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**HPOPs**

Policy Opportunities for Hungary in the European  
Union: the Analysis of the Legal Framework

Lendület I

I) A description, limited to 10.000 characters, of the five-year research programme

### **Abstract**

The research project will investigate how the playing field defined by law in different policy areas of the European Union could be exploited more successfully by Hungary for the purpose of achieving its social and economic policy priorities. The project will identify and analyse the possibilities and constraints following from the legal regulation of key EU policies which have direct implications for policy making and regulation in Hungary. Its main contention is that the ability of Hungary to take advantage of the opportunities offered in the EU, and to avoid the infringement of European Union requirements, depends on the accurate identification of the legal boundaries of policy areas and on designing and delivering national policies which use the playing field defined by those legal boundaries in its entirety. Its main objective is to inform the Hungarian government, by mapping the boundaries laid down in EU law for national policy making, of the opportunities for realising national social and economic policy aims recognized in the EU framework.

Priority will be given to those areas of economic and social policy which enable Hungary to cope with the social and economic effects of the economic crisis and to readjust its policies in the post-crisis global environment. The selected policy areas are international trade, economic and non-economic public services, competition and state aid, public finances, social policy and economic and social regulation affected by the single market. The analysis of the EU legal framework will be carried out with reference to Hungary's national policy priorities and national interest preferences covering all governments after Hungary's accession to the EU. On the basis of the legal mapping exercise concerning the legal boundaries in the EU for national policy making, the research group will produce case study analyses in the selected policy areas which will identify the possibilities for developing national policies under the existing legal framework and where renegotiation of that framework may be required.

### **The Proposal**

The research group will be established to carry out the legal analysis of policy opportunities for Hungary as a Member State of the European Union. It will undertake two major tasks: a) an exercise of **mapping the legal boundaries** for the development and delivery on national policies in the EU in the areas of international trade, economic and non-economic public services, competition and state aid, public finances, social policy and economic and social regulation affected by the single market, and b) **case study analyses** of the selected policy areas examining the policy opportunities and constraints on the national level following from the legal boundaries identified in the legal mapping exercise. The central research question of the project follows from the argument that without an accurate identification and sufficient understanding of the legal boundaries of the policy playing field available to the Member States in the EU, Hungary

will not be able to exploit the opportunities offered to the Member States in the European Union and will not be able to design and deliver successful national policies as an EU Member State. The project aims to generate policy relevant information in the form of a) an accessible **legal map** of policy boundaries and b) accessible **case study analyses** of those boundaries in the selected policy areas. Its objective is to inform the Hungarian government of the opportunities provided by the EU legal framework and to influence national policy making.

The project will examine whether in relation to the policy playing field available under the EU legal framework Hungary follows strategies that enable it to realise the available policy opportunities, especially, whether Hungary has been able to utilise the policy playing field in the EU in its entirety as determined by its legal boundaries. It will explore how the opportunities available under the legal framework for individual EU policies could be exploited by Hungary in the development and delivery of national policies and in the achievement of national policy priorities. Hungary's ability to identify the possibilities and constraints following from the legal framework of EU policies is central to the success of its membership in the EU and it is crucial to gaining the same benefits from membership as the other Member States. After a decade of membership experience, this is the right time to examine past mistakes and achievements and future opportunities.

The research project will focus primarily on the policy opportunities available for Hungary under the EU legal framework to respond to the social and economic implications of the current economic crisis and to make strategic preparations for future economic and social challenges. In the wake of the economic crisis, Hungary wishing to respond to the social and economic consequences of the crisis found its policy options restricted by the legal framework of EU policies. At the same time, national policy makers felt restricted by EU membership in developing policies to respond to mid- and long-term economic and social challenges in the post-crisis environment. The research project will examine in the individual case study analyses whether the policies introduced were based on an adequate assessment of the boundaries of the legal framework and how the legal framework of EU policies could support the achievement of the relevant policy priorities in the future.

The areas selected for examination cover policies with considerable EU involvement and crucial national interests at stake. They incorporate key social and economic policy priorities on the national level. The proposed research will cover **international trade** (possibilities and constraints), the organisation, delivery and financing of economic and non-economic **public services** (energy, water, transport, and other economic public services, health care and social public services), **competition and state aid** (possibilities and constraints), **public finances** (taxation and budgetary constraints), **social policy** (non-discrimination, health care, social services) and economic and social regulation affected by the **single market** (e.g. education and employment, economic sectors, public ownership, consumer protection etc).

In the selected areas, the constraints imposed and the possibilities offered by the EU legal framework, which affect national policy design and delivery, fundamentally determine the shape

and potentials for future development of the societies and economies of individual Member States. The EU legal framework influences the intensity of state involvement in the economy, the prospect of strategic reorganisations of the structure of the economy, the ability of the state to counter the imbalances of the integrated European market, the efforts of the state to develop a social model based on public services, the ability of the state to secure resources for the delivery of public policies in the national interest and the possibility for the state to attract interest in the national economy of third states and partners.

