Ultra-orthodoxy and selective voluntarism: How did the Orbán regime react to the first wave of the pandemic?

Zoltán Ádám

Department of Economic Policy and Labor Economics, Institute of Economic and Public Policy, Corvinus University of Budapest, Budapest, Hungary

Correspondence
Zoltán Ádám, Department of Economic Policy and Labor Economics, Institute of Economic and Public Policy, Corvinus University of Budapest, Budapest, Hungary.
Email: zoltan.adam@uni-corvinus.hu

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Abstract
Viktor Orbán's regime in Hungary is a prime example of authoritarian populism in a relatively developed country that has been part of the European Union since 2004. The paper argues that in response to the pandemic, the Orbán government pursued a set of selectively voluntarist policies that have been informed by an ultra-orthodox, state-centered worldview that sought to minimize the regime's democratic accountability and to reduce the counter-mobilization ability of the opposition. These policies had been associated with comparatively low infection and death rates in the first wave of the pandemic, hence enabling high approval ratings for the government despite generating considerable human and economic costs. In light of rising infection and death rates from September 2020, however, it is yet to be seen whether the COVID-19 crisis, in balance, will reinforce or undermine popular support to the regime.

KEYWORDS
authoritarian populism, COVID-19, ethnopopulism, Hungary, Viktor Orbán
1 | INTRODUCTION

Pandemics pose extraordinary challenges for both democratic and authoritarian regimes. Democratically elected yet distinctively illiberal authoritarian populist governments such as those of Donald Trump in the United States and Jair Bolsonaro in Brazil face particularly tough trade-offs between the health and safety of the population, the desire to keep the economy afloat, and maintaining the image of competence and overwhelming control. Unlike their liberal democratic counterparts, illiberal authoritarian populist governments cannot exclusively rely on expert opinions by delegating fundamental policy decisions to politically neutralized civil servants, given that a core message of their political agenda was reclaiming sovereignty from “non-elected technocrats” and establishing an allegedly direct link to “the people” in the first place (cf. Ádám, 2020a; Galston, 2018; Mudde & Rovira Kaltwasser, 2017; Norris & Inglehart, 2019). Hence, such leaders seek to assume responsibility for something that no one can accurately predict, while being unable to distance themselves from policy decisions with largely unknown consequences.

Viktor Orbán's Hungary, a prime example of authoritarian populism in the European Union (EU) (cf. Ádám, 2019; Ágh, 2016; Bátorfy & Urbán, 2020; Bogaards, 2018; Bozóki & Hegedűs, 2018; Buzogány, 2017; Halmai, 2019; Kovács & Trenčsényi, 2019; Magyar, 2016), performed fairly well in meeting this challenge in the first wave of the pandemic in the first half of 2020. As comparative data show, infection and death rates remained relatively low during this period. In the second wave, however, and particularly since September 2020, Hungary has been underperforming compared to its regional peers, and by early October the country had exhibited the second highest infection and death rates in Central Europe after the Czech Republic (see Figures 1 and 2, Paul, 2020). Nevertheless, opinion polls have showed little deterioration in the support for the governing Fidesz party of Prime Minister Orbán. Both between May–June and between August–September, about one-third of the adult population considered themselves to be Fidesz voters, roughly as much as the combined vote share of the four largest opposition parties.1

This paper argues that, in contrast to the dominant view in the literature of populist policies being erratic and unpredictable, the Orbán regime has attained its popularity and relative success in containing COVID-19 during the first wave of the pandemic by pursuing a set of consistently ultra-orthodox policies that imposed restrictions, improved capacity in state hospitals, silenced and demobilized any sort of opposition, and avoided external influence over economic policymaking. The paper argues that whereas this characteristically authoritarian populist policy mix proved to be highly successful in the short run, it has carried substantial political and public policy risks that may in the mid- to long-term horizon weaken the regime politically.

These assertions go against the consensus in the mainstream populism literature that considers populist policymaking to be erratic and unpredictable, the Orbán regime has attained its popularity and relative success in containing COVID-19 during the first wave of the pandemic by pursuing a set of consistently ultra-orthodox policies that imposed restrictions, improved capacity in state hospitals, silenced and demobilized any sort of opposition, and avoided external influence over economic policymaking. The paper argues that whereas this characteristically authoritarian populist policy mix proved to be highly successful in the short run, it has carried substantial political and public policy risks that may in the mid- to long-term horizon weaken the regime politically.

