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The question of demography as an approach to the family's budget: plans, results, challenges and struggles of the Hungarian government

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I. RECENZJE, NOTY BIBLIOGRAFICZNE I Dyskusje

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THE QUESTION OF DEMOGRAPHY AS AN APPROACH TO THE FAMILY'S BUDGET: PLANS, RESULTS, CHALLENGES AND STRUGGLES OF THE HUNGARIAN GOVERNMENT¹

“As a community of love and life, the family is a firmly grounded social reality.(...)”.

“(...)A truly sovereign and spiritually vigorous nation is always made up of strong families who are aware of their vocation and mission in history. The family is at the heart of all these problems and tasks. To relegate it to a subordinate or secondary role, excluding it from its rightful position in society, would be to inflict grave harm on the authentic growth of society as a whole”.

These were the words of Blessed Pope John Paul II addressed to the families in 1994. Almost two decades after the International Year of the Family, and 30 years after the Charter of the Rights of the Family, His message is still valid and is still timely.

Indeed, family is and should be firmly grounded in social reality. Strengthening families is the vital interest of a nation and the duty of a responsible government. And our duties are plentiful, as the present economic climate does not favour families, nor does the mainstream ideological direction, which seem to define the European decision makers nowadays. We have reached a turning point: the economic crisis has shown us without a doubt that our attention must be redirected from self-interest towards public interest. As a family needs children to ensure its own survival, the sustainability of a larger community, be it on a national or on a European level, can only be guaranteed by a rebound in population growth.

This article gives us a chance to frankly speak about population, demographics and the essential role of families. As Deputy State Secretary for Family Affairs and Equality Policy and as a family man myself, it is my honour to share the challenges and the results of the Hungarian family policy of the last three years.

¹ Artykuł powstał na bazie referatu wygłoszonego w panelu ekonomicznym („Ekonomiczne i społeczne dylematy gospodarki rynkowej”) IV Międzynarodowej Konferencji Interdyscyplinarnej z cyklu „Jeden świat-wiele kultur”, która miała miejsce w dniach 7–8 listopada 2013 r. w Bydgoszczy.

Generations have grown up in Hungary learning in school that the population of Hungary was somewhat over ten million. However, the decreasing birthrates have been afflicting our society for decades. Experts have been sounding the alarm bells for a long time and the demographic crisis was also confirmed by the sobering numbers. In 2010 we have crossed a psychological threshold when the population of Hungary has fallen under ten million inhabitants.

At the same time we should also be aware that not only we, Hungarians are in trouble.

Most of the members of the European Union have been going through this dramatic demographic process; similarly to Poland itself. In the same way as Poland and Hungary have encountered many common problems throughout their history, we share some of our present challenges, as well, the question of demography being amongst the most pressing issues.

You have to blow into account of the numerous reasons behind those negative tendencies that lead to a visibly declining number of marriages, an increase in divorces and a decreasing and ever postponed willingness in childbearing, or the growing sentiment to consciously decide not to have children at all. The causes include the lack of belief in society's values and education; the increasing individualism and the avoidance of social responsibility and solidarity.

"It is not good for the man to be alone" says the Bible. This bears a fundamental truth in the economic sense as well. We are living in a world that exposes us to the insecurities of an ever-changing economic environment, be it the world economy, the global financial market, or the workplace. There are changes around us day in and day out that have a direct and fundamental impact on the life of the families. Empowered families have a better chance to resist the economic challenges.

The most important dimension of our family policy is to strengthen families with all possible means at our disposal. This gains utmost significance in the face of the impacts of the economic crisis, which has shaken family relations to their very core.

2010 was a turning point in the Hungarian family policy. The legacy of the previous, liberal government was a fertility rate of 1.26. Studies showed that Hungarian couples do not have the children they wish for.

The present Hungarian Government has consciously taken up this challenge and strives towards ensuring economic stability, as our aim is:

- to provide long-term security and predictable environment for childbearing,
- to strengthen the social security of families,
- to improve the reconciliation of family and work life.

