Country Report of Hungary
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INSTITUTION
The Hungarian Commission on Sustainable Development was established by government resolution in 1993 as a permanent inter-ministerial body responsible for the coordination of analysis, planning, and implementation of national programmes for sustainable development and for participation in relevant international programmes. The Commission includes representatives from all relevant ministries and government authorities. The para-statal bodies, institutions and NGOs are associated with the Commission. In addition the National Environmental Council was established in 1996 as an advisory body to the government in accordance with the provisions of the Environmental Act. The main non-government constituencies are represented in the Council (environmental groups, academic institutes and business organizations).

LEGAL BASIS
Several significant steps have been made in the Hungarian legislation for the last decade. On the obligations of the Environmental Act passed in 1995, the National Environmental Programme (1997-2002) was elaborated. All the basic environmental-oriented recommendations of Agenda 21 and the relevant documents of both the EU and OECD are reflected in the NEP. The programme is based on the principles of sustainable development, the integration of environmental criteria into economic policies, and the development of environmentally sound production and consumption patterns.

The elaboration of the second NEP for the period of 2003-2008 is going on.

ECONOMY
The national economy went through a period of substantial transition to a market economy characterized by features of deep recession from the mid 1980s. Large-scale structural and ownership changes have taken place for the recent decade, which were expected to lead to a more efficient economy.

Industrial structures have also changed; metallurgy, the mining sector, the construction industry, the machine industry etc. declined. Some of these industries and new “upcoming” industries are now dynamically increasing. The process of privatization, new management restrictions, and the development of new enterprises function together to develop a more environmentally sound business sector. The structural changes can be considered unambiguously positive from the point of view of the overall efficiency of the industrial sector with decreasing specific material and energy consumption, increasing production quality standards and improving environmental performance. Both structural changes and the large-scale liquidation of industrial companies significantly reduced emissions of air pollutants and, in certain regions, resulted in an improved state of environment. The volume of industrial wastewater effluents requiring treatment was also significantly reduced.

The first stage of the economic changes was characterized by increasing unemployment, a relatively high inflation rate, an increasing poverty gap, and a worsening standard of living for large groups of people. At present, there are already significant positive signs in terms of economic development, balancing the state budget, meeting foreign debts, a decreasing inflation rate, and increased efficiency of key economic sectors.


INDUSTRY
One of the positive signs of the socio-economic transition in Hungary was the increased environmental awareness within the industrial sector. Most big enterprises and an increasing number of small and medium sized enterprises have themselves adopted integrated environmental programmes, reached relevant ISO-qualifications and some of them formulated more comprehensive sustainable development policies (unfortunately, the latter approach mainly means a focus on “sustainable growth” concept with supplementing social and environmental targets, but there are already business representatives who properly understand and tend to apply the sustainability concept and strategy). The policy-makers and government authorities support this trend through policies and financial instruments. These include support to encourage increasing efficiency of resource use, reuse and recycling technologies, waste reduction or more broadly to introduce complex environmental management systems.
Enterprises in the chemical industry, refineries, several producers of building materials, paper factories, food producers and some other enterprises have adopted, to some extent, the stewardship concept and, based on it, formulated and introduced environmentally sound technological, managerial standards and practices. Changes to the tax and price systems related to natural resources, energy and raw materials represent a further essential factor. Environmental product charges and fines for environmental pollution also contribute to these changes. Quality control systems and certificates, in relation to the standard ISO 9000 and 14000 for example, are spreading within Hungarian industry. Businesses are becoming "green" enterprises. In the banking sector, environmental concerns and responsibilities have increasingly been taken into account.

ENERGY
Consumption of coal has been reduced considerably due to the increased use of natural gas and introduction of nuclear energy. The single nuclear power plant provides about half the electric energy for the country. Since 1990, total energy use has increased, especially within the residential sector. General consumption of goods has declined in recent years. This trend does not result from more environmentally conscious consumers, but from lowered income levels. There are government programmes and regulatory frameworks which address the national energy strategy, price regulation, energy reserves, energy efficiency and use of renewables.

