

The National Association of Employers and Industrialists (MGYOSZ)

resolution

about the minimum wage and the possible wage path in the following years

The MGYOSZ welcomes the fact that the government has confirmed the status of the VKF (Permanent Consultation Forum of Competition and the Government) as an interest reconciliation platform and regulates its operation in a decree. Wage negotiations for the fall of 2024 will already take place within this framework.

The salary negotiations in autumn 2024 are special in two respects:

- An agreement in line with the EU minimum wage directive must be concluded
- The government proposed the conclusion of a 3-year agreement, and the social partners are also open to this. (The 6-year agreement concluded in 2016 is considered a success by all three parties, although it was created in much more predictable circumstances than today, and in contrast to the current budget situation, the government was able to accept a serious contribution discount.)

The EU directive keeps it under the jurisdiction of the member states and offers several alternatives for determining the socially responsible minimum wage. An agreement was reached at the VKF: the goal to be achieved is that from 2027 the minimum wage for the year under discussion will reach 50% of the regular gross average earnings of the 12 months preceding the negotiations (which is naturally higher than the average basic salary). To achieve this, the growth rate of the minimum wage must exceed the growth of the average wage by 2% per year in the next 3 years. This inevitably leads to wage congestion, which stakeholders must accept.

The EU minimum wage directive basically represents a social aspect, it is not part of the EU's economic strategy. This is precisely why MGYOSZ is able to support this as a means of social justice.

Because of the above, it is important to emphasize that average wages must be determined by market processes, in contrast to the minimum wage regulated by law. That is why a multi-year wage agreement can rationally only be concluded in a parameterized structure based on the economy's performance.

The increase in average wages is primarily determined by the efficiency of the economy, and on the other hand by the exchange rates (our country's exported products have relatively increased or decreased in value on the world market) and inflation. Therefore, according to the trend, the growth rate of the average wage cannot exceed the sum of inflation, GDP growth (instead of productivity, which is difficult to measure precisely) and the reduction in public burdens provided by the government. In 2024, the increase in wages will significantly exceed this rate, expected to be around 7%, which will exclude its repetition in the near

future, and therefore we can conclude that the government's "high-pressure economy" paradigm has already been realized by 2024.

In recent years, the efficiency of the domestic economy has not improved sufficiently, and the MGYOSZ agrees with the government on this point. The key issue for future average wage growth and thus the rise in living standards is increasing efficiency and productivity.

The goal of the MGYOSZ is for all three sides to commit to improving the efficiency of the economy:

- employers with investments, digitization, and the creation of efficient work processes
- the government's frugal budget, encouraging investments, reducing wage burdens, and motivating large foreign investors more clearly than before to transfer knowledge and integrate them into domestic corporate networks in general
- employees with openness to continuous training, taking on work processes involving greater responsibility and attention.

In particular, there are huge reserves in the field of SMEs and services in general. If efficiency breakthroughs were to succeed in these areas, a significant labor reserve would be freed up, which would alleviate the demographic problems programmed into the labor market (which is about minus 30-40,000 people/year), and thereby also reduce the necessary demand for labor from abroad.

The MGYOSZ recommends to the government that, in case of adequate and efficient economic growth, for 3 years every year min. Reduce wage burdens on employers by 1%.

While MGYOSZ welcomes the 3-year wage agreement, as it improves the so important predictability, due to the uncertain and unpredictable international environment, it insists that absolute numbers can only be agreed upon for the next year, the nominal values - fixed in the 3-year agreement, based on predetermined principles and calculation models - can only be determined annually.

The attention of all interested parties must be transparently drawn to the fact that the minimum wage increases currently circulating (e.g. 3x12%) and the predicted inflation (3-4%) and a modest but definite and not easily achievable increase in efficiency (3%/year) in addition, if with a market-like increase in average wages, the starting level of the minimum wage in 2027 would not be 50%, but 54%, which, according to the MGYOSZ, would significantly exceed the cost-bearing capacity of the corporate sector (primarily those producing for export or exposed to strong domestic import competition), and this would endanger jobs, accelerate inflation and worsen the exchange rate of the forint. Of course, if the ambitious economic growth targets come true in case of adequate efficiency gains, all economic actors will be satisfied and the nominal income targets set by the government will also become approachable.

So the messages of the MGYOSZ:

- **We support that the minimum wage should be 50% of the average regular gross salary by 2027**
- **A higher minimum wage rate than 50% by 2027 is not acceptable today, therefore the 3-year agreement must be concluded taking this limit into account and in accordance with the relevant government decision published recently (which is supported by all three parties in the VKF)**

- **We support the conclusion of a multi-year wage agreement, but this must be concluded in a parameterized manner that definitely takes into account the economy's performance, efficiency and inflation**
- **The key to increasing average wages is a significant and continuous improvement of efficiency and productivity, to achieve which a tripartite (Government, employers, trade unions) program must be developed**
- **Average wages can be expected to grow significantly slower than the minimum wage, this must be publicly accepted by all interested parties**
- **Wage burdens deducted from employers must be reduced in addition to (realistically targeted) economic performance**
- **The numbers that are being discussed by politicians today can be interpreted as ambitious goals in a very favorable international situation and can be achieved by the end of the decade in case of a significant increase in domestic efficiency.**

*x 28 October 2024

Visszajelzés küldése

Oldalsó panelek

Előzmények

Mentve

Maximális karakterszám: 5 000. További fordításért használja a nyilakat.