

**Speech of Mr. Bence Rétvári**  
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Today Europe is the continent of empty cradles.

The dramatic turn of the demographic processes hit the most of the member states of the EU, unfortunately this tendency became more typical for Central – Eastern Europe.

As we have numerous meeting points and common events in our historical past, we have a part of our problems in common too. Among them, likely the most actual is the demographic question, and through them the issue of families.

In Hungary, in consequence of the 8-years neoliberal politics of the former governments, having children became the synonym of poverty, the situation of families got radically worse. During the first half of year of 2010 Hungarian families have decided to give birth to almost 10% less children, accordingly, every Hungarian family generally gave birth to one child less as they had originally planned. During 2010-2011 the number of live-birth decreased into a historical nadir, to 90, respectively to 88 thousand. This undoubtedly catastrophic demographical situation required immediate and efficient action. Recognizing this situation, our new government announced a family friendly turn.

We expressed this during our EU presidency in the first half of 2011; nevertheless we made it evident in our program that our country is committed to

support giving birth to children, and to the efficient reconciliation of work and family life.

However, let's lay down, this is an elemental interest of every member state and the European community, as the demographical crisis of the Union, the decreasing number of births, the aging society, will be in the future decades the source of many tensions, which are serious and difficult to model.

Because of the importance of the issue we have been very happy that the Polish EU presidency following the Hungarian in June 2011 supported our endeavours, and kept the issue of families and giving birth to children on the agenda. I guess also thanks to this cooperation, we hope that 2014 the year of the XX. anniversary of the UN year of the families – will be the year of coordination of family and work in the European Union.

It was a fundamental objective of our government to establish the conditions of an economic-social system based on work and families. Therefore, our objective is further on to simultaneously increase the number of children and of jobs, so that these two most important fields of life may exist more harmonically next to each other.

In 2011 in the new fundamental law, we declared it on the highest level that family is the basic unit to protect and to support of the society, the basis of the existence of the nation, and that the role of families is indispensable for sustaining the future.

“We hold that the family and the nation constitute the principal framework of our coexistence, and that our fundamental cohesive values are fidelity, faith and love.” – as we formulated it in our national avowal. An important novelty, that marriage has been declared as a value to be protected as well: “Hungary shall protect the institution of marriage as the union of a man and a woman established by voluntary decision.” The fundamental law supports giving birth

to children, and declares that the protection of families shall be regulated by a cardinal act. It also provides the protection of the jobs of young people and of parents with special measures furthermore it lays down that “for persons raising children, the extent of contribution to covering common needs shall be determined by taking into consideration the costs of raising children”. The protection of life has been declared also, saying that embryonic life shall be protected and supported as of the conception.

The cardinal act entered into effect as of 1 January 2012 on the protection of families lays down principals like; families are autonomous communities which have been established prior to the state, and which are the most important national resource of Hungary. The act declares that there is no well functioning society without harmonically functioning families. It also refers to the importance of the relationship between generations. It lays down that the supporting of families shall be divided from the social benefits system and in the all-time budgetary act, the provisions on supporting families shall prevail. The act also refers to the obligations of the state, of the society, and of the actors of the economic life and of the media providers to build and to sustain a family-friendly public perspective and to respect family values. The act defines “family” as a fundamental social unit (“the family shall be a system of relations which generates an emotional and economic community of natural persons, based on the marriage of a man and a woman, next of kinship or adoptive guardianship”), respectively the rights and obligations of parents and children. The law also sets the basic labour law and other benefit rules for parents having children or attending a baby. This is in order to prevent any likely later disadvantageous provisions which would amend the current beneficial system.

With the fundamental law and the cardinal act we can say: we returned to the fundamental principals without those a human society may not function and may

not exist for long term. We return to the protection of marriage based on a love relationship between a man and a woman, to the recognition of the embryo as a human being to be protected as of conception, to the protection of the relationship between generations.

