



# Hungary Report

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Sustainable Governance in the  
Context of the COVID-19 Crisis

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## Executive Summary

Hungary was badly prepared for the COVID-19 pandemic. The country's crisis management system, healthcare system and education system were already in bad shape, and the Hungarian economy proved vulnerable to the pandemic as a result of its strong dependence on the car industry and tourism sector. When the COVID-19 pandemic started to spread in China and Italy, the Hungarian government was initially reluctant to react, with Prime Minister Orbán deliberating whether or not to follow the course taken by leaders like U.S. President Donald Trump or Brazilian President Jair Bolsonaro, who downplayed the virus. However, as the pandemic began approaching Hungary's borders and neighboring countries began taking action, the government quickly imposed a relatively strict lockdown. While its lockdown measures helped to contain the spread of the first wave, the government was less successful in limiting the economic and social fallout of the pandemic. Despite the substantial increase in unemployment, it kept unemployment benefits low and has not extended the maximum period to receive benefits, which is the lowest in the EU. In September 2020, half of the 323,000 unemployed did not receive any support from the government. Nor has the government done much to limit the digital inequality which will deepen the urban/rural and rich/ poor divides and exacerbate the exclusion of the Roma. The government responded slowly to developments in the second wave of the COVID-19 pandemic. While Prime Minister Orbán declared in early September that Hungary was prepared "in full armor" for the second wave, it took a week of record-breaking hospitalizations and deaths in early November to bring the government to reimpose more stringent lockdown measures. In the first half of December 2020, Hungary was among the top three countries in the EU in terms of fatalities per capita resulting from the second wave of the pandemic.

Instead of addressing the real economic and social problems resulting from the COVID-19 pandemic, the Orbán government has followed Churchill's advice of "never let a good crisis go to waste" and has seized the opportunities opened up by the crisis to redistribute resources to oligarchs close to the government, consolidate its power, and continue its assault on democracy and the rule of law. Under the pretext of mitigating the economic fallout of the pandemic, the Orbán government has pushed through economically and politically dubious infrastructure projects such as the Russian-led expansion of

the Paks nuclear power plant and the Chinese-backed modernization of the Budapest-Belgrade railway link. Ignoring massive international protests, the government was granted, and made heavy use of, emergency powers that went beyond those foreseen in the Hungarian constitution. It has weakened the political opposition by substantially reducing public financing for political parties and by severely restricting the competences and resources of the municipalities, a major power base of the opposition. It has used the pandemic as a pretext for limiting access to government information and for further restricting media freedom by criminalizing so-called fake news and scaremongering.

## Key Challenges

The COVID-19 pandemic has not only exacerbated the challenges Hungary faces in several policy fields ranging from healthcare to R&I, it has also exposed the limits to the Orbán government's model of policymaking. The unchecked power of Prime Minister Orbán has favored erratic policy changes. By ignoring expert advice and eschewing societal consultation, policies have been badly informed and have lacked legitimation. The confrontational approach taken by the government and its lack of transparency have contributed to widespread mistrust in the government and the rationale behind its measures. The weakening of municipalities has limited the scope for local experiments, for citizen participation and for taking local peculiarities into account.

The Orbán government's poor handling of the second wave of the COVID-19 pandemic has diminished its popularity. At the beginning of 2021, Fidesz trailed the opposition in public opinion surveys. While the government is still in a strong position as it controls both parliament and the media, and it has command over considerable resources, the government's waning popularity suggests the possibility of a change in government after the 2022 parliamentary elections. Such a change in government is the precondition for a change to a more evidence-based and inclusive style of policymaking, let alone for the much-needed restoration of democracy, media freedom and the rule of law.

It goes without saying that the opposition will face an uphill struggle. Consisting of heterogeneous forces from the left to the right, it still has to agree on a credible candidate. It will face a smear campaign by the government and the Fidesz-controlled media. During the pandemic, the government has not only cut public funding for political parties, it has also

reduced the competences and financial resources of the municipalities, a major power base of the opposition. This has reduced the opposition's chances of being credited for taking care of citizens' real concerns and for innovative local solutions. Instead, opposition politicians risk being punished by voters dissatisfied with the performance of municipalities, even if the problems have stemmed from the Orbán government's attack on local self-government.

The Orbán government is likely to boost its chances for reelection by adopting popular spending projects and introducing further tax cuts. The gradual re-introduction of the 13th month pension is a clear case in point. The COVID-19 pandemic makes it easier for the government to engage in electioneering, as the uncertain post-pandemic recovery provides an argument for tolerating fiscal deficits. Moreover, the availability of additional EU funds stemming from the Next Generation EU program increases the government's scope for adopting popular projects and for further enriching its cronies. The fiscal space that the Orbán government enjoys because of the pandemic and the EU's recovery measures might help it maintain its hold on power. At the same time, the short-term spending bonanza to be expected will severely constrain the medium- and long-term scope of activity available to any potential successor government. For both reasons, it is a pity that the compromise found at the December 2020 European Council over the EU's Multiannual Financial Framework and the Next Generation EU program has included the delayed implementation of the EU's Rule of Law Mechanism.

# Resilience of Policies

## I. Economic Preparedness

### Economic Preparedness

Economic Policy  
Preparedness  
Score: 5

Hungary achieved relatively rapid economic growth in the second half of the 2010s (European Commission 2020a). In 2019, it was one of the few countries to withstand the international slowdown in economic growth. Its real GDP growth rate of almost 5% was the highest in the European Union and the OECD. Economic growth before the COVID-19 pandemic strongly benefited from EU transfers worth 4%-5% of GDP, high remittances from Hungarians working abroad and the favorable climate in the global economy.

In a regional comparison of competitiveness indicators, however, the Hungarian economy has lost ground relative to other new EU member states (MNB 2020: 32-41). The reliability of the economic framework has suffered from pervasive corruption, the state capture by the “(royal) court” (udvar) around Orbán and erratic government interventions. In spite of massive foreign and domestic investment, labor productivity relative to the EU average has remained low. The Orbán governments have sought to promote investment and economic development by keeping wages low and disciplining labor, while neglecting human capital and R&I (Pogátsa 2021, Scheiring 2020). The European Commission (2020b), in its European Innovation Scoreboard, classifies Hungary as a “moderate innovator,” with an innovation performance clearly below the EU average. Hungary has scored particularly badly with regard to eco-innovations (European Commission 2020c). The Hungarian economy has also been highly dependent on two industries that were hit particularly hard by the COVID-19 pandemic, the car industry and the tourism sector.

Citation:

European Commission (2020a): Country Report Hungary 2019. SWD(2020) 516 final, Brussels (<https://ec.europa.eu/info/sites/info/files/2020-european-semester-country-report-hungary-en.pdf>).

European Commission (2020b): European Innovation Scoreboard 2020. Brussels, June 23 ([https://ec.europa.eu/growth/industry/policy/innovation/scoreboards\\_en](https://ec.europa.eu/growth/industry/policy/innovation/scoreboards_en)).

European Commission (2020c): The Eco-Innovation Scoreboard and the Eco-Innovation Index. Brussels ([https://ec.europa.eu/environment/ecoap/indicators/index\\_en](https://ec.europa.eu/environment/ecoap/indicators/index_en)).

Pogátsa, Z. (2021): The Political Economy of Hungary: Managing Structural Dependency on the West, in: Ellen Bos, Astrid Lorenz (Hrsg.), Das politische System Ungarns: Nationale Demokratieentwicklung, Orbán und die EU. Wiesbaden: Springer VS, 153-162.

Scheiring, G. (2020): The Retreat of Liberal Democracy: Authoritarian Capitalism and the Accumulative State in Hungary. Cham: Palgrave Macmillan.

### Labor Market Preparedness

Labor Market  
Policy  
Preparedness  
Score: 5

Recorded unemployment declined significantly after the resumption of economic growth in 2013 and stood at about 3% in 2019. However, the national statistics tend to sugar-coat the situation, as they do not count all unemployed. Moreover, low unemployment has largely been achieved by controversial public-works programs and an increase in the number of Hungarians working abroad. The public-works programs have provided “workfare” rather than “welfare” and have seldom resulted in the integration into the primary labor market. The main beneficiaries of the program have been local mayors who are provided with access to cheap labor to perform communal work. Participants in public-works programs have been pressured to vote for Fidesz. The number of Hungarians working abroad before the pandemic was estimated at 600,000, many of them highly educated and skilled. The resulting brain drain has become a major obstacle to economic development. The salary boom in the primary labor market before the COVID-19 pandemic was driven by the lack of qualified labor and the resulting increase in competition among companies to find a qualified workforce.

An employer-friendly labor legislation has contributed to bad working conditions. The latter have become a public issue with the amendment of the Labor Code in December 2018, the so-called “Slave Act” (Scheiring/Szombati 2019). The new regulation raised the maximum period of overtime for employees from 300 to 400 hours per year and gave employers the right to delay the reimbursement of overtime work by up to three years. The “Slave Act” has alerted large parts of society, prompted massive street protests and strengthened the unions.

The National Employment Service (Nemzeti Foglalkoztatási Szolgálat – NFSZ) runs a number of programs addressing unemployment. These programs focus on financial compensation rather than on qualification. The NFSZ lacks the administrative capacity to provide qualification. Unemployment benefits are paid for three months only, the lowest duration in the EU. The opposition parties have long demanded extending this to at least nine months.

