The Application of the Principles of Political Survival in Hybrid Regimes:
A Case-Study of Hungary

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Abstract

*The Dictator’s Handbook* by Bruce Bueno de Mesquita and Alastair Smith has established a clear list of five key principles which are referred as the rules of political survival, which are yet to be tested in hybrid regimes. Viktor Orbán’s regime in Hungary, which has been showing signs of hybridity, offers the possibility to test these five principles. In order to make proper conclusions, the most important measures of Orbán are confronted in this qualitative research with the recommendations of de Mesquita and Smith, in order to determine if the rules of political survival are obeyed or neglected by the Hungarian Prime Minister, and to see if these measures have positive or negative effects on his regime from the perspective of political survival. The results have shown that the survival strategy of Orbán is based on the five principles of political survival, and therefore the approach of the Selectorate theory should further be applied on hybrid regimes.

**Keywords:** Selectorate-theory, political survival, Hungary, Eastern-Europe, hybrid-regime, populism

1. Introduction

The Dictator’s Handbook by Bruce Bueno de Mesquita and Alastair Smith has established a clear list of five key principles which are referred as the rules of political survival.¹ These rules have been tested in both democratic and autocratic regimes with great successes so far, however, the emergence of hybrid regimes, which offers a new perspective in political survival for leaders, proposes challenges to the selectorate theory, and thus to the previously established rules of political survival. Are they obeyed by leaders of hybrid regimes, or have these incumbents discovered something new which can solidify their rule over their countries? The regime of Viktor Orbán, which has emerged throughout the current decade in Hungary, and which has turned a relatively stable European parliamentary democracy into a “thriving” hybrid political system, is an optimal choice for a case study with the aim to determine, whether and to what extent the rules of political survival are relevant in case of hybrid regimes.

In order to make proper conclusions, the most important measures of Orbán are confronted in this qualitative research with the recommendations of de Mesquita and Smith, in order to determine if the rules of political survival are obeyed or neglected by the Hungarian Prime Minister, and to see if these measures have positive or negative effects on his regime from the perspective of political survival. During the research work of the current case study, apart from the theoretical works of de Mesquita and Smith, further scholarly articles on Hungary have been used by predominantly Hungarian authors. Primary sources from the Central-European country, including laws, statistics and journalistic sources from mostly non-propaganda media outlets, have been used and referenced extensively. The paper is structured around the five rules of political survival, as set by The Dictator’s Handbook.

2.1 Rule 1. – A small winning coalition

The first rule of exercising power, as described by de Mesquita and Smith in “The Dictator’s Handbook” regards the size of the winning coalition. The smaller the winning coalition the better the chances of the leader are to remain office for the longest time possible. Viktor Orbán has demonstrated outstanding skills when he had to reduce his winning coalition in the past nearly one decade. Most of these actions were performed in the first years of his reign, following his victory in 2010. From the beginning of its term in May 2010 until December 2013, parliament adopted as many as 840 acts (as compared to 583 acts adopted throughout the entire previous term).² A high percentage of them concerns the application of the rules of exercising power, as explained by de Mesquita and Smith.

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¹ de Mesquita B. B. and Smith A. (2011), *The Dictator’s Handbook*, New York (NY), Public Affairs, pp. 17-18.
² Sadecki, A. (2014), *In a state of necessity – How has Orbanchanged Hungary*, Warsaw, OśrodekStudiówWschodnichim. Marka Karpia Centre forEasternStudies, p.11.
As a first sign of centralization, Orbán decreased the number of ministries, consequently decreasing the number of ministers. Instead of 12 ministries and 15 ministers, 8 ministries were created and 10 ministers were appointed. The top levels of the winning coalition in the political dimension were reduced by 1/3. In the meantime, lower levels of the winning coalition were subject to “rationalization” as well, in case of the Orbán cabinets, these positions largely but not exclusively refer to secretaries of state and vice secretaries of state as well as to members of parliament. While in 2010 the second Orbán government started its term with 42 secretaries of state, it rose to 47 by its final year. In 2014, there were already 53 of them, while the present cabinet has 66 secretaries of state and 117 vice-secretaries of state. While this increase suggests that the winning coalition rose as well, therefore in this case, Orbán contradicted this important rule, it is important to highlight that several previous members of the parliament, who lost their position following 2014, were given this title. The changes in the government structure brought new people into the winning coalition, it is no doubt, altogether this rise is still compensated by the decrease of the size of the parliament, and the fact that neither of these positions are considered highly significant or important.

