



Hungary

cultural note

Hungary will celebrate its 1100th anniversary as a nation in 1996. The Hungarians are justifiably proud that they have preserved their unique language, Magyar, despite being surrounded (and frequently conquered) by other linguistic groups.

Country Background

Hungary is a landlocked Central European nation approximately the size of the state of Indiana.

Location

Hungary is bordered by the Slovak Republic to the north; Austria to the west; the former Yugoslavian Republics of Slovenia, Croatia, and Serbia to the south (all of which were once part of the Austro-Hungarian Empire); and Romania and Ukraine to the east. Since the breakup of the U.S.S.R., Hungary no longer has a common border with Russia. The Danube River, which passes through the capital, Budapest, affords limited shipping to Hungary.

History

An amazingly fertile country, Hungary was intentionally kept agricultural while it was part of the Austro-Hungarian Empire. After World War II, however, the U.S.S.R. instituted massive industrialization projects. Industry now provides 40 percent of the Hungarian GNP. Besides the soil's fertility, Hungarian resources include coal, natural gas, and bauxite.

The liberalism that swept Eastern Europe in the late 1980s fostered changes in Hungary. Long-time Communist leader János Kádár was forced to resign in 1988. The Communists became just another political party, and were roundly defeated in the elections of 1990.

Type of Government

The Republic of Hungary is now a multiparty republic. There is a single legislative body, the National Assembly, with 394 seats.

The prime minister is the head of the government. The state president of Hungary is commander-in-chief of the armed forces, in addition to being head of state; this gives the position more importance than in most European countries.

Formerly one of the most prosperous members of the Warsaw Pact, Hungary is undergoing a relatively smooth transition from a one-party Communist state to a democracy.

Language

Although Hungary has a significant minority population (primarily German, Slovak, Romanian and Gypsy), 98 percent of the people speak Magyar (Hungarian).

cultural note

magyar is not a simple language for English speakers to learn, as it is unrelated to majority of European languages. Magyar is part of the Finno-Ugric group of the Uralic family of languages; its closest European relatives are Finnish and Estonian.

Religion

About 68 percent of Hungarians are Roman Catholic; 28 percent belong to Protestant denominations. Jews and Orthodox are also present.

Demographics

The population of Hungary is 10.6 million (1991 estimates). Some 62 percent of Hungarians live in urban areas.

Cultural Orientation

Cognitive Styles: How Hungarians Organize and Process Information

The new found freedom in Hungary gives it an atmosphere of openness. However, the training of most business people was under the closed thinking of Communism. Hungarians basic education causes them to process information associatively, but the more highly educated will think more abstractively. They have a natural tendency to value particular relationships more than stringent adherence to regulations.

Negotiation Strategies: What Hungarians Accept as Evidence

The cataclysmic demise of the Communist party as the ideological focus for all arguments has opened the door to other forms of reasoning. The more exposed to outside influences the participants are, the more they may use objective facts in their reasoning rather than subjective feelings or faith in the ideology of party or group. Intentions, feelings, and opinions are openly expressed, since it is better to be direct than devious, and spontaneity of action is favored.

Value Systems: The Basis for Behavior

With the fall of Communism, Hungary is now open to explore the values of other systems and is subject to all the internal turmoil this brings. The following three sections identify the Value Systems in the predominant culture - their methods of dividing right from wrong, good from evil, and so forth.

Locus of Decision Making

As the movement toward freedom and privatization advances, it is putting the responsibility for decision making on the shoulders of the individual. In many instances the individual may transfer this responsibility to the group as a whole or to a consensus of privileged individuals. It is not clear yet whether the model to be followed will be that of capitalist or socialist democracy.

Sources of Anxiety Reduction

Formerly, the party structure, power, and full employment were the primary stabilizing forces in the lives of the people. Now there is a great deal of day-to-day anxiety over job and family security. The family unit is still recognized as a stabilizing force in society, but the church, which has always been an influence in family life, will now take a more active role.

Issues of Equality / Inequality

The removal of Communist Party control has allowed perceived feelings of inequality to surface. Ethnic disputes have become visible, along with humanitarian needs for equality and the establishment of strong, hierarchically structured systems in government, business, and society.

The dominance of the male head of the family has diminished, since many women are now working outside the home.

Business Practices

Appointments



punctuality

- Punctuality is expected in all matters related to business: appointments, deliveries, payments, and so forth.
- Establish a relationship with a Hungarian representative prior to your visit. This individual can initiate contacts for you and accompany you to your appointments. Select this contact person carefully, since your new Hungarian clients will expect you not to change representatives.
- Request appointments in writing two weeks in advance. Business letters may be written in English.
- While all businesses can translate letters from English, not all of them have staff members who can speak it. Consider hiring an interpreter.
- Business hours are 8:30 A.m. to 5:00 P.m., Monday through Friday, and 8:30 A.m. to 1:30 P.m., Saturday.
- Appointments are never made on Saturdays.
- Avoid making business trips to Hungary during July and August, and from mid-December to mid-January. These are holiday and vacation periods.



