

# **Hungary: National report on future socio-economic trends**

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**Quality** is an innovative, quantitative and qualitative research project that aims to examine how, in an era of major change, European citizens living in different national welfare state regimes evaluate the quality of their lives. The project will analyse international comparative data on the social well-being of citizens and collect new data on social quality in European workplaces in eight strategically selected partner countries: UK, Finland, Sweden, Germany, the Netherlands, Portugal, Hungary and a candidate country for EU enlargement, Bulgaria.

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## Introduction

The Hungarian team organized the scenario session on April 19, 2008. We invited 9 people, 8 of whom participated in the workshop. We had a diverse set of participants, four men and four women ranging in age between early 30s to early 70s, including a lawyer, an agro-engineer, a historian, an economist, a member of Parliament, a social worker and a sociologist, and the former director of the Hungarian branch of an international human rights NGO. Several participants were also working for NGOs, and besides their main profession they were trained and experienced in various fields (e.g. the sociologist was also an editor, the social worker a journalist, the MP a linguist, etc.). The workshop was held on the premises of the Central European University and lasted 4 hours. In general, the participants were active and enthusiastic and seemed to enjoy the chance to exchange ideas.

## The process

We started with a brief round of introductions, then introduced the research project and the question to be discussed in the session (i.e. How will people's quality of work and life change in the next ten years in the EU and Hungary?), then gave a short presentation about the trends we considered important in this context: demographic trends, trends of economic growth in the EU, labour market trends, trends in increasing inequalities and work-life balance. Then we elicited a few likely/unlikely trend suggestions from each participant and broke into two groups and located each trend on a likely/unlikely, large impact/smaller impact scale. Then the moderators in both groups drew up the two axes and had the groups select two of the four possible scenarios. From the two scenarios each group chose one and listed all characteristics of this scenario. After each group telling the other group about their scenario, we went on in two groups again, trying to envision the route that leads to their realization. In one group this successfully ended in drawing up a chart of events in the next ten years; the other group failed to produce a chain of events. Finally, we ended the session with a brief discussion of policy suggestions.

## Future trends

In our presentations we talked about changes in demographic composition, in the economy, labour market, in social inequalities, migration issues, and family formation. Below is the list of the trends the participants considered important:

### Likely with strong impact:

- Crisis of politics and democracy
- Increase in racism, nationalism
- Reduction in energy sources and increase in their price
- Reduction in energy consumption
- Sense of physical and economic security decreases
- Society becomes more open to different family forms
- Increase in corporate social responsibility
- Awareness of environmental issues increases
- Increase in number of immigrants

- Strengthening of migration trends
- Increase in social inequalities and social conflicts on this basis
- Withdrawal of the welfare state
- North/South conflict worsens
- Terror threat increases
- Leisure economy, communication, community-growing economy sector grows
- More gender awareness
- Fathers' participation in child rearing increases
- Moral consumer choices increase
- Family-friendly urban planning
- Solutions are found for dealing with decreasing population

#### Unlikely with strong impact:

- Developing ways in which the demographic crisis will be dealt with
- Reduced inequalities among the countries of the EU
- Growth in productivity reduces social inequalities

#### Likely with smaller impact:

- Segmented society along a “European consciousness”
- Reduction of inequalities between developed and developing world
- Regional inequalities reduced
- Welfare development in the EU slows down
- Labour market becomes more inclusive
- Individual bearing of responsibility increases
- A paradigm shift on the individual level
- Increase in corporate social responsibility

#### Unlikely with smaller impact:

- Reduction in the destruction of environment
- Alternative to oil is found
- Ways of renewing or replacing natural resources are discovered
- Women want to have more children
- Social solidarity increases
- Social integration increases
- Improvement of the situation and opportunities of people living in rural areas
- Traditional family forms return
- Aging society

## Scenarios

Group A chose these two scenarios:

- (1) A society with a demographic crisis and high levels of social inclusion.
- (2) A society with no demographic crisis and high levels of social segregation.

Group B chose these two scenarios:

- (1) A society with high levels of equality, equal opportunities and tolerance, and an assertive labour force.
- (2) A society with strong discrimination and violence against disadvantaged groups, and a completely defenceless, exploited labour force.

Each group only had time to develop the characteristics and routes leading to one of these scenarios, the first in both lists (1).

