

EXPECTATIONS AND RECOMMENDATIONS

MKKSZ RECOMMENDATIONS to the government taking office after the 2026 parliamentary elections

February 2026

I. CHARACTERISTICS OF THE FUNCTIONING OF THE PUBLIC SERVICE SYSTEM

1.1 In recent years, there have been **contradictory developments in the human resources, organizational, and remuneration conditions of public service task performance.**

Due to the reduction in public sector funding, the quality of public services has not improved, and the quality of life of those working in the sector has generally deteriorated.

The growth rate of the Hungarian economy has significantly slowed down, partly due to the lack of European Union funds. Aware of this, the workers we represent rightly expected their earnings to be adjusted to the national economic average or at least to be maintained in real terms. However, this did not happen because the previous public service remuneration system, which guaranteed career advancement, was replaced everywhere by a system of earnings based on the subjective assessment of the employer.

1.2 In recent years (*partly as a result of trade union wage struggles*), **wage measures have been taken in all sectors of the public sector** at different times and to varying degrees. Nevertheless, the situation has not improved because wages have not been brought up to the required level and there is no guarantee to maintain the real value of wages. Thus, even when considered in their totality, these measures have not resulted in a noticeable general increase in income for public service employees.

There have been two areas of nationwide, system-wide wage measures:

- the adjustment of medical doctors' wages in the healthcare sector
- in public education institutions (*partly from European Union funds*)
the adjustment of teachers' wages

These wage measures did not result in a general adjustment of the income situation of workers in these two sectors. Due to the differentiated wage increases based on job responsibilities and positions, auxiliary, technical, and administrative workers in these institutions were left out, and the wage issue for healthcare professionals remains unresolved to this day.

1.3 *The situation of public service employees – in addition to chronic underfunding – was exacerbated by the government's employment policy efforts.* A recurring theme in government communications has been the rationalization of public service employment, with plans to cut hundreds of thousands of jobs (*out of a total workforce of around 100,000*). Continuous reorganization and structural changes have been on the agenda. The undisguised aim of these measures was to prevent experts from hindering politically preferred economic

programs. As a result of these measures, the role of professional control in decision-making was significantly weakened. **The reorganizations** – *beyond the indisputable individual and family interests and existential uncertainty* – also had a particularly negative impact on the entire administrative system, as they **exacerbated the already existing labour shortage**.

1.4 Throughout the public service, but especially in state administration and public authority workplaces, **employees were confronted with the employer's demand**, enshrined in open legal status legislation, which, *beyond the legally expected loyalty to the government and local authorities*, also **required unconditional political alignment**.

This is one of the reasons why professional considerations have been pushed into the background in public service human resource policy practice. In the case of management positions, the overriding requirement is loyalty to the government, while subordinates are considered subordinates *in terms of both professionalism and human values*, are considered subordinates. **It is not without risk for them to exercise their individual and collective freedoms**, and this circumstance has had a very negative impact on the functioning of interest representation and has hindered freedom of association, which is contrary to international conventions and other legal requirements.

II. EMPLOYMENT, PUBLIC SERVICE EMPLOYMENT RELATIONSHIP

2.1 Over the past decade and a half, Hungarian labour law has undergone radical changes. The Labour Code, which came into force in 2012, already represented a serious setback in terms of employee rights at the time of its creation. **In recent years, the deprivation of rights has continued**, and protests against this have been unsuccessful.

2.2 The right to strike is a fundamental right of employees guaranteed by the Basic Law. In the recent times MKKSZ has helped to organize locally *initiated strikes in the professional fields it represents (state administration, municipal offices)*. The effectiveness of exerting pressure varies. However, the common experience is that **the current strike regulations pose extraordinary difficulties in implementation and make it very difficult in practice to carry out a legal work stoppage in the public service**. A particular problem is that there are no sanctions if **the employer or the government does not negotiate** with those who initiate the strike. **Our goal is not to stop work, but to achieve the demands of the strike. The agreement between the government and the trade unions concerned on the exercise of the right to strike by civil servants and government officials should be renegotiated.**

2.3 The legal status of public servants has essentially fallen apart. **The previous system**, which was basically **divided into two parts** (*public employees and civil servants*), was replaced in 2010 by the Kjt. (creating the legal status of government officials), followed in the Kttv. (public service legal status) replacing the Civil Servants Act (Ktv.) in 2012, then the Áttv. (State service legal status) from 2016, and finally the Kit. tv. (Government service legal status) and the Küt. tv. (Public service legal relationship) came into force in 2019 – thus **completely eliminating** (the previous system). The Kjt., which previously contained the legal status and

remuneration rules of hundreds of thousands of public sector employees, has been rendered obsolete and meaningless as a result of numerous new legal status laws.

