

The Orbán welfare reform and its impact on the Hungarian living standards

Virginia Trulli, MA

Introduction

The year 2008 has marked most of the current socio-economic and political changes in Europe. For Hungary, the financial crisis meant not only a drastic drop in the GDP and a sharp increase of the country Public Debt, but also it led to a significant political change. In fact, after the social-democratic rule of MSZP (the Hungarian Socialist Party), the 2010 elections signed what was going to be the most enduring government of the Hungarian Republic. Since then, Viktor Orbán, as leader of the national-conservative and right-wing populist party (Fidesz), is today ruling the country for the third consecutive time, marking almost a decade of changes. One of the major, was considered to be the welfare reform and the increasing expansion of the Public Work Schemes. Thus, this paper aims at indagate what the impact of the Hungarian welfare reform was on people's well-being and whether it conducted to an increase of living standards in the country. In order to answer to the research question, the methodology used is quantitative and based on a statistical analysis. It will show that if on the one side the Fidesz reform was able to support income equality and to increase the GDP, on the other side it led to a stigmatisation of public workers in terms negatively impacting their chances to increase their quality of life. This paper is divided into five parts. First, it will be introduced the development of the Hungarian social policy since the transition; then attention will be paid to the impact of the economic crisis. The third paragraph is dedicated to the presentation of the current welfare reform and it is followed by its analysis. Finally, conclusions are drafted.

The Hungarian Social Policy from Transition to Today

For the whole Eastern European region, the transition required welfare adjustments to satisfy those needs that were whitewashed during the Communist regime. Particularly, the reintroduction of market mechanisms brought a sharp deterioration in the quality of life. Thus, in the 1990s social policies gained major attention. Yet, they were addressed from a political rather than economic perspective. Thus, the main aim of the restructuring of the public policy agenda was to answer the rightist neo-liberal pressure and to reduce state involvement in the welfare provision (Myant and Drahekoupil, 2011). Therefore, an analysis of the three governments following the end of the socialist state shows that, by answering to political needs, social policy reform favoured middle-class voters, but further deteriorated living conditions for the Roma community and lower class (Avdeyeva, 2009). Moreover, Aslund notices that "statistics are an important input in economic policy making, and the distorted official statistics were a major cause of bad policies" (2006, p. 69). This was mainly due to the chaos of the end of the regime, the underreporting, the expansion of the unofficial economy

during the transition, the abuse of subsidies and inconsideration of consumer demand and quality of products and services (Aslund, 2006). Thus, socialism's macroeconomic distortion and the transition's political dynamics strongly influenced the definition of social policies and welfare in the following decades.

Like the situation in other socialist states, in Hungary before the 1990s social policy was not considered an independent sector. As a consequence, the abolishment of the central state and the appearance of market-based and non-profit service providers posed changes and challenges to the formation of a new social policy. With the collapse of the former regime and the following transition, Hungarian social policy had to face the consequences brought on by a drastic change in conditions. In fact, declines in the economy and the employment rate created a substantial increase of open unemployment, poverty and inequality. Particularly, the most affected were unskilled workers, families with small children and Roma people. "Practically all areas of social policy have been affected by the transition" (Ferge and Juhász, 2004, p. 235).

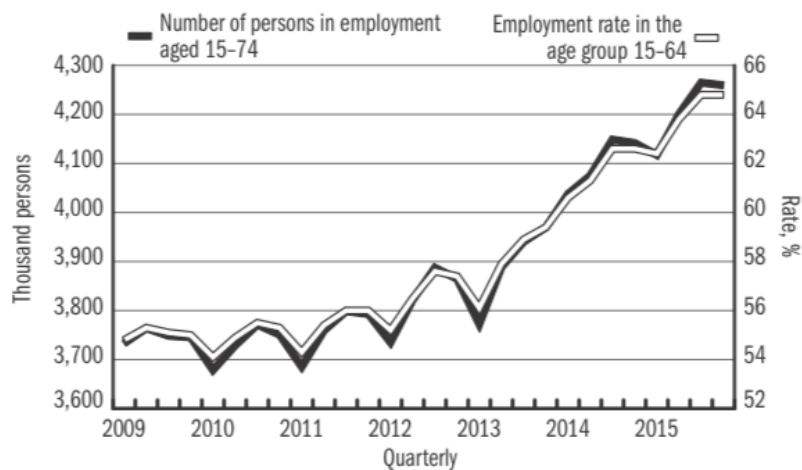
In today's Hungary, social services belong by law to the local level administration. At the same time, other types of policies such as housing, education, health and employment, are also partially included in the local governments' range of action. However, if on the one side the policy decision-making seems to have been democratised by the accession to the EU (Ferge and Juhász, 2004), on the other side the recent implementation of workfare principles does not seem to have helped improving incisively social conditions (Phillips et al., 2006). In fact, as it will be shown below, the analysis reports that the available data portray a slight improvement in wealth distribution, while it was recorded a general increase of income inequality and poverty rates. However, the overall socio-economic situation appears improved in comparison to the first years after the economic crisis that harshly hit the country. At the same time, many express that the social policy management today is also influenced by the Hungarian government moving back towards a strong centralised system. In particular, this shift has been criticised for going against the European democratising effect. Specifically, the current government's approach appears in contrast to the vision of decentralisation as a way to democratise the welfare state, being decentralisation a transfer of responsibility, authority and financial resources. In fact, "the crisis of the welfare state can be related to state failure, market failure, and family failure. In this respect decentralization is an answer to one aspect of state failure: the failure of governance" (Tausz, 2002, p. 11).

