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**Old-age income inequality, poverty and social policy
in Hungary 1990-2006 in comparison with the EU
directives**

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Introduction

As the Hungarian economy did not face to market requirements, the political and economic reforms of the 1987-1993 period brought deep changes. The re-structuring of the industry and the distribution of lands caused sever unemployment and long recession. In the early years the loss of income was covered by the state through social benefits and allowances on a very high level in comparison with other former socialist countries. Milanovic (1998) also points out the paternalist type of the Hungarian State in his study. As the analyse finished in 1994 he could not demonstrate the effects of two, very important incidences. The first was the Bokros-package² in the April of 1995, which led to reduction of social benefits and the increase of tax rates. The second was the economical revival in 1998. This would have had positive effect on the income if the government of Hungary did not change its social policy.

Retirement was always the main tool to avoid unemployment. In the early nineties the number of pree-, miner and by cause of employment policy new provisions raised sharply. Later this phenomenon settled. Due to the increasing burden on the social security system caused not only the economical transition but also ageing of the baby-boomers, the Hungarian government reformed the pension system in 1997.

The new rules required self-care and savings up. Besides the state owned social security, private pension funds were introduced. They started to convert the so-called pay-as-you-go system to a fully funded. For the generation of baby-boomers the law gave right to join private funds or stay in the public system. The transition of the social security system ends now. From 2008 new higher age limits are introduced and longer time of service needed.

Elderly, mainly those, who retired in the early nineties and also the baby-boomers must face a decrease in income with stepping put from the labour market. To show the tendencies I first pointed out the demographic changes in Hungary, concentrating on ageing, dependency and life-expectancy. Than I focus on the level of income of

² Bokros-package: Bokros, Lajos the Minister of Finance from 1994 till 1995, May announced his so-called Bokros-package on the 12th of April. Because of the enormouse budget deficit the government decided to cut the social expenditures and several other spendings. This was very painful for the families but stabilised the Hungarian economy.

pensioners through examining households with head being pensioner. Finally as consumption is a better tool of measuring I compare the income spent on some main groups of goods in different types of households.

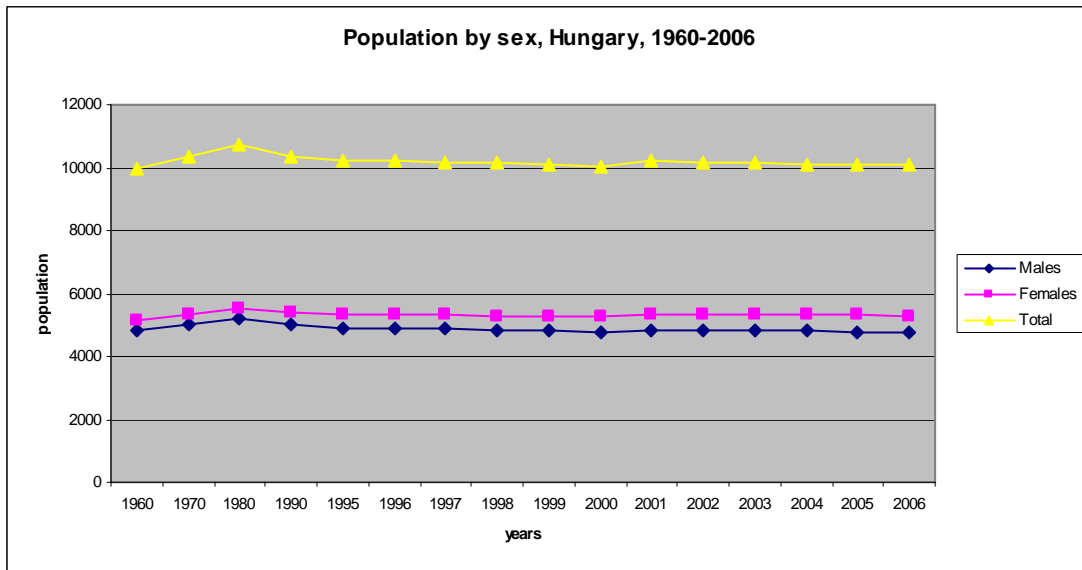
To demonstrate the effects of these phenomena I used the database of the Central Statistical Office of Hungary, the Household Budget Surveys and also other analyses like the Labour Market Analyses of the Institute of Economics of the Hungarian Academy of Sciences.

1. Demography

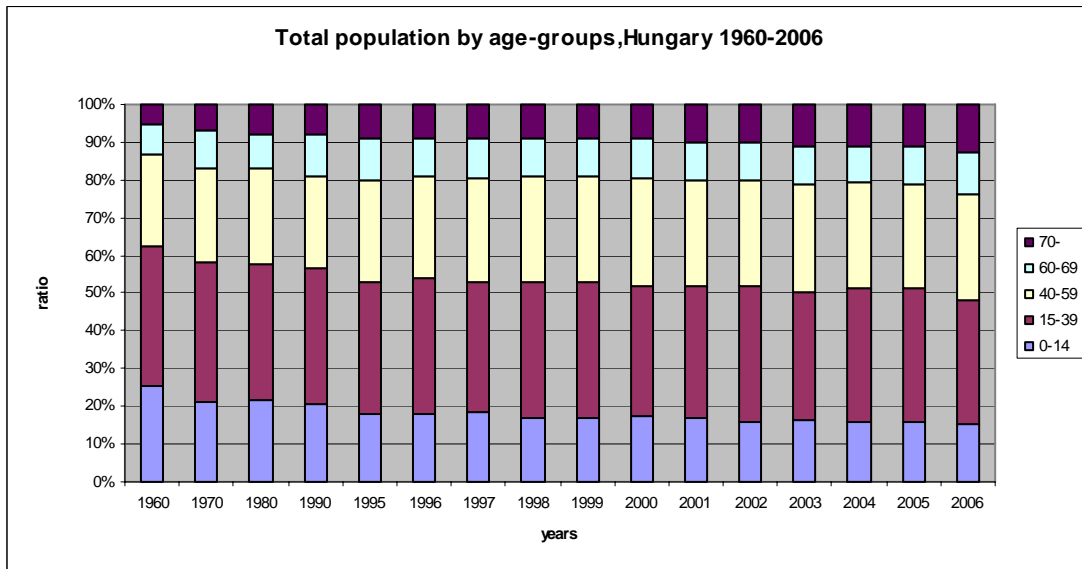
1.1. Population, fertility, life expectancy

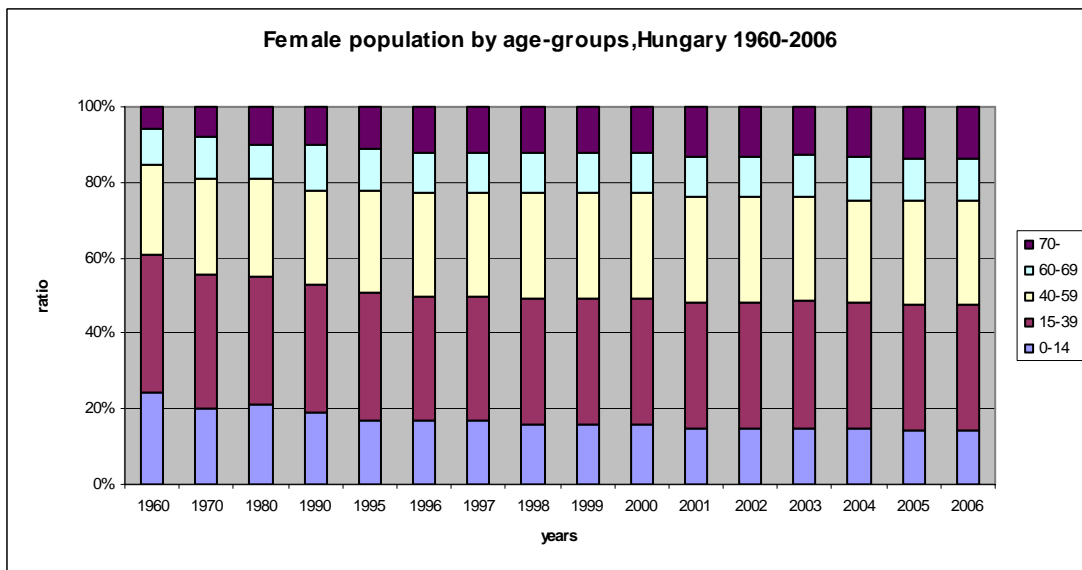
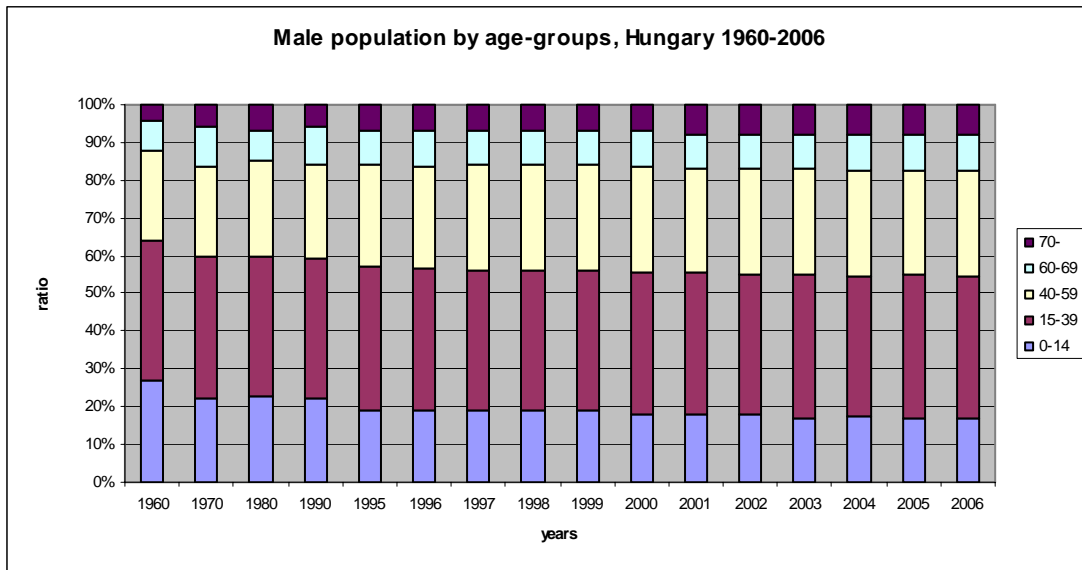
The population of Hungary is ageing since the middle of the twenties century. Total population increased till 1980, then stagnated and finally decreased in the last decade however it is still above 10 million. The rate of children under the age of 15 fell back from the 25% in 1960 to the 15% in 2006. The population under 40 was decreasing, while people older than 40 represent an increasing part of the society.[Table 1.] Changes in the fertility rate also explain the ageing of Hungarians. Twenty years ago, in 1988 the average fertility rate of a woman between 15-49 was above 1.75. Nowadays it is less than 1.4. In the last two years a slight increase improves circumstances as the echo of the baby-boomers started to bear. [Table 2.]

