



FACT SHEETS ON HUNGARY

MINISTRY OF FOREIGN AFFAIRS OF THE REPUBLIC OF HUNGARY 2004

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Hungary in the European Union

According to the generally accepted statistical indicators, the European continent covers ten million square kilometres. The Hungarian state covers some 93,000 square kilometres of this area. There are about fifty countries on the continent, with a total population of more than 700 million people. Hungary's population is ten million, and there are about three more million Hungarians living in the neighbouring countries. Therefore, 1.8–1.9 percent of the total population of the continent is Hungarian. One percent of the area and about two percent of the population – does that constitute too much or too little? Do Hungary and Hungarians in general mean anything in Europe and to Europeans?

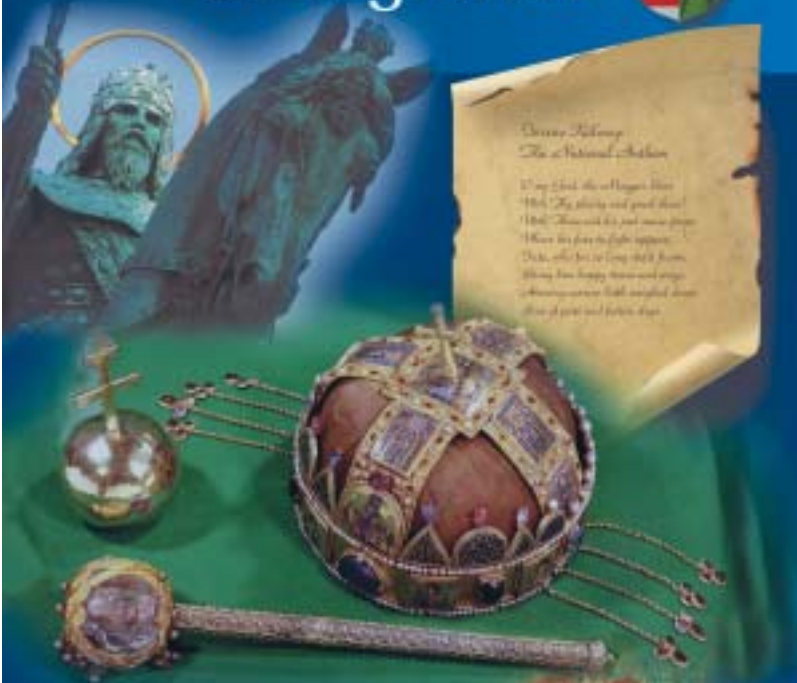
The answer is clear: ever since the ancient Hungarians came down the Carpathian mountains on horseback and founded the Hungarian state, Hungary has been a part of European history and has shaped the fate of the continent, sometimes with a greater, sometimes with a smaller influence. Hungary has been present on the political, economic and cultural map of Europe for 1,100 years. Hungarians have been living here for more than a thousand years, this is their home. In the course of its history, the Hungarian state has been both a dominant power in Europe and a

country suppressed by foreign conquerors. In today's Europe, it can be claimed that Hungary ranks somewhere in the middle of those fifty states – since it cannot be classified either as a big, or as a small country.

Of course size alone cannot be taken as a determining factor, either for Europe, or for Hungary. It is more important that Hungary – just like any other nation – has its own history, culture and traditions, a quite special language, as well as characteristic economic and political values. Due to its geographical situation in the heart of Europe, right on the borderline between East and West, throughout the 1,100 years of its existence, the country has probably endured more wars and destruction than other European states. Hungary suffered heavily at the time of war, while trying to utilize the peaceful and relatively calm periods for growth and development. It has safeguarded all the values which are the most important for any people: its culture, its mother tongue, its national characteristics and identity. Hungary – as opposed to so many oppressed nations – managed to stay on the historical scene, and did not get lost in the giant continental melting pot that came to be named Europe from the 12th - 13th centuries. Although it is true that this



Hungary at a glance



Hungary was established as an independent state in the heart of Europe over one thousand years ago. Founder of the state King St. Stephen, who was crowned king in A.D. 1000, consciously set about building close ties with Christian Europe. As a member of the European Union from 1 May 2004, Hungary is already an inseparable, integral part of the political, economic and cultural community of our continent.

Area: 93,000 km²
Population: 10,362,000 (2002)
Length of border: 2,241 km
Neighbouring countries: Austria, Slovakia,
Ukraine, Romania, Serbia and Montenegro,
Croatia, Slovenia
Official language: Hungarian
State form: republic

Currency: Forint (HUF)
GDP: 68876 per capita (2002)
Capital: Budapest (pop.: 1,810,000)
Major towns: Debrecen (pop.: 211,000),
Miskolc (185,000), Szeged (168,000), Pécs
(162,000), Győr (130,000)



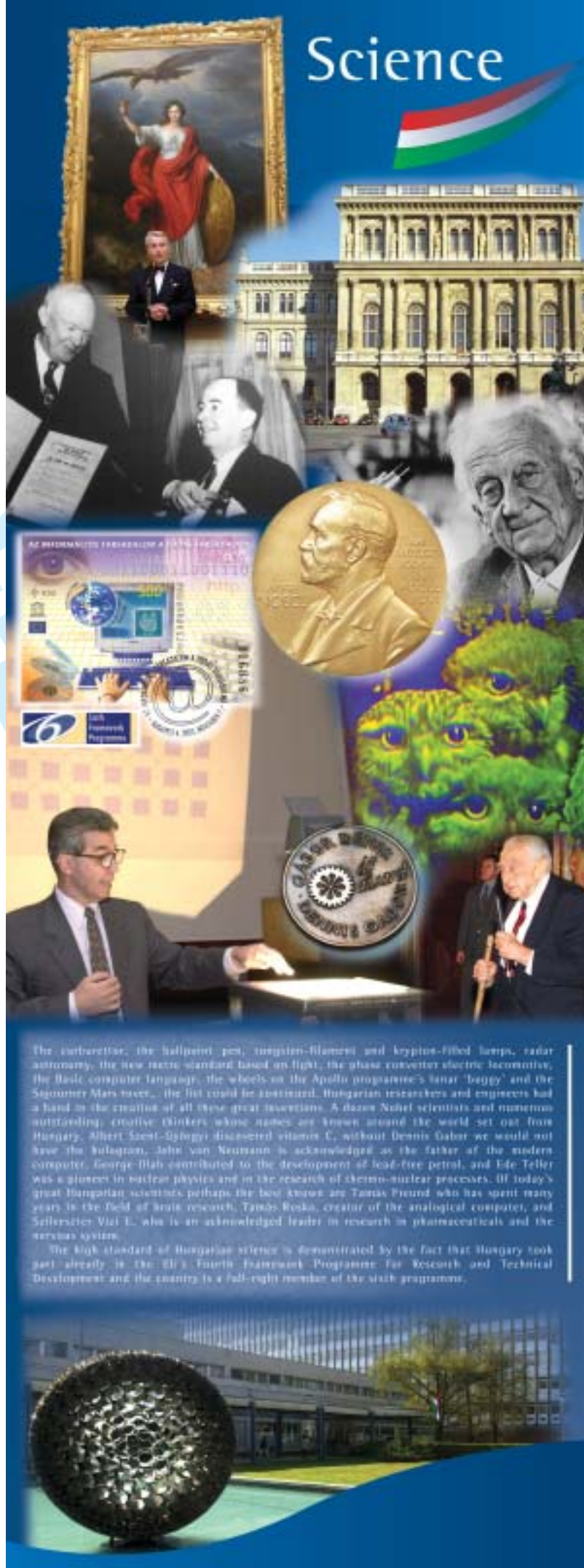
melting pot was not as unifying as the one in North America from the 18th century, a large number of peoples, nations, empires and states nevertheless disappeared into the fog of European history. The Hungarians learned how to adapt to the given circumstances, and how to make progress, as well as how to give and take. Right at the beginning of their newly founded state, the Hungarians were converted to Christianity, and this provided a framework for the flourishing of Hungarian culture and intellectual life for almost a thousand years.