Employment, crisis and public works: the Orbán recipe for the welfare reform

Since the transition, employment has been the most widespread and debated social issue in Hungary. Thus, it is currently seen as the main objective of the entire national public policy. However, besides being a pressing social issue, employment is centrally inserted in the government's policy agenda with a major meaning and is particularly related to the current welfare system reform aimed at implementing a workfare model. Yet, at the same time, the welfare system reform is interrelated with the 2008 financial crisis.

Overall, seven years from the crisis and five years from the elections, in 2015 the growth rate of the Hungarian GDP was nearly 3% (Fazekas and Blaskó, 2016, p. 17). This result was mainly due to an improved and wider usage of EU funds and, domestically, to increased industry and production services, as well as to exports. However, the disadvantaged groups of people and those living exclusively on social welfare and public works did not benefit from the growth (Fazekas and Blaskó, 2016). Moreover, the European Commission (2016) stressed that Hungary is currently lagging behind in comparison to the other countries of the region and this is mainly due to low productivity, weakness of innovation, insecurity of the private sector and the amount of taxes deterring investment. Furthermore, Hungary and in general Central European countries have to face labour market migration caused by a significant wage differential with Western Europe (Fazekas and Blaskó, 2016). Notwithstanding, Hungary has recently testified a sharp increase in the employment rate, as shown in figure 1:

Figure 1: The number of persons employed (left axis) and the employment rate of the age group 15-64 (right axis), 2009-2015

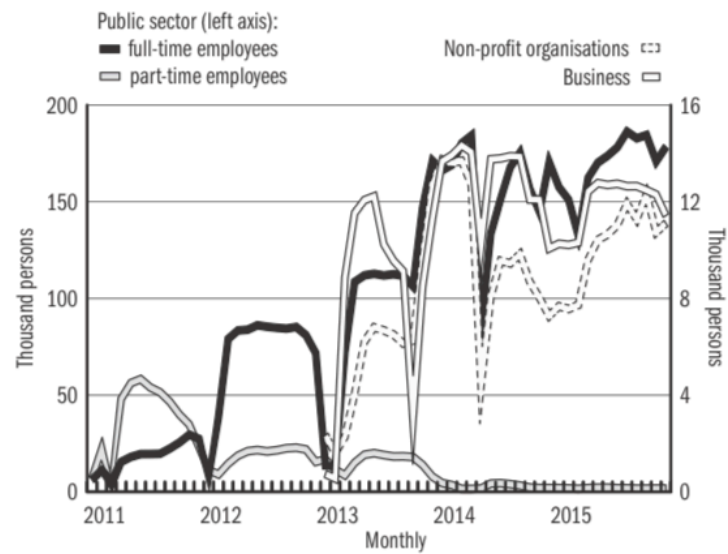


Source: Labour force survey of the Central Statistical Office (CSO)

According to the Hungarian Institute of Economics, this result can be related to the current structural reforms that include: improvement of the unemployment benefit scheme, expansion of eligibility for public works programmes and the combination of strong restriction on early exit from the labour market together with the lowering of the obligatory school age from 18 to 16. Specifically, a more detailed analysis has identified three factors that have influenced growth:

1. The domestic primary labour market has become the most important factor of growth as 62,000 more people found a job in Hungary.
2. The public works programme significantly contributed to the expansion of employment in 2015 and the current high level with 36,000 more people working in this category for a total of 212,000 public workers. However, the annual report of the Ministry of Interior better describes the importance of public works in the employment rate and indirectly in living standards, revealing that in 2015 there was already a total of 348,000 people participating in public works for at least one day (but typically 6-10 months) (figure 2). Thus, more than one third of the registered unemployed entered the programme.