### **Deliverables and Dissemination**

The principal objective of the proposed research project is to provide governments and other actors in the policy process with legal information concerning the possibilities and constraints in EU law of national policy making. This will be achieved by preparing two **specific deliverables**: a) a mapping of legal boundaries in the selected policy areas and b) case study analyses serving as a legal toolkit for policy makers on the national level. The policy makers' toolkit will build on the mapping exercise and examine the relevant legal boundaries indicating where policy alternatives need to be considered and where further improvement of the policy is required. There will be separate case study analyses for i) international trade, ii) economic and non-economic public services, iii) competition and state aid, iv) public finances, v) social policy and vi) economic and social regulation affected by the single market.

The effective dissemination of findings and research activities is crucial for the successful completion of the research project. The target audience is the Hungarian government, the relevant Hungarian policy think tanks, the major political parties, policy pressure groups and interest representations, other actors in the process of policy making and the academic community. The research project will involve a stock-taking opening conference, a series of public workshops with partners in the government and public administration, and a closing conference organised with academic partners. There will be a publicly available final report, working papers demonstrating work-in-progress results, research papers commissioned from external experts on 'the national interest and EU law', 'the legal boundaries for national policy making in the EU', working papers by the visiting fellows and a series of legal/policy briefs reporting findings or reacting to current events, all made available on the project's own website. As to academic outputs, an edited collection in English (Year 2-3), a research monograph in English (Year 5), an edited collection in Hungarian (Year 5) and series of conceptualising articles in leading legal journals is planned (Years 1-4).

The research project is yearly programmed for the duration of five years and organised in a multi-layered structure with parallel running work packages. Year one will involve organising the team for later work, organising the stock-taking opening conference, and producing the foundational conceptual work bringing together law, national interest, national policy priorities and policy leeway in the EU. Year two will involve carrying out the legal mapping exercise in the selected policy areas and produce Deliverable 1. Year three will involve case study analyses 2i, 2ii,

2 iii, and 2 iv. In year four, case study analyses 2v and 2vi, and Deliverable 2 will be prepared, and the workshops with partners in Hungary will be organised. Year 5 will involve finalising Deliverable 2, organising the closing conference, carrying out dissemination work, final reporting and preparing the final research monograph and the Hungarian edited collection.

The direction of the project and its progress will be monitored in the annual meetings of the project steering committee.

### 5 Year Programming Table

Year 1	The laying down of the conceptual foundations  Stock-taking opening conference  Organising team
Year 2	The mapping of legal boundaries in the selected policy areas  Deliverable 1  Edited collection (Year 2 or 3)
Year 3	Case study analysis 2i - International trade: the state of play and future directions  Case study analysis 2ii – Public services: the state of play and future directions  Case study analysis 2iii - Competition and state aid: the state of play and future directions  Case study analysis 2iv - Public finances: the state of play and future directions
Year 4	Case study analysis 2v - Social policy: the state of play and future directions  Case study analysis 2vi – The single market: the state of play and future directions  Deliverable 2 (preparing)  Workshops with non-academic partners

Year 5	Deliverable 2 (finalising)  Final reporting  Closing conference  Monograph  Edited collection
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II) A detailed plan, limited to 20.000 characters, of the first year's round of duties

### **The First Year**

The core activity of the first year is that of laying down the **conceptual foundations** of the research project. The research team will engage in **basic research** developing the idea of the legal boundaries of the policy playing field in the EU, conceptualizing the place of national interest in the EU legal order and examining the legal implications of conflicting social and economic models in the Member States and in the EU. In these thematic areas, working papers will be produced. The team will also produce a legal performance overview of Hungary as a Member State of the EU. We will examine the **state of the art** and explore ways of surpassing current theories and consensus. We will explore the avenues of changing the direction of the dominant legal discourse and of reconceptualising the EU legal order from the perspective of the national interest and national policy priorities, which will provide the **novelty** of the project. With the help of the steering committee and through academic publications and the opening conference, the first year will be used to disseminate the ideas driving the project and to develop an understanding in the academic community of the **importance** of our approach. In the first year, we will develop the contacts with government and NGOs which will be essential for securing the **impact** of the research on policy making and delivery in Hungary. The first year also involves **organizational** activity the overview of which is provided below.