In Hungarian culture, which is more than the totality of arts, the European ideas, colours and forms create a unity with the characteristic Hungarian spirit and motifs. In the field of music, the world of traditional Hungarian melody is intertwined with universal musical elements, bars and intonations. Ferenc Liszt (1811-1886) and Béla Bartók (1881-1945) are names of international renown, still Hungarians primarily regard them as Hungarian composers. Of course, the Hungarians are willing and proud to share them with the world. Thus, while Imre Kertész (1929) – the winner of the Nobel Prize in Literature in 2002 – is regarded as a part of the nation's heritage, Hungarians also consider him as part of universal culture. The Hungarians take pride in contributing to the cultural wealth of the world in practically every branch of the arts and science. Painters Victor Vasarely (1908-1997) and László Moholy-Nagy (1895-1946), film directors István Szabó (1938) and Miklós Jancsó (1921), nuclear physicist Ede Teller (1908-2003), János Neumann (1903-1957), the father of the computer, Nobel prize winner economist János Harsányi (1920-2000), and Ernő Rubik (1944), the inventor of the magic cube, have con-

veyed Hungarian spirit and culture, representing the Hungarian people in an accessible language all over the world.

While Hungary and its representatives have formed a creative part of this continent and have enriched Europe with many different values for 1,100 years, the country itself has also been affected: Hungarians have received a lot from Europe and the rest of the world. The great king, Saint Stephen (975-1038), who converted the Hungarians to Christianity and directed them into the mainstream of historical and social development of the time, warned his son: „Weak is a single-language country, so you should welcome the strangers“. Invited and uninvited, the representatives of many peoples came to seek shelter, and later to settle and find their home in the land that was populated mainly by Hungarians. Although the overwhelming majority of Hungary's population claims to be Hungarian today, several peoples settled in Hungary over the centuries and are still living here: French, Italians, Poles, Turks, Jews, and partly forming separate ethnic minorities are Germans, Slovaks, Serbs, Romanians, the Roma and others. The Hungarians have never regarded these groups as unwelcome because – while making a living in this country – they also contributed to Hungary's wealth and culture. Sándor Petöfi (1823-1849), one of the greatest poets and a revolutionary genius of the 19th century, had a Serbian father and a Slovak mother, still he regarded himself as Hungarian. And all the craftsmen, peasants, industrialists and traders who were „simply“ doing their jobs also helped the people and contributed to the country, which is the Hungary of today.

The Hungarians are colourful, yet uniform. Over the centuries they have adopted foreign values, made



The carburettor, the ballpoint pen, tungsten-filament and krypton-filled lamps, radar autonomy, the new metric standard based on light, the phase converter electric locomotive, the Basic computer language, the wheels on the Apollo programme's lunar 'buggy' and the September Mars rover... the list could be interminable. Hungarian researchers and engineers had a hand in the creation of all these great inventions. A dozen Nobel scientists and numerous outstanding, creative thinkers whose names are known around the world set out from Hungary. Albert Szent-Györgyi discovered vitamin C; without Dennis Gabor we would not have the hologram; John van Neumann is acknowledged as the father of the modern computer; George Olah contributed to the development of lead-free petrol, and Ede Teller was a pioneer in nuclear physics and in the research of thermo-nuclear processes. Of today's great Hungarian scientists perhaps the best known are Tamás Friedl who has spent many years in the field of brain research, György Borsos, creator of the analogical computer, and Sándor Vizi L. who is an acknowledged leader in research in pharmaceuticals and the nervous system.

The high standard of Hungarian science is demonstrated by the fact that Hungary took part already in the EU's Fourth Framework Programme for Research and Technical Development and the country is a full-right member of the sixth programme.

Innovation



The Rubik's Cube, named after its inventor Erő Rubik, has become a symbol of Hungarian creativity. These days, numerous global corporations have chosen Hungary as the base for their production units and R&D facilities because of the country's trained workforce and motivated, highly professional managers. Indeed, many of the leading-edge products of tomorrow developed by, for instance, Nokia, Ericsson, Siemens, General Electric, Konar Inzener and Samsung are born in research centres based in Hungary. Among Hungarian companies the pharmaceutical giant Richter Gfölcsei deserves particularly large sums to research, even by international standards. Graphisoft[®], founded in 1982, is one of the leading global software development companies in the field of architectural, machinery design and project management programs. The highly successful data recovery service developed by KORT Computer Inc. has earned the company into one of the foremost data protection and recovery enterprises in Europe.

The excellence of Hungary's educational system, its distinguished secondary schools and universities, is the guarantee of a continual supply of innovative and creative people. Hungarian students have garnered several gold medals at international chemistry, physics and mathematics 'olympics'. During the EU Young Scientist Competition in 2003 Csaba Németh walked away with first prize and Miroslava Lukács was presented with an EU special award. In a competition sponsored by NASA, grammar school student Bernadett Bal recommended the very landing spot on Mars for the Spirit rover that American scientists also finally decided on. And while on this topic, David Tancsik was invited to the American space centre in Pasadena to take part in planning the route of the Mars rover.



use of foreign knowledge and experience, and in the meantime have become a true European nation themselves. They have preserved their Hungarian identity while retaining their specific and individual features. In fact, the preceding centuries have paved the way towards becoming a full member of the European community of nations and its present organisation, the EU from May 2004. And all this required co-operation, reconciliation and tolerance, and later: successful integration and adaptation – as this is proved by Hungary's experience. Despite the historical experience gained, reintegration into modern Europe could not be carried out in itself. Accession to the mainstream of European development, to the European Union, demanded serious studies and extensive preparations. This proved to be the only way for Hungary to preserve and strengthen its traditions, customs and culture.