The second and perhaps most important measure was the new electoral law. The CCIII. Law of 2011 of the Republic of Hungary is a crucial document that decreased both the winning coalition in times of political stability, both the winning coalition in times of political instability. The law decreased the number of representatives, changed the electoral structure and in several ways contributed to the decrease of the winning coalition. By decreasing the number of representatives from 386 to 199, Orbán eliminated the need for nearly half of the members of the parliament with intermediate individual influence as his winning coalition members. Instead of 263 representatives in 2010-14, following the seventh elections of the Third Republic, he only needed 133 to provide him with 2/3 majority in the legislation. By prohibiting the accumulation of the functions of major and member of the parliament, he was able to marginalize the role of majors, diminishing their national importance and limiting it merely to their local context.

The voting franchise was also altered. The second round of the elections was abolished, and the first round was modified as well. For individual constituencies, the first past the post system was introduced, consequently simple majority was sufficient to gain electoral victory in 106 constituencies, hence the previous 176 electoral districts were reorganized into 106 new, gerrymandered constituencies. It is important to note that while FIDESZ was able to win in 98.3% of the constituencies in 2010, it fell to 90.6% in 2014 which further dropped to 85.8% in 2018. In 2010, the party of Orbán gained 52.73% of the votes on their party list. It decreased to 44.87% in 2014, while it rose back to 49.27% in 2018. It still shows us that the popularity of Orbán has decreased in the past nine years. Nevertheless, FIDESZ was able to maintain its 2/3 majority in the parliament due to the manipulated electoral system.

By having two-third majority in the parliament, which authorized the government to enact almost any laws it desires, Orbán was able to extend his control over the system of checks and balances, that had not been particularly strong, hence the unicameral nature of legislation. However, it was further weakened, and in several cases, completely emptied, by putting his own loyal followers into key positions. These destructive measures on the system of checks and balances was a reason for which Orbán was already criticized by Hillary Clinton in 2011, only a year after the formation of the second Orbán cabinet. In Hungary, the Parliament has the right to elect the President of the Republic, the members of the Constitutional Court (both offices are designed to limit the power of the government and to prevent unconstitutional or problematic laws to be created), as well as the Prosecutor General. These people are aware of the fact that they are easily interchangeable, therefore they are never troublemakers. By taking control over the highest levels of the checks and balances of power, Orbán does not need further winning coalition members to obstruct the functioning of these institutions in case they are attempting to limit his power, hence the system itself is blocked from above.

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3 Act. CCIII. of 2011.
4 Nemzeti Választási Iroda. (2018.) Retrieved from: http://www.valasztas.hu/ [Accessed. 13. 03. 2019.]
5 Bánkuti, M., Halmai G., and Scheppele, K. L. (2012), From Separation of Power to a Government without Checks: Hungary’s Old and New Constitutions. In G. A. Tóth (Eds.), Constitution for a Disunited Nation: On Hungary’s 2011 Fundamental Law. Budapest, Central European University Press. p.252.
6 Bos, S. (2011, June 29). Clinton Questions Hungary’s Democratic Credentials. Voice of America. Retrieved from http://www.voanews.com/content/clinton-emphasizes-democracy-in-hungary124781889/160236.html [Accessed 25. 03. 2019].
7 Constitution of Hungary, The State, The Parliament, Art. I. 2/e.
Pál Schmidt, President of the Republic from 2010 till his resignation in 2012, did not refuse to sign any laws, thus earning the nickname “the pen of the nation” (a nemzetgolyóstolla), and neither his successor, János Áder is famous for safeguarding the values he had sworn to protect, however, he “has shown some independence, since he has directed a few acts to the Constitutional Court in the first two years of his presidency, but he has generally shared the party line as regards the most important issues.” Through the office of the President of the Republic, Orbán further controls the appointment of the President of the Hungarian National Bank (MNB - an organization that has also helped Orbán in his centralization, of which a clear example was the incorporation of the PSZÁF into the hierarchy of the MNB, despite of professional critics), of the director of the Economic Competition Authority (GVH – Gazdasági Versenyhivatal), of the rectors of universities, of judges, and further public officials.