Citation:

Scheiring, G., K. Szombati (2019): The structural trap of labour politics in Hungary, Rupture (3) (<https://rupturemagazine.org/2019/08/04/the-structural-trap-of-labour-politics-in-hungary-gabor-scheiring-kristof-szombati/>).

### Fiscal Preparedness

Fiscal Policy  
Preparedness  
Score: 5

Hungarian public debt gradually declined from almost 80% of GDP in 2012 to less than 67% in 2019. This debt reduction and the resulting increase in independence from foreign creditors have featured prominently in the Orbán government's success propaganda and have allowed the government to present itself as fiscal savior. Upon closer inspection, however, fiscal performance has been less impressive. The decline in the debt-to-GDP ratio has reflected the strong economic growth rather than an ambitious consolidation policy. In the run-up to the 2018 parliamentary elections, Hungary's fiscal policy turned procyclical in 2017 and 2018. Despite strong economic growth, the fiscal deficit widened and became one of the highest in the European Union, so much so that the European Council launched a significant deviation procedure for Hungary. While the government tightened fiscal policy in 2019, the envisaged decline in the structural deficit has been smaller than recommended by the European Council. Fiscal policy has also suffered from weak fiscal institutions and a lack of transparency. Budgets are being passed as early as May or June, before important information about the coming year is available. Fiscal planning has remained narrowly focused on the annual budget.

### Research and Innovation

Research and  
Innovation Policy  
Preparedness  
Score: 4

The innovation performance of the Hungarian economy has been relatively low (European Commission 2020; MNB 2020: 110-115). Public spending has been low, the innovation capacity of the domestic SMEs has been limited, and the multinational enterprises have not done much R&I in Hungary. The weak financing of universities and the R&I sector, along with the Orbán governments' assault on civil rights and political liberties, has also contributed to a substantial brain drain.

After years of neglect, the fourth Orbán government has paid more attention to research and innovation policy. The 2019 and the original 2020 budget provided for a substantial increase in public R&I spending. However, part of the rise in spending has merely replaced hitherto existing tax incentives (OECD 2019). Moreover, the government has initiated highly controversial structural reforms that have infringed upon academic freedom and are likely to weaken the country's R&I performance. The creation of the new and almighty

Ministry of Innovation and Technology (ITM) has gone hand in hand with a “privatization” of the universities and the “ruining” of the Academy of Sciences (MTA). The process of privatizing universities has taken place by giving eight universities to newly established “private” foundations controlled by loyal Fidesz supporters. The MTA has been deprived of its research institutes. Instead, the Lóránd Eötvös Research Network (ELKH, Eötvös Lóránd Kutatási Hálózat) has been created. Officially justified as an attempt to make the public research sector more competitive, these changes have drastically reduced the autonomy of the institutions. The ITM has taken all major decisions for them. It can fire all employees immediately without any explanation.

Citation:

European Commission (2020): European Innovation Scoreboard 2020. Brussels, June 23 ([https://ec.europa.eu/growth/industry/policy/innovation/scoreboards\\_en](https://ec.europa.eu/growth/industry/policy/innovation/scoreboards_en)).

MNB (= Magyar Nemzeti Bank) (2020): Competitiveness Report 2020. Budapest (<https://www.mnb.hu/en/publications/reports/competitiveness-report/competitiveness-report-2020>).

OECD (2019): R&D Tax Incentives: Hungary, 2019. Paris (<https://www.oecd.org/sti/rd-tax-stats-hungary.pdf>).

## II. Welfare State Preparedness

### Education System Preparedness

Education Policy  
Preparedness  
Score: 4

The Hungarian education system has suffered from a number of severe weaknesses: It has been underfinanced, but overconcentrated and over-ideologized. In the last years, spending on education has amounted to about 5% of GDP and 11% of government spending only, thus lagging behind the EU average. The autonomy of the schools has been drastically curtailed, with all competencies placed in the hands of one big national organization (KLIK). Finally, the education system has been saturated by the ideological propaganda of the Orbán regime. More and more weight has been given to an ideological education in the spirit of the nationalistic propaganda at the expense of a more open and secular education.

Catering to business interests, the Orbán governments have sought to reduce the number of students going to gymnasium and to strengthen vocational training schools or technical schools vis-à-vis universities. This has limited social mobility by splitting the young generation into two parts from early on.

While the government had formulated a Hungarian Digital Learning Strategy (Magyarország Digitális Oktatási Stratégiája, DOS) already in 2016, e-learning was not very developed in Hungary when COVID-19 struck (OECD



2020). E-learning platforms have been available, but their development and use have been driven primarily by the schools themselves rather than a proactive government.

Citation:

OECD (2020): School education during Covid-19. Were students and teachers ready? Country note Hungary. Paris (<http://www.oecd.org/education/Hungary-coronavirus-education-country-note.pdf>).

### Social Welfare Preparedness

Social Welfare  
Policy  
Preparedness  
Score: 4

The basic social message of the Orbán governments has always been that they would fight for upward mobility of “hard working people” in Hungarian society, representing the interests of both the middle class and low-income earners. However, despite the economic recovery since 2013, both the impoverishment of people in the lower income deciles and the weakening of the middle classes have continued. While wages have risen because of the growing labor shortages, wage growth has been lower than that observed in other Visegrád countries. Under the Orbán governments, major social benefits have been cut, while the better-off have benefited from tax reductions (Szikra 2019). Ranking 36 out of 40 countries for life satisfaction, Hungary trailed behind in the OECD’s Better Life Index 2019. Only one-third of Hungarian society can achieve a way of life similar to that in the developed EU member states. There are also strong regional disparities in terms of social inclusion between “rural” and “urban” Hungary, with big islands of poverty prevailing in eastern Hungary, and a strong segregation of the Roma population.

Citation:

OECD, Better Life Index (<http://www.oecdbetterlifeindex.org/topics/life-satisfaction/>).

Szikra, D. (2018): Welfare for the Wealthy: The Social Policy of the Orbán-regime, 2010-2017. Budapest: Freidrich-Ebert Foundation (<http://library.fes.de/pdf-files/bueros/budapest/14209.pdf>).

### Healthcare System Preparedness

Health Policy  
Preparedness  
Score: 3

Health outcomes in Hungary lag behind most other EU member states due to both the low performance of healthcare provision and unhealthy lifestyles (OECD/ European Observatory on Health Systems and Policies 2019). Life expectancy in Hungary is lower than in most of its EU neighbors, and disparities across gender and socioeconomic groups are substantial. Hungary has one of the highest avoidable death numbers in the European Union.

Healthcare has suffered from a limited healthcare budget, which is one of the lowest in the OECD with spending per capita at around 50% of the EU average. A large number of medical doctors and nurses have emigrated to the

West in search of better salaries. Consequently, some sectors of hospitals have been closed because of the lack of doctors. At the same time, the health system remains excessively hospital-centric, and lacks a sufficient focus on primary care and prevention. Even very small hospitals are maintained, although they cannot be operated efficiently – the fear of public protests against a centralization of hospitals prevents necessary reform.

Those who can afford it have sought treatment in the growing number of private health institutions. But even the less well-off have begun paying additional fees for medical procedures and treatments available within the public healthcare system. As a result, out-of-pocket payments in Hungary were almost double the EU average in 2019. Private medical institutions have been growing in the Orbán regime, as their high profitability has made them a good business opportunity for Fidesz oligarchs. This shift has also provided medical staff – both physicians and assistants – a major opportunity to earn extra income in addition to their poorly paid positions in the state-run hospitals.

Despite a few announced reforms, healthcare was low on the priority list for the fourth Orbán government before the COVID-19 pandemic. Policymaking has suffered from the absence of a separate ministry tasked with addressing healthcare issues and the fact that the Hungarian Medical Chamber (Magyar Orvosi Kamara, MOK) has been loyal to the government rather than to the profession. In 2019, the transfer of the responsibility for medical schools and the health research budget from the Ministry of Human Resources (EMMI) to the Ministry of Innovation and Technology (ITM) further increased institutional fragmentation.

Citation:

OECD/ European Observatory on Health Systems and Policies (2019): Hungary: Country Health Profile 2019, State of Health in the EU. Paris: OECD, Brussels: European Observatory on Health Systems and Policies ([https://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0007/419461/Country-Health-Profile-2019-Hungary.pdf](https://www.euro.who.int/__data/assets/pdf_file/0007/419461/Country-Health-Profile-2019-Hungary.pdf)).

## Families

Family Policy  
Preparedness  
Score: 5

Family policy has always been a rhetorical focus for the Orbán governments. In the context of the government's campaign against refugees, it has attached even greater importance to family policy. The government has repeatedly stressed its view that the ongoing decline in population must be tackled not by immigration, but by increasing birth rates in the country and has declared this to be a major political goal. After the April 2018 elections, the government further intensified its pro-family rhetoric. Prime Minister Orbán has spoken of the “demographic focus” of his fourth government and has announced a “deal with the Hungarian women,” which is intended to stop Hungary's population

from shrinking. Spending on family policy in Hungary has been high. However, family policy has continued to focus on improving the material situation of parents and providing incentives to having children rather than on enabling women to combine parenting and employment. In this vein, a reform package adopted in April 2019 introduced interest-free loans for married couples who commit to having children, subsidies for the purchase of new, seven-seater vehicles for families with at least three children and an expansion of the preferential home purchase subsidy scheme for parents. By contrast, the expansion of childcare facilities announced by the government for some time has progressed slowly. Financial support for families has increasingly taken the form of tax allowances, thus favoring the better-off.