No matter how many common, connecting elements there have been between its states, the European continent has never been homogeneous. Although it was the European powers that were the motors of the development of the world through the centuries, they did not see the necessity to combine forces in order to solve their common problems. In a paradoxical way, it was Europe's political decline – mainly as a result of World War I and II – that led to the recognition that a united force is needed to settle the affairs of this continent peacefully and effectively. Squeezed into the background in global terms, the leaders of European states realised that without a united front they would not be able to make use of their economic and political potential and to enforce their interests in the face of strong competition. In addition to other

efforts, it was the awareness of this fact, which resulted in the establishment of the European Coal and Steel Community in 1952, the European Economic Community in 1957, and ultimately the European Union in 1993. Thus, over a period of some fifty years, the very same European nations, which had once been opposed to, and competed with one another, have achieved an unprecedented high level of co-operation. The phasing out of their common borders has created a unified internal market for the countries of the EU, organically integrating and merging their economies. A specific everyday example of this is the establishment of the common currency, the euro, which was introduced in 2002 in the wake of the carefully planned monetary union.

Thus, this European co-operation has established a strong community, which – despite its deficiencies – creates unbreakably strong ties between the nations concerned. As a consequence, the danger of renewed historical conflicts and fierce internal competition is decreased to a minimum. This offers a secure basis for peace and development within the continent.

Very few examples can be found in other parts of the world of such a voluntary integration of sovereign states, and of a willingness to abandon so many elements of national independence. A similar process took place in North America and Switzerland two hundred years ago, although, of course, the conditions were fundamentally different. However, the result was the same everywhere: the birth of internal peace and harmony, as well as a more effective and more powerful protection of interests through joint efforts. Nevertheless, today's Europe is different from the USA, Switzerland or other federal states

in that national independence and separation are mixed with community (union) co-operation; therefore these elements form a very special unity.

As was the case with the other Central and Eastern European states, Hungary had no opportunity for a long time to integrate into the European scheme that evolved and became unified after World War II: the reason for this was the Yalta Agreement, and the opposition between the East and the West in the ideological, political, military and economic fields. It was not until the disintegration of the Soviet dominated eastern block (among other things, the Warsaw Treaty, the Council of Mutual Economic Assistance, internationally known as Comecon, and later the Soviet Union itself) that Central and Eastern Europe could once again join the community of European states on a full and proper basis.

However, in Hungary this integration was not started only upon the breakdown of the Yalta Agreement. The process of restoring Hungary's co-operation with the Western European states had already commenced two or three decades before this. Following the Stalinist period, and after the revolution in 1956, it was recognised at a relatively early stage that Hungary is unquestionably attached to Europe through its interests. At the beginning, amidst the dominant international circumstances of that time, small steps were taken, which initially led to extended commercial contacts. It is true, though, that the real breakthrough was not triggered by this, nor by the fact that Hungary – criticised by the majority of the other socialist countries – joined the most important international economic and financial institutions (GATT in 1973, the World Bank and the International Mone-

tary Fund in 1982) at a relatively early point.

It actually became possible to restore Hungarian and Western European relations when – in the second half of the 1980s – the influence of the Soviet Union gradually diminished, and steps were taken to restore the independence of the Eastern European countries, and in parallel with this the social and political system was changed. Hungary was one of the leaders of this transformation. Being the first to pull down the „iron curtain“ and to sign the Hungary-EC Association Treaty, which placed economic and commercial co-operation onto a new basis, Hungary, together with Poland and the then Czechoslovakia provided an example to the other Central and Eastern European countries. By the early 1990s Hungary had established close political relations with all of the western democratic states, encouraging the other countries in this region to accelerate the transition process.

From the 1950s all the way until the 1990s, Hungary's foreign trade relations were dominated by the Soviet Union and the other socialist countries. Up to 70-75 percent of the country's foreign trade turnover originated from and was oriented to these relations. However, as a result of the changes from the end of the 1980s, a complete geographical rearrangement of these took place: the nations of Western Europe jumped to the top, and, by now, their participation in Hungary's foreign trade, as compared to the previous 15-20 percent, is around two-thirds. The sudden change was not restricted to the shift in the orientation of the turnover. Besides the rapid increase of trade, new forms of economic cooperation were established. In the one and a half decades that have passed since the

**Breakdown of the *acquis communautaire* according to chapters,
and the major transitional exemptions granted to Hungary**

Title of the Acquis chapter	Area of transitional exemption
1 Free movement of goods	–
2 Free movement of persons	–
3 Free movement of services	Investment protection, the level of the startup capital of cooperative credit institutions
4 Free movement of capital	Limitations on the acquisition of property in Hungary; limitation on the purchase of arable land
5 Company law	–
6 Competition policy	Preserving tax preferences for large-scale investors; tax preferences for local governments
7 Agriculture	Preparation of slaughterhouses; protection of winegrowing areas; standardisation for the cages of egg-laying hens
8 Fishing	–
9 Transport policy	Cabotage limitation; restrictions on overfreight vehicles; exemptions for MÁV (Hungarian State Railways) and MALÉV (Hungarian Airline Company)
10 Taxation	Preference VAT rates in certain sectors; keeping the VAT rates of small and medium enterprises at a low level; excise taxation
11 Economic and monetary union	–
12 Statistics	–
13 Social policy, employment	–
14 Energy	–
15 Industrial policy	–
16 Small and medium enterprises	–
17 Science and research	–
18 Education and training	–
19 Telecommunication and information technologies	–
20 Culture and audiovisual policy	–
21 Regional policy	–
22 Environment protection	Packaging waste management; incineration of hazardous waste; conducting sewage water from settlements; air pollutant emission of large heating equipment
23 Consumer protection	–
24 Co-operation in justice and home affairs	–
25 Customs union	Raw aluminium import; relief from customs payment obligations; managing customs free zones
26 External economic relations	–
27 Common foreign and security policy	–
28 Financial control	–
29 Financial and budgetary provisions	–
30 Institutional issues	–
31 Other items	–

beginning of the transition, a complex system of relations, similar to those existing between the members of the Union, was established, with Western participation in foreign direct investments, privatisation, and production co-operation. In this process, a significant role was played by the already mentioned Association Agreement – in everyday usage: European Agreement – signed in December 1991, which ensured further assets for the development of financial, legal and political co-operation. Hungary gained a possibility to begin and accelerate the process of closing up to its Western European partners, in the context of settled conditions, and utilising the more and more complex forms and means of co-operation.

