Snakes or Ladders? Job Quality Assessment among Temp Workers from Ukraine in Hungarian Electronics

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In contrast to the usual integration of migrant workers in the ‘bottom jobs’ on the labour market, the employment of Ukrainian workers in Hungarian electronics plants seems to take place in a more beneficial way. With the active mediation of temporary (temp) agencies, Ukrainian migrant workers are offered regular blue-collar assembly work, together with the same social rights and benefits as their local Hungarian colleagues. Relying, in our analysis, on the literature on industrial sociology, migration research and global value chains, we are developing a critical perspective in which migration and employment are not seen as separate spheres but as mutually reinforcing each other. We combine bottom-up empirical research based on interviews with workers and a sectoral inquiry on industrial and employment relations in the temp agency sector supplying multinational corporations. Our main argument is that complex contracting also means subtle controlling. Such contracting is not the cheapest form but it creates a different, efficient employment regime with dependent, controllable, flexibly available, ‘fluid’ employees. Employee respondents described their position as dependent, ‘out of control’ and a temporary earning opportunity. Devoid of clear mechanisms for controlling their work conditions or growth within the job, all respondents turned to a more instrumental approach, in which they invested in building up social capital through friendships, networks and personal relationships. Obtaining Hungarian citizenship and learning the language were two other main strategies for dealing with insecurity. Their efforts correspond with and reinforce a more globally integrated but ethnically motivated immigration regime, characteristic of post-socialist Hungary.

Keywords: migration; precarious employment; temporary work agencies; job quality; Hungary; Ukraine

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Introduction

There has been a recent increase in the number of workers from Ukraine in manufacturing jobs in Hungary, especially in large multinational corporations (MNC) in electronics and automotives. Here, in contrast to the usual integration of migrant workers into the ‘bottom jobs’ on the labour market, we observe, initially, that the placement of workers from Ukraine occurs in a more beneficial way. Workers with Ukrainian citizenship are regularly allocated to blue-collar assembly work, receive valid residency permits and, at least in theory, have access to social benefits in the same way as their Hungarian colleagues. While we do not exclude the possibility that straightforward exploitative integration of workers from Ukraine is still taking place to some extent in the Hungarian labour market, we ask in this paper what it is which explains the formal upgrade? Assessments from the global value chains literature and the employment relations of migrant workers in core capitalist countries provide us with critical concepts through which to investigate these optimistic claims.

Whereas the formal placement of ‘Ukrainian workers’ is carried out with the active mediation of temporary (temp) agencies, our main aim is to explain the recent shift towards an established, regulated, form of employment for migrant workers. This change means, we claim, more than merely a shift to a more regulated labour ‘import’ – which includes, for instance, a more beneficial form of entry in the Hungarian labour market for third-country workers. This new form of employment is made possible via a complex hiring process, including a new type of worker recruitment from Ukraine and their specific placement in Hungary. As we know from the global value chain (GVC) literature, in recent decades the biggest firms in Hungary generated massive cross-border movements that brought about changes in production processes. Consequently there were somewhat negative changes in the quality of these jobs, especially for migrants, and it is these forms of employment that we assess as precarious. More precisely, our assessment suggests that there are serious limits to the economic and social upgrading of blue-collar jobs for third-country-national (TCN) temp workers in electronics.

We thus take the existing critique in order to discover whether or not it reveals a story beyond what we call ‘a formal upgrade’ for migrant workers. Starting with the motivations which make workers take up these jobs – which include poor employment opportunities in the home country (push factors) – we also examine the workers’ efforts and opportunities to secure a better labour-market position. Analysis of migrant workers’ narratives allows us to see if we can find any truth in this critique. We also examine the enabling conditions (pull factors) leading to the presence of a new type of subcontracted workforce – not only from the perspective of the workers themselves but also from that of intermediaries (temporary work agencies or TWA).

Focusing, in this paper, on a critical understanding of the notions of precariousness and the potential for social upgrade among temp workers from Ukraine in blue-collar manufacturing jobs, we evaluate what these jobs mean for our respondents. In particular, we asked them what opportunities and closures their current jobs offered, how they fitted into their biographical and professional trajectories and what advantages and/or difficulties they encountered in their employment.

Relying, in our analysis, on the industrial-sociological, migration and GVC literatures we are developing a critical perspective in which migration and employment are not seen as separate spheres but as mutually self-reinforcing. Our main argument is that complex contracting leads to obscuring mechanisms of control. While not the cheapest, such contracting creates a different, efficient form and regime of employment with dependent, controllable, flexibly available, ‘fluid’ employees. As we will show, a new kind of labour integration of migrant workers takes place under employer-friendly regulations, whereby employees (whether individuals or groups) have very limited bargaining power. While recruited workers are typically overqualified compared to local workers, they are much less independent and fill jobs as a permanently unskilled workforce. In other words, whereas their temp employers construct (and valorise) ‘Ukrainians’ as ‘good workers’ and highlight the mutual benefits for all parties of the employment triangle, we argue that this formal upgrade has a shady side, as it is
conditioned by administrative requirements, social fragmentation, complex employment relations (flexible and triangular) and more precarious working and housing conditions. This leads to controlling practices that limit not only individual or collective bargaining power but also the willingness to be subordinate in a ‘secure’ but dependent, complex employment relation.

At the centre of this relation are TWAs – with specific and wide-ranging characteristics that we will reevaluate. First, TWAs became broker-participants actively shaping this employment form – softening up and changing state regulations in order to comply with the new production needs stemming from a very tight labour market. Second, low standards in the home country (Ukraine) leave the workers entering Hungary not only vulnerable to exploitation but unprepared for this type of employment. This then matches up with the often-negligible care for the extra needs of migrant workers by the host country. Finally, we claim, the context of migration and the exposure to recruiters is the final reason why many workers still evaluate their position as satisfactory.

