

OTTÓ CZÚCZ

Enlargement of EU and the Hungarian system of social protection

For the last decade Professor László Nagy's professional interest has noticeably been focussed on questions related to the European Union. A few years ago he published a university course book for the students on the labour law of the EU,¹ and in the following years he applied for and won several research grants for his studies in this field. He emphasised at several meetings and conferences that it is essential for Hungary to prepare for the accession to the Union in the best way possible.

I was fortunate as in the middle of the 70s it was Professor Nagy who called my attention to the fact how much the teaching of social law was neglected (compared to labour law) in the Hungarian law education, and it was he who directed my interest as a researcher and lecturer to social law. In view of all these I could hardly find a worthier way to thank him for his professional guidance, and later friendship, for decades than with this attempt at summarising what challenges Hungary will have to face during the enlargement of the Union and what tasks will have to be solved in the field of social law during the preparation for accession.

It has been evident since the declaration of the intention to join the Union that the accession to the European Union will bring about essential changes in the structure of social protection in the new member states, and at the same time it will demand complex preparation from these states. The states wishing to join have to adopt the Community achievements, the "acquis communautaire", they have to prepare their administrative institutions and make them suitable for fulfilling the new tasks, they have to inform the public about the expected changes and moreover, they also have to make sure that the difficulties associated with preparation will not discourage great masses of the population from integration.

¹ NAGY LÁSZLÓ: *Az Európai Unió munkajoga*. (Labour Law in the European Union) JATEPress, Szeged 2001. 122 p.

The effect of accession on the social institutions of each candidate state can be examined on two levels: on the one hand the questions of short-term adaptation, the changes, developments constituting the condition of accession, and on the other hand the lasting long-term effects will be discussed separately.

I. The expected magnitude of migration from Hungary after the accession to the European Union

The effects of accession on the Hungarian social institutions will largely depend on the magnitude of the new-type labour force movement induced by the free movement of persons within the Community.

In the preparatory phase of the accession talks some representatives of the present 15 member states expressed serious worries, they were afraid that a large-scale migration of labour force would start from the candidate countries to the more developed member states. The underlying supposition of these worries was that according to some assessments there are very great differences between the economic development of the member states and the candidate countries and also between the employees' incomes. For this reason it was thought that as soon as the free movement of persons becomes possible, many residents of the new member states will try to make their way in life in countries with a higher standard of living.

On the one hand we think that these worries are exaggerated, and on the other hand these dangers can be handled well with means already tested in the practice of the EU.

I. There are several signs indicating that the labour force movement starting from Hungary after the accession – even if no transitional restrictions were used – will be much slighter than expected by many people.

a) It is true that the difference between the levels of economic development is significant (calculated at purchasing power parity the Hungarian level comes to about 53% of the EU average at present, and this is considerably lower than the corresponding indices of member states with the lowest GDP per capita – Greece 65%, Portugal 69%, Spain 84%).² However, the dynamics of the Hungarian economic development has been stronger in recent years than the average rate of growth in the EU member states. (This is shown by the fact that this index increased from 46% in 1996 to 53% of the EU level by 2003.) The GDP increase was 5.2% in 2000 in Hungary, compared to the 3.3% average of the European Union (and this difference of two percentage points was also maintained in subsequent years, although at lower values of growth). This

² EU Commission, Eurostat: Towards an Enlarged European Union. Key Indicators on Member States and Candidate Countries. Theme 1. General Statistics. 2003. p. 2.

tendency is expected (and hoped) to continue in the following years, too, thus the differences in the level of development will noticeably decrease in the period to come as well.

b) Statistical data on unemployment are also relatively favourable. In Hungary the unemployment rate was 5.6% in 2002, compared to the average of 7.5% of the EU member states.³ On the basis of this it can be expected that at the time of accession and afterwards the economic incentive to migrate will be relatively minor for Hungarian citizens. If a relatively rapid rate of economic development can be sustained, the majority of people will not want to be left out of these advantageous effects.

c) In addition to all these, several signs indicate that individual mobility willingness is relatively low within the country, too⁴.