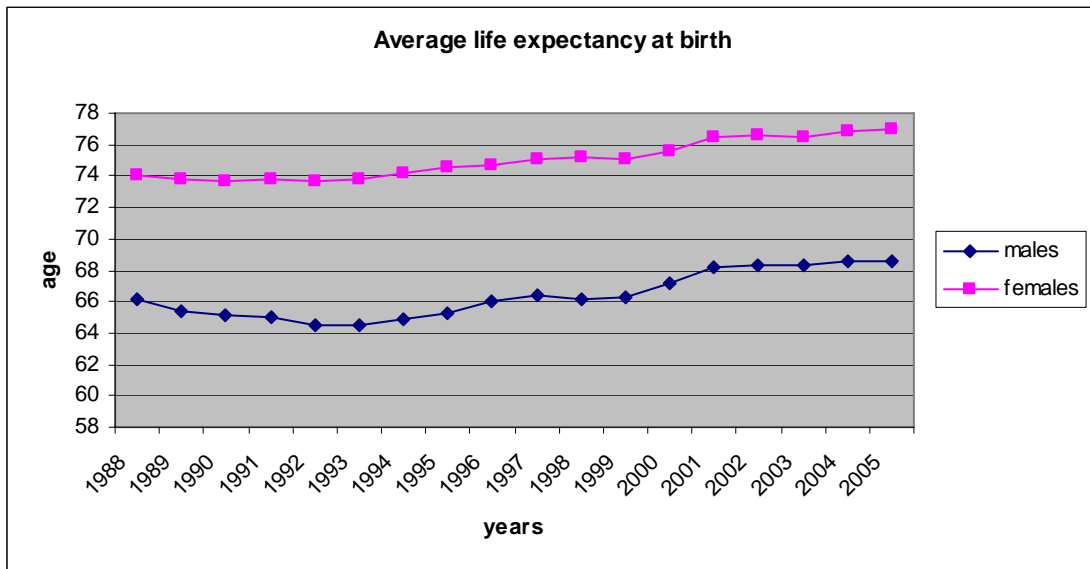
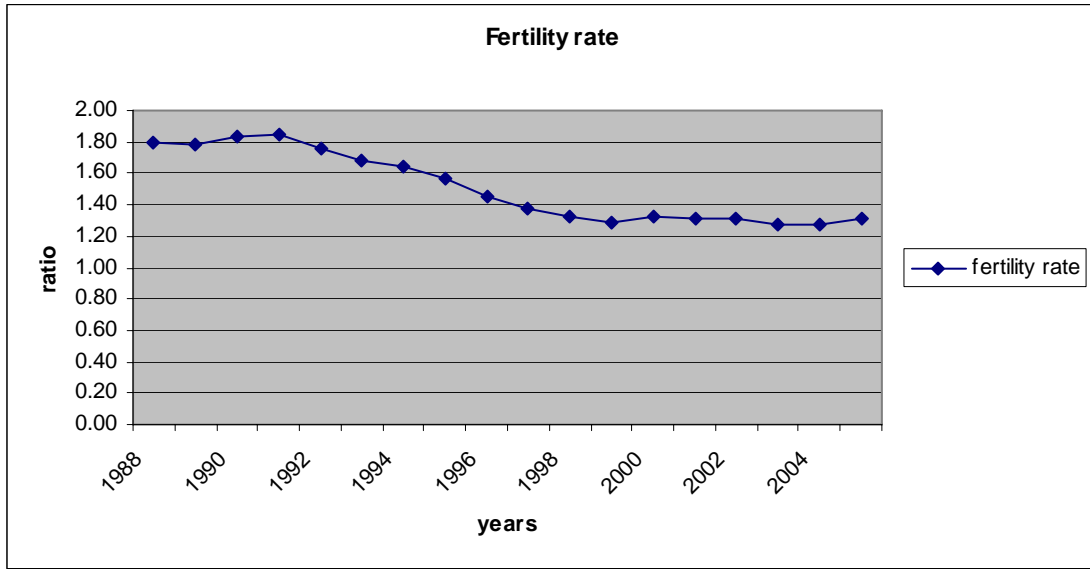
The rate of males under the age of 15 fell back with 10 percentage-point in 43 years. Above the age of 60, as males have shorter life expectancy, the increase was not so significant. For females the rate of elderly grew a lot, 7 percentage-point due to their lengthening life-expectancy. These demographic changes show us an ageing society. As the cohorts, born between 1950-1955 are numerous and the fertility rate is still in decline, rate of elderly people will grow continually. In 40 years the ageing increased from 35% to 95% which shows us that the number of children today the same as the number of elderly above 65, while 40 years ago the proportion was 3 to 1. However youth dependency ratio decreased by 16% by 2006, the dependency ratio of elderly increased by 8%, so the total ratio declined by 7%. [Table 3.]

