

# Analysis of the Family Protection Action Plan in Hungary

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## Abstract

An interim analysis of the Hungarian policy, Family Protection Action Plan. It is going to be a desktop analysis with regards of the recent political conditions and the impact of them in the current government. Theories explaining ideologies and the practical implementations of the ideologically driven policies. The study compares the Germany Nazi Family Policy with the Hungarian Family polices and its ideological rhetoric hidden in it. It shows a possible outcome if the current Hungarian government is allowed to rule every sphere of life of the Hungarian society.

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## Introduction

The following thesis will attempt to demonstrate an interim analysis of the Hungarian policy package namely, the Family Protection Action Plan (FPAP). An in-depth desktop analysis with regards of the current Hungarian political ideology, investigated through a theoretical and explanatory approach and studied by the practical implementations of the ideologically driven policies.

Twelve years ago, the whole world struggled with an enormous economic crisis. Households were the victims of a financial collapse which has ruined families, homes, people with great careers became unemployed, the level of insecurity reached a peak and needless to say these factors created such extreme social and economic consequences which had to be solved. Hungary was not an exception among those European countries which had to deal with these problems. The situation seems to be recreating itself by the occurrence of a new global virus Covid-19. Besides, an enormous emotional ordeal due to the number of lost lives, people have to cope with an existential emergency again.

In between the two crisis there was one major event which manipulated the life of all Hungarian citizens in the form of a political shift in 2010, from a left-wing party to a right-wing party called FIDESZ led by the ‘charismatic’ and populist leader Viktor Orbán. Since that fatal point, the calvary of the plebs has have started, with several policies as perfect examples of biopolitical powers represented by a nationalist antagonist party propaganda.

After 2008, which helped people out from the economic crisis, besides a political shift, was mass emigration. According to the study of the Hungarian Academy of Sciences, the number of Hungarians living abroad is between 350 to 600 thousand since 2010 (Szilasi et.al, 2017), however the real numbers are quite hard to estimate. The consequence is a serious decrease in the population of the country in which 19 % of it belongs to the 65-over age group in 2017 (Gyarmati, 2019). Naturally, the government has realized this emergency and constantly tries to intervene with policies that do not seem to encourage all layers of the Hungarian society to increase the growth of its population. On the one hand, the study introduces the Hungarian policy elaborating on especially the baby-loan (babváró hitel) which had the most visible effect on the statistical result of the Central Office of Statistics. On the other hand, one of the questions of this research, if the policy packages are discriminative based on ethnicity and social class.

The analysis and its methodology are based on the comparison of the Hungarian Family Protection Action Plan and the Family Plan of the Nazi-Germany to show the most extreme example where these policies can intervene in the life of a society. What it is the most evident familiarity between the two example is that both policies had been introduced under a hidden agenda and legitimized by scientific and legal documentation. The method used is a comparative historical analysis on the basis of two, family controlling policies, though far regarding the time interval but close in ideological perspective.

These ideological aspects are discussed in the paper, which helps to understand the situation on the basis of far-right political structures, pluralism, and the effect of biopolitical discourses used in a framework of a party propaganda. Through the description of an illiberal democracy and authoritarian government settings, the paper exemplifies a process of transformation into a totalitarian state of oppression. The reader will be able to see that this process was well established into a nationalist discourse which had gained innumerable criticism from a western perspective, however multiple times more effective support from domestic actors and eastern leaders. The selected literature also focuses on the socioeconomic effect which encouraged policy makers for the instant intervention due to the economic consequences regarding labor and retirement benefits. It is discussed as a result of mass emigration from Hungary and an aging population that are the two main reason of population decline.

The presented results and the conclusion of it show the significance of understanding a hidden curriculum of policies and considering the real and practical consequences as such. The conclusion explains that presented scenario in the findings are an extreme version of assumed backstage agenda, however with innovative policy recommendation the FPAP is possible to be turned into an appropriately running, inclusive and recreational basis of a welfare state.

## Methodology

The research applies a mixed type of methods in which both, qualitative and quantitative investigation has been implemented. The qualitative framework is based on two main components. Primarily on the analysis of the policy (FPAP) with regards to the opinion of policy experts, and on the similarities of the Nazi Family policies while the quantitative secondary analysis is based on statistical data from the Central Office of Statistics and the Hungarian National Bank.