By filling the Constitutional Court with pro-Orbán members, the court has made significantly less decisions which are unfavorable to the government than it did before. However, it was not the only way how this significant institution of checks and balances was weakened: „The new constitution curbed the CC’s power to pass verdicts on budget issues, and vested parliament with the right to nominate the court’s president (previously, the court’s judges elected one of their number to be the presiding judge). The government camp has on many occasions actually challenged the ultimate nature of the Constitutional Court’s decisions. In some cases, when the court found an act to be incompatible with the constitution, parliament would amend the constitution and adopt the act in unchanged form or raise the rank of its regulations to constitutional level.” While the judicial system has been regarded as relatively independent in the past eight years, however, in the end of 2018, while the country’s public attention was distracted by the so-called “slave law”, the fourth Orbán cabinet has passed a law to establish new, “administrative courts”, directly under the control of the Minister of Interior – thus indirectly under the authority of Orbán. It is a measure that is widely perceived as a measure to “cement” the control of Orbán over the judiciary system.

Meanwhile the control over the Prosecution, and the fact that a prominent FIDESZ-member, Péter Polt was inaugurated into this office can prevent the investigation of corruption scandals, while the same power could be used against any troublemakers, be it from the opposition or from the winning coalition. It is no coincidence that Orbán is strongly opposing the establishment of the European Public Prosecutor's Office, hence joining it could undermine his control over this instrument. Furthermore, by having authority over the GVH, allies can be assisted in establishing market positions that have questionable legality and legitimacy, while the same authority can be utilized in harassment and obstruction of non-friendly economic actors. In this way, the system of checks and balances was and remains transformed into an instrument that instead of preventing the abuse of power, monitors different individuals of the winning coalition, assuring that in case of defection, or even when the suspicion of disloyalty arises, they are quickly and simply removed from office, thus deprived from their political influence.

### 2.2 Rule 2. – A large selectorate

If the nominal selectorate cannot be expanded by using the preexistent domestic human resources, hence universal suffrage had been introduced earlier, moreover the decrease of voting age is not beneficial for the probabilities of survival of the establishment, a leader needs to find the solution beyond the borders of the state, and find non-citizens, who are willing to support the establishment. The most orthodox way could be immigration. As it is a controversial issue for various reasons, it is to be discussed in the next chapter.

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8 Sadecki, A. (2014), *In a state of necessity – How has Orbanchanged Hungary*. Warsaw, Ośrodek Studiów Wschodnichim. Marka Karpia Centre for Eastern Studies, p.14.

9 Ibid.

10 Napi.hu (2011, December 14), Vérfagyasztó az MNB-PSZÁF összevonás. Napi.hu. Retrieved from https://www.napi.hu/magyar_gazdasag/verfagyasztzo_az_mnb-pszaf_osszevonas.504987.html [Accessed 25. 03. 2019.]

11 Sadecki, A. (2014), *In a state of necessity – How has Orbanchanged Hungary*. Warsaw, Ośrodek Studiów Wschodnichim. Marka Karpia Centre for Eastern Studies, p.13.

12 Kingsley, P. and Novak, B. (2018, December 12), Hungary Creates New Court System, Cementing Leader’s Control of Judiciary. *The New York Times*. Retrieved from https://www.nytimes.com/2018/12/12/world/europe/hungary-courts.html [Accessed: 13. 04. 2019.]

13 Rankin, J. (2019, February 12), Orbán allies could use EU as cash register, MEPs say. *The Guardian*. Retrieved from https://www.theguardian.com/world/2018/feb/12/orban-allies-could-use-eu-as-cash-register-meps-say [Accessed: 10. 04. 2019.]
However, Hungary, due to historical reasons, enjoys a unique reservoir of potential voters: members of the historical Hungarian nation, who, as a consequence of two lost world wars, now live in foreign countries, such as Slovakia, Romania, Serbia and Ukraine.

