



Homecoming Forum™
March 8, 2003
Embassy of Hungary

Summary and Recommendations

The *Homecoming Forum* took place at the Embassy of Hungary on March 8, 2003, under the patronage of Ambassador András Simonyi with the participation of the “New Generation of Hungarian Professionals,” that is, Hungarian students and professionals currently studying or working in the United States. The goal was to capitalize on the talents of this group and discuss ways in which they can be useful to Hungary, either by returning to share their skills in the Hungarian economy or by supporting projects, which benefit Hungary’s transformation in the 21st century from the United States. Also invited were Hungarian-Americans who have sponsored various exchange programs or programs in Hungary to acquaint young Hungarians with American attitudes, skills, and know-how.

Support for and interest in the Forum also came from other official Hungarian agencies. Bálint Magyar, Minister of Education, sent a letter emphasizing that healthy competition and attitude change are values that help Hungary in the global race. The Hungarian Academy of Sciences joined in welcoming the Forum in a letter that drew attention to the value of non-European Union R&D systems and to maintaining their proportional presence in the run up to the EU accession. It further encouraged a proposal from the Forum on ways in which its goals could be implemented through programs of the Academy.

The genesis of this one-day forum came from a discussion between Ambassador Simonyi and members of this “new generation.” Four of them worked out the logistics and themes of the conference, and prepared this final document. There had been some initiatives earlier, but these had been limited in scope (a meeting of those working in the medical field) and there were no results as matters died in administration. The organizers of this Forum will insure continuity and establish a framework that ensures its momentum regardless of political changes.

It was noted that this is a historic moment, and while the need and even desire for such a forum has been true for the past 12 years, it was only now that several factors came together to make it a reality. One was the confluence of a group of active and concerned young professionals and an active and committed Ambassador. A certain “critical mass” has been reached among the former. The need for attitude changes necessary in Hungary for the country to take full advantage of its role in the new global economy has been recognized, and this can best be facilitated by the active involvement of young professionals who have acquired these attitudes in their years of study and working in the United States. Such value transfer, and the reversal of the “brain drain,” on the

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other hand, is often hindered by bureaucratic hurdles, lack of communication and contacts that would match needs with the skills of these students and professionals, and jealousy and fear of losing jobs to the US-trained. The Forum focused on rational and qualitative two-way exchanges.

What role could this Forum play in reaching out with its message and mission to Hungary's elite? How could it expedite the mindset change by showing that Hungary can leapfrog the countries, which it has traditionally followed? This Forum is to be a milestone, which marks the formation of a 'new' elite: one that selectively picks, acknowledges, and imports American values which can create a comparative advantage for Hungary, and which will recognize and build on the undercurrents that take the country to the forefront. The challenge is

- To translate this mission into practical steps and action items
- To raise awareness
- To buy ownership and support through strategic communication.

European Union accession is also bringing paradigm change: Hungary has to choose between becoming a modern, competitive, deregulated country which welcomes innovation and offers incentives to a healthy flow of intellectual and financial capital, or it can retain a centrally controlled economy with government oversight over most aspects. This new generation can position the country towards the former.

The discussion provided an ideological framework and the *raison d'être* for the Homecoming mission and was divided into four major themes:

1. *Contra Brain Drain*
2. *Value Transfer*
3. *Contributions of the New Generation Hungarians from the US*
4. *Legal Questions*

It became clear, however, that these topics often overlap, and in particular that legal questions permeate all of the other approaches. Thus, this report reflects a slightly different organization. The sections on *Contra Brain Drain* and the *Contributions of the New Generation of Hungarians* address the objectives of the Forum while *Value Transfer* explores more efficient ways in which the values that can be of advantage to Hungary in the global economy can be most efficiently transferred to Hungary.

A goal of the Forum was to draft an action program based on positive suggestions and to avoid the bureaucratization of the initiative. As such, the Forum is to remain independent but work closely with both the public and private sector. The Ambassador assured his continued interest and sponsorship, suggesting in the closing remarks that the meeting be repeated each year, with more and different participants.