Already prior to the signing the European Agreement, Hungary had made it clear that its main objective was accession to the Euro-Atlantic organisations, i.e. NATO and the European integration. Although the accession to the two organisations implied different processes, there was nevertheless a strong relationship between them, since both required, as a basic condition, the creation of the social, political and economic conditions of democracy, and later the consolidation of democracy itself. Hungary – as well as the other countries that set similar targets – had to lead separate negotiations with these two organisations, and had to certify to both NATO and the European Union that it met their respective expectations. The process was somewhat quicker in the case of NATO, as Hungary – together with Poland and the Czech Republic – became members of the North Atlantic Treaty Organization in March 1999.

The time lag between gaining membership of the two organisations can be explained by the fact

Arts



Beside literature and music, the contribution of Hungarian artists to universal cultural heritage is notable in other areas of art as well. Those listed below give a good idea of the multifaceted cultural heritage that will become a common European treasure with Hungary's accession to the European Union. They can be traced to Bryan Seabó for his film *Mephisto*, Ferenc Kólika for his animation *The Fly* and cinematographer Vilmos Zsigmond, who is resident in the US. The names of Miklós Jancsó and Béla Tarr are similarly familiar among foreign cinematographers. The young film director Kornél Mundruczó has won several international awards. The buildings of József Finta, Ferenc Yulács and 'Father of Hungarian organic architecture' here Makovecz are unique and notable creations throughout Europe. The extraordinarily rich and complex oeuvre of sculptor János Varga, the individual paintings of László Ferber and B. Károlyi, the sensitive and daring gestures of tactile artist Dávid Dobrányi, or performances by the Szeged Contemporary Ballet and the folk Ballet have captured audiences worldwide. Dining services, small sculptures and saucers created in the renowned Herend Porcelain Factory go beyond their original functions to become works of art in themselves. Kiskunhalas lace is a genuine 'Hungarian' too. ... Thanks to the dance house movement nurturing folk dances and folk music in towns as well as villages, and the conscious preservation and care of folk decorative art and objects, Hungarian folkloric themes will continue to do so in our modern society.



Literature



SÁNDOR MÁRAI (1908-1989)

"They speak softly yet they understand each other: the warmth of the wood-paneled walls echoes even the most soft-spoken words. At the wooden body of an instrument echoes on strings."

15th century Renaissance ruler King Matthias owned one of the largest libraries of the age, with over 2000 bound "Codicex". (The word Codicex comes from the Latin for raven, the bird feasting on the royal coat of arms which was painted on each book.) Over the centuries Hungarian and European literature and culture have enjoyed a close relationship which has proven mutually beneficial and stimulating.

Approximately 500 Hungarian novels and collections of verse have been translated in the last five years alone. Sándor Márai's *Enigma* has proven to be a world hit, and at the last count it was available in 24 languages. So far the work *Fareless* by István Kertész – winner of the Nobel Prize for Literature in 2002 – has been translated into 26 languages and it will shortly be available in a further five. Aside from István Kertész, other leading Hungarian writers also top foreign bestseller lists including Péter Esterházy (*Beider Péter* 2002, *Grünzweig Casus* Literary Prize 2003), György Konrad (*International Charlemagne Prize of Aachen* 2001), Péter Márki-Zay (*Grand Prix at the Leipzig Book Fair* 1995, *Vierica Literary Award* 1998) and Magda Szabó (*Pure Prix Fémina* 2002).



MAGDA SZABÓ (1914-1989)

"Everything I know about culture and politics I learnt from my two mothers: Greek history and the wind on the Great Hungarian Plain."

PÉTER ESTERHÁZY (1930-)

"The governmental arena is my life."



ISTVÁN KERTÉSZ (1928-)
The first Hungarian Nobel laureate of the 21st century and the first Hungarian to win the Nobel Prize for literature.

"There can be nothing so impossible that it cannot be done through quite naturally."

that in the case of the European Union it was not only in the relatively narrow sphere of political and military terms that the candidate countries' level of preparedness and conformity had to be proved, but, because of accession conditions, the whole of the national economy had to be brought into harmony with the structures of the Union. This implied special and deep-rooted social and economic transformation measures, efforts and tasks.

In the spirit of the above, Hungary submitted its application for EU membership on 1st April 1994. While the preparations and the negotiations for NATO membership were on-going, the Hungarian government took extraordinary measures in order to accelerate the closing up to the European Union. The direction and development strategies of national economic policy were defined in keeping with this objective. Therefore, the dominant elements of the 1990s were the approximation, the adaptation to Hungary's future European partners, as well as gradual political, legal harmonisation and economic closing up. The aim was to prepare the Hungarian society and economy to meet the membership requirements of the European Union, and to make the country actually ready for membership in the European Union.

Of course, the last decade of the 20th century was not only characterised by the efforts of Hungary – and the other Central and Eastern European states – to adapt themselves to the Union, but the European organisation itself also had to prepare itself to absorb the new members. It has always been a basic idea of the European cooperation that integration into it should be open to any European country. Any state is welcome that meets the

...szóval leheted, éli mindig...
...szélessébe tagyott remekműveinek...
...szemléd, s ha néhány pillanatra is! Né...
...szóval, hogy nem olvastál néhány...
...szóval, Arisztotelész, a Szentírás, Rilke...
...szóval, hogy nem lehet, szólalatsd...
...szóval, Glück vagy Mozart: valamely...
...szóval, hogy nem lehet...

conditions which guarantee smooth co-operation. Earlier the European Communities and later the European Union were enlarged on several instances in harmony with this approach.

The adoption of the new members in 2004 has its own characteristic features just like any earlier enlargement. This time, the large number of the candidates is exceptional, and their economies are relatively poor compared to the majority of the Member States. The EU's population is going to increase by about 80 million people, and the extension involves certain economic and financial tasks for the Union, and there are some sensitive political problems, such as the case of the divided Cyprus. However, the Member States recognised that these challenges are appropriately counter-balanced by the advantages that will emerge for the EU: the internal market will be considerably extended, the European Union and its global position will be stronger, and – above all – the security and political situation of this continent will be further stabilised.

The EU accession is a long process in terms of time, and requires preparation, adjustments and efforts on both sides. Of course, it is the candidate countries that need to undertake the longer way and the – at times only seemingly - heavier burden. This was the case in the past and it remains the case at present. However, it is clear that none of the new members will have to go through such fundamental changes and to make such painful efforts as the ex-socialist countries had to in the course of their transformation, because these countries had about one and a half decades to meet the conditions that their partners in the Union established and achieved over a half a

century, and under much more favourable circumstances.

This dynamic adaptation represents a special challenge not only in terms of its political and economic-financial impact but also in its human aspects. Whole societies, ways of thinking and the mentality of the peoples concerned had to be integrated into the new systems. Although this switch-over brought along grave burdens, the candidate states nevertheless uniformly recognised that the changes, the adaptation and the integration into Europe are not measures enforced by external powers but are rather an essential interest of the countries concerned. After all – while this round of enlargement seemed to be a „simple“ political, economic and legal harmonisation practice for the Member States – for Hungary and the other new members it was still an event with a serious intellectual and emotional content: the completion of their social and economic transition, and the arrival into the European home.

