### Political Dynamics As Catalyst of Institutional Change: The Example of The Hungarian Chambers of Industry And Commerce

### ABSTRACT

The study deals with the development of the chambers of commerce and industry in Hungary from an organisational-historical perspective. After a short description of the historical background and the development of the chambers of commerce the paper concentrates on the institutional change after the political turn of 1989/1990. The case of the Hungarian chambers in the last three decades is presented as an example of strong changes that occurred primarily through a politically influenced dynamic. Although – as a result of farreaching debates – a public chamber system with compulsory membership was introduced in Hungary after the political change (1994) an institutional change could already be observed after 5 years. On the one hand, the chambers of crafts were abolished as independent organisations and integrated into the chambers of industry and commerce, besides the compulsory membership in these was abolished (1999). After a further decade, compulsory registration was introduced for all companies in Hungary (2012), without linking it to the real membership rights of the chamber organisation. The author primarily focuses on political considerations as an explanation for institutional change. In the postsocialist transformation country, the political actors were and are endeavouring to maximise their positions of power and to secure the maintenance of power in the long term through various measures. This also includes institutional changes in organisations located in the mezzosphere between state and citizen. At first, the idea of abolishing compulsory membership allowed voters to be mobilized at the elections and then political-ideological opponents could be removed from the leadership of the weakened chamber structure. Naturally, the institutional change also had an influence on the activities of the chamber organisation and affected the changing tasks, financing bases and the internal structures of the Hungarian chambers until today.

**Keywords:** chambers of commerce and industry, institutional change, regime change, decision-making, advocacy group, interest-representation

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#### INTRODUCTION

The history of the Hungarian economic chambers is just as old as the formation of the structures of the modern Hungarian civilian state. In this way, the establishment of the Hungarian chamber movement was fully in line with the continental European trends of the 19<sup>th</sup> century. Accordingly, the development of the economic chambers in Hungary shows similarity with the same institutions of the continent until the end of the civil age and the implementation of the post-WWII dictatorial communist state model. Moreover, during this period, the chambers' functions did not differ from the mainstream chamber typology in Europe.

Today, the chambers of commerce are a global institutional form, represented not only at the national level, but also in European associations (Eurochambres) and in an international, worldwide umbrella organization (International Chamber of Commerce). This supports the view that a legal representation of interest – and the appearance of neocorporatist efforts in political life – is not contrary to the notion of democracy. This leads not only to a solid implementation of formal organisational structures, but also assumes that citizens take part in decision making actively (participation). Chamber autonomy is a topic that is especially worth attention within this process. Chambers of commerce and industry play an important role at least in government systems and capitalism variants, which are characterised by a high degree of delegation of tasks and coordination of corporate relations. In the upcoming paragraphs we are going to perform a deeper analysis of the historical development and current challenges of Hungarian chambers of commerce with a focus on their institutional changes, tasks and involvement in the political system of a post-socialist transformation state, to what extent they are now involved in decision-making and are regarded by the state as partners and by their members as genuine representatives of their interests.

### DEFINITIONS AND SCIENTIFIC BACKGROUND

According to the nature of the circle represented, the European chamber systems can be divided into two groups. One of them is the chambers of commerce which usually include chambers of commerce and industry, agriculture, as well as craftsmen, and in some places exceptionally established chambers of workers and employees. The other group is made up of professional chambers which usually bring together different circles of intellectuals. Traditionally, such organizations are founded by the professions of lawyers, notaries, engineers, and medical professions, but there are also many chambers of modern professions, such as patent attorneys, auditors or other health professionals, or teachers. (Kluth, 2005; Strausz - Zachar, 2008.) It is a new trend to classify modern chambers of commerce and industry as generalist business associations. As generalists, they can choose to be active in a wider or narrower range of activities and topics and it allows the analysis of strategies that mobilize the support of (potential) members from among whom those resources can be extracted that the organizations need for their survival and growth. (Pelinka - Smekal, 1996.) "At the same time, this classification focuses on the ability of the chambers to access and influence public decision-making processes and thus to obtain resources such as licences, financial support or advantageous legislation." (Bernhagen, 2017, 36.)