The paper is structured in the following way. In the next section, we outline the relevant literature, merging it with a more specific overview of the literature on the employment of ‘third-country nationals’ (TCN) in post-socialist Hungary. The third section outlines our methodology, the changing labour-market context in Hungary and the background findings informing our field research. The fourth section will then discuss how our respondents perceived their jobs, contextualising this through their previous experiences and the perceived potential and social position of a given gender, age and family situation. In the final short section we conclude our exercise.

Pattern(s) of migration and employment of workers from Ukraine in Hungary

The concept of the dual or segmented labour market is a good starting-point for understanding and analysing changes in the employment of migrant workers, traditionally in lower-paid, labour-intensive jobs – a situation often bordering on informality (see, in particular, Castel 2000; May, Wills, Datta, Evans, Herbert and McIlwaine 2007; Piore 1979). In post-socialist Hungary, the employment of blue-collar migrant workers from non-EU neighbouring countries, especially from Romania, Ukraine and, to lesser extent, Serbia (the former Yugoslavia), followed this logic. In the first two decades of system change, blue-collar jobs for citizens from neighbouring countries were typically available in the most labour-intensive and labour-cost-sensitive sectors. A very specific feature of the Hungarian immigration regime is its ethnic motivation. In fact, the migration waves are dominated by the movements of ethnic Hungarians from neighbouring countries (Feischmidt and Zakariás 2010; Melegh 2011). Moreover, immigration has been a highly politicised issue over the last 30 years (e.g. Kántor 2014; Melegh 2016) – peaking since 2016 and embodied in the Hungarian centre-right government’s notorious anti-refugee and anti-immigration campaigns, more broadly directed against the mobility of ‘ethnic others’. This being said, researchers also cannot avoid dealing with the interconnected categories and processes of (constructing) ethnicity and migration. In our research we were faced with the common but obscure use of the category of ‘Ukrainians’ or, at best, ‘Ukrainian workers’ in everyday discourses. For the purposes of this paper, we use the term ‘workers from Ukraine’ to avoid the traps of ethnic essentialisation and to refer to people of any ethnicity who are the holders of Ukrainian passports. This terminology also allows us to include those who have used employment in Hungary in order to obtain Hungarian citizenship (either with or without a Hungarian ethnic background) and who, while our research was carried out, were either on the legal path to naturalisation or had obtained their Hungarian passports but were still employed using their Ukrainian documents. We now provide a short historical overview that should help to reveal the complexity of the overlap between the ethnic and legal citizenship categories and how they are played out in political and public discourse.
In the 1990s, about two-thirds of the immigrants in Hungary declared that they had Hungarian ethnic roots and mobilised individual contacts when making migration decisions (Gödri 2011; Juhász, Csatári and Makara 2010). Census data revealed that, compared to other migrant workers, Ukrainian citizens residing in Hungary had a relatively low employment rate and high unemployment rate (Gödri 2011; Gödri, Soltész and Bodacz-Nagy 2014). Based on the number of work permits issued in 2009, there was a higher presence of workers from Ukraine in the more labour-intensive and seasonal (cyclical) sectors of agriculture, construction and other services (see, e.g., Langerné Rédei 2011). While Ukrainian citizens were the most numerous foreigners with work permits, they were also the most likely to fill the unskilled job vacancies (Hárs 2010). Moreover, a cyclical or temporal employment pattern was also present – e.g. in agriculture and construction (Pakurár, Oláh and Cehla 2012) – as many workers opted for seasonal employment, also spending substantial periods of time in their home country (e.g. the winter months, harvest, etc.). In situations of highly personal and informal recruitment patterns, the ratio of undeclared workers from Ukraine was estimated at 40–45 per cent of all workers from Ukraine, typically employed informally in small enterprises, often together with colleagues from the same country (Juhász et al. 2010). Characteristic of labour-intensive small enterprises were poorer working conditions and extended, flexible working hours (Juhász et al. 2010). In a nutshell, in its first two decades as an open economy, Hungary was a net immigration country, with ethnic Hungarians from neighbouring countries as well as from Ukraine filling blue-collar jobs in the most cost- and labour-intensive sectors (cf. Bertalan 1997; Melegh 2011; Soltész, Erőss, Karácsonyi and Kineses 2014).

Joining the EU in 2004 and the Schengen Zone in 2008 furthered the distance between Hungary and its ethnic minority in Ukraine, although it reinforced the ethnically motivated immigration regime, as it opened mobility to the EU and eventually to the Schengen Zone. As the ethnic Hungarian community in Ukraine was also affected by EU-level restrictive TCN policies, the Hungarian state sought to compensate via the activation of kin-state policies. The Hungarian government resolved to grant preferential access to its ethnic minorities through visas and citizenship, thus satisfying its need for an external labour force and voters (Çağlar and Gerőeffy 2008). A culmination of this ethnic-based migration regime occurred after 2010 (Melegh 2011) when a policy document (MPAJ 2011) marked a further turn in Hungarian kin-state politics in which Hungarian ethnic minorities in the bordering countries were seen as valuable political and economic allies. The Hungarian state was to take a proactive role in fostering both the transnational connections and the prosperity of these communities across the border (Erőss, Kovály and Tátrai 2016).

The changing economic conditions and administrative opportunities led to visible transformations in the migratory trends from Ukraine: the numbers indicate a stable growth in immigration from Ukraine up until 2008 and a decline since 2010. This change can be explained only when compared with the rise of Ukrainians who obtained Hungarian citizenship under new beneficial conditions – the number of new Hungarian citizens born in Ukraine doubled from around 20 000 in 2011 to 40 000 in 2014 (Eröss et al. 2016). As the literature indicates, the 2010 amendment to the law, which allowed citizenship without residence in Hungary to be requested, resulted in some 70 000 citizenships issued to Ukrainian citizens between 2011 and 2014, with a further 79 000 applications submitted by June 2016 (Eröss et al. 2016; Soltész and Zimmerer 2014). Some research (and our findings in this project) also indicates that an opportunity provided for ethnic Hungarians also became a general strategy for non-Hungarian ethnicities (mostly in Transcarpathia) seeking ‘to avoid the military draft and economic crisis triggered by the unrest in Eastern Ukraine’ (Eröss et al. 2016: 12). Unfortunately, we do not have more specific data on the employment of workers from Ukraine who obtained citizenship.

