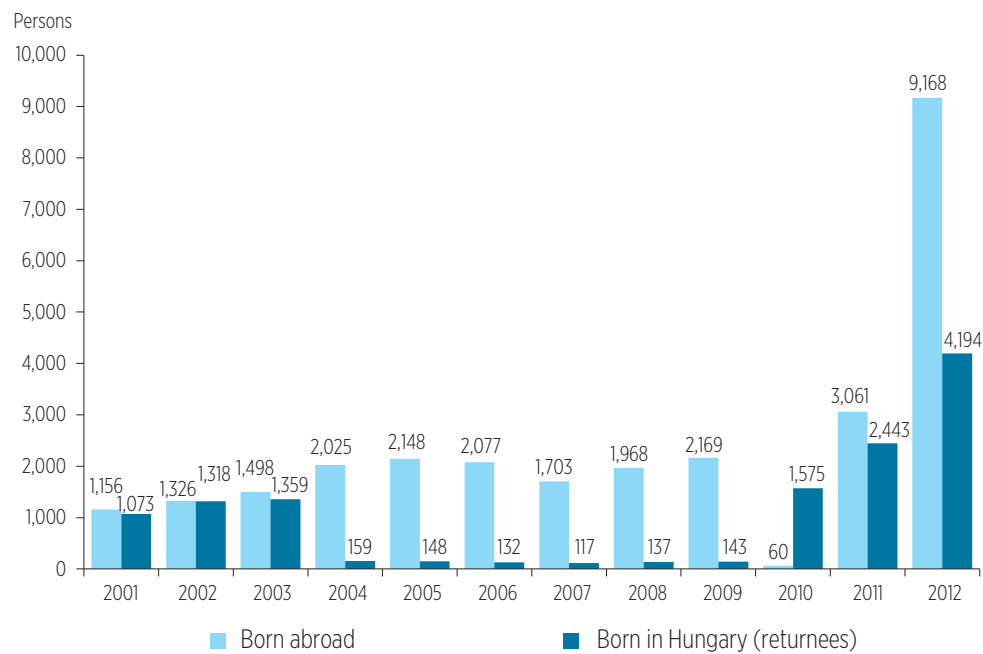
\*\*\* Net migration based on official migration statistics is not an accurate indicator due to incomplete data on emigration, especially in the case of the emigration of Hungarian citizens.



Data source: HCSO, Demographic Yearbook 2012.

Figure A4.2.1

Proportion of foreign citizens and nationals among people immigrating into Hungary, 1990–2012



Data source: HCSO, Demographic Yearbook 2012.

Figure A4.2.2

Hungarian citizens immigrating into Hungary by country of birth (abroad/Hungary), 2001–2012

**Table A4.2.2**  
*Top 10 countries of citizenship of foreigners immigrating into Hungary, 2001–2011, %*

	2001	2003	2005	2007	2009	2011
Romania	52.4	Romania	Romania	Romania	Romania	Romania
Ukraine	12.5	Ukraine	Germany	Serbia*	Germany	Germany
Serbia	5.1	China	Ukraine	Ukraine	Ukraine	Ukraine
Germany	3.7	Serbia	Slovakia	China	China	Slovakia
United States	2.6	United States	Serbia*	Germany	United States	United States
Slovakia	2.6	United Kingdom	Austria	Slovakia	Serbia*	China
China	1.8	Germany	United Kingdom	Viet Nam	Slovakia	Serbia*
Russia	1.4	Slovakia	France	United States	Austria	Turkey
Japan	1.2	Russia	China	Austria	Turkey	Austria
Israel	1.1	Israel	Netherlands	Russia	Iran	Russia
<i>Total Top 10 countries</i>	<i>84.4</i>	<i>82.6</i>	<i>80.8</i>	<i>83.5</i>	<i>71.4</i>	<i>66.4</i>
<i>Total of immigrants</i>	<i>20,308</i>	<i>19,365</i>	<i>25,582</i>	<i>22,607</i>	<i>25,582</i>	<i>22,514</i>

\* Including data on Montenegro.  
 Data source: HCSO, STADAT database.