The enlargement of European integration always depends on a political decision made by the Member States. However, in order to make such a decision, the candidate(s) has (have) to meet a suitable level of political, economic and legal maturity. In fact, Hungary has made efforts to meet this expectation ever since the change of regime was started. The recognition and the appreciation of this work was indicated by the fact that the European Union decided in December 1997 to begin accession talks with Hungary, as well as with some other candidate countries. The negotiations launched on 31 March 1998 were successfully completed in December 2002. Each of the candidate countries had to carry a double load during the span of the almost 5-year negotiation

period. On the one hand, they had to continuously fulfil the membership-related requirements, and, on the other hand, they were forced to carry out hard bargaining with the Member States with regard to the conditions for accession. In the meantime, the European Union was not idle either: parallel with the accession dialogue, steps were taken to meet the conditions of accession within the Union, as the Nice Treaty – worked out in 2000 and entered into force on 1 February 2003 – determined the further directions of integration and of the reform of community institutions.

Joining the European Union is seemingly a unilateral process: the candidate countries have to accept the contents of the community's legal order and to provide the basis for applying the community's rules, the *acquis communautaire*. It has never been the integration itself which was adjusted to the new members, but rather the latter ones have had to adapt to the community. This is exactly what happened this time as well. Hungary and the other candidates, in harmony with their national interests, have gradually adjusted to community practices and to the *acquis communautaire*, and have developed their economy and political system in keeping with the expectations of the future membership. By the time the specific issues of the accession were actually put to the agenda, Hungarian practice was already identical with, or similar to the EU practice in many areas.

Although it is always the candidate state that has to seek conformity with the community conditions, this does not mean that the candidate state concerned is not given a chance to protect its interests and to shape the agreement that specifies the concrete conditions of accession. Since the candi-

dates have to fully adapt themselves to the Union – and this requires major intellectual and material efforts –, the countries that are about to join the EU may ask for certain transitional exemptions in specific areas. For example, Hungary managed to achieve that certain community rules do not have to be met immediately – i.e. from the first day of membership – but with some delay only. Table 1 shows that Hungary made use of the opportunity to apply a transitional period in certain areas and in the case of legal rules where the absence of prompt implementation does not disturb the operation of the internal market, but the accelerated implementation had the potential to impose an especially heavy burden both on the population and on the economic players. The transitional measures adopted by the negotiating Parties enable Hungary to perform or to introduce, in a gradual way, some of the

environmental, transport, agricultural and food industrial rules and regulations concerning financial services that involve heavy financial costs.

Both the candidates and the Member States were allowed to request such „exemptions“, and they made use of this opportunity. For example, the EU is delaying the introduction of the enforcement of the free movement of persons and the Common Agricultural Policy. Of course, on the whole, the candidate countries were given more, and the Member States were given less transitional exemptions.

Apart from the exemptions for a definite period of time, the negotiations also covered the clarification of some other issues. For example, Hungary and the EU had to agree on how to take into account the facilities and performances that can be measured and that can be expressed in numerical terms. Thus, an agreement had to be

reached on the size of agricultural land cultivated, on permitted production quantities (quotas), and on the volume of community support granted to Hungary. Agreement was reached with regard to certain institutional questions that stipulate e.g. the voting weight and the representation of Hungary in various institutions (the European Union Council, the European Parliament and elsewhere). Table 2 shows that in the major community institutions the direct influence and the representation of Hungary – twelve council votes, 24 parliamentary seats etc. – is identical with that of the states with a similar population, irrespective of the fact whether it concerns the founders of the integration or states that integrate at a later stage. This fact also indicates that – as far as it is possible in international contacts – equality and equal rights are enforced in this integration.

International talks never bring

Table 2

Distribution of the votes of the EU Member States in the Council and their mandates in the European Parliament

Member states	Votes in the Council	Seat in the EP	Member states	Votes in the Council	Seat in the EP
Austria	10	18	Latvia	4	9
Belgium	12	24	Lithuania	7	13
Cyprus	4	6	Luxemburg	4	6
Czech Republic	12	24	Hungary	12	24
Denmark	7	14	Malta	3	5
United Kingdom	29	78	Germany	29	99
Estonia	4	6	Italy	29	78
Finland	7	14	Portugal	12	24
France	29	78	Spain	27	54
Greece	12	24	Sweden	10	19
Holland	13	27	Slovakia	7	14
Ireland	7	13	Slovenia	4	7
Poland	27	54			
The 25 countries altogether:				321	732

maximum results. The negotiating parties – even in the case of the friendliest relations – necessarily have to reconcile their interests in order to find a compromise. This is what happened at the accession talks as well. No party achieved all that it had intended to achieve at the beginning, but no party was a loser either. In fact, European cooperation is not based on gaining a great deal to the detriment of the others. Here, the objective is to meet every country's requirements to as great a degree as possible. The above mentioned principle of the equality of the Member States is also enforced: countries with a similar population are given the same consideration – irrespective of their level of development and economic position.

In the EU the principle and the practice of positive discrimination is strongly enforced – which is unprecedented compared to other international organisations. Therefore, the small Member States can influence the decisions to a greater extent than their proportionate population. However, the situation is reversed in the case of larger ones: within the Council their voting rate is lower than their proportionate population, and they also have a relatively small representation in the community institutions. This principle serves the purpose for one or more large countries not to gain too much influence, not to take advantage of their power and not to enforce their dominance, so that the smaller countries could also exert an acceptable level of influence on the decision-making processes.

