

TIBOR T. MESZMANN AND OLENA FEDYUK

Non-Local Workers  
in Hungarian Automotives.  
Changing environments for worker  
mobility and modes of interest  
formation

## ABOUT THE PROJECT

The project “**Employment of non-local temporary workers and its impact on local industrial relations in the Hungarian automotive industry**” (<https://cps.ceu.edu/research/local-industrial-relations>) emerged out of about two years of a series of smaller projects centred around the broad interest in construction of transnational labour markets, new fragmentations at the workplace and the growing industry of temporary work agencies (TWAs). It looks into the interrelated dynamics of employment and migration regimes in newly industrialized regions of Hungary, dominated by large automotive supplier companies. It explores how this particular employment regime creates a more dependent work force and reinforces fragmentation at workplaces, but also what are possibilities to create shared interests among non-local workers and to bring in trade unions to play a constructive role in protecting and enforcing (transnational) labour rights.

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CHANGING ENVIRONMENTS FOR WORKER MOBILITY  
AND MODES OF INTEREST FORMATION**

Tibor T. Meszmann and Olena Fedyuk

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## INTRODUCTION

This paper sets out to explore the changing industrial and labour market environment in which employment of non-local workers takes place in Hungarian automotive manufacturing sector.

In doing so it incorporates earlier local research on geographically mobile workers in Hungary and the formation of their interests and vulnerabilities. The aim of this paper is to outline the process of non-local workers' interest formation in the current changing environment of labour markets and production. Relying on our action research and fieldwork conducted in four locations in Hungary we link our findings to previous accounts recorded by Hungarian economic sociologists. Based on this, we propose our own reading of the modes of interest formation among non-local workers.

We base our study on the broadly defined sector of automotives. Automotive production increasingly taps into transnational labour markets. It requires geographic mobility, flexible, able workers, making quick adjustment both to new products and work processes. We conducted research at locations where large multinational enterprises were present. Thus we observed how labour sourcing happens from a broader geographical area, an area that further expanded in situation of labour shortages. The role of labour-market intermediaries, especially temporary agencies was highly pronounced in the labour-market adjustment processes, including increasing the labour pool with third-country-national workers. Furthermore, large, transnational enterprises have increasing power and state support in Hungary to shape their own labour market and employment regime.<sup>1</sup> Changes in production, employment related uncertainties – especially in automotive – and increasing vulnerabilities of various worker groups push trade unions to react, despite their limited capacities. Among the vulnerable groups affected are also non-local workers, those arriving from different regions. Non-locals are increasingly present in workplaces, but their protection, more difficult unionisation and interest representation is not sufficiently discussed. If non-local, temporary workers systematically face disadvantages in their employment, this also affects the life of the plant. Specifically, it puts pressure on employment standards and wages, but it also fragments and potentially divides workers.

This potential threat is the starting point of our paper. In our exercise we deliberately define non-local workers as all employees arriving from other regions, other counties of Hungary or other countries, all of them in need of housing, extra transport services in order to access jobs, and where cultural differences might be detectable, from different habits, dialects or even languages.

In this paper we examine non-local workers' place in workplace hierarchies and their interest formation. We do this in a way that consciously builds on typologies, concepts, and observation of Hungarian economic sociologists of the late state socialist period. In doing so, we contribute to the theoretical discussion related to the role of non-local workers in Hungary on three levels. First, we

1 Some companies of strategic importance in Hungary enjoy privileges also in terms of employment. For a list of these companies and contracts see Stratégiai partnerségi megállapodások Külgazdasági és külügyminisztérium <https://www.kormany.hu/hu/kulgzdasagi-es-kulugyminiszterium/strategiai-partnersegi-megallapodasok>

want to unpack the concepts of mobility and migration in the context of work and employment in the automotives sector today. Specifically, we emphasise that geographic mobility is on the increase not only transnationally but within national borders. Second, this type of national and transnational mobility is not unprecedented, neither in Hungary in general nor in automotives specifically. The infrastructure enabling the sourcing non-local labour existed already in the 1970s. As such it can offer a starting point for analyzing current modes of incorporation of non-local workers into the economy. Third, we link the question of non-local workers' limited integration to the issue of turn-over. In this case we understand turn-over as an expression of the deterioration of working conditions and employment standards that affect both local and non-local workers.

We deal with plant level industrial relations and worker interests for two main reasons. First, the collective-bargaining system in Hungary is decentralised and more specific collective regulation of work and employment in automotives is set at the company level. Second, employment problems are often very company specific: e.g. high turnover and low level of social integration at the workplace.