It is also worth referring to the duality characterising the chamber autonomies established in the European culture. In the historical point of view we may differentiate – with a slight simplification – between two main types of professional/economic self-

governments: the Anglo-Saxon and the continental interest representation models. The establishment of the structures belonging to the Anglo-Saxon system is typical of Great Britain and its colonies – in this respect this group includes the United States as well. An important attribute of the Anglo-Saxon chamber systems is that they may be regarded as self-organisations fully built from the bottom: the central power was not present at their birth, therefore they were granted no state licences of any kind. These organisations were not legal entities created by law, but were/are actually functioning as associations: each merchant, craftsman, lawyer, economist etc. could decide for himself to be a member of the chamber or not. The organisation rarely participates in professional public administration, and neither helps the government by counselling work in an institutional form. Its activity - in the case of chambers of economy - is mainly concentrated on promoting the establishment and facilitation of business contacts, while in the case of professional bodies of ethical issues, its task is the representation of its members' interests, and self-help. The chambers following the Anglo-Saxon model are (virtually) fully independent of the government and state public administration, although due to their optional membership system they represent only a fraction of the particular economic/professional circle, therefore their financial strength and social weight is often fairly little. (Korinek, 1991.; Strausz, 2008, 26-33.)

The other group of chambers shown in this presentation of historical development contains the economic/professional self-governments organised on the basis of the continental model. These were mainly established following the French pattern, and were markedly different – and still different in our days – from the structures set up in the Anglo-Saxon countries. The chamber organisations created all over the European continent since the 19<sup>th</sup> century were mostly established by central will, and their sphere of authority, tasks and responsibilities were regulated by legal decrees, later by the law. They were usually organised on the basis of a compulsory membership system, and their main tasks were to assist the preparation of legislation related to the represented sphere by suggestions and proposals, and represent the interests of the given economic/professional circle towards the government and the society. In the course of time, the chambers organised on the basis of the continental model became legal interest representation bodies that included the whole of a particular sphere, and through regular contact with the government they exerted some influence on the legislation as well. (Kluth, 2005a.)

Regarding the development course shown in details, it is worth emphasising that French influence especially appeared in Central Eastern Europe with the Napoleonic Wars, and the idea of chambers also gained ground from the 1848 wave of revolutions. It was an important feature of the chamber organisations established in France that the monarchic/governmental and public administrative power had a strong influence on them, so the autonomy and the individual – possibly initiative – activities of these structures could only be implemented in a very limited range. Therefore, these bodies may be considered as the executives and "extended arms" of the central will coming from above, rather than interest representatives independent of external factors, serving their own members. On the other hand, in several other European countries including Southern countries, Germany, and Austria, chamber structures with more freedom and – regarding their licenses – broader influence were established. (Kluth – Rieger, 2004, 4-8.; Kluth, 2005b, 41-108.)

In our research it is particularly important to draw attention to the role of the state in shaping the organizational environment of the chambers. According to Bernhagen (2017, 43.), the most obvious way in which the state can shape the structure and effectiveness of

a chamber system is to decide how membership is to be regulated (mandatory or not) and whether the chambers should (or should not) be assigned a public-law status. In the case of the Hungarian chambers, this can be observed more often in the transformation process of the last three decades. But even below this level of intervention, there is further room for manoeuvring. This includes, for example, changes in the structures of economic interest representation in order to rationalize them because they are perceived as bulky and ineffective. It's possibility is offered by the granting or the withdrawal of participatory privileges (participation in various political committees and bodies) and thus the creation of neo-corporatist structures. The attempts by the state to exert influence in order to change the role of the chambers will also be an important starting point in the following study.

## THE HISTORICAL DEVELOPMENT OF THE HUNGARIAN CHAMBERS OF COMMERCE AND INDUSTRY

As mentioned above, the establishment of the Hungarian chamber movement was fully in line with the continental European trends of the 19<sup>th</sup> century. The first attempt to create chambers was made at the time of the Napoleonic Wars under French influence, but they only served the public temporarily. However, these modern age institutions indispensable in the fields of economy were established at long last by imperial order in the year of 1850. During these years the chambers of commerce became an indispensable factor in the promotion of the new economic structures and policies. The first golden age took place in the context of the Danube monarchy. With the restoration of the historical Hungarian constitutionality in 1867, the chambers could also be placed on a new legal basis: with Article VI of 1868, the chambers became a liberal self-government structure according to the principle of general and obligatory representation of interests; this law regulated the interests of the economic chamber structures until the 1930s. In the era of full capitalism, three areas of the chamber's activity emerged: economic-organizational and interest representation activities, issues of professional and further education, and the assumption of public administrative tasks. (During this period, the chamber's activities focused on the development of trade, the enforcement of market conduct rules, the support of the general interests of the parties involved in the economy, the dissemination of new techniques and models of leadership, as well as on advising and opinion-forming for public administration in economic matters. The Hungarian chambers of industry and commerce repeatedly pointed out the shortcomings of rail transport, the need to build railway bridges over the Danube, and the need for a network of telecommunications offices, training opportunities for merchants, a higher educational institution for economic protagonists and the National Bank. They participated in the new industrial law. In the field of social policy, as early as 1870, they dealt with the issue of cheap housing for workers and started their own movement in the interests of rest on Sundays. The interest groups also participated in the creation of workers' protection and health insurance laws at the end of the 19<sup>th</sup> century.) In this period chambers were built not only in the field of industry and commerce, but also in the freelances. (Zachar, 2005, 115-126.)