Table A4.2.3

Foreign citizens immigrating into Hungary from selected countries of origin, by region (NUTS 2) and county (NUTS 3), 2011

Region, county	Romania	Ukraine	Germany	Serbia	Slovakia	EU15	EU27	China	Total immigrants
Budapest	30.5	47.3	16.1	35.6	31.5	29.7	31.4	71.7	42.4
Pest	21.9	12.3	2.4	6.3	6.2	3.6	12.4	3.6	9.6
Central Hungary	52.4	59.6	18.5	42.0	37.7	33.3	43.8	75.3	52.1
Fejér	1.4	2.2	1.0	2.3	1.6	1.7	1.6	2.7	2.2
Komárom-Esztergom	2.5	0.9	0.8	0.8	9.6	0.6	2.3	1.0	1.6
Veszprém	2.1	0.8	2.6	0.7	2.4	2.5	2.4	0.6	1.8
Central Transdanubia	6.0	3.8	4.4	3.8	13.6	4.8	6.2	4.3	5.7
Győr-Moson-Sopron	4.0	2.0	5.7	1.8	30.0	6.9	7.4	1.4	5.1
Vas	2.7	0.5	2.2	1.0	0.5	2.6	2.4	0.5	1.8
Zala	1.1	1.4	9.8	0.9	0.7	6.8	3.5	0.5	2.6
Western Transdanubia	7.8	3.8	17.6	3.8	31.3	16.3	13.3	2.3	9.4
Baranya	1.0	0.6	10.8	2.4	1.4	9.2	4.6	5.3	4.3
Somogy	0.8	1.0	13.1	1.5	0.9	9.0	4.1	0.6	2.8
Tolna	1.5	0.5	1.7	0.7	0.4	1.6	1.4	0.3	1.0
Southern Transdanubia	3.3	2.2	25.7	4.6	2.7	19.8	10.1	6.2	8.1
Borsod-Abaúj-Zemplén	1.0	3.4	1.3	1.3	7.7	2.4	2.2	2.2	1.9
Heves	1.5	1.1	0.6	0.9	1.2	0.7	1.2	0.8	1.0
Nógrád	0.8	0.5	0.0	0.2	1.3	0.3	0.6	0.2	0.4
Northern Hungary	3.4	5.0	2.0	2.4	10.2	3.4	4.0	3.2	3.4
Hajdú-Bihar	7.3	7.3	1.0	1.1	1.5	2.1	4.6	3.9	5.8
Jász-Nagykun-Szolnok	1.3	0.9	1.4	0.7	0.4	1.3	1.2	0.5	0.9
Szabolcs-Szatmár-Bereg	4.3	11.9	0.3	0.7	0.4	0.6	2.3	0.9	2.2
Northern Great Plain	12.9	20.1	2.6	2.5	2.4	4.0	8.0	5.2	8.9
Bács-Kiskun	6.9	3.4	21.8	4.9	0.7	12.3	8.4	0.8	5.6
Békés	3.3	0.5	0.3	1.8	0.4	0.5	1.8	0.1	1.3
Csongrád	3.9	1.6	7.0	34.1	1.2	5.6	4.5	2.6	5.6
Southern Great Plain	14.1	5.5	29.1	40.9	2.2	18.4	14.6	3.5	12.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N	5,804	1,280	2,428	870	1,129	5,040	12,451	883	22,514

Data source: HCSO, Demographic Yearbook 2011.