We conducted field research designed in collaboration with six plant-level automotive trade unions in four Hungarian towns between April and October 2019. Our intervention was planned and thoroughly discussed with the union representatives and some trustees. During our field research we did not only conduct recorded and unrecorded interviews with non-local workers and union representatives and trustees, but also carried out focus-group discussions involving more stakeholders. We also launched concrete actions with the unions and kept fieldnotes in the form of recorded discussions. In short, the research also included a capacity-building component for the plant-level unions, in understanding and tackling their organisational practices, capacities, but also concrete experiments in informing and sometimes even unionising non-local workers.

In the hopes that you are still reading, we will briefly outline the structure of the paper. Section 1 outlines three issues constituting the environment that shape interest formation for non-local workers: 1) the contemporary development of and changes in production in the (automotive) industry; 2) the role of mobility and migration in meeting the needs of production; 3) company labour-use strategies and transnationalization of the labour market. Section 2 identifies some of the main problems and challenges for non-local workers at the plant level based on our action research findings. In Section 3 we categorize modes of interest formation in the work place, including for non-local workers. For this we revisit and reapply the typology developed by Hungarian economic sociologists in 1970s.

## 1. CONTEXT AND CONCEPTS: THE ENVIRONMENT AND LOCAL RESEARCH ON WORKER INTERESTS IN HUNGARY

### 1.1. Automotive industry: volatile product markets and changing, cost-saving production

In global terms, the future scope and prospects of the automotive sector are increasingly insecure – transformative pressures are immense. The Hungarian automotive industry expanded in the 2010s, but the country and its workers seem to be only temporary winners of a global cost-reduction driven transformative adjustment. A crisis in product markets and cost-cutting considerations brought many producers to a position of offering lower wages and increasingly flexible working conditions. Production

“optimisation” as well as technological changes in production (automation and digitisation) put new, additional pressure on jobs – both on their very existence and on their everyday content. Finally, changes in the labour market, i.e. in the availability of the very workers who could cope with the increasingly intensifying workload and squeezed incomes affect not only the smoothness and quality of production but also the operation of trade unions.

### ***1.1.1. Product market changes.***

With the possible exception of the elite car product segment, product market insecurities hit the automotive industry extremely hard in the EU, including in the CEE region. Even in recent years, many automotive plants in Hungary have had uneven production cycles, with annual and sometimes even shorter production plans. Tellingly, in recent years there were both periods of a production overcapacity (with the extreme use of overtime) as well as declines in demand and production resulting in unused capacities. One realistic, perhaps slightly optimistic scenario is that Hungarian automotive plants will continue producing parts and components for existing models with oscillating demand on the global market, requiring flexible, adaptive production for market needs. Such volatility necessarily translates into insecure and changing employment policies in firms’ labour-use strategies.

### ***1.1.2. Changes in production.***

Automation might mean the loss of jobs. The OECD predicts an average 14 percent of jobs being lost to automation in OECD countries over the following years.<sup>2</sup> For Slovakia it is estimated to be 33.6 per cent, implying that the automotive industry is highly affected. In Hungary the share of affected jobs is also probably very high. Last but not least, internal competition among MNC subsidiaries for projects (and employment) as well as relocation or closure threats additionally increase employment related insecurities. A further change in production technology comes with digitalisation. Such a change might entail retraining for some jobs: for OECD countries, the estimation is an overall 32 percent of jobs that could be radically transformed, for which adult training programmes are needed. Participation in adult learning programmes is especially low for those who most need it, especially production workers with no qualifications beyond secondary education.

### ***1.1.3. Changes in the labour market.***

Globally (i.e. also in the USA), a major strategy pursued by firms has been to push the costs of insecurities and transformation onto workers. Automotive companies have increasingly relocated their production to the global “South”, to regions with available labour. But there has also been an internal adjustment without relocation: as wages, working conditions and standards deteriorate, labour turnover rises. Firms increasingly rely on previously marginal groups of workers, such as women, minorities, but also immigrants, whose wages could be played around with and depressed. These companies often receive active assistance from the workfare state, which aggressively pushes people onto the job market i.e. by taking away or pegging to work not only certain benefits, e.g. unemployment and family care benefits, but also by increasing the basic cost of living. A significantly changed workforce composition then also brings in the question of how trade unions can react to the new situation. Organising vulnerable workers, many of whom are unaware of their basic rights, requires greater union intervention.

