ABSTRACTS OF THE ARTICLES

Pension reform in Hungary and Poland. A comparative review

Elaine Fultz

Based on three years' experience, the author summarizes the early challenges encountered in setting up and operating new systems in Hungary and Poland, the Central and Eastern European countries in the forefront of pension privatization. She draws attention to the initial difficulties and to lack of coordination on the provision side between the new old-age pension systems and the unreformed state system of disability pensions. She examines the reasons why the decisions about the major parameters of the new private-pension provisions were postponed. She analyses the degree of participation in the new pension funds, their market structure and performance, and how the conversion costs of privatization have been shared.

The Hungarian pension system before and after the 1998 reform

Mária Augustinovics, Róbert I. Gál, Ágnes Matits, Levente Máté, András Simonovits and János Stahl

The study provides a concise summary of the past and present of the Hungarian pension system. The first part sums up briefly the line of development before the 1998 reform, the reasons why it was needed and the debates that preceded it. The second part deals with the package of reforms enacted in 1997, the changes prescribed in the system of social insurance, and the legal regulation governing the establishment and operation of the private pension funds. The third part analyses the experiences of the first three years after the reform, treating separately the social-insurance system and the private pension funds. The fourth and final part sets out to quantify the costs of conversion and reviews the resulting problems that remain unresolved.

The first four years of the pension reform. Model calculations and facts

Zsolt Ámon, Péter Budavári, Mrs László Hamza, Katalin Haraszti and Annamária Márkus

In devising the pension reform introduced in Hungary in 1998, the Pensions Working Group at the Finance Ministry followed international practice in applying a macro model with a five-year term and a pension model resting on that, to show the macroeconomic and budgetary connections and the effects of these. The model's authors recount in this study the first four years' experience with operating the system, setting out to identify the revealed differences between the model's assumptions and real life. They present first the course of macroeconomic and budgetary events and then the changes in the other decisive elements behind the pension system.

Distributive-contributory pension systems based on personal endowment accounts

János Réti

The 1998 pension reform did not produce fundamental changes in Hungary's social-insurance pension system. The idea arose in 2001 of introducing a personal-account pension system that would bring also to the first pillar, the distributive-contributory system, a closer tie between contributions paid and pension rights obtained. Parallel with the formulation of this idea, there began some investigations into the underlying nature and chief characteristics of distributive-contributory pension systems based on personal endowment accounts. This study looks into the findings of these researches.