Figure 2: The monthly numbers of public works participants in the state sector (left hand axis) and of employees of business and not-for-profit organisations (right hand axis) 2011-2015 (thousand persons)



Source: Monthly labour reports

3. Employment abroad increased to more than 100,000 people working in other countries, specifically in Austria, Germany and United Kingdom.

(Fazekas and Blaskó, 2016, pp. 19-21).

Despite the increase in employment rate and the important contribution to it of the public work programmes, however many critiques arose around the new social policy. Particularly, many argue that the Orbán’s welfare reform is strictly related to the attempt to enact a wider political project of centralisation. In fact, the implementation of the workfare model and the related cuts to social welfare are seen as means to limit the third sector and non-state actors. However, even though it is possible to identify a relation between an authoritarian turn and the welfare reform, at the same time the new policy must be read also as a budget-related issue. Precisely, the urgency of costs reduction brought by the 2008 economic crisis was incidental to cuts to social expenditure and welfare reforming. In fact, after the economic crisis, in two years the country public debt increased by almost 9 points, as it is shown in figure 3:

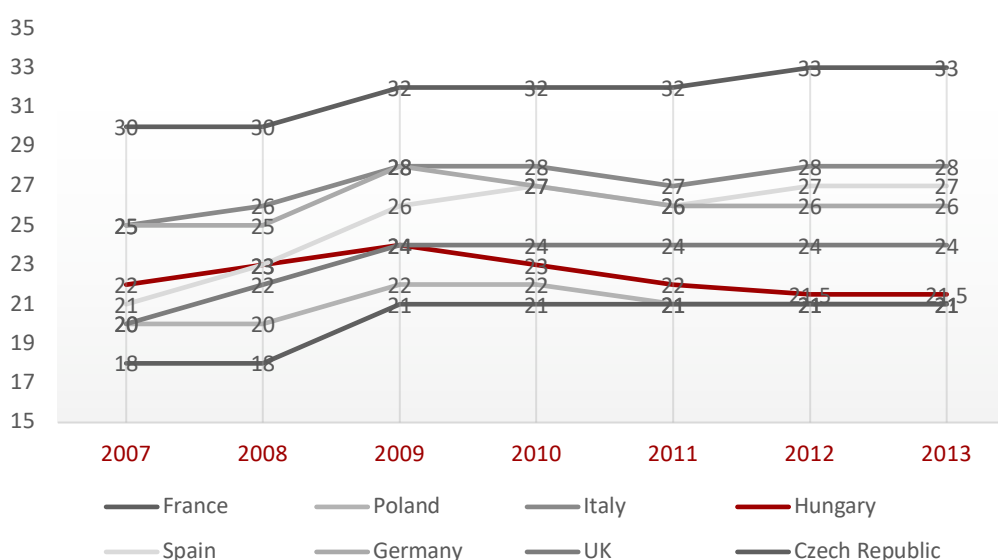
Figure 3: Hungary Public Debt 2008-2017



Source: Trading Economics

Thus, the macroeconomic situation required decisive measures and since 2011 the public debt started decreasing. One of the causes of the improvement can be attributed to cuts to social spending that, indeed, was reduced during the same time lapse (figure 4), following a similar trend characterised by a first sharp decrease which was followed by a stabilisation.

Figure 4: Social spending after the crisis as a percentage of GDP (2007-2013)



Source: Index.hu

Yet, due to this *manoeuvre*, criticism of the government new policy began to emerge both in the national and international opinion. What was contested was not only the cuts to the social spending, but also the way in which these were counterbalanced: through the public work programmes. Particularly, the government reform was contested for eliminating unemployment assistance in favour of the expansion of only public works. In the specific, the analysis pointed out that while the overall Europe was answering to unemployment by increasing social spending, Hungary was taking the opposite direction (figure 4) and this was considered as a step towards the elimination of the social welfare (Index. Hu; The Budapest Beacon).

