## **CONVERGENCE PROGRAMMES OF HUNGARY IN THE NET OF POLITICS**

## MAGYARORSZÁG KONVERGENCIA PROGRAMJAI A POLITIKA HÁLÓJÁBAN

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According to the Treaty of Maastricht only those member states can join the zone of the common money which meet the so-called requirements of Maastricht of which Hungary has not met even one since our joining the European Union. Besides, up to the autumn 2006 we got away from the time of its introduction planned by 2007. In 2002 fulfilment of requirements regarding inflation seemed to be the most difficult one. In addition it appeared rational to reduce deficiency in the state budget under 3% by 2004, in spite of the fact that the balance of the so-called "two-year budget" for 2001 and 2002, calculated by FIDESZ, showed significantly bigger deficiency compared to what had been planned, because of the parliamentary elections in 2002. Since FIDESZ, in the case of getting in the election, from the autumn 2002 would have driven the budget to the state of equilibrium with tough restrictions – even in the first year of its four-year government, adjusting to the economical and political logic of the election-periods.

It would have made possible for Hungary to meet the requirements even in the first, so in 2004, convergence programme and after a two year-long period, in 2007 – after the parliamentary election of 2006- to introduce the euro together with Slovenia. However, inspite of the predictions FIDESZ lost the election in 2002, and the MSZP-SZDSZgovernment, led by Medgyessy, Péter, started to fulfil its promises made during the election which burdened the state budget heavily. This way not only the deficiency aims of the year 2003 but the ones between 2004 and 2006 became illusions. In its convergence programme of 2004 the government pledged itself to reduce both deficiency regarding GDP and the burden of taxation with a half per cent. However, it could not have been fulfilled in spite of the restrictions in the budget. The Union did not accept the programme of 2005 but regarding the tense internal situation and the elections of 2006, permitted delay. The winner MSZP-SZDSZ coalition, led by Gyurcsány, Ferenc, elaborated -even before the municipial elections in the autumn 2006-its programme which includes an extremely serious tax-rise and reduction of expenditure in the state budget, and its significant part was immediately introduced. The most important elements of the programme are the reform of public health and taxation system. On the basis of what has been experienced so far in the execution of the programme it seems that the population and the political opposition tolerate better the significant increase in the already existing taxes, dues and attributions than introduction of new ones which may bring much smaller burden, anyway. On the bases of these experiences, even before the elections of 2010, the daily fee in hospitals and the visit fee will be ceased, the tax on property will not be introduced, and the government will compensate the reduction of attributions in the case of enterprises with the rise of VAT.