With all these – as we have expected – we triggered a lot of offences from all over Europe arising from the liberal circles which long time ago do not keep important the values represented by us. They would wash away gender roles, they keep marriage outmoded, and they regard to it as equal to any other forms of living together, additionally they make family to a relative notion.

Using the words of our prime minister our standpoint is firm as a rock, our solution and our constitutional rules don't oppose anyone, we protect a four thousand old tradition.

For a long time ago it has emerged a very strong lobby in Europe which is intending to seize our continent to its own net of secular and family-phobic vision. Let's say, not unsuccessfully, as to the last third of the XX. century, for the first time such a system evolved, which could have undermined the importance of family relations, and family, achieving the decrease of population. In opposition to this, we creed that family is the first resource of every viable society, and whatever the European world may be after the crisis, it can only be built on families.

In addition to defining the legal framework, in the summer of 2010 we already started implementing correction of the systems affecting families.

On the first of January 2011 we reintroduced the tax credit for families with children which had been practically abolished by the Socialists in 2006. Once again families with one or two children are eligible for the allowance, which represents deductions from personal income tax amounting to up to ten thousand forints per child per month; those with three or more children are entitled to

deductions of thirty-three thousand forints per month – more than eight times the four thousand forints per child set by the previous government. This means that the majority of large families are now practically exempt from paying personal income tax. As a result, every year more than one million parents receive family allowances totalling one hundred and eighty billion forints.

Since September 2010, child benefit can once more be claimed for children up to the age of three. This has annulled the previous government's decision in 2009 to only allow payments for children up to the age of two. This measure, which provides for mothers who wish to stay at home for the first three years of their children's lives, is intended to give greater choice to parents of small children.

Another important measure was the introduction on the first of January 2011 of child benefit related to adopted children. This measure means that parents adopting children under the age of ten will also receive benefit. The number of adoptions has increased by several thousand over the past two years – a fact also due in part to the campaign promoting adoption entitled "Life is a gift! Accept! Adopt!"

When the present government came to power it increased the minimum wage by one third, which has affected several benefits tied to income, and thus led to an increase in the maximum gross level of maternity benefit.

The Government has also achieved a turn toward family-friendly policy in the labour market.

On the first of January 2011 we introduced reductions in employers' contributions related to part-time employment of mothers of young children. In essence, if an employer makes it possible for a mother returning from maternity leave to share her former workload with another employee taken on for this purpose – i.e. they each work twenty hours per week – then for three years the

social security contributions on the gross salary of each worker will be reduced from twenty-seven per cent to twenty per cent.

Maternity tax credits for mothers of young children were reinstated in 2012. From the first of January 2012, employers received a one-year exemption from paying national insurance contributions related to mothers of young children. Since the first of January 2013, the period of exemption has been extended by one year, to two years. In the third year the rate of compulsory contribution is reduced by around fifty per cent.

We see it as important that fathers should also take part in caring for their children. For this reason it was decided that from the first of January 2012 parental leave should be available to both parents; this can be taken on an independent basis. The amount for each parent is two days per child per year, up to an annual maximum of seven days. Previously this opportunity was only available to the parent with the primary role in the child's upbringing. In addition, the Labour Code stipulates that up to two months after a child's birth the father can take a total of five extra days paid leave.

In conformity with the new Labour Code, since the first of July 2012 the cardinal Act on the Protection of Families has extended to the private sector a regulation which has applied to the public sector since 2010: that if an employee with a child under three years of age requests part-time instead of full-time employment, the employer is obliged to comply until the child has reached the age of three.

In the interest of popularising family-friendly employment practices we have launched a competition for employers called “family-friendly workplace”, and every year we reward businesses and public bodies which operate in a family-friendly manner, taking employees’ family responsibilities into account, and introducing family-friendly policies.

An important area in balancing work and family is children's day-care provision. Over the past two years – from 2010 to 2012 – the number of new places created in children's day-care centres has totalled around one thousand five hundred, and by the thirty-first of December this year a further two thousand places are expected to be provided.