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These assertions go against the consensus in the mainstream populism literature that considers populist policymaking to be erratic, based on a “thin ideology” (Mudde, 2004; Stanley, 2008), representing a “highly chameleonic” character and a “lack of core values” (Taggart, 2004, p. 275). In other words, populists try to do whatever the majority of voters want them to. In a recent paper on contrasting ideal types of liberal democratic and populist policymaking, Bartha et al. (2020, p. 75) argue that the ideal type of populist policymaking is characterized by “ideologically multifaceted and diverse policy contents that contain heterodox policy elements with frequent policy innovations challenging mainstream policy paradigms.” The authors’ illustrative empirical example is social policymaking under successive Orbán governments in Hungary between 2010 and 2018 that is claimed to fulfil these criteria, with particular references made to pensions, taxation, unemployment, and family policies.

This is, I believe, a somewhat misleading interpretation of Orbán's policies. Social policies of successive Orbán governments, presented by Scharle and Szikra (2015) and Szikra (2014, 2018), have been organized around a consistent, state-centered conservative approach that limited the role of markets and individual choice, ensured preferential treatment for the middle classes, and discriminated against the poor.
These policies, in line with traditional conservative worldviews, created strong incentives for engaging in formal employment relations, while offering substantial income tax cuts for people who have children. Pensioners, working families, and members of the economic clientele (i.e., businesses well-connected to the government) were considered to be part of the regime’s core electorate, whose economic interests were consequently reinforced. As I intend to demonstrate, the Orbán regime’s policy response to the COVID-19 crisis has been similarly consistent in its ideological thrust, characterized by state-centered conservatism, exclusionary majoritarianism, and broad support for the party’s core electorates.

Importantly, policy processes and discourses in populist policymaking are also discussed by Bartha et al. (2020). Policy processes by populists, they argue, undermine democratic institutions and veto players, while pushing-back against technocratic policymaking elites, opposition parties, and NGOs. Expert opinions that typically play a vital role in a pandemic not only professionally but also politically by mitigating the direct political responsibility of elected officials tend to be downplayed. Authoritarian populists, instead, pursue ideological mobilization of the public, using direct communication platforms and by utilizing the crisis as a window of opportunity for disseminating extraordinary amounts of political propaganda. The result, claimed by Bartha et al. (2020), is the extensive use of discursive governance, a highly emotional communication style, recurrent crisis framing, and Manichean discourses.
This is, in fact, a close fit to Orbán's practice, but it does not make his policies ideologically less cohesive. Authoritarian populist governments across Central and Eastern Europe (CEE), while de-institutionalizing the policy process, disintegrating the system of checks and balances, and permanently mobilizing the electorate with emotional crisis frames, pursue what Vachudova (2020) has recently called “ethnopopulism.” In her description, ethnopopulism is an electoral strategy that claims sovereignty against global capitalism and the EU, defines the nation in flexibly inclusive ethnocultural terms (hence different from traditional ethnonationalism), adopts a distinctively majoritarian approach to democratic institutions, and legitimizes state-controlled economic clientele-building as a protective tool against external economic domination. An additional component of CEE ethnopopulism is “racializing the immigrant threat” (Vachudova, 2020, p. 2) that has been employed extensively by Orbán in the pandemic by accusing immigrants of importing COVID-19 to the country.

For Mudde and Rovira Kaltwasser (2013), ethnopopulism is an “exclusionary” form of populism, typically espoused by West and East European right-wing populists, and markedly different from the “inclusionary” populism of Latin America and Southern Europe. Yet, when successful, both the exclusionary and inclusionary forms of populism seek to pursue ideologically consistent policies while fulfilling the expectations of their respective electorates. The COVID-19 crisis thus offers a novel insight into the Orbán regime's way of operation. The underlying rationale of the regime since its inception in

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**FIGURE 2** Fourteen-day moving averages of newly reported COVID-19 cases per 100,000 people (left panel) and deaths per million people (right panel) in selected Central European countries. Note: Newly reported cases for the Czech Republic in the left panel and Italian death rates in the right panel are represented on right axes. Data source: European Centre for Disease Prevention and Control
2010 has been the creation of a loyal economic clientele that maintains a government-friendly middle class that in turn refines the rule of the political elite, making any significant social and economic actors dependent on government finances and disabling any potentially significant opposition (Ádám, 2020b). This is attained through a super-majoritarian approach to democracy while abandoning government accountability and standards of the rule of law as they are meant to operate in an EU member state that, ironically enough, keeps providing enormous funds to the regime.