The legal regulations resulted in 30-32 different types of legal status, remuneration, wage determination, and regulations in an almost incomprehensible and internally contradictory manner.

These rules have one thing in common: **none of them comply with the ethos of public service, namely the requirements of predictability, security, and stability.**

- There is an extremely strong dependence on the controlling authority (*person*) everywhere.
- No regulation guarantees promotion based on legislation or job security.
- There are no limits or controls on local (*or central*) employer measures.
- Seniority has essentially been eliminated.
- The relaxation of qualification requirements has devalued knowledge.
- The increase in earnings does not even keep pace with inflation.

As a result, the systematic regulation of **the comparative advantages of public service has ceased.**

The MKKSZ is initiating the creation of new public service labour law regulations that uphold the fundamental values of public service, recognize knowledge and professional performance, and guarantee the freedom and equality of employees.

2.4 Opportunities for reconstruction

As a first step in the transformation and re-regulation process, this unclear and unworkable legal situation must be eliminated.

We must return to the classic values of public service.

Laws must be enacted that enforce normative guarantees and variable values in terms of both conditions of employment and operation, as well as remuneration and individual wage determination.

2.4.1 The following should be considered normative guarantees:

- differentiated remuneration based on qualifications and education (*e.g. introduction of a minimum wage for graduates*),
- mandatory advancement based on work experience (*every 2-3 years*), *taking into account the current retirement age.*
- recognition of additional work associated with position and responsibility, – controllable differentiation based on performance.

2.4.2 The autonomy of institutional operation and the possibility of taking local conditions into account must ensure – *in accordance with European Union directives* – **the possibility of concluding local collective agreements.**

The practice whereby professional laws in the public sector (*health, education, research, social care, cultural services*) also contain provisions on labour law and labour relations is not objectionable in itself.

At the same time, a common feature of public service employment is the **performance of public tasks**. Together with different professional requirements, this feature should also be reflected in labour regulations. It is therefore a basic requirement that employees performing public tasks should be **primarily subordinate to the public interest and the law** and **not** primarily at **the mercy of their local employer**, who in some cases may primarily seek to implement political will.

2.4.3 Possible measures to increase the coverage of collective agreements (contracts)

In key sectors of the human public service (*health, social services, education, public administration, law enforcement, culture, and the arts*), there has been no significant increase in the coverage of collective agreements (collective contracts) since the change of regime.

This is partly due to the constitutional obligation of public authorities (*public administration, public prosecution, courts, armed forces*) and the specific nature of the work, the law prohibited (and continues to prohibit) the conclusion of collective agreements, regardless of the division of labour within the given work organization. (*e.g., it is indisputable that in the case of judges, there is no possibility of a collective agreement, but the law excludes collective agreements throughout the entire judicial system even in cases where there appears to be no practical reason for this*).

2.4.4 Therefore, in order **to increase coverage, the current legal status and/or organizational laws need to be reviewed**. In part or in whole, the right to conclude collective agreements should be ensured in each work organization.

2.4.5 Employer partners suitable for concluding agreements should be established.

In many significant areas of the public sector today, the government is specifically designated as the employer by law.

The government does not have legal capacity and is therefore not suitable for concluding agreements. An employer should be provided that has relative (*or in certain matters, full*) employer rights (*and resources*) and is therefore capable of concluding agreements. The structure of government administration needs to be reorganized with ministries that have independent powers of disposal. It is necessary to ensure professional independence, autonomy in accordance with sectoral policy and the availability of financial resources for the operation of the ministries responsible for management (including health and social affairs, local government management, environmental protection, including the natural and built environment, heritage protection, and ministries responsible for controlling significant impact factors (noise, waste). The quality management system introduced by economic organizations is essential in the field of government administration.

2.4.6 From the perspective of collective agreements (*contracts*), it is also crucial to radically transform the management and maintenance of institutions. The current highly centralized

and inflexible management system is so large in scale that it is unable to take local characteristics and local needs into account.

The first step is to define precisely which institutions are maintained by local governments and which are maintained by the state.

The situation is extremely varied in the case of local governments, as large local governments with significant resources and many institutions would still be able to conclude contracts today. In the case of small local governments with weak tax-raising capacity, any collective agreement is only conceivable in the form of an association.

2.4.7 Public service labour law should be rewritten in line with the actual personnel, organizational, and institutional needs of the public service, taking into account the gradual "advance" of **digitization** and **artificial intelligence**.