Group A talked about an integrated, tolerant society with demographic problems. This society, named 'Retired People's Home', has the following characteristics:

- The age of retirement increases to 70
- Children are considered a great treasure
- Medical research focuses on aged people
- Society is inclusive towards migrants (e.g. multilingual schools, new school subjects, the Immigration Bureau is people-friendly, integration policies)
- Services for aged people
- New types of social networks (clubs, communities instead of extended families)
- Flourishing culture of volunteering
- Common values: not national
- National identity weakens, local-based identities strengthen
- A new religion, which is a mechanism for integration, comes to life?
- Open country – apprenticeship years abroad
- Immigrants participate in politics: everyone living in the territory of the country receives citizenship
- Autonomy of local communities increases
- Protection of environmental values
- Conservatism strengthens

Such a society will have figured out mechanisms of integration which were difficult to envision. They discussed the ways in which the demographic crisis could be resolved, problems related to policies encouraging child rearing, acceptance of migration, or the inclusion of the elderly in the labour market and ways in which they can become/remain useful citizens. They also discussed ways in which an aging society would change to cater for the needs of its citizens, including consumption and cultural patterns, as well as changes in the school system (to include life long learning, for example), changes in the system of social networks to replace large families with other types of communities and the increase in the importance of local communities and networks. *Primarily social issues were discussed, and more importantly mechanisms of social integration for migrants and those on the margins of the labour market.* Notably, this group could not envision a set of events and processes that would lead to such a society, as they considered it unrealistic to happen and couldn't find mechanisms that would lead there.

Group B talked about a society named 'Tolerant Conscious Society', where equality, equal opportunities and tolerance prevails, people become active participants, citizens in the full sense, and where the labour force is assertive, able to represent its interests. Such a society has the following characteristics:

- A multi-party system
- Participatory democracy
- Local decision-making on a broad range of issues
- Ongoing discussion and negotiation among social partners
- Strong civil society
- Joint bearing of responsibility and contribution to causes
- No large differences in wealth
- Low unemployment
- Flexible employment forms
- Strong social and economic service sector
- Highly developed infrastructure
- Access to information and communication resources is widely available
- Legal security
- Citizens are aware of their rights
- Ongoing awareness-raising trainings and campaigns for decision-makers, citizens, legal executives
- Proportionate sanctioning of legal offences
- Environmentally conscious lifestyles
- Not increasing energy consumption
- Environment-friendly energy production
- Protection of animals

In this group there was a strong focus on citizens' awareness of rights and responsibilities, participation in decision-making, the fair and safe operation of the legal system, the equality of opportunities in access to employment, information and services. The events leading up to this society start with a political and economic crisis in 2008, which then leads to a complete renegotiation of the political scene, a change in attitudes and an increase in negotiating with different social groups between 2010 and 2014. This leads to a more inclusive reform of the labour market, a tax reform, a reform in the system of education, and independently but parallelly, the mainstreaming of tolerance and diversity into popular culture, around 2014, following the national and local elections. By 2018 these reforms result in legal and social security, the protection of human rights, and are followed up by a consistent monitoring of social and economic redistribution. This successful national model is disseminated over the EU.

## Analysis of scenarios

Given the interest of the expert group, the main concern was social integration and a reduction of social inequalities along a variety of dimensions: class, ethnicity, gender, immigration status and age. Each group considered **raising awareness** as a key factor in this, thus a lot of emphasis was placed on education, media campaigns and the encouragement of people to become active citizens. **Age-based discrimination** was also discussed at length and mechanisms to integrate the elderly were devised. These included retraining, the redefinition of the labour market, the improvement of health services and other social services and state support for the eradication of age-based inequalities (especially prominent in Hungary where it is coupled with problems experienced by the state socialist cohorts on the post-communist labour market).

Political issues that came up repeatedly were the **empowerment of local political actors**, to fight for local issues in a more efficient manner, and the **crisis of representative democracy** and the necessary **reform of the political system**. It is important to note that the scenario session took place soon after two major political events, which influenced the discussions of the expert group: one was a referendum, in which the majority voted against tuition fees in higher education, fees to be paid upon visits to doctors and a daily fee for staying in hospital, which were important elements of the socialist-liberal healthcare and education reform. The other was the break-up of the socialist-liberal governing coalition, which projected the possibility of either socialist minority governing until the elections or earlier elections with an anticipation of 2/3 right-wing majority and a threat of the strengthening of the extreme right.

There were a number of points where the problem was clearly defined but no easy solution could be offered, for example the integration of migrants into mainstream society, the solution to the aging of our society, the increasing global conflict between developed and less developed nations, and the energy and environmental crisis.

## Policy recommendations

Towards the end of the long session, we did not have time and participants were too tired to get deeply involved in making policy recommendations. The ones they made were rather broad and included the following:

- More should be done to raise awareness of social problems and to educate to achieve genuinely participatory democracy
- National strategies should be done to help disadvantaged groups
- Policy-makers should be trained to do their job more professionally
- The taxation of labour, consumption, profit and property should be restructured
- Work hours should be reduced in order to distribute labour more equitably
- More resources should be given to local actors, independent of party politics
- Long-term programs and sustaining good practices should be funded by state and EU instead of projects

## Opinion of participants

Participants were active all through the lengthy workshop and could hardly stop talking even at 7 pm, when we decided to end it. They seemed to enjoy exchanging their views and the possibility of talking about the future development of issues they considered important, without the need to formulate concrete programs and really considering all aspects of their proposed reform. They also seemed to enjoy that they found a common language to talk about their concerns with their fellow-participants, and they expressed their wish to continue discussions in less formal circumstances in the future.