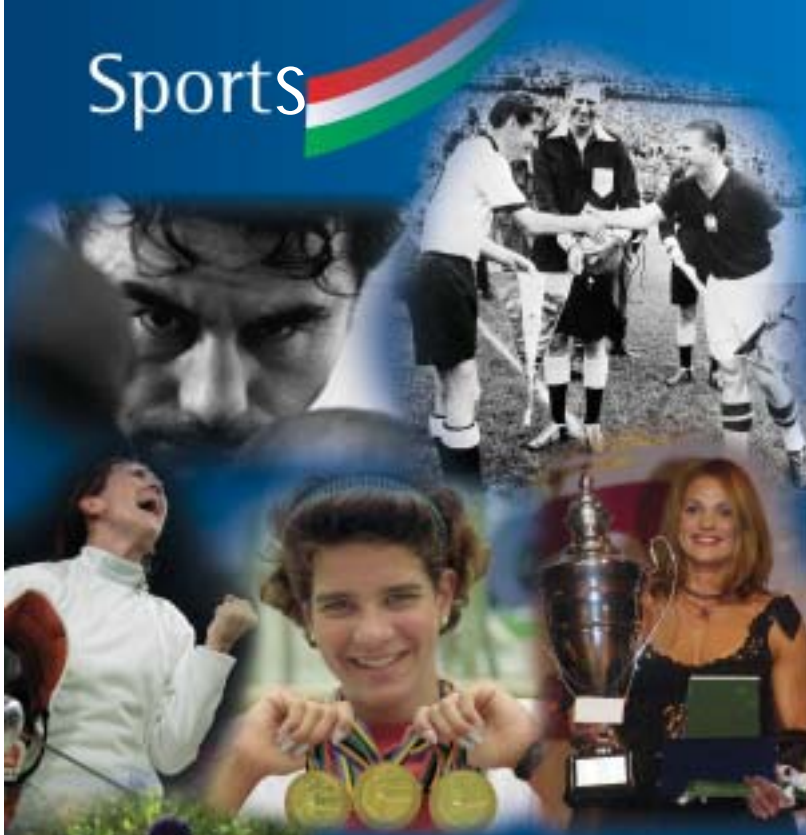
The mutual respect of interests and the principle of equality were also enforced at the latest accession talks. This, however, did not mean that the two negotiating sides had the same power position and interest enforcing ability. Those who

Music



Hungary's music geniuses Ferenc (Franz) Liszt, Béla Bartók and Zoltán Kodály are outstanding figures in universal culture. Of their modern-day Hungarian composer successors perhaps the best known are György Ligeti, Péter Eötvös and György Kurtág. Concerts given by the National Philharmonic Orchestra and the Budapest Festival Orchestra and virtuosos Zoltán Kocsis, Dezső Ránoki and András Schiff regularly attract full houses both at home and abroad. Eva Marton, Andrea Rost and Erőka Miklósi are celebrated vocalists on operatic stages around the globe. Foreign concert halls are keen to welcome artists Miklós Perényi, virtuoso Rózsa Sztájer, János Kathy Horváth and the amazing Anadiólos Percussion Ensemble. Singer Márta Sebestyén and the Mazsikás ensemble are perhaps the finest exponents of their art in the field of authentic Hungarian folk music performance. The illustrious 100-member Gypsy Orchestra is certainly a unique formation and of course across the globe there are thousands of fans of Hungarian gypsy artists who faithfully interpret the immortal works of Imre Kálmán and Ferenc (Franz) Lehár.

Sports



Despite its relatively small population, Hungary ranks as one of the great sporting nations of the world. So far our sportsmen and women have taken 149 gold medals at Summer Olympic Games, placing Hungary 8th in the overall ranking worldwide. Biseri László Papp was crowned Olympic champion three times and the Hungarian National Archer was played on two occasions at three Olympic Games in honor of summer Kristina Egervári.

Disabled Hungarian sportsmen and women have claimed 22 gold, 26 silver and 35 bronze medals at the Paralympics. Ferenc Pál Sárkeres has racked up three Olympic titles.

The internationally acclaimed footballer phenomenon Ferenc Puskás is also one of Hungary's most famous sons. Although football is no longer a Hungarian success story, Hungarian fencers, kayakers, canoeists, swimmers, pentathletes and water polo players consistently finish among the top at international competitions. Among these sporting greats it is worth highlighting the achievements of 12-time world- and 7-time European champion kayaker Katalin Kőrösi.



are already in the European integration are always in a more favourable position than the candidates. At any rate, even despite the numerous disputes, it is hard to question that once again realistic results were reached and mutually favourable agreements were made under the given circumstances. The resulting tasks for the new members are tough but not impossible to carry out, and they provide the opportunity to get prepared to fulfil the membership-related obligations as well as the enforcement of the membership-related rights.

It is worth pointing out this double feature: the Union membership is not only a set of obligations, but it also offers rights, as well as assistance programmes for the less developed members. As a result, the countries that are underdeveloped in certain areas compared to the community average, may receive special support. In order to make use of the rights and opportunities it is indispensable that the parties concerned fully understand how the system and the community mechanisms operate. It is not enough if only the governments are aware of these opportunities. The citizens, and especially those who are running businesses, must understand the consequences of membership. This is so mainly because Union membership does not bring automatic prosperity, either for the individual or for the country. Accession means the unlimited extension of internal market competition to the new members, and – due to the nature of the market - this competition will actually bring results to those who really got prepared and have a competitive edge. The government and the economic players have to make serious efforts in order to work out the most favourable conditions for accession, guaranteeing

for the whole of Hungary and for the majority of the social and economic players to be winners with their EU membership.

Through integration into the EU, Hungary will be the part of an organisation that radiates power, and of a market that contains hundreds of millions of people, operating according to unified internal rules. The uniform system and the phased out borders increase profitability and decrease costs. In addition, the new members will also have a share in the preferences, protection and rights that the older members are entitled to. As has been mentioned above, the principle of equality between the Member States will only be violated where the new members are given transitional exemptions since the community regulations are compulsory for the old members. In certain areas, however, we may not speak of total equality because the older members also requested exemptions for a limited period of time. Some EU countries, for example, temporarily limit the employment facilities of the new members, and in the common agricultural and regional policy the new members do not receive the same level of support as the old EU members.

Despite this, Budapest is counting on considerable support and additional financial resources from the Union budget in order to accelerate the development and the market integration of the Hungarian business entities, since Hungarian entrepreneurs will encounter stricter competition in the Union market than they are accustomed to. At the same time, competition also has the advantage that market players can reach beyond the limited Hungarian national market, gaining access to the whole internal market of the Union, moreover, it

will be easier to reach the world market as well.

The benefits of the legal harmonisation related to EU accession cannot be quantified, nevertheless it is of primary importance. By adopting the *acquis communautaire*, Hungary has not only been integrated into the European social and economic environment, but has also created the conditions that are indispensable anyway for the operation of a modern market economy that is in conformity with the challenges of globalisation and international competition.

The participants of the world's biggest and fast developing market access opportunities – that would be hard to substitute with other means – to promote their economic development. Probably this is the reason why the public opinion in some countries believes that the European co-operation primarily covers economic and commercial co-operation, and less attention is paid to other forms of collaboration. As a matter of fact, the European Union is not exclusively an economic organisation, and the success of membership cannot be judged purely on the basis of economic figures. For example, membership offers increased internal and external security for the member countries. It is a fundamental aspect for internal security that the basic community principles, norms and the stipulations of basic treaties represent a legal and moral force towards respecting and enforcing democracy, law and order, as well as human rights. Belonging to a wider circle of nations, organic integration, and even mutual interdependence obviously play a role in strengthening the external sense of security of the Member States.

New members are becoming more and more aware of increased security, but the coin has two sides.