The workfare model reform

“Unemployment, a social phenomenon and economic category, came to be the focal point of economic theories from the end of the 19th century, and started to be built in – as a ‘risk factor’ – into social policies from the first half of the 20th century” (Fekete, 2013). In Hungary, unemployment exploded after the change of regime in 1989, reduced to 7.8% by 2008 and increased to 11.2% in 2010 with the economic crisis (Koltai, 2012, p. 4). Specifically, the economic crisis increased long-term unemployment. This phenomenon was mainly due to the economic structure inherited from the socialist period, the change of regime, the global recession, demographic trends and national government policies. In this perspective, active labour market

policies (ALMPs) have been implemented since 1991, but public work programmes remained limited – and with little success – until 2000, when a workfare reform was enacted (Koltai, 2012).

Much of the policy turn was already in place in 2008, anticipating the 2010 political change. However, only in 2014 the Hungarian Prime Minister Viktor Orbán made outspoken his intent of creating a workfare society: “enforcing work while residualizing welfare” (Peck, 2001, p. 10). On 26 July 2014, Orbán held a speech at the XXV Bálványos Free Summer University and Youth Camp in Băile Tuşnad (Tusnádfürdő), the historic region of Transylvania. The speech became famous for its controversial declarations on illiberalism, state organisation and civil society. Yet, in outlining his political project, the Prime Minister also declared his desire to construct a work-based state. As a matter of fact, his policy has been so far employment-focused. Already during the 2010 mandate, the government accomplished the change of the employment policy structure (in 2011 and 2013) and later reinforced the changes made. So that, the availability of social benefit was increasingly reduced together with the eligibility for disability benefits, while the employment policy budget in 2010 was determined by two policy objectives: the extended public work programme “Road to work”, organised by local governments, and the implementation of the START Public Work Programme.

“Road to work” was presented in April 2008 and launched already in 2009 for a period of two years with the aim of including long-term unemployed people into the labour market, widening the programme for the creation of job places and reducing illegal work. According to Koltai (2012), it was not considered as a solution to the economic crisis, but as a reform of the social benefit system towards the workfare model. In fact, it was based on the following: provision of social assistance to elderly; mandatory public employment for those who were receiving support; provision of normative source to local governments in order to create major public employment opportunities; a 3-month contract for public workers and the requirement of primary school qualification for obtaining the job. Yet, the crucial point was that who refused to take part in the mandatory public work, would have lost the benefit of being an inactive person. Moreover, Koltai, on the basis of a 2010 research, affirmed that only half of the participants took part in the programme voluntarily (2012, p. 5). In addition, Fekete (2013) pointed out that the number of public workers did not increase significantly even though the opportunities did. In fact, only those people living in hopeless situations could access the programme, but at the same time the participation in public employment prevented access to the real labour market. Furthermore, the programme did not meet its very first aim of reducing the amount of benefit recipients. Numbers show that at the launch in 2009 the benefit recipients in Hungary were more than 220,000 and after two years they declined to only 213,000 (33,000 on social benefits and 180,000 on benefit of inactive person) (Koltai, 2012, p. 5).

In 2011 a similar, wider programme was launched: START Public Work Programme. With the aim of involving a greater number of participants, it included new types of public employment: local governmental short term public employment (4 working hours spread over 2-4 months); local governmental employment for longer periods (6-8 working hours spread over 2.12 months); national annual public employment programmes (jobs in flood and inland water protection, railway, public roads, forest areas etc.); and public employment in

SMEs with 70% of the wage contribution. Moreover, in 2011 funding for the new reform increased by 30% and doubled by 2012 (Koltai, 2012, p. 5). Overall, the structure of the programme remained similar to the “Road to work” programme, but it was simplified as it appears in figure 5. However, Fekete’s (2013) analysis showed that working hours were actually reduced and this affected the employees, particularly when the weekly wage payments were later introduced. In fact, not only the reintegration to the labour market was questioned, but also the ability of the programme to enhance living conditions and reduce poverty.

Figure 5: Three types of Public Work in Hungary

		2008	2009	2010	2011
Short time (köz célú/ public aim)	Description	<i>eligible: social benefit recipients duration: 90-200 days, working hours: full time minimum wage (185-235 EUR)</i>			<i>eligible: social benefit recipients duration: 60-120 days, working hours: 4 net wage: 95-123 EUR</i>
	Participants	47 190 37%	104 407 74%	137 880 74%	186 025 62%
Long time (közhasznú/ public benefit)	Description	<i>eligible: registered unemployed duration: max. 12 months working hours: full time minimum wage (185-235 EUR)</i>			<i>eligible: registered unemployed and social benefit recipients duration: 2-12 months working hours: 6-8 net wage: 186-226 EUR</i>
	Participants	63 100 49%	20 507 15%	16 872 9%	39 202 13%
Public work program (köz munka)	Description	according to program minimum wage (185-235 EUR)			<i>duration: max. 12 months full time net wage: 186-226 EUR</i>

Source: Koltai, 2012, p. 5.