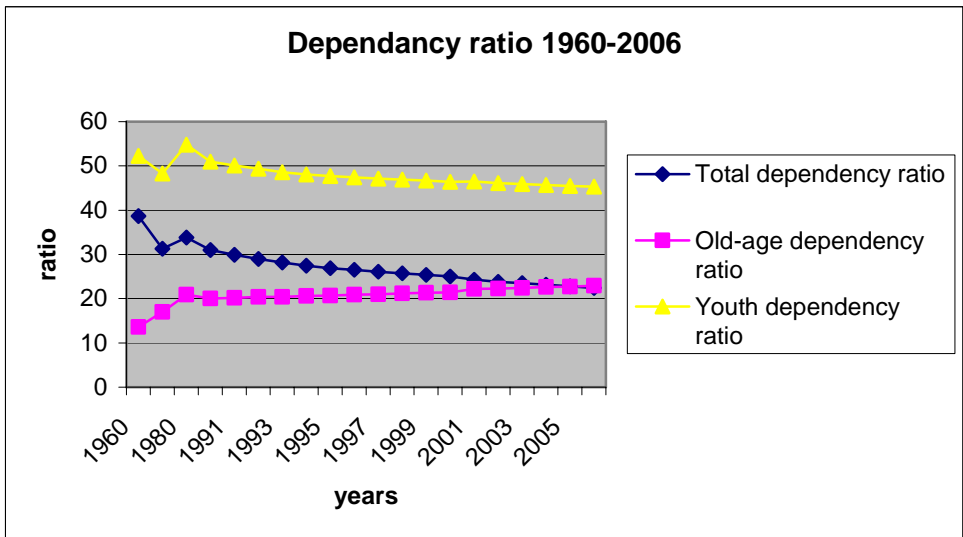
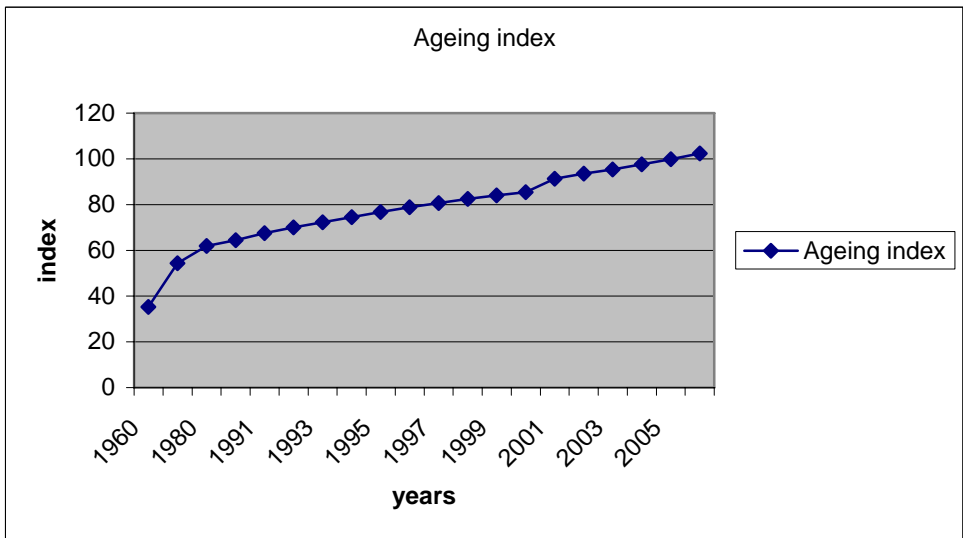
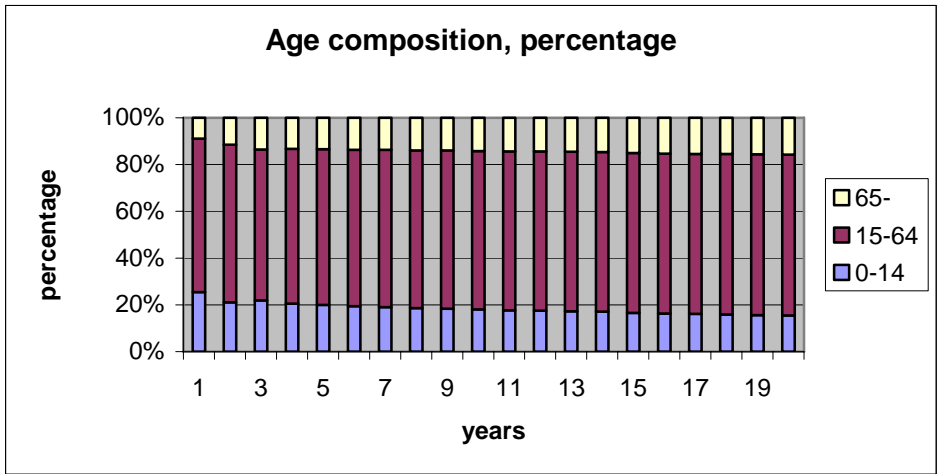


(Source: Central Statistical Office of Hungary, Yearbooks)









1.2. Elderly in Hungary

1.2.1. Short history

The pay-as-you-go system was introduced after the II.WW in Hungary. As there were more people to pay and less to retire, the system run quite well till the middle of the nineties. The age-limit was 60 for men and 55 for women, however those who had 35-years-long work history could apply for early retirement. The system differed according to the type of job and was also changed several times.

Legislators hoped that by 1990 the pension system of Hungary will finance itself. But the years of re-structuring caused a great increase in the number of people who retired, as they were too old to cope with the competitive pressure. The older ones, near to the age limit asked old-age pension, while younger ones and those having special jobs like miners, soldiers tried to retire as disabled or pree-retired. The law of 1992 reformed the rules. The income on which pension can be calculated was counted in from the year 1988. Defined contribution system replaced the defined benefit one, but these rules were not enough to avoid the deeping deficit of the pension system. From 1993 new negotiation started to re-organise the whole pension system by opening to a privately funded system.

Several experts drew the attention on the following facts. Hungary is an ageing society as this can be seen in the first section of this paper. Private funds will not collect more money. Others voted on the private accounts as the key of a fair system. Finally the new law was accepted in 1997 and had two results. First of all, private pension funds started to function. In general those, who reaches the 62. year after the 31st of December, 1997 and before the 1st of January 2009 and had a 20-year long work history can apply for old-age pension. It sounds correct for the baby-boomers. Later the age-limit will be increased gradually, and in 2013 reaches the 65 years. Of course the experts did not forget the problems of the labour market and gave some corrections to open possibilities to retire earlier. These were introduced to lower the rate of those who were just before the age limit but had short work history. Of course the amount of their pension was and is less than the normal pension.

In [Table 4.] we can see the distribution and the changes of new pensions by own right. The number of new pensioners fell sharply year-by-year till 1998. The ageing of the society comes from partially the ageing of the pensioners also. People live longer so however the number of the new pensioners fell sharply due to the increase of the age limit, the number of elder people grew. Since then a small increase, but not significant can be seen. The distribution of new pensions is more interesting in the framework of competitive pressure. The new pensions by cause of employment policy were just 16% in 1990. In seven years the rate of them doubled and reached the 31%. By the new law accepted in 1997 this early retirement became nearly impossible so the rate of it fell to 3%. The old-age pension was nearly the half of the new retirement in 1990. As the pensions by cause of employment policy grew a lot, this type was driven back. The lowest value was in 1997 with its 30%. This phenomenon was due to the increase of the age limit and the growth of disability pension. After 1998 the old-age pension seems to reach the half of the new pensions per a year; however the regulation is more severe on it. The disability and accident pensions were just one-third of the new retirement in 1990. After that several people asked for this type when they were not old enough or did not have long working history. It is very interesting that after 1998 when the Hungarian economy prospered again the rate of disability pensions grew significantly till 2003. Today supervision of new disability provisions controls again the increase of it.

In [Table 5.] not only the number of new pensions but generally of every retired people can be seen. While new pensioners are less year-by-year, the total number of pensioners grew by 35% in 16 years. This means that pensioners are ageing, life prospect is improving. The distribution of retired reflects the same statements mentioned above in connection with the new provisions. The rate of old-age pensioners fell back, however this change was not notable. Although the rules are more severe there are more disabled today than earlier. Pre- and miners retired were more between 1989 and 1992 but since then this type slid. Under the competitive pressure the distribution of the pensioners did not change significantly and the growth of the staff was mainly due to ageing. After 1998 the economic upturn did not effect the number of pensioners.

1.2.2.Changes of the rules in Hungary

All of the employees were threatened by the unemployment in the early nineties. Older males and females being near the retirement age limit were also dismissed. If they were three years younger than the age limit and got unemployment benefit they could ask for old-age pension. So the state gave the possibility to become inactive than to loose job and after that to loose the right for unemployment aid. Till 1995 lot of men and women choose this possibility. By the Bokros-package, which meant several restrictions on allowances and benefits, the rule was to be changed. Due to some experts who did not go along with it, the changes had been prolonged till 1998. However the age limit fell by two years more, the applicant had to spend this period as unemployed. It meant he had to co-operate with the labour office to find another job, as the society did not want to finance the so-called pre-pension any more. Its name was also changed to unemployed benefit before retirement. The employer could ask the 50% of the costs of the early retirement from the state after its retiring employees.

The work history is shorter by	the pension is less by
1-365 days	0.1%/every 30 days
366-730 days	0.2%/every 30 days
731-1095 days	0.3%/every 30 days
1096-1460 days	0.4%/every 30 days
1461-1825 days	0.5%/every 30 days

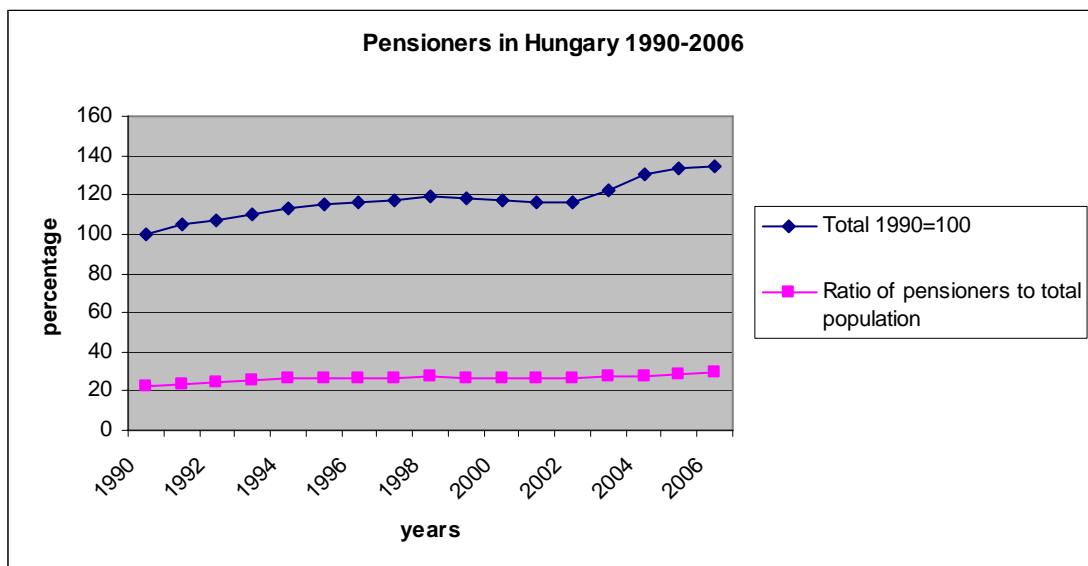
(Source The law No. LXXXI, accepted in 1997)

