

FORMATION OF MIGRATION POTENTIAL IN HUNGARY FROM 2000 UNTIL TODAY

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Abstract: *When hearing international migration we can think of two things. One is the emigration process while the other is the wave of refugees. In our study we examined the changes of the number of employees emigrating from Hungary from 2000 until today. Examining the migration potential can be viewed as a very important topic nowadays in Hungary, since the rate of Hungarian emigrants started to grow after 2006 and the rate of growth got faster after 2010. The reason of fastening was the opening of the Austrian and German labor market. The actuality of the topic lays in the fact that international emigration melts the labor market's processes, influences the given country's employment level, moreover it has an influencing role on the rate of wages. Emigration from the given state can have several reasons: natural damage, war, marginalization, economic reasons, etc. In our study we examine emigration caused by economic reasons. We have to take into consideration that measuring emigration is hard in every country (in this way, in Hungary as well), due to the deficiency of data. The reason of deficiency is that those who leave for abroad often forgot to report their leaving for abroad. The reason of this is that from March 1, 2013, only the permanent foreign settlement should be reported towards the administration (District Office, Consulate). Earlier, the temporary (more than 3 months) settlement was also obligatory to be reported. Many leaving Hungarian forgets that that working on abroad for more than 3 months should be reported in every case towards Social Insurance organizations and Tax Authorities. That is why we emphasize that the introduction of migration potential made by us does not show any direct correlation with the actual migration, however, with the help of this study, the expected measure of moving could be recognized along with the expected composition of emigrants.*

Keywords: *migration; migration potencial; Hungary; emigration.*

JEL Classification: O15.

1. Theory

Emigration has two groups: permanent and temporary emigration. Permanent emigrants leave the country for a long time; settle down in a foreign country with their house holdings and the chance of returning home is minimal. In opposition to them, temporary emigrants are those, who move to abroad and keep up the chance of returning and also those are in this group who are part of a foreign household (we call them commuters) (1. table).

Based on the different types of emigrants, the database can be found at different places. We do not have any certain, official database about permanent emigration for a long term since host countries do not make statistics for this purpose. There are a minimal information in the host countries (they provide information in different

sections with different frequencies) about how Hungarian resident is there, however, the overall number of people cannot be collected in this way.

Table 1: Types of international emigration and database connected to them

Emigration		
permanent	temporary	
does not plan to return	comes with moving	commuting
Based on the database of host countries (Immigration, Statistical Office, etc.)		National labor research (MEF)

Source: Own editing

The emigrational moves according to Mirror Statistics are limited to the temporary/commuting type based on the reported information.

About the temporary emigrants we are informed from different labor market researches. According to the data of temporary emigration which came with settlement based on the census data of World Bank (2011) showed that 462 thousand Hungarian (nearly 5% of the population) lived abroad from which 400 thousand settled down in one of the countries of OECD (OECD, 2011). This 85-87% OECD share is true for all of the past years,

According to the data of the Mirror Statistics (2014), the Hungarian population, consisting of 330 thousand people living in Europe is younger and more skilled from the national average. In 2014, Germany, Ireland and the United Kingdom were targeted more by men, while Italy, Austria, Switzerland and Spain were targeted by women in greater numbers (KSH, 2015).

According to the data (2015) of EU member states, the number of Hungarian citizens were 310 thousand in European countries, which is more with 48 thousand than in the previous year. From the 370 thousand, 41% went to Germany, 23% to the United Kingdom and 15% to Austria. According to the data, to the end of 2015, the attractiveness of Germany decreased somewhat compared to previous years; however the attractiveness of the UK grew. New emigrational targets in the year 2016 are Netherland, Ireland and Denmark (which were insignificant before).

In opposition, some literature processing writes about 1-2% of Hungarian resistant of a foreign country (Blaskó – Ligeti – Sik, 2014; 2011. census; Blaskó – Gödri, 2016). According to mirror statistics, the emigrants staying on abroad have a 3—4% share. One of Hárs's research (2016) examined the member states of the European Union and it concluded the actual situation in relevance of Hungary as well. According to his opinion, the emigration share of Hungarians is 3% and only the Czech, Slovakian and Slovenian values are lower.

