

On things well done

After a relaxed start, the government has been very active enacting changes in many walks of life. A lot of it seems to lack planning, while another portion seems wrongheaded or dubious. This week we are going to take a look at the third group: we will review the measures that we find most positive. Many of these are small acts that improve small slices of everyday life. Other measures herald greater changes but also harbour greater risks.

We have complained a lot in the past year. Not unduly, we believe – unfortunately we had plenty of grounds to do so – but nevertheless a lot. It's time to appreciate the finer things the government has had to offer. We'll review below some of the positive measures the government has introduced in the past couple of months. Most of these are not parts of a grand scheme, but rather isolated acts that will improve specific, targeted section of life in Hungary.

This is to some degree unfortunate, both in that this suggests that we don't see the contours of a large-scale programme that will improve Hungary's situation, and also in that it will make this week's column more disjointed thematically.

1) Two-third majority against the tobacco industry

While the government has talked a lot about finally throwing off the shackles of our socialist legacy, the smoking ban was the most significant real step towards moving away from an awful leftover of life under the old-regime: smoke-filled restaurants and pubs. Except for designated smoking rooms in hotels, smoking will be banned in all public indoor and a wide variety of outdoor facilities. In a country where smoking is still widespread, this caused relatively little stir, showing that smokers, too, no longer consider the infliction of passive smoking a birthright. What's more, this measure finally allowed for some cross-party co-operation: non-smokers fought and voted against the ban across party lines, though their joint action was far too feeble considering the vast – and also inter-party – alliance for the smoking ban.

2) A few hundred thousand Hungarians plus

Generally speaking, the move towards allowing dual citizenship was also a good and overdue move. It was difficult for ethnic Hungarians to strengthen their ties with Hungary or even to move there. For most of the affected persons, this will have few practical benefits – though for those wishing to live in Hungary it'll make life a lot easier. But it is an important symbolic move reinforcing Hungary's commitment to those ethnic Hungarians whose ancestors unwittingly found themselves outside of the borders of their homeland.

Nevertheless, giving suffrage to those across the borders would be a different move entirely: it would be a political ploy to increase Fidesz' base and would incorporate into the

Hungarian polity numerous voters who are not affected by the government's policies. That would significantly damage democratic politics.

3) EU-presidency: success at policy-level

As we have noted previously, Hungary has done a fairly decent job in terms of managing the policy issues that the Hungarian EU presidency was responsible for. While the policy work was undermined by the grand political issues – for instance the ruckus over the media law – diplomats toiled tirelessly behind the scenes and succeeded in pushing the policy agenda forward. Important issues, such as the six-pack on economic governance, a truly integrated energy market, the European patent rights, saw impressive progress under the Hungarian presidency. However, it has missed the opportunity to host an Eastern Partnership summit, even though one of the most promising prospects for Hungary's position as a pivotal state in international diplomacy would be precisely as a mediator between East and West.

The most successful and symbolic public policy achievement of the rotating EU presidency is likely to be the progress in the adoption of a Roma Framework Strategy. With the Strategy most recently wrapping up the unanimous endorsement of the Employment, Social Policy, Health and Consumer Affairs Council, it is likely to take the other hurdles and appears on course for smooth passage in the European Council as well. Moreover, the government has made some serious commitments on the issue at home as well, pledging a hundred thousand jobs for unemployed Roma: though it's far from sufficient, it's the largest and most significant commitment any government has made until now. Delivering won't be easy.

4) Community work – a new term for Hungarian youth

The government has talked a great deal about community spirit and solidarity, and it is making small moves towards really strengthening them in a country where cynicism is generally rife when the terms “solidarity” and “community” are introduced into a conversation. In its draft programme for secondary education, the Ministry for National Resources has proposed 60 hours of mandatory community work for youths, similar to the International Baccalaureate's CAS (Creativity, Action, Service) requirement. We don't know yet whether this will actually happen, but it's a good idea. Many youth grow up without a perspective on those less fortunate. Those who take such a programme seriously could benefit a great deal, while the rest won't be scarred for life.

5) A Hungarian École Nationale d'Administration

The government will also set up a public service university. The idea is good and overdue. Public service is not held in high esteem in Hungary, and a good institute of higher education might improve that perception, in addition to providing better instruction for future public servants and maybe also helping to create a new ethos of public service, which is virtually non-existent. At the same time many observers fear that this new school will primarily serve the training of a Fidesz-dominated public service whose loyalties will foremost lie with the

current governing party. That would be unfortunate and make the project counterproductive.

6) Easing the life of the SMEs

Several measures undertaken by the government are aimed at making the life of SMEs easier. In fact, Hungarian-owned small enterprises constitute one of the key pieces in what is Orbán's vision of the future Hungary. Some of these measures, included in the somewhat ironically titled "bureaucracy reduction" programme, are a frontal assault on workers' rights. There are some sensible measures as well, however, such the reduction of corporate taxes from 19% to 10%, applicable to a pre-tax revenue of up to 500 million forints per year (up from 50 million). With the higher tax rate having been raised to 19% from 16% at the end of last year, the competitive environment for SMEs might really improve.

7) Brave but ambiguous measures in social policy

Finally, the government is entering onto a politically risky path by challenging two key social rights: the right to early retirement and the widespread disability pensions. Fidesz is right in finally trying to tackle these issues. Early retirement was a legitimate idea for some jobs involving very heavy physical or mental stress. The original valid concept has been hollowed out by a mindless expansion and service year requirements that are too short. Reforming this would be crucial not only for easing the pressure it puts on the exchequer, but also because it drains valuable experience from the public services.

Similarly, the vastly inflated disability pension roster – Hungary has an inordinately high ratio of disability pensions in international comparison – is due for some parsing, as it keeps able labour out of the job market at a time when Hungary's employment level is the second lowest in the EU.

Yet the danger with tackling both these problems is overshooting, which the Orbán-government has a tendency to do. Early retirements have a legitimate purpose when it comes to certain jobs associated with high physical or mental stress. Their wholesale and indiscriminate abolition is unwarranted and extreme. Moreover, reviewing early retirements that were granted perfectly lawfully, and sending legitimately retired persons back into the labour market would also be extreme – yet a constitutional amendment by Fidesz would allow for and in fact serve only this purpose.

Disability pensions are different in that many were granted unlawfully without a relevant disability to legitimise them. But here, too, the government should proceed with sensitivity. While its claims may be just, it makes hardly any sense to quickly force hundreds of thousands of people into a labour market that is clearly far from ready to absorb them. This would cause considerable hardships and the political and social costs would be high.

Often only a thin line divides positive policies from very similar negative ones. Many of the measures analysed above could be implemented well and yield benefits, but they could also



result in governmental excess, corruption and social hardship. By including them here we have given them the benefit of doubt and we hope the Orbán-government will deliver.