In the past years it happened several times that in the more dynamically developing West Hungarian regions a shortage of labour arose in certain fields and professions. Companies operating there made serious efforts – with the help of labour centres working in other regions and also using the means of direct labour force recruiting, etc. – to acquire supplementary labour force from other regions of the country. However, these attempts usually did not bear fruit in spite of the fact that in some East Hungarian regions the unemployment rate is still much higher than the national average. Yet it was seen that people were extremely unwilling to leave these areas.

The reason for this is partly that it is not easy to find an appropriate new home in the new place. (The majority of Hungarian families – approximately 80–85% – live in their own flat or house. The number and proportion of rented flats is quite low. The price of flats has increased considerably in the more dynamically developing regions, therefore people arriving from other regions could purchase only a much more modest home for the price received for their previous flat.) Another factor contributing to the individuals' small willingness to migrate could be the strong family ties, attachment to the native land, to the special cultural environment there, to the values, etc.

d) In the judgement of the migration potential it also has to be considered that Hungarian citizens have relatively insufficient foreign language skills. Statistical surveys show that approximately 10% of the inhabitants have proficiency in a foreign language. In addition to the fear of adapting to a new cultural environment, this will undoubtedly restrain mobility, too.

e) Recently a survey was made about how many people from the countries of Central Europe would be willing to find employment in the European Union

³ Ibid.

⁴ BORBÉLY SZILVIA: *Útban a szociális Európa felé.* (On the Way to Social Europe) Durah Stúdió, Dunaujváros, 1998. 109 p.

if no restrictions existed.⁵ According to the findings of this survey, not more than 12% of the Hungarians would consider the possibility of employment abroad. Information about low migration willingness is also confirmed by the fact that in recent years Hungary had difficulties in finding Hungarian employees for the employment target numbers permitted in a bilateral agreement concluded with Germany.

In view of all this it is probable that the number of Hungarian citizens wishing to settle down in other member states for the purpose of performing work will not be significant after accession. Therefore I think that the fears of an intense migration are exaggerated. Such a movement is possible mainly among higher-qualified younger employees speaking several foreign languages, and there is great demand for this group of employees in some West European countries without accession, too.

2. The candidate countries have also worded certain worries concerning the expected migration. According to an analysis – made by UN experts⁶ – in order to maintain the stable level of the population of working age in the present member states, an annual influx of workforce of net 550 thousand between 2005 and 2010 and of net 1.6 million between 2010 and 2050 would be needed. This is also confirmed by the study made by Fuchs and Thon⁷ in 1999 for “Bundesanstalt für Arbeit”, which states that Germany alone would need the inflow of approximately 300–500 thousand employees a year in order to maintain the stable level of the population of working age.

Countries wishing to join the Union are afraid that this lack of the population of working age will give new impetus to tempting the most highly qualified employees. In addition to this, the fear of "brain drain" can also be observed in the candidate countries.

Even today some member states are trying to tempt the highly-qualified experts of some special fields from the candidate countries (too) with tempting propositions. A well-known example for this is the “green card system” introduced in Germany, which is meant to facilitate migration among young computer technology experts. Norway offered employment possibilities for Hungarian doctors (first of all for anaesthetists) and Ireland would also like to receive health care specialists from Hungary. It can easily happen that the majority of Hungarian employees flirting with the idea of employment abroad will find suitable jobs for themselves before accession.

⁵ In August, 2001 the PricewaterhouseCoopers (PwC) consulting and auditing company made a survey about this question with the participation of 850-850 persons in the Czech Republic, Hungary and Poland. The data are taken from this survey.

⁶ UN: Replacement Migration: Is it a Solution to Declining and Ageing Population? UN Secretariat, March 2000.

