

Work: Can there be too much of a good thing?

The government is seeking fundamental change in the way work works in Hungary. It seeks to simultaneously increase labour supply, employment and the time each worker spends at work. The latter appears unnecessary: a comparative review of European working times reveals that those already in employment work more than the average European. While the regular weekly working hours are slightly below average, overtime is above the mean, while paid vacations and public holidays in Hungary are below the average of European countries. Overall, the result is that Hungarians in employment work a lot. There aren't enough of them, however.

As we have noted repeatedly, employment has emerged as the single most important priority for the government. Driven by the insight that Hungary's second lowest employment rate in the EU is in no insignificant part to blame for her economic and social ills, the government has pledged to create no fewer than one million jobs by 2020.

To do so, the government has vowed to transform the way we view work. Hungary, Orbán claims, will have to move away from the dying western attitude regarding labour to espouse a more Asian understanding of work.

Of the innumerable, often controversial measures affecting the labour market – the area where the Fidesz regulatory machinery was arguably most active – many affect large swathes of society that are stuck without jobs – early retirees, disabled persons, the unemployed. The government is putting the squeeze on these groups to force them back into the labour market and look for jobs because their existential situation becomes insecure.

In theory average

Yet, the government needs to push not only demand for labour, but also its supply. To do so, it is changing the rules regarding work in order to motivate reticent employers. If employees' working time is increased, vacation is reduced, breaks are more limited, and they may be laid off more easily, etc., then employers might be more willing to hire the masses of people who stream back into the labour market.

The question is, however, whether increasing the work burden of the labouring class really addresses what is ailing the economy and the labour market.

Policy Solutions based on the data of Eurofound (the European Foundation for the Improvement of Living and Working Conditions) has undertaken a comparative review of work hours and working regulations in Europe and found that the hours worked by Hungarians are already among the longest in the Union. Extending working time is therefore unlikely to yield the benefits that the creators of the idea anticipated.

Based on the basic regulations, work hours in Hungary are not high. Basically, there are two groups in the EU. A slight majority of EU members, 15 countries, allow for 48 hours of work per week, while a minority – 11 in total – allow for 40. Hungary is part of the latter group. Even with the Fidesz government raising the maximum number of overtime to 300 hours, Hungary will still be well within the European mainstream.

Yet still working long

But the basic working hours do not adequately reflect Hungarian reality. While theoretically the Hungarian working week ought to be among the shorter ones in Europe, estimates of the total hours worked in Hungary rank the country near the top, with employed Hungarians working 1848 hours on average annually. Only in two countries, Poland and Romania, do employees spend more time working.

Table 1. Estimated time spent with work, annually in the member states of the European Union (2010)

Rank	Country	Hours spent working annually
1.	Romania	1864
2.	Poland	1856
3-6.	Bulgaria	1848
3-6.	Estonia	1848
3-6.	Hungary	1848
3-6.	Slovenia	1848
7-8.	Latvia	1832
7-8.	Lithuania	1832
9.	Greece	1816
10.	Luxembourg	1800
11.	Malta	1784
12.	Ireland	1778
13.	Slovenia	1756
14.	Austria	1736
15.	Portugal	1734
16-17.	Belgium	1729
16-17.	Spain	1729
18-19.	Cyprus	1725
18-19.	Netherlands	1725
20.	United Kingdom	1705
21.	Czech Republic	1702
22.	Finland	1695
23.	Italy	1694
24.	Sweden	1681

25.	Germany	1658
26.	Denmark	1628
27.	France	1601
EU average		1714

Source: Eurofound¹

Interestingly, Central and Eastern European countries tend to dominate the top part of the table. There may be a variety of reasons for this, starting with the weaker interest representation of workers in the region, the peculiar phase of economic development in these countries, the political and economic imperative of economic convergence, etc. Incidentally, the fact that many of Europe's most competitive and productive countries, e.g. Denmark, Sweden, Germany, are at the lower end of the table suggests that the mere amount of work is certainly in no direct correlation with economic output. In any case, the survey of actual hours worked suggests that Hungary needs no further catching up in this area.

Why the long hours?

But if judged by the basic working hours a Hungarian workweek should be slightly shorter than the average European workweek, then why do Hungarians work this long? We can state two reasons with certainty and speculate about the third. The first reason is that the laws give considerable latitude in terms of overtime. Hungary allows for 200 hours of overtime annually, which ranks it high among the countries that actually regulate overtime.

The planned increase in overtime, from 200 hours currently to 300 annually, will place Hungary behind only Latvia in terms of the maximum hours allowed (in those countries with comparable regulations).

Table 2. The maximum number of annual overtimes hours in the European Union (2009)

Rank	Country	Maximum number of overtime hours
1.	Latvia	432
(2.)	Hungary (2012 – planed)	300
2.	Austria	260
3-4.	Finland	250
3-4.	Italy	250
5-8.	Estonia	200

¹ Note: These numbers apply pursuant to the minimal days of paid vacation and public holidays that apply. The annual number of hours shows the working hours we observe when we multiply the weekly working hours by 52 after we subtract vacation and public holidays.

5-8.	France	200
5-8.	Hungary	200
5-8.	Sweden	200
9.	Slovenia	180
10-14.	Bulgaria	150
10-14.	Czech Republic	150
10-14.	Poland	150
10-14.	Portugal	150
10-14.	Slovakia	150
15.	Lithuania	120
16.	Spain	80

The other factor explaining the long hours in Hungary is the relative dearth of public holidays and the comparatively few days of vacation. Hungary has only nine days of public holidays, which is relatively little in European comparison. The situation is similar with regard to paid vacation, where Hungary's 20 days are modest as compared to European counterparts.

Table 3. Overview: regulation of working time in the European Union

Country	Maximum working hours annually	Maximum overtime annually	Minimum paid vacation annually	Public holidays annually
Austria	2080	260	30 days	11 days
Belgium	1976	0	20 days	10 days
Bulgaria	2080	150	20 days	9 days
Cyprus	2496	0	20 days	13 days
Czech Republic	2496	150	28 days	11 days
Denmark	2496	0	By individual arrangement	10 days
Estonia	2080	200	28 days	9 days
Finland	2080	250	30 days	9 days
France	2496	200	35 days	10 days
Germany	2496	0	24 days	10 days
Greece	2496	Max 4 hours daily	20 days	10 days
Hungary	2080	200 (300)²	20 days	9 days
Ireland	2496	0	28 days	8 days
Latvia	2080	432	28 days	11 days
Lithuania	2496	120	28 days	11 days
Luxembourg	2496	0	25 days	10 days

² The government would maximise overtime at 300 hours per annum in the new Labour Code.

Italy	2496	250	20 days	9 days
Malta	2496	0	24 days	13 days
Netherlands	2496	0	Four times the weekly working hours	5 days
Poland	2080	150	20 days	8 days
Portugal	2080	150	22 days	11 days
Romania	2496	0	20 days	6 days
Spain	2080	80	30 days	14 days
Sweden	2080	200	25 days	9 days
Slovakia	2080	150	28 days	13 days
Slovenia	2496	180	20 days	9 days
United Kingdom	2496	0	28 days	8 days

Sources: Eurofound, ILO

The data clearly show that the regulation of working hours is not lax in Hungary. The government obviously has a point that low employment is a major part of Hungary's problem and therefore needs fixing. Nevertheless, commendable as the government's commitment to a new ethic of work may be, the increase in the already extensive work burden of those who are fortunate enough to be employed appears misguided.