**Table A4.2.4**  
*Asylum applications in Hungary, proportion of illegal arrivals and top five countries of citizenship, 2001–2012*

Year	Number of applicants	Illegal (%)	Top 1 country of citizenship	Top 2 country of citizenship	Top 3 country of citizenship	Top 4 country of citizenship	Top 5 country of citizenship	Total Top 5 (%)
2001	9,554	85.0	Afghanistan	Bangladesh	Iraq	Somalia	Sierra Leone	77.8
2002	6,412	89.3	Afghanistan	Iraq	Bangladesh	Somalia	Vietnam	79.7
2003	2,401	76.8	Afghanistan	Iraq	Georgia	Iran	Turkey	55.0
2004	1,600	71.6	Georgia	Serbia*	Turkey	Vietnam	Nigeria	48.4
2005	1,609	64.6	Vietnam	Serbia*	China	Georgia	Nigeria	58.7
2006	2,117	72.3	Vietnam	Serbia*	China	Georgia	Nigeria	63.8
2007	3,419	82.6	Serbia	Vietnam	China	Iraq	Georgia	71.8
2008	3,118	92.3	Kosovo	Serbia	Pakistan	Somalia	Georgia	70.1
2009	4,672	95.8	Kosovo	Afghanistan	Serbia	Turkey	Georgia	80.2
2010	2,104	97.0	Afghanistan	Kosovo	Palestine	Georgia	Serbia	68.4
2011	1,693	96.6	Afghanistan	Kosovo	Pakistan	Syria	Somalia	66.7
2012	2,157	96.2	Afghanistan	Pakistan	Kosovo	Syria	Somalia	76.0

\* Between 1 January 2004 and 5 June 2006 data on Serbia includes Montenegrin citizens as well.  
 Data source: HCSO, STADAT database.

**Table A4.2.5**  
*Number of Hungarian citizens returning from two major immigration countries, 2001–2012*

Country of immigration	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Germany	14,988	15,642	14,776	16,254	15,475	14,618	16,704	21,365	22,083	20,425	24,106	27,727
Austria	–	1,858	2,198	2,168	2,377	2,525	2,711	3,191	3,831	4,249	5,310	6,457

*Data sources:* DESTATIS (2013), for 2012 preliminary data; Statistik Austria (2013); – : no data.



**Table A4.2.6**  
*Top 10 countries of citizenship of usually resident foreign population in Hungary, 2001–2011 (1 January)*

	2001	2003	2005	2007	2009	2011
Romania	37.8	40.8	47.0	39.9	35.6	36.7
Ukraine	8.1	8.5	9.7	9.5	9.5	9.7
Serbia	7.8	6.8	9.0	9.0	9.0	7.9
Germany	6.8	6.1	4.8	5.4	5.8	5.7
China	5.3	5.5	4.8	5.1	3.7	4.6
former USSR	5.1	4.9	3.6	2.6	Serbia & Montenegro	3.5
Yugoslavia	3.7	3.3	1.9	2.5	Slovakia	2.8
ex Czechoslovakia	2.2	2.1	1.8	1.9	Yugoslavia	1.9
Poland	2.1	1.8	1.5	1.8	Vietnam	1.7
Russia	1.7	1.7	1.5	1.7	Austria	1.6
<i>Total Top 10 countries</i>	<i>80.6</i>	<i>81.5</i>	<i>85.6</i>	<i>79.4</i>	<i>75.8</i>	<i>76.1</i>
<i>Total of foreign citizens</i>	<i>110,028</i>	<i>115,888</i>	<i>143,774</i>	<i>167,873</i>	<i>186,365</i>	<i>209,202</i>

Data source: HCSO, STADAT database.

**Table A4.2.7**  
*Number of Hungarian citizens residing in major destination countries, 2001–2013 (1 January)*

Country of destination	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Germany	54,437	55,978	55,953	54,714	47,808	49,472	56,075	60,221	63,801	65,443	73,433	88,492	113,980
Austria	12,729	13,069	13,684	14,151	15,133	16,284	17,428	19,318	21,527	23,342	25,627	29,832	37,004
United Kingdom	4,273	–	6,599	6,021	5,157	–	–	–	–	41,000	47,000	49,000	–
Ireland	–	–	–	–	–	–	5,426	6,749	7,934	8,462	8,292	8,094	7,999
Spain	778	1,060	1,457	1,724	2,298	3,044	4,704	6,628	7,204	7,485	7,779	8,370	8,935
Italy	–	–	2,920	3,446	3,734	4,051	4,389	5,467	6,171	6,868	7,404	7,924	7,749
Switzerland	3,559	3,640	3,809	3,847	3,849	3,833	3,972	4,400	5,150	5,839	6,556	8,066	9,914
Netherlands	1,538	1,719	1,832	1,886	2,029	2,271	2,386	2,921	4,044	5,294	6,546	7,775	9,245
Slovakia	–	–	–	1,539	1,526	1,760	2,106	2,702	3,623	4,602	5,341	9,255	9,920
Sweden	2,988	2,727	2,463	2,303	2,309	2,349	2,560	3,104	3,862	4,525	4,886	5,093	5,547
Belgium	1,534	1,629	1,564	–	–	–	–	2,917	3,312	3,772	4,451	4,913	5,486

