

Act XCIII of 2011
on the National Economic and Social Council

In recognition of the role of economic and social dialogue, in order to discuss strategies of national economy and social policy and to promote a consensus among various interest groups of society, in consideration of the experiences of other member states of the European Union, and of the fundamental principles laid down in the Treaty of Lisbon of the European Union, Parliament hereby passes the following Act:

1. Scope of the Act

1. § The scope of this Act shall cover the National Economic and Social Council (hereinafter: Council), its members and the government agencies and individuals performing tasks related to the Council.

2. Objective of establishing the Council and its operative principles

2. § (1) The Council shall be a consultative, proposal-making and advisory body independent from Parliament and the Government, established to discuss comprehensive matters affecting the development of the economy and society, and national strategies across government cycles, and to promote the development and implementation of harmonious and balanced economic development and the related social models. Also, it shall be the most extensive and diverse consultative forum for social dialogue between the advocacy groups of employers and employees, business chambers, NGOs active in the field of national policy, Hungarian representatives of academia and the arts both in and outside Hungary, and churches defined by a special Act.

(2) The Council shall operate with the participation of

- a)* advocacy groups and organizations of employers and employees,
- b)* national business chambers,
- c)* NGOs active in the field of national policy,
- d)* historical churches defined by a special Act,
- e)* Hungarian representatives of academia both in and outside Hungary and
- f)* Hungarian representatives of the arts both in and outside Hungary.

(3) The Council shall strive to achieve the widest national consensus, and shall take into consideration the European Union's consultation practices during its operation.

3. The Council's responsibilities

3. § (1) Within its competence of performing consultation, giving opinions and making proposals, the Council shall

- a)* monitor and analyse the socio-economic development of Hungary,
- b)* elaborate proposals for Parliament and the Government for the solution of comprehensive macro-economic and social problems,
- c)* discuss government strategies and schemes in terms of employment policy, the labour market, the distribution of revenues affecting society at large, and basic issues related to the economy, employment, the changes in revenues and social policy,
- d)* give opinions on the proposed Government measures which directly affect businesses, employment and society at large,
- e)* participate in the exploration of the effects of laws and other Government decisions, and shall inform the Government accordingly,
- f)* engage in consultations on strategic matters related to the European Union,

g) discuss any matter of national policy or social policy which the Council puts on its agenda upon recommendation of two-thirds of its members.

(2) The Speaker of the House, the Chairpersons of Parliament Commissions, the Government or Government members may request the Council for a position or opinion, and the Council is obliged to grant such request within 30 days, and make a verbal presentation of such position or opinion before the competent Parliament Commission at its request.

(3) The addressees must consider the Council's proposals, and inform the Council about the result of such consideration.

4. Members of the Council

4. § (1) The members of the Council are organisations defined in this paragraph, which participate in the work of the Council through their representatives and delegates (hereinafter altogether representatives). The members of the Council shall constitute sides. The Council shall be comprised of the following sides:

1. representatives of the economy

a) presidents of the national advocacy groups and organizations of employers as defined by the present Act,

b) presidents of national business chambers,

c) representatives of NGOs under Association Act, which, according to their deeds of foundation, aim to represent interests related to the economy, and the members of which have a considerable market share or economic weight in their fields of activity, and their participation is approved by the members under points a) and b);

2. presidents of the national advocacy groups and organizations of employees as defined by the present Act;

3. representatives of NGOs under the Association Act, including NGOs active in the field of national policy;

4. representatives of the academia

a) the President of the Hungarian Academy of Sciences,

b) two representatives delegated by the Hungarian Academy of Sciences,

c) a representative of Hungarian scientific life outside Hungary appointed by the Hungarian Academy of Sciences

d) the president and one representative of the Hungarian Rectors' Conference

e) two representatives appointed by the Hungarian Society of Economics,

5. representatives of the arts

a) the president of the Hungarian Academy of Arts

b) two representatives appointed by the Hungarian Academy of Arts

c) a representative of Hungarian arts outside Hungary appointed by the Hungarian Academy of Arts;

6) representatives of those four religious communities which, through their experiences based on their historic and social role, social acceptance, social integration, organisational know-how and the public benefit activities traditionally practiced by these communities – as well as peculiarities of the public benefit activities carried out in cooperation with other organizations -- are the most significant.