The law No.LXXXI, accepted in 1997 changed the system fundamentally. The age limit was increased and the replacement ratio between pension and wage lowered. Having less working history than necessary means also diminish of the rights. These rules try to force people to stay on the labour market and have a job; however it is nearly impossible above a critical age, 50 and with inadequate knowledge. This means that a huge part of the pensioners do not get 100% pension as they retired earlier to avoid competitive pressure. Those who had longer working history the increment was 1.5% by the years above the age limit. This means that the average Hungarian pensioner gets about the 67-70% of his/her last net salary when retiring. After 2013 the old cohorts will get less. As a person with 40 year-long working history can get

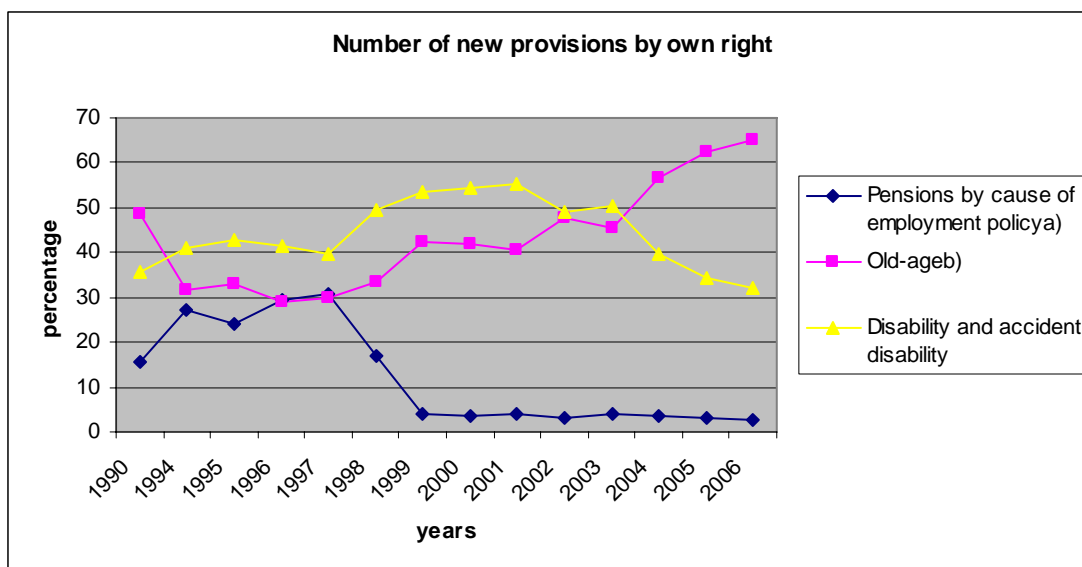
just 60% of his salary, basis of the pension and the increment of the surplus in years means 1.66% per a year.

After 2008 the baby-boomers must face new changes. Those, who reached the age-limit 57 and has at least 38 years-long working history can retire till the end of 2007 without loss. After the end of the year all of them must stay on the labour market till the age of 62 or 40 years of work to fulfil the requirements.

Not counting with the financial background of being pensioner we can point out that the competitive pressure increased the propensity to retire but the number of pensioners grew more due to ageing.



(Source: Central Statistical Office of Hungary, Yearbooks)



2. Gross and net income, pension and standard of living

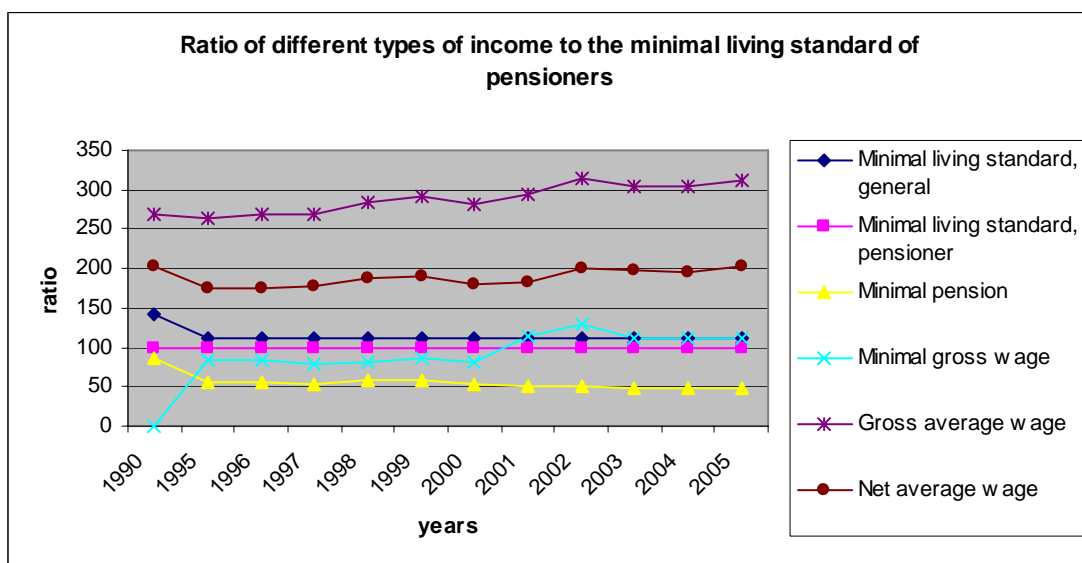
Elderly have two different types in Hungary. Those, who work beside pension and others, who not. Mainly young pensioners, above the age of 70 increase their household income with part-time or full jobs. Porters, janitors, guards, blue-collar workers and day-labourer they are. They round off their pension and this way reach a higher standard of living. However older do not have this possibility. As pensioners are of influence on the elections, political parties always promise stronger social protection for them. This lead a yearly increase of pension on the swiss-based indexation and the 13th month pension, introduced gradually in 2003. In the followings I will examine the effects of these steps.

Calculating on the minimal standard of living³, as a good measure to be compared with other minimal values we get the following tendencies. The minimal pension [Table 6.] was always under the general standard of living and also under the

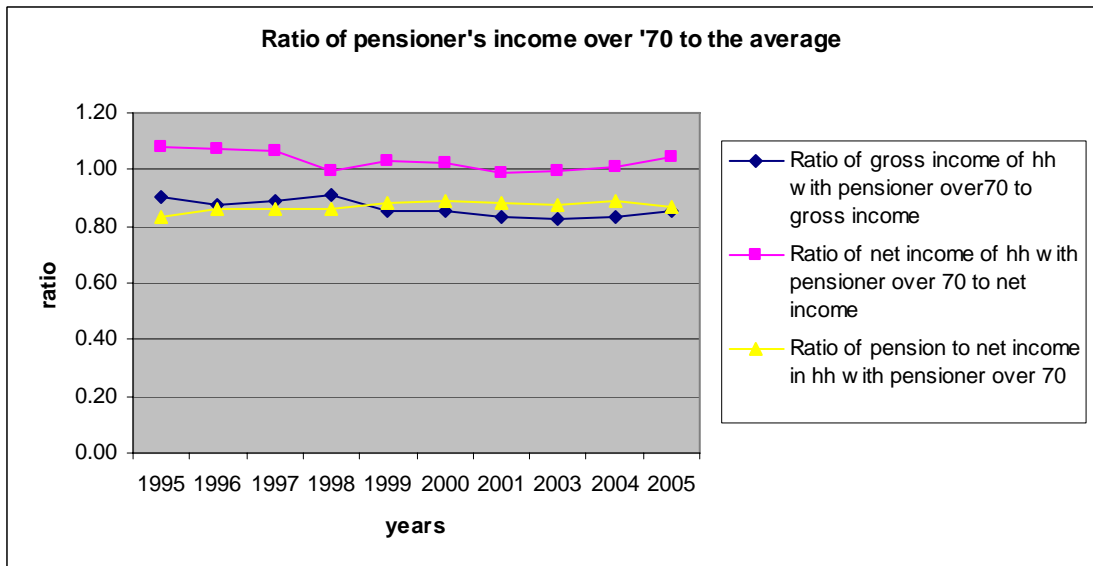
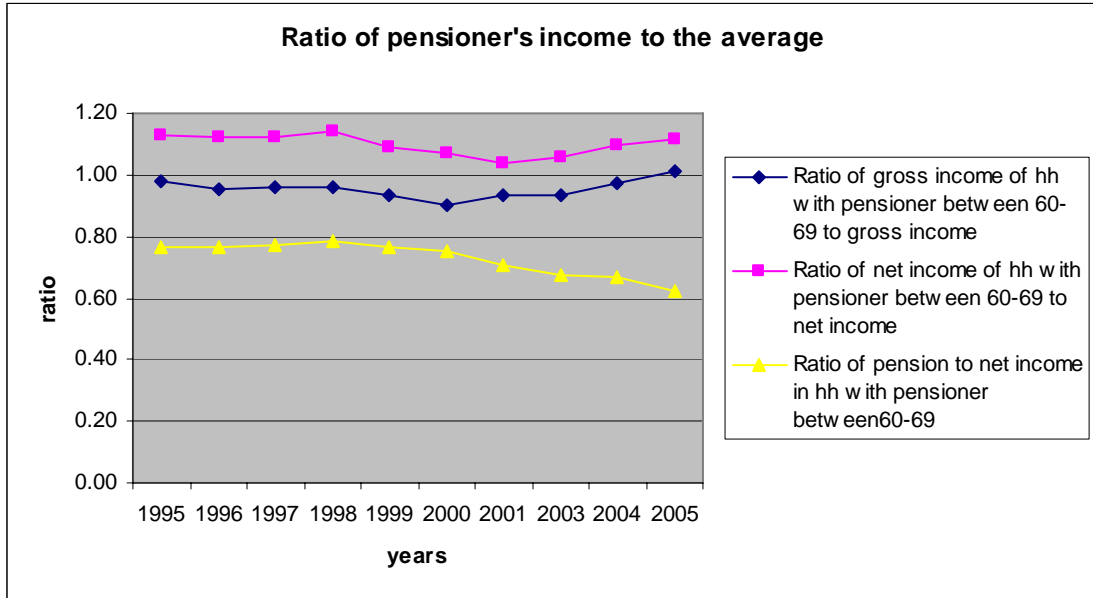
³ Minimal standard of living: This indicator is also calculated in Hungary, but in a very different way from the ILO definition. The CSO of Hungary distinguishes different types of households in which different number of adults and children live together, from the single person to the two adults with five children and more. The minimal living standard includes needs for the living: food, housing expences, clothing, transportation, educational expences, so a nutrition-basket and is multiplied by the minimum consumption of the poor families. As there are living expences which can be devided among the members of a household, this standad per capita decreases as the size of the household increases. To demonstrate all the different amounts of it would be the subject of a longer study, so in this paper we use an average value. As the ILO definition gives us lower values, at about 50-60% of the CSO standard, we must use the Hungarian definition to evaluate correctly.