TRANSPORT
Despite various financing problems, the ratio of the public transport is still relatively high. The private vehicle fleet has been significantly increased for the recent decade and basically due to that trend, the emissions from the transport sector became the major (and increasing) source of air pollution, while those from industry have decreased over that period.

AGRICULTURE
Agriculture has always been a significant sector of the national economy in Hungary. About 70% of the total land area of Hungary is agricultural land, an extraordinarily high percentage by international comparison. Eighteen percent of the total area is covered by forest. The country enjoys relatively favorable geographical and climatic conditions for agricultural cultivation. Before the recent socio-economic changes, the Hungarian cooperative and state farming system was uniquely efficient within the Central-Eastern-European regional context. Agricultural production was mainly concentrated on large farms, but small-scale private production on household plots also played an extremely important role. The agricultural sector accounted for 20% of Hungary's gross national product and employed 17% of the active earners. This situation has dramatically changed due to the economic restructuring, the recession in agriculture, and the loss of a large share of the market for agricultural products in the Central European region.

LAND USE
Extensive changes in land use have occurred during years of the transition to a market economy and the massive compensation and re-privatization processes. Increasing consumption and consequent economic activities exploit the available land faster than ever, expanding social pressure and placing an ever increasing stress on the environment. This is especially true in the case of agriculture, which is an important player in further socio-economic development of the country. As a consequence, on the one hand, sustainable agriculture is vital from the point of view environmental protection and nature conservation. The performance and efficiency of agriculture, on the other hand, depends mainly on the state and quality of the environment and natural resources. The interdependence of environmental protection, agriculture and the rural development makes the co-ordination of these three areas, the establishment of an integrated land use system inevitable.

The framework for the accomplishment of a sustainable, ecology-based land use in Hungary is established in the National Agri-Environmental Program (NAEP), though its detailed elaboration, the creation of its institutional system and budgetary sources are still essential tasks to be completed. For the operation of the program, the necessary institutional framework will be gradually established between 2001 and 2003. The NAEP will be fully operational in 2002. The present National Environmental Programme (1997-2002) also refers to certain tasks and means in relation to sustainable agriculture.
FORESTS

The post-UNCED period coincided with several important steps of the overall political, economic and social transition in Hungary. The changes gave way to the newly emerging private sector and the share of the former dominant public ownership decreased to 60% while private ownership was established on 40%. The steady increase of the forest resources observed in the previous decades continued in the period 1992-2000, as a result of an ongoing afforestation programme. As a result of regulations aimed at achieving sustained yield, the age structure of Hungarian forests has been improving.

The National Strategy on Agriculture and the National Agri-environment Programme devoted an independent chapter to forestry. These documents recognized forestry’s multifunctional role in sustainable development. Afforestation remained a priority for the coming decades and is seen as a tool for implementing rational land use policies. Forestry is also recognized in course of accession to the European Union with specific regard to the implementation of the EU’s Common Agricultural Policy and Forestry Strategy.

BIOLOGICAL DIVERSITY

The territory of Hungary is considered as the juncture of several elements and as a gene-bank of the Eurasian fauna and flora. The resulting biodiversity has survived in a relatively good state. The network of various types of nature conservation areas covers 9.9 % of the territory. The existing gene bank network maintains valuable elements of biodiversity. However, the growth of settlements and increasing construction on “green field sites” and road-building result unavoidable in fragmentation of habitats for wildlife and in destruction of many elements of biodiversity.

The National Biodiversity Strategy and Action Plan, NBSAP (which preparation/finalization is in progress) includes applicable measures to promote the conservation and sustainable use of biodiversity by the most relevant sectors of the Hungarian economy, such as agriculture, biotechnology, fishery, forestry, hunting, land use, mining, regional development and tourism, water management. Establishment of a network of Environmentally Sensitive Areas, as well as, ecological corridors is also planned in order to create a more harmonious relationship between agriculture and nature conservation.