A fundamental overhaul of labour regulations could begin with the **transformation of the Labour Code into a general labour code**.

It is unacceptable that there is a general labour code and, in contrast, more disadvantageous regulations *for the employees concerned in the public sector*. Previously, the situation was such that public service regulations only contained special provisions that were specifically related to the nature of the work (*e.g., armed service*).

The MKKSZ's goal remains unchanged: **to create a new Labour Code that complies with the standards** of the European Social Charter and the International Labour Organization (ILO) and **restores employee rights**.

2.4.8 The creation of general public service labour regulations should also be considered. (*An attempt was already made to do this in 2004-2005 during the creation of the so-called unified public service law.*)

This could mean common content for general public service labour regulations for all independent professional fields. Regardless of what "special" rules are contained in separate professional laws.

2.4.9 With regard to public administration, it is necessary to return to common (state and municipal) regulations *in terms of basic provisions*. This can ensure interoperability and the uniform application of professional requirements.

2.9.10 In order to show appreciation for those working in public administration, **we expect that the Day of the Public Service Day be reinstated as a public holiday** for the entire public administration sector – introduced 1977 on the MKKSZ initiative and withdrawn by the government in 2016 due to the MKKSZ strike action.

III. PUBLIC SERVICE EARNINGS POLICY, IMPROVEMENT OF QUALITY OF LIFE

3.1 The generally applicable mandatory minimum wages on the Hungarian labour market – *the minimum wage and the minimum wage for skilled workers* – cover the entire system of

public service wage scales that still formally exist. As a result, more than 90% of public service employees do not receive the salary specified in the applicable salary system, but rather the mandatory minimum wage. This generally causes serious tension (*new entrants earn the same as those who have been working there for 30 years*), but in the case of those with higher education qualifications, it also leads to them leaving the profession. This is confirmed by the "permanent" situation in which the number of unfilled positions in public administration exceeds 10%.

This could be remedied, *at least in part*, by the introduction of a **minimum wage for graduates**, as proposed by the MKKSZ. No one has any objections to the professional content of the proposal. No one has any objections to the professional content of the proposal. **Its introduction would not only increase incomes but also reinforce the importance of learning, enhance the social prestige of knowledge, and strengthen professionalism.**

It is also **unacceptable** that the **civil servant salary base** of HUF 38,650 established in 2008 has come of age in 2026, as it **has remained unchanged for 18 years!** We expect this to **be adjusted** for inflation of approximately 120-125% since then!

3.2 Public service trade unions must be given the opportunity to participate in wage negotiations concerning the determination of the mandatory minimum wage in Hungary. We are initiators and active participants in the implementation and introduction of the **European minimum wage directive** in Hungary. We expect this to result in the Hungarian minimum wage gradually reaching a level that serves as a source of minimum living conditions, but at least 50% of the gross average wage. It is unacceptable that the domestic minimum wage ranks 26th *among the 27 EU member states*.

A particular difficulty is the fact that, *with the tacit agreement of the trade union confederations*, the government excludes public service trade unions from negotiations on the setting of mandatory minimum wages. This is disadvantageous because the state does not provide funding in excess of the mandatory minimum wages set.

3.3 The government's position that Hungary's ability to attract capital is based on cheap labour, has serious social and wage policy consequences. As a result, Hungarian workers are paid extremely low wages, and wage pressure in the competitive sector is mitigated in the public service sector. **We demand a government human resources strategy and wage policy that does not rely on residual funds, but finances public services in a planned and predictable manner.**

We must make it accepted that the amount spent on basic public services does not mean the consumption of assets, but is a basic condition for their reproduction, i.e. an **investment in the future**. Public service wages are incompatible with a profit-oriented approach, the principle of surplus, periodic labour market influence, and wage bill management.

The essential values of public service wages must be restored: predictability, stability, and guaranteed advancement based on professional performance. The wage system based on career paths must be restored!

3.4 As a general rule, the principle of "**equal pay for equal work**" should be enforced not only with regard to gender equality, but also with regard to regional differences. In the case of employment in the public sector, *due to the public interest*, labour market effects can only be applied to a limited extent.

It can no longer be ignored that nearly 80% of public service employees are women. Another crucial change is that a generational shift is beginning in the public service. Its successful implementation may depend on whether the age group now entering the labour market sees public service as a long-term opportunity. Last but not least, we need to move away from worker poverty towards earnings that provide a decent living, which is also a prerequisite for a decent pension.

In order to ensure that public service work is valued, **we expect** the reinstatement of the **13th month's salary**, which existed since 1992 but was abolished due to the 2008 crisis.