⁷ FUCHS J. – THON M.: *IAB Kurzbericht* Nr. 4. Institut für Arbeitsmarkt- und Berufsforschung der Bundesanstalt für Arbeit 20.05.1999.

3. In spite of this it is very likely that the migration wave after the accession would not be very significant even if people could migrate absolutely freely from the first moment of accession. In their study prepared for the European Commission, T. Boeri and H. Brückner estimate that in the first years approximately 335 thousand people would migrate to the present member states even if the movement of labour was completely liberated (while it is commonly known that Germany alone will need a supplementary workforce of more than 300 thousand persons in the medium run.)

4. During the accession talks the chapter on the free movement of persons was temporarily closed by Hungary at ministerial level on 12th June, 2002. In order to do so Hungary accepted that certain member states will restrict the migration of labour force from Eastern Europe for 2–5–7 years after the accession of Hungary⁸. (In return, the member states of the Union also agreed to such restrictions imposed by Hungary and also to the restriction of land and real estate purchase by foreigners for a period of 5–7 years.)

According to the agreement on a transition of 2+3+2 years concluded for possibly arising migration pressures, the member states can essentially keep their national rules in the first two years. From the beginning of the third year, however, member states can apply their own national rules only if they announce this to the European Commission. In the absence of doing so the member state shall automatically adopt the Community norms (although in exceptional and urgent cases the possibility to implement certain “protecting measures” will continue to exist until the end of the seventh year, with the subsequent notification of the EU Commission). However, from the end of the fifth year even those member states which maintained the right of national regulation until the end of the second year can sustain it for a further period of maximum two years only if they can prove that in the absence of national rules their labour market will be or is at great risk of being disturbed.

These solutions seem to be sufficient for dissolving the fears of large-scale migration (which are very strong in certain groups of the population of some countries).

5. At the same time great care must be taken in determining the actual duration of these restrictions as it can easily happen that the economic objective and purport of accession will be endangered by their lasting application. We may prevent the best allocation of the available labour force, which means that each employee can work wherever his or her working capacity can be utilised the most efficiently.

⁸ Similar transitional agreements were made with all the other candidate countries, with the exception of Malta and Cyprus.

II. Tasks of the Hungarian social institutions preparing for accession

Several changes are necessary in the Hungarian system of social institutions during the period of preparation for accession. Although the Hungarian negotiation standpoint taken during the accession talks on the chapter of social policy stated: “The Hungarian Government is of the opinion that the country has a developed system of social protection comparable with that of several member states. (On the whole, the level of social protection is not lower, or least not considerably lower than the EU average)”⁹ The Hungarian structure of social protection is expected to cope with the new tasks arising after accession. However, in order to do so some elements of the structure have to be modified.

1. It is especially Decree 1408/71 on the Social protection of migrant workers (and their families) (and also Decree No. 574/72 containing its rules of implementation) the application of which will necessitate complex efforts (and probably supplementary sources of finance).

The Hungarian experts of public administration are fully aware that at the time of accession the decrees themselves will automatically become part of the Hungarian legal system and directly applicable without any further measures. In spite of this the modification of a few present regulations of implementing nature seems to be necessary so that the competent Hungarian organs will be able to apply them without any uncertainty. Such changes were especially necessary in the field of health insurance and pension insurance as well as concerning the rules of unemployment provisions. These amendments were already passed by the Hungarian Parliament on 16th October, 2001.¹⁰

a) The new regulations brought about changes in the rules pertaining to the reimbursement of the costs of emergency health care and service received by Hungarian citizens staying abroad temporarily. According to the previous rules of social security, the reimbursement of the costs of health care received abroad in justified cases was – generally – permitted only up to the extent it would have cost in a Hungarian institution of health care. The new rules prescribe that in the case of the emergency care of Hungarian citizens in the countries of the European Economic Region – as of the date of accession to the Union¹¹ – the order of finance in accordance with the co-ordination regulations shall be

⁹ Intergovernmental conference on the accession of the Republic of Hungary to the European Union. The negotiation standpoint of the Government of the Republic of Hungary, Document No. CONF-H 25/99 Chapter 13, Section 4.