Since 2010, emigration from Hungary has also intensified (Hárs 2016; Sík 2012) and thus, since 2015, a new feature of the Hungarian labour market has been a labour-force shortage. Whereas the overall registered number of immigrant blue-collar workers’ jobs dropped radically at the beginning of 2008, there has been
a rise, since 2015, in employer-registered manufacturing jobs carried out by Ukrainian nationals, as we discuss later in this paper. This was also the case in multinational manufacturing companies – e.g. in electronics.

In the Hungarian electronics industry, as in other locations in the global semi-periphery, the subsidiary companies of original equipment manufacturers typically specialise in ‘medium-skilled, mixed production technologies of work’ (Gereffi 2005). Work here necessitates quite advanced, lean production technologies, clean working conditions and some variation in skill levels. Since the early 2000s, a specific feature of many Hungarian electronics manufacturers or subsidiaries was their high reliance on temp agency workers, including non-Hungarian citizens; this reliance also went hand-in-hand with an internal fragmentation of the workforce. In electronics and, generally, in export-driven manufacturing, basic wages are low (calculated as hour-based remuneration) and there is a strong incentive for the workforce to be flexible in order to receive employee premia, compensation for overtime or shift work, performance bonuses and other non-wage benefits as well as an agreement in order for workers to maximise their incomes. Blue-collar employees on the assembly line typically have highly limited opportunities for upward mobility in the company hierarchy.

In the context of targeted, employer-driven encompassing recruitment strategies, there was thus a new major intermediary actor, taking over some classic employer roles: temporary work agencies (TWA). In Central and Eastern Europe (CEE), the staffing industry found a niche in the expanding foreign direct investment (FDI) driven subsidiaries of multinational firms (e.g. Coe, Johns and Ward 2007; Peck, Theodore and Ward 2005). Temp agencies followed the employment hunger and specific employment strategies of the MNC-driven industries of electronics and car manufacturing, also attracting workers from abroad. The temp sector has been a fast-growing sector over the last 15 years, starting off from a low base around the time of Hungary’s EU accession, peaking with the global economic crisis and rebounding and stabilising since 2010. Dominantly, temp agencies employed semi-skilled workers and leased them out to large original equipment manufacturers and their direct suppliers – contract manufacturers (Meszmann 2016). The 2012 Labour Code of Hungary transposed Directive 2008/104/EC on the equal treatment of temporary agency workers and, since December 2016, there can no longer be a difference in wages between employed temp workers and core workers. While, originally, temp workers had less job security and lower average incomes, the implementation of the 2011 EU regulative in December 2016 eliminated wage differentials, while the tight labour market in practice made employment more secure in general. Nevertheless, temporary agency workers (TAWs) have, in effect, two employers and it is only in some aspects that the separation of rights and responsibilities is regulated by law.

As in other cases, in certain elements, such as setting working hours, either the TWA or the user company can exercise such employer rights. Both the TWA and a user company are legally bound to inform the employee under the right to information; however, there is a separation of responsibilities for providing the different types of information; some are defined by law, while others can be defined by the contracting parties. While securing general safety and working conditions was the obligation of the user-company indirect employer, in terms of legal issues, contracting and the payment of social contributions was the responsibility of TWAs.

We do not have definite data but there are some indicative registers related to the number of workers from Ukraine employed by Hungarian temp agencies in manufacturing. The number of TCNs registered by employers indicates a sudden rise of workers from Ukraine between 2016 and 2017 – some 3 246 Ukrainian citizen workers declared in 2017, a significant increase compared to the 786 cases registered in 2016. In this period, the number of foreign temp-agency workers registered by the agencies themselves seems also to have doubled: in 2017 there were a maximum of 3 976 TCN temp agency workers – i.e. workers employed in the more-general sector of administrative and production service provision (NFSZ 2018). Additionally, a ‘visa-free regime’ introduced in June 2017 for Ukrainian citizens, holders of biometric passports, allowed them 90 days of travel in Schengen countries. Although it was designed for travel purposes only and did not give permission
to work. Ukrainian citizens could use it as a springboard to employment or an opportunity for short-term seasonal work. As such, this falls within the 3-month Hungarian probation period for work, and the numbers benefiting from it do not, therefore, usually figure in employment statistics.

Thus, while in recent years there has been an increased focus in the literature on Hungarian emigration and atypical employment forms, relatively little attention has been given to new, changing patterns of immigrant workers’ employment – not only in Hungary but also in other semi-peripheral Eastern European countries. In Visegrad countries, for example, the number of workers – TCNs – increased significantly but there was also some variation in the legal forms of employment and conditions of stay. This lack of scholarly attention is, nevertheless, surprising since, in the ‘core’ capitalist countries, the topic has become increasingly important in recent decades. Hence scholars introduced the category of new labour migration and the central role of employers as not only passive hirers but also major organisers, setting in motion complex employment strategies (Rodriguez 2006). Many related research topics appeared, in both Visegrad countries and in the EU. For example, Thompson, Newsome and Commander (2013) inquired about UK employers’ being increasingly willing and, indeed, preferring to employ workers from CEE. While, at first, employers described Eastern European employees as overqualified, committed and industrious, Thompson et al. (2013) highlighted other, hidden, structural reasons for employers’ preference for migrant workers, also stressing the industry context and employment needs. Understanding companies’ employment strategies more structurally, they highlighted the importance of appreciating the perspectives, rationales and discursive resources of key labour market actors (Thompson et al. 2013: 130). Similarly, others such as MacKenzie and Forde (2009) and Findlay, Kalleberg and Warhurst (2013) point to the employer-driven rhetorical construct of the ‘good worker’. In order to find a balanced assessment, Thompson et al. (2013) also introduced the analytical concept of the ‘vulnerable worker’. In short, they posit that immigrant labour is not only ‘cheaper’ but is also subject to stricter social control, which makes immigrants preferential employer targets.