PROTECTION OF THE ATMOSPHERE

The environmental aspects (specifically, the control of atmospheric pollution) of key sectors are taken into account in the regulations and programmes. The Energy Conservation Plan was adopted in early 1994, promoting the energy efficiency and the reduction of the air-borne pollutants, subsequently, an Action Plan for Energy Conservation was launched in January 1995. On the basis of the Action Plan, the Energy Saving Soft Loan Programme was established in 1996. The Government approved a "National Energy Efficiency Programme by 2010" in 1999. This programme allocates additional financial sources. A general climate change strategy was approved in 2000.

Protection of the atmosphere, improving air quality, and promoting the reduction of harmful atmospheric emissions are high priority areas of the National Environmental Programme. This programme lists key sectoral policies and indicates the most essential regulatory tasks.

There is also progress in terms of decreasing greenhouse gas emissions. The changes are primarily taking place due to the substantial structural changes in the economy.

The national Central Environmental Fund provides considerable financial resources for projects which directly or indirectly serve to protect the atmosphere and improve local air quality.

WATER

The National Environmental Programme (1997-2002) includes substantial provisions and measures for the conservation and management of surface and subsurface water resources. Some of the key targets and approved policy directions are: regulation development to encourage sustainable and economical water use; improvement of water quality; gradual increase (to a level of 65%) of the number of settlements with sewers. Recently, significant policy decisions are taken and efforts launched to improve the situation, as it is also a crucial criteria in terms of the EU-accession; for that reason, EU’s pre-accession funds became also available for assisting the solution of these problems.
WASTE
The quantity of waste generated in Hungary dropped by about 20% due to a reduction in output and consumption between 1985 and 1994. The introduction of waste-effective technologies and products, the restructuring of industry, and development and reconstruction projects brought modest changes in 1993 and 1994. Only about half of the production waste is reused, which represents 3% of total material use. 85% of municipal solid waste is collected and treated in an organized way.
The Act on waste management is in force from January 2001. The Act lays down the general conditions of performing various waste management procedures and activities, special rules for the management of municipal and hazardous wastes, and waste management planning tasks.
Various projects on waste management, especially on waste minimization (for reuse, recycle etc. methods, technologies, systems, investments) and waste disposal investments (under the new rigid regulations) are launched and at least partially financed from the central budget, “Central Environmental Protection Fund” and/or co-financed from international financial sources (EU’s pre-accession funds).
Hazardous wastes and their management is a substantial problem in Hungary. A programme to build a network of regional hazardous waste landfills and incinerator plants was elaborated in the mid-1980s, but has not fully been completed due to limited financial resources.
The state of sewerage and sewage treatment is unsatisfactory. In order to improve this situation, new programmes and financial means were introduced from the mid-90s, in particular, to meet the requirements of the EU-accession.

SOCIAL ASPECTS
The past ten years, with all political and socio-economic changes were unfavourable to economic and social status (poverty, high unemployment, homelessness, etc) and although improvement can be recorded in the past few years, these facts remain the principal causes of ill-health. For the past three years, favorable changes have been observed. Increasing birth rate, decreasing mortality indicate the positive changes. Economic situation is improving, relatively low rate of unemployment and increasing social security contribute the improving health of the nation.

DEMOGRAPHY
Under the present fertility and mortality conditions, the population decrease is projected to continue. By 2020, the population is expected to be 12.5 percent less than in 1980 when the decline started. In addition, the aging process is projected to continue further. The mortality level in the 90’s is rather stagnating, and since the beginning of 2000 a definite improvement has been detected.
The Government has defined the long-term basic principles of the population policy for the next decades. The most important target of population policy is to stop the decreasing trend and to achieve a modest population growth. Increasing fertility, decreasing mortality, and strengthening the material and social conditions of families are regarded as important priorities.
As the economic instruments concerns, those are widely used to encourage families to bring up children. The Government aims to create a sustainable welfare system by reorganization of the social insurance system, and increasing the provision of direct assistance to indigents (by reforming the family, the pension, and the educational supporting systems).