Nonetheless, in 2013 the focus of the Hungarian social policy shifted completely only around the public work programme and a new series of active policies, such as the Job Protection Action Plan (figure 6), was implemented in order to boost the creation of jobs opportunities.

Figure 6: Job Protection Action Plan

Type of employees	Contribution payable from 2013 (Up to gross wage of HUF 100000)
Below the age of 25 years*	The contribution payable will be halved (from 28.5% to 14%) *entrants are exempted for 2 years (from 28% to 0%)
Above the age of 55 years	
Unskilled	
Long-term unemployed	Initial two years: no contribution payment will be required (28.5% --> 0%)
Mothers with small children	Third year: half of the contributions is to pay (28.5% --> 14%)

Source: HITA – Hungarian Investment and Trade Agency

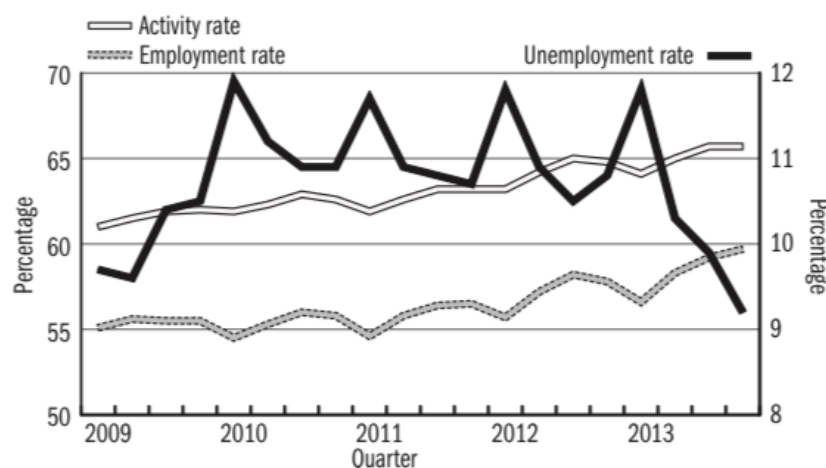
Important changes occurred on the initiative of the Job Protection Plan, especially for tax burden reduction and the boosting of SMEs. These changes were meant to promote the employment of young people below the age of 24, people over the age of 55, the permanently unemployed, employees with small children and employees working in jobs requiring no vocational qualification. They were implemented through reduced rates of social contribution tax and the vocational education contribution. Moreover, free enterprise zones have

been established since 2013 to promote the development of the most deprived regions. Specifically, funding for starting micro enterprises by young unemployed people in convergence regions were set up and co-financed by the European Social Fund and the central state budget. In addition, a new type of tax was introduced. Known as the small enterprise tax (KIVA in Hungarian), it could be selected by individual businesses and small enterprises, limited liability companies, public limited companies and cooperatives if the number of employees stayed below 25 and the income and balance sheet total below HUF 500 million. By applying this type of tax, enterprises were exempt from paying corporate tax, social contribution tax and vocational education contribution (Fazekas and Neumann, 2014). Finally, the Job Protection Action Plan helped extending the public work scheme and by 2015 it hired nearly 900,000 more public workers (ECOSOC, 2015, p. 1).

Analysis of the Hungarian welfare reform

It will be now analysed the effectiveness of the government welfare restructuring plan in light of questions that have arisen from both the academic and non- environment. Between 2012 and 2014, changes in the institutional environment strongly influenced the labour market (figure 7). The Hungarian Academy of Sciences recognised the most important to be the introduction of an employment promotion package by the Job Protection Action Plan. The accreditation of businesses employing people with disabilities became simpler and their funding system changed as well (Fazekas and Neumann, 2014). At the same time, the year 2015 saw growth in employment and an improvement of 9% was noticeable especially in comparison to the year 2010, which also closed the gap with the European average.