¹⁰ Bill No. T 4614 on the amendment of certain acts concerning health care, medicine supply and social provision for the purpose of legal harmonisation, and on the amendment of Act LXXXIII of 1997 on compulsory health care provisions and of acts on the payment of social security contribution and on the lump-sum health contribution (hereafter: New Act). The bill was passed by Parliament on 16th October, 2001.

¹¹ New Act § 17.

applied. (The previous possibility of reimbursing costs – according to costs incurred in Hungary – will remain but only in the case of health care services provided in countries outside the territory of the European Economic Region.) At the same time it was ordained that health care provided for citizens arriving in Hungary from the member states of the European Economic Region shall be provided in accordance with the rules of the Community regulation.¹²

b) The new act also proclaims that citizens with a medical, pharmaceutical etc. diploma obtained in one of the member states of the Union can undertake employment in Hungary according to the practice followed in the European Union.

c) Some provisions of the act on *family support* were also amended. According to the previous Hungarian rules Hungarian citizens (residing in the territory of Hungary) were entitled (as of citizen right) to various family supports (and to other allowances with a similar purpose) if they provided for a dependent child (children) in the household. The new regulations extend the possibility of receiving these supports to the citizens arriving from the European Economic Region (as of the date of accession).¹³

d) As concerns *unemployment benefits*, on the one hand, the rules laying down the prohibition of the export of the benefits had to be amended (according to the co-ordination rules, the benefits are also due to persons trying to find employment abroad for not longer than three months if other conditions of entitlement are fulfilled), and on the other hand, the Hungarian organisation of labour administration has to be prepared for the tasks associated with receiving unemployed employees arriving in Hungary from the member states of the Union.

2. During the preparation for accession it is necessary to determine the additional expenses which ensue from the application of the co-ordination regulations and which have to be borne by the Hungarian institutions. These expenses may be enormous especially in the field of health insurance and pension insurance.

a) In the field of health insurance separate calculations have to be prepared for the different groups of people concerned. The obligation to provide for cross-border employees is not supposed to incur considerable extra expenses. Such employees belong to the jurisdiction of the member state where their employment is and the institutions of the employing country have to bear the costs of the health care services (irrespective of whether they were provided in the employing country or in the country of residence).

¹² New Act § 14.

¹³ New Act § 30.

aa) In association with this the determination of the lump-sum support for family members living separately from the migrant worker (staying in Hungary) will entail some extra work. For this it is indispensable to determine the exact number of migrant workers and their average family size (these data will have to be accepted by the Audit Commission and by the Administrative Commission) and also to calculate the average costs of health care services per family. The methods of collecting such statistical data have to be developed as soon as possible and consultations have to be held with the competent authorities of the countries concerned about the acceptability of these methods.

ab) It is more difficult to prognosticate the costs of emergency care provided for Hungarian citizens staying temporarily in the territory of other member states. (This item is expected to bring about the greatest cost increase in health insurance.) Hungarian citizens visited foreign countries as tourists relatively frequently in the previous decades, too, and some EU member states were among the most popular destinations. This is hardly likely to change in the period to come, either. As the costs of medical treatment abroad are known to considerably exceed the costs in Hungary, the leaders of Hungarian health insurance fear that the financial balance of the Hungarian health insurance system may be endangered by these extra expenses. It is especially difficult to make calculations about the expected burden as there are no statistical data available about the destinations of foreign travels and about the duration of stay. This explains why it is extremely difficult to estimate the volume of extra costs expected.

ac) Separate calculations have to be made about the expected volume of expenses arising in association with travelling to another member state for the purpose of receiving a special treatment. In view of the decisions of the European Court of Justice made in the so-called “Kohll and Decker”¹⁴ cases, these questions need to be examined with special care.

ad) Moreover, the health insurance provisions of pensioners and their family members living in another member state (and having acquired entitlement to partial provisions in Hungary) have to be examined separately together with the expenses associated with their potential benefits. At present no reliable information is available about their number and composition. Because of these expenses which can be calculated imprecisely, if at all, considerable reserves have to be set up in the budget of the institutions in the years after accession.

b) The greatest difficulty in connection with the calculation of extra expenses expected in the field of pension insurance is once again that there is no detailed information about the persons living in the member states of the Union who might have (partial) pension entitlements unrecognised so far in Hungary.