After a brief transition period in 1918-1919, when the socialist and communist governments tried to eradicate all aspects of bourgeois life, the chambers experienced a second period of prosperity in the interwar era. Without discussing detail issues here, it should be noted that the chambers played an important role in society. The chambers of commerce were anxious to react to the new socio-economic situation created after the

Trianon peace dictatorship: the Chamber of Commerce and Industry in Budapest, for example, recognized the importance of foreign relations and therefore significantly expanded the scope of competence of the Foreign Trade Section. The new education policy under Minister Kunó Klebelsberg and the creation of individual foundations by the chambers enabled the most talented students to travel to Western European university centres. The chambers increased the intensity of their own initiatives. For example, they played an important role in the organization of the Budapest International Trade Fair, the support of the trade school network, and (in partnership with the state) the economic reintegration of the areas returned after 1938. Therefore, these organizations became major players in 19<sup>th</sup>/20<sup>th</sup> century economic and social interest reconciliation processes. (Strausz, 2008, 51-65.; Zachar, 2013, 141-159.)

In this epoch the relations of the chambers to the sphere of politics were already very pronounced. On the one hand, the chambers endeavoured to represent their members vis-à-vis the state. On the other hand, however, they were involved in state administration tasks and thus took over responsibilities of state power. The parliament's upper house, established in 1926, was an important forum for the outlet of legitimate interest representatives. Each chamber type in Hungary had the right to send a certain number of delegates to the upper house and thereby influence the legislative work. This was also supplemented by the right to get to know and assess in advance the planned laws affecting their fields of expertise. Of course, the chambers were not spared the political encroachments of the political decision-makers either. On the one hand, the 1930s were characterized by increasingly intensive centralization, which led to politics trying more and more to establish its will over the chambers; while on the other, the chambers were also a means of enforcing authoritarian tendencies, especially discrimination against citizens of Jewish descent. (Strausz, 2008.)

After 1945, however, these organisations were not able to further improve their activities. With the occupation of Hungary by the troops of the National Socialist Third Reich on 19<sup>th</sup> March 1944 and the subsequent occupation by Soviet troops, a return to the bourgeois institutions of the preceding epoch was impossible. From the outset, there was an aspiration to expand a permanent political, social and economic institution along Soviet lines, and this model in the spirit of powerful centralization rigidly rejected any self-governing organization. With the growing dominance of the Communist Party, this aspiration became more and more prominent. With the growing nationalization and the final takeover of power by the communists in the manipulated elections in 1947, the most traditional chamber autonomies were dissolved: with the government decree no. 5590/1948, the chambers of commerce were finally handed over to the history for several decades. (In the field of economy, the only organization in the "state socialist era" called a chamber was the Hungarian Chamber of Commerce. However, it was not the legal successor of the former Chamber of Commerce, but a new institution founded to promote foreign trade and meet the expectations of the state. The Chamber of Commerce was thus only a shadow of its predecessor: it was not allowed to represent interests and only performed various delegated tasks in connection with foreign trade.)

# INSTITUTIONAL CHANGE AND POLITICAL DYNAMICS OF CHAMBERS OF COMMERCE IN THE MODERN HUNGARIAN DEMOCRACY

The Hungarian chamber movement gained new momentum after the political changes of 1989/1990. On the basis of Act II of 1989 on the right of association a huge number of organisations emerged and tried to achieve political as well as social and economic advantages from the reputation word "chamber". The number of members, financial possibilities and therefore the room for manoeuvre possessed by these organisations established on voluntary membership basis widely differed. These chambers varied from the sector of economy to notaries, musicians, medical professionals, or security guards. The character and self-organisation of these 'associative chambers' were very similar to those of the chambers of the Anglo-Saxon system. If these chambers were active according to their legal basis, they had no deep contacts or conflicts with the political sphere or power.