The constantly changing number of commuters is not recorded by Hungary; hence it would be hard to keep count of them from time to time. On some places it is possible to get information about commuters; however there are no number data of those people who lives in a one-man Hungarian household but works abroad. Data concerning commuters can be known from Labor researches that at the end of 2013,

there were 100 thousand commuters (work on a foreign site but registered in a domestic household and their income are present in Hungarian household.) Obviously there are passages between the groups from time to time and the data provide only approximate information from the number of members in each group. Emigration with the aim of working according to Dustmann-Weiss (2007) can be viewed as temporary in majority since one aim of emigrants is to gain experiences and also, contractual period holds those who work abroad. Temporary emigration in many cases is abolished completely if the emigrant returns to Hungary or the temporary emigration changes to a longer term settlement.

2. Start of working emigration in Hungary

In a European Union comparison, since the regime (since approx. 1990), Hungary belongs to the countries with a low but positive international emigrant balance. The growth of the rhythm of emigration fastened in the past years. Foreign working started in 2004, however bigger changes in Hungary can be experienced since 2008. One main reason is that from 2008, the rate of unemployment started to grow in Hungary. In the majority of host countries, the rate of unemployment was lower than in Hungary (in Ireland, 4,5% in the beginning, later 6%, Germany approx.. 6%, United Kingdom approx.. 4,5-6%). The low unemployment rate and the high chances of job-finding could be positive for emigrants.

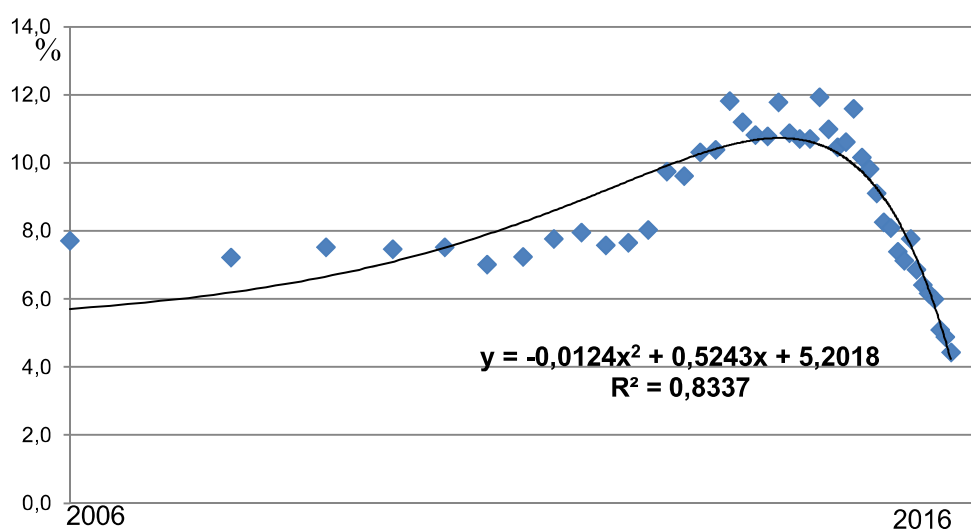


Figure 1: Formation of the unemployment rate in Hungary between 2006-2015

Source: Own calculation based on the database of KSH (2017)

Another (main) reason which is attractive in case of emigrants is the differences in income. However it can be stated that the differences in income should be much higher, since the moving/commuting and these costs of integration should also be financed from a higher salary.

Besides these, the social supply system, the development of educational system and the general political mood in the host countries can be positive.

Employees, who count as a migrant, emigrating to abroad are called economic migrants by the literature. The most important target countries from Hungary were Austria, Germany and Great Britain regarding the past years (TÁRKI, 2016; Galgóczi – Leschke, 2012).

While those with a lower qualification goes to Austria (nearly 2/3 of emigrants have a middle-school degree) and Germany (nearly 2/3 of immigrants are skilled workers), higher graduates (or over-educated) go to the United Kingdom. (Hárs – Simon, 2015).

The correlation also conspicuous based on different researches that while the emigrant to Austria and Germany consists of families of 5.6, those who emigrates to Great Britain are from 1 or maximum 2 member households.