POVERTY
The population living below the poverty level in Hungary is about 15%. This high rate is mainly due to the deep recession that has characterized the first stage of the transition process. Although the nearly 15% of unemployment prevailing prior to the economic upswing is now significantly lower at 6%, yet the chances of employment of the group of elderly unskilled persons with low education have not improved. The groups being most affected by poverty are the long term unemployed; those with low salary; those who suffer from chronic sickness; Roma population; those living in small settlements.
There is a set of special programmes in order to mitigate poverty related problems. Those include, for example, community work programmes, whereby long term unemployed persons can have access to employment; the social “land use” programme, assisting the living conditions of unemployed families in backward rural regions by promoting small-scale agricultural production; the programme of promoting the social integration of young, primarily roma persons with multiple disadvantages.

HEALTH
The health system, including the prevention, health care, finance, insurance etc., is going to be reformed. Several of these initiatives are directed towards improving health care system, reforming the insurance policy further transformation of the public health services in general. A new National Public Health Action Programme has recently been launched to address major issues affecting mortality and life expectancy.
The health of the Hungarian population is poor. Low life expectancy both in men (66.3 years) and women (74.2), high mortality, relatively short disease-free, healthy life years are the main indicators of the bad health status. The health of the nation will be more and more in the center of major political decisions, since the low birth rate, the high mortality and disability is a central social issue. Environmental factor has clear impact on the health of the population. Air pollution – mainly due to traffic – is one of the major factors behind respiratory diseases, asthma and allergic disorders. Mortality related to air pollution is slightly increasing. About 11.5% of the country can be regarded as polluted where about 43% of the population lives.

HUMAN SETTLEMENTS

Development and modernization of human settlements and infrastructure are considered important in Hungary. The national development policy directs that special attention be paid to the underdeveloped regions and rural areas, as well as to the remarkable differences between the western and eastern halves of the country. The aim is to strengthen regional planning, strengthen the relevant capacities and mandates for the coordination and cooperation between local governments, and to enhance information collection.

A comprehensive regional development programme was adopted that includes the identification of priorities, formulation of basic policy directions, and measures for regional development and sustainable human settlement development. In addition, a legal instrument on the “built environment” has also been adopted and contains important provisions in this regard. The National Environmental Programme also includes a chapter on built environment and highlights the environment related goals and tasks.

MAJOR GROUPS

Women: The Council for Women's Issues was set up in 1999 with basic responsibilities of gender equality. The proportion, and the actual role of women in politics, substantially decreased after the political changes in 1989/90 and during the first years of the transition period. Lately, policies and measures are being formulated and implemented to achieve equality in all aspects of society and to eliminate obstacles to full participation of women in sustainable development.

Children and youth: The importance of the role of youth in overcoming the crucial socioeconomic problems, to achieve recovery of the economy, and to successfully solve the problems of transition to an "ecological-social" market economy was recognized in Hungary. The goal set by Agenda 21 that more than 50% of youth on a gender-balanced basis have access to appropriate secondary education or vocational training has been reached.

Non-governmental organizations: The role of the non-governmental organizations with respect to various environmental problems in Hungary has increased significantly for the last 10-15 years. Today there are hundreds of local, regional and “nation-wide” environmental NGOs. The economic transition and the extensive privatization process have led to a substantial growth in influence of business NGOs, their interest groups, and the various chambers and associations.

NGOs have their own initiatives at both the regional/local levels and in terms of country-wide programmes. Several NGOs run projects which are devoted to more or less extent to sustainable development (e.g., introducing integrated planning at municipality level, raising public awareness, proposing comprehensive solutions for certain sectors based on principles and methods of sustainability).

Local authorities: Mandates for policy implementation at the local level is one of the key features of the political and socio-economic transition and for realization of goals of sustainable development at local/regional level. Many local authorities have developed environmental, nature conservation, and regional/local development programmes which incorporated the principles and methods of sustainable development to some degree. But, as a matter of fact, comprehensive local Agenda 21 programmes have not been prepared. (The basic reasons for the lack of full-scale local Agenda 21 programmes are most probably related to the extensive socio-economic changes that have characterized Hungary in the transition period.) Since 2001 governmental financial sources are available for local initiatives and the implementation of new development projects.