MacKenzie and Forde (2009), however, warn against the dangers of victimising the discourses surrounding migrant workers but shed light on the institutionalised match between ‘precarious work’ and ‘temporary migrants’. Counterposing migrant workers as active subjects, many scholars (e.g. Andrijašević and Sacchetto 2016; Kalleberg 2009; Thompson et al. 2013) also highlight the vertical and spatial mobility of workers, making them active and not passive agents (see also Chan, Pun and Selden 2013). While vulnerability, for Pollert and Charlwood (2009), is also key, Kalleberg (2009) and Anderson (2010), among many others, use precarious work or precariousness in order to grasp the institutional insecurity of the unstable and atypical employment that is also common among migrant workers. Anderson (2010) also points to the critical importance of ‘immigration control’ as a pervasive variable negatively affecting the job status of immigrant workers. The dimension of workers in a transnational employment context and the perceived vs actual temporality/vulnerability issue is thus a key fix.

In this respect, the state infrastructure in both sending and receiving countries has been increasingly in focus, although less so in the EU than elsewhere (see e.g. Lindquist, Xiang and Yeoh 2012). To understand the nature of transnational worker placement, the existing literature on transnational migration informs us of the importance of the state infrastructure behind emigration and immigration – i.e. of both sending and receiving countries (see, in particular, Gordon 2015; Williams 2012). Similarly, with the privatisation and liberalisation of employment services (see, for example, Nyberg Sørensen and Gammeltoft-Hansen 2013), there is also increasing attention given to the role of intermediaries, including temp agencies that actively shape the governance structures of transnational migration (Groutsis, van den Broek and Harvey 2015; Lindquist et al. 2012). Last but not least, Jones (2014) argues that temp agencies are key intermediaries in producing a new kind of labour, creating docile workers via two-sided processes – the deregulation of labour markets and increased control by the intermediaries (see also Findlay et al. 2013).
While there is a rising interest in complex transnational employment and migration enabling conditions and mechanisms also known as the ‘migration industries’ (Cranston, Schapendonk and Spaan 2018), our focus is on the position of workers in both (changing) production processes and social relations, as integral parts of global production and the local social context. Thus we see our research aim more as to ‘integrate workers as productive and social agents into the changing dynamics of GPN’s’ (global production networks) (Barrientos, Gereffi and Rossi 2011: 322) and to assess the labour process along with social relations at work (e.g. Hammer and Riisgard 2015). In taking a step in this direction, with the concrete aim of evaluating the jobs of Ukrainian workers in Hungarian electronics firms, we compare the concept of precariousness and vulnerability with that of status-based social upgrading or downgrading potential, including concrete struggles in the workplace. As global value chain research informs us (e.g. Bair 2009; Gereffi 2005), economic upgrading does not necessarily mean social upgrading – even when the latter does occur, it does not necessarily mean that all groups of workers are affected by it. While also studying the nature of the labour process, it is important to keep in mind Rossi’s (2011) finding that the status of workers is a crucial factor in assessing their potential to participate in social and economic upgrading. In other words, if there are at least two categories of employed workers, the labour intensive, low-skilled segment might well be excluded from the upgrading perspective. The limits of social upgrading or of vulnerability are also highlighted in the case of third-party contractors, mediating between employers’ urgent need for a workforce and search for the right workers, and the labour supply (e.g. Barrientos 2011).

The concepts of precariousness and the potential for social upgrading will guide us in our evaluation of Ukrainian temp workers’ placement in blue-collar manufacturing jobs. In our evaluation we examine the wages, social benefits, working hours and workplace conditions of blue-collar workers from Ukraine, as well as their job security and prospects of vertical mobility, both in the workplace and outside. The very jobs and employment relations we researched and evaluated can be understood in the following regulatory, sectoral and employment-relations context.

Our findings are not representative but indicative for other Hungarian user companies employing TCNs via temp agencies. As the Hungarian immigration regime and industrial relations have their specificities, we could only ask open questions about how the recent labour shortage and third-country migration wave played out in enterprises operating in other post-socialist Central European countries for workers arriving from third countries. We hope that this paper will invite comparative discussion.

Context, methodology and background research

Our study is based on the research and consequent country report for the STRONGLAB project (Stronglab 2018), which explored the employment of workers from Ukraine through intermediaries in Visegrad four countries. We combined a bottom-up empirical approach based on interviews with workers and a sectoral industrial-relations perspective, mostly focusing on the operation of the temp-agency sector in supplying workers for MNCs. To understand the temp-agency perspective, we spoke to an intermediary temp company and a state-sponsored recruitment platform for intermediary agencies searching for workers in Ukraine in different sectors – two trade unionists, lawyers, ministry workers and labour inspectors. For the workers’ perspective, eight people (four men and four women in the age range 19–60) were interviewed with two workers agreeing to a follow-up interview a few months later.

While we held most of the background interviews with experts and intermediaries in Budapest, we conducted the interviews with workers in the medium-sized Hungarian town of Jászberény. The latter is a regional hub for electronics and various subcontractors working for both the electronics and the automotive industry, and located just outside the Budapest metropolis and labour market, in the more depressed east of the
country. Workers from Ukraine arrived as temp workers at Electronic MNC1 as early as August 2016. Among our respondents, at least half were part of the original cohort, which allowed us to get a longitudinal perspective on the changing dynamics in the workplace and reception in Hungary in general. The great majority of our respondents worked for user company MNC1, while the other – MNC2 – also started employing temp workers. Although the TWA was leasing out its employees to both plants – user companies – it was clear that temp workers from Ukraine were not entitled to choose between them. According to our interviewees, the number of Ukrainian temp workers employed by MNC1 was estimated at different times during the first half of 2017 to range between 150 and 400. In addition, according to our interviewees, there was a high turnover of workers.