## Chapter 1

For this research it was necessary to develop a theoretical framework in this chapter which aims to introduce and elaborate on the political setting of Hungary.

According to Cas Mudde the emergence of the populist radical right in western societies, originate in the financial crisis in 2008. He claims that in the contemporary populist radical right, there is a paradigmatic shift from normal pathology to pathological normalcy. In brief he explains the phenomenon on the one hand as opposing ideas, and the opposition is between radicalism/extremism contra democracy/liberalism. On the other hand, it has a psychological meaning thereby it is the pathology of modern societies (Mudde, 2008). Regarding this aspect he gives an interpretation of the paranoia, and conspiracy theories of the radical right. A perfect example for it is Hungary and the government's obsession with George Soros and migration demonized as enemies of the Hungarian heritage or the existence of "gysycriminalism", include a misogynist discourse in which women "belong to the kitchen" and for raising future Hungarian generations. By these dogmas, Prime Minister Orbán gained such popularity, that he and his party managed to occupy two-thirds of the Hungarian Parliament seats and became eligible to pass on any kind of policies without challenging those disabilities.

Another approach to the topic is the idea of Laclau and Mouffe on radical pluralism and its politics. They put the concept in a philosophical context, making a relationship between the social identity and political power. The point of it is that the identity of the object cannot exist without the "other"-which can be anything except for the object- however the mere existence of the other denies the full existence of the object's identity, thereby politics and the social are inseparable (Wenman, 2003). Essentially, in the Hungarian context, it means that it is not enough to have a nationalist idea planted in the minds of every Hungarian individuals - from the point children began studying in public educational institutions, it is compulsory to teach them from the centralized material which does not lack emphasis on gender roles portraying women as stupid, conceptualizing the notion of family characterized by a Christian view, suggestion stereotypical images of certain social classes like the Roma community and giving special significance to radical nationalist, far-right, anti-Semitic authors, moreover, depicting Horthy a Hungarian far-right govern during the World War II and Hitler as idealistic and prepossessing historical leaders (Diószegi-Horváth, August 29, 2017, Krytyka Polityczna&European Alternatives) – but it is also necessary to put the image of an enemy against the nation that has to protect its compatriots as well as the way "true "compatriots take care of the nation.



All the above-mentioned characteristics are part of a larger framework which is decoded in the system of discourses that is where we have to include Foucault's biopower and biopolitics, one of the journals summarizes it the following way:

*"...biopolitics and biopower hold a significant purchase in and for discussion on modern forms of governance and modes of subjectification ..."*

*"...biopolitics can be understood as a political rationality which takes the administration of life and populations as its subject: 'to ensure, sustain and multiply life, to put this life in order'. Biopower thus names the way in which biopolitics is put to work in society..." (Foucault, 1975-76)*

Foucault differentiated two types of biopower, first the disciplinary power, in which he took the body as its focus of subjectification. The second types were a later formulated idea, it focuses on the species of body. It meant to look at the body which instilled with the *"mechanics of life and serving the basis of the biological processes: propagation, births and mortality, the level of health, life expectancy and longevity with all the conditions that can cause these to vary. Their supervision was effected through an entire series of interventions and regulatory controls: a biopolitics of the population."* (Adams, 2017). This theory is the one which going to introduce the next chapter which describes the Family Protection Action Plan (FPAP) of Hungary in comparison with the Family Plan of the Nazi government of Germany as a perfect example of biopolitics and biopower, notwithstanding, state racism ( *'a racism that society will direct against itself, against its own elements and its own products [...] the internal racism of permanent purification, and it will become one of the basic dimensions of social normalization* (Campbel, Sitze, 2013)')

## Chapter 2

### 2.1. Hungarian Family policy

#### 2.1.1. Background

Sine 2008, Hungary has been facing difficult times regarding its economic conditions. The reasons are manifold still one of the main causing phenomena is the exponential population decline which have had several potential effects on both individual and national economy. It means that as population declines, the GDP (Gross Domestic Product) per capita declines that leads to the recession of domestic demand for goods and services. The economy has to face the fact of shortage of labor that will result in the rise of dependency ratio (those of not in the sector of employability, under the age of 14 and above 65). It also may lead to lesser borrowing and spending, further leading to lesser tax revenue. As a consequence, the country most probably has to face a crisis in end of life care for the elderly, which goes together with difficulties in founding entitlement programs (neglection of health care, lack of funding for pensions: i.e. in China the main state pension fund will run out of money by 2035 as the available workforce shrinks due to effects of that country's one-child policy(Tang, Frank, 2019).)

