

Growing social inequalities

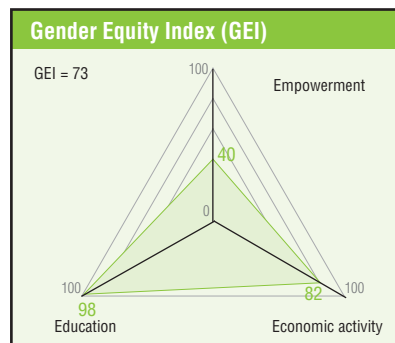
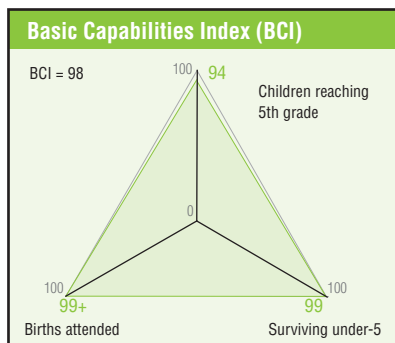


Over the past 20 years the country has seen significant changes in the areas of education, employment and social inequality. Poverty and social exclusion have caused the greatest tensions, but demographic trends, health issues and food security have also created challenges. The structure of poverty remains unchanged. Child poverty is severe; families with several children and, most notably, single parents tend to live in poverty. Among the Roma, who are particularly subject to discrimination and social exclusion, the risk of poverty has significantly increased as it has among the unemployed, the unskilled, and those living in rural areas.

ATTAC Hungary
Matyas Benyik¹

In 2008, while 17% of the European Union (EU) population were at risk of poverty, Hungary's official poverty rate was only 12.4%.² Among certain groups, however, this figure has been much higher. For example, between 2005 and 2009 the poverty rate for the under-18 age group was 20%. One in five children, one in three families with more than three children and nearly one in two unemployed people now live in poverty, as does every second Roma.³ Also, poor people in Hungary are much poorer than those in other member states of the EU. Most national experts agree that about 14% of the country's population lives below the subsistence level.⁴

Measured by living standards, income levels, health, education and access to public services, social inequalities have increased substantially. Most critically, the territorial concentration of poverty and segregation has also increased. Almost 12% of the population live below the poverty line.⁵ And among the Roma, – perhaps as much as 10% of Hungary's population – living standards, housing conditions, health status, employment, and schooling are far below the national average.⁶ Their unemployment rate is three to five times higher while the number of people sustained by one wage earner is three times that in the non-Roma population.⁷



But even discounting the particular situation of the Roma, the Hungarian labour market's main feature is the low rate of employment and workforce participation. For example, low employment in the 15-64 year old age group (55.4% in 2009) is accompanied by growing unemployment (10.1% in 2009) with an outstandingly high – though declining – ratio of economically inactive people (38.5% in 2009).⁸ The highest inactivity ratio is among young and elderly people. Population ageing, coupled with declining fertility rates, has led to an alarming drop in the economically active population, changing the shape of the country's labour market.

Further, the structure of poverty has remained unchanged: families with several children and single parents tend to live in poverty, and child poverty is still very grave. The poorest economically active social groups are characterized by larger than average family sizes, disadvantages in terms of place of residence, family problems, difficulties in cohabiting and health and ethnic tensions.⁹

Economy and environment

In the first half of the 1990s, the country's Gross Domestic Product declined almost 20%.¹⁰ The GDP share of agriculture, industry, and construction decreased while that of the service sector increased dynamically. The decline in the productive sector and the expansion of services contributed to less utilization of natural resources and reduced air and water pollution. In areas where mining and metallurgy were downsized or closed

down, such as the Northeast, environmental pollution decreased as a result of less energy consumption. In farming areas, the excessive use of environmentally dangerous chemicals slowed dramatically. At the same time, energy efficiency improved, and environmental management systems and environmentally friendly products have been spreading steadily.¹¹

In this back-handed way, the goal of separating economic growth from increasing environmental loads was seemingly accomplished. This result, however, was not owing to any environmental or economic policy. Rather, it came about as a by-product of spontaneous processes which followed the systemic change triggered by the collapse of the Soviet Union.

During recent decades, structures of production and patterns of consumption in Hungary have changed greatly. Inequalities between social groups have increased rapidly and, on the whole, several damaging environmental and lifestyle trends have been amplified.

Hungary's consumption structure is becoming more similar to that of Western European countries. Yet growing household consumption hides contradictions. A steady expansion of per capita household consumption has been financed increasingly from bank loans denominated mainly in Swiss francs, leading to a growing indebtedness. While households have contributed to reducing the consumption of energy and water, they also contribute to motor vehicle traffic growth and to increasing waste output rates. Meanwhile the production and consumption of products and services meeting sustainability requirements, which began in the mid-1990s, have shown little progress to date.