### III. Economic Crisis Response

#### Economic Response

Economic  
Recovery  
Package  
Score: 5

Since March 2020, the Orbán government has gradually adopted a plethora of measures aimed at mitigating the negative economic consequences of the crisis. Measures have included tax cuts, a wage subsidy scheme patterned upon the German short-time work benefit (*Kurzarbeit*) model, credit and mortgage moratoria, interest-free loans and state guarantees by the Hungarian Development Bank. The government has bundled these measures in a not-always transparent manner under the heading Economy Protection Action Plan (ITM 2020). As part of the plan, it established an Economic Defense Fund that features five pillars: employment preservation, employment creation, sectoral support, enterprise finance and the protection of families and the elderly (Pogátsa 2020: 15).

The Orbán government's initial economic policy measures provided only for a weak overall fiscal stimulus, even more so as they were partly offset by complementary cuts in spending (Ádám 2020: 287-288). On 15 April 2020, a group of leading Hungarian economists presented a more ambitious alternative recovery program (Group of 15 2020, Mellár 2020). This program envisaged a bigger fiscal stimulus and called for stopping two economically costly and politically controversial pet projects of the Orbán government, the Russian-led expansion of the Paks nuclear power plant and the Chinese-backed modernization of the Budapest-Belgrade railway link. In addition, the Group of 15 urged the government to pave the ground for Hungary's accession to the euro zone.

Instead of questioning its costly and controversial infrastructure projects in light of the COVID-19 pandemic, the Orbán government has pushed ahead with them. It has included the spending on the recapitalization of the Paks Nuclear Energy Company and the Budapest-Belgrade railway link in the “Economic Defense Fund” and sold it to the public as anti-crisis measures. Many other measures financed by the Economic Defense Fund have done little to speed up the economic recovery and to improve the growth prospects of the Hungarian economy, but they have primarily served the economic and political interests of the ruling elite (Pogátsa 2020: 15-16). Cases in point are the financing of the national space and the Hungarian village program. It is also telling that the government’s extra spending for the sports business and the churches, also channeled through the Economic Defense Fund, was five times higher than the additional spending for the health sector.

Citation:

Ádám, Z. (2020): Ultra-orthodoxy and selective voluntarism: How did the Orbán regime react to the first wave of the pandemic? in: *European Policy Analysis* 6(2): 277-292.

Group of 15 (2020): Vélemény és javaslat az Orbán kormány válságkezelő programjáról (Opinion and proposal on the crisis management program of the Orbán government), in: *Válságkezelés*, April 10 ([https://valsagkezeles.blog.hu/2020/04/10/velemeny\\_es\\_javaslat?fbclid=IwAR0O1R2IuYi06foGeuIXhxQh7\\_HI9FDbzOo6SGANLjWqd5QvXRSj7K8JLGg](https://valsagkezeles.blog.hu/2020/04/10/velemeny_es_javaslat?fbclid=IwAR0O1R2IuYi06foGeuIXhxQh7_HI9FDbzOo6SGANLjWqd5QvXRSj7K8JLGg)).

ITM (= Ministry for Innovation and Technology) (2020): *Economy Protection Action Plan*. Budapest (<https://4cdn.hu/kraken/raw/upload/7S99TvsQW0YA.pdf>).

Mellár, T. (2020): *A nagy magyar válságkezelés: Gyorsjelentés az Orbán kormány 2020-as gazdaságpolitikájáról* (The big Hungarian crisis management: Rapid Report on the economic policy of Orbán government in 2020). Budapest: Noran Libro Publishing.

Pogátsa, Z. (2020): *Crisis-management in Hungary during the 2020 Crisis*. Prague: Rosa-Luxemburg-Stiftung.

### Sustainability of Economic Response

Recovery  
Package  
Sustainability  
Score: 4

Hungary has a National Plan on Climate and Energy from February 2020 (ITM 2020), that emphasizes waste issues by prohibiting, for example, single-use plastic waste and introduces a tree-planting initiative. As for energy consumption, the electrification of traffic and nuclear energy are central issues, but solar energy capacities are also being targeted for a six-fold enlargement. The government has announced its decision to put more pressure on multinational companies to lower their CO2 footprint. A weak point is the energy efficiency of buildings. The plans in this respect to push the share of renewable energy in the sector from 20.7% (in 2020) to 28.7% by 2030 is not very ambitious. In traffic, the goal is to lift renewables from 6.6% to a share of 16.9%, in electricity production from 10.8% to 21.3%. The European Commission (2020) has criticized the plan for a lack of ambition.

The government’s initial stimulus measures have not been linked to these plans and have not been used to foster the sustainable transformation of the

economy. In the second half of 2020, the government has taken unused funds from the Economic Defense Fund established at the outset of the COVID-19 pandemic for spending on controversial projects such as the Chinese built Belgrade-Budapest train line and the Paks nuclear power plant. When drawing up its National Recovery and Resilience Plan for the European Commission, the Hungarian government responded to the admonitions by the Commission (2020) and paid more lip services to sustainability issues.

Compared to the government, the opposition has paid more attention to sustainability issues, as can be seen by the program for economic recovery developed by the V21 Group of former ministers and leading government figures (V21 Group 2020).

Citation:

European Commission (2020): Assessment of the final national energy and climate plan of Hungary. Staff Working Document SWD(2020) 916 final, Brussels ([https://ec.europa.eu/energy/sites/ener/files/documents/staff\\_working\\_document\\_assessment\\_necp\\_hungary.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/staff_working_document_assessment_necp_hungary.pdf)).

ITM (= Ministry of Innovation and Technology)(2020): Nemzeti Energia és Klímaterv. Budapest ([https://ec.europa.eu/energy/sites/ener/files/documents/hu\\_final\\_necp\\_main\\_hu.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/hu_final_necp_main_hu.pdf)).

V21 Group (2020) National Minimum Program. Budapest, September 25 (<https://www.v21.hu/national-minimum-program>).

### Labor Market Response

Labor Market  
Policy Response  
Score: 5

The Orbán government's initial labor market responses focused on relieving the employer side of negative impacts. In mid-March 2020, the government effectively suspended the labor code, allowing employers to deviate from regulations concerning working hours and the minimum wage. In April, these measures were complemented by a wage subsidy scheme similar to the German short-time work benefits model. Until the end of August, the government spent about HUF 50 billion on the scheme, assisting 16,574 companies. Only about 5% of workers were covered by the scheme, one of the lowest shares in the whole OECD (Györi et al. 2021: 64). In order to limit the increase in unemployment, the government also expanded its public work programs and substantially increased the military intake. The number of persons enrolled in public work programs increased from 84,071 in March 2020 to 94,560 in December 2020, marking a 12% increase over the first year of the pandemic.

Despite these measures, unemployment increased substantially during the COVID-19 pandemic. According to OECD data, the unemployment rate jumped from 3.4% in December 2019 to 4.9% in June 2020. In the first half of 2020, the effect on the labor market was the most serious for people with a lower and especially middle-range education (Pulay 2020, Chart 41). In terms

of age, the effects were relatively balanced. Though Hungarian unemployment benefits are rather low and are paid for three months only, Hungary was among the few countries that have not raised unemployment benefits during the pandemic (Aidukaite et al. 2021). In September 2020, half of the 323,000 unemployed did not receive any support from the government (Györy et al. 2021: 64).

The recovery of the labor market will need strong and well-designed social investment. New forms of work, such as gig work or telework, that have expanded during the pandemic as a means of survival, are likely to stay. Exploiting their potential will need a new governmental approach, a strengthening of sectoral social dialogue and the de-politization of the Hungarian Chamber of Commerce and Industry (MKIK).

Citation:

Aidukaite, J., S. Saxonberg, D. Szelewa, D. Szikra (2021): Social policy in the face of a global pandemic: Policy responses to the COVID-19 crisis in Central and Eastern Europe, in: *Social Policy & Administration* 55(2): 358-373 (<https://doi.org/10.1111/spol.12704>).

Györi, G. et al. (2021): Hungarian Politics in 2020. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

Pulay, G. (2020): Mennyire forgatta fel a COVID-19 járvány a munkaerőpiacot?, in: *Pénzügyi Szemle*, September 20 (<https://www.penzugyiszemle.hu/tanulmanyok-eloadasok/mennyire-forgatta-fel-a-covid-19-jarvany-a-munkaeropiacot>).

### Fiscal Response

Fiscal Policy  
Response  
Score: 5

Originally, the Orbán government, supported by the Budgetary Council, hoped to keep the deficit below 3% despite the COVID-19 pandemic. Many economists thus criticized the government for a lack of fiscal stimulus. At the end, however, the Hungarian central budget closed 2020 with a record deficit of around 9% of GDP, up from the pre-pandemic prognosis of a historically low 1%. While this was partly caused by the revenue shortfalls and extra spending needs associated with the pandemic, the government also seized the opportunity of the crisis to push through some of its pet projects and to adopt a number of popular measures such as the increase in pensions that can only be read in the context of future electoral campaigns.