In the remaining sections of the paper, I first describe the initial response of the regime to the COVID-19 crisis in terms of communication strategies. This is followed by a discussion of the transformation of the underlying institutional conditions under which the regime operates. In the remaining sections of the paper, I first describe the initial crisis response of the regime with respect to organizational realignment and communication strategies (section 2). This is followed by a discussion of the transformation of the underlying institutional conditions under which the regime operates. Within this part, I address the curtailment of civil liberties (section 3.1) and legislation potentially stripping local governments off some of their most valuable land holdings (section 3.2) Section 4 addresses public policies, first examining healthcare (section 4.1), secondly economic policies (section 4.2). Section 5 concludes.

2 | CRISIS RESPONSE

The Orbán government set up its so-called Coronavirus Operational Group to coordinate the policy response to the pandemic on January 31, 2020. It was led by the Minister of Interior and the Minister of Human Capacities, and its members included the Chief Medical Officer and leaders of the police, the National Directorate General for Disaster Management, the National Directorate General for Aliens Policing, the Counter-terrorism Information and Criminal Analysis Center, the National Ambulance Service and representatives from other relevant healthcare agencies. The Operational Group held a daily meeting and press conference from March 5, 2020, to June 17, 2020.

The first two COVID-19 cases were identified on March 04, much in line with other countries in the region. Travel restrictions were gradually phased in from early March, and preparation of key hospitals for the pandemic started. On March 11, a state of danger was announced by the government and approved by Parliament, initially for 15 days, giving extraordinary powers to the government, practically authorizing governance by decree. Universities were closed on March 11 as well. These measures were typically announced following the daily meetings of the Operational Group by various officials, while no leading policymaker emerged as a key coordinator of government policies.

In this early phase of the crisis, Prime Minister Viktor Orbán took a somewhat ambivalent approach to the pandemic. On the one hand, he realized the danger of the virus and instructed his government to increase health capacities to meet expectedly rising demands. On the other, he believed

### Table 1
Support for Fidesz in the general population according to five polling institutes in February–September 2020 (as a percentage of all eligible voters)

|          | February | March | April | May | June | July | August | September |
|----------|----------|-------|-------|-----|------|------|--------|-----------|
| IDEA     | 30       | 30    | 31    | 32  | 34   | 34   | 35     | 35        |
| Median   |          | 40    |       |     |      |      |        |           |
| Publicus | 29       | 30    | 29    | 30  | 31   | 30   | 30     | 30        |
| Republic | 29       | 30    |       |     |      |      | 35     | 35        |
| Zavecz   | 31       | 31    |       |     | 35   | 36   | 34     |           |

Data source: Közvéleménykutatók.hu.
the virus was no threat to most people, only to the elderly and those with a compromised immune system or with underlying health problems. Hence, no closure of institutions was initially envisaged, and Orbán believed public schools should stay open. On Friday March 13, when, for instance, neighboring Slovakia had already closed most public schools, Orbán gave a radio interview in the morning when he claimed that the closure of public schools was unnecessary and school children should stay in class until the end of the academic year. However, by the evening of the same day, government policy changed, and the closure of public schools was announced from the next teaching day, Monday, March 16.

Orbán announced new measures in response to the coronavirus crisis in a video uploaded to his official Facebook page on the evening of March 13 entitled “At the end of a hard day.” Even in this video message, however, he claimed that the virus was not dangerous for most people, posing only a risk as much as that of an ordinary flu to his generation and younger ones. This was a symbolic moment, in which the government switched into crisis mode, and formed ten so-called action groups to tackle aspects of the crisis.

Although by this time government communication had been dominated by the pandemic response, no other policymaker than the prime minister emerged as a key decision maker in relation to the crisis. This was in contrast to the practice of a number of liberal democratic governments that placed high-profile civil servants with a technocratic profile or highly esteemed experts in the forefront of government communication on the pandemic (see Colfer, 2020; Zahariadis et al., 2020). This way, elected officials could distance themselves from expert-opinion-based decisions and could limit the political risk of concomitant measures. Conversely, Orbán, assumed unlimited responsibility and claimed an unrivalled role in public discourse regarding the pandemic—just as he did with any other public policy matter of prime importance over the past decade. This was a risky strategy that appears to have paid off for Orbán. Relatedly, as Table 1 suggests, Orbán’s Fidesz party has also managed to maintain its popularity during the crisis. As a propaganda measure of crisis management, yet another round of “national consultation” was initiated, continuing blatant and often aggressive usage of government propaganda, this time on the policy responses to the coronavirus crisis and the resulting economic deterioration.