Figure 7: Main labour market indicators (axis on the right: unemployment rate)

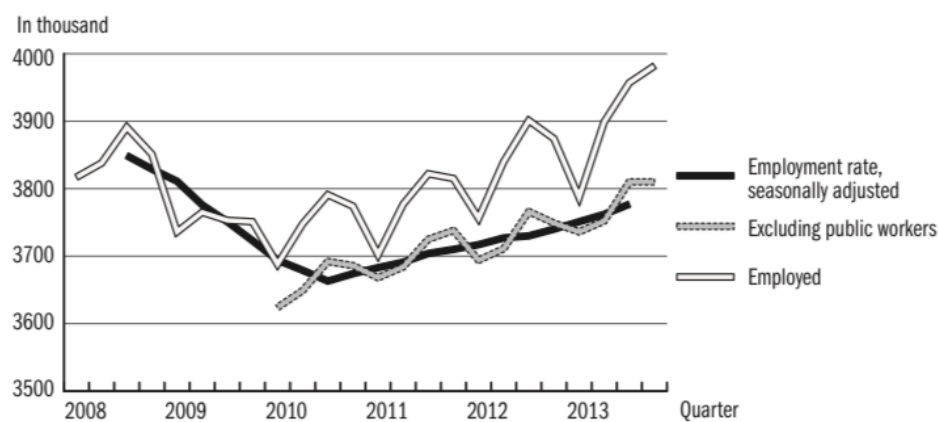


Source: KSH Stadat

Yet, if on the one hand the Academy stated that “the favourable results are partly due to significant state intervention” (Fazekas and Blaskó, 2016, p. 9), on the other side many complaints arose as “a paradigm shift in addressing unemployment created the segregated labour market of public work participants. [...] Although the social acceptance of public works has improved a lot, forms facilitating reintegration to the open labour

market have not yet been established” (Fazekas and Blaskó, 2016, p. 10). Thus, even though statistically, unemployment decreased following state intervention, there was no real improvement in employability as those who entered the programmes could not access the real labour market. In fact, since the first programme the number of people in public works increased steadily and in the last quarter of 2013, with the launch of winter public works projects, it involved up to 172,000 people (Fazekas and Neumann, 2014, p. 21). Overall, in Hungary an average of 30-40,000 people worked in public works each year between 1996 and 2008. Yet, this number increased to 60-100,000 after 2009 and in 2013 it surpassed 130,000 (Fazekas and Neumann, 2014, p. 57). Thus, this phenomenon inflated the statistics on the increase of the employment rate, as is illustrated in figure 8:

Figure 8: Number of people in employment, population aged 15-64 years



Source: Centre for economic and regional studies (2014)

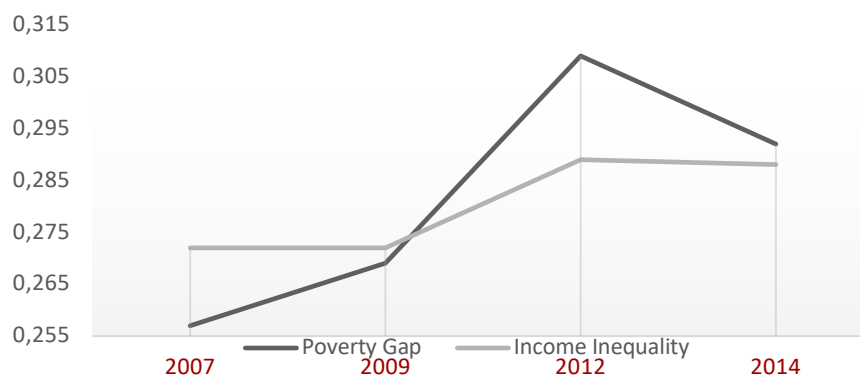
Moreover, Fekete (2013) underlined the dangers and disadvantages of permanent unemployment. In fact, alongside the financial, mental and moral risk of losing the “work(place)”, long-term unemployed people must also face the disadvantage of reduced options of looking for a job and only sectorial alternatives such as finding a job in agriculture or after re-education programmes. In addition, this mechanism increases the chances of segregation, the reduction of social prestige and self-respect, family conflicts, health problems and even the danger of suicide. However, these specificities are referable also to social workers due to their “bad” profile and extremely low chances to access to the real labour market. In fact, Koltai (2012) states that public workers have a worse profile in comparison to job seekers and they include generally elderly and uneducated people. Furthermore, besides the failed labour market reintegration and the stigmatisation of dangers of permanent unemployment, the public work programme affected two other aspects: quality of work and effect on poverty. This is due to the fact that public works are generally physically-demanding tasks such as gardening, cleaning roadsides and parks etc. and the participants are obliged to accept what the municipality offers no matter the level of education. Additionally, if until 2011 the programme was considered able to reduce poverty, the second reform ghettoised situations of poverty (Koltai, 2012).