*Data sources:* Eurostat database (updated on 4 April 2014); Austria 2010–2013: Statistik Austria (2014); the United Kingdom 2010–2012: Annual Population Survey, estimation; (author's data collection); –: no data.

Table A4.2.8

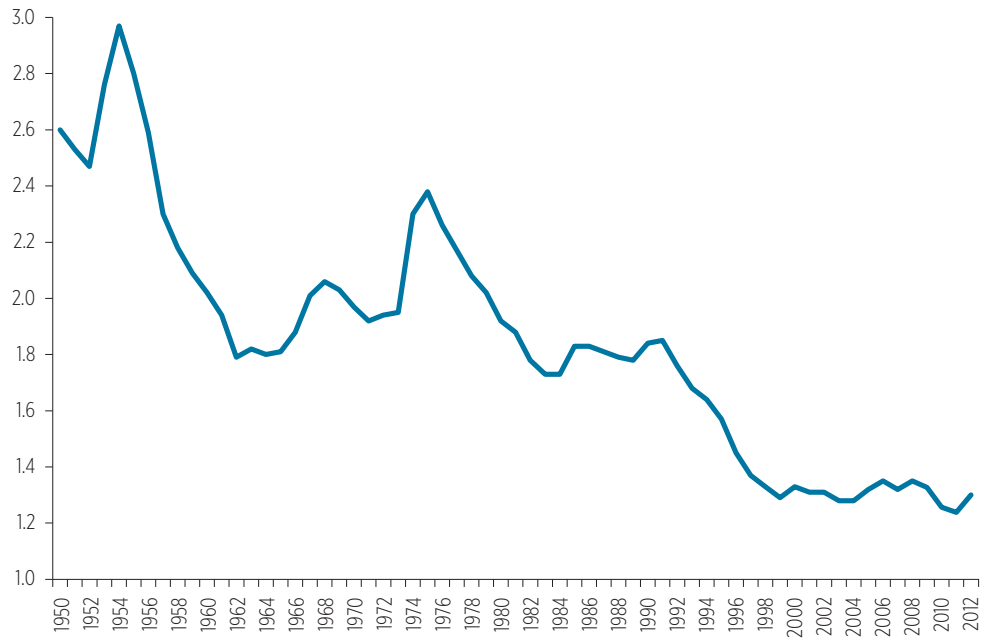
*Number and distribution of Hungarian citizens residing in European Economic Area (EEA) countries in 2001 and 2012 (1 January)*

Country of destination	2001		2012	
	N	%	N	%
Austria	12,729	14.0	29,832	12.5
Belgium	1,534	1.7	4,913	2.1
Bulgaria	95	0.1	132	0.1
Czech Republic	418	0.5	839	0.4
Denmark	391	0.4	2,174	0.9
Finland	654	0.7	1,536	0.6
France*	2,961	3.2	3,500	1.5
Germany	54,437	59.7	88,492	37.0
Greece	538	0.6	–	–
Iceland	49	0.1	139	0.1
Ireland	–	–	8,146	3.4
Italy	3,066	3.4	7,924	3.3
Latvia**	13	0.0	31	0.0
Lichtenstein	14	0.0	28	0.0
Lithuania*	8	0.0	6	0.0
Luxembourg*	143	0.2	688	0.3
Malta*	12	0.0	107	0.0
Netherlands	1,538	1.7	7,775	3.3
Norway	343	0.4	1,724	0.7
Poland	403	0.4	456	0.2
Portugal**	158	0.2	428	0.2
Romania	23	0.0	286	0.1
Slovakia	–	–	9,255	3.9
Slovenia	51	0.1	171	0.1
Spain	778	0.9	8,370	3.5
Sweden	2,988	3.3	5,093	2.1
Switzerland	3,559	3.9	8,066	3.4
United Kingdom	4,273	4.7	49,000	20.5
<i>Total</i>	<i>91,176</i>	<i>100.0</i>	<i>239,111</i>	<i>100.0</i>