3 | INSTITUTIONAL CHANGES

The COVID-19 crisis has brought both challenges and opportunities for the Orbán regime. Holding practically unlimited political power, the government has been expected to deliver effective policy responses to a crisis it can only partially control at best. At the same time, the pandemic has politically justified the usage of extraordinary measures, including the suppression of civil liberties and the redistribution of economic assets to government cronies and government-controlled administrative units. It also provided an opportunity for the regime to reinforce its ethnopopulism: One of the first measures the government undertook once the pandemic struck was to expel 19 Iranian students, who were legally resident in Budapest, who allegedly broke quarantine rules and were consequently ordered to immediately leave Hungary. This was a demonstration of what the regime alleged was the potential danger posed by immigration from a Muslim country whose citizens allegedly did not comply with Hungarian crisis measures. In forthcoming subsections, I discuss extraordinary government measures and their implications with respect to civil liberties, as well as regarding the weakening of property rights with respect to opposition-held local governments—a key institutional bulwark of opposition parties.
Constitutionally, the Hungarian Fundamental Law (FL, i.e., the constitution) authorizes the government to declare a state of danger in response to natural catastrophes and industrial accidents. According to Article 53 of FL, in a state of danger the government can issue decrees that “(a) suspend the application of particular laws, (b) deviate from any statutory provision, and (c) adopt any further extraordinary measure as defined by a cardinal Act.” Cardinal acts are adopted by a two-third majority of parliament. In this particular case, the Disaster Management Act (as a cardinal act) defines further actions.

Decrees adopted in a state of danger by the government are in effect for 15 days, unless four-fifths of the parliament authorizes the government to extend this period. The state of danger in this particular case was proclaimed by the government on March 11, 2020. The government requested the authorization for extension on March 23, by which time the first death from COVID-19 had occurred and the number of registered cases surpassed 50, but opposition parties rejected the request. Their major reason was that the bill would have provided the government with an opportunity for the unlimited extension of extraordinary legislation—an unprecedented and, for them, unacceptable constitutional development. Their rejection, however, was not an effective constraint on extraordinary legislation as the two-third governing majority of parliament on March 30 adopted the so-called Coronavirus Defense Act (also known as the Authorization Act) that came into force the next day and resulted in the very same constitutional situation the opposition had refused to approve a week earlier, with the government itself ultimately deciding on the end of the authorization.

As Győry (2020) explains “the Act itself contained two authorizations: one for the already issued decrees, and a blanket one for the decrees the government might adopt in the future. Both authorizations were without time limit. This combined with the fact that under the relevant fundamental law only the government is tasked with terminating the state of danger, meant, in effect, that the government was given unlimited authorization to rule by decree without temporal, jurisdictional, or other legal restrictions, aside from those limits enshrined in the constitution protecting certain basic rights.” In consequence, there were concerns that the Authorization Act would in effect authorize outright authoritarianism at the end of the day.

According to Győry (2020), eventually this did not occur: “The government, though it has arguably abused its powers, has not used them widely to restrict rights beyond what the situation has warranted.” Most government decrees, issued under the special state of danger legislation, were indeed in line with customary measures adopted by most countries in response to the crisis. These included the enforcement of social distancing in the form of closing museums, public baths, universities, and restaurants as well as limiting public sport or any other events in attendance. A limited curfew was implemented that, however, was never strictly enforced and people could practically leave their homes as much as they decided without having to notify any authorities. The borders were closed for all traffic except for freight, and only Hungarian citizens and legal residents could enter Hungary. These measures have not been considered particularly harsh in international comparison, and Hungary, in fact, was never the strictest enforcer of COVID-19 restrictions. Nevertheless, those infected with the virus had been exposed to someone with infection, or came back from abroad were requested to quarantine for 2 weeks, and this was actually enforced by the police effectively, which was probably one of the most important reasons for the relatively low Hungarian infection rate.

Although most measures were reasonable and were not enforced particularly harshly, some served a pure power grab by the government. In Győry’s (2020) words, the government “used its emergency powers under the Catastrophe Defense Act to take over the management of a company where the state, as a majority shareholder, was embroiled in a legal dispute over management rights with the minority — a clear breach of property rights. Likewise, the reallocation of tax income from opposition-led local
to loyalist-controlled regional governments, also ordered by emergency decree, had more to do with punishing the opposition than with effective pandemic defense” (see subsection 3.2 for further details).