¹⁴ C-120/95. C-158/96. decisions of the European Court of Justice, 28th April, 1998.

It is well-known that in the years following World War II and then at the end of 1956 hundreds of thousands of refugees left Hungary who, before emigration, might have had service years on the basis of which they can announce some kind of claim or entitlement to Hungary. From among the members of the European Union, Hungary has an effective social-political agreement with Germany¹⁵ and Austria,¹⁶ in the framework of which persons with such entitlements can announce their claims. However, there is no information about persons who emigrated from Hungary and live in other member states. For this reason it is extremely difficult to estimate the cost increase caused by the announcement of their claims after accession. Once again, it would be expedient to prepare for this by setting up reserves.

3. It is very important to prepare the Hungarian organs of public administration dealing with various social matters for the new tasks expected after accession. This work was already started in the framework of the PHARE Consensus III (twinning) program¹⁷ lasting till the end of June, 2002. In the course of this carefully chosen groups of experts were prepared for the new tasks with the help of consultations, trainings and case presentations. Separate trainings are held for judges and for other experts working in the field of administration of justice as they will have to apply Community norms in future matters of dispute.

III. Will enlargement change the social character of the arising new community?

It is obvious from these that in a technical sense Hungary – and judging from the reports the other candidate countries, too – can be considered adequately prepared for solving the new social tasks associated with accession. However, the really important questions of social policy lie beyond the technical elements of preparation. For me the fundamental question is along what social values the enlarged Union will develop: what new impulses will be given to the development of social policy in the Union by the accession of the new member states.

1. The "dowry" from the new member states shows a very mixed picture with this respect. The reason for this is that through the accession of the new states the EU will acquire not only approximately 105 million people (that is about 22% of its total population at present) and further geographical regions coming

¹⁵ The agreement on Hungarian–German social security was promulgated in Hungary by Act XXX of 2000, the rules of its implementation are contained in the Government Decree No. 90/2000. (VI. 20.).

¹⁶ The agreement concluded with Austria came into force on 1st January, 2001.

¹⁷ PHARE Consensus III (HU-9917) program.

to about 34% of its present area, but also the specific life style and values of people living here as well as their problems to be solved.

a) If from among the major indicators of the quality of life in the candidate states only e.g. the standard of life is considered, the situation is not too rosy. The GDP per capita (calculated in PPS) ranged between 33% (Latvia) and 74% (Cyprus) of the EU average in 2001, and the average slightly exceeded 45% of it (excluding Bulgaria, Romania and Turkey).¹⁸

If, however, the dynamics of development is also taken into consideration, the picture is somewhat more favourable. The average rate of GDP increase in the candidate countries was 2.4% in 2001 compared to that of 1.5 % in the member states of the Union. [Once again, the data show significant scattering: while an increase of only 1.1% could be achieved in Poland – although in the previous years its extent was always over 4%, (e.g. 4.8% in 1998) –in Latvia a GDP increase of 7.7% was registered. If we consider that according to certain analyses (ordered by the Commission) the closer economic co-operation associated with enlargement will result in a 1.3–2.1% point increase in the rate of GDP increase in the member states waiting for accession (while in the present member states this impact may bring about an annual rise of 0.7% in the rate of GDP increase)¹⁹ the differences can be expected to diminish perceptibly in the foreseeable future.]