*Data sources:* Eurostat database (updated on 10 December 2013); Austria 2012: Statistik Austria (2013); the United Kingdom 2012: Annual Population Survey (2012), estimation; (author's data collection).

*Note:* Data are completely lacking for Cyprus and Estonia, and these countries were therefore omitted.

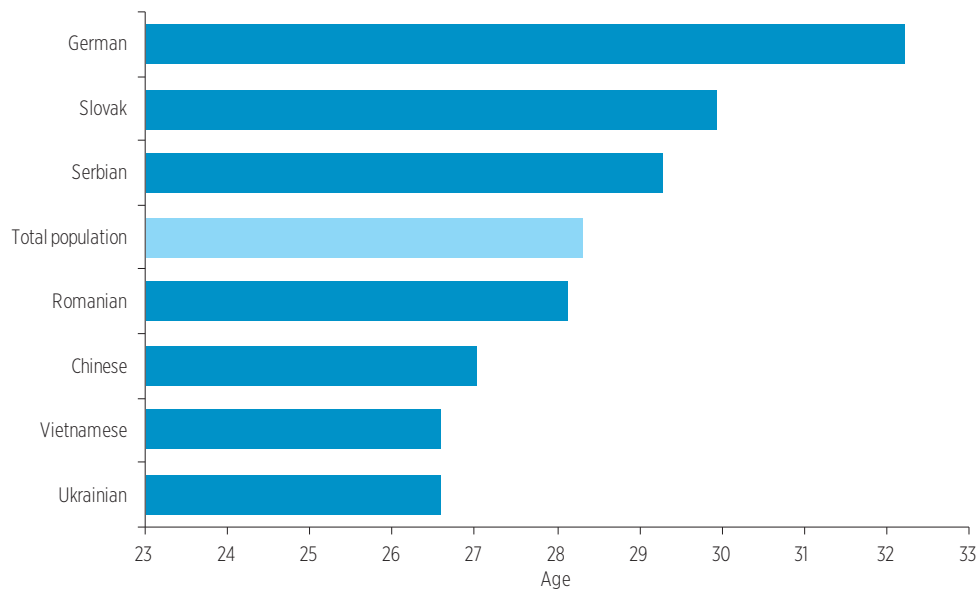
\*in 2008, \*\*in 2011 (instead of 2012); –: no data.



Data source: HCSO, STADAT database.