The first question is what prevents young professionals from returning to Hungary? What are the roadblocks that discourage or even deter them from moving back home? As it became evident from the discussions, the issues that returnees may face vary by professions. The situation for practicing doctors, researchers, academics, IT professionals, MBA graduates, and lawyers are

very different from one another. It was noted that whereas most doctors look for opportunities to stay in the US as soon as they step off the airplane, MBAs cannot wait to return since their earned degrees and experience lends them promising prospects in Hungary. Keeping the variance among professions in mind, it was found that the problems fall into the following three categories: working conditions and salary levels, legal issues, and cultural/social factors.

Working conditions and salary levels in the US are difficult to match. At present, certainly, Hungary cannot compete with the funds available for research, the compensation levels for researchers, and the variety and quality of equipment in research labs. However, these inequities can be addressed. Salaries are relative to living expenses; that is, a seemingly high salary in New York City may, in fact, have less purchasing power there than a comparable Hungarian salary in Budapest. It is possible that the Hungarian salary for the same job may result in higher living standards for the individual. The lack of research equipment and the inferior research conditions may be addressed by attracting more FDI into Hungary, and by encouraging US and other companies to transfer that research divisions to Hungary.

There are administrative roadblocks that either discourage or make the return home more difficult, even when the government has proposed programs to make it easier. Uncoordinated application requirements and deadlines preclude students abroad from applying for repatriation scholarships, or force them to sign contracts here to ensure a job when there is no guarantee of an offer in Hungary.

Cultural and social factors are maybe the most pervasive and most difficult to combat. Returnees often face disadvantages for job placements. These stem from envy among colleagues who did not have a chance to study and work in the United States, and are exacerbated by the close social and professional networks already in place in Hungary. Good connections are often just as important in getting a position as the necessary qualifications and experience. One participant from the medical field pointed out that age is often the determining factor in deciding who gets to perform surgery in Hungarian hospitals, despite the fact that a young doctor returning from resident training in the US may well have performed more operations and consequently gained more experience than a colleague in Hungary. In sum, the opportunities for professional advancement in Hungary are often not merit-based, but rather decided by age and connections.

Cultural re-adaptation may be assisted by support networks, yet it should not be a unidirectional process. The whole idea of cultural exchange is to familiarize the individual with the traits of the host culture, which they can share and promote upon returning to their home country. Consequently, young professionals should return from the US fully equipped with the values and principles Americans are famous for: individualism, entrepreneurship, mobility, optimism, and self-confidence. In particular, they must set examples in being proactive and audacious, future-oriented in their attitude, less dependent on the state, and capable of starting over again after failures. Many believe that one cannot start developing these traits early enough. One participant cited the example of a high school "Wall Street Club," where students can interface with successful individuals in the private sector. Perhaps some of students will choose them as role models, instead of popular cultural icons. Perhaps business education should be part of the secondary school curriculum.

Yet, even before returning home, much can be done to facilitate the process. Young scholars and professionals have to be kept connected to the homeland. They need to feel that their country needs them and cares about them. For one, their attachment to Hungary may be fostered by providing them with opportunities to carry out their civic duties, to participate in elections and referenda, to encourage them to join Hungarian academic and professional organizations, to invite them to attend conferences and symposia, or publish in scholarly or trade journals in Hungary. This should also lead to their being better integrated into the professional networks that assist in job placements. As an example for academic co-operation, one participant who is teaching at a university in the US mentioned that she was directing the thesis of a student in Hungary. Another opportunity for co-operation could be joint research projects or grant proposals between Hungarian scholars in the US and in Hungary. What is needed, however, is an institutionalized form of registering these projects and grants, and bringing the interested parties together.

Upon returning to Hungary, these young professionals can form support groups and alumni networks, which then can mentor new returnees and help them re-adapt to Hungarian professional and public life. These networks are needed for returning young professionals to help their reintegration into the job market. Existing opportunities need to be advertised broadly to be available to all. Contacts and connections with institutions, agencies, and businesses need to be established and supported. Alumni networks are a valuable practice in the US well worth importing to Hungary. There are already a few in place; for instance, the organization of ELTE graduates in physics who continued their studies abroad. In this alumni network, expatriates share the financial burden of running these professional networks in their former alma mater. For them, providing this financial support is often “immaterial” as their disposable income is higher than that of their home country peers. This is one way to channel back financial and intellectual capital to Hungarian institutions. The US Chapters of the Central European University and Hungarian Chapters of American universities also serve as models.