3.5 It has also become an important demand on the part of public service employees to create a regulation that includes the conditions, tools, and resources necessary to **protect the health of public service employees**.

The pandemic situation and the increased expectations of the government and the public towards public service employees have reinforced this demand. In general, but especially for those who work in direct physical contact with the public, patients, and clients, the biological risk—as well as work performed in hazardous occupations—makes it the employer's responsibility to provide protection. **And taking risks should be rewarded by additional compensation.**

3.6 With the dismantling of public service wage systems, employer contributions to the costs of work have been eliminated at the systemic level.

The elimination of tax breaks has devalued fringe benefits, and regulation has served this purpose as well. Employers no longer have any leeway. The so-called cafeteria allowance does not serve the needs of the individual, but rather the priorities of government policy.

The MKKSZ continues to fight for the **value of work** – in terms of knowledge, experience and performance – to **be reflected in wages**, but at the same time, the **costs associated with work** (*travel, clothing, meals, training, recreation, etc.*) should **be reimbursed by the employer**. A regulated system for this must be established nationally and in the workplace.

3.7 Improving the situation of pensioners

Public service wage policy has a significant impact on the pensions received by **retiring public service employees**. After that, public service pensioners share the fate of other pensioners, which is burdened by numerous problems. Among these, it is worth noting that the current practice of adjusting pensions in line with inflation freezes the standard of living of pensioners at the level they achieved when they retired. As a result, in the 16 years since 2010, the **value of pensions has fallen behind the value of earnings**. The situation is characterized by the fact that while in 2010 the average pension was 75 percent of the average earnings, now the 13th monthly pension, it does not even reach 60 percent of that.

Another source of significant tension is that, when pensions are determined, new pensions, which are indexed to earnings growth, are significantly higher than previously determined pensions. As a result, the **pensions of long-term retirees are steadily falling behind those of new retirees. Public service pensioners are also affected by this double impoverishment slide.**

National pensioner organizations, in which MKKSZ pensioners are also active, **have been demanding for years that the annual adjustment of pensions take into account not only inflation but also the increase in earnings.** There would be resources for this, as only 7.5% of Hungary's GDP is spent on old-age pensions, while the EU average is almost 11%. There would be sufficient resources for this, as only 7.5% of Hungary's GDP is spent on old-age pensions, while the EU average is almost 11%. **We expect that in the future, pensioners will also benefit from the rise in living standards!**

3.8 Public service employment must be made attractive to young people.

Today, public service employment is not attractive to young people, primarily due to low wages and unpredictable career prospects. Over the past decade and a half, **all the comparative advantages ceased**, that that would have made public service acceptable to young people despite the lower pay. Such advantages could include flexible and home-based working, performance-based career progression, performance evaluation based on objective criteria, etc. The MKKSZ has set itself the goal of **gradually rebuilding the former career appeal** so that the joint work of different generations in the workplace can be ensured.

IV. STRENGTHENING SOCIAL PARTNERSHIP AND DEVELOPING SOCIAL DIALOGUE IN THE PUBLIC SECTOR

4.1 In Hungary, following the change of regime, alongside continuous changes in legislation (*laws, regulations*) relating to the world of work, institutions for social dialogue and interest reconciliation were also established. Between 1990 and 2010 (*a period of approximately twenty years*), the interest reconciliation forum system became comprehensive and covered (almost) the entire range of topics related to employment.

4.2 The current situation.

The National Interest Reconciliation Council (OÉT) was abolished, and with it comprehensive macro-level interest reconciliation ceased to exist in Hungary.

The law on legislation has also changed significantly. In essence, special interest reconciliation for employees has been abolished or has become a mere formality. Electronic, general "social" interest reconciliation (*expression of opinion*) is untraceable, uncontrollable, and precludes meaningful debate and dialogue. In the case of draft legislation that appears from one day to the next or during the night, this cannot even be ensured formally.

In 2012, essentially *with the intention of replacing the OÉT*, the Competitive Sector and Government Consultation Forum (VKF) was established. It has selected participants and very limited powers. Its main tasks are to agree on the annual minimum wage and minimum wage,

as well as to issue wage recommendations applicable to the competitive sector. This body is not able to deal with matters relating to the state budget, tax and income policy, or issues affecting general social and living standards.

In the public service sector, the restructuring of the state organization has led to the abolition of the county level forum system, and as a result of centralization, workplace interest reconciliation died out, with trade union rights being significantly curtailed.

Formally, the **National Public Service Interest Reconciliation** (OKÉT) has remained in place. Some of the ministry-level interest reconciliation forums have been abolished (*without any specific justification*).