Figure A4.3.1

Total fertility rate in Hungary, 1950–2012

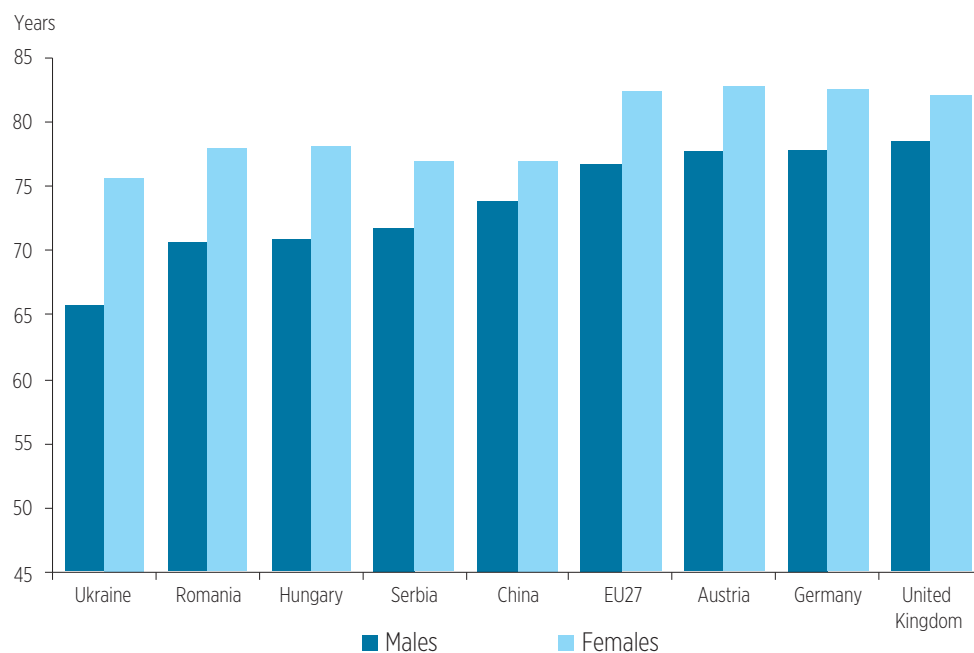


Data source: HCSO.

Note: The mean age of women at first birth was calculated on the basis of a low number of live births even in case of main foreign groups (Romanian 432, Ukrainian 208, Slovak 96, Chinese 91, Vietnamese 28, German 10, Serbian 9).

Figure A4.3.2

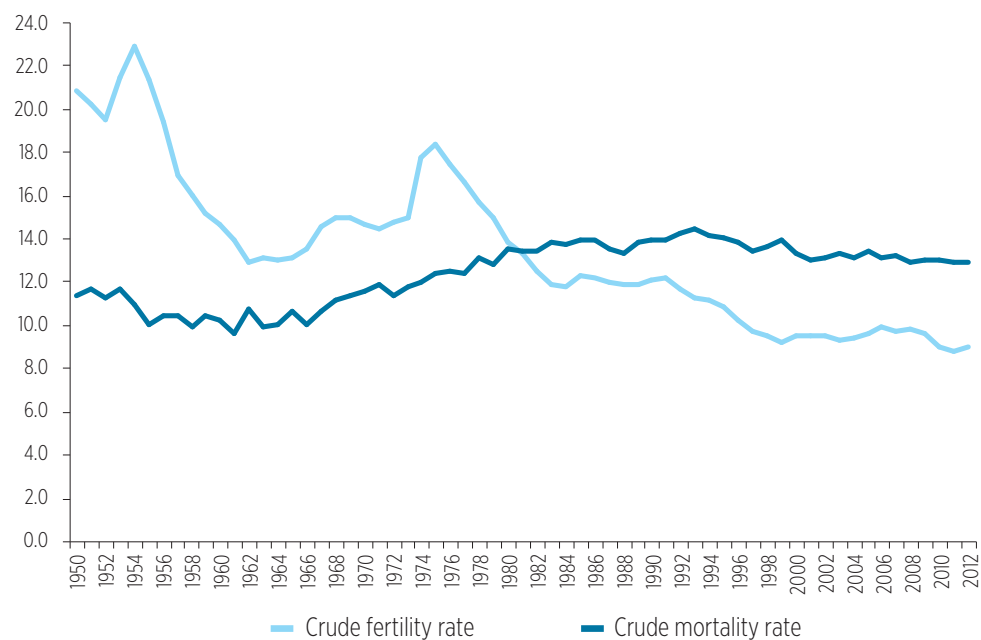
Mean age of women at birth of first child in main foreign groups and in total population in Hungary, 2012



Data source: Eurostat database; China: World Bank.

Figure A4.3.3

Life expectancy at birth in Hungary and in main migration partner countries by sex, 2012



Data source: HCSO, STADAT database.