The budgetary response to the COVID-19 pandemic has been rather opaque. The government set up a special Economic Defense Fund (Gazdaságvédelmi Alap) in April 2020. Its composition has changed over time, and it has included measures that had been adopted before the crisis or that are unrelated to the crisis. The fund has allowed the government to claim that its crisis spending has amounted to 20% of GDP (Pogátsa 2020:15-16).

Following its traditional practice, the Orbán government presented its 2021 budget already in May 2020. At this stage, relatively little about the trajectory

of the COVID-19 pandemic was known, so that the opposition criticized the budget as “meaningless” (Daily News Hungary 2020).

With the high 2020 fiscal deficit, the gradual decline in the Hungarian debt ratio has been reversed and Hungary’s debt level has returned to the level of 2010. The availability of EU funds is an important condition for a successful fiscal consolidation (László 2020).

Citation:

Daily News Hungary (2020): Opposition parties slam 2021 budget bill, in: Daily News Hungary, May 26 (<https://dailynewshungary.com/opposition-parties-slam-2021-budget-bill/>).

László, C. (2020) Vissza a startvonalra: Mit veszít Magyarország, ha kimarad az uniós mentőcsomagból (Back to the start-line: What will be lost by Hungary if it has been left out from the EU’s recovery package?), in: Magyar Narancs, December 3.

Pogátsa, Z. (2020): Crisis-management in Hungary during the 2020 Crisis. Prague: Rosa-Luxemburg-Stiftung.

## Research and Innovation Response

Research and  
Innovation Policy  
Response  
Score: 5

The Orbán government has sought to strengthen R&I during the pandemic. It introduced special wage subsidies for employment in R&I-intensive sectors and increased the money for R&I in the 2021 budget. However, it has made relatively little use of R&I for combating the COVID-19 pandemic. The government has promoted the development of a contact-tracing app (Virusradar), which was available already in April. It also established a special COVID-19 fund worth HUF 3 billion within the framework of the Hungarian Research and Development and Innovation Fund, with little visible effects so far. The Hungarian government has contributed to the development and production of vaccines primarily by providing a subsidy of HUF 2 billion for the enlargement of Schott Hungary Kft., a German-based company producing vials for the Biontech-Pfizer vaccine.

## IV. Welfare State Response

### Education System Response

Education  
Response  
Score: 4

In Hungary, schools were first closed from March to May in 2020. A second closure, adopted in November 2020 and extended into January 2021, was confined to students in the ninth grade and up, as well as to colleges and universities. Government communication has been quite chaotic. The first school closure was on short notice. On the Friday on which school closures were announced, Prime Minister Orbán had that very morning denied the

possibility of such closures. As a result, students, parents and teachers had only one weekend to prepare for the closures. Orbán stirred further uncertainty by temporarily claiming that teachers would not be paid during a lockdown. In October 2020, the announcement that schools have to measure schoolchildren's temperature also came suddenly.

The switch to distance learning has shown the opportunities of digital education, but the “digital jungle fight,” as it has been called by Tamás Aáry, the Ombudsman for Education, has also revealed the deficiencies in access to it and the failure of the government to address the issue. Children in poor families need support in purchasing digital devices. Jakab (2020: 68) emphasizes the hardships occurring when poorer families do not have the hardware to participate in homeschooling, and shows how many families cannot provide the relevant support to their children with online learning because of their limited educational background. A survey by HÖÖK (2020) supported this impression, as more than half of the interviewed mentioned hardware issues.

The government has paid little attention to addressing such issues. There has been no central monitoring of digital education (Pogátsa 2020: 13), and the ministry in charge has come up with concrete proposals for e-learning only in 2021 (EMMI 2021). EMMI's action plan for the school year 2020/21 is very detailed with respect to questions regarding public health measures but offers no guidance with respect to online learning (EMMI 2020). However, even the public health measures are not rigorous, as many schools have no materials for disinfection. The government's regulations were difficult to apply in everyday practice. People who were infected were often not quarantined or, if so, only after considerable delay.

Instead of addressing the pressing educational challenges of the COVID-19 pandemic, the government has continued to increase its grip on universities. In September 2020, it appointed a board of trustees over the heads of the prestigious University of Theatre and Film Arts (SZFE), prompting massive protests both inside and outside Hungary. In December 2020, the government also complemented the initiated “privatization” of universities by adopting a constitutional amendment that makes changes in the operation of the new “private” foundations running universities and research organizations dependent on a two-thirds majority in parliament, thereby cementing the influence of Fidesz over these foundations, even if the opposition wins the next election (Kazai 2020). The Orbán government has also pressed ahead with its project of establishing a network of educational institutes as party schools for party propaganda training. These institutes are also designed to socialize selected candidates from the younger generation to become Fidesz



activists and to cultivate them for government posts at the various levels. The Mathias Corvinus College (MCC) has been the main actor in this field, it has recently received huge amounts of financial support from the government, while the public education system remains underfinanced, particularly given the current crisis management needs. MCC enjoys a large infrastructure in the capital and major cities, and has been provided a special training center at lake Balaton in Révfülöp.

Citation:

EMMI (= Emberi Erőforrások Minisztérium)(2020): Akció terv, 2020. október 1. Budapest ([https://www.oktatas.hu/pub\\_bin/dload/kozoktatasi/Tanevkezes2020/Intezkedesi\\_terv\\_2020\\_2021\\_tanev\\_3\\_egyseges\\_szerkezetben.pdf](https://www.oktatas.hu/pub_bin/dload/kozoktatasi/Tanevkezes2020/Intezkedesi_terv_2020_2021_tanev_3_egyseges_szerkezetben.pdf)).

EMMI (2021): Digitális pedagógiai módszertani ajánlások Gyűjteménye. Budapest ([https://www.oktatas.hu/pub\\_bin/dload/kozoktatasi/tavoktatasi/Modszertani\\_gyujtemeny\\_01\\_08\\_compressed.pdf](https://www.oktatas.hu/pub_bin/dload/kozoktatasi/tavoktatasi/Modszertani_gyujtemeny_01_08_compressed.pdf)).

HÖÖK (2020): Távközlés jelentés. Budapest (<https://hook.hu/hu/felsooktatasi/tavoktatasi-jelentes-2851>).

Jakab, G. (2020): Iskola – járvány idején, 1. rész, in: Iskolakultúra 30(9): 64-76.

Kazai, V. Z. (2020): Power Grab in Times of Emergency, in: Verfassungsblog, November 12 (<https://verfassungsblog.de/power-grab-in-times-of-emergency/>).

Pogatsa, Z. (2020): Crisis-management in Hungary during the 2020 Crisis. Prague: Rosa-Luxemburg-Stiftung.

### Social Welfare Response

Social Welfare  
Policy Response  
Score: 3

While the Orbán government has supported employees and pensioners, it has done relatively little for the non-standard employed and the poor. The government's wage subsidy scheme, although relatively modest, has helped limit unemployment and income losses. Pensioners have benefited from the gradual re-introduction of the 13th month pension, which has been widely perceived as a campaign goody in preparation of the 2022 parliamentary elections (Gál 2020). By contrast, the adopted programs for artists without an institutional background, partly administered by the Hungarian Academy of Arts (Magyar Művészeti Akadémia, MMA) were underfinanced. The adopted moratoria for mortgage payments and credit payments in general and the accompanying interest rate cap have been of greater support to the middle classes than the poor. Despite the substantial increase in unemployment, the government has kept unemployment benefits low and has not extended the maximum period (Aidukaite et al. 2021). In September 2020, half of the 323,000 unemployed did not receive any support from the government (Györy et al. 2021: 64). Nor has the government sought to combat digital inequality, which will exacerbate the urban/rural and the rich/ poor divide as well as the exclusion of the Roma. As a result, there is a broad feeling among the Hungarian population that the Orbán government's crisis management has neglected the vital problems of the losers of the COVID-19 pandemic (Tóth/Hudacskó 2020).

## Citation:

Aidukaite, J., S. Saxonberg, D. Szelewa, D. Szikra (2021): Social policy in the face of a global pandemic: Policy responses to the COVID-19 crisis in Central and Eastern Europe, in: *Social Policy & Administration* 55(2): 358-373 (<https://doi.org/10.1111/spol.12704>).

Gál, R.I. (2020): Hungary re-introduces the 13th month pension as part of its response to COVID-19. European Social Policy Network, ESPN Flash Report 2020/37, Brussels: European Commission.

Györi, G. et al. (2021): Hungarian Politics in 2020. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

Tóth, I., S. György-Hudacsó Szilvia (2020): A koronavírus társadalmi hatásai a közvélemény kutatások tükrében (The social effects of the coronavirus in the mirror of the public opinion surveys), in: T. Kolosi et al. (eds), *Társadalmi Riport 2020 (Social Report 2020)*. Budapest: TÁRKI, 553-573.