Hungary is following similar patterns, firstly due to mass emigration. In 2017 the approximate number of Hungarians was between 350-600 000, however it the real figures could be much higher because of the lack of registrations. The main reasons of mostly young professional deciding to emigrate generally depend on the macroeconomic environment, institutional network, social and health care system, the standard of education, the political climate of Hungary (Szilasi et. Al., 2017). Secondly, this event went together with the decline of birth rates and an increase in life expectancy at birth with a fall in mortality with regards to the period of 2011-2017 (KSH, 2018) resulting in an aging society in which 19 percent of the population belonged to the age-group of 65+ in 2017(Gyarmati, 2017). It was inevitable to compose a plan which will be able to tackle these problems, the next session elaborates on the actions of the Hungarian government.

#### 2.1.2. Family Protection Action Plan

As it became obvious that authorities have to react to the demographic and economic issues of Hungary. The European Commission summarized all the important actions made since 2011 in a report: 'Measures to fight demographic decline in Hungary'

*"The strengthening of families and promotion of childbirth have been on the agenda for several years already, and the year 2018 was announced to be the Year of families. Over the previous*

years, there has been an expansion and transformation of the family support system: together with the new flat-rate tax system, a new family tax allowance was introduced in 2011, the base of which and the circle of those eligible have been gradually extended. Obviously, this is especially beneficial for families where the parents are employed and have higher income. Free or discounted meals in crèches, kindergartens and schools have been provided to children from families with low levels of income or with three or more children. In 2016, a lavish support for those having or planning to have three children was introduced (CSOK, a family home-creation measure which provides such families with a 10 million HUF [€32,250] support and another 10 million HUF [€32,250] credit at low interest rates for building or buying a new dwelling – for families with fewer children and for used dwellings the amounts are significantly lower). Access to this support is conditional to employment (excluding public works) and lack of debts. Before that, in 2014, to increase the employability of mothers with small children and improve the financial situation of families with children a Childcare Allowance Extra (GYED EXTRA) was introduced, allowing parents unlimited work while concurrently receiving maternity benefits and childcare allowance; its duration and scope have since been extended. Other family-related measures include the following: employers of mothers with small children receive tax reductions for three years and those of mothers with three or more children tax reductions for 5 years (since 2011); the capacity of day care and preschool facilities has been increased (also since 2011) and a new day care system for children under 3 has recently been introduced (in 2017).

From 2018 on any family with three or more children and with a mortgage on their home is allowed to deduct one million HUF (€3,200) from their debt after the birth of their third child, and a further one million after the birth of each subsequent child. In case a mother with a student loan has her first child, the loan gets suspended, with a second baby it is halved and with a third the whole loan is dismissed. The graduates' period of eligibility for childcare allowance (GYED) is extended by one year, meaning that for university students also it is extended to two years. There are higher tax and contribution reductions for families with two children. Other not yet introduced plans (HVG 2018) include the extension and improvement of childcare capacities, more flexible and family-friendly labor market, and the increase of certain benefits. The prime minister announced a forthcoming consultation with women on demographic issues, which received some criticism (168 óra 2018) (EU Commission, 2018) “

The government has introduced a set of policies which encouraged marriages and childrearing. The policy package consists of several ingredient form which there are four main projects

which aimed to help the life of families: Family home nourishing discount-loan (CSOK-loan), Baby expecting allowance (baby loan), Mortgage remittal for families with three children or more and the Car purchase support (Csalad.hu, 2019).