1 President of ATTAC Hungary.

2 Eurostat, *Living conditions in 2008: 17% of EU27 population at risk of poverty*, Eurostat News Release, (18 January 2010), <epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-18012010-AP/EN/3-18012010-AP-EN.PDF>.

3 RT, *Poverty pushes Roma into crime in Hungary*, (12 July 2010), <rt.com/news/hungary-roma-crime-poverty>.

4 IndexMundi, *Hungary population below poverty line*, (2011), <www.indexmundi.com/hungary/population_below_poverty_line.html>.

5 Global Edge, "Hungary statistics," in *Global Edge*, Michigan State University, (2009), <globaleedge.msu.edu/countries/hungary/statistics>.

6 BBC News, *Amnesty accuses Hungary of failing to protect Roma*, (10 November 2010), <www.bbc.co.uk/news/world-europe-11725531>. France 24, *Making Room for Romas in Hungary's Schools*, (Agence France Presse, 6 April 2011), <www.france24.com/en/20110406-making-room-roma-hungarys-schools#>

7 Hungarian Central Statistical Office, *Labour market situation, 2009. Statistical reflection*, Vol. 4, no. 9 (2 June 2010), <portal.ksh.hu/pls/ksh/docs/eng/xfp/stattukor/munkerohelyz/emunkerohelyz09.pdf>.

8 Ibid.

9 Ibid.

10 Wikipedia, "Hungary's economy since 1990", in *Economy of Hungary*, (2011), <en.wikipedia.org/wiki/Economy_of_Hungary#Hungary.27s_economy_since_1990>.

11 Ibid.

Energy consumption declining

In the past 20 years, structural changes in the economy together with a rise in energy prices has resulted in energy consumption dropping by one fifth.¹² The economy has shown an overall decrease in energy demand with energy consumption per unit of GDP declining significantly.¹³ The proportion of consumption by productive sectors specifically has decreased but there has been a concurrent increase in the proportion of household and communal consumers.¹⁴

Compared to 1989, the domestic output of energy sources has decreased by 35% with a modest increase in energy imports. Energy imports historically have represented 50% of energy consumption. By 2009, consumption of energy imports, however, had increased to 62% though electricity imports had declined significantly.¹⁵ The proportion of domestic natural gas output showed a significant increase while coal experienced a sharp decrease.¹⁶

The past 20 years also have seen more use of solar and wind energy along with that of traditional renewables such as firewood and geothermal energy. The use of renewable energy sources both in extraction and use has increased though they represented only 3.6% of energy use in 2003 and 5.2% in 2005.¹⁷

Despite these positive trends, predatory privatization in certain sectors has increased the risk of environmental catastrophe. Such a calamity took place in October 2010 when a rupture in a wall of a privately owned waste sludge reservoir resulted in three settlements in Veszprém County being flooded by about 1 million cubic meters of toxic red sludge, burying 500 houses, killing nine people and injuring 150.¹⁸ The health consequences of the catastrophe were serious and still have not been made fully public.

Food security is a challenge

Hungary only completed its National Sustainable Development Strategy (NSDS) in 2007.¹⁹ Integrating all

THE ROMA, STILL AT THE VERY BOTTOM

Modern genetic studies state that the origin of the Romanis traces back to the Indian subcontinent, possibly to the present territory of Rajasthan and that they migrated later to the Punjab region. A 2004 study concluded that all Romani share descendants of a group of people living approximately 40 generations ago.¹ Romani people were reported in Europe in the 14th century, living in Crete. They were called *atsiganoi* in Greek, which means “untouchable.” Within the next two centuries they had reached Germany, Sweden and the Iberian Peninsula.

Among the diverse subgroups of the Romani people in Europe are the Roma, concentrated in central and eastern Europe and central Italy; the Iberian Kale; the Finnish Kale; the Romanichal in the United Kingdom; the German Sinti and the French Manush.

During World War II, the Nazis and the Croatian *Ustaše* fascist group embarked on a systematic attempt to eliminate the Romanis, in a genocidal process called *Porajmos* in the Romani language. Romani people were defined as “enemies of the race-based state” by the Nuremberg Laws.² The total number of victims has been estimated as between 220,000 and 1,500,000.³ Some people were killed on sight and others sentenced to forced labour and imprisonment in concentration camps; in Hungary 28,000 Romanies were killed.⁴

According to the 2001 Census, 190,000 people identify as Roma in Hungary, although some estimates give much higher numbers, near 10% of the total population.⁵ The Hungarian Romani face multiple challenges compared to the rest of the population, including poverty, discrimination, lack of access to the educational system and higher unemployment rates. Currently, out of the 22 members of the European Parliament, only one is a Romani. However, there are a number of Roma organizations in Hungary, including the Roma Social Coalition and the Independent Interest Association of Roma.

1 D. Angelicheva et al., *Mutation History of the Roma/Gypsies* (Perth, Australia: University of Western Australia, 2004), <lib.bioinfo.pl/pmid:15322984>.