2 For all the data, including of some countries see OECD Employment Outlook 2019 <http://www.oecd.org/employment/outlook/>

## 1.2. Research legacies – discussing labour mobility

In Hungarian public discourse, migration is an often repeated and (purposefully) misinterpreted term. State supported anti-immigrant propaganda and xenophobia has created an environment that also affects workplaces allowing foreign workers to be seen as a threat. In our research, foreign workers were often seen as privileged in terms of receiving special services (especially free accommodation) while at the same time contributing to deteriorating labour standards in the work place. However, on closer examination it soon became clear that it was not immigration status, but rather the type of employment contract and prospects for geographical mobility that led the workers to divergent interests.

The numbers we gain from the media, official statistics and representative surveys indicate that work-related migration (geographical mobility) has been on the increase in recent years: both to, from and within Hungary. The data we have thus mostly deal with the national level. In the media, increased recent attention has been paid to cross-border immigration for work purposes. Official statistics show that around 75,000 work permits were issued to non-EU workers (i.e. workers without Hungarian passports) in 2018, but that the real number of workers who come from non-EU countries is significantly higher. However, even these numbers do not give us the full picture: many mobile workers have dual citizenship, and while maintaining a transnational household, feature in records as Hungarian citizens.

To shift the focus from the misleading discourse of immigration “problems” to the actual factors that shape interest formation among the workers of various statuses we introduce the category we call non-local workers to indicate all workers who move to a community for work and are seen as outsiders, whether they move internally or cross national borders. Crucial for us is to observe migration from the point of view of the settlement where the workplace is as a place not only of work, but also social and political interactions. We observed two main groups of “migrants”: daily commuters who travel longer distances (*ingázás-ingázók*) and those who live or have a permanent address somewhere farther away but now stay in the area for work (with subsidized or not subsidized housing arrangements). From the perspective of the origin of workers this would mean both domestic workers coming from a different region and third country citizen workers. We can call all of these workers “long-distance commuters”, a term coined by Hungarian sociologists in the 1970s. In contrast, we find the term “guest worker” problematic as it implies (by definition) a lower social status for these workers, workers who are to remain temporary, with no integration needs or needs to participate in the life of society more broadly, rather than only in the sphere of work.

Introducing the category of non-local workers was crucial for us to unpack and reconstruct worker interest formation on two levels. One, it allowed us to create a category that united workers with different statuses, with the common denominator of sharing the same structural employment conditions. For instance, a worker from Ukraine or a worker from elsewhere in Hungary could both be affected by insecurities and working conditions imposed by the same unethical temp agency employer. Two, creating a larger category allowed us to redraw the map of, and understand the dynamics shaping fragmentation among non-local workers based on their actual position in the workplace and prospects of mobility. For example, non-local workers’ prospects for climbing company hierarchies showed different patterns than those of local workers, but these also differed greatly based on language skills, skin color, or social competences.

For our analysis we find it important to differentiate among three interconnected processes of mobility, migration and turnover. We see migration as territorial, geographic movements. Mobility can

also imply movement in terms of social and class hierarchies, on the workplace level as a hierarchical move or career advancement. In this interpretation migration is not only a means of achieving status mobility but often a necessary condition for it. In this context we understand turnover as being driven by a combination of employer strategies (resulting in changes in working conditions) and workers' choices in light of perceived prospects for status mobility. For instance, unable to achieve recognition, wage, security etc. in their current employment workers might opt for a change of workplace in the attempt to maximize short term benefits.

Hungarian sociologists, especially in the 1970s, devoted significant attention to labour mobility. Mobility was grasped through the issue of commuting, and even more concretely, long-distance commuting.<sup>3</sup> Long-distance commuting was a phenomenon that appeared tied to, but also intensified with, new phases and stages of industrialisation (1867–1914, 1918–1939, 1945–1989). This happened to the degree that, in the 1970s, researchers called Hungary the country of commuters. Over time, not only the absolute number, but also the gender ratio closed, and the quantity of “skilled” workers increased. Worker dormitories also came under the spotlight: a central issue for long-distance commuters. Historically, there was an evolution from less-regulated/more-precarious “bed rent” to worker dormitories.<sup>4</sup> The sociology of the 1970s was full of encounters describing worker dormitories in very poor shape, fights, poor social life with a description of workers' conscious sacrifice in order to climb up the ladder (e.g. via saving). In line with the earlier conclusions of Hungarian industrial sociologists,<sup>5</sup> we contend that geographical mobility (migration), and also its specific variants of turnover – even when it necessitates temporary sacrifices and losses, occurs due to the workers' hopes of improving their own livelihoods, and perhaps, career development and mobility. We can add that this situation also implies no available effective channel of representing workers' interests. Thus, today we see many continuities with the discussion on the mobility of non-local workers from the literature in the 1970s and 1980s.