Business and industry: In general terms, interest groups and representatives of enterprises track new regulations and comment on planned changes in all areas which broadly are related to sustainable development. The clearest signals exist in relation to the environmental pillar of sustainable development where, for instance, business representatives have direct involvement in the decision-making process through the National Environmental Council.

Scientific and technological community: Under the changing conditions and requirements, scientists seek new goals and opportunities in relation to the new socio-economic challenges, the problems raised by the transition process, the modernization of the country, and sustainable development. The Hungarian Academy of Sciences has presented the views of the scientific community on the state of science in the country and recommended the long term goals of this community, inter alia, in terms of providing scientific background for decision-making on the long term perspectives of socio-economic development of the country by taking into account the national circumstances, international tendencies-relations and environmental requirements.
Farmers: As a result of changes in the status of agricultural cooperatives, this sector is undergoing radical changes in ownership systems and land tenure. The active agricultural population is decreasing, its percentage of the total labor force is about 8%. The interest groups of land-owners, farmers revealed its views through various associations and organizations in order to influence the decision-making process. One of the key challenges for all stakeholders, in particular, the farmers associations is the preparation for the EU-membership.

Chart 4.: Number of employed persons by sectors, 1991-1998 (Hungarian Statistical Office 1999)

EDUCATION, TRAINING, AWARENESS RAISING

The Parliament approved a new National Core Curriculum with environmental education in 1995 which became an integral part of teaching and a compulsory subject in public education. Approximately 92% of the students in the compulsory education are taught the concept of sustainable development in formal education. For the pre-school education, the Basic Programme for Kindergartens has been elaborated. Apart from the National Core Curriculum, the professional training program and higher education also contains the details of environmental education and other aspects of sustainable development. More specifically, training in the field of environmental engineering is carried out at all relevant universities and colleges of Hungary.

The National Strategy on Environmental Education was elaborated in 1994 following the initiatives of civil organizations. The second version of the Strategy is now being under revision.

As the promotion of public awareness of sustainable development principles, objectives, issues and problems concerns, unfortunately, much less progress has been achieved. One of the basic problems in this regard is the lack of awareness of the principles, essence and approaches of sustainable development.

CONSUMPTION PATTERNS

Economic development is a key national target. Its sustainability, however, is generally not considered to mean a limitation of the economic growth and the consumption in the country, but rather to maintain the stability of the economy, to improve the standards of living, lessen the environmental pressure and to conduct economic/efficient utilization of natural resources. This interpretation is partially the consequence of the still low awareness and understanding of the principles and approaches of sustainability. Along these lines, measures are taken for economic development with more efficient material and energy use, and with less environmentally hazardous wastes and emissions. The changes in production and consumption patterns have been basically determined by economic recession and the transition to a market economy for the most part of past decade. Now the economy is already on a rapidly increasing path for several years with growing consumption demands which is becoming heavily differentiated for the various layers of the society.

Some financial instruments are directly motivating the consumption of valuable natural resources. For example, specific fees (charges) are introduced for certain products (fuels, tires, refrigerators, packaging materials, accumulators) which are collected in the Central Environmental Fund and utilized, upon application, to finance environmental protection activities; fees on water volume used and the financial resources from these fees are also important instruments for facilitating water conservation.

CONCLUSIONS

Although Hungary has achieved some progress, there are still considerable tasks to carry out: further and more efficient integration of environmental concerns into sectoral policies, increase efficiency of financial instruments for environmental protection, increase the share of renewable energy, further reduce unemployment and poverty gap, raise public awareness on sustainable development issues, outlining a national concept for sustainable development, etc.

I believe that preparations for the WSSD could draw even more attention to importance of sustainability in Hungary and worldwide, as well.

REFERENCES

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