



The impact of digitalisation on job quality and social dialogue in public services across the EU

The slow but inexorable digitalisation of work in Hungary's public services against a backdrop of weak social dialogue

Executive summary

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Introduction

The purpose of this Research paper is to assess the impact of digitalisation on job quality from the perspective of trade unions, but also of public service workers themselves. The intention is to identify the changes affecting the nature, content and implementation processes of the tasks involved in the jobs of public service workers, as well as the outcomes for the workers. The Research paper also explores how the challenges and opportunities for job quality generated by the digitalisation of work in public services are included and addressed in the dynamics and practices of social dialogue at national and sectoral levels in Hungary in three sectors: electricity, public administration and healthcare. Major trends in digitalisation and sectoral level digitalisation patterns were studied and analysed through desk research. This was complemented through empirical research, including the harmonised DIGIQU@LPUB web survey (DGQS), 31 interviews with sectoral trade union representatives and three focus group discussions. Based on the outcomes of the country analysis, policy recommendations have been formulated for Hungarian and European stakeholders and policymakers.

Background information

According to the European Commission's latest Digital Economy and Society Index (DESI) report (European Commission 2022a), Hungary is lagging behind in all dimensions of digitalisation, including digital development, human capital, digital public services and women's inclusion in digital jobs, careers and entrepreneurship (as assessed in the Women in Digital Scoreboard, European Commission 2022b).

The Hungarian government has recently adopted the National Digitalisation Strategy for 2022-2030 (Ministry of Innovation and Technology, Ministry of Interior 2020). The programme considers digital economy, education and digital public services the key condition of competitiveness and modernisation. Besides this, digitalisation – with a relatively high allocation – is one of the top priorities of the Hungarian Recovery and Resilience Plan (Government of Hungary 2021). Patterns and history of digitalisation show significant differences at sectoral level and within sectors, namely at institutional or geographical level.

Digitalisation started 10-15 years ago in the energy sector, but the process has accelerated in the last few years. In the 2000s', the main aim of digital solutions was to increase the efficiency of operation and services. In the last 3-5 years, enhancing the flow of information, data collection and analysis have become the most important goals of digitalisation. In recent years, most digital developments aimed at creating user-friendly, informative digital surroundings and increasing the efficiency of services also saves costs by reducing the number of phone calls and e-mails to the customer services department.

Although most of the relevant public services are available online – and the most important ones have their own structured online forms, online applications or applets – Hungary was ranked relatively low in the latest DESI report in this field. All other services are available via the e-paper online form service, which allows users to submit authenticated electronic documents. The digitalisation of the public administration in Hungary is ongoing and is predominantly supported by EU funds, however the implementation of such programmes has been uneven in certain levels of the public administration sector. While municipalities mainly have financial issues that prevent them from investing in digital developments above the mandatory used web-based programmes (e.g. tax registration and filing), there has been significant developments in central administration offices.

Digitalisation has been spreading slowly but surely in all areas of healthcare. One of the most important digital developments in recent years was the introduction of the Electronic Health Service Space (EESZT) in 2017, containing all patient health data. The use of digital networks has also become widespread, but is less common at smaller institutions. Another challenge is

that even state-run institutions use different IT developments, whose compliance with legislation is often questionable. Experiences with digital devices vary widely. The most common devices are installed computers and smartphones. Healthcare workers use computers and smartphones most commonly in their daily work, although in smaller rural hospitals manual documentation of patients is still common. In addition, larger hospitals already have more sophisticated digital tools (e.g. smart beds), which are predominantly supported by EU funds.

Key findings

In Hungary, digitalisation is not on the top of the agenda in social partners' discussions, nor is there a national or sectoral forum where the topic of digitalisation could be tripartite discussed. Additionally, trade unions are not involved in strategic planning or programming on digitalisation, thereby missing concrete opportunities to influence digitalisation developments or contribute to the debates by sharing their experiences and views of the effects of digitalisation on workers. The gradual weakening of social dialogue patterns and trade unions' rights in Hungary further weakens this opportunity in general.