Along with taking concrete measures, it was of utmost importance that we put families at the core of our agenda, thus the importance of family-friendly initiatives at the heart of the public debate.

For this very purpose, we enshrined the protection of the family as the basic unit of society in the highest possible source of law, that is, the constitutional level. The Fundamental Law of Hungary holds that the family and the nation

constitute the principal framework of our coexistence, and that our fundamental cohesive values are fidelity, faith and love. It also protects the institution of marriage as the union of a man and a woman established by voluntary decision, and the family as the basis of the nation's survival. The Fundamental Law of Hungary authorised our National Assembly to adopt a Cardinal Act on the protection of families, which was passed by sweeping majority on 23 December 2011. This legislation enabled us to provide long-term stability to our family policy – as two-thirds majority vote of the parliament is required to modify the provisions of the cardinal act. It was a milestone decision that the act institutes the support of families as a priority to be considered when planning the budgets of Hungary year after year. This is also a guiding principle while the Parliament is drafting the 2014 budget as we speak. We also included the encouragement of intergenerational relationships into the cardinal act, this is a fundamental element of strong families.

By the fourth amendment of the Fundamental Law this April, we have returned to the core values which are indispensable for a human society to exist and survive in the long run. We have declared the protection of the institution of marriage as the union of a man and a woman established by their voluntary decision. We believe that marriage and the parent-child relationships represent the basis of a family. We included the protection of embryonic life from the moment of conception. With that, Hungary took a stance towards moral values that consider the protection of life of utmost importance.

For expressing all of these values, we have been attacked by those liberal circles that have never recognized family values as important. They wish to wash away the roles of the sexes, considering marriage an outdated institution, and some wish to see public, institutional and state support to forms of relationships even the persons concerned are not willing to commit to. Nevertheless, encouraging results prove us right.

To protect the families, we needed to increase public expenditure for family policy measures, which currently amounts up to 2.3% of the GDP.

When talking about the strengthening of families, we adopt a three-fold approach.

Firstly, we need to provide reliable family support in order to ensure the livelihood of families.

Our family support measures take on the form of both cash benefits and non-financial support. One of our very first decisions in government was to introduce the family taxation system, giving recognition to the burden of childbearing expenses. This means that the majority of large families are now practically exempt from paying personal income tax. In 2011, the net income of families with children has increased by approximately 14.4%. The most significant growth, an average of 23.6% was achieved in the case of families with three or more children. To improve the situation of low-income families even further, the tax-return scheme was extended to include social contributions; where tax-return were insufficient to alleviate financial burdens. As a result, over 1 million employees have applied

for family tax allowances. Thus, nearly half of the Hungarian families received allowances, in a worth of around 616 million Euros.

Generally speaking, cash benefits, known as family benefits, are the basis of the Hungarian family policy. Financial support is given to the families in different forms: family allowance, maternity grant, pregnancy confinement benefit, child home care fee, child care allowance, child raising support, regular child protection allowance, regular social benefit and home maintenance aid.

Nevertheless, we are constantly working on improving the system with the aim of providing assistance to families, enabling them to adapt to the challenges of the economic environment at the same time. To quote a few examples, the child care fee has been raised. The three-year eligibility period of the child home care allowance, which was decreased to two years by the previous government, has been restored and extended to adoptive parents of children under the age of 10. The time spent with childcare has been included in the service time of women when calculating their old-age pensions.

On the other hand, the Hungarian government also puts great emphasis on in kind benefits. Particular importance is given to the development of children's day-care. Measures are taken to increase the number of places available in crèches and day-care centres. More flexible forms of childcare centres have been set up. They are operated by parental cooperatives, NGOs, companies, churches or by the local government and can take up to 7 children. In pre-school facilities, free services include participation in classes, free meals as well as care to prevent the emergence of dyslexia plus regular healthcare supervisions. As part of our efforts to alleviate child poverty, free or discounted meals in crèches, nursery schools and in the first seven grades of primary schools are provided to children from families with low levels of income. In certain cases, children – among them children of large families – can also get their school textbooks free of charge.