Current regulatory changes accelerated these developments further. That is, recent regulations indirectly favour and trigger increasing geographical mobility. The change of the Labour Code in 2012 stimulated regional wage-differences within the same sector. To mention the greatest difference, wages in the automotive industry could be significantly lower in the East than in the West of Hungary for comparatively similar jobs. Such a difference again stokes worker migration and mobility. Furthermore, public investment has strengthened this trend. Worker dormitories existed before, but have further mushroomed in recent years, with governmental subsidies. Especially since 2016, we have also seen an increase in workers from non-EU countries, especially Ukraine and Serbia, among others. The geographical pool of workers has thus expanded transnationally and transborder labour mobility has been singled out as “immigration” in the current public debate. However, we rather see a continuum stemming from a trend of expanding geographical mobility.

To conclude, work migration lies at the intersection between company strategies and resources for contracting non-local workers, combined with non-local workers' motivation to seek work further from their places of residence. In this sense, both worker turnover and geographical mobility should be viewed from the perspective of economic and social conditions, indicative of a landscape of increasing

3 Böhm and Pál Társadalmunk ingázói – az ingázók társadalma. Kossuth Könyvkiadó Budapest 1985

4 Imre Ferenczi A munkáslakáskérdés in Magyar munkásszociográfiák 1888-1945. Kossuth Könyvkiadó Budapest, 1974., Sándor Veres, “Munkásszálló – kérdőjelekkel. Valóság 1979. No. 4 1979

5 Especially, István Kemény

inequality. As both territorial inequalities have increased – also within Hungary – and companies invest more resources into hiring, and contracting non-locals in large automotive plants has increasingly become the norm in Hungary.

### 1.3. Company labour use strategies

Insecurities in product demand go hand in hand with short term employment strategies of firms. At least periodically they rely on intermediaries, especially temporary work agencies. Many companies employ for fixed term periods, or flexibly. Thus, it turns out that companies are less sensitive to the costs of losing “old” workers, than they are increasingly to the recruitment costs of new workers. It seems that firms have a negative adjustment employment strategy, a vicious-cycle trap, with a deteriorating quality of contracts and employment relations, that go hand in hand with an increase in employment of more vulnerable workers, especially non-locals. One of the most pronounced labour use strategy of automotive companies in Hungary was an increased, however uneven reliance on temporary work agencies, especially since 2010.

According to the available statistics, the number of workers employed via temporary work agencies (TWA) in Hungary has increased over the last 15 years about five times. By 2017, four per cent of all employed were temporary-agency workers. Almost two thirds of temporary-agency workers have taken on jobs in manufacturing. Within manufacturing, especially since 2010, temporary-agency workers are also present in automotive companies in greater numbers. According to the last available official data from 2018, 16,858 temporary workers were employed in 297 automotive user companies.<sup>6</sup> As of late 2018, there were 653 registered temporary-agency headquarters, and there were an additional 260 registered regional offices. The official list also indicates a large number of temporary agencies with only one office headquarters (most likely small companies), and ten large temporary agencies with at least three offices in several counties of Hungary.

Temporary agencies have two “faces”. As visible on their websites, they target both those searching for jobs and user companies. Temporary agencies attract – recruit – and employ workers, providing them not only with earning opportunities at user companies but also with associated services. On the other hand, temporary agencies provide a service of “loaning the labour force” to user companies. The latter service greatly adapts to specific user company needs and its concrete arrangement is very flexible.

Many of our worker informants indicated that temporary agencies’ popularity was due to two reasons: they swiftly provided well-paid job opportunities in distant places, along with additional services, while they were also flexible in accommodating individual job requests and searches. Thus, temporary agencies were agents of geographic mobility – and an increasingly important actor in the Hungarian labour market. Moreover, in using the newly relaxed employment procedures, temporary agencies were quick and sufficiently entrepreneurial to make employment of third-country-national workers possible within a very short time span.

During our fieldwork around the workplaces, we saw an increased fragmentation among groups of workers, a situation that also came into effect due to the presence of temporary agencies that contracted workers from various regions, but also for the same user companies. There was also some variation

6 Gedei Henriett “Összefoglaló a munkaerő-kölcsönzők 2018. évi tevékenységéről” Pénzügyminisztérium, Elemzési és Bérpolitikai Osztály, Budapest May 2019 [https://nfsz.munka.hu/Lapok/full\\_afsz\\_kozos\\_statistika/stat\\_osszefogl\\_munkaero-kolcson\\_tevekeny/content/stat\\_osszefogl\\_munkaero-kolcson\\_tevekeny\\_2018.pdf](https://nfsz.munka.hu/Lapok/full_afsz_kozos_statistika/stat_osszefogl_munkaero-kolcson_tevekeny/content/stat_osszefogl_munkaero-kolcson_tevekeny_2018.pdf), pp22, 25, 38

among temporary agencies as employers, in the sense that some did, while some did not respect legal procedures, interpreted their employment contracts very laxly or did both. Thus, there were better and worse TWAs. Workers were often confused about their employer and its obligations – there was a clear information deficit.