In the mid-1990s the chamber structures were restructured by law, although the technical aspects were often overridden by the interests of politics. The "great change" regarding the chamber structures came when the state tasks were reconsidered and corporate interests were articulated: with the integration of the concept of "public body" into the Hungarian legal system with Article XCII of the Law of 1993, a new, comprehensive regulation of the chamber structures could be prepared. (Fazekas, 2009, 94-96.) As a result of political and social debates, a new and strong economic chamber structure similar to most Western European patterns, based on historical experience and compulsory membership, could be created in Hungary. The new law on chambers of commerce (Act XVI./1994) was passed by the Hungarian parliament without any dissenting vote (!) and thus created the second comprehensive legal regulation of the Hungarian chambers of commerce after 1868. The chambers regained their character as public corporations, which they had already held in the interwar period; with the help of this legal basis and compulsory membership, the individual interests and aspirations of the individual sectors and branches of the economy were pushed into the background or balanced and the entire Hungarian economy was represented in the negotiations and dialogue processes with the government or with local politics.

In addition to representing the general interests of the economy, the chambers were required to promote the economy in the traditional way, to guarantee the security of business transactions and to assume public law tasks of state administration (quasiauthority function). The chambers tried to make a name for themselves again in technical and further education and to spread new theories of management and organisational science also in the interest of maintaining decency and custom in business life ("honorable businessman"). As initiatives in this direction entrepreneur clubs were brought into being: the so-called Business club united the large enterprises, while the small and medium-size enterprises gathered in the Silver club, especially to find new business partners. The services provided to its members also included the publication of a magazine (Budapest Business Journal) and the establishment of several foundations. The aim of the foundation "Baross Gábor Vállalkozási Alapítvány" was to prepare Hungarian small and medium-sized enterprises for the challenges of the market economy and to help them develop further. The cooperation with the Canadian Acadia University for the organization of management courses was also connected to this. The foundation "Magyar Menedzsment Intézet Alapítvány" has dedicated itself from the beginning to the dissemination of civic leadership and entrepreneur-culture, as well as to the strengthening of Hungarian management education.

Despite a strong start and big plans the regulations of the Chamber Act, which were supported by the consensus and consent of all six parliamentary parties and the organisations concerned, were already changed in 1994 as a result of a change of government. With an unprecedented manoeuvre in Hungarian politics, the new socialist-liberal government under Gyula Horn did not change the financial regulations of the interest groups by amending the Chamber Act, but with the directives of the Act on the Budget for 1995. Thus the chambers remained without financial bases, they received neither real estate nor business premises and even the compulsory contributions of the members had to be paid already in the first year of the formation of the chambers. These changes greatly increased the resistance of the membership; the first official contact of the Chamber with its members came about because of the payment of the compulsory contributions. The situation continued to deteriorate as the Chambers had to expand their infrastructure rather than directly serve their members; however, it even happened that the transfer of administrative tasks was slower and delayed due to opposition from government bodies and to the lack of decrees.

From the very beginning we have found efforts that the chambers tried to articulate their opinions as clearly as possible in the sphere of politics as well. They had to establish close contacts with local self-governments, members of parliament and the government. The chambers recognized that "the opening of a dialogue with the political forces capable of governing" was indispensable for the implementation of their economic policy goals. "The support of the political forces, which identified with the chamber's goals, could guarantee the efforts made to achieve them later." (Szöllősi, 1998, 54;56.) But it was precisely in this area that great difficulties arose at first: in national politics the word of the economic interest groups was not always taken into account, and in local politics they were not always given voting rights or opportunities to participate in the self-governing bodies. So it is not surprising that the chambers repeatedly expressed the wish to deepen the regular dialogue with the respective political power, or that the economic selfgovernments claimed the right to consent to the creation of regulations concerning entrepreneurs and employers. A theoretical possibility for this was the agreement between the Hungarian Chamber of Commerce and Industry and the relevant ministry in 1995 to support the economic development of international relations and innovation. The ministry agreed to ask for the Chamber's opinion on economic proposals and to submit draft legislation and concepts for consideration. In case of dissenting opinions, the positions should be agreed beforehand.