### Healthcare System Response

Health Policy  
Response  
Score: 3

The Hungarian healthcare system was badly prepared for the COVID-19 pandemic. The system was marked by low testing capacities, a lack of personal protective equipment, and a low number of single-bed rooms to isolate people with suspected or confirmed infections. At the beginning of the pandemic, the share of infections contracted in hospitals and care homes was thus relatively high (Human Rights Watch 2020).

The government first reacted by introducing a number of emergency measures (Karáth 2020). It hectically sought to secure equipment and ended up buying too much equipment at overpriced rates. It mismanaged the purchase of respiratory equipment, as a large part of the purchased equipment was meant for handling respiratory sleeping disorders, but not for lifesaving intensive care. The expansion of test capacities progressed slowly. As of end of July 2020, Hungary still had the third-lowest rate of testing in the EU (Human Rights Watch 2020).

When the number of infections rose, the government sought to increase the number of available hospital beds and to boost capacities for care. In April 2020, Minister of Human Resources Miklós Kásler instructed hospitals to free up 60% of their beds (about 36,000 out of 60,000) for treating coronavirus patients almost overnight. Whereas in retrospect this measure appears vastly exaggerated, at the height of the first wave of the pandemic this was obviously hard to know. However, the way the government carried out this policy tells a great deal about the nature of the Hungarian government and the state of the Hungarian healthcare system. The government simply ignored the opposition voiced by hospital directors and the patients who were sent home. In many cases, non-COVID-19 patients were discharged without adequate alternative care, and others were required to share already-full rooms with other patients (Human Rights Watch 2020; Karáth 2020).

The centralization, if not militarization of healthcare continued in the second half of 2020. The Medical Service Act, which entered into force on 18

November 2020, transformed the governance of healthcare (Albert 2021). The newly created National Hospital Chief Directorate (Országos Kórházi Főigazgatóság, Okfő) has become the ruling center of all medical institutions. Hospital directors have as a result lost their main decision-making powers, primarily on budgeting and employment matters. Zoltán Jenei, one of the highest-ranking police officers with the reputation of a tough manager, was made head of Okfő.

While public sector physicians have seen a strong increase in their wages, they have also been provided a new, almost military employment status that allows Okfő and/or hospital directors to send them to work for other hospitals on short notice and which limits their opportunity to operate their own private practices and take a part-time job in the private healthcare sector. These drastic provisions have been subject to strong criticism from the Hungarian Medical Chamber (MOK) and the trade unions. General practitioners, pediatricians and dentists working in primary care who are normally self-employed and not covered by the new law, as well as nurses, have called for pay increases similar to that of the doctors in the public sector. In any case, the tremendous pressure of the COVID-19 pandemic on the weak and terribly underfinanced health system has led to the exhaustion of medical staff, so it will take a long time to return to any kind of “normalcy.”

Citation:

Albert, F. (2021): Hungary reforms its healthcare system: a useful step forward but which raises some concerns. European Social Policy Network, ESPN Flash Report 2021/14, Brussels: European Commission.

Human Rights Watch (2020): Hungary: Health Care Failures Endanger Lives. Ensure Access to Adequate, Quality Health Care, Provide Sufficient Resources. August 4, New York (<https://www.hrw.org/news/2020/08/04/hungary-health-care-failures-endanger-lives>).

Karáth, K. (2020): Covid-19: Hungary’s pandemic response may have been worse than the virus, in: *BMJ* 371:m4153 (<https://doi.org/10.1136/bmj.m4153>).

### Family Policy Response

Family Support  
Policies  
Score: 3

Families have been hit hard by the COVID-19 pandemic. Frequent school closures mean that parents have had to stay home with their younger children and many have exhausted their paid leave time. Women have been hit hardest. In Hungary, their share in employment in sectors challenged by the pandemic was slightly above the OECD average (OECD 2020, Fig. 4). During the first lockdown, 13% of women lost their job, as compared to 6% of the entire Hungarian workforce (Fodor et al. 2020). Even among digital native higher education cohorts, there was a strong gender care gap, with 50% of women, but only one-third of men staying at home (Fodor et al. 2020). The challenges for families, as well as gender imbalances, were aggravated by the government’s decision to release all non-COVID patients from hospitals with little regard for their condition.

During the pandemic, the government has continued its ideological crusade for the traditional family (Halmai et al. 2020). In fall 2020, there was an intensive campaign against LGBTIQ people. The 9th amendment to the country's constitution (Fundamental Law) in December 2020 formally defined a family as a union of male and female parents. Parliament also passed a law that in effect bans same-sex couples from adopting children. It requires single people to get government permission, closing a loophole previously used by those in gay relationships. Despite the increase in domestic violence during the COVID-19 pandemic, the government continued to block the ratification of the Council of Europe's Istanbul Convention aiming at tackling domestic violence with the argument that the convention propagates a destructive gender ideology and aims to expedite immigration.

Citation:

Fodor, E., A. Gregor, J. Koltai, E. Kováts (2020): Revolution Unstalled? The Impact of the COVID-19 Crisis on the Domestic Division of Labor in Hungary, in: *Gender & Society*, May 28 (<https://gendersociety.wordpress.com/2020/05/28/revolution-unstalled-the-impact-of-the-covid-19-crisis-on-the-domestic-division-of-labor-in-hungary/>).

Halmai, G., G. Mészáros, K. L. Scheppele (2020): So It Goes – Part 2, in: *Verfassungsblog*, November 19 (<https://verfassungsblog.de/so-it-goes-part-ii/>).

OECD (2020): Women at the core of the fight against COVID-19 crisis. Paris (<https://www.oecd.org/coronavirus/policy-responses/women-at-the-core-of-the-fight-against-covid-19-crisis-553a8269/>).

### International Solidarity

International  
Cooperation  
Score: 4

Hungary has not played a major role in vaccine development, but it has donated quite a lot of masks and other medical equipment. However, these donations have primarily been driven by priorities such as support for ethnic-Hungarian minorities in neighboring countries and stability in the Balkans – both of which are independent of the COVID-19 pandemic (Végh 2020). Pursuing a nationalist agenda, the Orbán government has long attached high importance to ethnic Hungarians in the region, whom it regards as part of the nation. Arguing that “every Hungarian is responsible for every Hungarian,” the government made donations of medical supplies that targeted these communities in neighboring Romania, Slovakia, Slovenia and Croatia, as well as countries outside the EU such as Serbia and Ukraine. Because of the hidden agenda, some of these donations have proved controversial in the receiving countries.

:

Végh, Z. (2020): Instrumental solidarity: Hungary's management of the coronavirus crisis. *European Council on Foreign Relations* ([https://ecfr.eu/article/commentary\\_instrumental\\_solidarity\\_hungarys\\_management\\_of\\_the\\_coronavirus\\_c/](https://ecfr.eu/article/commentary_instrumental_solidarity_hungarys_management_of_the_coronavirus_c/)).

# Resilience of Democracy

## Media Freedom

Media Freedom  
Score: 2

Since Fidesz's return to power in 2010, media freedom in Hungary has been drastically curtailed. The government has gradually brought the public media and large portions of the private media under its control (Cendic/ Gosztanyi 2020; Hann et al. 2020). Thriving on government advertising, the media are used by the government to influence and deceive the public.

This process has continued during the COVID-19 pandemic (Cendic/ Gosztanyi 2020; Polyák 2020). In July 2020, the editor-in-chief of the leading news site Index was fired by the outlet's new owner, who has close links to the government. In September 2020, the government-aligned Media Council revoked the license of Klubradio, the country's last independent radio station. Media freedom has also been limited by the "fake news paragraph" included in the March 2020 Authorization Act (Polyák 2020). It threatens journalists engaged in producing fake news with a prison sentence of up to five years for scaremongering. While the regulation has not produced the avalanche of cases feared by its critics, it has harmed media freedom by inducing self-censorship. While somehow limiting its scope, the Constitutional Court essentially approved the controversial paragraph in a decision issued in June 2020. Also in June 2020, the Constitutional Court eventually declared legal a controversial 2018 government decree which prevented the Hungarian Competition Authority from examining the centralization of leadership and financing of about 500 media outlets by KESMA, the Central European Press and Media Foundation, a pro-government media conglomerate.

### Citation:

Cendic, K., G. Gosztanyi (2020): Freedom of Expression in Times of COVID-19: Chilling Effects in Hungary and Serbia, in: *Journal of Liberty and International Affairs* 6(2), Supp. 1, 14-29 (<http://www.ejlia.com/index.php/jlia/article/view/212/191>).

Hann, E., K. Megyeri, G. Polyák, Á. Urbán (2020): *An Infected Media System: The Sources of Political Information in Hungary 2020*. Budapest: Friedrich-Ebert-Foundation (<http://library.fes.de/pdf-files/bueros/budapest/16967.pdf>).

Polyák, G. (2020): *Hungary's Two Pandemics – COVID-19 and Attacks on Media Freedom*. Leipzig: ECPMF ([https://www.ecpmf.eu/wp-content/uploads/2020/06/Legal-opinion-Hungary\\_2020.pdf](https://www.ecpmf.eu/wp-content/uploads/2020/06/Legal-opinion-Hungary_2020.pdf)).