After ensuring a solid financial basis for the families, the next step is to reconcile work and family life. The enactment of the new Labour Code created a more flexible and family-friendly labour market by introducing new flexible working arrangements, such as unbound working schedule or shared responsibilities. It obliges the employer to offer part-time working arrangement if requested by the employee upon returning from parental leave and abolishes several obstacles employers faced when trying to create more flexible solutions on the labour market. Parents are now less hindered in employment. Furthermore, the Government adopted the Job Protection Action Plan in 2013, enabling employers to apply tax deductions and thus encouraging them to hire a greater number of mothers with small children. Moreover, we renewed the Family-friendly Workplace Award to encourage employers to adapt to this approach.

Once we have established solid livelihood and a family-friendly working environment, the third step is to provide guarantees for acquiring, keeping and maintaining a home.

As for establishing a residence, we have launched a programme to provide assistance for young couples with children or planning to have children.

In addition, to make sure that the acquired homes aren't lost, we also offer options to ease the financial burden on families. Our Home Protection Plan was created to help indebted households. We strongly believe that it is a common interest that the indebted families stay in their own properties. In order to ensure this, debtors can opt for selling their home to the state-founded National Asset Management Company that will in turn lease it back to them for a low monthly fee. This way they no longer have to worry about their loans or being evicted. At the same time specialized benefits assist families with payment difficulties – but not yet in arrears –, as well as benefits for the management of arrears already accumulated.

As regards assistance offered to maintain a home, we are especially proud of the wide social consensus in combating the excessively high household utility prices that endanger the living standards of families in Hungary. These have been significantly reduced as a result of governmental measures. Retail prices of electricity, central heating and gas were reduced by 10% at the beginning of the year, the next step was taken a few days ago to reach a drop by 20% overall.

Last but not least however, strengthening families goes way beyond a benevolent legislation and an effective social provision system. Nothing less but a change in social paradigm is needed. Family friendly social attitudes are needed. Ways to involve churches and NGOs are needed. This special purpose is served by a call for applications devoted to support programs promoting family-friendly attitudes in the society, in the media and at the workplace.

We hope that these significant steps will correct those economic inequalities, which are the consequence of the awkward mix of decades of socialist and later reckless neoliberal economic policies.

Instead of short-term economic interests, we are guided by the interests of the Hungarian families, making their economic prosperity our most important concern.

Results of our family policy measures are already visible. To only mention a few: between 2010 and 2012 the number of marriages has risen by 1.8%. At the same time the divorces decreased by 7.8%. The number of abortions has decreased by 10.7% since 2010.

These are promising signs, however we have still a long way to go, but we might say, we are on the right track.

During the Hungarian Presidency of the Council of the European Union, families were high on the agenda. I am proud to say that we achieved that the issues of family and demography have become part of the public debate in Europe. Regretfully after the Polish Presidency, neither the following presidencies nor the European Commission took the lead to strengthen European families. Hungary has endorsed the proposal for dedicating 2014 as the European Year for the Reconciliation of Work and Family Life. It is unfortunate that the European Commission has not announced the European year for 2014 yet and there is no sign of willingness from the part of the European Commission to accept the wish of the European Parliament, the Member States, and the widespread alliance of NGOs and peoples of the European Union.

On the other hand, it is comforting to receive so much positive feedback from home and from all over the world by people who share the same values. We advocate that those institutions, professionals and governments which take up on protecting life, families and the institution of marriage, must unite and work together not only in Europe but also across the globe.

The success of the European initiative on the protection of life shows that we have a historical opportunity in our hands. Let's make the most of this opportunity and pave the way for a European community where families and children can yet again enjoy the respect, the attention and the protection they deserve.

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