This is significant from the point of view of our present topic because if this tendency becomes sustainable, it can constitute a reliable economic basis for maintaining the present level of social protection or, if necessary, for its improvement in the enlarged Union.

b) The demographic data are not too favourable either, although in certain fields (e.g. in the age composition of the population) the situation is more favourable in the candidate countries than in the present member states. It is typical that the total number of the population in the candidate states has decreased noticeably for the past ten years (with the exception of Poland, Slovakia, Malta and Cyprus). During this period the total number of the population has decreased by about 1.2%. (This is even more remarkable as in the preceding 20 years the population growth was quite high in this region: the population showed an average annual increase of 0.6%.)

Recently the birth rate has fallen drastically in almost all candidate countries. (For example in the Czech Republic the number of children born to a

¹⁸ Eurostat: Statistik kurz gefasst J PASANEN: *Das BIP der Beitrittsländer – 2001*. Thema 2 41/2002. 7. p.

¹⁹ Directorate General for Economic and Financial Affairs: *The Economic Impact of Enlargement*. May 2001., furthermore: EU Commission, Eurostat: *Towards an Enlarged European Union. Key Indicators on Member States and Candidate Countries*. Theme 1. General Statistics. 2003. 2. p.

woman of conceivable age is 1.13, in Latvia 1.16, which is much lower than the EU average (1.45).

The number of persons of working age (between 15 and 65 years) is still slightly higher in the candidate states than in the member states, so the accession of the new members can be expected to slightly slow down the rate of demographic ageing within the EU in the short and medium run. The proportion of the elderly population (partly because of the shorter average life expectancy) is somewhat lower (at present approximately 13% compared to the 16% in the EU), but by 2050 this is forecast to reach 28%, the proportion to be expected by then in the present members. (An especially fast proportion growth can be prognosticated for example in the Czech Republic, where in the past 11 years average life expectancy increased with about 4 years.)

c) The unemployment data also reveal a mixed picture. In the majority of the candidates (excluding the Baltic states, Poland and Slovakia) the unemployment rates are slightly more favourable than the EU average, but the data show considerable regional scattering. While in the Central Hungarian region its extent is under 2% or in the region of Prague under 3%, the unemployment rate is about 24 % in the region of the Slovakian Vihodné Slovensko and in the Polish Dolnoslaskie region. The extent of the scattering is very similar to the data within the Union.²⁰

2. All these indicators show – and this can be stated without the further detailed examination of other important factors (such as the data about the population's health state, social expenditure, average life expectancy, indices of schooling, etc.) – that the major tasks to be solved by the candidates considering the development of great social provision systems are the same as the ones in the present member states. Thus the following tasks are expected to require the greatest effort in the enlarged Union:

a) As concerns old-age pensions, even though the population is ageing gradually, the operation of the systems of provision has to be maintained in such a way that the increasing expenses should not endanger the competitiveness of the country's economy. In the management of this problem each member state has to proceed balancing on a very narrow path. The problems cannot be solved everywhere simply by raising the retirement age as it is by no means sure whether the labour market of a given region can cope with the labour supply increased as a result. What is more, special care has to be paid to solving the specific problems of those who do not have a source of subsistence before reaching the retirement age due to health problems or lack of jobs.

²⁰ AXEL BEHRENS: *Regional Unemployment rates in the Central European Candidate Countries 2000*. Eurostat, Statistics in focus. Theme 1–8/2001. 6.

b) In the field of health care provisions, in addition to the tendency of the (well-known) explosion of expenses, another problem to be faced by the candidate countries is that it is very difficult to ensure the same and adequate quality of the provided care in each case. Another general problem is how the lack of information about the nature of the disease and about the necessary medical interventions can be balanced between the patient and the institution providing the service, and also how the patient wishing to have the highest level of care and the service provider aiming to receive the highest possible income can be prevented from having services paid by the financing institution which are unjustified or unreasonable in the given case.

c) Concerning unemployment great care should evidently be paid to decreasing regional differences and to the special management of the specific problems of young people and other unemployed persons in a special situation with the use of various methods, etc.