## 2. IDENTIFIED PROBLEMS AND CHALLENGES AT THE PLANT LEVEL

We summarise our findings in four, interconnected points: 2.1. A non-transparent employment policy and fragmentation of the employment relationship; 2.2. Lacking prospects: the perspectives of non-local workers at the workplace; 2.3. Limited social integration: socialisation at and outside of the workplace; 2.4. Lack of information on part of plant level unions and communication deficit.

In relation to non-local workers, most union representatives and local unionised workers voiced a dual feeling. On the one hand they acknowledged the vulnerability and dependency of non-locals. On the other hand, unionists also judged that non-locals had certain privileges – housing was especially seen as “positive discrimination”, as were various fringe benefits (e.g. transport to work, paid trips back home).

We discussed both claims with non-local workers too and came to the conclusion that especially the second judgement on privileges was lacking certain crucial pieces of information.

In a sense, housing emerged as a stumbling block between non-local and local workers. Non-local workers’ ability to save on housing fuelled the resentment of some local worker groups against them and justified such resentment. Similarly, the market in workers’ housing inflated prices for rents and accommodation in most locations, making the workers who used such housing easy targets of resentment. At the same time, the unions were often not aware, and especially did not communicate to core-worker groups what changes in free housing meant to non-locals’ lives. For most non-locals, living in a worker dormitory was not socially sustainable in the longer run – it was only an intermediary arrangement. In our research, many non-local workers wanted to save in order to start renting an apartment.

That being said, we find that the environment is full of misunderstandings at present. Worker groups or individuals feel treated in an unjust way, while they are unable to represent their own interests and make claims directed at the employer. Their discontent tends to materialise against groups of fellow-workers or in the direction of an exit from the workplace, rather than towards generating constructive action to improve the situation. In general, local workers often formulated their interests as in conflict with those of non-locals, based on prejudices or insufficient information. More positively, some workers recall good experiences after exchanges and working together with non-local workers. However, these workers with a positive attitude also expressed their frustration that their voice was not dominant in the smaller workplace community, or that it was not backed up by trade-union representatives.

### **2.1. Non-transparent employment policies and fragmentation of the employment relationship**

At our sites we discovered that non-local workers had various employment contracts: the majority were employed via temporary work agencies; some were also on fixed term contracts, and only a fraction were direct employees of user companies. In some workplaces there were more temporary agencies present, and non-local workers had various temporary agencies as their employers. There were often differences

between the various temporary agencies, with more or less responsibility and responsiveness towards their employees, which further added to the fragmentation.

The various intermediaries had different practices and services, some of which were evaluated positively, but mostly negatively. Among the positive, services such as organising immigration status, transport home and arranging accommodation were mentioned. Of the negative, the failure to address any ongoing problems, and a lack of choice and autonomy in such arrangements were keenly felt. In addition, the discrepancy between the quality and types of services provided by various employment agencies even within one plant was astonishing. This could manifest itself in such basic conditions of employment as having to/not having to pay for recruitment, transportation from home to the workplace, access to accommodation of various quality, the quality of ongoing support with paperwork and communication, the availability of translation services and the availability of various fringe benefits. Under such conditions the level of misinformation and confusion was very high.

For many non-locals it was not clear what their status meant. It was also not clear to them what it means to become a core worker: would it entail the risk of losing some benefits or go hand in hand with more job security? In some places, the mechanism of getting a permanent employment contract, as a shift from temporary contract or a move from the temporary agency to the user company was also unclear. Viewed negatively, a rapid change in hiring–firing flows and worker turnover was the case at one site, which raised fears and a lack of understanding about rules and expectations. Lacking information, workers did not want to transfer, but insecurity persisted. Among our cases, most trade unions did not engage in the practice of enquiring into the conditions of “takeover” from the employer – neither user companies nor temporary agencies – and could not inform affected workers about requirements and procedures.