2 J. Barsony, “Facts and Debates: The Roma Holocaust,” in J. Barsony and A. Daroczi (eds), *Pharrajmos: The Fate of the Roma During the Holocaust* (New York: International Debate Education Association, 2008), p. 1.

3 I. Hancock, “Romanies and the Holocaust: A Reevaluation and an Overview”, in D. Stone (ed), *The historiography of the Holocaust*. (New York: Palgrave-Macmillan, 2004), <www.radoc.net/radoc.php?doc=art_e_holocaust_porrajmos&lang=en&articles=true>

4 M. Verdofer, *Unbekanntes Volk Sinti und Roma* (Südtirol: Kennenlernen Informationsheft für Jugendliche Gesellschaft für bedrohte Völker, 1995), <www.gfbv.it/3dossier/sinti-rom/de/rom-de.html#5>.

5 Romani World, *Economics*, (European Committee on Romani Emancipation [ECRE], 2003), <www.romaniworld.com/ecopr1-1.htm>.

12 The Titi Tudorancea Bulletin, *Hungary: total primary energy consumption*, (2010), <www.titudorancea.com/z/ies_hungary_total_primary_energy_consumption.htm>.

13 The Titi Tudorancea Bulletin, *Hungary: Energy intensity – Total primary energy consumption per dollar GDP*, (2010), <www.titudorancea.com/z/ies_hungary_energy_intensity_consumption_per_gdp.htm>.

14 Hungarian Central Statistical Office, *Hungary 1989-2009*, (Budapest: 2010), p. 49, <portal.ksh.hu/pls/ksh/docs/eng/xftp/idoszaki/mo/hungary1989_2009.pdf>.

15 Trading Economics, *Energy Imports: (% of energy use) in Hungary*, (2009), <www.tradingeconomics.com/hungary/energy-imports-net-percent-of-energy-use-wb-data.html>.

16 Index Mundi, *Hungary Dry Natural Gas Production by Year*, (2009), <www.indexmundi.com/energy.aspx?country=hu&product=gas&graph=production>.

17 Hungarian Central Statistical Office, *Hungary 1989-2009*, (Budapest: 2010), p. 49, <portal.ksh.hu/pls/ksh/docs/eng/xftp/idoszaki/mo/hungary1989_2009.pdf>.

18 Ministry of Rural Development, *Current Status Report about the Red Sludge Catastrophe*, (Budapest: 9 November 2010), <www.vm.gov.hu/main.php?folderID=2535&articleID=16660&ctag=articlist&iid=1>.

19 Government of the Hungarian Republic, *National Sustainable Development Strategy*, (Budapest: June 2007), <www.ff3.hu/upload/NFFS_20070629_en1.doc>; see also: Hungarian Central Statistical Office, *Sustainable Development Indicators in Hungary*, (Budapest: 2008), <mek.oszk.hu/07000/07002/07002.pdf>.

domestic sectors, the NSDS is a coherent plan with sector strategies and programmes. Despite its coherence, however, the implementation of the social goals of sustainability raises serious concerns about its agriculture planning and food security.

Since 1990, Hungarian agriculture has experienced enormous changes as a result of fundamental alterations in the structure of ownership and production, the conditions of livestock production and the structure of food consumption and foreign trade. Consequently, a substantial part of farmed land (about 300,000 has.) has been taken out of production.²⁰ Multinational food processors and retailers now dominate the Hungarian market while small-scale, traditional family farmers are struggling with fragmented land ownership, lack of capital and few marketing skills. The price squeeze of food processors and big supermarket chains have provoked farmer mobilizations all over the country and have raised serious concerns about the origins and security of food.

20 G. Nagy, *Country/Pasture Resource Profile-Hungary*, (Rome: FAO Website 2001 & 2006), <www.fao.org/ag/AGP/AGPC/doc/Counprof/Hungary/hungary.htm>.

Hungarians' poor health

By international standards, Hungarians' health is extremely poor, the result of historical, social, economic, and cultural factors, including people's habits and general way of life. Alcoholism is widespread, and the number of drug users is growing fast. Life expectancy at birth is low though it has increased both among men and women. In 1990, it was 65.1 years for men and 73.1 for women. In 2008, it was 69.8 years among men and 77.8 years among women.²¹

The Hungarian population has had the third highest mortality rate in the EU, averaging 13.1 per thousand between 2005 and 2009. Hungary is second after the Baltic States with the highest rate of mortality caused by heart and cerebral blood-vessel diseases, malignant tumours and diseases of the digestive system. The lung cancer mortality rate is almost twice the EU average. ■

21 Hungarian Central Statistical Office, *Hungary 1989-2009*, (Budapest: 2010), p.94, <portal.ksh.hu/pls/ksh/docs/eng/xftp/idoszaki/mo/hungary1989_2009.pdf>.