Civil Rights and  
Political Liberties  
Score: 3

### Civil Rights and Political Liberties

The Orbán government has leveraged the COVID-19 pandemic to expand its executive powers and limit civil rights and political liberties (Halmai et al. 2020; Kovács 2021). On March 20, the government's two-third supermajority in parliament adopted the so-called Coronavirus Defense Act (also known as the Authorization or Enabling Act) that came into force on the next day. The act gave the government the right to suspend or override any laws, as well as suspend by-elections and referendums as well as proceedings at ordinary courts (Györy 2020; Halmai 2020; Scheppele 2020). In mid-June, the state of emergency, which stirred massive criticism both within and beyond the country's borders, was lifted, but then transformed into a "medical emergency." In November, parliament then declared a new state of emergency (Halmai et al. 2020a). All three states of emergency gave the government more powers than foreseen in the Fundamental Law, the Hungarian constitution, before its ninth amendment in December 2020.

During the COVID-19 pandemic, the Orbán government has massively infringed upon civil rights and political liberties. The Coronavirus Defense Act inserted two new crimes into the Criminal Code. Anyone who "claims or spreads a distorted truth in relation to the emergency in a way that is suitable for alarming or agitating a large group of people" can be punished for a term of up to five years in prison. Also, anyone who interferes with the operation of measures that the government takes to fight the pandemic could also face a jail sentence of up to five years. These clearly unconstitutional, disproportionate threats to freedom of expression have further restricted what is left of a free media and independent civil society organizations in Hungary. In June 2020, these changes in the Criminal Code were followed by massive cuts in the funding of political parties. Adopted by government decree, these cuts clearly aimed at weakening the parliamentary opposition.

At the end of 2020, parliament passed further controversial provisions (Halmai et al. 2020b; Kazai 2020). First, the ninth amendment of the Fundamental Law and concomitant legislation have made the constitutional definition of a family even more traditional, have fixed gender identity at birth and have made it impossible for same-sex couples to adopt children. Secondly, a reform of electoral law has increased the number of individual candidates necessary for a party to have a national list, from 27 to 71. Justified as an attempt to reduce the number of "pseudo-parties," this reform has aimed at weakening the fragmented parliamentary opposition which had agreed to unite behind a single candidate in each constituency in August 2020.

## Citation:

Györy, C. (2020): Hungary's Response to COVID-19 Vastly Expands Executive Power. Harvard Law School, Bill of Health blog, June 9 (<https://blog.petrieflom.law.harvard.edu/2020/06/09/hungary-global-responses-covid19/>)

Halmi, G. (2020): How COVID-19 Unveils the True Autocrats: Viktor Orbán's Ermächtigungsgesetz, in: Int'l J. Const. L. Blog, April 1 (<http://www.iconnectblog.com/2020/04/how-covid-19-unveils-the-true-autocrats-viktor-orbans-ermachtigungsgesetz/>).

Halmi, G., G. Mészáros, K. L. Scheppele (2020a): So It Goes – Part 1, in: Verfassungsblog, November 19 (<https://verfassungsblog.de/so-it-goes-part-i/>).

Halmi, G., G. Mészáros, K. L. Scheppele (2020b): So It Goes – Part 2, in: Verfassungsblog, November 19 (<https://verfassungsblog.de/so-it-goes-part-ii/>).

Kazai, V. Z. (2020): Power Grab in Times of Emergency, in: Verfassungsblog, November 12 (<https://verfassungsblog.de/power-grab-in-times-of-emergency/>).

Kovács, K. (2021): Hungary and the Pandemic: A Pretext for Expanding Power, in: Verfassungsblog, March 11 (<https://verfassungsblog.de/hungary-and-the-pandemic-a-pretext-for-expanding-power/>).

Scheppele, K. L. (2020): Orbán's Emergency, Hungarian Spectrum, March 21 (<https://hungarianspectrum.org/2020/03/21/kim-lane-scheppele-orbans-emergency/>)

## Judicial Review

Judicial Review  
Score: 3

The independence of the Hungarian judiciary has drastically declined under the Orbán governments. While the lower courts in most cases still take independent decisions, the Constitutional Court, the Kúria (Curia, previously the Supreme Court) and the National Office of the Judiciary (OBH) are largely under government control and have often been criticized for issuing biased decisions.

During the first lockdown, proceedings at ordinary courts were suspended, officially out of fear of spreading the virus (Scheppele 2020). This also meant that ordinary people were no longer able to initiate cases that could get to the Constitutional Court. Under these circumstances, except of some Fidesz-controlled bodies, only one-quarter of members of parliament were able to call on the Constitutional Court, which would have required the far-right and the left to act together. The Constitutional Court has refused many requests for constitutional reviews and has not dared to challenge the Orbán government's power-grab during the COVID-19 pandemic. In October 2020, the government consolidated its control over the Kúria, as the Fidesz supermajority in parliament elected András Zs Varga, a pro-government lawyer without any practice as judge, its new president despite the wide and angry reactions this elicited among judges and their professional organizations.

## Citation:

Scheppele, K. L. (2020): Orbán's Emergency, in: Hungarian Spectrum, March 21 (<https://hungarianspectrum.org/2020/03/21/kim-lane-scheppele-orbans-emergency/>).

### Informal Democratic Rules

Informal  
Democratic Rules  
Score: 3

Party polarization was already prevalent in 2010 when Fidesz gained its first supermajority. Since then, party polarization has further increased. As the Orbán governments have unilaterally launched many radical changes in institutions and policies without involving other political parties or social organizations, the fragmented opposition from across the left-right spectrum has increasingly cooperated, up to the point of nominating joint candidates in the 2019 municipal elections.

Due to the oversized majority of FIDESZ-KDNP in the parliament and the relatively weak role of the subnational governments, the polarization between the government and the opposition has not led to policy gridlock. Moreover, many government measures in the fight against the COVID-19 pandemic have been uncontroversial. However, the quality of policymaking has strongly suffered from the fact that the government has ignored the opposition's policy proposals. In addition, the government's confrontational approach has only facilitated growing and far-reaching mistrust in the government and the rationale behind its measures.



# Resilience of Governance

## I. Executive Preparedness

### Crisis Management System

Crisis  
Management  
System  
Score: 3

In Hungary, the crisis management system for natural disasters was strengthened after the red sludge disaster in 2010. When COVID-19 hit, the crisis management system for pandemics was, however, in worse shape. The existing pandemic plan was outdated and developed predominantly for an influenza scenario (National Center for Epidemiology 2003). Testing capacities and protective equipment were limited (Human Rights Watch 2020). The independence and the capacities of the National Center for Public Health (NNK), the public authority in charge of monitoring infections, have suffered from a number of hasty organizational reforms that were initiated in 2004 (Szabó/ Wirth 2020).

#### Citation:

Szabó, A., Z. Wirth (2020): After 15 years of constant reorganization, Hungarian epidemiology was hit hard by coronavirus, in: Direkt 36, March 29 (<https://www.direkt36.hu/en/gyurcsany-es-orban-is-felforgatta-a-jarvanyugyet-igy-meggyengult-allapotban-talalta-telibe-a-koronavirus/>)

Human Rights Watch (2020): Hungary: Health Care Failures Endanger Lives. Ensure Access to Adequate, Quality Health Care, Provide Sufficient Resources. August 4, New York (<https://www.hrw.org/news/2020/08/04/hungary-health-care-failures-endanger-lives>).

National Center for Epidemiology (2003): Hungarian National plan for the pandemic preparedness to influenza. Budapest (<https://www.hsd.org/?view&did=777080>).

## II. Executive Response

### Effective Policy Formulation

Effective Policy  
Formulation  
Score: 4

The Orbán government set up its so-called Coronavirus Operational Group to coordinate the policy response to the pandemic on 31 January 2020. It was led by the Minister of Interior and the Minister of Human Resources (EMMI), and

its members included the chief medical officer and leaders from the police force, the National Directorate General for Disaster Management, the National Directorate General for Policing Aliens, the Counterterrorism Information and Criminal Analysis Center, the National Ambulance Service and representatives from other relevant healthcare agencies. For some time, however, the Orbán government was reluctant to adopt measures, with Prime Minister Orbán deliberating whether he should follow in the footsteps of leaders who downplayed the coronavirus such as U.S. President Donald Trump and Brazilian President Jair Bolsonaro (Ádám 2020: 281).

Once the infection rates increased and neighboring countries began taking action, however, the government reacted quickly. Travel restrictions were gradually phased in as of early March, and preparations in key hospitals were initiated. On 11 March a state of emergency was announced by the government and approved by parliament, initially for 15 days. Giving extraordinary powers to the government, this effectively authorized governance by decree. The government used these powers to ban public gatherings and events, close schools and universities and restrict business hours for shopping. At the end of March, the lockdown was intensified by the introduction of a curfew and age-related shopping hours. On 30 March 2020, the Enabling – or Authorization – Act further expanded the government’s decree powers. The government’s lockdown measures largely followed the international mainstream. Experts did not play a major role in policy formulation. The same applies to the support measures gradually adopted in order to mitigate the economic and social consequences of the lockdown.

The government’s lockdown measures helped to bring the number of infections down. During the first wave of the COVID-19 pandemic, the number of deaths by COVID-19 were substantially higher than in Czechia and Slovakia, but lower than in most other OECD countries (Györi et al. 2021: 9). The successful containment of infections allowed the government to start the gradual lifting of lockdown measures in early May 2020.