## **2.2. Lacking prospects: the perspectives of non-local workers at the workplace**

Non-local informants, especially those coming from other countries, recalled hierarchies and hostile cliques among core workers as a barrier to integration. In some cases, non-local (and especially foreign) workers indicated preferential treatment based on membership of or exclusion from such groups, manifested in the distribution of easier tasks, better paid working hours and opportunities for overtime. Some experienced threats and verbal insults, or the feeling that they were a tolerated group only. At least in two workplaces, there were some recorded discriminatory practices, such as not being allowed smoke breaks, or unjust treatment – in tone and demand – of a superior directed more heavily against non-locals. Non-locals typically did not know who to turn to, especially if there was a language barrier. Some non-local workers also found themselves in the trap of a triangular employment relation, where the agency representative discouraged them from requesting payment for all working hours, since, as paraphrased by a worker “you earned much more than at home”.

Typically, non-locals worked on the assembly line. Most of them on temporary or third-party employment contracts felt insecurities and lacked a clear vision in terms of career development. On the contrary: production-based requirements and insecurities were immediately felt, either in rising job insecurity, and an increase or lack of working hours imposed on the workers.

Workers felt that they might be more valuable and in control if there was company feedback and recognition of their work, but on many occasions, practices differed. Some interviews indicated that the strictness of monitoring the quality of products oscillated over time, and that different standards were applied to various worker groups or individuals. For instance, at some times the entrance test for the jobs

were stricter, while at other times they were only a mere formality. In one case, even receiving further training for other workstations or machines did not guarantee a job, as group dismissals occurred. Company plans and perspectives were unclear, as was the integration of individual workers' careers within a company's prospects. Moving up in the hierarchy to more quality jobs typically necessitated a takeover and permanent employment contract – but this perspective rarely, if ever appeared to be clear to our respondents.

It was apparent for us that the automotive companies faced an employment policy dilemma (maybe not consciously) of whether to invest in workers or to invest in maintaining a greater labour pool, mostly via temporary agencies. Although it was costly and more fragile in the long run, companies' employment policies seemed to favour a combination of these approaches, yet tending more towards a reliance on temporary agencies. Company employment strategies, and mechanisms of advancement were often non-transparent even for trade unions. Unions were thus unable to play a constructive role in informing or helping workers to advance.

### **2.3. Limited social integration and socialisation both at and outside of the workplace.**

Shop-floor interactions can entail both conflict and social bonding. In our sites, the workplace offered only limited opportunities for integrating newcomers as well as many “old” workers. The high turnover, as well as a shortening of the time and quality for on the job training and instruction contributed to this. At the workplace, workers were often isolated or limited to a narrower group. While former friendship bonds seemed to persist, due to a very intensive workload and the fragmentation of production, it was quite difficult to form new friendships or a collegial approach. Outside of the workplace most of non-local workers were typically concentrated in worker dormitories or shared apartments. They were mostly isolated from deeper social interaction with fellow local workers either due to the geographical location of the dormitory, time constraints and, sometimes, language deficits. Positive examples of socialisation or integration were mentioned as personal / individualised examples of goodwill and social skills on the part of the worker.

Integration happened in some cases via union organised activities for union members (a family day, organised excursions) when unionists could meet, talk and learn about each other. These, however, again had their constraints: the design and output of these community events did not seem to have been discussed with members and potential members, there had been no evaluation of the value of these activities for social integration etc. On the part of unions, we saw sporadic attempts and commitments in some places to select and integrate a few, committed, socially sensitive unionised non-local workers. These workers' role could be crucial in making the first step to workers' integration via the union: communicating unionist principles, benefits and general information to non-local peers.

### **2.4. Lack of information also on part of plant level unions: Poor information flow and communication deficit**

As earlier mentioned, non-locals (but to some extent also local workers) lacked information about production, employment plans and strategies (those of automotive companies and intermediaries in this case). There was also an information deficit on specific plant-level extra pay-benefits pegged to travel, housing and family benefits. Similarly, the workers also did not know much about each other and did not seem to discuss their position vis-a-vis the employer very openly. In some cases, they thought they were bound by a contractual obligation to maintain secrecy as to the details of their employment.

Information circulation was uneven and occurred in mutually isolated groups of workers who spent each day at a particular workstation. As for the trade union, even if non-local workers knew (and many did) about its general purpose and its existence at the workplace, they were often not aware of the special services that trade unions could help them with (e.g. a solidarity fund, tax benefit issues).