As a result of the digital evolution, many digital solutions were already present in the three examined sectors (e.g. smart meters and online applications in the electricity sector; user-friendly applications and online filing in the public administration sector; the electronic health system record in the health sector since 2018). However, the Covid-19 pandemic has given a new impetus for digitalisation in many sectors, mainly with the aim of protecting employees and ensuring quality and safe services at the same time. In addition, the pandemic placed extraordinary pressure on the health care system in Hungary. All these changes require continuous adaptation from workers, which could be especially challenging when they or their representatives were not involved in the preparation of the digital development, and are not provided with proper information during the introduction of the changes.

Many companies and organisations introduced **teleworking** in jobs where the personal presence of the employee was not strictly necessary. For example, teleworking was not an option for electricity technicians or health care providers, but customer service employees could telework in large numbers. The public sector, in this respect, was not unique as teleworking in national ministries – except in some extraordinary cases – was not allowed, while municipalities made it a choice for their employees. Even with those employers where teleworking was an option, it was not discussed with social partners' organisations (with the exception of the metropolitan municipality of Budapest). Teleworking affects many dimensions of job quality, including **work organisation** itself, but also **working time**. Several employees reported – both in the interviews and the surveys - that teleworking led to increased working hours, including during unsocial hours. In some cases, the availability of

workers outside of working time was an issue too. On a positive note, most of the employees concerned reported a decrease in commuting time. Teleworking also had a high impact on **work-life balance** (unclear boundaries between work and private life; family conflicts, etc.). Workers often checked their e-mails and even answered them after working time, mostly by their own choice. Arranging private issues during working time, household tasks and childcare responsibilities (especially in case of women) often led to work outside of official working times, even during unsocial hours (including nights). Many workers are not familiar with the rules of occupational health and safety, which can cause **physical and mental health risks** (for instance, eye and muscular overstrain including back and neck pain). The fact that health and safety rules on working in front of the screen are outdated and contain rules almost exclusively on physical health make the situation even more difficult.

Digitalisation, however, has obviously reduced **physical risks** in certain cases, while the effect of digitalisation on **mental well-being** and stress is controversial. As a negative, it has led to a high level of control over employees (e.g. in electricity sector, where all actions and movement of technicians and call centre operators are followed), but in the health sector it has reduced some of the psychological pressure of high levels of medical responsibility; it has minimised the potential for error, e.g. in the administration of medicine, or the safer diagnoses or prescriptions. Adjustment to quick changes, however, can be challenging for some employees; it can often lead to frustration and thus increase mental stress at work.

As a result of digitalisation, more and more **training** is held online. While most employees acknowledged the flexibility of online training, some felt the lack of personal interactions and sense of community. Workers with lower levels of ICT skills – especially among the older generation who did not grow up in a digitalised world – often face challenges during online learning.

Digitalisation has not affected **workers' rights** perse, however it has made it easier for trade unions to engage with their members. They can operate websites, be present on social media, organise online video conferences, reach people apart from their members with newsletters and also organised online voting during the Covid-19 pandemic.

Conclusion and policy pointers

Digitalisation has both important positive and negative effects on job quality and consequently on workers' well-being. Governments, therefore, in close co-operation with social partners, should strive to provide an environment where – ensuring equal opportunities for all employees – the positive impacts of digitalisation can be maximised while risks and negative outcomes are handled effectively.

At a national level, the most important message is that social partners' organisations should be involved in the development of digitalisation strategies. This also pertains to trade unions' participation in the monitoring committees to ensure a real opportunity to represent workers' interest in connection with digitalisation. Recommendations highlight that digitalisation should be looked at as an opportunity that can be best exploited if the workforce is as highly skilled as possible. Proper funding is essential to get the most out of digitalisation, with special attention to the underfinanced health sector. The Hungarian government is called to strengthen social dialogue patterns, especially in the public administration sector. The establishment of proper legislation and enhancing labour inspection to increase the mental and psychological protection of workers against the negative impact of digitalisation is paramount. Finally, special attention should be taken on the development of older workers' digital skills to avoid inequalities and further gaps currently present in the digital world.

As regards to recommendations to European stakeholders, the impact of digitalisation on the labour market should be discussed at community level. Besides, common activities should be carried out, including the development of online courses on new digital tools, processes, and the enhanced cooperation in the field of digitalisation-related cyber defence. The availability of European resources to facilitate digital development is crucial, while the involvement of the social partners at all levels should be a key condition for EU funding.

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