Positive orientation, entrepreneurial spirit, and a go-getter attitude described many of the conference participants and their stories contrasted their experience with the often-discouraging atmosphere of Hungary. A positive mindset has to be encouraged in Hungary to counter the passive attitude inherited from the socialist regime. “Learned helplessness” fostered by this passive attitude, needs to be combated among Hungarians. Transplanting positive values to Hungary can be achieved by encouraging young professionals to return to Hungary to serve as catalysts of change. Entrepreneurial spirit also needs to be strengthened in Hungary. Business ‘failures’ stigmatize the entrepreneur in the society financially, legally, as well as socially. This hampers the establishment of small and medium size enterprises and discourages larger/multi corporations to invest in Hungary and to set up joint ventures with local partners. Legislation which provided more protection would be a step in the right direction, but the real task is to change attitudes. Making information available on setting up businesses in Hungary would facilitate startups and foster a network of entrepreneurs.

There are existing avenues for exchanges on various levels, but these need to be better known and better coordinated. Also, exchanges are relatively lacking in the public sector, and should be encouraged. Internships in Congress and at the White House, as well as other government (federal and state) can be investigated; interested persons from the US could be invited to similar

positions in the Hungarian Parliament, the ministries, or in local governments. Existing exchange programs need to be supported and expanded. The Fulbright program is the most useful in training Hungarians in American know-how and values, but can only reach a small percentage of the population. The Balassi Institute focuses on providing education in Hungary for 2nd and 3rd generation Hungarian-Americans and so indirectly contributed to value transfer.

Exchanges are a natural vehicle of value transfer, and lead to the question: “How can Hungarians living in the United States play an active role in the transfer of useful American values to Hungary?” This can be done mostly through programs that enable young Hungarian professionals to contribute to Hungarian programs either from abroad or on visits to Hungary. Programs such as Smart Hungary, which encourages foreign investments in Hungary, could use the skills and knowledge of Hungarians who have been trained or have work experience in the United States. They should be looking for persons with such skills, and a system that would allow for the two groups to know of each other can facilitate this. Other possibilities are presented through visits home, such as the example of a neurologist who hosted discussions for Hungarian specialists while there on a vacation, or researchers from NIH who participated in a cooperative medical procedure. In the field of residency training, now being set up in Hungary, the advice of those who have experience with this aspect of medical training would be invaluable.

The discussions stressed the need for maintenance and development of associations which provide a nexus for Hungarians living and working in the US to interact with their colleagues in Hungary on a regular and institutionalized basis, rather than the personal and ad hoc manner in which many successful programs have been conducted. The larger the pool of Hungarians reached, the more successful the “value transfer” can be. Some specific suggestions were a “Friends of Hungary” circle that would fertilize the thinking/perception of decision makers. Fulbright alumni are a good example of this group, but the number of participants is relatively small.

Tangential to the main theme of the Forum were comments on the role of 2nd and 3rd generation Hungarian who could also go to Hungary for shorter or longer periods to study or work and through their presence translate the same sort of American or modern values that the Hungarian students and professionals do. In addition, the role of PR, and specifically the improvement of the image of Hungary in the US, was a returning theme.

In our world of open borders, capital is free to flow; and it flows into the direction where it expects higher returns. It is Hungary’s turn to show that its intellectual capital will be rewarded with increasing return. What leads to this voluntary repatriation is a combination of personal decision and encouragement by the state in the form of adjustment of its institutions/legal framework/apparatus to better accommodate returning expatriates. Those who chose to return will see a country where conditions are continuously improving, which behaves as partner for businesses and host of ideas. The message is that Hungary can make this decision easier for expatriates by improving the conditions and offering incentives. Incentives that do not require long bureaucratic procedures, financial sacrifices, and complex overhauls should be the considered as a first step.

Successful solutions to the problems raised at this conference have to come from a combination of government and the private sector. Government endorsement and support are important but many exchanges and initiatives should be in, or with the involvement of, the private sector. Given that in Hungary many more areas are in the public sector (health care, education, research) the direct role of the government is still paramount.