#### **The state of the art**

The proposed research will challenge the state of the art in a number of respects. It will give account of national policy priorities which shape the membership of Hungary in the EU from the perspective of national policy makers and produce an analysis of EU law, the legal framework of the relevant EU policies, with a view to establishing how those national policy priorities may be pursued. It will contribute to achieving a more complete understanding of the latest enlargement and the membership of Hungary in the EU, it will generate an interpretation and analysis of EU law relevant from the perspective of national governments and policy makers, and it will produce legal information and knowledge available to be fed into the policy process in Hungary. It will introduce into the relevant legal scholarship the idea of policy leeway available to Member States and EU law providing the boundaries of that policy leeway. It will challenge the dominant discourse in legal scholarship focusing on the delimitation in law of state sovereignty and autonomy and on the legal means of challenging Member State action in the EU, and propose a novel academic interpretation of the EU legal order which recognises Member States in the EU as legitimate carriers of interests and policy priorities.

The policy aspirations of Central European states before their accession to the EU and

the negotiation of the legal framework of their membership are well documented.<sup>1</sup> The enlargement literature focused mainly on institutional adjustment and the policy consequences of enlargement, mainly from the perspective of the EU. In mainstream commentary, accession to the EU involved accepting a trade-off between the advantages and the constraints of EU membership, especially those affecting social and economic policy making on the national level.<sup>2</sup> The same follows from the traditional legal interpretation of EU membership which recognises the inevitability of limiting state sovereignty and sacrificing national policy/regulatory autonomy for the purpose of European integration.<sup>3</sup>

There has been limited discussion on the possibilities of Central European states to sustain key national interests and advance national policy priorities within the legal framework for individual EU policies. The enlargement literature could be criticised for providing a distorted and untested account of the costs and benefits of accession, for poorly understanding the interests of Central European states as Member States of the EU, and for failing to question whether the EU institutional and governance arrangements are optimal for Central Europe considering the significant delimitation of policy manoeuvrability arising from EU membership.<sup>4</sup> The inability of Central European states to influence policy making on the European level and its potential consequences, including the pressure on national governments to design national policies suspected of being incompatible with EU commitments, has not been assessed to the desired extent.<sup>5</sup> There needs to be further discussion on the possibility of achieving national policy priorities within the EU framework, on the possibility for Member States to address the

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<sup>1</sup> *Inter alia*, A. Ott and K. Inglis, *Handbook on European Enlargement*, The Hague: TMC Asser Press, 2002; U. Sedelmeier, *Constructing the Path to Eastern Enlargement*, Manchester: Manchester University Press, 2005; V. Curzon Price et al (eds.), *The Enlargement of the European Union: Issues and Strategies*, Abingdon: Routledge, 1999; A.F. Tatham, *Enlargement of the European Union*, AdR: Kluwer, 2009; H. Grabbe and K. Hughes, *Enlarging the EU Eastwards*, London: Royal Institute of International Affairs, 1998.

<sup>2</sup> See, A. Moravcsik and M.A Vaduchova, National Interests, State Power, and Enlargement, *East European Politics and Societies* 17 (2003), 42.

<sup>3</sup> Case 86/62 *NV Algemene Transporten Expeditie Onderneming van Gend en Loos v Nederlandse Administratie der Belastingen* [1963] ECR 1.

<sup>4</sup> D. Ellison, Divide and Conquer: The EU Enlargement's Successful Conclusion?, *International Studies Review* 8(1) (2006), 150.

<sup>5</sup> See, D. Malova et al., *From Listening to Action? New Member States in the European Union*, Bratislava: Comeinus University, 2010; D. Panke, *Small States in the European Union*, Farnham: Ashgate, 2010.



imbalance between the various integration objectives and the impact of European policies reflecting that imbalance, on the possibility of strategic national responses to the current economic crisis and other future social and economic challenges, and on amending the current EU legal and policy framework to accommodate national and social economic policy priorities the EU has been unable to achieve.

The legal-constitutional inspirations for the underlying issues of the research project follow from principles, such the allocation of competences and responsibility between the EU and the Member States (Articles 4 and 5 TEU and 2 TFEU), subsidiarity (Article 5(3)-(4) TEU), and the new principle on respect for the equality of Member States and their national identities and essential functions (Article 4(2)). The issue of policy leeway available for the Member States under the EU legal framework is often discussed under the heading of ‘regulatory autonomy’ of Member States.<sup>6</sup> The Founding Treaties are scattered with provisions recognising the Member States advancing their policy priorities within the EU legal framework (Articles 36, 37, 52, 64, 65, 93, 106, 107, 153, 193, 194 TFEU). The legal boundaries of the policy leeway available to the Member States are determined in most instances by relying on the principle of proportionality. The challenge of the research project is to be able to present this and further related legal information in a way that informs national policy makers of the leeway available under the EU legal framework to design and deliver national policies. Defining the legal boundaries of national policy making and whether those boundaries are flexible or could be moved are central to the success of the research project.