The state of danger was eventually revoked by the vote of parliament at the proposal of the government on June 16. Although the government decrees issued in the preceding period of extraordinary legislation became invalid, the government proposed to make some of its extraordinary prerogatives part of ordinary law. According to three major Hungarian human rights NGOs, Amnesty International Hungary, the Hungarian Civil Liberties Union, and the Budapest-based Hungarian Helsinki Committee, “Bill T/10747 on Terminating the State of Danger does not terminate the state of danger, instead, it very well illustrates that in Hungary, it’s not the parliament that has a government, rather the government has a parliament. The proposal whereby the parliament has to call on the government to terminate the state of danger will be coming from the government itself. Hence in fact the government will be making a request to itself after a short detour, and the Bill does not contain a deadline for when this request has to be made. The government will be requested to end the special legal order at a time when it sees fit to do so.” As the three NGOs point out, “the amendment of the Disaster Management Act [that is part of Bill T/10747], which transposes one of the most problematic provisions of the Authorization Act, would do away with an important safeguard in the Fundamental Law. The Fundamental Law wishes to maintain the balance of power between the branches of government by permitting the government to suspend and set aside laws, but only insofar and in such a manner as allowed by parliament in the Disaster Management Act. Now, under a proposed amendment of the Disaster Management Act, the government may order any measures it deems necessary if the measures previously specified by parliament are inadequate. This renders futile the provision of the Fundamental Law that the government may only exercise powers under a special legal order in accordance with the provisions of cardinal laws — from now on, cardinal laws will no longer restrict this power and will permit anything that the government deems necessary in the given circumstances.” Moreover, the three NGOs argue, “by amending the rules of ‘state of medical emergency’, the Bill creates a ‘little sister’ to the special legal order. According to this amendment, in a state of medical emergency, the government may restrict by decree the exercise of essential fundamental rights, such as the freedom of movement or the freedom of assembly. Restrictions may initially last for a period of six months but then may be extended practically indefinitely. In practical terms, introducing as well as terminating this semi-special legal order, which is not regulated by the Fundamental Law, is entirely up to the government’s discretion.” Hence, their conclusion is that “those who have been sounding the alarm that the government can and will abuse the powers it gained in relation to managing the Covid-crisis were in fact right.”

One particularly worrisome component of the Authorization Act was the criminalization of the “misinformation of the public” that threatened the press and, in fact, anybody who was deemed by authorities to disseminate false information. A number of legal procedures were in fact initiated by authorities on this basis, including one against the mayor of Mohács, a city of 18,000 in southern Hungary, who belongs to the opposition Magyar Szocialista Párt (Hungarian Socialist Party). In two other unrelated cases, two persons had been arrested for allegedly making Facebook posts that spread unfounded information regarding the pandemic. One elderly person was taken into custody in Szerencs in northern Hungary for claiming in a post that the government intended to cause mass illness by lifting quarantine restrictions. According to local police, this qualified as a “well-founded suspicion of fear-mongering.” In another case, a local official of the opposition Momentum party in Gyula, south-eastern Hungary, criticized the measures of vacating hospitals (see section 4) and other government policies in a post. In response, local police searched his home, took his computer and cellphone, and took him into custody for questioning for 4 hrs on the behest of the local mayor, who belongs to Fidesz. It appears that these were not isolated cases: “On May 11th, Róbert Kiss, spokesman
of the Operative Board, said at the daily press briefing that so far, proceedings had been filed against 85 people for spreading fake news and for scare-mongering,” reported Hungary Today.12

The infringement of civil liberties and core European values by the Hungarian and Polish governments’ responses to coronavirus has caused concern in the European Parliament (EP). On April 17, the EP condemned government actions taken in Hungary and Poland in the context of the coronavirus outbreak as being “totally incompatible with European values.”13 Subsequently, the EP debated the Hungarian legislation again on May 14, when several members urged the European Commission to take action against the Hungarian government. In response, the Commissioner with responsibility for Values and Transparency Vera Jourova said that “the case of Hungary raises particular concerns” and that “on a daily basis, we are assessing whether we can take legal action.”14

3.2 Anti-opposition legislation on special economic areas

The Authorization Act enables the government to change the legal environment for companies so as to ensure their continued operation during the pandemic. This is meant to assist troubled companies and to avoid the deterioration of financial conditions in surrounding municipalities. In a high-profile case, the Orbán government clearly misused this authority when the status of an industrial park in the city of Göd, north of Budapest in Pest County, was changed in mid-April, so that local industry taxes would be received by the Fidesz-controlled county government instead of the opposition-controlled local municipality.