It is obvious from these – even if other fields of the social support systems (e.g. supports for families, especially for ones struggling with special problems, supports for the disabled, the handicapped, the homeless and other groups endangered by social exclusion, or incentive measures for child birth, etc.) are not examined in detail – that the social problems to be tackled by the candidate countries are very similar to those of the member states.

d) It is quite difficult to foretell what human efforts, intentions and social values the inhabitants of the new member states will bring with themselves into the EU. All that we can state now is that the social systems present in the decades before the change of the regime, advocating greater equality and emphasising support for persons in grave situations (even if they failed to achieve their purposes on a higher level) left some impressions on the people living here. The great majority of the population of active age was socialised in the framework of the previous social-economic system. Therefore we are probably not too bold to say that the social sensitivity and responsiveness to social values on the part of the citizens of the newly joining member states is not lower than the sensitivity threshold of the present members.

3. However, there is a field where the candidate countries are in a definitely more advantageous position than the present members. As a result of the major economic and social changes experienced in the last ten years, the citizens of the so-called "transitional" or "reform" countries acquired greater experiences in how to survive these profound changes with the smallest loss possible. They can probably tolerate changes somewhat better than the citizens who have enjoyed more balanced development for decades. It is possible that this can give them a slight advantage in enduring or managing the changes and difficulties associated with accession.

Besides, in countries waiting for accession the support for joining the Union is considerably extensive. The referendums held about accession to the Union had very convincing results: in every country more than 50% of the voters supported accession (In Hungary the proportion of voters in favour of accession was 83.8% in the referendum held on 12th April, 2003).

To sum up the foregoing: the Union will be enlarged with relatively dynamically developing countries dedicated to co-operation in the Union. Although their sources are more moderate than those of the present member states, these sources as well as their intention will be sufficient to achieve the highest possible quality of life within the Union, and as part of this to provide social protection of higher quality than at present. For this reason it is very likely that the development of a higher level structure of European social protection will not be impeded but definitely stimulated by the admission of the new members.

IV. New challenges for the Hungarian social policy after enlargement

A large proportion of the Hungarian population have high hopes and expectations about the favourable social effects of Hungary's joining the European Union. People think that integration into a community which strives to build an efficient economy and at the same time to achieve a high level of social protection may have a beneficial impact on the everyday life of Hungarian people, too. This is one of the reasons why the idea of joining the European Union is supported extensively by the Hungarian population.²¹

However, we are aware that accession in itself will not automatically solve all the future problems. In the period after accession it will be necessary to reconsider possible directions of further improving our social system according to the new challenges already seen. Only two of the incentives for change are highlighted now:

a) The international tendencies of "globalisation" will continue to act on the Hungarian economy and society after accession, too. These should urge us – on the basis of a simplifying macroeconomic view – to decrease, as much as possible, the volume of the so-called "non-productive" social expenses incorporated in the price of the products in order to make economy and production competitive.

At the same time people will continue to expect their quality of life to improve (including the guarantee of their subsistence even after the occurrence

²¹ In the referendum held on 12th April, 2003 almost 82% of the citizens exercising their right to vote supported Hungary's accession to the Union.

of risks of existence threatening them). This can hardly be solved if expenditure to this end is reduced considerably.

In addition, in the period to come the knowledge-based economy, that is the “intellectual value added intensive” production will necessitate increasingly longer periods of education, regular further and re-training on the employees’ part. In future probably greater sources will have to be allocated to this purpose from the goods produced by the economy.

It follows from the above that the scope of movement to find the solutions which meet the requirements of efficiency and competitiveness and at the same time satisfy the needs of a higher level of protection is relatively narrow. It is hoped that the solution of such conflicts will possibly be easier if we try to find the answers to these problems in a community with balanced economic development and also with a strong European system of social values.

b) The second problem to be faced in the decades to come is the ageing of the Hungarian society. According to some estimations the order of magnitude of the age group over 65 will increase by about 30% in the next 20 years (even compared to the present high level).²² This will bring serious new challenges both for the Hungarian pension system and the health care structure.