In order to achieve a stronger articulation of interests, the chambers also tried to put their sceptical members behind them; thus it became important to regulate the relationship with the members. But it was precisely in this respect that numerous difficulties arose. Many members experienced the "Prussian character" of the chamber system as a compulsory membership and thus stayed away from active chamber life. This was also the reason why already in the election campaign of the year 1998 numerous hints on the part of the then opposition (the FIDESZ) about the planned change of the chamber structures became apparent. This was based above all on the hoped-for political benefit: the support of the small and medium-sized entrepreneurs, by those economic participants who considered compulsory membership in a so far not particularly effective and service-oriented organization to be useless. The Independent Smallholder's Party (FKGP) even unequivocally articulated the abolition of compulsory membership.

Despite statements from the new government after the elections that the Chamber Act would not be challenged, a motion for a resolution to review the Chamber Act was submitted on 25 September 1998 by members of Parliament Csaba Sümeghy, László Nógrádi (FIDESZ), Attila Bánk (FKGP) and István Varga (MDF). They wanted to assess "what experience has been gained from the chambers' activities to date" and "whether it is justified to maintain compulsory membership with the chambers of commerce [...] or whether it would be more appropriate to place it on a voluntary basis". The explanatory memorandum of the application stated that this question was important primarily because of the support given to small and medium-sized enterprises, which also occupied a prominent position in the government programme. (Letters of Hungarian Parliament 1998-2002; H/206)

The proposal was received with great scepticism by the opposition at the time (politicians of the socialist MSZP and the liberal SZDSZ), who thought that the question in itself was "political in nature"; they did not want to question the chambers, but "to provide the chambers of commerce with new tasks so that the 'denationalisation' of the economy could be further advanced". (Letters of Hungarian Parliament 1998-2002; H/206) The opposition members, especially István Göndör and Antal Schalkhammer (MSZP), as well as Gábor Szalay (SZDSZ), confirmed at public forums that it was not the compulsory membership itself, but the way in which membership fees were paid that should be questioned in the interest of small and medium-sized enterprises. (Gazdaság és vállalkozás, 1998. Vol. IV. Nr. 11.) This point of view has also been repeatedly emphasised by the chambers. They believed "the abolition of compulsory membership would also mean the disintegration of the chambers, but in Europe there is no market economy without chambers". (Kamara Értesítő, 1998. Vol. 11.)

Especially at the time of EU accession negotiations, the chambers emphasised that the abolition of compulsory membership would have negative consequences for the economy. Mandatory chamber membership is necessary "because of the right economic management, the appropriate information system, the contact with the government, the tasks ranging from rural development to professional training, as well as the representation of entrepreneurial and general economic interests". (Kamara Értesítő, 1998. Vol. 11.) However, the argumentation could not convince the government, probably because in the EU states almost half of the countries only had a chamber system with compulsory membership.

In the fierce debate in Parliament on the new regulation of the chambers, only the spokesman of the right-wing radical MIÉP parliamentary group, István Csurka, spoke about the fact that the draft law was much more than the chamber membership fee of small and medium-sized enterprises. He indicated that government power wanted to get rid of both the leading chamber functionaries, some of whom came from the state socialist era and often adopted oppositional attitudes towards the government and the chamber structures, which were now growing in strength and were thus in a position to take over some of the tasks of economic organisation, i.e. would have meant competition for politics. (Letters from the Hungarian Parliament. 1999 T/1610 Debate No. CXII) This was confirmed years later by Csaba Sümeghy (FIDESZ), who in a renewed debate in 2003 indicated that "the former chamber leaders were actually supported by the former holders of power as patrons". (Letters from the Hungarian Parliament. 2003 T/5856 On the amendment of Article CXXI/1999)

However, we cannot avoid an important question regarding this debate on chamber structures: it seems to be a typical post-Soviet legacy in transition countries that the society did not strive to maintain the results achieved. We can regard it as a typical phenomenon of post-communist social development that the members of the individual social groups (in this particular case especially the small and medium-sized enterprises) expect all possible developments from the state, which should serve their salvation and advancement, and prefer to act without self-initiative, self-responsibility and coparticipation - especially if this is associated with certain costs. Thus in our case the members of the chambers of commerce saw only the duties which resulted from their chamber membership, but were not able to assess the advantages which could not yet be clearly foreseen at the given time or the possibilities which could not yet be clearly unfolded. In addition, they were certainly not inclined to maintain an organization with financial means that did not offer tangible results immediately. Thus, their opposition to compulsory membership and traditional chamber structures was to be understood as a typical post-Soviet social development.