As Karsai (2020) explains, technically, the government first issued Government Decree 135/2020 on April 17, 2020, that “under the pretext of the fight against the COVID-19 pandemics—created the possibility of forming so called «special economic areas» within the territories of municipalities. The ownership of the real-estates within the special economic areas is transferred to the county level from the local municipalities.” Then, on the very same day, the government issued Decree 136/2020 that created a special economic area in Göd. This economic area happened to include the industrial park of the city, where a local Samsung factory was situated. Effectively, one-fifth of the territory of the city was thus transferred from the local to the county municipality, coming into force the next day without any compensation. As a result, Göd lost about one-third of its annual tax revenue and even had to transfer the local industry tax paid before the decrees came into force to the county municipality.

As Karsai (2020) argues, this “constitutes one of the most blatant misuses of extraordinary power vested on the Hungarian Government in the context of the fight against the pandemic. […] [T]he deprivation of property of the town of Göd has nothing to do with the epidemiological situation in Hungary, nor the alleviation of its economic consequences. On paper, the decrees serve the purpose of saving jobs and creating new ones. However, there are no data available that the Samsung factory needed to fire people or would otherwise have been affected by the crisis. The decrees cannot be justified by any real economic steps, they simply change the ownership structure of valuable real estate and transfer the related taxation rights. The decrees do not define the «special economic areas», nor do they establish their exact nature or purpose. They are just a carte blanche which serve only as a cover for depriving municipalities of their property. In the actual case the fake nature of the measures is crystal-clear, since Samsung does not even have to pay a forint less tax in the future; it just pays taxes to the County instead of the town of Göd. Had the decrees real purpose been to «save» Samsung (which, I repeat, was apparently in no need of help whatsoever), the minimum action would have been some kind of financial rescue plan tailored to Samsung’s needs. However, the decrees not even remotely contain any such steps.”

Importantly, as above, the city municipality is controlled by the opposition, whereas the county is controlled by Fidesz. This is, in fact, often the case in Hungary since the October 2019 municipal elections were won in a large number of cities by opposition mayors, whereas counties remained under
Fidesz control due to a higher share of Fidesz votes in rural areas. Hence, what has really happened is a relocation of property rights from opposition to government-loyal entities with immediate effect and with no compensation, thus undermining the security of property rights, demonstrating the essentially unlimited power of the government under the pretext of crisis management against the pandemic. Leaving little doubt about their actual intentions, on May 13, 2020, the government submitted a bill to parliament that was designed to make the rules of Government Decree 135/2020 permanent, thus providing the opportunity for the creation of special economic zones regardless of the public health situation.

4 | PUBLIC POLICIES

Understandably, the Orbán government did not only alter institutional conditions to their own benefit during the COVID-19 crisis, but also pursued public policies, intending to ensure an optimal policy response to the pandemic. Perhaps the two most important policy areas in the particular context have been healthcare and economic policies that I describe in the forthcoming subsections. Optimizing these, as in most cases, involved a double challenge of maximizing the well-being of the core electorate of the regime as well as reinforcing the institutional foundations upon which it is based, including the role of government-sponsored economic clienteles and centralized control over public resources, including healthcare and fiscal redistribution.

4.1 | Healthcare policies

Preparation for mass coronavirus infections was started in March by increasing the number of available hospital capacity. The Ministry of Human Capacities Miklós Kásler in mid-April instructed hospitals to free up 60% of their beds, or about 36,000 out of 60,000 for treating coronavirus patients by April 15. Whereas in retrospect this measure appears vastly exaggerated, in the run-up to the pandemic this was obviously hard to know. However, the way the government carried out this policy, regardless of the opposition from hospital directors and the patients were sent home, tells a great deal about the nature of the regime.

The reasoning behind this move was that everyone should prepare for a worst-case scenario and that the government response would require broad cooperation across society, including by families where home care was attainable. Although the ministerial request was subsequently eased to 50% of available bed capacity, two hospital heads—Mr. István Csernávölgyi, head of Szent György Hospital in Fejér County and Mr. Péter Cserháti, head of the National Institution of Medical Rehabilitation (OORI)—were dismissed for their dissenting practice that sought to protect already hospitalized patients.