Figure A4.3.4

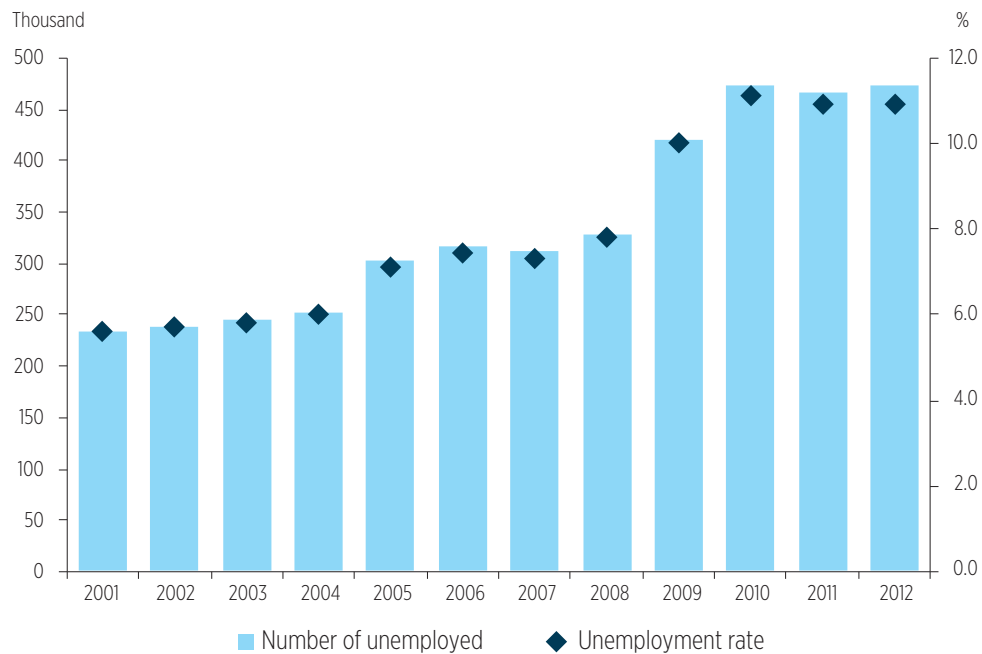
Crude fertility rate and crude mortality rate (per 1,000 inhabitants) in Hungary, 1950–2012



Data source: HCSO.

Figure A4.3.5

Infant mortality rate (per 1,000 live births) in the foreign and total population in Hungary, 2001-2012



Data source: Labour Force Survey.

Figure A4.4.1

Number of unemployed and the unemployment rate (%) in population aged 15-64, 2001-2012