The government’s preparation for, and response to, the second wave of the COVID-19 pandemic was less effective (Kovács 2021). While Prime Minister Orbán declared Hungary was “fully armored” in preparation for the second wave in early September 2020 (Hungary Today 2020), preparations were in fact limited. The government closed the borders to non-Hungarians (except for business and sportspeople) already on September 1, but left schools, universities, shops and restaurants open and neither reimposed a mask mandate nor expanded testing. It did not cancel the UEFA Super Cup which took place on September 24 with about 20,000 spectators. It took a week of record-breaking hospitalizations and deaths in early November to bring the

government to introduce a general curfew between 8 pm and 5 am and a ban on public gatherings and events. In the first half of December 2020, Hungary was among the top-three countries in the EU in terms of the fatalities per capita resulting from the second wave of the pandemic (Györi et al 2021: 13).

Citation:

Ádám, Z. (2020): Ultra-orthodoxy and selective voluntarism: How did the Orbán regime react to the first wave of the pandemic? in: *European Policy Analysis* 6(2): 277-292.

Györi, G. et al. (2021): *Hungarian Politics in 2020*. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

Hungary Today (2020): Coronavirus – Orbán: Hungary ‘in Full Armour’ before 2nd Wave, in: *Hungary Today*, September 4 (<https://hungarytoday.hu/coronavirus-orban-second-wave-restrictions-border/>).

Kovács, K. (2021): Hungary and the Pandemic: A Pretext for Expanding Power, in: *VerfBlog*, March 11 (<https://verfassungsblog.de/hungary-and-the-pandemic-a-pretext-for-expanding-power/>)

Pogatsa, Z. (2020): *Crisis-management in Hungary during the 2020 Crisis*. Prague: Rosa-Luxemburg-Stiftung

### Policy Feedback and Adaptation

Policy Feedback  
and Adaptation  
Score: 3

The Orbán government has adjusted its COVID-19 response measures several times. Like other countries in the region, Hungary introduced relatively strict measures at the outset of the pandemic, lifted them relatively early and was slow in preparing for and reacting to the second wave of the pandemic.

The slow preparation for and response to the second wave of the pandemic were favored by the doubts in the population about the seriousness of the pandemic. These doubts were cast by the fact that the number of infections and deaths, though in fact higher than in some of the neighboring countries, had been lower than originally feared. The government itself tried for a long time to “sit (...) out” (Györi et al. 2021: 13) the second wave of the pandemic. It ignored the experts and was primarily concerned with controlling its narrative of providing successful crisis management and with keeping the economy going. Thus, it reacted only when infection numbers and death rates spiraled out of control.

Citation:

Györi, G. et al. (2021): *Hungarian Politics in 2020*. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

### Public Consultation

Public  
Consultation  
Score: 2

The Orbán government has consulted with societal actors only rarely and selectively. Trade unions and social and environmental groups have enjoyed little weight in the policy process. The two main exceptions have been the representatives of big multinational firms, upon which the Hungarian economy

depends, and the churches, which have enjoyed being flattered by the government. In addition, the government has organized so-called national consultations which are fake referendums based on letters to citizens with misleading and manipulated questions, the real function of which is to mobilize Fidesz voters on a permanent basis, in part by making it possible to compose lists of those who have answered these letters.

During the COVID-19 pandemic, the government has occasionally consulted societal actors, but has continued to do so selectively and without transparency. In the case of the elderly, a group particularly hard hit by the COVID-19 pandemic, it has refrained from talking with the traditional interest associations that represent the elderly, but has referred instead to “negotiations” with the Council of the Elderly People, a body consisting of 12 members loyal to Fidesz and chaired by Prime Minister Orbán himself.

Violating the European code of conduct on partnerships in the framework of the European Structural and Investment Funds, the Hungarian government also refrained from consulting societal actors in a meaningful way when drawing up its National Recovery Plan for the European Commission (Civilisation Coalition 2021). Instead of uploading the original full-length texts involved with the consultation to the website, it provided summaries without exact numbers and details. Stakeholders were often not informed or were called in on short notice for consultation, and just before public holidays. In end effect no real dialogue took place.

Instead, the government has continued its fake referendums during the pandemic. The ninth round of “national consultations” conducted in summer 2020 inter alia contained questions about measures against the COVID-19 pandemic (Makszimov 2020). It showed considerable support for the wearing of masks.

Unlike the government, the opposition has followed a more inclusive approach. The Group of 21, which has followed critically the government’s crisis management, has established roundtables on various issues for public consultation.

Citation:

Civilization Coalition (2021): The Hungarian government is set to spend over 51 billion Euro, but forgets to consult with stakeholders. Budapest, February 11 (<https://civilizacio.net/en/news-blog/open-letter-consultation>).

Makszimov, Y. (2020): Hungary launches national consultation targeting COVID-19, Soros and ‘debt slavery’, in: Euractiv.com, June 9 (<https://www.euractiv.com/section/politics/news/hungary-launches-national-consultation-targeting-covid-19-soros-and-debt-slavery/>).

Crisis  
Communication  
Score: 2

### Crisis Communication

Since March 2020, COVID-19 has dominated the government's homepage. While there have been regular press conferences by the Coronavirus Operational Group, crisis communication has been dominated by Prime Minister Orbán himself who has addressed the issue regularly on his Facebook site or in his regular Friday morning "interviews" on the public radio. Orbán has refrained from involving experts in the government's communication about the pandemic, be it to justify the government's course or to use them as scapegoats for unpopular measures. Instead, he has "assumed unlimited responsibility and claimed an unrivaled role in public discourse regarding the pandemic" (Ádám 2020: 282).

Before the crisis hit, Orbán's communication was ambivalent. Apparently, he had not yet decided whether or not to follow the Bolsonaro/Trump line. When the crisis hit, Orbán began employing militaristic language in line with the government's long-standing rhetoric of being engaged in a permanent "defense" of Hungary against its external enemies. He has also used the COVID-19 pandemic to continue his attacks against migrants (which he has blamed for importing the pandemic) and the EU. Tellingly, one of the first measures the government adopted once the pandemic struck was to expel 19 Iranian students, who allegedly broke quarantine rules (Ádám 2020: 282).

Orbán's open instrumentalization of the COVID-19 pandemic, his premature claims of victory and his frequent inconsistencies have further increased the polarization in the country and have done little to increase trust in the government among those who are not Fidesz supporters.

Citation:

Ádám, Z. (2020): Ultra-orthodoxy and selective voluntarism: How did the Orbán regime react to the first wave of the pandemic? in: *European Policy Analysis* 6(2): 277-292.

Implementation  
of Response  
Measures  
Score: 5

### Implementation of Response Measures

The Orbán government has implemented its COVID-19 response measures quickly. A strong military presence, which has reminded some observers of a "police state" (Halmai et al. 2020), has helped ensure compliance with the bans on public gathering and the curfews. Quarantine measures have been rather strict and have been subject to strong surveillance. For citizens in quarantine, the use of virusradar, the contact-tracing app launched in May 2020, has been compulsory, insofar as the required technical devices (mobile phones) are available.

The implementation of other COVID-19 measures has been more selective. To make the UEFA Super Cup in Budapest in September 2020 possible, the government made an exception allowed foreign fans to enter the country despite of the closure of the borders to non-Hungarians (Kovács 2021). The implementation of support measures for firms or cultural institutions has been strongly biased in favor of those with a strong leaning toward Fidesz. Moreover, the political elite has been almost demonstrative in eschewing masks in public situations.

Citation:

Halmi, G., G. Mészáros, K. L. Scheppelle (2020): So It Goes – Part I, in: Verfassungsblog, November 19 (<https://verfassungsblog.de/so-it-goes-part-i/>).

Kovács, K. (2021): Hungary and the Pandemic: A Pretext for Expanding Power, in: VerfBlog, March 11 (<https://verfassungsblog.de/hungary-and-the-pandemic-a-pretext-for-expanding-power/>)

### National Coordination

National  
Coordination  
Score: 2

In the 1990s, Hungary reformed its public administration and established a multilevel structure that provided extensive and meaningful rights in the policymaking process to all levels of administration. Since 2010, the Orbán regime has reversed this trend toward subsidiarity and has created a strict top-down state administration. Since Fidesz has lost the major cities, including the capital, and also a big part of the smaller settlements in the municipal elections in October 2019, it has declared war against municipalities and has sought to further disempower them.

The Orbán government has instrumentalized the COVID-19 pandemic in continuing this war (Hajnal et al. 2021). Drawing on the state of emergency, it has further curtailed the competencies of the municipalities. It has deprived them of important revenue sources, including the vehicle tax, car parking fees and business taxes and has prohibited them from raise taxes as a means of coping with the hardships of the pandemic. The government has also canceled a number of local development projects, most of them in opposition-led municipalities, and has misused anti-crisis legislation providing the possibility of “special economic areas” for transferring tax revenues from opposition-led municipalities to Fidesz-controlled counties (Ádám 2020: 285). Some observers have called the attack on opposition-run municipalities “the real Covid coup in Hungary” (Györi et al. 2021:31). While the government’s measures have hit opposition-led municipalities most strongly, Fidesz-ruled settlements have also been affected, so that even Fidesz-loyal leaders have protested against the bleeding out of the local public administration.