The (legal) scholarship on the ‘national interest’ and national policy priorities in the EU may also offer starting points for the research project. In one of the most prominent commentator’s view, the EU polity was created with the dual purpose of reaffirming the values and position of the liberal national state and of taming the national interest to control the ‘uncontrolled reflexes of national interest’.<sup>7</sup> It may contradict the views of the predominantly supranationalist legal scholarship, which has been avoiding to provide an interpretation and criticism of the EU legal framework from the perspective of the national interest and national policy priorities, but the above account of the EU polity seems to imply that legal research and analysis focusing on the national interest within the EU is possible. Policy makers in the Member States benefit from legal scholarship which reveals the legal boundaries along which the conduct of Member States is policed by the EU institutions and which identifies what manifestations of the national interest may be regarded as acceptable in the EU. In the research project, this is where the opportunity lies to produce academic publications of international quality capable of

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<sup>6</sup> See, T. Perisin, *Limits of Regulatory Autonomy in the EU and the WTO*, The Hague: TMC Asser Press, 2009 and E. Reid, Regulatory Autonomy in the EC and WTO: defining and defending limits 4(4) (2010), *Journal of World Trade* 877.

<sup>7</sup> J.H.H. Weiler, Legitimacy and Democracy of Union Governance, in G Edwards and A. Pijpers (ed.), *The Politics of European Treaty Reform*, London: Pinter, 1997, at 267.

influencing the direction of the legal discourse.

### **Novelty**

The proposed research project is guaranteed to deliver new results and unconventional outcomes. It departs from conventional scholarship in a number of ways. First, by changing the direction of the dominant discourse, it examines the relevant provisions of EU law from the perspective of the national policy maker entrusted with the task of achieving national policy priorities under the EU framework. Second, by determining the legal boundaries of the playing field available in different policy areas, it focuses on how the Member States may exploit the leeway available under the EU framework to develop and deliver national policies. Third, by examining EU law from the perspective of national policy makers, it will offer policy relevant legal information to national governments and other actors in the policy process. Fourth, by critically analysing the legal status quo in the selected policy areas, it will indicate where the renegotiation of the current legal framework may be necessary and where the selected states may decide on a legal and policy opt-out.

The project will tackle the controversial question whether and how Member States may exploit the EU legal framework to achieve national policy priorities. It will examine whether the EU legal framework enables pursuing domestic policy priorities without compromising the interests of European integration. It will follow the argument that Member States as holders of national interests should be allowed to pursue national policy priorities especially when that is not excluded under the EU legal framework and when the EU is unable to deliver the desired policy outcome. It will challenge the presumption that law in the European Union serves predominantly the interests of integration<sup>8</sup> and advocate the view that the EU legal framework, in line with the relevant legal-constitutional principles, may promote the achievement of national policy priorities within the confines of the relevant EU policies. It will not follow, only build on the arguments of the differentiation thesis,<sup>9</sup> and in investigating the legal boundaries of policy opportunities it will consider the political possibility of a Europe of different speeds.<sup>10</sup>

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<sup>8</sup> For an overview, J. Shaw, 'European Legal Studies in Crisis? Towards a New Dynamic' 16(2) (1996) *OJLS*, 231-253. For a detailed discussion, R. Dehousse and J.H.H. Weiler, 'The legal dimension', in W. Wallace (ed.) *The Dynamics of European Integration*, London-New York: Pinter, 1990 and R. Dehousse, *The European Court of Justice: the Politics of Judicial Integration*, Basingstoke: Macmillan, 1998.

<sup>9</sup> C.-D. Ehlermann, 'How Flexible is Community Law?' 82 (1984) *Michigan Law Review*, 1274; B. Langeheme and U. Weinstock, 'Graduated Integration: A Modest Path Towards Progress' 23 (1985) *JCMS* 185; F. Tuytschaever, *Differentiation on EU Law*, Oxford: Hart, 1999.

<sup>10</sup> For an overview, A. Stubb, 'A Categorization of Differentiated Integration', 34

Without being driven by anti-European sentiments, the intention of the research project is to draw attention to the realisation of national interests within the EU framework and to the strategic use of the law for that purpose. It will use the concept of national interest not in a way to undermine European integration but to confront conventional legal and policy thinking about the place of national interests in the EU polity. It aims to inform policy makers on the national level of the legal boundaries of the playing field in different policy areas to enable them to exploit the opportunities available within those in the national interest. Hungary, without breaching their general and specific obligations under the EU Treaties, should be able to express its national policy priorities within the EU legal framework in the same way as other Member States do. This is crucial in a polity in which the fulfilment of its objectives may depend on the Member States delivering policies on the national level the objectives of which correspond to the objectives of the European polity. Pursuing national policy priorities in the EU framework does not necessarily entail jeopardising EU objectives and policy priorities. In certain policy areas, achieving EU objectives is based explicitly on the EU supporting, coordinating or supplementing action on the national level (Article 6 TFEU).