If one analyzes only the electoral results, it can be seen, that the decision to grant voting right to Hungarians without residence in Hungary has brought hundreds of thousands of votes to the party of Orbán, according to the official data of the National Election Office (NVI). It has contributed with 128 712 to the overall votes in 2014, that is merely 2.61% of the total 4 918 934 votes, however, 95.28% of these votes supported the governing party, which constitutes 5.41% of their overall votes. Four years later, the number of non-residents who have participated in the elections increased by 75%, to 225 471, the votes supporting FIDESZ grew by 76.5%, to 216 561. During the previous parliamentary elections, non-residents gave 7.67% of the supporters of Orbán, which is a considerable increase. The increase can be attributed not only to the increased interest of non-residents in Hungarian politics, or the personal charisma of the Hungarian Prime Minister, but as well as to the fact that the number of citizens among nationality members have shown a considerable rise, as it was highlighted by Potápi, secretary of state for national policy, in 2016. To briefly summarize the role of non-resident Hungarians, it is important to highlight, that while they are not only a logical extension of the nominal selectorate, they as well significantly contribute to the electoral winning coalition of Orbán. Despite the fact that the results have been highly positive throughout the past years, there is still room to grow, as only a part of Hungarians abroad have citizenship, while only a small fragment of these people are active during elections. Orbán can utilize these cheap votes in the future even more extensively, especially if and when his domestic approval rate declines. Meanwhile, the responsibility on the government to satisfy the needs of these voters are minimal, as they are not represented by separate members of parliament, as such a measure would most certainly cause diplomatic tensions between Hungary and its neighbors, however, the possibility of such measure, while almost negligible, it cannot be excluded either.

2.3 Rule 3. – Control over the flow of revenue

The control over the flow of revenue is crucial for the survival for any leaders, however, this vague notion can have several various interpretations. In which way shall a leader control the flow of revenue? And how does Viktor Orbán control it?

One of the answers is self-evident: control over the income of the state budget as well as over the expenditure. Having 2/3 majority in the legislation, and control over the Ministry of National Economy/Finance, it is relatively simple task. The Ministry of Finance, supervised by the Minister of Finance (previously Matolcsy, now Varga), proposes the budget, that is most probably controlled by Orbán personally, before proposing it to the parliament. The legislation, where the majority are winning coalition members, who are dependent on their leader, will not obstruct the approval of the planned document. Orbán should be given credit for at least one thing: he has been able to significantly increase state income. While the budget of 2011 was planning with 13 151 248 000 000 HUF of income, in 2019, it was already 19 580 097 000 000 HUF, that is an increase of 48.9%! The expenditure has experienced similar growth: from 13 838 618 000 000 HUF in 2011, it grew to 20 578 531 000 000 HUF in 2019 that is an increase of 48.7%.

Income of the state does not only consist of tax revenues, but there are free resources as well. In case of Hungary, the most important source of free resources is the European Union’s Cohesion and Agricultural funds. Orbán should as well be given credit for being able to maximize EU financial support to Hungary in the present programming period: Hungary received the second highest amount of EU funds per capita in the present programming period, however, in absolute terms, the sum of European funds directed to Hungary shrank from 22.4 billion Euros (2007-2013) to 20.4 billion Euros. On the short run, foreign loans are also considered as free resources by the author, hence they can be used immediately to finance various policies of the leader, while most probably, on the long run, the repayment of these debts would be the problem of a successor leader.

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14 NVI. (2014; 2018). Eredmények. Retrieved from: www.valasztas.hu. Accessed: 18. 01. 2019.
15 Magyar Idők. (2016, September 19). Potápi: Harmadával több külhoni magyar regisztrált az októberi népszavazásra. Magyar Idők. Retrieved from: https://magyaridok.hu/belfold/potapi-harmadaval-tobb-kulhoni-magyar-regisztralt-az-oktoberi-nepszavazasra-1013908/. Accessed: 28. 03. 2019.
16 Act CLXIX. of 2010.
17 Act. L. of 2018.
18 Alfahir (2013, February 11), Vesztesként ujjong Orbán, közben hazánkat főbe lővik.Alfahir.hu. Retrieved fromhttps://alfahir.hu/a_haldoklo_eu_apropenze_miatt_ujjong_orban-20130211 [Accessed: 26. 03. 2019.]
While there is a chance that Mr. Orbán remains in power long enough so that the repayment will cause him troubles, still in this research, both the Russian loan on the Paks II. nuclear power plant project, both the Chinese loan on the Budapest-Belgrade railroad renovation are considered as free resources, that contribute to the revenues of Orbán that he might use to pay his supporters. In conclusion, it can be said that through various institutions that plan, accept and execute the budget, Orbán strictly controls the flow of revenue, both income and expenditure. However, what is an expense for the state, it is immediately an income to another actor. By making supporters dependent on incomes from the state, it is a highly efficient strategy to secure their loyalty. Corruption is one of the best ways of increasing personal wealth, and the NER is not just a highly corrupt regime: it is an outstanding example of institutionalized corruption.