pensioner's minimal standard of living. In 1989 the rate was about 76%. Till 1993 it felt very fast, when the increase of the minimal pension gave better prospects. But we must show that the rate of minimal pension to average minimal standard of living never reached again the 70%. Focusing on the pensioner's minimal standard of living the minimal pension is less than its half nowadays. What does it mean for thousands of people? As in 1992 and 1993 several unemployed men and women, above the age of 45 asked for early retirement instead of being unemployed, their pension was near to the minimal level. The increase of their pension did not helped at all. This way they avoided the competitive pressure on the labour market, but felt to pauperism. Today pensioners living in towns do not have possibility to supplement their low-level pension. They have only one help, the monthly financial aid for housing given by the state from 2004. Other in the villages can cultivate their lands, but it is very difficult with getting older. The gap between wage and social incomes is getting larger and with the fully-funded system thousands of people without enough contribution will fall pauperism again.

The households with 'young' pensioner head are better off, due to the wage and agricultural income surplus, but as the head gets older the ratio of pension in the total income increases. The gross income of households with pensioners is lagging behind the average gross income, however due to taxation, counting on the net income the situation is better.



(Source: Central Statistical Office of Hungary, Yearbooks)



3. Consumption of elderly

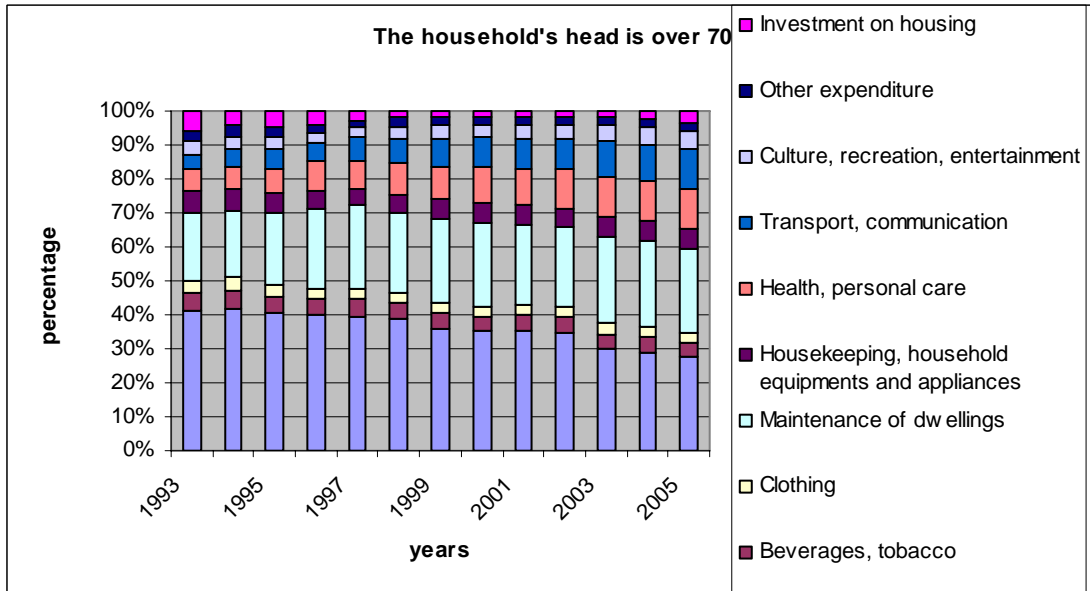
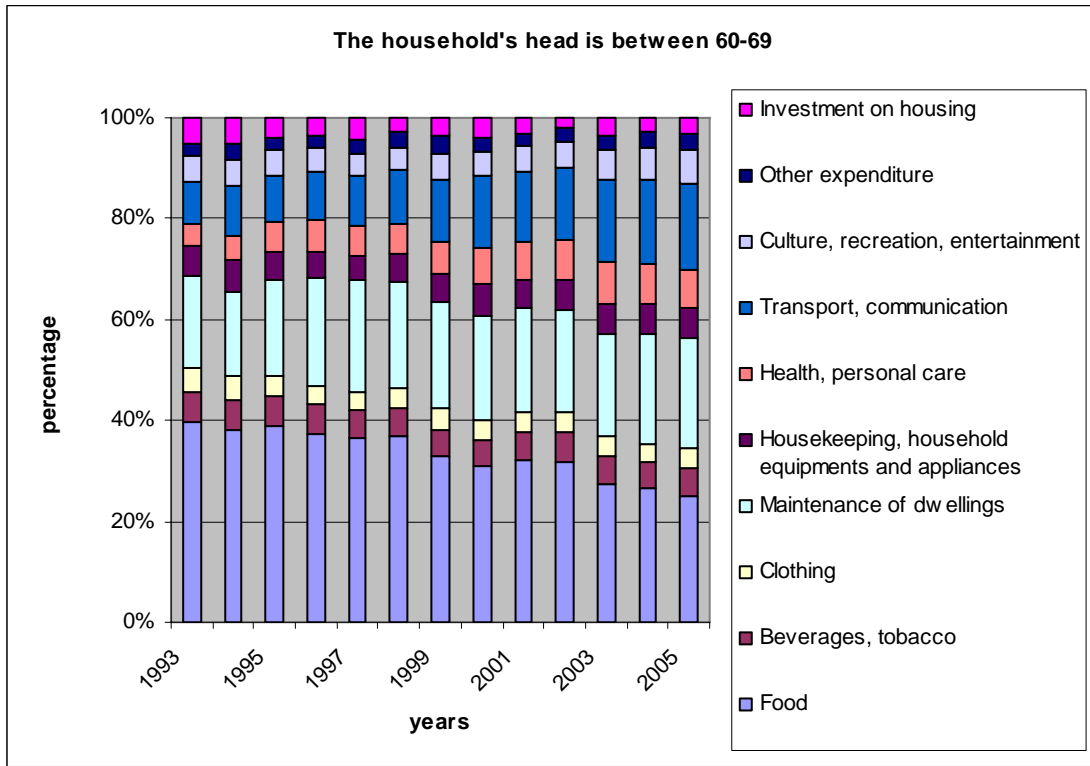
With getting older the structure of consumption also changes. People buy less from durable goods and spend less on clothing, traveling. I focused on two groups of typical households, the 'younger' and the 'older' pensioners.