Although, they are all different constructions providing varying allowances there are some commonalities which has a huge importance regarding the hidden curricula behind the policies. All these have a similarity which means that these allowances only applicable for a married couple, belongs to the 18 to 40 age group (except for the Mortgage remittal and Car purchase support), living in Hungary and planning to leave here for longer period, and are planning to have at least one more child in there family. Also, a requirement, to do not have a criminal background, the applicant should not have any unpaid debts registered on the national list of people in debt (if someone has been on the list the individual will be on the list in passive status for one more year which is also not allowed except in the case of baby loan). In addition, at least one of the member of the married couple need to posses a social security insurance at least for 3 years, from which the last 180 days are documented in Hungary (before January 2020 students studying in vocational schools and high school were also included, but with an amendment only those who study in higher education can receive the loan, moreover those who does not have a workplace but pays the fee of the insurance by themselves are also excluded), a given amount of net monthly revenue (in the case of baby loan it is 100 000 HUF, approx.€345) which must derive from employment (except for public employment) or revenues received after children (Magya Közlöny, 2019 ed.40.).

The baby expecting allowance, the most common of all, consist of a loan of 10 million HUF (approx. €344,251) with no interest if there is a baby born or adopted after the loan request within 5 years. In addition, if there is a second child is born/adopted the government gives 30% off form the rest of the loan and if there is a third child is born or has been adopted, the loan is fully released. Important detail is that after the birth of each child there is three-year moratorium period during which repayment can be paused. However, if there is no newborn after the first 5 years, the full principle amount of loan must be repaid in addition to the interest accumulated, which is calculated with the rate that is applicable at the end of the 5-year duration.

At first sight all these conditions look good until we ignore the ideology of the current government. In the next paragraph the study analyzes the family policies of the Nazi Germany which similarly to the Hungarian version, without the racial context is incredibly compelling.

## 2.2. Family policies of the Nazi Germany and Hungary

Throughout the history of the Nazi rule, the formulation and application of family policies were definitely common. Demographers, medical professional and party characters often contributed to the establishment of one another policy, providing scientific and legal background to their discriminative ideas. For the Nazi state the family represented the “germ cell” of the nation (Pine, 1996), which could hear familiar, since the Hungarian state conceptualized a similar stand in the constitution: “family is the foundation of the Hungarian nation’s survival” (Hungarian Constitution, 2011). Both of them associates the notion with marriage and children. Marriage, which consist of a female and male according to Christian values, strictly excluding homosexuality, transsexuality as possible establishment for family. In Germany, *“Homosexuality was excoriated both because it was considered 'deviant' and because it was seen to endanger the healthy preservation of the Volk (Pine, 1996).”* While in todays Hungary the official denomination of the family consisted of two individual and their child, later they modified it due to the dissatisfaction of the society, that those without children can also belong under the concept of family (Alaptörvény, 2011). Not to mention its most recent legislative modification which ceased the legal recognition of trans people (Walker, The Guardian, 2020 April)

Both governments confidently apply sexist rhetoric in advance to support their dogma. In Hungary, the Prime Minister Orbán and his party member several times did not avoid to emphasize gender roles which has an even more dangerous impact on Roma women: In one of the interviewer’s question regarding the replacement of the female ambassador of Hungary in the US, Orban said: “I do not deal with women issues” (24.hu, 2017) suggesting his position is much more “superior”, available for the issue of men only. In another interview he claimed: "It is better to leave money, bribes, household money to women than to leave it to men, so that ministry managing family property is now in the hands of the ladies." (Conversation with Viktor Orbán on Hír Tv, 2012) - referring to where is the real place of women instead of participating in politics. Furthermore, some textbooks portray women almost exclusively as wives or mothers, and fathers are sometimes portrayed as much more intelligent than mothers (Rab, Nöl.hu, 2016).

Back in history of Germany, a similar event was observable women had a special role and they were much appreciated as housekeepers and mothers only. At first solely in marriages, but those who were ‘fitting’ the Aryan attributes were encouraged to give birth and the proper conditions were provided. One of these policies was the Lebensborn project which helped

unmarried women to raise their children in well-established institutions (Pine 1991, pg, 69.). However, for women it was suggested to leave their jobs as they took away several places from men, leaving other families in trouble (Pine, 1996).