To sum up, among the major critiques to the Public Work Programme there are:

- Low efficiency in reintegrating the people into the primary labour market;
- Low targeting;
- It absorbs funds from other, more efficient tools;
- It provides a lower income than the minimum wage.

(European Commission, 2017). In addition, since the implementation of the policy a general worsening of living standards in Hungary has been recorded. This is also testified by socio-economic indicators presenting worsening conditions. In fact, both income inequality and poverty gap indicators (figure 9), despite a slight decrease in recent years, show a drastic increase in rates, specifically in concomitance to the period 2010-2013, characterised by the central changes of the government's reform programme.

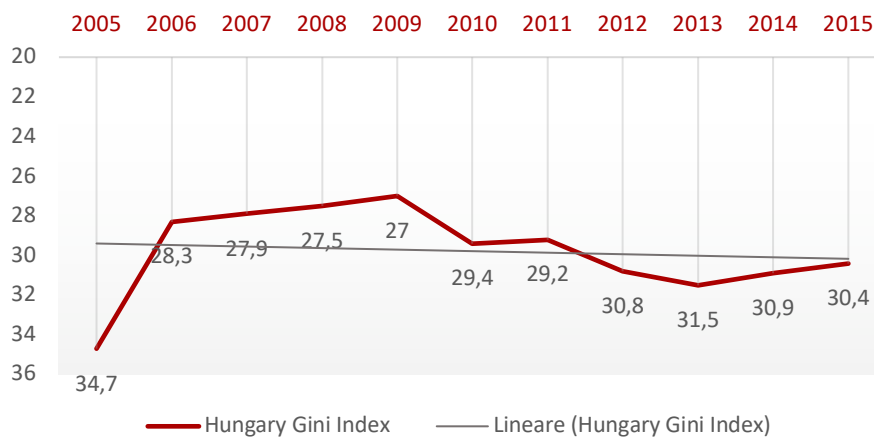
Figure 9: Poverty Gap and Income Inequality in Hungary, 2006-2016



Source: OECD Data

Notwithstanding, it is not possible to identify the new social policy as the sole cause of the deterioration of social conditions. Yet, it must be read also within the framework of the macroeconomic situation, strongly influenced by the economic and financial crisis. As a matter of fact, the sharper increase of the poverty gap and income inequality was recorded soon after the economic world crisis. Thus, with a major focus on income inequality, the Gini coefficient proved the improvement of the wealth distribution, relatable to the increased access to job brought by the welfare reform. In fact, the Gini coefficient measure the deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution and where a value of 0 represents absolute equality, whereas a value of 100 represents absolute inequality. Thus, from the graph below (figure 10) it is noticeable that in Hungary, in concomitance with the economic crisis, wealth distribution inequality increased substantially. Yet, since 2013 the trend recorded a slight increase. One of the reasons why can be identified in the change of social policy that, as previously illustrated, increased the employment rate.

Figure 10: Hungary Gini Coefficient 2005-2015



Source: World Bank

However, a major number of funds in 2016 was devoted to the public work programmes and the amount was 6 times higher than in 2011 (European Commission, 2017). In fact, in 2016, in accordance with the objectives of public works, the decision of a gradual expansion of the Start Programme was taken. Moreover, an “allowance for finding employment” was granted for former public workers who had found a job in the primary labour market and 20-25,000 public workers were expected to enter the primary labour market (Fazekas and Blaskó, 2016, p. 173). At the same time, new labour market programmes financed by EU funds were started to decrease long-term and youth unemployment. However, the public funding of NGOs was substantially lowered and services such as assistance of disabled job seekers have become less accessible since 2016 (Fazekas and Blaskó, 2016). Contemporaneously, the European Commission recommended that the Hungarian government reform the public work schemes to solve the aforementioned flaws. Thus, in March 2017 a new modification was proposed to prevent public work becoming a permanent solution, especially for youth under 25, and to first exploit different channels such as Youth Guarantee. As a consequence, from January 2018 it is possible to access public work schemes only for one year within a period of 3 years, unless one is unable to find a job in the primary labour market due to external factors (European Commission, 2017).