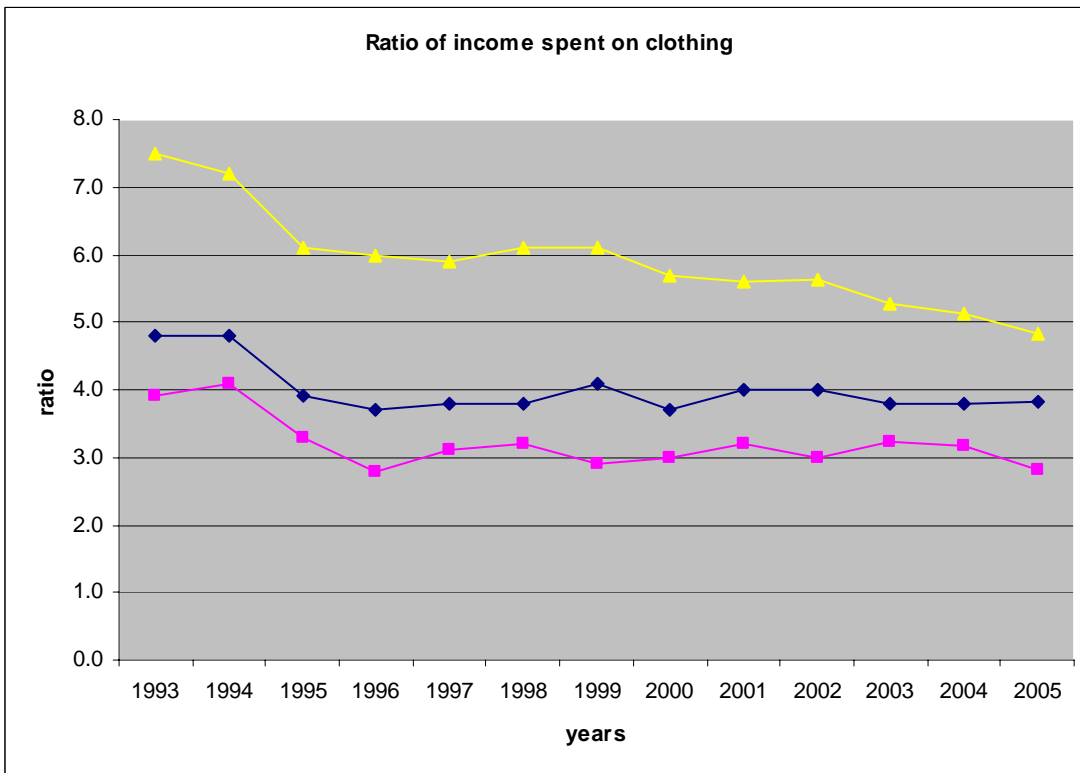
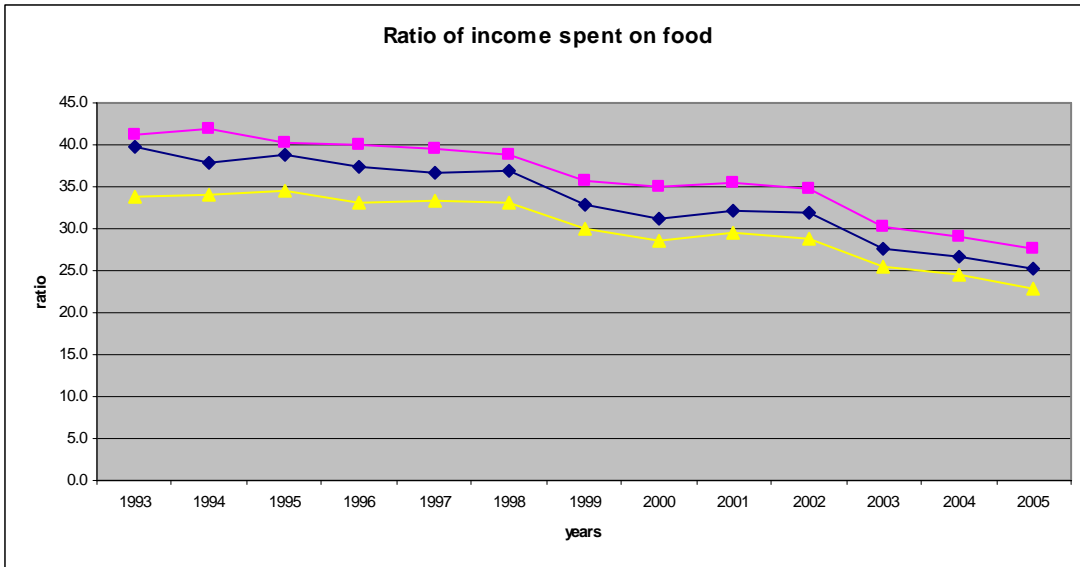
In households with pensioner head between 60-69 the three main groups of consumption are food, maintenance of dwelling and transportation. The ratio of foods however decreased in the last 16 years by 14 percentage-point and now is slightly higher than in all of the households, by three percentage-point. Maintenance of dwelling was getting more and more expensive. Before 1990 people rented their flats from the local authorities, but after the transition they had to buy them or move away. This increased the cost of housing and raised the ratio of in the budget of the 'young' pensioners. Transportation and communication also got more expensive as subsidies were dismissed. As this generation is much more capable to learn how to use mobile phones and internet and has stronger needs to travel than ever the ratio of these costs doubled in the budget of these households. With ageing drugs and medical care are getting more and more important. This led to a great increase in health costs. However clothing and investment decreased continually.

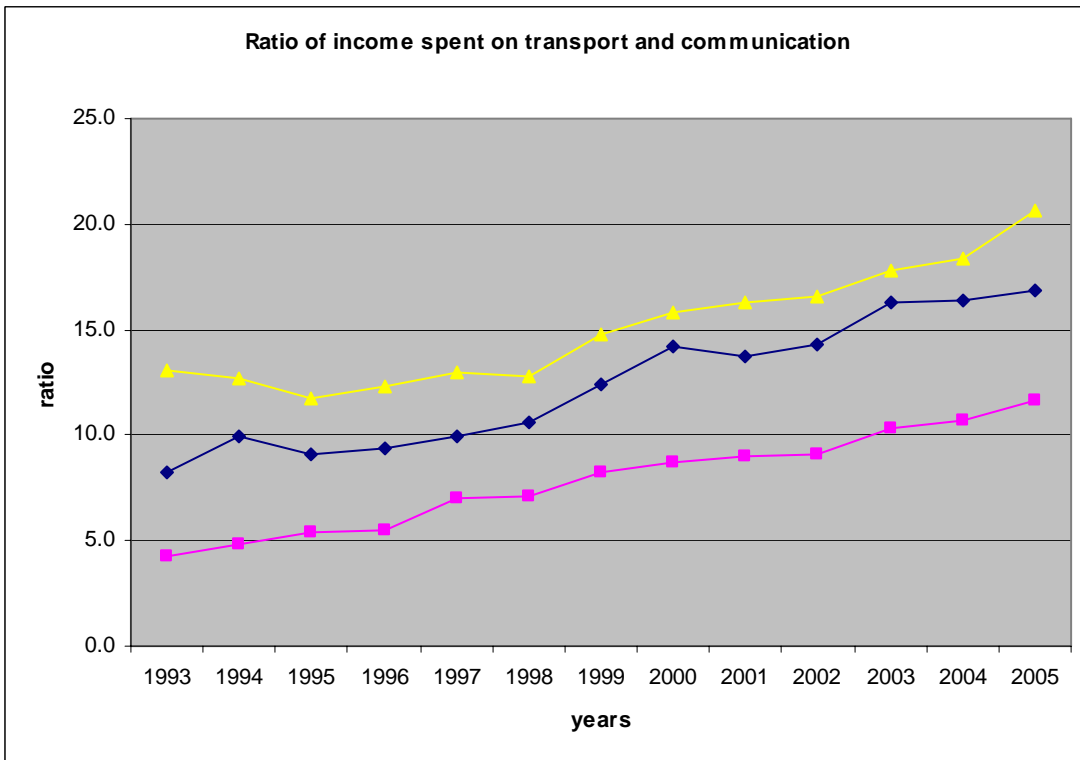
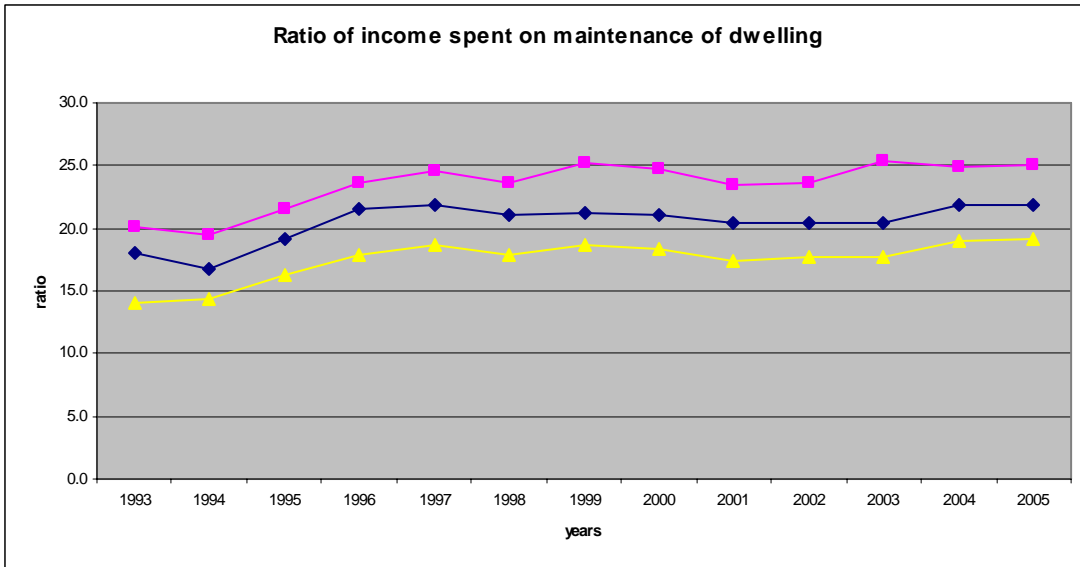
In 'older' households food, alimentation is still nearly 30% of the total budget, despite the more than 13 percentage-point decrease. In this group maintenance is also on the second place, but health expenditures are on the third instead of transport as earlier. Clothing and other expenditures, for example gifts are on the last place.