The budget controls, how much state money (and financial resources from European sources and from loans) is spent on various policies and projects. Media and construction market are two highly corrupt areas of economy, as well as they are highly dependent on state funds. As the owners of these enterprises are the members of the winning coalition, by receiving income through state-finance projects, Orbán exercises control over their income, another way to keep control over the flow of revenue. The Simicska case has demonstrated how profound this claim is: after the Orbán-Simicska conflict started, the former favorite oligarch has lost almost all its state orders, including the M4 highway construction. But winning coalition members who might not be active in economy and receive money only through their position in state administration, and maybe through corruption, are as well under the control of the leader financially: their position, thus their income as well dependent on the leader. As the second rule of power highlights, nobody is irreplaceable, and those who do not obey the leader, can easily lose not just their position, but their incomes alike.

Direct control over the winning coalition members’ income is naturally one way to support or punish winning coalition member, however, indirect control through legal mechanisms is another one that has been utilized several times by Orbán. While taxation can reduce income of the actors in the economy, but still they have a tendency of averting these costs on the consumers, as it has happened with the “bank tax”. An even more harsh but, from the point of view of the leader (and not necessarily from the economy and the market) efficient way is the redistribution of the market to preselected actors. The clearest example of this redistribution is the tobacco market, where only the authorized, usual tobacco kiosks are now operated by pro-FIDESZ owners. It is clear that Orbán has several legal instruments to control the flow of revenue: not only he exercises dominance over the budget, but through this instrument, he can control the income of the fellow winning coalition members. By changing the legal environment, certain companies can enjoy privileged positions in various markets, or even complete markets can be redistributed.

Buckley, N. and Byrne, A. (2017, March 06), EU approves Hungary’s Russian-financed nuclear station. Financial Times. Retrieved from https://www.ft.com/content/0478d38a-028a-11e7-ace0-1ce02e0def9 [Accessed: 26. 03. 2019.]

Kratz, A. and Pavlicevic, D. (21. 11. 2016), Belgrade-Budapest viaBeijing: A casestudy of Chineseinvestment in Europe. European Council of Foreign Relations. Online, available at: https://www.ecfr.eu/article/commentary_belgrade_budapest_via_beijing_a_case_study_of_chinese_investment_in_europe [Accessed: 25. 03. 2019.]

Ligeti M. Martin J. P. and Nagy G. (2018), Fekete könyv. Korrupció Magyarországon 2010 és 2018 között. Budapest, Civitas Intézet

Szalai, B. (2017, May 30), 5 ember vitte el az összes közbeszerzés huszadát. Index. Retrieved from https://index.hu/gazdasag/2017/05/30/5_ember_viszi_el_az_oszses_kozbeszerzes_huszadat/ [Accessed: 24. 03. 2019.]

Népszava (2015, April 09), Döntöttek: leállították az M4-es építését. Népszava. Retrieved from https://nepszava.hu/1053712_dontottek-leallitottak-az-m4-es-epiteset [Accessed: 24. 03. 2018.]

Pénzcentrum (2011, February 08), Mégis az ügyfél fizeti meg a bankadót? Pénzcentrum. Retrieved from https://www.penzcentrum.hu/hitel/megis-az-ugyfel-fizeti-meg-a-bankadot.1026971.html [Accessed: 25. 03. 2019.]

Act. CXXXIV. of 2012.

Piac&Profit (2013, July 18), A kormány padlóra küldi a kiskereskedőket. Piac&Profit. Retrieved from https://piacesprofit.hu/kkv_cegblog/a-kormany-padlora-kuldi-a-kiskereskedoket/ [Accessed: 25. 03. 2019.]
Control over the flow of revenue means control over not only private, but public resources alike. It could be another, extended interpretation of the third rule of power by de Mesquita and Smith.