Most plant union representatives were aware that union members and especially non-local workers lacked crucial bits of information about their rights, benefits, as well as about each other. In general, on the shop floor, most unions could and did use their billboards to inform members and workers. Some would also introduce themselves to new entrants at training sessions. The union billboard is usually located in a specifically designated place, where many workers do not go at all, which meant that even this bit of information passed many workers by. Significantly, trustees did not seem to give back much information on requests, the special needs of worker groups at workplace level, or of conflicts among them. Union services were typically individualised, assigned to union members who would knock on the door of the union office to obtain information, special services or assistance. Outside of the workplace there was no information circulation that was especially manifest in worker dormitories, which had a high concentration of non-local workers. Trade unions do not seem to have ways to introduce regular opportunities for discussion at designated places neither in the workplace, nor – especially – outside of the workplace. None of the trade unions had established sites outside of the workplace for discussion.

### 3. TOWARDS A NEW WORKER TYPOLOGY: THE PLACE OF NON-LOCAL WORKERS AND THEIR INTERESTS IN LOCAL SETTINGS

In this section we see how typology based on union choices and dilemmas as described in the local and international literature can be adapted to non-local workers. Here we outline only dominant worker behavioural models, as a basis for group interest formation. In developing these models, we took into account the Hungarian context of plant level unions and decentralized bargaining (with minimal sectoral/national coordination) and applied to it a typology developed by previous Hungarian sociological research on industrial worker behavior and interests. We defined three behavioral patterns shaping the interests of production workers, resonating with those developed by Gábor Kertesi and György Sziráczki:<sup>7</sup>

- elite workers,
- dual status workers,
- income maximization of temporary, marginal workers

We consider these behavioural models as still relevant and informing our assessment for two main reasons. One reason is that many MNCs after 1989 have adapted to local worker attitudes, thus cementing their strategies in labour sourcing and remuneration. The second reason is that we have observed that the unionist discussions and typical complaints regarding problems of unionisation ran along these lines.

7 Gábor Kertesi and György Sziráczki “Munkásmagatartások a munkaerőpiacon” in Laky Teréz, Ferenc Nemes Szöveggyűjtemény a szociológiai alapismeretek és módszerek c. tárgyhoz. Tankönyvkiadó Budapest 1984. Vol. 2pp 48-74

### 3.1. “Elite workers” interest formation

This model reflects the domination of interests of a limited group of privileged unionised workers, i.e. securing beneficial positions for a core group of workers with stable contracts. In this model unions and their constituents invest in informal networks that would increase bargaining power for their selected group. Highly interested in wage setting, this group and its members insist on attaining seniority, taking control of productivity with an hourly wage rise, while resisting income maximisation at any cost. If the trade union adapts or dominantly incorporates this group’s strategy, it is more exclusivist in representing interests, and risks coming close to the position of a business union. In the 2009 crisis many trade unions in Hungary, especially in the higher segment of value chains, adopted this strategy of protecting their core workforce and pushing the costs onto outsiders – either temporary workers or those lower-down on the chain. This strategy also favours a high labour-market control-threshold already at the workplace level, but it strongly opposes the employment of marginal groups, including non-local labour, at least in core positions. At best, it cements marginal employment and the position of non-locals. Here, non-local workers are perceived as highly flexible “slack” labour, which might overlap with the company’s flexible labour-use strategy. Elite workers are not prone to develop solidarity, and, non-local workers are not only permanently marginalized, but there is no space for definition and articulation of their interests.

### 3.2. “Dual status” workers interest formation

Workers with a dual status have a more mixed attitude towards the company. These workers are stuck at lower positions and do not have much chance of upward mobility in the company hierarchy. To make up for the lack of opportunities, they deliberately restrain their labour at workplace level in order to receive incomes from other informal spheres. In our view – and in contrast to the original typology – we also count here typically female workers with household and reproductive duties. In the original typology, under the conditions of labour-market shortages, there was a compromise situation between a company and its dual-status workers. These workers would fill up specific jobs that are not too difficult (or where a lower work intensity was tolerated), but would have no career prospects.

In our cases with multinational companies such a compromise was not present. For this type of workers, especially if not unionised, worker turnover was a major means of pushing up wages, or finding a job that reconciles the two statuses. If trade unions adjusted their strategy to also protect and represent the interests of these workers, this would lead to a more inclusive strategy, and be more fruitful for sectoral-level coordination as it goes beyond the factory level. The unionist activation of dual-status workers, however, is more difficult to achieve. One must note that the employers’ premiums and supplement system – of benefit to the most flexible workers – often went against the interests of this worker group. In general, it seems that these workers are more difficult to organise, yet organising them is important, as they need union protection and demonstrate a sensitivity to supplementary benefits. They seem to be more present in companies situated either in the middle or lower-down in the supply chain.