There were several accommodation sites – worker dormitories in towns or hotel complexes, in the country or in a resort town, each hosting 2–5 people in one room. The employing temp agency also provided a wide range of fringe benefits, like free transportation to the Ukrainian border once a month, as well as excursions in Hungary.

We also screened jobs advertised through Ukrainian recruitment websites (e.g. EuRabota) in order to understand the practices around recruitment. From here we already knew what was confirmed by our interviewees – that the jobs were advertised as ‘no knowledge of Hungarian needed’. After selecting seven intermediary recruiting companies of different sizes, we made inquiries – as potential employees – about work conditions, contracts and salaries.

Ukraine, as a sending country, had the necessary ‘reserve army’ of workers who were able to follow the call of capital. From the workers’ perspective, there were several push factors, the three main criteria for which were identified as those in the home country of Ukraine – the low wages, salary backlogs and dominance of informal work – making employment in neighbouring countries attractive to Ukrainian workers. Thus, in 2017, the minimum wage in Ukraine – paid to a third of the working population – was 3 200 UAH (circa 100 Euros). Furthermore, as of 1 January 2016, the average salary in Transcarpathia (the region from which 90 per cent of Ukrainians working in Hungary come) was only 3 419 UAH (129 Euros), thus lagging behind Ukraine’s average of 4 362 UAH (165 Euros). The head of the State Labour Service of Ukraine (SLS) identified the most common violation of the Ukrainian labour market as being the unpaid salary (Fedyuk and Volodko 2018); in September 2017 there were over 70 million Euros’ worth of backlogged unpaid salaries, affecting up to 700 000 people, not including the territories to the east, outside of Ukrainian state control (State Statistics Service of Ukraine 2019).

Our research followed rapidly changing developments in the Hungarian labour market, to which all state and labour-market actors reacted swiftly. Apart from the full implementation of the EU Directive on temp workers, which we have already mentioned, the opening of the internal European labour market encouraged labour migration from and within Hungary. Finally, the criteria governing visa and social benefits for TCNs from the area (Bosnia, Serbia and Ukraine) also changed quite quickly from 2016. Simultaneously and irrespective of the migrant crisis and anti-migrant sentiments expressed by state representatives and the media, a new discourse on culturally acceptable migrant workers surfaced in the summer of 2016 (Nagy 2016; Stubnya 2016).

In order to cope with its labour shortage, in January 2017 the Hungarian state contracted an intermediary charged with the recruitment of workers from Ukraine. To achieve this, the National Employment Fund – under the Hungarian Ministry for National Economy – financed a special programme to attract, recruit and select workers in Ukraine, especially for sectors and professions where the lack of workers was the most acute. The largest winner of the project tender was the company Horizon 2020 Nonprofit Kft (H2020). The initial recruitment part of the project was a broad media campaign targeting workers in several Ukrainian towns. The primary role of H2020 was to increase the labour pool by attracting and recruiting workers with specific skills. To do so, H2020 also worked with a partner organisation in Ukraine which carried out a summary of the
recruited people. H2020 forwarded the data to temp agencies, which then took charge of running the selection process via tests, etc.

Larger intermediary temp agencies acted on their own when they pooled workers from Ukraine. Such a mode of employment necessitated a thorough network of (local, subcontracted) recruiters, which typically involved screening, in-depth testing and interviewing and, in the final phase, providing all kinds of administrative and other services. The administrative services included helping would-be migrant workers to secure a work permit, collaborating with social security offices, tax authorities and the Immigration Office. In the final and later stage, they were also required to provide practical services in travel and accommodation.

For a user company, therefore, the comparative gross cost of employing a temp agency worker – i.e. as a service fee to the temp agency, also calculated according to the hourly rate of a leased worker – is higher than the hourly fee of a regular worker. The sum defined in a service contract between a temp agency and a user company is, in the end, the result of negotiations between the two parties. Power and information asymmetries left aside, the service price depends on such factors as a temp agency’s capacity to source its available leased workers, as well as on the cumulative cost of the various services associated with employing temp workers (recruitment, housing, administration, translation, travel, etc.).

As our interviews with experts and intermediaries revealed, employment contracts for TCNs were dependent on work permits, therefore the contracts could not be permanent but only fixed-term. The usual duration of a contract was, first, a probation period of three months, followed by a one- or a maximum two-year fixed-term employment contract with the employer – a temp agency. A longer contract was not really possible, since a TCN’s work permit could not exceed three years. Moreover, a worker’s visa also bore the name of the temp agency – the employer. When a worker from Ukraine lost his or her job with the temp agency, he or she would need to travel back home and reapply for a work visa with a different employer.

Both of our intermediary interviewees praised Ukrainian workers. Our respondent from a regional TWA said that, while turnover among those with Hungarian passports is quite high, Ukrainian workers come to work and stay. Our interviewee from H2020 also praised Ukrainian workers as committed, diligent, adaptable and capable of solving problems and meeting expectations. The critical literature on temp agencies in Western countries shows that such praise resonates well with the specific commodification practices of temp agencies, most importantly marketing workers of specific ethnicity/nationality as ‘good’ or ideal workers’ (cf. Jones 2014). Theoretically, it also resonates with the literature on the social construction of migrant workers (e.g. England and Stiell 1997). Here we only highlight this overlap, instead focusing our investigation on the employment experiences of workers from Ukraine and their job evaluation.

Temp jobs in electronics for workers from Ukraine: in the shadow of formal upgrading

Interviewed workers mostly confirmed their satisfaction with the wages, stable income and, in general, possibilities for earning money, especially compared to their perceived opportunities for earning back in Ukraine. However, references to precariousness, insecurity and a lack of control emerged throughout their accounts of all the levels of contracting, organisation of the daily work process and working schedule. Our findings highlight that the job satisfaction came, rather, from their minimal expectations linked to the possibility of earning a living, rather than a concern about their working conditions, while the problematic issues were endured. These problematic issues included, among others, a loss of income due to unilateral changes in working hours and schedules, the language barrier to receiving information and communication concerns and the general confusion about the roles of the employing TWA and the multinational user companies as a workplace. All these reinforced the strongest negative sentiment – a deep sense of dependency on the employer. We argue that, despite the material upgrade in terms of earnings and formal contracts, these jobs, in practice, are highly
precarious, with workers feeling unsafe and not in control. Despite this, the workers do have some agency, mostly that of being able to build social capital individually and to actively search for channels and routes out of this type of employment. Some workers developed a rhetoric of seeing their jobs as temporary and just a step towards other, more-general life goals.