The balance between the development of the economy and the needs of the society will largely determine how elaborate the answers to these questions will be in Hungary. Moreover, the solutions chosen may be influenced considerably by the scope of movement allowed by the European Community for their members in tackling these problems, and it is not easy to judge this at present. However, it seems certain that this problem has to be faced by most of the member states of the Union and probably there is hope for finding better solutions together.

V. Summary

The Hungarian Government undertook that until the date of accession it will realise all the statutory changes which are necessary for adopting the Community’s achievements (*acquis communautaire*) concerning the field of social provisions in the Hungarian legal system.

The preparation of experts working in public administration and in other fields for carrying out the new tasks arising after accession is in an advanced stage. Opinion poll data show that great masses of the population still support accession.

²² Demographic consequences for the EU of the accession of twelve candidate countries. Eurostat Statistics in focus. Theme 3-12/2001. p. 4.

It seems that the conditions necessary for meeting the requirements associated with the accession to the Union can be ensured – among others – for the Hungarian structure of social institutions in the close future. As a result – in spite of its economic indices being worse than the Union average – Hungary can strengthen the Community and not weaken it.

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CZÚCZ OTTÓ

AZ EU KIBŐVÍTÉSE ÉS A MAGYAR SZOCIÁLIS VÉDELMI RENDSZER

(Összefoglalás)

Az Európai Unióba való belépés lényeges változásokat idéz elő az újonnan csatlakozó országok szociális védelmi struktúrájában, s egyúttal sokrétű felkészülést igényel ezen államoktól.

A csatlakozás hatásai között külön tárgyalhatjuk a rövid távú adaptáció-, a belépés feltételét képező átalakítások, fejlesztések, kérdéskörét és a tartós, hosszabb távon jelentkező hatásokat.

A rövid és hosszú távú következményeket is erősen alakíthatja az abból eredő bizonytalanság, hogy nem tudjuk: várható-e tömeges munkaerő-mozgás az újonnan csatlakozó országokból a fejlettebb tagállamokba. A tanulmány igyekszik érvekkel alátámasztani azt az álláspontot, hogy az ezzel kapcsolatban néhány jelenlegi tagállamban megfogalmazódó aggodalmak túlzottak, másrészt pedig az ilyen jellegű esetleges veszélyek jól kezelhetők az EU gyakorlatában már kipróbált eszközökkel.

Az elemzés a második részben áttekinti a meglévő magyar szociális intézményrendszerben a csatlakozásra való felkészülés érdekében végrehaj-tandó főbb átalakításokat, s megállapítja, hogy Magyarország technikai értelemben megfelelően felkészültnek tekinthető a csatlakozással együtt járó új szociális feladatok megoldására.

A tanulmány harmadik részében a szerző azt vizsgálja, hogy az Európai Unió az új tagállamokkal való kibővítés után milyen szociális értékek mentén fejlődik tovább: az új tagállamok felvétele milyen új impulzusokat ad az uniós szociálpolitika fejlődéséhez. Ezzel összefüggésben megállapítja: az unió a csatlakozás során viszonylag dinamikusán fejlődő, s az uniós együttműködés mellett elkötelezett országokkal bővül. Ha a jelenlegi tagállamoknál szerényebb szinten is de forrásaik, és a szándékuk is meglesz arra, hogy az unión belül is minél magasabb életminőség elérésére s ennek részeként a korábbiaknál igényesebb szociális védelem kiépítésére törekedjenek. Emiatt valószínűsíthető, hogy az új tagok felvétele nem, hogy hátráltatná, hanem kifejezetten ösztönözheti egy magasabb szintű európai szociális védelmi struktúra kialakítását.