2.4 Rule 4. - Paying the supporters just as much as it is necessary

The regime of Orbán, as it has been demonstrated so far, has been quite generous with the members of the winning coalition. One might rightfully ask, whether the Hungarian Prime Minister has been too much generous with these people or not? Should one tried to give an answer from an ideology-biased perspective, it could be a clear no or yes, however, it is impossible to give a clear and straightforward answer from a pragmatic and neutral point of view. The true and the latent winning coalition are to be analyzed separately, hence their benefits are significantly different.

Too much or too few are both relative notions. Ministers, oligarchs and other high-level supporters do receive so high rewards compared to their ordinary fellow compatriots that one might judge their level of rewarding to be more than necessary, while, when comparing the Hungarian situation to richer countries, the benefits received by the winning coalition can seem to be insignificant. Rewarding is a natural policy pursued by the leader in order to rent the loyalty of his supporters for the longest possible time, thus preventing key people from defecting and thus weakening the power of the incumbent.

Compared to the pre-2010 era, the level of rewards have increased: not only in financial dimension which has been analyzed in the previous subchapter, and which benefits are generally higher than the rewards of the previous winning coalition of the Socialist Party’s government, but as well as in political dimension: the centralization has a natural consequence that is increased authority of the individual who is entrusted with that political power. Considering the fact that nobody has been able to successfully betray Orbán, while several politicians of the opposition have defected and now serve the interests of the current establishment: prominent politicians like Szili Katalin, former Socialist Head of the Parliament, who was appointed as Regierungskommissar within the framework of national policy in 2015, or the defecting politicians of the Jobbik, like János Volner, Dóra Dúró, who have not only abandoned their party, but joined the newly formed, far-right party, named “Our Homeland” (Mi Hazánk), and have begun to openly support the current government. It is clearly visible, that benefits offered by Orbán are high enough to attract defectors from the opposition. In the meantime, the same benefits have not made anyone too powerful: there is no actor in the economic or political life who is able to threaten or challenge the position of Orbán, especially not as a direct consequence of rewarding. The failure of Simicska is a lesson that probable challengers should never forget: if one’s fortune and influence is originated from the leader, it is best not to turn the same influence against him, hence as of now, no member of the winning coalition can offer more benefits to power- and wealth-seeking, ambitious individuals, than Viktor Orbán. It can therefore be concluded, that the members of the real winning coalition, while are highly rewarded, are not given more than necessary to secure their loyalty.

However, there is another important aspect to be analyzed: the 2.7 million voters of FIDESZ. The most important and populous social stratum that is voting for the current establishment is the pensioners, as nearly 1/3 of the country’s 2 million retired people support the governing party. While the government propaganda prefers to highlight the beneficial measures taken by the government in order to please the retired people of Hungary, in reality, pensioners are far from being overpaid for their support: on the one hand, it is true that the FIDESZ government fulfills its self-imposed obligation to guarantee the real value of pensions by raising pensions according to the inflation in every year, on the other hand, they do little to improve the situation of pensioners. The minimal pension, that I currently around 28 000 HUF, is insufficient for living, while according to Policy Agenda, a pensioner should spend a minimum of 21 979 HUF only on food products! The minimum cost of living according to the same research was 81 405 HUF for a pensioner living alone, and 70 099 if living in a household which consists of two pensioners.

27 Spirik, J. (2015, March 19), Miniszterelnöki megbízott lett Szili Katalin. Index.hu. Retrieved from https://index.hu/belfold/2015/03/19/miniszterelnoki_megbizott_lett_szili_katalin/ [Accessed: 11. 04. 2019.]
28 Medvegy, G. (2018, December 10), Csak a Mi Hazánk képviselői maradtak bent a kormánypártokkal. 24.hu. Retrieved from https://24.hu/kozelet/2018/12/10/csak-a-mi-hazank-kepviselo-maradtak-bent-a-kormanypartokkal/ [Accessed: 11. 04. 2019.]
29 ATV (2018, December 14), Hogyan lett a nyugdíjas korosztály a legfontosabb szavazőréteg? ATV. Retrieved from http://www.atv.hu/belfold/20181214-hogyan-lett-a-nyugdijas-korosztalya-a-legendosabb-szavazoretseg [Accessed: 17. 12. 2019.]
30 HVG (2017, October 19), Minden harmadik nyugdíjas Fidesz-hívő. HVG. Retrieved from https://hvg.hu/itthon/20171019_Minden_harmadik_nyugdijas_Fideszhivo [Accessed: 17. 12. 2019.]
31 Policy Agenda (2018, May 31), Létrekialakítás 2017-ben Magyarországon. Retrieved from https://www.fesbudapest.org/fileadmin/user_upload/dokumente/pdf-dateien/Letminimum_szamitasa2107.pdf [Accessed: 17. 12. 2019.]