When asked to evaluate their current employment and work on the assembly line, our respondents the most often began discussing the perceived (poor) opportunities back in Ukraine or their previous jobs. All but one respondent remarked on the difficulty of finding a paid job in Ukraine; all mentioned that they have never worked according to their level of education. Some workers also went through longer period of informal work abroad – in other countries. Taking up the temp agency job in Hungarian manufacturing was an attempt to escape the harsher conditions in Ukraine. Migrants’ previous experience of the poor working conditions and low salaries later translated into their minimal requirements and the negligence of the recruiting and employing agency in respecting the conditions offered. Typically, when negotiating the details of the job, prospective Ukrainian employees only enquired about the most basics elements of the employment contract – the salary and hours of work, the housing conditions and, to a much lesser extent, the conditions in the workplace. Already, too, when attempting to negotiate their contracts, workers’ lack of language skills also added to the power imbalance. One of our interviewees, Petro, who was 18 years old at the time he was interviewed, said that he signed the contract in Hungarian without understanding a word of it.

Several respondents expressed their belief that they were lucky to have a job in Hungary. One respondent, Inna, compared it with her previous employment in a similar job at an electronics MNC back in Ukraine:

_I had very few opportunities to work at home. With five children, you can imagine that I had very little opportunities to work (...). I had a direct contract with a factory – they recruited directly from the village. Lots of people from our area worked there. Those who had no opportunity to migrate for work considered it to be a good job. (...) [In Hungary] I didn’t know that I would be working officially, that I would have a contract and would not have to pay for anything. I didn’t pay anything for any paperwork. My friend told me the salary and I went to an intermediary at home, who explained the conditions, the salary. I decided to just go and see. It is better than borrowing money for day-to-day living._

The power of such comparison clearly showed how our respondents were grateful workers, which confirms the temporary work agency’s portrayal of Ukrainians as ‘good workers’. Having very few initial expectations of work beyond the possibility of earning a certain income, and willing to dive straight into any working conditions irrespective of the registered employment status, our respondents were docile but still critical of their working conditions. In general, there were no complaints about the job. Only two younger informants, clearly from a non-working-class background, provided us with a more-critical insight into the work on offer and its context. For them, the job was considered easy, monotonous and only physically demanding, as employees needed to stand at the assembly line for 8 or 12 hours at a time and occasionally endure swollen legs, as Vitalij illustrates.

_This job is absurd: you put your feet on this piece of tile in the morning and in the evening, you are still there, you haven’t moved. It’s not hard. Not for a 20-year-old. I feel ashamed to say that I do work; my task is to put two stickers on or off the TV. It is not work. But it is tiring for the legs, for your back. [Psychologically] it’s like you are in a bunker – no windows, nothing. If you are lucky, there will be an OK Ukrainian next to you – you can talk to him. If not, you just stand and think of your life... I had all sorts of thoughts like this._
Thus, the job was experienced as an undignified with little quality to it.

Wages, working hours and social benefits for the Ukrainian workers were nominally the same as those of their Hungarian colleagues. At the MNC1, workers’ remuneration was based on an hourly wage at the minimum basic rate. In addition, there were various incentives that motivated worker flexibility and compliance with the production schedule, the most important of which rewarded good attendance and achievement. This said, our interviewees were not clear about parts of their income and could not read or fully understand the pay slip they received each month, as we show in more detail later.

There was a major fluctuation in the work schedule and the hours worked. Originally, in 2016, workers were on 8-hour shifts for five days. However, after the New Year they were only offered three days per week in 12-hour shifts, including Saturdays. This unilaterally announced and implemented change was much resented. A 12-hour shift, besides being physically and mentally strenuous, created gaps of two days of idleness, particularly felt by the migrant workers. One of our respondents complained that, at times, people had no shift for five consecutive days; however, as they only learned about it on the day of the schedule change, they were unable to organise a trip home, etc. Several respondents complained of boredom and wasted time, and their desire to work through this period and earn some extra money. Living in a dormitory with two or four strangers/co-workers added to the discomfort felt on these days off.

On the level of daily work, there were many basic issues which the workers felt were out of their control or implemented without any regard for their interest. Most importantly, changes in working hours – i.e. flexibilisation – negatively affected their income. Even though there was a period of reference introduced for working hours, the workers understood little about it and simply had to comply. Similarly, working on Saturdays was not an option or an opportunity to earn ‘overtime’ but was obligatory when announced by the plant; it was also paid at the regular working hours rate. Every Thursday the workers would receive a schedule – which was entirely in compliance with the law – announcing the following week’s working hours.

The user companies, especially MNC1, were occasionally plagued by the lack of a workforce and the accompanying phenomenon of a high turnover. This has translated into the unilateral distribution of workers in various sections of production, without any opportunity for the workers to have a say. While there was limited control over or knowledge about working hours, there was also no autonomy or way of knowing about them, as Vitalij stated: ‘When I first came, all Ukrainians were on the same assembly line. Now they mixed us all up – today you work here, tomorrow there’. Vitalij then went on to talk about the allocation of jobs on arrival, without any reference to the workers’ skills or interests:

_We have no choice over what we do. For instance, I don’t like the job I do. I want to work, but this particular task is just not mine. I feel that I would be much better working in a warehouse. Why can’t I transfer? But no!_

Assembly-line work meant subordination to a work rhythm, so much so that when there were insufficient hands, team leaders had to work, too, especially if a worker needed to go to the bathroom or have some water.