One reason of emigration to host countries is that foreign workplaces provide a higher salary opportunity for the skilled workers, so in the year 2015 in Hungary, those skill shortages appeared for which an employee could not be founded. Economists predicted in the beginning of 1990 that the lack of checking of borders a powerful migration pressure can be expected in the future (Layard et al., 1992).

Another reason behind emigration to abroad because of work is that at the same time with the regime, country borders became free; there is no bigger check at borders so the international migration procedure could grow (emigration and immigration). Examining the data of the last 10-15 years, emigration has a minimal significance before 2000's; therefore there were no willingness for mobility from the side of Hungarian residents. This rate is changed today since their share grew.

It can be stated, that unemployment grew in Hungary after the start of the crisis, so the encouraging effect of emigration strengthened. The emigration for abroad of Hungarians (especially for a working purpose) started from 2007, which became more powerful from 2011 and from 2013, the intensity of the process moderated somewhat.

3. Migration Potential in Hungary

Before the time overview we consider it worth to discuss what migration potential actually means. This definition shows the measure of foreign working and the intention of emigration in the percent of the population.

The detailed analyses of the migration processes are greatly influenced by that trustworthy data are only available in a limited number. In our calculations, we get the data concerning Hungary in a special way. In some parts of calculation we used the number of visitors available in host countries, while at other parts we took the number of emigrants from Hungary into consideration from the mirror statistics. Mirror statistics creates a matrix from the number of those who moved to the more developed countries of European Union from at least one year from each providing countries. In case of missing data, we took the database of EUROStat into account. Because of the deficiencies of the data, we cannot make greater volume forecasting, since the data are not suitable for this (does not covers fully the number of emigrants).

It can be seen in the period between 1993 and 2016 (1. figure), that the initial, low emigration (8%) doubled for 2001 (19%), while it almost tripled for 2005 (grew to 22%). The highest value of migration potential was in 2012 with 36% which, for today, decreased to 27%. The short and long term working measured the same according to the data of the last 10 years between the potential, while emigration had a somewhat less share.

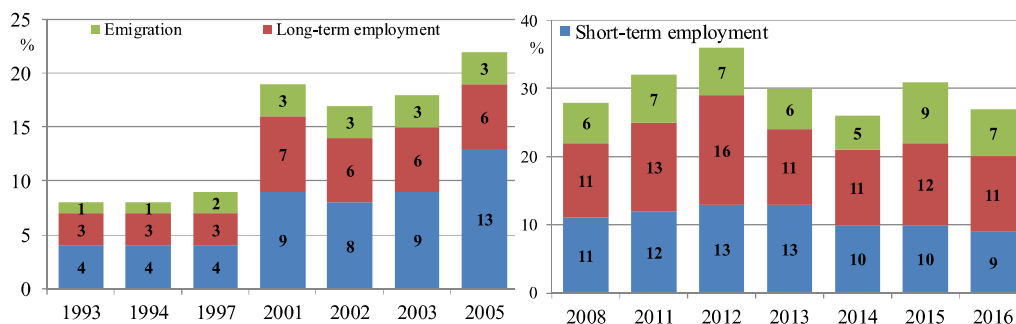


Figure 2: Migration potential of the Hungarian population between 1993 and 2016
In Hungary

Source: Own editing based on the data of Sik – Szeitl (2016)

Examining the composition of short term emigrants it can be stated that in a decisive majority, young ones are in the database, the number of those who are from the age group above 55 is insignificant. The number of emigrants give 771 of emigrants up to the age of 45, from which 12% are between 16 and 25 and 26% are from the age group of 26-35. 71% of emigrants are.

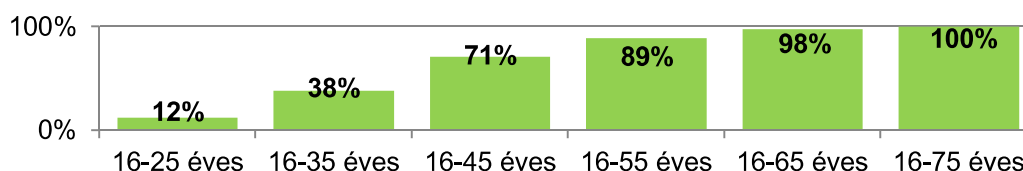


Figure 3: The Hungarian population's migration potential of developments in Hungary in 2016

Source: Own calculation based on the database of TÁRKI

Viewing the whole amount of emigration for long and short term in an age-group-sectioning, those who are under 30 gave 44% of the majority. Also, it is interesting information that 75% of the emigrant Hungarians is not 40 yet.