The interests of this group are more general and come closer to broader social reproductive interests. Economically there is an interest in controlling the labor market, while politically there is a demand to exert influence over policies, regulating social reproduction including work-family balance issues. This worker group is more inclusive towards non-local workers, but still, it is likely to be more

exclusivist towards some marginal groups, especially immigrants. A test here is the workplace level practice of excluding migrants from the better-paid and more secure areas of employment, relegating them to marginal positions that are more vulnerable in times of crisis.

Dual status workers are more open to reconciling their own interests with those of non-local workers. However, typically there is no established way to articulate the divergent, but sometimes complementary interests, even where a union is present at the workplace.

### **3.3. Non-local mobile and “marginal workers” interest formation**

Marginal workers historically derived from a migrant proletarian group of agricultural labourers (vándorproletárok, szegényparasztok) with a background of low-family support – and none to low inclusion of their interests into union strategies. Historically, these were workers from poorer regions, but they also included Roma. Without other income possibilities, and without a strong social background, these workers with “low skill” (unrecognised skills) try to maximise their income with quantitative flexibility, earning as much as possible in the shortest time possible. Two subgroups of marginal workers are: seasonal workers (who also have, classically, an agricultural plot of land) and are not always available, and those without any other means of subsistence. We place non-local workers, especially those with temporary contracts, and also the bulk of temporary-agency workers in this group. However, while having the least amount of power, this group of workers might also induce social dumping to a plant, if this suppresses wages directly or indirectly (via increasing production norms).

Trade unions in Hungary typically had few incentives or will to reach out and protect the interests of the most vulnerable groups of workers. This was the case since work with the most vulnerable necessitated more work, educational and organisational efforts with very insecure outcomes in terms of unionisation. Their job instability also decreased incentives for unions to deal with these groups.

Non-local workers differ, however, from classic marginal workers in their potential for geographical mobility. Whereas short term interests also dominate the behavior of this worker group. In terms of their higher levels of skills, education, social capital etc. these workers differ from classic kinds of marginal workers but suffer various other structural limitations, such as dependence on housing arrangements, triangular employment relationships, or administrative or language related barriers. Precisely the elimination of these structural obstacles might offer an avenue for interest formation for this group of workers. The elimination of these obstacles might happen via union intervention and intermediation. For unions, efficient protection, information sharing, education for those with lower social status, including non-locals, is very important to prevent social dumping. If the union pays attention to special group interests, develops special services for non-local outsiders, and reconciles issues of special treatment among worker groups, then the interests of non-locals might also find their institutionalized form.

In the classic scheme, this model includes a fight against segregation, fosters integration, and also supports economic and social development in the migrants’ and immigrants’ countries of origin. To escape marginalization, the formation and articulation of non-local worker interests needs local allies.

## CONCLUSION

In this paper we discussed the avenue of non-local workers' interest formation in the changing production environment of large automotive companies. The automotive sector increasingly faces insecurities stemming from shrinking product markets and technology based transformative pressures, but flexibility of production also translates into changing employment standards. Today, many automotive companies find it necessary to rely on geographically expanding labour pools and transnational labour markets. Automotive production requires geographic mobility and flexible, able workers, who are able to make quick adjustments both to new products and to work processes. Our main findings build on fieldwork and action research at four sites where large automotive companies required and secured the presence of a growing number of non-local workers.

In our analysis we introduced the relevance of three interconnected processes of mobility, migration and turnover. The category of non-local workers was crucial for unpacking and reconstructing worker interest formation on two levels. One, it allowed us to treat collectively a category of workers with different statuses, but with a common denominator of structural employment conditions. Two, creating a larger category allowed us to redraw the map of, and understand the dynamics shaping fragmentation among non-local workers based on their actual position in the workplace and prospects of mobility. Finally, the term non-local workers shifts the focus from the misleading discourse of immigration "problems" to the actual factors that shape interest formation among the workers of various statuses. This was crucial for us to observe migration from the point of view of the settlement where the workplace is situated at. To assess non-local worker interest formation we reapplied an available typology of worker behavior developed by Hungarian sociologists already in the 1970s.

The employment of non-local workers and members of more vulnerable groups indirectly increases the pressure against labour standards and wage levels. However, in this paper we argue that this potential comes to play out mostly because the interests of non-local workers are not defined and articulated. There are multiple reasons as to why this is so. Most importantly whereas we find that the interests of non-local workers might be closest to marginal groups of workers in the classic typology, the formation and articulation of non-local worker interests needs local allies. Elimination or rolling back of structural obstacles, for instance limiting dependence on housing arrangements, escaping triangular employment relationships, or bridging linguistic and cultural barriers might offer avenues for interest formation for this group of workers, but also for local trade union action.