This means that not only the new members are winners of the integration but the current EU members also benefit from the values and the facilities that the candidates bring with them. Hungary's ten-million consumers' market is not very significant, although it should not be discounted. However, it can be regarded as a considerable market together with the other newcomers. The EU is also enriched by economic and social values and factors such as the highly qualified Central and Eastern European labour force, or the intellectual and cultural „value added“ of the new members. Beside the economic-commercial, intellectual and cultural assets, it is also an aspect to be appreciated in Europe that, over the past one and a half decades this group of countries, including Hungary, has enhanced security and political stability in a region near the crisis zone of former Yugoslavia, where the bloody conflict at the end of the 20th century implied real danger to pan-European peace and security.

The enlargement in 2004 is given special importance by the fact that this will be a giant step towards unifying the whole of the continent. Never before have the peoples of Europe worked in such numbers, scope and unity in order to create prosperity, and to solve common problems. The common problems are: employment, ageing populations, technical and technological challenges, as well as today's most critical issue – terrorism. These problems can be effectively solved only by a united Europe, rather than by a Europe that is divided into regional groups and separate countries.

The enlargement of the European Union is not only a European matter. In a multi-polar world economy and amidst continuously changing global power and political rela-

tions, a strong and unified Europe is not only a competitor to, but also a cooperating partner of the United States, Russia, Japan, China and others. Hungary supports and encourages the principle that the European Union should share the responsibilities and have a part in solving global issues in proportion to its economic weight and political influence. Hungary is ready to cooperate in this field, although its scope is naturally limited due to the country's size and international role. There are, however, areas where Hungary can actually exert a relatively significant impact on events. Thus, for example, the EU can well utilise the Hungarian experience in the Balkans, in its relations with Russia, and with regard to some developing countries, as well as with the states that are interested in social and economic transformation.

The enlargement in 2004 and the accession of the new members bring along deeper co-operation and wider integration. Economic co-operation needs to be further strengthened because certain areas are still not within the scope of co-operation. A series of social and employment problems also require solutions. The European countries have to take more determined steps in the field of research and development despite the joint large-scale efforts and the EU's scientific framework programmes. This is the only way to implement the effort – which is also backed by Hungary – that the European Union should become the world's strongest knowledge-based economy by the 2010s.

The co-operation of the European states also needs to be strengthened in areas that are not related to the economy and commerce but are related to the sensitive areas of national sovereignty.

In 1993, when the European Union was established – by virtue of the Maastricht Treaty – a decision was made on co-operation in foreign and security policy as well as concerning justice and home affairs. Although the joint efforts of the European states did not start at this date in any of the fields, it was the Maastricht Treaty that brought co-operation in these issues up to the level of the Union. Overall co-operation and unified actions form an indispensable prerequisite for enforcing the power and influence of the community. Still, progress is slower than expected. Although the harmonisation of the foreign policy activities of the Member States has improved over the past few years, the institutional background has been strengthened, and the issues of joint defence policy have also been put on the agenda, many people find that the progress to date has been unacceptably slow and limited, and undoubtedly a „uniform European voice“ is still lacking. However, it would be a mistake to underestimate the results that have been achieved, since managing the most sophisticated elements of national sovereignty at the level of the Union is a unique and unprecedented practice.

Hungary is encouraging efforts to strengthen common foreign policy and defence. Hungary recognises that the power positions of the Member States are not identical, but reckons with the consideration of the bigger countries because it is Hungary's standpoint that - in the unified Europe - small countries cannot be excluded from the resolving of political, security policy and military issues. Hungary deems it important that the EU members still maintain their decision-making independence in defence policy that is being shaped now, and that they can freely

decide which common actions they wish to join.

Hungary continues to regard NATO as the basic pillar of European security, but also encourages the establishment of the EU defence dimension. Therefore, the EU should be able to settle its own continental matters, to solve the incurring problems and to independently assume humanitarian or conflict preventive measures. The objective is that the EU, in meeting global security political challenges, should play a role which is conform with its economic and political weight. Hungary is ready to contribute to creating the required economic and military capacities as far as the country's resources permit this.

Hungary emphasises that national and international security should be undivided in common foreign and security policy, and that anti-terrorist actions should be a common task, and urges suitable EU responses to global challenges. In the Accession Treaty Budapest undertook to meet the community expectations and to strengthen its borders, where a long section has become the external border of the EU. Hungary provides for the setting up of the institutional background and enactment of the related legal regulations that are required for border protection.

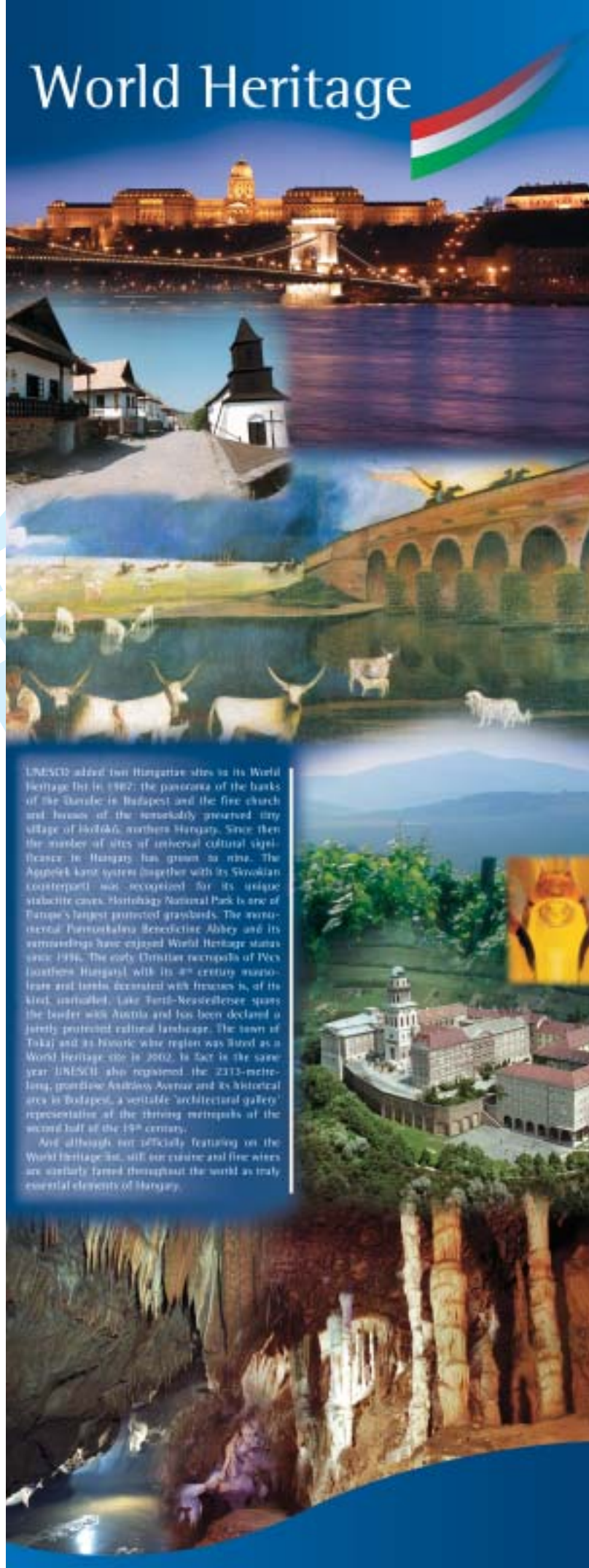
Hungary also has its own special views and interests in the field of the foreign and security policy, and in common defence. It is in Hungary's interests that the common policies result in stabilised political relations in the Carpathian basin and lead to stronger regional co-operation. Hungary has always laid great emphasis on maintaining good relations with its neighbours. Within the framework of common foreign policy, Budapest wishes to continue to be an active player in