Conclusion

In conclusion, it can be affirmed that employment has been a major debated social issue in Hungary and still today plays a central role in the country social policy and reform programme. In 2010, soon after the economic and financial crisis, Hungary saw a political change that brought the Viktor Orbán’s government to rule the country. Recently, in April 2018, the same government won the elections for the third subsequent time. Thus, it is possible to analyse the welfare reform that has been implemented throughout almost a decade. Hungary suffered from the economic crisis and this influenced the increase in the country public debt as well as the worsening of socio-economic indicators such as income inequality and poverty gap. However, in concomitance with new public policies, the country recorded a slight improvement under several aspects and

in particular in the employment rate, which increased substantially. In fact, Orbán's public policy included cuts to social spending and a welfare reform for the implementation of a workfare model. However, despite the widening of public work programmes to provide access to job to the most disadvantage people and, thus, increase in the employment rate and decrease of wealth distribution inequality, the reform presented also several flaws. In the specific, the public work programmes did not include the participants in the primary labour market until 2016, when about 23,000 public workers were expected to enter the primary labour market. Moreover, the reform did not empower the workers, stigmatising their situation of poverty. Thus, it can be concluded that the current welfare reform arose the Hungarian employment rate, but under a worse labour market profile, impacting negatively on the country's living standards.

Bibliography

Aslund, A. (2006). *How Capitalism Was Built. The Transformation of Central and Eastern Europe, Russia and Central Asia*. Cambridge University Press.

Avdeyeva, O. (2009). *Social Policy Reforms in Hungary: Towards a Dual-Earner Model?* Paper prepared for the presentation at the EUSA Eleventh Biennial International Conference, Los Angeles, California.

ECOSOC (2015). *Hungary. Contribution to the 2015 United Nations Economic and Social Council (ECOSOC). Integration Segment*.

European Commission (2016). *Country Report Hungary 2016. Including an In-Depth Review on the Prevention and Correction of Macroeconomic Imbalances*. Brussels, 26 February: SWD (2016) 85 final.

European Commission (2017). *Reforms to the Hungarian Public Work Schemes*. ESPN Flash Report 2017/42.

Fazekas, K.; Blaskó, Z. (eds.) (2016). *The Hungarian Labour Market 2016*. Budapest: Institute of Economics, Centre for Economic and Regional Studies, Hungarian Academy of Sciences.

Fazekas, K.; Neumann, L. (eds.) (2014). *The Hungarian Labour Market 2014*. Budapest: Centre for Economic and Regional Studies, Hungarian Academy of Sciences & National Employment Non-profit Public Company Ltd.

Fekete, E. (2013). *Development of local employment*. “Cross border training of economic experts in distance learning network” project (CROSSEDU) HUSK/1101/1.6.1-0300, Miskolc, Hungary.

Ferge, Z.; Juhász, G. (2004). Accession and Social Policy: the Case of Hungary. *Journal of European Social Policy*, 14(3), 233-251.

Field, R. (2014, November 14). *Work or starve: Hungary to phase out unemployment assistance by 2018*. Retrieved from: <https://budapestbeacon.com/work-or-starve-hungary-to-phase-out-unemployment-assistance-by-2018/> (accessed on 1 May 2018).

Koltai, L. (2012). *Work Instead of Social Benefit? Public Works in Hungary*. Mutual Learning Programme: Peer Country Comments Paper – Hungary.

Myant, M.; Drahokoupil, J. (2011). *Transition Economies. Political Economy in Russia, Eastern Europe, and Central Asia*. Danvers, MA, USA: Wiley

OECD Data. Retrieved from: <https://data.oecd.org/inequality/income-inequality.htm#indicator-chart> (accessed on 10 May 2018).

Phillips, R.; Henderson, J.; Andor, L.; Hulme, D. (2006). Usurping Social Policy: Neoliberalism and Economic Governance in Hungary. *Journal of Social Policy, Cambridge University Press*, 35(4), 585-606.

Tausz, K. (ed.) (2002). *The Impact of Decentralization on Social Policy*. Budapest: Local Government and Public Service Reform Initiative, Open Society Institute.

Trading Economics. *Hungary Government Debt to GDP 1995-2018*. Retrieved from: <https://tradingeconomics.com/hungary/government-debt-to-gdp> (accessed on 2 September 2018).

Viktor Orbán's Speech, Tusnádfürdő, 26 July 2014. Retrieved from: <https://www.youtube.com/watch?v=mHxg3Aoir6w> (accessed on 21 March 2018).

World Bank. *Gini index (World Bank estimate)*. Retrieved from: <https://data.worldbank.org/indicator/SI.POV.GINI?locations=HU> (accessed on 2 September 2018).