Specifically, the Ministry claimed that Mr. Cserháti had not complied with the National Public Health Center’s instructions for the preparation for the pandemic. “Failure to implement the scheduled instructions of the complex action plan endangers the safety of patients and the effectiveness of the fight for their lives. Such a procedure by the CEO of OORI is therefore unacceptable, both professionally and humanely. […] Proper preparation had not been carried out by the hospital head, seriously jeopardizing the successful control of the epidemic and patient care.” In response, OORI staff issued a statement proclaiming Cserháti’s dismissal unjust and asking Prime Minister Orbán and Interior Minister Pintér to override it. OORI staff also held a solidarity demonstration in defense of their director. One staff member explained that Cserháti “protected the patients to the very end” resisting the ministerial instruction.15
The Hungarian Helsinki Committee decided to take an appeal regarding the dismissal from hospital of a patient to the European Court of Human Rights in Strasbourg. The case involves an elderly woman who was sent home from a hospital's chronic internal medicine ward on April 15 to be taken care of by her daughter who had not received adequate information and who had no relevant professional expertise. The elderly lady experienced severe pain and a deterioration in her condition. She was re-hospitalized on April 21 and passed away the next day. The Hungarian Helsinki Committee believes that dismissing the elderly patient without providing adequate opportunity for her to seek professional care infringed upon her right to life and her right to be treated with dignity.16

Several similar cases have been discussed in the opposition press and by officials in opposition political parties. It is of course not easy to identify public policy responsibility for personal tragedies, while the right to privacy of victims and their families must be respected. Yet, the sheer size of the national hospital vacation effort and the amount of anecdotal evidence of tragic consequences of dismissing patients from hospital seem to be mounting.17 It appears that the government preferred to incur such costs in human lives and negative publicity over facing shortages in hospital capacity amid the pandemic and did not trust local hospital managers to make adequate decisions on a flexible and professional basis following local needs.

4.2 Economic policies

Contrary to most developed economies, Hungary has not announced any major fiscal and/or monetary stimulus package in response to the pandemic. This was mainly because of a lack of fiscal and monetary policy space. Following essentially pro-cyclical—although moderately debt-reducing—policies over the past decade, any major fiscal stimulus or monetary easing would threaten to accelerate inflation, to dramatically weaken the forint, and—in the context of a fully liberalized exchange rate regime—to eventual capital flight.

In fact, at the beginning of the crisis, the Hungarian forint weakened by close to 10% against the euro, from EURHUF 334.7 on March 10 to EURHUF 366.6 on April 03. (For a comparison between the EURHUF rate against the euro rates of that of the Czech crone and the Polish zloty, the other two major Central European currencies, see Figure 3). This experience taught the regime the economic threat of the pandemic and reinforced government perceptions about the dangers of being exposed to international financial markets.

In the meantime, a fierce economic policy debate was initiated regarding the introduction of necessary economic policy measures. Critics of the government, pointing to the cost of economic overheating and unproductive spending on the government’s economic clientele over the past decade, demanded a change in the economic policy course, including increased spending on social protection of the most vulnerable and the protection of jobs. Supporters of the stance of limited fiscal expansion that the government adopted pointed to the virtues of economic stability, economic growth, and decreasing dependence on foreign financing in the preceding period. Contributions to the debate included former central bank Governor György Surányi,18 former Monetary Policy Council member Péter Bihari,19 and central bank lead analysts Dániel Palotai and Barnabás Virág.20 Essentially, Surányi and Bihari argued in favor of massive fiscal easing, providing social transfers for individuals, whereas Palotai and Virág were in favor of corporate subsidies and preferential loans for the corporate sector. Bihari and Surányi suggested a fiscal expansion of about 10% of GDP, as did a group of 15 leading Hungarian economists.21 In contrast, the official government forecast for the annual general deficit in 2020 stayed at 3.8% of GDP, suggesting a meagre 1.8% fiscal easing on the pandemic.22 Hence, an extensive—and professionally highly interesting—economic policy debate took
place about the optimal economic policy response to the crisis. The government adopted little expert advice from outside its own ranks, as it did not intend to rely on market-financed fiscal easing. (This partly explains the apparent lack of institutional closures in the second wave of the pandemic from September 2020, when despite sharply rising contraction rates the government decided essentially not to close anything and to keep the economy running.)

According to Gábor Oblath (2020), another former Monetary Policy Council member, the official government forecast of 3.8% general government deficit and 3% drop in real GDP for 2020 are inconsistent with each other as they would imply one of the mildest recessions associated with one of the most modest fiscal expansion in the entire EU. In contrast, the European Commission forecasted a 7% drop in Hungarian GDP associated with a 5.2% headline general government deficit—much more in line with realistic expectations in Oblath's assessment. Interestingly—and, in fact, quite shockingly in terms of the credibility of monetary policymaking—the Hungarian central bank (MNB) maintained its official forecast of positive economic growth for 2020, predicting an annual economic growth of 0.3%–2% for 2020.23