### **Importance in the field**

The research project is based on premises and will generate output that challenges the state of play in the field. The project will be organised with the viewpoint of Member State governments responsible for designing and delivering policies on the national level within the EU legal framework in mind. The legal research and analysis will be carried out with the intention of creating policy relevant information and knowledge and of influencing national policy making. The project will deliberately depart from mainstream legal research in the field by focusing on the interests and policy priorities of the Member States in the EU and on the possibilities available under EU law to promote the interests and policy priorities of the Member States. The research project will generate legal scholarship which surpasses traditional legal criticism and analysis in EU law and produce outputs beneficial to national governments and policy makers.

The research project has a clear interdisciplinary character and its planned outcomes and impact extend beyond the legal domain and the domain of academic scholarship. While its core activity is legal research and analysis, that activity will be carried out following a policy relevant hypothesis and with the intention of mapping the boundaries of the policy leeway available to the Member States in the EU. Moreover, the legal mapping and analysis activity will be executed with reference to concrete policy agendas in Hungary. The legal information and analysis generated by the research project will be available to be fed into policy processes in Hungary.

### **Impact**

The proposed research project aims at changing the attitude and behaviour of the Hungarian

government and other actors in the national policy process towards developing policies within the European Union framework. It wants the government to realise that national policy priorities can be pursued under the legal framework available for individual EU policies and that the policy playing field determined by its legal boundaries should be exploited in its entirety in the service of national policy priorities. By mapping and analysing the legal boundaries of policy leeway available to Member States in the EU, it will provide strategic legal information to the government and it will offer a legal toolkit for policy makers. The legal information and analysis provided can provide the basis of policy planning and the assessment of policy strategies.

The legal information and analysis relating to the policy leeway available to Member States is not assumed to cover all exigencies and policy scenarios. It will only offer a standard legal assessment framework for policy makers to consider possibilities and constraints of advancing the national interest and promoting national policy priorities. The case study analyses generated by the research project will be available as a legal toolkit for policy makers on the national level to establish alternative policy options and estimate the success of different policy routes. Its purpose is to prevent, by allowing an *ex ante* assessment, complex national policies being undermined by challenges based on EU law, the expensive revocation of policies on account of their incompatibility with EU law, individuals being forced to challenge in courts national policies, a shortfall in public finances following from the unavailability of planned revenue or the obligation to repay collected revenue, uncertainty relating to the sustainability of national policies, unnecessary burden on public administration and other public bodies required to apply and enforce national policies breaching the EU legal framework, and generally unsound policies undermining or delaying the attaining of national policy priorities.

The output of the proposed research project may also influence compliance in Hungary with EU obligations and Hungary's negotiation position in future infringement actions. It is hoped that with the information and analysis produced the Hungarian government will be in a better position to assess their strategies towards compliance and work towards an early closure of infringement procedures. The challenge here is to present the available legal information to enable the government to plan and direct its conduct conscious of the relevant possibilities and constraints in EU law.

As regards its impact on scholarship, the research project will challenge the dominant vision of EU law that assumes an integrative character of the law and ignores the capacity in EU law for accommodation of national policy priorities. It will pioneer the thesis that EU law should be capable of reflecting the national interest, mainly with reference to the relevant constitutional principles. As argued above, the principles of subsidiarity, respect for individual Member States and the separation of competences between the Member States and the EU assume a legal framework for EU policies which accepts the possibility of Member States pursuing national policy priorities. Provided that the different policy objectives of the EU listed in the Treaties are intended to be achieved, the Member States should be allowed to pursue their national policy priorities, geared towards achieving policy objectives equivalent to some of the policy objectives of the EU, within the EU legal framework, often at the price of overriding competing EU policy

objectives. For instance, national consumer protection policies should be recognised by the EU legal framework as capable of overriding opposing EU policy objectives, such as free trade in the internal market, with the broader aim of achieving EU consumer policy objectives.

The research project will advocate a (re-)conceptualisation of EU law as capable of recognising both the interests of the EU and the national interest. This does not challenge the supranational character of EU law or the thesis on law as a vehicle of European integration. It only proposes a more balanced conception of law in the EU which recognises that Member States remain in charge of developing policies, with the exception of policy areas conferred to the EU, and they are able to develop valid policies requiring protection from competing policy priorities in the EU. This vision of EU law also recognises that achieving the policy objectives of the EU necessitates the Member States developing national policies pursuing equivalent policy objectives. The 'myth' created for EU law, at least the mainstream academic interpretation of that myth, needs to be confronted with the practicalities of the EU polity and the demands of Member States.<sup>11</sup> As suggested above, this is where the research group will be able to produce publications of international quality and excellence.