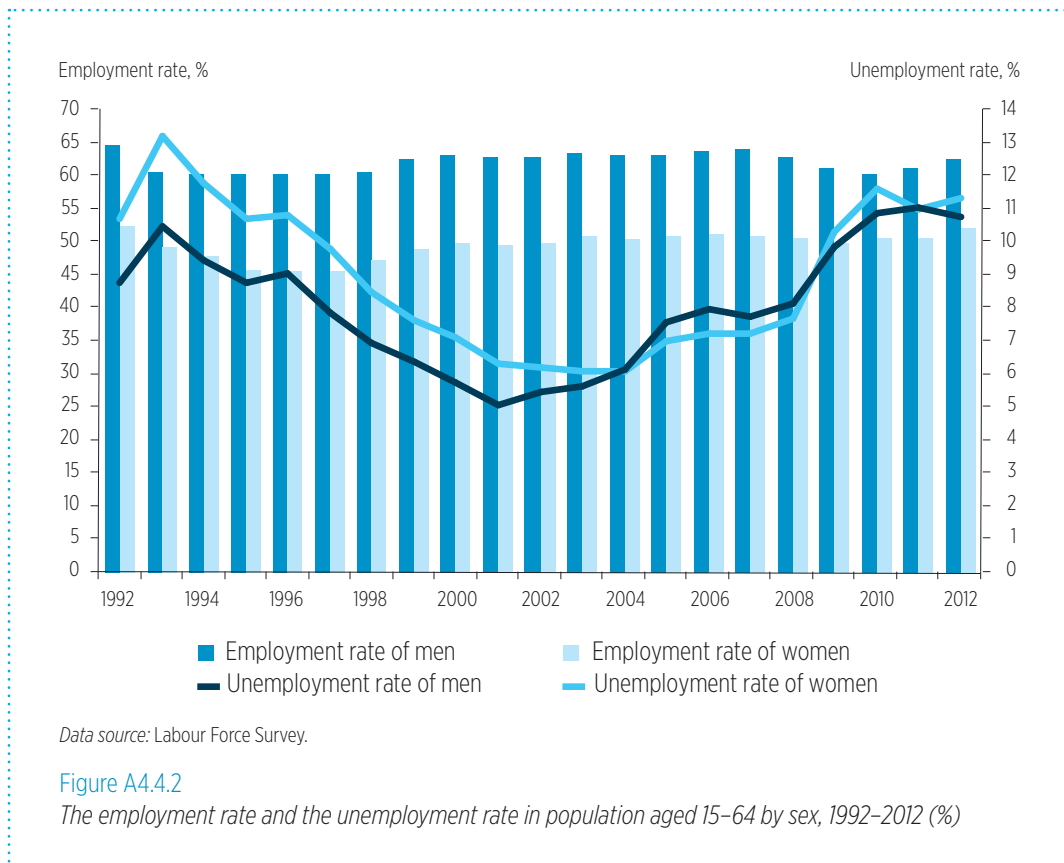




Table A4.4.1

Economic activity of total population aged 15–64 by region and type of settlement, 2011 (%)

Region/Type of settlement	Economic activity				Total	Activity rate	Unemployment rate
	Employed	Unemployed	Inactive	Dependant			
Region							
Central Hungary	61.5	7.5	16.2	14.8	100.0	69.0	10.9
Central Transdanubia	59.9	7.5	18.7	13.9	100.0	67.4	11.2
Western Transdanubia	61.9	5.6	18.9	13.6	100.0	67.5	8.3
Southern Transdanubia	53.0	9.0	22.5	15.5	100.0	62.0	14.5
Northern Hungary	51.2	10.8	22.8	15.2	100.0	62.0	17.5
Northern Great Plain	51.2	10.1	22.4	16.4	100.0	61.2	16.4
Southern Great Plain	55.1	8.2	21.4	15.3	100.0	63.3	13.0
Type of settlement							
Budapest (the capital)	63.2	7.5	14.6	14.7	100.0	70.7	10.6
City	57.2	8.0	19.4	15.4	100.0	65.2	12.3
Village	53.0	9.3	23.2	14.5	100.0	62.3	15.0
Total population (aged 15–64)							
	57.0	8.3	19.7	15.0	100.0	65.3	12.7

Data sources: Census 2011, own calculation.

Note: Values marked grey are higher than the average.

Table A4.4.2

*Economic activity of foreign citizens aged 15–64 by region and type of settlement, 2011 (%)*

Region/Type of settlement	Economic activity				Total	Activity rate	Unemployment rate
	Employed	Unemployed	Inactive	Dependant			
Region							
Central Hungary	68.0	3.8	9.7	18.5	100.0	71.8	5.4
Central Transdanubia	64.7	5.0	15.2	15.2	100.0	69.6	7.1
Western Transdanubia	64.2	3.1	18.2	14.4	100.0	67.3	4.7
Southern Transdanubia	47.2	3.1	21.7	28.0	100.0	50.3	6.2
Northern Hungary	55.9	6.9	18.7	18.6	100.0	62.7	10.9
Northern Great Plain	48.5	6.8	17.4	27.3	100.0	55.4	12.3
Southern Great Plain	58.4	4.7	14.9	21.9	100.0	63.2	7.5
Type of settlement							
Budapest (the capital)	68.1	3.5	8.8	19.6	100.0	71.6	4.9
City	59.3	4.4	13.7	22.6	100.0	63.6	6.9
Village	57.2	5.7	21.6	15.5	100.0	62.9	9.1
Total foreign population (aged 15–64)							
	62.4	4.3	13.4	19.9	100.0	66.7	6.4

*Data sources:* Census 2011, own calculation.

*Note:* Values marked grey are higher than the average.

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