Nevertheless, even the 5.2% of GDP headline budget deficit forecasted by the Commission would mean more than 1% fiscal restriction in 2020 as the cyclically adjusted budget balance would improve from −3.9% in 2019 to −2.8% amid a deep recession. Practically this means that the government would in fact reduce aggregate demand instead of expanding it—the only EU country doing so according to Commission forecasts.24 Meanwhile, the MNB declared that according to its “Pandemic Treatment Competitiveness Indicator” Hungary has performed the best policy response to the COVID-19 crisis.25

Apparently, the government has a strong preference to avoid external financing under the pandemic. The regime over the past decade has successfully decreased the stock of net external debt so that it can voluntarily manipulate the exchange rate and the yield curve and can pursue its own choice of economic policies without much danger of a backlash from international financial markets. Hence,
the regime remains understandably reluctant to give up such advances. Moreover, due to limited market credibility, fiscal expansion could easily evoke skepticism among market actors, who may decide to sell out Hungarian assets, triggering a sharp devaluation of the forint similarly to what happened in April 2020.

5  CONCLUSIONS

In this paper, I have argued that the Orbán regime's initial policy responses to the COVID-19 crisis, however voluntarist, has followed a particular rationale which was organized around a distinct ideological approach that one could call “exclusionary ethnopopulism.” In curtailing civil liberties and undermining the security of property rights, Hungarian policymakers exhibited highly restrictive, authoritarian policies, partially legitimized by the crisis. The government sought to control all relevant aspects of public policies, while it aimed at avoiding any external interference by financial markets and the EU. The Orbán government has mostly attained these goals while incurring substantial human and economic costs that have been dealt with in a distinctively authoritarian fashion by the regime.

Under the pandemic, government communication strategies have been efficient, civil liberties were repressed effectively, and opposition-controlled local governments became financially weakened. Although the mass vacation of hospital beds generated dramatic consequences with some hospital managers resisting government directives, no broad-based public backlash occurred, mainly due to efficient communication by the regime and the lack of any viable opposition to lead any resistance. The meager fiscal response to the crisis by the government, which was insufficient to create adequate aggregate demand amid a deepening global recession, has not been opposed either by public opinion for similar reasons.

However, this is unlikely to be the case for an indefinite time horizon. Since September 2020, both COVID-19 cases and the death toll from the pandemic have been steadily increasing amid the second wave of the pandemic. This time, instead of closing schools and public institutions, the government decided to maintain operations as long as possible in an apparent attempt to mitigate negative economic consequences. At the time of finalizing this paper, in mid-October 2020, it is yet to be seen how much human and economic cost the second (and possible further) wave(s) of the pandemic will bring; should the personal and societal costs of this be substantial; however, it is highly possible that it will damage the popularity of the government in the future.

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ORCID

Zoltán Ádám  https://orcid.org/0000-0002-4388-5836

ENDNOTES

1 The four largest opposition parties are DK, Jobbik, Momentum, and MSZP. Summary data on results of individual polling institutes can be found at https://kozvelemenyutatok.hu/havipartpreferencia/. I consider IDEA, Median, Publicus, Republican, Zavecz reliable institutes with regular polls. Data from government-friendly Nezopont are also available, but they often appear to be skewed and to be using a different methodology that raises comparability issues.
See: https://www.facebook.com/watch/?t=31&v=2697666250490835

For instance, in Greece, a highly successful country in handling the pandemic, Sotiris Tsiodras, an infectious disease specialist at the University of Athens and deputy minister for civil protection Nicholas Hardalias played such a role. See: Iliana Magra: “Greece Has 'Defied the Odds' in the Pandemic,” New York Times, April 28, 2020, https://www.nytimes.com/2020/04/28/world/europe/coronavirus-greece-europe.html.

“PM Orbán’s approval rating at five-year high,” About Hungary, News in Brief, July 24, 2020, http://abouthungary.hu/news-in-brief/pm-orbans-approval-rating-hits-five-year-high/. Although polling data by Nézőpont, the government’s most preferred polling agency, should be viewed with some reservation, it seems likely that Orbán’s approval rating has indeed risen following the relatively successful containment of the pandemic.

National consultations are a recurring ritual in the Orbán governments’ propaganda arsenal and provide a means of pseudo-direct communication between the government and the electorate, serving pure propaganda functions and the strengthening pseudo-democratic—non-competitive and non-accountable—legitimization of government policies (cf. Bátory & Svensson, 2019). For an official English translation of questions in the national consultation “on the coronavirus and the restarting of the economy,” see “Here’s the latest national consultation questionnaire in English,” About Hungary, June 9, 2020 (http://abouthungary.hu/news-in-brief/heres-the-latest-national-consultation-questionnaire-in-english/).

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