### **Programming of Year 1**

**Weeks 1-20** Organising team: open call for research assistants, interviews and signature of contract

**Weeks 1-10** Launch of research group website

**Week 15-16** First steering committee meeting

**Weeks 1-52** Producing content for research group website: introduction, research team members' bio, briefs on current events

**Weeks 1-40** Organising stock-taking opening conference: open call for papers, negotiating with key-note speakers, negotiating with sponsors (state, corporate, academic), booking venue, selection of participants

**Weeks 10-11 and 20-21** Research trips for group leader and post-doc experts

**Week 1-30** Working papers (legal boundaries and policy opportunities in the EU, the

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<sup>11</sup> The term and the concept borrowed from A. Williams, *EU Human Rights Policies, The Ethos of Europe*, Oxford: OUP, 2004.

national interest in EU law, legal performance overview of Hungary as a Member State of the EU) prepared and published on research group website (also uploaded to open access collections, such as SSRN)

**Weeks 20-52** Working papers presented at 2 major conferences in the field (UACES and ECPR events)

**Week 45 (appr.)** Stock-taking opening conference

**Weeks 20-52** Preparing conceptualizing article for leading foreign journal

### III) Personal and institutional background of the research programme

#### **The research group leader**

The research group leader holds a PhD in law from the University of Hull (UK), and he is a lecturer in law at the University of Hull, Law School and a senior research associate at the Center for Ethics and Law in Biomedicine, Central European University (Hungary). He is a member of the Institute of European Public Law at the University of Hull. He is a visiting professor in public law at the European Legal Studies Institute of the University of Osnabruck (D) and a visiting professor in regulation and EU governance at the University of Debrecen (Hungary), Faculty of Law. His research interests include EU public and economic law, the Europeanisation of law, EU public services law, and general themes, such as law, governance and accountability, and law and bioethics. He wrote a book (co-authored) on enforcement procedures in EU law and a textbook on EU law and governance. His monograph with Edward Elgar Publishing on EU human rights law is forthcoming in 2013 and he is editing a collection on the reception of EU law in Hungary in English also forthcoming in 2013. He regularly publishes in leading international legal journals in European law. He also regularly publishes shorter reflections on current developments in European and Hungarian public law and public policy.

He was employed in an OKTK research project in 2004 investigating the compliance of the '1995 Member States' in the European Union; the first major work on the conflict of national policy priorities and EU law. Since 2008, he has been actively researching the reception of EU law in Hungary, with special emphasis on judicial reception, which work provided many of the ideas of the proposed research. His participation since 2012 in the Hungarian Academy of Sciences Research Group on Local Public Services at the University of Debrecen, as the leader of the EU work-package, provided the most direct influence to develop the proposed research project on the legal boundaries for the development of national policies in the EU. His public writing on current developments also showed the necessity for a legal analysis of policy and legal developments in Hungary and in the European Union. His participation between 2008 and 2011 as a research associate in REMEDIÉ, an EU 7<sup>th</sup> Framework Research Project, produced sufficient experience in producing policy relevant legal information and in legal reporting capable of being utilised in broader policy and regulatory discussions in a given policy area. The latter two research projects are both inter-disciplinary and require the presentation of law and legal doctrine embedded in the context of policy and regulatory developments.

The results of scientific activities are available in the list of publications and on [www.mtmt.hu](http://www.mtmt.hu).

#### **The research team**

The research team will consist of post-doc legal experts (3) employed on 50% and three pre-doc research assistants employed 100%. The post-doc experts are expected to contribute for 5 years. The research assistants are employed for 3 years, starting in year 1, 2, and 3 respectively. The post-doc experts will have considerable experience in high-quality research in the broader field and/or in one of the selected policy areas. The post-doc experts are expected to produce high-quality publications in English and Hungarian. The research assistants will have some research and research management experience, outstanding IT skills, and excellent oral and writing skills in English. They are expected to contribute to both research and the administration of the project, including the drafting of reports, organisation of events, electronic and paper-based dissemination activities. They will be selected on the basis of international open calls for application, and they are expected to work towards a PhD at one of the Hungarian law faculties in the research area indicated on the ‘outputs sheet’.

The post-doc members of the research team are Balázs Horváthy (PhD), Balázs Fekete (PhD) and Mónika Papp (PhD).

Balázs Horvathy (PhD) is research fellow at the Hungarian Academy of Sciences CSS, Institute for Legal Studies (Hungary, Budapest), and associate professor at the Széchenyi István University, Faculty of Law and Political Sciences (Hungary, Győr). His research interests include the legal framework of the Common Commercial Policy; the ‘Trade and Environment’ issues from the trade policy perspective of the EU; as well as the relationship between the EU and WTO legal order.

Balázs Fekete (PhD) is research fellow at the Hungarian Academy of Sciences CSS, Institute for Legal Studies (Hungary, Budapest), and associate professor at the Pázmány Péter Catholic University, Faculty of Law (Hungary, Budapest). He holds an LLM from the Katholieke Universiteit Leuven. He has research interest and published in legal theory, comparative law and EU public law.