Comparing the four main groups of consumption between the different types of households, we can see that the tendencies are similar, however rates not. Food and alimentation, clothing is falling back, maintenance, transportation, is increasing in the budget of the typical households.

In my presentation I will try to focus on the similarities and differences of the Hungarian and the European regulation to avoid old-age pauperism.







Conclusion

Ageing in Hungary is a similar phenomenon like anywhere in Europe. However economic backgrounds are different. People must learn long-sightedness and save up money for their 'silver'-age. Up till now the old pay-as-you-go pension system, the indexation, the 13th-month pension helped elderly to preserve their position. As the rules to retire are getting sever and the replacement ratio lower, new generations of pensioners must face pauperism or must reallocate their savings and labour force in a changing economic system. People must give up their big homes and move to smaller ones to decrease maintaining costs and look after part time jobs to supplement their pension. The way of thinking must change and it is very difficult for the baby-boomers, who were brought up in a command economy and now must face to a market one. The economic depression does not help at all to cope with the challenges. But which one to choose? Improve the performance of the economy at any cost or protect elderly and children, the losers?

Appendix

Table 1. Population by age-groups (1 January)

Year	0-14	15-39	40-59	60-69	70-	Total
						in thousands
Males						
1960	27	37	24	8	4	4804
1970	22	37	24	10	6	5004
1980	23	37	25	8	7	5189
1990	22	37	25	10	6	4985
1995	19	38	27	9	7	4904
1996	19	37	27	9	7	4884
1997	19	37	28	9	7	4863
1998	19	37	28	9	7	4842
1999	19	37	28	9	7	4818
2000	18	37	28	9	7	4792
2001	18	38	28	9	8	4851
2002	18	37	28	9	8	4837
2003	17	38	28	9	8	4818
2004	17	37	28	9	8	4804
2005	17	38	28	9	8	4793
2006	17	37	28	9	8	4785
Females						
1960	24	36	24	9	6	5157
1970	20	35	25	11	8	5318
1980	21	34	26	9	10	5521
1990	19	34	25	12	10	5390
1995	17	34	27	11	11	5342
1996	17	33	27	11	12	5328
1997	17	33	27	11	12	5311
1998	16	33	28	11	12	5294
1999	16	33	28	11	12	5274
2000	16	33	28	11	12	5251
2001	15	33	28	11	13	5349
2002	15	33	28	11	13	5338
2003	15	34	28	11	13	5324
2004	15	33	27	11	13	5313
2005	15	33	27	11	14	5304
2006	14	34	27	11	14	5292
Total						
1960	25	37	24	8	5	9961
1970	21	37	25	10	7	10322

1980	22	36	26	9	8	10709
1990	21	36	25	11	8	10375
1995	18	35	27	11	9	10246
1996	18	36	27	10	9	10212
1997	18	34	27	10	9	10174
1998	17	36	28	10	9	10135
1999	17	36	28	10	9	10092
2000	17	34	28	10	9	10043
2001	17	35	28	10	10	10200
2002	16	36	28	10	10	10175
2003	16	34	28	10	11	10142
2004	16	36	28	10	11	10117
2005	16	36	27	10	11	10098
2006	15	33	28	11	13	10077

Source: CSO of Hungary: Yearbooks

Table 2. Fertility rate and average life expectancy at birth in Hungary

Year	fertility rate	Average life	
		expectancy at birth	
		males	females
1988	1.79	66.16	74.03
1989	1.78	65.44	73.79
1990	1.84	65.13	73.71
1991	1.85	65.02	73.83
1992	1.76	64.55	73.73
1993	1.68	64.53	73.81
1994	1.64	64.84	74.23
1995	1.57	65.25	74.5
1996	1.45	66.06	74.7
1997	1.37	66.35	75.08
1998	1.33	66.14	75.18
1999	1.29	66.32	75.13
2000	1.33	67.11	75.59
2001	1.31	68.15	76.46
2002	1.31	68.26	76.56
2003	1.28	68.29	76.53
2004	1.28	68.59	76.91
2005	1.32	68.56	76.93

Table 3. Dependency ratios and ageing index (1 January)

year	Age composition, percentage			Youth dependency ratio	Old-age dependency ratio	Total dependency ratio	Ageing index
	0-14 (A)	15-64 (B)	65- (C)	(A/B*100)	(C/B*100)	[(A+C)/B*100]	(C/A*100)
1960	25.4	65.7	8.9	38.7	13.6	52.3	35.2
1970	21.1	67.4	11.5	31.3	17	48.3	54.4
1980	21.9	64.6	13.5	33.8	20.9	54.8	61.9
1990	20.5	66.2	13.2	31	20	51	64.5
1991	19.9	66.6	13.4	29.9	20.2	50.1	67.5
1992	19.4	66.9	13.6	29	20.4	49.4	70.1
1993	19	67.3	13.7	28.2	20.4	48.6	72.3
1994	18.6	67.5	13.9	27.5	20.6	48.1	74.6
1995	18.3	67.7	14	26.9	20.7	47.7	76.8
1996	18	67.8	14.2	26.5	20.9	47.4	78.9
1997	17.7	68	14.3	26.1	21	47.1	80.7
1998	17.5	68.1	14.4	25.7	21.2	46.9	82.5
1999	17.3	68.2	14.5	25.4	21.3	46.7	84.1
2000	17.1	68.3	14.6	25	21.4	46.4	85.5
2001	16.6	68.3	15.1	24.3	22.2	46.5	91.3
2002	16.3	68.4	15.3	23.8	22.3	46.1	93.5
2003	16.1	68.5	15.4	23.5	22.4	45.9	95.4
2004	15.9	68.6	15.5	23.1	22.6	45.7	97.6
2005	15.6	68.7	15.6	22.8	22.7	45.5	99.9
2006	15.4	68.8	15.8	22.4	22.9	45.4	102.4

Table 4. Number of new pensions by own right and its distribution

	Pensions by cause of employment policy ^{a)}	Old-age ^{b)}	Disability and accident disability	Pensions by own right 1990=100 %
Year	pensions			total
1990	15.7	48.8	35.5	100
1994	27.3	31.7	41	88.3
1995	24.1	33.1	42.8	82.8
1996	29.6	29.1	41.3	86.9
1997	30.6	29.8	39.6	81
1998	17.1	33.4	49.5	57.7
1999	4.1	42.4	53.5	52
2000	3.6	41.8	54.6	57.6
2001	3.8	40.7	55.5	61.4
2002	3.2	47.6	49.2	62.7
2003	4.2	45.6	50.2	60.1
2004	3.6	56.8	39.6	67.3
2005	3	62.4	34.5	72
2006	2.7	65.1	32.2	70

a) Including early retirement, pre- and miners' pensions

b) Including exemption by age pension

Table 5. Types of pension and the ratio of pensioners to the total population

Year	Old -age	Disability	Pre -, miners	Accident	Widowhood, children, parents	Total 1990=100	Ratio of pensioners to total population
1988	56	22	4	1	16	91	n.a.
1989	57	23	6	1	14	97	n.a.
1990	56	21	5	4	14	100	22
1991	54	22	6	5	13	105	23
1992	55	22	5	5	13	108	24
1993	54	24	4	5	14	111	25
1994	53	24	4	5	13	113	26
1995	53	25	4	5	13	115	26
1996	53	25	4	5	13	116	26
1997	53	25	4	6	13	118	27
1998	52	24	3	8	12	119	28
1999	53	24	3	7	12	118	27
2000	53	25	3	7	12	117	27
2001	54	25	2	7	12	116	27
2002	54	26	2	7	11	116	27
2003	54	26	2	6	10	122	28
2004	54	26	3	6	10	130	28
2005	54	26	3	5	9	134	29
2006	54	26	3	5	9	135	30

Table 6. Standard of living, minimums of pension, gross and net wage

Years	Minimal living standard, general	Minimal living standard, pensioner	Minimal pension	Minimal gross wage	Gross average wage	Net average wage
1989	n.a.	n.a.	-	-	-	-
1990	141	100	86	-	269	202
1995	111	100	57	82	263	175
1996	111	100	55	83	268	175
1997	111	100	54	80	268	179
1998	111	100	57	81	283	188
1999	111	100	58	85	292	190
2000	111	100	54	82	282	180
2001	111	100	52	113	293	184
2002	111	100	52	129	316	200
2003	111	100	48	111	305	197
2004	111	100	48	110	303	195
2005	111	100	49	112	312	203
2006	111	100	48	115	n.a.	n.a.