The result was that the Hungarian Parliament passed the bill with 191 votes in favour, 140 against and 16 abstentions (and 39 missing members). Parliament also requested the President of the Republic to issue an urgent declaration of the law. The new law on chambers, Act CXXI/1999 on the chambers of commerce, kept only two types of organisation: the chambers of commerce and industry and the chambers of agriculture. At the same time, compulsory membership was abolished. The chambers of commerce continued to be public bodies but did not have any public administrative tasks assigned to them. Their most important tasks were the promotion of the economy, the safeguarding of the overall interests of the economy, the protection of professional customs and honourable economic behaviour. But it took place without having an overview on the whole of the economy due to changed membership rules. As a result of the abolition of compulsory membership, a total of 5% of all the companies remained in the chamber until the first deadline.

The timing of the change was particularly sensitive. The country was about to join the European Union, and in the period between 2000 and 2004 one of the most important tasks of the chambers would have been to prepare both the country's economy in general and the Hungarian protagonists of economic life for the consequences of EU accession. Therefore, it is not surprising that the services of the chambers left much to be desired during this period. Moreover, during these years the chambers of commerce also lost their previously successfully established role as single points of contact. With the Chamber Act of 1999, this system was abolished and the administration of companies became much more serious and slower. Also for this reason, the most important question for the Chamber of Commerce structures after the turn of the millennium was the regaining of its members and thus the demonstration of their own ability to survive. The chambers defined the improvement of the entrepreneurial environment in market competition as their most important vocation. Thus, the aim of the chamber's self-governments was to provide economic analyses, forecasts, proposals, development of reliable, informationproof business contacts, legal, tax and other advisory services to the economic players as effectively as possible. These services represented an increasingly important part of the chambers' work, but their effectiveness was limited due to the small number of members.

A particular difficulty for the chambers arose from the paradoxical legal situation that the chambers of commerce without compulsory membership continued to be public bodies but without delegated public administrative tasks and were required to represent the "overall interests" of traders. For this reason, in 2004, an effort was already being made to obtain compulsory registration: the chambers were of the opinion that they had to see all participants in business life in order to be able to effectively perform their existing public duties. This compulsory registration would also make it easier to apply the legal consequences of ethics procedures (publication of a complaint or clarification) within the overall framework of the Hungarian economy. In the same way, the Hungarian Chamber of Commerce and Industry wanted to ensure that they would be given real public law tasks to relieve the state and that these would be covered by corresponding compensatory sums.

The evolving new debate about the chambers and the economic crisis that has been unfolding since 2008 probably led to the first common points being found with the politicians. The chambers interpreted the need to reduce the size of the state administration and to ease its workload as an opportunity to delegate new tasks. According to the opinion of the chamber leaders, this could mean a partial return to the previous position, according to which the chambers appear as self-organization of the persons concerned precisely in the interest of organizing the small and targeted state administration. This position also led to a change in the critical relationship between the political centre-right and the chambers of commerce: party leader Viktor Orbán's statement that the mandatory membership of the chambers of commerce should be restored and their sphere of activity expanded was of great significance. The new cooperation with chambers was also symbolized by the fact that ever closer contacts were established with the President of the Hungarian Chamber of Commerce and Industry and that today there is an almost "harmonious" relationship between the partners.

After the elections the preparatory work for the new regulation of the situation of the chambers of commerce began. However, some parts of the text of the law were not even sent by the preparatory Hungarian Ministry of Economy to the professional organizations for comments, on the other hand, the already published passages were withdrawn in the summer of the same year. Neither the new Act on Chambers of Commerce and Industry nor the Act on Chambers of Agriculture could be completed by the deadline promised by the government. Even the discussion about compulsory membership was not held in public. Instead, in November 2011 a change to the law was made in a peculiar and unconventional way. In a so-called "mixed law", which dealt with numerous tax issues, the Chamber Act of 1999 was amended in some points.

