

Extended abstract

Hungarian state pensioners in the World

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Introduction

One of the earliest findings of the studies on migration was related to the age composition of the migrant population. It was demonstrated that migrants were mainly young or middle aged. At the end of the 20th century, nonetheless a new phenomenon has appeared namely migration of the elderly. This process has become much more significant during the last decades. International dispersal of pensioners has rarely been investigated by demographers and migration researchers except for studies erected from United Kingdom, United States of America, Australia and Germany. It is to be stressed that in the case of elderly people receiving Hungarian pension abroad we witness something different as compared to the processes of international retirement migration referred to above. They represent a rather special group of people and in this study we analyse pensioners receiving Hungarian pension abroad. We have to note that they form only a part of the Hungarian emigrants of retired age groups living abroad. The majority of these people left Hungary after the 1956 exodus during the 1960s, 70s and especially in the 80s with a valid tourist passport, among whom a lot of people were already middle aged. They were people who mainly left after working already 10–15 years in Hungary. In our present study we investigate the volume, the demographic and geographic composition of Hungarian state pensioners staying abroad for the period between 2000 and 2008.

Process

People receiving Hungarian state pension outside the country represent a peculiar population. It is important to note that not elderly migrants have been investigated, but only those who receive pension type benefits from Hungary. This population is just a special subpopulation in the overall group of the stock of Hungarian elderly emigrants. According to the National Pension Directorate their number steadily increased from 2000 and in 2008 it reached 21,541 people. The youngest part of them left the country in the 1970s and more importantly in the 1980s with a valid tourist passport, among whom there was a large enough population of middle aged people having worked already 10–15 years. The largest part of them emigrated after the 1956 revolution and before.

Gender and age composition

Although among the Hungarian emigrants continuously men formed the majority, due to the differential mortality of the two sexes among the Hungarian state pensioners living abroad women outnumbered men. The sex ratio in 2000 was 53% to the advantage of women, which ratio went up to 57.0% in 2008. The proportion of people below 60 who cannot be considered old, has increased from 4.6% to 7.1% during the investigated period. It is important to note that the increase was mainly due to pensioners below the age of 50. Thus it shows that early retirement also appears and it is not restricted to pensioners living in Hungary. It is also important to note that the age group of the youngest among the elderly (aged between 60–69) has also increased its proportion from 28.1% to 39.3%. This reflects that Hungarian emigrants reaching the age of retirement do not return home, but in increasing proportion they applied for their state pension in Hungary. In 2000 almost half of the pensioners (45.8%) was 70–79 year old meaning that they were born between 1920 and 1929. The significance of this age group is most probably due to those people emigrating in the exodus after the 1956 revolution who already had a working career of ten or more years. Due to the lack of new supplies, their ageing, returning home and last but not least due to mortality their proportion has decreased to a level of 28.9% in 2008 representing only the second largest age group. The increase of the proportion of those aged between 80 and 89 years (in 2008 21.7%) is not surprising in the light of the above mentioned trends, but in addition the selection mechanism of international migration shall also be taken into account. The same arguments can be formulated with regard to the age group of people above the age of 90.

The geographical distribution

The geographical distribution of those receiving state pension abroad looks very diverse at the first sight. Map 1 shows that there are Hungarian pensioners in all the major continents of the world. Only Asia and Sub-Saharan Africa has been very rarely the targets of Hungarian pensioners. At the same time it is also true that on certain continents and in certain countries more pensioners live than in neighbouring countries. It seems rather clear that Hungarian pensioners also opted for countries, which have traditionally received large numbers of immigrants. Concerning the geographic distribution of this group it turns out that excluding most of the Asian and African countries Hungarian pensioners can appear in many corners of the world. The most important target countries are those, which traditionally receive a large number of immigrants anyway. These countries include Canada, United States, Brazil, Argentina, South Africa, Israel and Australia. At the millennium more than 40% of the Hungarian pensioners living abroad resided in the two countries of North America, while one third stayed in the EU-15 states. The most important countries were Germany, Sweden, Austria, United Kingdom and Greece. In addition there were two non-EU countries at that time which provided some home for Hungarian pensioners (one tenth of them): Switzerland and Slovakia. Between 2000 and 2008 There was a radical shift in the geographical composition. Germany has become the most important host country with

an increase by four times and Austria could gain in this respect also. With these changes and the extension of the EU (first of all Slovakia) the European Union has become the most important target area.

Fiscal impact

Average pensions transferred abroad has been continuously lower than the average pensions paid in Hungary. Also the direction of the change is clear as with an intensifying divergence the nominal value of average sums sent abroad have become increasingly lower as compared to pensions paid in Hungary. In 2008 the multiplier was already two between the two average figures. Behind this gap the most important factors could be the much shorter average working career, the increase of time spent after the actual work in Hungary, changes in calculating pensions. These considerations also demonstrate that Hungarian state pensioners living abroad cannot really be in the group of pensioners enjoying wealth and comfort in the receiving country. Most probably people analysed in this study became old in place where they receive the Hungarian state pension. Altogether we can state the group of Hungarian pensioners cannot be regarded as “wealthy” elderly who stay abroad in order to have a pleasant and comfortable life. They cannot be put into the category of retired international migrants seeking amenity. The average sums they receive is much lower as compared the local pensions and the financial gap just increased during the investigated period. In this respect it seems that the Hungarian example echoes that of elderly migrants who maintain a weak and partial link to the Hungarian state and they receive just some additional income they deserve on the basis of work performed much earlier. Thus beyond the pensioners of richer countries looking for advantages by moving in global space there are groups of retired ageing in place who have not and probably cannot capitalise on previous migration even in their elderly life stages.