While the remuneration was kept low and flexible in line with production, the user company could also charge its employees a ‘penalty fee’ of 10 000 forints (circa 32 Euros or approximately a 13-hour basic wage) – for example, if an employee was late, or forgot to bring the protective uniform, or needed disciplining for working too slowly or talking too much. No one communicates information about the penalty in person – workers only learn about it from their pay slip, on their badge or on a screen.

Thus, in the period under study, employment at MNC1 seemed to indicate a complete lack of opportunities for social upgrading which affected all production workers. The hypothetical equality between temp workers from Ukraine and their Hungarian temp-worker peers at MNC1 stopped about then as elements of additional...
precariousness and control appeared. Together with their employment with the temp agency operating with a number of MNCs in that town, Ukrainian workers received a maximum 2-year-long job-linked residence permit, with the name of their employer on it. Stemming from this and from the workers’ lack of language skills, job security, communication and the right to information, social security was more difficult to secure. Finally, our research participants also reported minor discriminatory practices.

Those of our middle-aged respondents who had worked at the plant for more than six months judged their job security to be low. Older workers, unlike the younger ones, had more serious stakes in this job, as Victor told us: ‘People bring their families, people move, people leave their jobs in Ukraine to come and work, they count on something, they plan and build their lives around it’. We also heard a story of workers who had been fired but were never told about it and only realised it while trying to enter the plant with their cancelled badges the next day. Victor commented that Hungarian workers were not afraid of their managers because they knew that a bad job was bad and they were not afraid to lose it, while workers from Ukraine were actually trying to hold on to it. This is, of course, the flip side of the same discourse painting Ukrainian workers as ‘good workers’ – i.e. more easily controlled by the TWAs.

Temp workers from Ukraine were limited to the most basic and monotonous types of job due to their third-country employee status and had no opportunities to climb any job ladder. For example, they would never become fork-lift truck drivers or team leaders. To become machinery operators, TCNs had to have nostrified diplomas – i.e. officially recognised vocational qualifications. However, this crucial bit of information was never explained to our respondents and thus confusion reigned among them, sometimes mixed with feelings of discrimination. Victor recounted one example of the latter whereby the management told them that no Ukrainians would occupy any job above that of working on the assembly line. The management thus articulated it without explanation and with a stress on the workers’ nationality. This leads us to the general complaint about it being a dead-end job.

While, at MNC2, there was an official interpreter to translate on all issues, this was not the case at MNC1. There was simply informal translation related to tasks that were to be performed. However, problems of communication also translated into a lack of information. Only two of our respondents could read their payslips, and there was considerable confusion when our respondents explained the calculation of their salary. Unsurprisingly, several interviewees expressed mistrust about the fairness of the calculation.

Their work contract formally provided workers from Ukraine with access to social security coverage equal to that of their Hungarian colleagues. The only formal requirement was that any overlapping social protection in Ukraine be suspended – a regulation which, in practice, could not be enforced fully due to the lack of comparable and cooperative systems of social protection between the two countries. However, in practice, as we saw, there were many obstacles to realising this right to social protection – in particular, language barriers, the refusal by local doctors to add Ukrainian clients to their practices and, more importantly, the workers’ general lack of understanding of what social benefits in Hungary actually entail.

Together with this feeling of indifference on the part of Hungarian employers, participants in our study felt discriminated against in their treatment by the user company managers. Several respondents reported that their Hungarian-co-workers would leave work exactly on time, irrespective of whether or not they had fulfilled their quotas. At the same time, workers from Ukraine were pressured by their line managers into staying and finishing their production norms, which resulted in about 30 minutes of unpaid overtime every day. Similarly, according to one female worker, Hungarians would easily be allowed up to 10 minutes’ bathroom break, while Ukrainian workers had to plan their toilet breaks very carefully.

We have sensed this attempt by the TWA hiring the workers to constantly divide and group workers in order to prevent any sense of solidarity forming. Thus, the earlier workers seemed to have been counter-positioned to the newly arrived ones. Even the dormitory, which was shared by employees of the same TWA
working in two different MNCs, became an object of manipulation during the year of our research. The workers of one MNC were told by the TWA that they would be moved to more remote accommodation because they ‘complained too much’. In a sense, this technique yielded results, since only one of our respondents spoke of a collective solution to their dissatisfaction.

Victor described the temp agency as a ‘buffer zone’ between user company and the workers. He argued that the main problem with their type of employment is that they have a one-sided contract in which the employer has all the rights and employee just has to follow with no voice, no means of changing it and no ways of contesting it, even if changes are made to the contract. He describes how the representatives of the employing temp agencies are at the plant every day, ‘listening to all the claims and complaints but never doing anything’.

As discussed in the previous section, involving the temporary agency is seen as a way of saving the user companies from the otherwise costly and time-consuming recruitment of migrant workers in sufficient numbers in response to fluctuating production demands and the increasing lack of a local labour force. From the workers’ perspective, it has a positive function as well – in a similar way it undermines the exhausting bureaucratic procedures linked to obtaining work and residence permits and, at least in principle, sets up access, for the workers, to healthcare and accommodation. However, it also brings another element into the employment chain, obscuring the relationship between the worker and the user company and creating an additional tool for controlling the workers.

Such a triadic employment relationship is then linked to a specific migration regime. In effect, there was a ‘workforce’ that was, through both work permits/regulations and employment relations, made very loyal and dependent on the employer. On the one hand, with fixed-term contracts and work permit validity being controlled by temp–employer relations, workers were highly dependent. On the other, it was actually the user company that set the work requirements, schedule and remuneration that could not be easily challenged by an ‘indirect’ worker.

In general, the frustration with work quality and conditions did not turn our respondents into passive ‘victims’. To start with, Victor described a threat of strike action that resolved a two-month lingering two-month delay in the issuing of residence permits. He suggested to the original cohort of workers that they should stop work and not restart on the assembly line after lunch until they receive their documents. The issue was resolved but Victor admits that, since that time, every effort is made to divide the workers and to pitch them against each other.