Table 7. Number of households with pensioners, ratio of pension, gross and net income to the average

Denomination	1st decile from the 1st quintile	1.	2.	3.	4.	5.	10th decile from the 5th quintile	Total	Percentage in the total number of households
				2005					
Number of households	0.03	0.07	0.17	0.27	0.29	0.21	0.08	1 368 069	0.36
Average number of people in the household	1.98	1.69	1.11	1.00	0.86	0.88	0.86	1.58	0.61
Pension	0.28	0.37	0.73	0.95	1.17	1.53	1.67	1.00	-
Gross income	0.38	0.46	0.70	0.87	1.08	1.72	2.23	1.00	-
Net income	0.38	0.46	0.71	0.88	1.10	1.68	2.09	1.00	-
				2004					
Number of households	0.03	0.09	0.18	0.27	0.26	0.19	0.08	1 349 020	0.36
Average number of people in the household	1.98	1.59	1.10	0.96	0.88	0.85	0.86	1.67	0.63
Pension	0.25	0.39	0.75	0.97	1.21	1.60	1.72	1.00	-
Gross income	0.38	0.48	0.73	0.90	1.12	1.77	2.22	1.00	-
Net income	0.37	0.48	0.74	0.91	1.14	1.73	2.11	1.00	-
				2003					
Number of households	0.04	0.10	0.20	0.27	0.26	0.17	0.07	1 368 069	0.36
Average number of people in the household	2.05	1.63	1.11	0.93	0.84	0.85	0.86	1.68	0.63
Pension	0.26	0.38	0.79	1.02	1.26	1.59	1.68	1.00	-
Gross income	0.39	0.48	0.75	0.93	1.16	1.85	2.36	1.00	-
Net income	0.39	0.48	0.76	0.94	1.17	1.79	2.22	1.00	-

Table 8. Income rates of households with head between 60-69 and over 70 to the averages

Denomination	1995	1996	1997	1998	1999	2000	2001	2003	2004	2005
Ratio of gross income of hh with pensioner between 60-69 to gross income	0.98	0.95	0.96	0.96	0.94	0.90	0.93	0.93	0.97	1.01
Ratio of net income of hh with pensioner between 60-69 to net income	1.13	1.12	1.12	1.14	1.09	1.07	1.04	1.06	1.09	1.11
Ratio of pension to net income in hh with pensioner between60-69	0.77	0.77	0.77	0.79	0.77	0.75	0.71	0.68	0.67	0.62
Ratio of gross income of hh with pensioner over70 to gross income	0.90	0.88	0.89	0.91	0.85	0.86	0.83	0.82	0.83	0.86
Ratio of net income of hh with pensioner over 70 to net income	1.08	1.07	1.07	1.00	1.03	1.02	0.98	0.99	1.01	1.04
Ratio of pension to net income in hh with pensioner over 70	0.83	0.86	0.86	0.86	0.88	0.89	0.88	0.87	0.89	0.87

Table 9. Annual per capita expenditure by major expenditure groups percentage 1993-2005

Denomination	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
The household's head is between 60-69													
Food	39.7	37.9	38.7	37.5	36.6	37.0	32.8	31.1	32.1	31.9	27.6	26.6	25.2
Beverages, tobacco	6.0	6.0	6.2	5.7	5.4	5.5	5.4	5.1	5.7	5.7	5.3	5.0	5.3
Clothing	4.8	4.8	3.9	3.7	3.8	3.8	4.1	3.7	4.0	4.0	3.8	3.8	3.8
Maintenance of dwellings	18.1	16.7	19.1	21.5	21.9	21.0	21.3	21.0	20.4	20.4	20.4	21.9	21.9
Housekeeping, household equipments and appliances	6.0	6.3	5.5	5.0	4.8	5.6	5.2	6.0	5.7	5.7	6.0	5.9	5.9
Health, personal care	4.5	4.9	6.0	6.4	6.2	6.2	6.5	7.3	7.7	8.0	8.2	8.0	7.8
Transport, communication	8.2	9.9	9.1	9.4	9.9	10.6	12.4	14.2	13.7	14.3	16.3	16.4	16.9
Culture, recreation, entertainment	5.0	5.1	5.0	4.8	4.3	4.4	4.9	4.8	5.2	5.3	5.8	6.4	7.0
Other expenditure	2.5	3.1	2.5	2.4	2.7	3.0	3.6	2.7	2.6	2.7	3.0	3.4	3.0
Investment on housing	5.2	5.3	4.0	3.7	4.4	2.9	3.7	4.1	3.0	2.0	3.5	2.7	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
The household's head is over 70													
Food	41.3	41.8	40.3	40.0	39.6	38.9	35.6	35.0	35.5	34.7	30.1	29.1	27.6
Beverages, tobacco	4.9	5.2	5.1	4.7	4.9	4.5	4.8	4.4	4.5	4.8	4.3	4.3	4.0

Clothing	3.9	4.1	3.3	2.8	3.1	3.2	2.9	3.0	3.2	3.0	3.2	3.2	2.8
Maintenance of dwellings	20.1	19.4	21.5	23.6	24.6	23.6	25.2	24.8	23.4	23.6	25.3	24.9	25.1
Housekeeping, household equipments and appliances	6.3	6.3	5.5	5.2	4.8	5.2	5.5	5.8	5.6	5.6	5.9	6.0	5.8
Health, personal care	6.2	7.0	7.5	8.9	8.1	9.1	9.7	10.7	10.8	11.7	11.9	11.9	11.7
Transport, communication	4.3	4.8	5.4	5.5	7.0	7.1	8.2	8.7	9.0	9.1	10.3	10.7	11.6
Culture, recreation, entertainment	4.2	3.8	3.8	3.1	3.1	3.6	3.7	3.5	3.9	3.9	4.7	5.2	5.2
Other expenditure	2.9	3.2	2.7	2.3	2.0	3.2	2.8	2.1	2.2	2.2	2.3	2.3	2.6
Investment on housing	5.8	4.4	4.9	3.9	2.7	1.7	1.6	1.9	1.9	2.0	2.0	2.4	3.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0
All of the Hungarian households													
Food	33.7	34.0	34.5	33.1	33.3	33.1	29.9	28.6	29.6	28.8	25.5	24.4	22.8
Beverages, tobacco	6.0	6.2	5.8	5.6	5.5	5.8	5.7	5.4	5.5	5.6	5.4	5.1	4.9
Clothing	7.5	7.2	6.1	6.0	5.9	6.1	6.1	5.7	5.6	5.6	5.3	5.1	4.8
Maintenance of dwellings	14.1	14.3	16.3	17.9	18.6	17.9	18.6	18.3	17.4	17.6	17.8	19.0	19.1
Housekeeping, household equipments and appliances	5.6	5.6	5.1	4.6	4.5	4.9	5.0	5.7	5.2	5.2	5.5	5.3	5.0
Health, personal care	3.8	4.0	4.4	4.8	4.8	4.9	5.0	5.8	6.1	6.2	6.2	6.1	6.1
Transport, communication	13.1	12.7	11.7	12.3	13.0	12.8	14.8	15.8	16.3	16.5	17.8	18.3	20.6
Culture, recreation, entertainment	6.1	6.0	6.2	6.4	5.8	6.3	6.6	6.5	7.0	7.0	7.9	8.0	8.1
Other expenditure	3.1	3.1	3.0	3.4	3.3	4.0	4.3	3.8	3.3	3.0	3.1	3.4	3.3
Investment on housing	7.0	6.9	6.9	5.9	5.3	4.2	4.0	4.4	4.0	4.4	5.5	5.1	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 10. Ratio of typical consumption groups in the budget of different households

Denomination	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Food													
The household's head is between 60-69	39.7	37.9	38.7	37.5	36.6	37.0	32.8	31.1	32.1	31.9	27.6	26.6	25.2
The household's head is over 70	41.3	41.8	40.3	40.0	39.6	38.9	35.6	35.0	35.5	34.7	30.1	29.1	27.6
All of the Hungarian households	33.7	34.0	34.5	33.1	33.3	33.1	29.9	28.6	29.6	28.8	25.5	24.4	22.8
Maintenance of dwellings													
The household's head is between 60-69	18.1	16.7	19.1	21.5	21.9	21.0	21.3	21.0	20.4	20.4	20.4	21.9	21.9
The household's head is over 70	20.1	19.4	21.5	23.6	24.6	23.6	25.2	24.8	23.4	23.6	25.3	24.9	25.1
All of the Hungarian households	14.1	14.3	16.3	17.9	18.6	17.9	18.6	18.3	17.4	17.6	17.8	19.0	19.1
Transport, communication													
The household's head is between 60-69	8.2	9.9	9.1	9.4	9.9	10.6	12.4	14.2	13.7	14.3	16.3	16.4	16.9
The household's head is over 70	4.3	4.8	5.4	5.5	7.0	7.1	8.2	8.7	9.0	9.1	10.3	10.7	11.6
All of the Hungarian households	13.1	12.7	11.7	12.3	13.0	12.8	14.8	15.8	16.3	16.5	17.8	18.3	20.6
Clothing													
The household's head is between 60-69	4.8	4.8	3.9	3.7	3.8	3.8	4.1	3.7	4.0	4.0	3.8	3.8	3.8
The household's head is over 70	3.9	4.1	3.3	2.8	3.1	3.2	2.9	3.0	3.2	3.0	3.2	3.2	2.8
All of the Hungarian households	7.5	7.2	6.1	6.0	5.9	6.1	6.1	5.7	5.6	5.6	5.3	5.1	4.8

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