Migration potential is much typical for those who wish to aim development and better living standards in the future. Emigration is not typical for those Hungarian residents who already have a house or lives in better standards. As for territorial distribution, the citizens of Budapest, West Dunántúl and Easter Hungary are the most responsive for going for a shorter time.

Longer working in abroad cannot only be tracked back for economic reasons but for family status or lower education.

Emigration from Hungary started later compared to other European Union countries. Besides our country, from Romania, Bulgur and from Baltic countries with a higher rate of unemployment, following the regime a higher rate emigration started.

Regarding the migration willingness of the member states of the EU it can be concluded that in 2009 the migration potential of Hungary (29%) was above the EU's average (17%) (2. figure). The highest migration willingness was typical for Denmark (51%), and for Estonia, Sweden, Latvia and Lithuania (35-36%). Hungary

took place in the midfield with its 29% share besides Slovakia, United Kingdom and France. Bulgaria, Romania, Spain, Germany and the Czech Republic are below the European Union average.

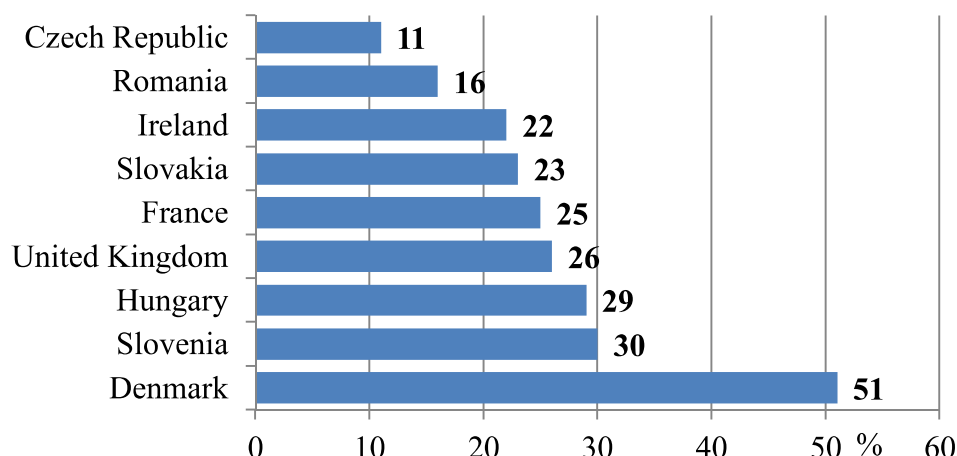


Figure 4: Migration potential in each countries of the European Union

Source: Own editing based on Special B. (2010)

Summary

It can be easily stated by examining different researches dealing with migration that approximately 3% of Hungarian citizens work abroad. It can be experienced from different summaries that one main territorial unit of emigration is Budapest and its surroundings. As for demographical data, emigrants are mostly men (53% of those who leave the country) who are from a household of 1 or 5-6. The emigration of households of 2-3 or those who bring up their kids are not significant. Those who live abroad covers the younger (especially single), skilled age group. According to the data of 2016, the number of graduates is the highest from the examined target countries in the United Kingdom (36%). Germany and Austria is highlighted in employing skilled workers in the circle of emigrant Hungarians.

It can be seen in our study that before 2000, the number of emigration from Hungary because working was very low. A bigger volume of emigration can be placed to 2010 where the doors opened towards the labor market of Austria and Germany.

However, when doing our research we did not care about the number of those who are abroad because of studying (because of the lack of data), but it can be stated based on studies that the majority of (Hungarian) students learning abroad are planning their life abroad.

It can be seen according to the correlations written in our research that the mostly effected migration layer are the young ones (75% of emigrants are under 40), singles (64% of emigrants are not married) and the skilled workers and graduates.

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