strengthening the security and the stability of the Central and Eastern European region. Hungary is deepening and broadening its co-operation with the neighbouring states that have already become EU members, and would also like to assist the partners who have been – for the time being – left out of the European Union. For Hungary, its own accession does not mean the end of „Eastern enlargement“. The country's own security and economic interests – and last but not least the need to maintain contacts with the Hungarians living outside Hungary according to European norms – imply that Hungary should support the development, the social and economic transformation and the EU accession of all of its neighbours. This is so because European unity is simultaneously a Hungarian and a pan-European interest for Hungary.

Hungary – similarly to the other earlier candidates – participated in the work of the European Convention, which in 2002 and 2003 was seeking answers to the most important questions faced by the integration, and which prepared the draft EU constitution.

Hungary played an active part in the work of the Convention and the Inter-Governmental Conference in the years 2003 and 2004. It agreed that the constitutional agreement should define the major rights and obligations of the members, and should clearly define the competences provided by the Member States to the European Union, as well as strengthen the role of the national parliaments and of basic human rights. Budapest also encouraged all ideas that facilitated the strengthening of the democratic features of the integration and rendered the better organisation and greater transparency of the community institutions.

World Heritage



UNESCO added two Hungarian sites to its World Heritage list in 2002: the passivity of the banks of the Danube in Budapest and the fine church and houses of the remarkably preserved tiny village of Kőlkök, northern Hungary. Since then the number of sites of universal cultural significance in Hungary has grown to nine. The Aggtelek karst system (together with its Slovakian counterpart) was recognized for its unique subterranean caves. Hortobágy National Park is one of Europe's largest protected grasslands. The monastic town of Pannonhalma Benedictine Abbey and its surroundings have enjoyed World Heritage status since 1986. The early Christian necropolis of Pécs (another Hungary) with its 8th century mausoleums and tombs decorated with frescoes is, of its kind, unmatched. Lake Fertő-Neusiedlersee spans the border with Austria and has been declared a jointly protected cultural landscape. The town of Tokaj and its historic wine region was listed as a World Heritage site in 2002. In fact in the same year UNESCO also recognized the 2332-metre-long, grandiose Andrássy Avenue and its historical area in Budapest, a veritable "architectural gallery" representative of the thriving metropolis of the second half of the 19th century.

And although not officially featuring on the World Heritage list, still our culture and fine wines are similarly famed throughout the world as truly essential elements of Hungary.

Hungary took the initiative in several issues in the course of the negotiations. For example, the rights of the ethnic minorities were worked out in a very emphasised manner upon a Hungarian proposal. Hungary also intended, together with some other countries, to achieve that enhanced co-operation be more open and inclusive. Thus, more intensive co-operation by a certain group of Member States may continue to be in harmony with the community objectives, and it may not lead to sharply segregated groups within the integration. This is so chiefly because a differentiation within the integration may result in new borders and in the perpetuation of different levels of development.

Hungarian „integration“ policy will remain characterised by constructive conduct in the future. Hungary is aware of the fact that permanent development is only possible within the framework of the EU. Budapest agrees to continuously strengthen integration in areas where respective interests can be best enforced on a community level.

Hungary's citizens also carry the responsibility towards the future of Europe. The ties with Europe and the acceptance of the integration – which represents the closest co-operation – was reflected by the fact that the overwhelming majority of the voters agreed to the accession upon the referendum held in 2003.

Hungary and nine other European states have become full members of the European Union on 1 May 2004. Although this date is of historical importance, it does not imply either a closing or an opening point because, from a historical perspective, this event „only“ represents one given stage in a long process. Membership does not

mean the end of the integration process either. Although Hungary has reached the level indispensable for becoming a member in every sphere, there are still numerous tasks and work to be done in order to catch up with the former EU states.

In October 2003, the European Commission – which evaluates the performance of the Member States and the candidates as well as their eventual breaches of law – published a report on the achievements of the then candidates, including Hungary. This report, which dealt with the countries joining the EU in 2004 for the last time in their capacity as candidates, recognised Hungary's state of preparedness and the progress it had made. At the same time, numerous deficiencies were pointed out. The report claimed that it is necessary to accelerate the development of the Hungarian institutional system, with special regard to the bodies that are required for implementing the community regulations and for controlling the implementation. It is important for Hungary, and especially for the business associations and business people who are counting on community support, to prepare the institutions that co-operate in acquiring and using the instruments of the EU support policy. These institutions will be needed in order to apply for community resources, to distribute and to allocate the resources granted, as well as to monitor the utilisation of the resources.

The membership-related obligations cannot be simply fulfilled by enacting decrees, guidelines and other rules of law. The community regulations must also be applied. No Member State – either old or new - is able to meet all of the expectations perfectly and flawlessly, and observe every legal stip-

ulation. This, however, does not allow anyone to disregard the regulations. It is especially in the interest of the new Member States to observe the legal stipulations because this is the safest way towards making use of the advantages from their membership.

Hungary is continuing its integration into the community work and is adopting the mechanism and the practice of co-operation. Since the signature of the Accession Treaty, the European Union has been treating the new members as full members almost in every field. The candidates had been officially invited to all events where community issues were discussed, even before May 2004. Hungary and the other new members had the opportunity to express their opinions and to protect their standpoints, and at the same time were able to have an insight as to how interests are safeguarded on a national and community level. The new skills and experiences facilitate the new members' ability to become integrated into the European co-operation system and to find their respective places there.

Hungary had observed the co-operation of other countries as well as the development, the prosperity and the advance of the Western European countries from the periphery of European development over several decades, but today Hungary is already a full member of this co-operation. The simple outside observer has become a partner inside the decision-making circle, with respect and authority, and has been given again the historical opportunity to exert a direct influence on European development.

Márta Konrád
János Vándor