By further undermining local public administrations as part of its effort to grab more power, the Orbán regime has also undermined its ability to manage the

crisis. The top-down approach in tackling the crisis has been counterproductive, as it has made it more difficult to account for local and regional differences and has stifled local experiments and innovations.

Citation:

Ádám, Z. (2020): Ultra-orthodoxy and selective voluntarism: How did the Orbán regime react to the first wave of the pandemic? in: *European Policy Analysis* 6(2): 277-292.

Györi, G. et al. (2021): *Hungarian Politics in 2020*. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

Hajnal, G., I. Jeziorska, É. M. Kovács (2021): Understanding drivers of illiberal retrenchment at critical junctures: institutional responses to COVID-19 in Hungary and Poland, in: *International Review of Administrative Sciences*, forthcoming.

### International Coordination

International  
Coordination  
Score: 3

Since the beginning of the EU refugee crisis, Prime Minister Orbán has looked for an international role for himself and has increasingly been elevated to one of Europe's "strong men" in the Fidesz press. He has intensified cooperation within the Visegrád group, especially on migration policy and has boasted about his good relationship with Vladimir Putin and China. However, all these activities have further undermined his standing with other European leaders and have contributed to a "self-peripherization" (Hegedüs 2021) of Hungary in the EU.

In the COVID-19 pandemic, the Hungarian government delayed the common EU efforts for passing the EU's Medium Term Financial Framework and the Recovery Fund by using its veto as a means of preventing the European Commission and the European Union from penalizing the massive violations of the rule of law in Hungary. In summer 2020, the government ran a national consultation, a fake referendum, with highly manipulative questions on the EU's migration policy and alleged debt plans by George Soros for the EU (Makszimov 2020). While a compromise on the EU's Recovery Fund was eventually found at the European Council Summit on 10 December 2020, Hungary's opposition slowed down efforts to establish the fund. As the first EU country to purchase the Russian Sputnik V vaccine, Hungary has also undermined the EU's joint vaccination program, which coordinates orders and distribution (Deutsch 2020). Already in November 2020, when the delays in mobilizing vaccines by the EU were not yet apparent, the Hungarian government announced that it was in talks with Russia about importing, and possibly manufacturing, Sputnik V.

Citation:

Deutsch, J. (2020:) In Hungary, politicization of vaccine hangs over immunization efforts, in: *Politico*, December 29 (<https://www.politico.eu/article/in-hungary-politicizing-of-vaccine-hangs-over-immunization-efforts/>).

Hegedüs, D. (2021): Ungarns Selbstperipherisierung in der Europäischen Union: Hintergründe und Aussichten, in: Ellen Bos, Astrid Lorenz (Hrsg.), Das politische System Ungarns: Nationale Demokratieentwicklung, Orbán und die EU. Wiesbaden: Springer VS, S. 191-208.

Maksimov, Y. (2020): Hungary launches national consultation targeting COVID-19, Soros and 'debt slavery', in: Euractiv.com, June 9 (<https://www.euractiv.com/section/politics/news/hungary-launches-national-consultation-targeting-covid-19-soros-and-debt-slavery/>).

### Learning and Adaptation

Learning and  
Adaptation  
Score: 3

The Orbán government has not evaluated its crisis management system in a systemic fashion. After having weathered the first wave of the COVID-19 pandemic, the government rested on its heels and failed to reform its crisis management system in preparation for the second wave that was foreseen by many observers. In late 2020, however, it pushed through a constitutional amendment rewriting the section of the constitution dealing with states of emergency (Halmai et al. 2020). This amendment has eventually legalized the various states of emergency that had been declared since 2015 but which had rested uneasily with the constitution itself. The new provisions substantially broaden the situations in which these emergencies can be declared and expand the powers of the government during them.

Citation:

Halmai, G., G. Mészáros, K. L. Scheppelle (2020): So It Goes – Part 1, in: Verfassungsblog, November 19 (<https://verfassungsblog.de/so-it-goes-part-i/>).

## III. Resilience of Executive Accountability

### Open Government

Open  
Government  
Score: 3

The Hungarian government has used several channels to inform the public about COVID-19. The central information portal providing daily updates is linked to the homepage of the government. Regional and local authorities link their information to this page. A specialized government facebook page is updated and fed messages several times a day. The Coronavirus Operational Group makes frequent announcements, but has failed to provide a proper homepage itself.

While the Hungarian government has provided information on the pandemic, it has done so selectively and without transparency (Szabó/ Wirth 2020; Hajnal et al. 2021; Kovács 2021). Vital data on case numbers by regions and municipalities have not been published in a consistent and reliable manner and



no estimates of the R-value or data on intensive care have been provided. In addition, coronavirus experts, medical staff and health officials have been legally prohibited from providing pandemic-related information. As a result, many Hungarians have turned to an independent website, “atlatszo” for information about the pandemic. Overall, the March 2020 emergency legislation has made it more difficult for journalists and citizens to draw on the Hungarian freedom of information act in requesting public information (Zöldi 2020).

Citation:

<https://koronavirus.gov.hu/>

<https://www.facebook.com/koronavirus.gov.hu>

<https://english.atlatszo.hu/2020/07/06/our-covid-19-tracking-data-feature-proved-there-is-real-demand-for-datavisualisations-in-hungary/>

Hajnal, G., I. Jeziorska, É. M. Kovács (2021): Understanding drivers of illiberal retrenchment at critical junctures: institutional responses to COVID-19 in Hungary and Poland, in: *International Review of Administrative Sciences*, forthcoming.

Kovács, K. (2021): Hungary and the Pandemic: A Pretext for Expanding Power, in: *VerfBlog*, March 11 (<https://verfassungsblog.de/hungary-and-the-pandemic-a-pretext-for-expanding-power/>)

Szabó, A., Z. Wirth (2020): After 15 years of constant reorganization, Hungarian epidemiology was hit hard by coronavirus, in: *Direkt 36*, March 29 ([https://www.direkt36.hu/en/gyurcsany-es-orban-is-felforgatta-a-jarvanyugyet-igy-meggyengult-allapotban-talalta-telibe-a-koronavirus/\)and-propagandistic-manner](https://www.direkt36.hu/en/gyurcsany-es-orban-is-felforgatta-a-jarvanyugyet-igy-meggyengult-allapotban-talalta-telibe-a-koronavirus/)and-propagandistic-manner).

Zöldi, B. (2020): COVID-19 pandemic adds to Hungary’s transparency woes, *International Press Institute*, October 30 (<https://ipi.media/covid-19-pandemic-adds-to-hungarys-transparency-woes/>).

### Legislative Oversight

Legislative  
Oversight  
Score: 3

Under the Orbán governments, legislative oversight has been limited by the strong loyal Fidesz majority, the fragmentation of the opposition and the government’s habit of passing laws on short notice. The Fidesz members of parliament have not been interested in monitoring the government’s plans and the opposition members of parliament have not been in the position to influence parliamentary decision-making, even at the level of the parliamentary committees.

During the COVID-19 pandemic, the Hungarian parliament continued to hold regular weekly sessions, albeit with certain safety measures. However, its rights were restricted by the Orbán government’s strong – and unconstitutional – reliance on emergency decrees (Halmai et al. 2020). The March 2020 Enabling Law gave the government wide discretion to unilaterally issue decrees during the state of emergency and made lifting this by the parliament conditional upon a two-thirds majority in the parliament. The follow-up legislation in June allowed the government to introduce and end a “state of medical emergency” on the advice of the Chief Medical Officer of the State, a position under government control, but with no parliamentary scrutiny. Finally, in November 2020, parliament has declared a new state of emergency

giving its blanket endorsement to any decree that the government issues for 90 days without the need to have it subject to parliamentary approval. These blank checks were not in line with the Fundamental Law, the Hungarian constitution, as it stood before the ninth amendment in December 2020.

Citation:

Halmai, G., G. Mészáros, K. L. Scheppele (2020): So It Goes – Part I, in: Verfassungsblog, November 19 (<https://verfassungsblog.de/so-it-goes-part-i/>).

### Independent Supervisory Bodies

Auditing  
Score: 4

The Hungarian State Audit Office (Állami Számvevőszék, ÁSZ) is formally independent, but has been under the control of the governing coalition. It became especially ill-famed in the 2018 parliamentary election campaign when it drew upon false accusations in investigating the budgets of opposition parties and thereby interfering with their electoral campaigns. During the COVID-19 pandemic, the ÁSZ has done little to monitor the government's often intransparent financial activities and has not protested the channeling of state funds to oligarchs close to Fidesz. The government's cuts in the public funding of parties and other public organizations might allow the ÁSZ to initiate new proceedings against the opposition parties and other public organizations not yet captured by Fidesz.

Data Protection  
Score: 6

In Hungary, the responsibility for data protection rests with the National Authority for Data Protection and Freedom of Information (Nemzeti Adatvédelmi és Információszabadság Hatóság, NAIH). Compared to most other public organizations in Hungary, it has been relatively independent from the government. During the COVID-19 pandemic, it has challenged the government in a number of cases. Most recently, it has criticized the fact that the sensitive data required in registering for a vaccination are collected and saved not by the government, but by a Fidesz-friendly firm (IdomSoft Zrt).

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