The fact is that in the past decade and a half, **no agreement has been reached on any issue** in either OKÉT or the legal status forums.

In summary, it can be concluded that there is no substantive, meaningful dialogue in any of the public service interest reconciliation forums (*national legal status ministry-level*). The government considers them to be a place for unilateral – *in many cases retrospective* – information sharing.

4.3 Possibilities for reconstruction

In terms of the (separate) structure of public service interest reconciliation, **operating on three levels would be effective.**

First level: National Public Service Interest Reconciliation with the substantive role of today's OKÉT.

Second level: An institutional system corresponding to the professional and sectoral structure, i.e.:

- health care,
- public education,
- social sector,
- cultural and arts sector,
- public administration,
- defense, law enforcement
- environmental

sectoral and sub-sectoral interest reconciliation system with collective bargaining rights.

Third level: Workplace interest reconciliation. This requires partial economic independence and the retention of income related to one's own activities at the local level.

V. PROPOSALS - MEASURES TO STRENGTHEN TRADE UNIONS

Over the past decade and a half, the social role and political weight of employee (*and employer*) interest groups has declined significantly.

5.1 The fundamental prerequisite for change is the acceptance that parliamentary power is not unlimited. Practical proof is needed that freedom of association is not only a right but also a real possibility, and that employee (*employer*) interest groups are indispensable partners in a democratic state governed by the rule of law.

5.2 In accordance with international conventions, it would be necessary for the government **to express, through "symbolic gestures,"** its recognition of employee interest groups and the importance of their control role (*e.g., participation in trade union events, public dialogue on key social policy issues*).

5.3 It is particularly important to clearly delineate the roles and powers of interest representation. According to current practice, "chamber" interest representation bodies, which were established partly voluntarily and partly by government decree, may also perform functions that exclude trade unions. Without questioning the legitimacy of chamber interest representation, it must be made clear that only trade unions are entitled to represent the interests of employees.

The current chaotic situation also means that professional organizations and associations are acting in a trade union capacity. These phenomena must also be properly managed, and the scope (*and limits*) of their own possibilities must be made clear to them.

5.4 The "non-acceptance" to become a trade union member is not necessarily due to indifference, apathy or dissatisfaction with interest representation. Primarily in the public sector (*but possibly also in the competitive sector*), there are no trade unions due to the excessive power of employers, vulnerability, and threats. **The government** (*obviously primarily in the areas it controls*) **should set an example** in cooperating with trade unions and guaranteeing the operating conditions of workplace trade unions.

5.5 State intervention should be used to assist (*regulate*) employee (*and employer*) interest groups in

- gaining access to the public media and, in general, participating in public social communication,
- free access to data related to the world of work,
- participation in the development of major state programs, already at the stage of concept and impact assessment,
- meaningful participation in the work of parliamentary committees

5.6 Financial (material) support.

A basic requirement – *and a condition for equal social partnership* – is that employee (*employer*) interest groups be financially independent of the government of the day. Their operations should be funded **primarily** by voluntary membership fees paid by their members.

This basic principle does not preclude the possibility that, in order to perform certain state, community, or social tasks (*in whole or in part*) (*e.g., monitoring, consulting, representation, research, data provision, care, assistance, etc.*), trade unions **receive public funding from state sources within a public framework.**

5.6.1 The most appropriate form of support (solution): the possibility and/or support of **participation in public** (domestic, EU and other international) tenders. (*It is already common practice for employee interest groups and employer or other professional interest groups to participate jointly in international programs.*) It would also be helpful if domestic grant opportunities were opened up to which sectoral (*professional*) trade unions could apply independently (*or in consortium with other interest groups*).

5.6.2 The possibility of **accessing 1% of personal income tax** should be considered. It is certain that it would cause serious tension if the current 1% *available to civil society organizations* would be opened for trade unions too. If such an option were to be introduced, the financial support of trade unions would require (*after 1% for churches and 1% for civil society organizations*) the introduction of a "third 1%" option.

5.6.3 The most appropriate form of financial support, linked to membership (and to the number of members) and therefore proportional to employee's evaluation, would be **tax exemption for membership fees**. Currently, membership fees are not a significant item in terms of reducing personal income tax, due to the significant reduction in the rate of personal income tax and the abolition of personal income tax for mothers with multiple children. If the full monthly personal income tax would be decreased by the amount of membership fees, the state would recognize that it is a cost for the employee to ensure the representation of their own interests.

Budapest, February 2026

Hungarian Civil Servants, Public Employees and Public Service Workers' Union