(2) The mandate of members shall be valid for four years, and the starting date of the mandate shall be the date of the first plenary session of the new Council. The mandate of the representatives can be renewed. If the mandate of a representative terminates before the termination date, the mandate of the newly commissioned representative shall last until the remaining time of the original representative.

(3) The members shall not be remunerated for their work within the Council.

(4) The members of the Council defined by subsection (1), paragraphs 1. *a)* and 2 may exclusively be national advocacy groups and organizations which comply with the criteria set out in subsections (5)–(8).

(5) For the purposes of this Act, advocacy groups and organizations shall be NGOs established under Act 5 of 2013 on the Civil Code and the Association Act,

a) with the primary objective, according to their by-laws, to promote and protect the interests of employees related to employment, or

b) whose objectives defined by their by-laws shall include the protection and representation of interests of employers related to employment.

(6) Advocacy groups shall be called national if, in addition to the criteria defined by subsection (1), points 1.a) and 2. their membership is comprised by

a) trade unions and federations of trade unions, or

b) advocacy groups and organizations or federations of employers, and they organise their activity at a national level.

(7) For the purposes of this article, an affiliated organisation shall mean advocacy groups and organizations or federations of employers which comprise trade unions, or federations of trade unions.

(8) Participation in the Council shall be open to

a) federations of trade unions

aa) which have affiliated organisations active in at least four branches and at least twelve sub-branches of national economy, and

ab) which have affiliated organisations in at least eight counties or whose affiliated organisations have territorial or county organisations, and

ac) whose affiliated organisations jointly have individual workplace organisations with at least one hundred and fifty employers or such that comply with the by-laws of the affiliated organisation, and;

b) federations of employers

ba) which have affiliated organisations in at least two branches and at least six sub-branches of national economy, and

bb) whose affiliated organisations have territorial organisations in at least ten counties, and

bc) whose membership, or that of its affiliated organisations, comprises at least one thousand employers and businesses, or whose membership, or that of its affiliated organisations employ at least one hundred thousand people.

(9) In order to meet the criteria set out in subsection (8), the advocacy groups of employees and employers may form coalitions.

(10) At least 60 days prior to the termination of mandates of the representatives of the Council, organisations specified in subsection (1) must submit to the president of the Council, the names of the representative(s) for the following four years. Organizations specified under subsection (1) 4. a)-d) and 5. and 6. do not have to verify their right of participation in the Council.

(11) Within 15 days prior to the termination of mandates of the representatives of the Council, the president gives the credentials to the new representatives. At the same time, the president convenes the inaugural plenary meeting.

(12) Organizations, which meet the membership criteria of this act, but do not participate in the work of the Council through their representatives, may apply for participation, upon submitting the documents verifying their eligibility as well as the name of the appointed representative to the president.

(13) The detailed procedural rules of examining whether the membership criteria are fulfilled are laid down in the organizational and operational rules of the Council.

(14) Representatives specified in section 6/A, subsection (3) shall examine the documents submitted by the applicant within 15 working days, and, if necessary, call the applicant for subsequent disclosure with a time limit of 8 working days. Within 45 days of receipt of the application, the president issues the credentials to the representatives of the new members, who meet the membership criteria, and the starting date of the membership of the applicant shall be the date of issue of the credentials. The mandate of the representatives of the new members, in accordance with subsection (2), shall be the same as the mandate of the Council.

(15) Members shall immediately inform the presidency and secretariat of the Council, if they do not comply with the criteria laid down in this act. The secretariat of the Council shall immediately delete the member from the registry of membership.

5. Permanent guests of the Council

5. § (1) The Ministers or state executives appointed by them shall attend the Council's plenary sessions as permanent guests with a consultative right.

(2) The President or Vice President of the Hungarian Competition Authority and the Central Statistical Office shall attend the Council's plenary sessions as guests with a consultative right.

(3) Members of the Hungarian national delegation of the three sides ("employers", "workers" and "various interests' groups") of the European Economic and Social Committee shall attend the Council's plenary sessions as guests with a consultative right.

6. The President of the Council

6. § (1) The rotating President of the Council shall be responsible for the tasks related to the operation, organisation, convening, chairing and representation of the Council's sessions.

(2) The rotating President of the Council shall be elected from the representatives of the sides. The sides providing the rotating President shall take turns in the order set out in Section 4 (1) every six months. The side holding the rotating Presidency shall nominate a rotating President from among its own members.