The amendment, which came into force on 1 January 2012, stipulates that all individual and partnership enterprises – with the exception of those already under the jurisdiction of another chamber – are obliged to register with the competent Chamber of Commerce and Industry. To this end, they must pay a small contribution fee to the chamber responsible for their registration. This contribution is regarded as a public debt which can be collected by the state tax authority in the event of non-payment. It is important to stress that this does not mean that the companies have become members of the Chamber. Membership remains voluntary. (Article CLVI of the 2011 Act on Modification of Certain Tax Acts and Related Acts, §§ 403-408.) It is probably not necessary to emphasize that this modification did not solve the problems of the chambers of commerce that had existed for more than a decade and did not open new possibilities for the circle of the represented companies. It seems somewhat one-sided that companies have to pay from their income for the costs of the public tasks of an organisation in which they do not become a member. In view of the limited service possibilities of the chamber organisations, it is also unlikely that these "non-members" paying contributions will benefit much from the promised benefits in return for this payment.

The majority of the corporate sphere, which is burdened with numerous taxes, has either not responded positively to this change: Many feel that they would receive nothing in return for the registration fee they had paid. Even this seemingly small sum represents a special burden for the thousands of so-called forced entrepreneurs. In addition, this step by the government itself as a registration is judged by the critics as not useful, since the public registers have even been available on the Internet so far.

### CONCLUSIONS

The chambers of commerce in present-day Hungary are thus located halfway between administration and professional self-organization, in the relationship between state power and citizens at the mezzo level. Although they are still able to assume state functions, they serve above all to articulate the overall interests of the economy and to promote it. In comparison with the international chamber systems, they are also on a fine line: on the one hand, they are created by the power of law and - serving the interests of every economist - operate as public corporations, but their membership is voluntary. (Sack, 2017a, 271-289; Zachar 2018, 509-517.)

If we want to give a brief analysis based on the above, it should be noted that the chambers of commerce in Hungary - now 30 years after the fall of communism - have still not found their place in Hungary's political and social system. The chambers are important actors in the context of relations between entrepreneurship and politics. They mobilise important resources - especially human resources, finances and legitimacy - and participate in the formulation and implementation of public policies. Due to these, chambers have three basic functions: first, they promote and support economic activities at home and abroad by providing services, training and expertise. Secondly, they enable self-regulation in the areas of their own expertise, as standard setting, accreditation and vocational training. And third, they represent the whole of the economy politically. (Bernhagen, 2017, 31-33.) If we take this into consideration with regard to the Hungarian chambers of commerce and industry, then we can see our initial thesis of the "socialist heritage" confirmed by the politicized treatment of the chamber question in the last decades. In this respect, Hungary is still a classic country in transition, where developments are far from complete and for this reason a new era in the life of the chambers of commerce has just begun in the last few years. The ups and downs in the relationship between the sphere of politics and the chambers of commerce can be explained primarily by the different political views of the institutions, as well as by the discrepancies between the individual governments and the representatives of the respective chambers. The emergence, parliamentary adoption and content of the standards of chamber law created in the past two decades do not show a uniform position, no consensus beyond government periods with regard to the scope, role and function of the chambers in Hungary. It can be seen from the changes in the legal basis that the political sphere considers the functional self-governments of the economy and the liberal professions described in this study to be unnecessary to a certain extent. As we stated at the beginning, after the fall of communism those in power were anxious to ensure that the activities of these organisations would in fact remain only formal and that their advocacy work, which inevitably generated conflicts with the political sphere, was kept to a minimum. In recent times, the respective governments have also been particularly irritated by the chambers that have dared to articulate a special opinion on politically important matters. It is also clear, however, that this political attitude cannot be maintained in the long term: because of the loss of credibility of the Hungarian political class and because of the professional incompetence that is often displayed, the society is increasingly demanding organisations that approach questions of economic and social policy from a purely technical point of view, without the political background. So hopefully the political scene in Hungary will soon be forced to open a real dialogue and a lasting cooperation with the chambers of commerce. However, the form in which this will happen cannot be predicted. The reason for this is not the domestic political relationship but the international system with regard to the role of the chambers.

In a European perspective, it can be stated that the Hungarian example cannot necessarily be regarded as an isolated case and curiosity. If one compares the chambers of commerce in today's EU member states after the political change of 1989/1990, a clear decline in the public chamber systems with compulsory membership is noticeable, which at the same time leads to a dominance of "mixed" chamber systems. The latter are chambers that cannot be clearly assigned to one of the two ideal types (continental or Anglo-Saxon model) presented at the beginning of the study. It is clear that it is in particular the public chamber systems that are confronted with considerable changes and mostly await the abolition of compulsory membership, the reduction of state financial resources and the compulsory registration of companies without membership rights. (Sack, 2017b, 408-409.) This is a general trend at European level towards weakening chambers with public law privileges and compulsory membership.

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