Another message of this Forum is that there are no lonely fighters. Many across the US face the same problems. The critical mass is in the making. The outcome of this Forum lends itself to replication. Replication not only in Washington and in New York, but from coast to coast in the US, and around the globe. Public Relations and strategic communication need to be harnessed to connect these clusters and to carry out a campaign that delivers the values and ideas to Hungary. Thus, this new generation can multiply its leverage.

Communication and the sharing of information were emphasized throughout the conference. To address this, the first step had to be a publication, in print and on the Internet, which lists sources, problems, and solutions. This document should be the first in the series. Such a publication should serve to connect needs of Hungarian companies and agencies and the trained and skilled professionals desiring to return to Hungary. It could also contain success stories which illustrate both the possibilities in the US and reintegration in Hungary. The *American Hungarian Panorama* is already doing something along these lines but the Homecoming publication would be more precisely targeted and focused on the new generation of professionals. An online "Who Is Who in Hungarian America" can support the goal of making connections between persons of similar interests and foster communication and exchanges.

A second easily implemented step would be the development of an online resource center for Hungarian students and professionals in the US that includes a job database specifically tailored to Hungarians with American academic education and professional experience. This database would provide the opportunity for Hungarian private and public sector organizations to recruit Hungarians from the US, while it would also assist young Hungarian professionals in the US to find out about employment/professional opportunities in Hungary. Moreover, Hungarian companies planning to establish US businesses could also use the database to locate Hungarian partners or future employees already in the US. We are proud to announce that this online resource center/job database is in the making.

Action Items Based on the Discussions

- I. To facilitate the return of young professionals and achieve a “contra brain-drain”:
 1. Eliminate administrative roadblocks, from deadlines that are out of synch to taking in working tools (mostly government action)
 2. Make working conditions attractive (private and public sector):
 - a. Recognize skills and learning of those returning
 - b. Make available positions commensurate with background
 - c. Recognize independence and level of responsibility gained here and extend same there
 - d. Be open to suggestions and new methods advocated by those returning
 3. Strive to ensure that opportunities are based on merit and that lack of connections does not hinder placement (private and public sector)
 4. Offer incentives for return and resettlement, particularly if investment or costly infrastructure (e.g. labs) needed (mostly public sector)
 5. Adjust of institutional/legal framework/apparatus to encourage returnees (public sector)

- II. Exchanges need to be better known and better coordinated
 1. In addition to Fulbright and IREX programs, other opportunities need to be advertised and supported: Ford, Mellon, etc. programs (public and private sector)
 2. Information disseminated on opportunities for personal initiative, e.g. application to US schools for fellowships and assistantships (schools, public and private sector)
 3. Possibilities for two-way internships in the public sector at all levels (federal, state and local in US with corresponding agencies in Hungary) (public sector)
 4. Successful projects need to be better known and replicated (mostly private sector)

- III. To foster the development of a different mindset:
 1. Encourage entrepreneurial spirit, even in secondary schools (public sector with aid of the private)
 2. Encourage a positive mindset: any goal can be achieved; a setback is not a failure (private sector, public sector has some role, e.g. some regulations might need to be changed)
 3. Encourage thinking “outside the box” which can lead to creative R&D and more opportunities for trained and skilled workforce (private sector)

- IV. Support network established to address concerns of those returning, those seeking study or work opportunities in the US, and those in such programs:
 1. Advertise opportunities (private and public sector)
 2. Give assistance in establishing connections, both in the US and in Hungary (public and private sector)
 3. Establish alumni groups for those returning from the US (private sector)
 4. Enable and support connections between institutions and firms looking for US trained professionals and those wishing to return (private and public sector)

V. Concrete Steps (public and private sector)

1. Establish a consultancy/advisory group to help implement changes in training where those returning from abroad have a major role
 - a. Short-term consultancies for those not yet resettling to do in-service training or address particular problems
 - b. Advisory role for those already resettled to help in implementing goals of modernization and changes in attitude
 - c. Pool of experts who can bring new ideas and expertise to changes in education, training, relations of government to private industry, etc.
 - d. Encourage mobility and work to minimize the differences between Budapest and other parts of the country by setting an example and doing PR work
2. Publication program—in print and online—to disseminate this document, information on successful projects, circulate innovative suggestions and solutions, provide practical advice, and contact list.
3. Online resource center and Internet-based job market database
4. Global network to tie together resources of Hungarians abroad

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