Mónika Papp (PhD) is an associate professor at the Eötvös Lóránd University, Faculty of Law. She is an expert in EU economic and competition law and policy in which areas she has published extensively.

The host institute will provide research assistance in the form of dedicating 50% of employment of another of its present academic staff. With this the research team will comprise of 5 (1+3+1) post-doc members.

The research group will also maintain an international network of external experts, selected using the personal contacts of the research group leader and the post-doc experts and through the open call for papers for the opening conference. The members of the network are expected to produce research papers in the selected area reflecting on the themes ‘national interest and EU law’ and ‘the legal boundaries for national policy making in the EU’ which will be published in an edited collection in year 2 or 3.



The research group will offer short-term (1 month) visiting research fellowships in Years 2 and 3 in an open call to which the members of the expert network will be invited to apply. The visiting research fellows will be required to contribute to the work of the research project and their working papers will be published on the research group website. The visiting research fellows will be invited to contribute to the English edited collection.

### **The steering committee**

The progress of work will be monitored by a steering committee, which will hold a meeting once every year during the operation of the project. The steering committee will consist of senior academics (Hungarian, international), the representative of the institution hosting the research group and representatives of non-academic partners. The steering committee will be organised in Year 1 and its members will have full access to research group reports and products. The members of the steering committee will be invited to contribute to the opening and closing conference and to the English and Hungarian edited collections.

IV) A tangible, preferably quantitative list of objectives

### **Academic outputs**

Year 1: Working papers (3)

Year 1: **article on conceptual foundations** in the Common Market Law Review or similar leading journal

Year 1: Hungarian article in Europai Jog or similar

Year 2: Hungarian article in Europai Jog or similar

Year 2-4: Working papers (8) + (12) on legal mapping in the selected policy areas

Year 2-3: Working papers (4) by visiting research fellows

Year 2-3: **edited collection** with Routledge, Edward Elgar, Springer or similar on 'the legal boundaries for national policy making in the EU' based on contributions in opening conference and commissioned research papers from external contributors

Year 3: article based on the legal mapping exercise in the European Law Journal or similar leading journal

Year 3: Hungarian article in Europai Jog or similar

Year 4: Hungarian article in Europai Jog or similar

Year 5: **research monograph** with Hart Publishing, Edward Elgar, Routledge or similar (book proposal to be submitted and publishing contract to be negotiated in Year 4) AND **edited collection** with research group members and external contributors in Hungarian with HVG-Orac or Dialog Campus

### **Policy relevant outputs**

Year 2: Deliverable 1: the legal mapping exercise published on research group`s website

Year 3-4: Policy area reports published (shortened version) on research group`s website

Year 5: Deliverable 2: the case study analyses (legal toolkit) published on research

group`s website

Year 1-5: Policy briefs

**PhD topics (3)**

The national interest in EU law

EU law: policy boundaries and national policy discretion

Conflicting social and economic models under EU law

**Further research funding**

OTKA

OTKA-NN for international cooperation

OTKA-PUB to finance the Hungarian edited collection

ERC Consolidator Grant

Visiting fellowship from Marie Curie Action

## V) Detailed written justification of the budget estimate

### **Project budget**

The proposed research project requires resources mainly to cover personnel expenditures and operational expenditures, in particular, the financing of dissemination activities. The personnel expenditures are justified in general by the scope of the research and the variety of expertise required. The dissemination expenditure is justified in general by the objective of the project of providing information to government and influencing policy making in Hungary. The use of resources will follow the programming timetable.

The personnel expenditures will cover the salary of the research group leader at the rate fixed by Lendület, the salary of the three post-doc researchers in 50% employment at 200 kHUF per month, and the salary of the three pre-doc assistants in 100% employment at 200 kHUF per month.

The research group leader will be responsible for the overall management of the project including dissemination activities and publications. The research group leader will carry out most of the basic research, analytical and conceptual work. The research group leader will carry out the networking activities necessary for the realisation of the objectives of the research project. The research group leader will be responsible for communicating with and reporting to the grant provider.

The research group leader will be supported by three post-doc level experts. The post-doc experts will be expected to devote 50% of their working time to the research project for the whole duration of the project. The post-doc experts will have a strong research and research management record, strong oral and written skills in English and another EU language, exceptional networking, organisation and communications skills. The personnel cost planned are commensurate with these requirements. The relevant costs will be distributed evenly in the course of the project.

It is expected that the three pre-doc level research assistants devote 100% of their working time to the research project for three years. Considering that the research project requires research assistants with some research and research management experience, outstanding IT skills, excellent oral and writing skills in English the corresponding elements of the proposed personnel costs are justified. The research assistants will be expected to provide professional research and research management contribution from the beginning of their employment.