Negotiating

- It is difficult to predict how long it will take to negotiate a business deal. Under the former regime, contracts would take months.

cultural note

It took six months for Sweden's Electrolux Co. to acquire Hungary's Lehel Appliance Works (following two years of background work). If the government is involved, expect negotiations to proceed slowly

On the other hand, some of Hungary's new entrepreneurs are anxious to move quickly. With small enterprises, this is sometimes possible.

- Whether fast or slow, deals in Hungary cannot be finalized without a lot of eating, drinking, and entertainment.
- Bring plenty of business cards, and give them out to everyone you meet.
- It is not necessary to have your business card translated into Hungarian. Indeed, Hungarian has many foreign loanwords, so your title in English may be similar to what it would be in Hungarian.
- Hungary's relations with its neighbors (especially those it ruled during the days of the Austro-Hungarian Empire) have not always been cordial. Do not bring up your background if you are of Romanian, Slovak, Polish, or Gypsy descent.
- Hungarian food, wine, horses, and sightseeing are good topics to discuss.



Business Entertaining

- Hungarian hospitality is legendary. You will have to fight with your Hungarian counterparts to pay a bill.
- Meals are primarily social occasions. Very little can be accomplished during a lunch, and nothing related to business should be brought up at dinner.
- Expect dinners to last a long time; restaurants usually have musicians or entertainers in the evening.
- If your schedule will not permit a full night's entertainment, suggest a business lunch instead.
- Ice water is not served in Hungarian restaurants.
- Once you have signed or completed a contract, throw a cocktail party at a prestigious hotel.

Time

- Hungary is one hour ahead of Greenwich Mean Time (G.M.T. + 1) and six hours ahead of U.S. Eastern Standard Time, (EST + 6). There is a daylight saving system in the summer; the clocks are turned one hour ahead from April to September.

Protocol



Greetings

- A handshake is customary not only when being introduced, but also when departing. A man waits for a woman to extend her hand before shaking it. Old fashioned Hungarian men will sometimes bow to a woman while shaking her hand.

- Only close friends will greet each other with an embrace. For men, the sequence goes as follows: shake hands, embrace, make cheek-to-cheek contact on the left cheek, then on the right cheek. Close female friends do the same but omit the handshake.



Titles / Forms of Address

- Relatives and close adult friends address each other on a first name basis; they will also call children by their first names. Young people typically use each other's first names. It is safest to address all adults by their titles and surnames unless invited to do otherwise.

cultural note

In Hungary, the surname is listed before the given (first) name. Thus, the Hungarian musicians Bela Bartok and Franz Liszt are known in their homeland as Bartok Bela and Liszt Franz (or more precisely, Liszt Ferenc, since Ferenc is the Hungarian equivalent of Franz). Foreign names, however, are listed in the order that is customary in their country of origin.

- Always use professional titles (Doctor, Director, Minister, and so forth) when addressing someone. Either use title and surname (Professor Szabo) or add Mr., Mrs., or Miss to the title (Mrs. Architect). The Hungarian words for Mr./Mrs./Miss come after the surname.
 - Mr. = ur: Mr. Architect = Epitesz ur; Mr. Smith = Smith ur
 - Miss = kisasszony: Miss Doctor = Orvosno kisasszony
 - Mrs. has two forms in Hungarian. The most common form is the suffix -ne added to the husband's surname: Mrs. Smith = Smithne; Mrs. Janos Janosne
 - There is also a rarely used form of Mrs. that is usually reserved for foreign married women of distinction. Like the words for Mr. and Miss, this term, asszony, follows the surname but is not attached to it: Mrs. Hillary Clinton = Hillary Clinton asszony.



Gifts

- When visiting a company, it is not necessary to bring gifts. However, if you do, bring many small gifts and give them out freely.
- Because of a housing shortage, you may not be invited into a Hungarian home. This is especially true in Budapest, where some 20 percent of the total Hungarian population resides. If you are asked to visit, Western liquor (not wine, as Hungarians are proud of the wines they produce) and wrapped flowers (but not red roses or chrysanthemums) are recommended gifts.



Dress

- Dress tends to be conservative, especially among business people.
- Appropriate business dress for men is a dark suit, a white shirt, and a tie. Women should wear suits or dresses.
- Jeans are standard casual wear. Shorts are uncommon in the city, and are best reserved for the beach or the countryside.
- Standard business wear is appropriate for formal social occasions, restaurants, and the theater. For the opera, men should wear a dark suit or a tuxedo; women are expected to wear formal gowns.

cultural note

Hungarians consider themselves a "nation of horsemen," and invitations to foreigners for horseback riding are not uncommon. It may be prudent to bring riding clothes.