If all these commonalities would not be enough there is one more major similarity of the policies in the two countries although far in time. During the Nazi rule there were many other policies which encouraged marriages, but more to delivering babies, with one and crucial requirement. Their desire was to create a “pure” Germany which meant the exclusion of the ‘racially alien, asocial or socially unfit character from the society (Pine, 1996 pg. 179).

“...The term 'asocial' was used to categorise marginal groups of the German population that deviated from the norms of National Socialist society...” “...For example, someone who deviated from political or social norms could be considered as 'morally depraved', a person who relied on welfare benefits as a 'social parasite' and an unemployed person as 'workshy'. Similarly, the homeless were portrayed as 'epidemic carriers' and prostitutes were 'infectious sources of sexual diseases. The concept of the 'asocial' was depicted as the anti-type to the ideal 'national comrade...’

“...The term 'asocial' was applied in an elastic manner to include the following groups: 'gypsies', 'vagabonds', 'persons of no fixed abode', 'prostitutes', 'alcoholics', 'unmarried mothers', 'homosexuals', 'Großfamilien', 'criminals', 'idlers', 'good for nothings', 'wastrels', 'grumblers' and 'grouches' as well as anyone else that did not, could not or would not perform their duties to the Volksgemeinschaft. These groups, although they were all categorized as 'asocials', were not considered on the same level as one another.” (Pine, 1996, pg. 182.)

So the incentive to produce children were only for a chosen group that ‘fits’ the requirements of the rules, meaning that the policy of the Nazis which provided a marriage loan (Law for the Reduction of Unemployment, 1 June 1933:

*“ an interest-free loan of up to 1000 RM. could be made to a German couple in the form of vouchers for the purchase of furniture and household equipment. The granting of a loan was conditional upon the woman giving up paid employment. The two main reasons for this were to encourage women back into the home and to create job opportunities for men. It was also hoped that the scheme would lower the male marriage age and therefore decrease men's need for prostitution. The loans were to be repaid at the rate of 1% per month. A supplementary decree of 20 June 1933 stated that the sum to be repaid would be cut by one-quarter for each child born to the couple, so that in effect, on the birth of the fourth child the repayment was*

*waived altogether.*” (Pine, 1996, pg. 44.) was racially, based on social class and gender, discriminating and oppressing in all of its policies.

As I mentioned in the previous part the baby loan is the most required allowance which couples tend to be interested. According to the Hungarian Nation Bank report in December 2019 The household sector's loan portfolio grew exponentially by 14 percent in the past one year compared to previous quarters, mainly due to strong demand for baby waiting loans introduced under the Family Protection Action Plan. In the retail segment, in line with housing market developments, the average maturity and loan amount will also increase, almost exclusively at a fixed interest rate. Given the low level of credit penetration and the structure of the current credit expansion, it is justified to closely monitor lending processes and, in particular, the upturn in baby loans (MNB, 2019). Since June 2019, more than half - 55 per cent - of interest-subsidized loans taken out since the start of July were claimed by families in the top income quintile. The poorer strata, on the other hand, seem to be pushed out of the opportunity, with debtors in the lowest income quintile making up just a few percent of those with a baby waiting contract.

Baby loaner are most similar to home borrowers, on the one hand because they use the loan mainly for housing purposes, and on the other hand because their risk characteristics are similar, pointed out Bálint Dancsik, senior economic analyst at the Magyar Nemzeti Bank (MNB) (Varga, Népszava, 2019). Home loans are also typically taken out by better-off clients: here the proportion of debtors in the top income quintile is even higher, at 66 per cent.

## Conclusion

Although, not openly but put it in a well design cover, the policy tries to exclude Roma citizens who are less educated, commonly employed as public worker (which source of revenue is excluded from the eligibility criteria) going together with the lack of social security insurance. Furthermore, those who do not work or partially do not work in Hungary but spend their money here are also excluded due to the high probability of settling in other country. The policy expects mostly mothers do give up their workplaces as certain supports are available only for them (i.e. tax release after three children). Lower social class, who usually already have children are not able to gain such benefits which could for instance, help them to pay their debt especially when they are in large deficit.

To sum it up, it was an extreme choice to compare such examples, chronologically so different, however there is a fair chance of although not openly, that all the policies are, once driven with racism, and secondly it discriminates those who are socially does not belong to the acquired group of individuals.

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