Non-regular salary expenditures will cover the tuition fees for the pre-doc researchers at a doctoral school of a Hungarian law school for the duration of 3 years, the first researcher starting in year one, the second in year two, the third in year three. It also includes the daily allowances

for the planned research and conference visits, fixed at 15 kHUF per day counting with 7 day research and 4 day conference visits. There are 4 conference visits planned for the entire research team every year with the exception of year 3, and there are two research visits planned in years 1, 2 and 4.

The consultant expenditures will cover the allowance of the research group steering committee members fixed at 100 kHUF per year for 5 years for 5 persons, the fee paid to the members of the external expert network for preparing working papers fixed at 500 kHUF calculating with 12 commissions in years 2, 3 and 4, the short visiting research fellowships fixed at 400 kHUF for 1 fellow in years 2 and 3. The steering committee will contribute to the research project by monitoring the direction and progress of the project, assisting in the networking and dissemination aspects of the project, and by contributing to the academic outputs of the project. The international quality and presence of the research project can only be ensured if the research group is assisted by an international network of experts, selected by invitation or during the opening conference, and if the research group is assisted by international visiting fellows. The members of the expert network and the visiting fellows are expected to contribute by drafting commissioned working papers and contributing to the academic outputs of the project.

As operational expenditures, the purchase of books is planned for 4 years, the largest sum covering year 1 purchasing (800 kHUF, followed by purchases in years 2, 4, and 5 at 300 kHUF). The purchase of office paper and stationery is planned at 100 kHUF every year. The cost of mobile communication (phone calls and data) is covered for the research group leader for 5 years fixed at 5 kHUF per month. Significant amounts are dedicated to the opening and closing conferences in Budapest and to the series of workshops with government partners in year four. These should cover catering, accommodation and travel costs, and general organizational expenditure. Electronic and printed dissemination costs (research group website and annual reports) are also covered. The costs of the planned research visits for all research team members, essential for carrying out basic research, and the costs of conference participation, essential for dissemination and feedback are covered. The budget will cover the repatriation costs of the research leader and the membership fee of the research group in UACES (at 45 kHUF per year).

The dissemination activities include a stock-taking opening conference (1000 kHUF) in year 1, a closing conference (1000 kHUF) in year 5 and a series of workshops (4x 150 kHUF). These activities are essential to accomplishing the objective of the research project –, influencing policy making in Hungary. The project has to attract the attention of policy makers and other actors in the policy process and this requires expenditure on dissemination activities. Similar reasons apply to the publications expenditure which should cover quality electronic and paper-based publication of essential information on the research project, of intermediate reports and legal/policy briefs, of the deliverables and the final report. 500 kHUF is planned for the design and maintenance of the research group website in year 1, 50 kHUF for the maintenance of the website in years 2-5, 150 kHUF for the on-line presentation of the deliverables in years 3 and 5, and 50 kHUF for the design and printing of paper based presentations of the research group's work.

The travel and accommodation costs planned cover the planned research and conference visits. These costs will incur in relation to activities essential to the achievement of the project's objectives (basic research, consultation with academic partners and academic dissemination). In years 1, 2 and 4, two research visits per year are planned (travel and accommodation costs fixed at 300 kHUF per visit). In years, 1, 2, 4 and 5, four conference visits per year are planned (travel and accommodation costs fixed at 200 kHUF) to leading research institutes with resources in the three main languages of European scholarship (French, German, English) (e.g. EUI (Florence) and Leuven University), and to research institutes with expertise in the area (e.g. Gent University). The budget will cover the repatriation costs of the Principal Investigator (1000 kHUF). It includes temporary accommodation costs in Budapest in year 1, international removal costs, and travel costs. Accommodation costs for the visiting fellows in Budapest in years 2 and 3 fixed at 350 kHUF are also covered. The yearly travel expenses of the steering committee for the annual meeting are also covered at 10 kHUF per person for 5 years. A 200 kHUF per year domestic travel lump sum is planned for research group members for dissemination activities and for discussion with Hungarian academic partners.

As capital expenditure essential for the operation of the research group, the purchasing of laptops (4x250 kHUF) and desktops (2x200 kHUF) with software (100 kHUF), a laser printer (100 kHUF) and a server expansion (300 kHUF) for the research institute is planned.

VI) A separate budget estimate of the resources expected from the host research institution

The host research institution will contribute by covering the salary expenditure of research personnel contributing to the research project from the host institution and overhead costs related to the operation of the research group at a total value of **30010 kHUF**. The personnel expenditure will cover 50% of the salary of two of the post-doc team members currently employed by the institute and the additional post-doc staff member providing research assistance. The overhead costs will cover the provision of fully furnished offices, communications costs, utilities expenses, administrative support, promotion activities and providing venues for the conferences, workshops and other meetings. Owing to the nature of the research activity planned, such nature and scale of contribution by the host institution is deemed adequate.