6/A. § (1) The work of the Council shall be assisted by the presidency, which is responsible for carrying out the annual work plan of the Council.

(2) The presidency is composed of the

- a) President
- b) the President preceding the current president
- c) the President succeeding the current president

(3) The presidency, together with two representatives of the sides specified in section 4 subsection (1) each, shall examine the existence of the fulfilment of the membership criteria.

7. The working regime and operation of the Council

7. § (1) The Council shall perform its work at plenary sessions. The plenary session shall be convened by the president as necessary but at least two times a year. The plenary session must also be convened at the written request of at least two sides or at least one third of the members.

(2) In the matters on its agenda, the Council's plenary session shall

- a) engage in consultation and, and accordingly,
- b) give opinions,
- c) adopt positions,
- d) make proposals,
- e) adopt recommendations,
- f) take decisions on its own operation.

(3) The Council's work shall be assisted by the Secretariat. The personal and physical conditions of the Secretariat shall be provided by the Minister responsible for the development of the social and civil relations (hereinafter: Minister). The Secretariat shall keep a register of the members of the Council.

(4) The professional working groups shall have their work organised by the Secretariat.

(5) The Secretariat shall be an organisational unit separated from the Council, responsible for coordination tasks. Accordingly, it shall

a) promote the administrative and informative tasks related to the Council's operation,

b) provide the infrastructure required for the Council's operation.

c) prepare and organise the Council's meetings.

(6) The members of the Council shall adopt united positions on each side. In the event of decision-making, each side of the Council shall have one vote. Unless otherwise provided for by the Council's Regulation of Organisation and Operation (hereinafter: Regulation), the Council shall make decisions by simple majority.

(7) The Council shall determine its Regulation, other regulations and working plans. The adoption and amendment of the Regulation shall be subject to a two-thirds majority vote of the Council's members.

(8) If the sides of the Council do not meet the criteria for nominating delegates, as laid down in the legal acts, even after thirty days following the termination of the deadline for delegation, the Council shall be entitled to appoint the delegates.

(9) Within the Council, permanent working groups or ad hoc working groups, responsible for certain tasks, may operate. The professional working groups are responsible for the preparation of the plenary work, for formulating the problems and questions related to the discussed topic, for preparing the united statement, and for noting dissenting opinions.

8. The publicity of the Council's operation

8. § (1) The Council shall prepare a report on its activity carried out in the previous year by 31 March, and publish it on the Government's website.

(2) The opinions, positions, proposals and recommendations of the Council shall be published on the Government's website.

(3) The Minister shall, by 31 March every year, prepare a report on how the opinions, positions and recommendations of the Council in the previous year were made use of in the legislation and the work of the Government.

9. Closing provisions

9. § This Act shall come into force on the eighth day after its announcement.

10. § (1) Members of the Council active at the coming into force of Act XLV of 2016 on the modification of Act XCIII of 2011 on the National Economic and Social Council (hereinafter Modifying Act) must certify within 90 days following the coming into force of the Modifying Act, to the presidency and the representatives of the sides defined in section 6/A subsection (3), that they meet the criteria set out for their right of participation in the work of the Council.

(2) Organizations specified under points 4. and 6. of subsection (1) section 4, do not have to make the certification defined in subsection (1).

(3) In case of members where the examination of the fulfilment of the membership criteria is necessary, the committee referred to in section 6/A, subsection (3) examines the documents and the existence of the fulfilment of the legal criteria within 15 days of receipt by the presidency of the documents submitted in accordance with subsection (1).

(4) The membership of those members who do not certify the fulfilment of the membership criteria within the time limit set out in subsection (1), shall be ceased on the 91st day following the coming into force of the Modifying Act.

(5) Organizations entitled to nominate representatives in accordance with section 4, subsection (1), point 4 and 6, must notify the president, in writing, of their representatives, within 90 days of the coming into force of the Modifying Act.

(6) The plenary session following the coming into force of the Modifying Act shall be convened by the president within 120 days after this Act comes into force, and that plenary session shall mark the start of the four-year-mandate of the Council.

11. § (1)

(2) Where a law mentions the National Council for the Reconciliation of Interests, it shall mean the National Economic and Social Council. Where a law mentions the Committee for Labour Safety of the National Council for the Reconciliation of Interests, it shall mean the Committee for Labour Safety under Section 78 of the Labour Safety Act.