From the first of January this year the Act on the Central Budget has increased by more than thirty per cent – from sixty-eight thousand forints to one hundred and two thousand forints per year – the state contribution for meals for children who attract regular child protection allowances and fifty per cent normative meal subsidises while in day-care. This year also – as in previous years – we are providing two point four billion forints to extend to the summer months the scheme which ensures that children in need receive at least one hot meal a day. Since the first of January this year disabled children in day care centres receive two hundred per cent of the standard state allowance.

In order to achieve our undertaken objective, for the motivation of giving birth to children it is necessary to provide for residing and home establishment. For this the first measure of the government was to help families, who have taken loans for home purchase in foreign currencies. Our solutions are: repayment of the loan in advance on a fixed currency, later on the introduction of the currency exchange rate limits.

In order to support families with children and those who are planning to found a family, we made the social allowance and the discounted housing loans obtainable again, which have been abolished by the previous governments. Based on the decision of the government, as of January, subsidy for housing loans can be claimed with more favorable conditions and we are looking forward to extend the system of the social allowance system too.

For the sake of the safety of residing we reformed the previous system of subsidizing overhead expenses. Whilst before the amendment in average almost 240 thousand families got contribution for residing expenses, this number in 2012 exceeded 400 thousand families.

In favor to disburden the Hungarian families, in 2013 the government decided to reduce the overhead charges with 10 percent. The primary reason for this was, that considering the Hungarian wage circumstances – which are far below under the Western Europeans – the energy prices dictated by the foreign energy suppliers to Hungarian inhabitants, are intolerable. According the official statistics a Hungarian family is spending one-third of its total income on the overhead expenses, and the costs of living take the whole income of family with an average wage. As in the international comparison of overhead expenses prove, in Hungary we have the highest overhead costs in Europe. This is the reason why we initiated at the energy suppliers to reduce the overhead charges with 10 percent. In the second phase of reducing overhead expenses as of summer 2013, water supply, the sewage system usage, and waste disposal will be cheaper.

The government keeps in mind as part of the support of the families the future of the rising generations too. It is very important to us that the children, when they grow up, they become a useful member of the society. They shall be capable to take care about themselves, about their children, and their parents. Therefore regular school attendance is essential for the future getting on in the labor market. For this objective we connected the payment of complementary family benefits to regular school attendance. If a student stays absent without leave at least 50 classes, then the payment of the complementary benefit can be suspended. As a result in the 2009-2010 school year the 50 class hour absenteeism number were 28920, in the 2011-2012 school year this number reduced with 22 percent to just 22660.

The family friendly aspect prevails in the field of public transportation too, as parents receiving children-care benefits are entitled to travel with reduced fare month tickets; this is the so called “Mum ticket”.

In 2010 the new government focused on the ambition that the family friendly approach shall prevail at tenders as well. For example, the government called for an application about the strengthening of family community initiatives and programs or in the interest of popularizing family friendly public thinking. The greatest success however is the Elisabeth program. In the frames of the Elisabeth program the government guarantees the organizing of the summer holiday of many thousand disadvantaged children and families.

On the demographic field the effects of negative measures can be promptly perceived, nevertheless for the maturing of positive effects a longer time is required, at least 9 month. Even so, if the turning of the negative demographic trend did not, but at least its stopping can already be experienced in Hungary. Demographical data from the last period confirm the success of family friendly turning, because the number of live-births grew in 2012 with 2, 6 percent, the number of marriages is also growing, and the number of divorces is decreasing. Since 2010 the mortality rate reduced and the number of abortions decreased with 11 percent also.

As you may have heard, in the last three years we realized several tasks, which results can be seen, and known, but there is still much work in front of us. The government is further on committed, not to implement any measures impairing families, not even if certain circles would regard this as an appropriate crisis handling method. We believe, that the development of the work- and values based society is based on the strengthening the families and on the expansion of employment opportunities. In the future we will consistently follow these outstanding government objectives.