In day-to-day situations we observed that many respondents sought to make personal friendships and connections at work, as a way of overcoming their contractual limitations. Ukrainian workers unable to read their payslips would ask a favour from colleagues in the dormitory who had Hungarian relatives who could translate them. This individual social-capital building seemed to be quite effective when the blurry line between the responsibilities of the temp agency and the user company resulted in a failure to provide an effective solution. Thus, Inna, a 35-year-old female worker, said that she managed to become very good friends with their floor managers.

Our respondents’ strategies mainly centred on re-framing their employment as a step on the road to a larger life project, an unpleasant but necessary step towards achieving their future goals. Seeking Hungarian and EU citizenship was the most common strategy, while all but two of our respondents framed their time at work as a period in which to learn to speak Hungarian well enough to pass the citizenship language test. Citizenship was seen as a stepping stone on the way to more organic life plans and trajectories. Thus two women in our study, who both had children, identified their main goal as to be able to ‘give opportunities to’ (Inna) and ‘secure the future’ for (Ilona) their children. The young men and one woman in our research saw citizenship as the gateway to a wider Europe, to studying abroad and to professional development in Hungary or elsewhere.
In this way, we can also say that their incentive for sticking to the job, enduring unsatisfying conditions and stress at work was quite high as, at times, the whole future life trajectory and intergenerational family strategy was at stake and depended on their ability to remain in Hungary until they obtained the desired documents. In this case, our respondents tapped into the larger national ambition of the Hungarian state towards its ethnic minorities abroad and capitalised on their own ethnic and social networks, irrespective of whether or not they claimed to have a Hungarian ethnic background.

All these attempts to circumvent the official employer and have a direct impact on the user company show that, though seemingly satisfied with their conditions and even negligent when it came to signing the contract, migrant workers keenly felt the controlling power bundled in a complex employment relationship reinforced by employer- and temp-agency-driven work permits.

Conclusions

The transformation of migration patterns in the post-socialist Eastern European region cannot be understood without considering the macrostructural political, economic and social changes. In our paper we reflected on a growing and more organised incorporation of Ukrainian TCNs into a new type of employment relationship in Hungary, where both high emigration rates and high levels of informal employment are present. This type of employment relationship, with the weighted role of intermediaries – particularly temp agencies – presents a shift from an earlier picture in which we saw workers from Ukraine entering Hungary mainly through shuttle, seasonal and circular migration and informal, labour-intensive jobs. While directly exploitative, informal employment relations most probably also happen in today’s Hungary; however, we did not delve into exploring employment chains with multiple subcontractors or more labour-intensive sectors. We were only looking at a new kind of employment relationship in which prospects for social upgrading were present – those original equipment manufacturers at the top of the production and value chain which often dictated employment standards and working conditions. These companies are also more sensitive to their reputation and under more public scrutiny.

The general evaluation of blue-collar jobs by the workers themselves revealed many issues that made their jobs unsuitable for formal social upgrading. To use the metaphor of the board game we refer to in the title, one started with a ladder; however, there were many snakes and more-obscure ladders thereafter. Limited autonomy, full dependency on the work schedule and no opportunity to move up the hierarchical ladders made social upgrading unlikely. On the contrary, they instead indicated a trend towards downgrading, which affected the whole enterprise. It is a precarious employment relation that cements a low social status in the workplace. One of the most critically expressed issues was that the temp-agency employment of TCNs has features of coercive control. For non-Hungarian-speaking temp workers from Ukraine, the fear of losing their work-based residence permit makes a big difference. This is also wrapped up in the institutionalised cultural factors of Hungarian employment relations, which rest on playing out power imbalances. With the workers’ high levels of dependency, the language barrier becomes yet another problem, further hampering a good understanding of their rights or an opportunity to make a complaint.

Even our employee respondents often referred to instruments of misinformation and pressure (as in the case of payslips and the lack of translators, together with racialised treatment) as a form of submission. In general, workers from Ukraine were highly unprepared to enter the Hungarian labour market or to protect their rights; they knew next to nothing about the industrial relations system, employee rights, protective labour-market institutions or the social security system. Their dependency rendered their work experience a matter of luck – if the supervisor was good, the work was tolerable; if not, their only means of resistance were exit and
change. This deprived our respondents of consistent social protection, particularly pension opportunities, and constructed them as ‘unskilled’ workers, despite their diverse skills and work experience.

Employee respondents described their position as dependent, ‘out of control’ and only a temporary earnings opportunity. Devoid of clear mechanisms for controlling their work conditions or growth within the job, all respondents turned to a more instrumental approach, in which they invested in building up personal social capital through friendships, networks and personal relationships. Obtaining Hungarian citizenship and learning the language were two other main strategies for dealing with insecurity. This attempt corresponds with, and reinforces, a more globally integrated but ethnically motivated immigration regime, characteristic of post-socialist Hungary (cf. Melegh 2011, 2016).

At the level of the enterprise, instead of social upgrading, stagnation or even elements of downgrading were in evidence. Thus, our research fully confirms the results of the analysis of subcontracting practices in the core capitalist countries – and on the periphery of the EU – involving and connecting temp agencies and migrant workers. While the temp-agency employment of migrants is an efficient and flexible form of employment (Fellini, Ferro and Fullin 2007), our more nuanced analysis indicates that employers consciously build on such cost-saving arrangements, including the characteristics of the labour force, who are often overqualified for the low-skilled jobs, disorganised, unprepared for the local market and easily controlled (cf. Anderson 2010; Holgate 2005; Thompson et al. 2013). Our results also confirm the assessment of organisations of production within value chains that is intertwined with broader migration arrangements, in which the issue of power and control come to the fore, reaching beyond the level of the workplace.

Notes

1 As Eröss et al. (2016) remark, this number alone adds up to almost the full size of the Hungarian ethnic minority in Ukraine (equal to 156 000 persons, according to the 2001 census).
2 See, for example, Migrationonline (2018).

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