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More than 150,000 pensioners have a pension inferior to the above-mentioned sum, while around one-third of pensioners receive less than 100,000 HUF per month from the state.\textsuperscript{32} The government has not restored the 13\textsuperscript{th}-month pension, moreover voted against the implementation of such measure.\textsuperscript{33} In the meantime, since 2016, the government has made well-publicized, but financially minor, almost negligible gestures towards pensioners: vouchers worth 10,000 HUF were given to the pensioners before Christmas 2016 and 2017, as well as a week prior Easter 2018 – and two weeks before the parliamentary elections. In 2017 and 2018, pensioners were given premium of maximum 18,000 HUF, for the outstanding performance of the economy (GDP-growth above 3.5 percent). However, after the end of the electoral struggle, the benevolence and good will of the government has diminished, and no vouchers were given to the pensioners – claiming that they have already received their gifts during the spring.\textsuperscript{34} Ironically the government takes credit by implementing a measure that was created by the Bajnai-government in 2009\textsuperscript{35}, however, the sum of all these policies are far below the costs of a 13\textsuperscript{th}-month pension.

Neither pensioners, nor other social strata are given too high rewards. Public workers, who are de facto beneficiaries of the FIDESZ government, do not experience abundance of rewards. While their wage rose from 57,000 HUF in 2011 to 81,530 HUF in 2018, the very same wage used to be 73\% of the minimal wage in 2011, while it is merely 60\% in 2018. In real terms, their situation has not been improved significantly.\textsuperscript{36} Wages in the private and public sector have been raised, it is true, but burdens did not remain on the same level either. Teachers have received significant pay-rise already during the first Orbán cabinet, yet, by depriving them from paid overwork and other benefits, by increasing worktime and administrative burdens, their situation has worsened\textsuperscript{37,38} – it was the reason for the teacher-protests of 2016.\textsuperscript{39} The labor-shortage, that has been intensifying in the current years has forced the government to increase the burdens of workers, allowing 400 hours of extra work per year – a measure that has triggered protests in Hungary, and the law still remains known as “slave law”.\textsuperscript{40}The social policy of the three consecutive Orbán cabinets have been serving the creation of a middle-class, thus supporting those who are already wealthy, while a large segment of FIDESZ voters are actually poor, and receive minimal or none of these benefits.\textsuperscript{41} Another important fact to bear in mind is, that while policies under the authority of the Ministry of Human Resources have been serving the political survival of the current establishment, they are exchanging the sustainable future for their political survival, since on the long run, none of these policies are providing Hungary with a sustainable path to the future.\textsuperscript{43}
2.5 Rule 5. - Robbing from the poor to give to the rich

In the previous paragraphs, it has been presented how Orbán has increased the income of the state budget during the present decade, and how this income is distributed in order to pay the loyalty of winning coalition members. As it is recommended by de Mesquita and Smith, a leader should rather impoverish his nation than to take away wealth from the winning coalition. This subchapter shall discuss the following questions: What has been the origin of the increased income of the state budget in the past years: was it taken away from the winning coalition members, or from the people? In this regards, it should be investigated whether the standard of living has significantly increased in Hungary, or on the contrary, the impoverishment of the country has been going on in the past years?

The income of the state budget in 2019, compared to 2011, has grown by 49.8%. How was it possible? Income from personal income tax increased by 73%, from 1 362 977 000 000 HUF planned in 2011\(^{44}\) to 2 361 000 000 000 HUF in 2019.\(^{45}\) This rise can be attributed to several factors. On the one hand, the shrinking of the shadow economy (from 23.28% in 2009 to 20.49% in 2018)\(^{46}\) and the increased tax compliance of the country\(^{47}\), on the other hand, to the increase of overall employment\(^{48}\) and of wages.\(^{49}\) Flat tax regime was introduced in 2011, that while was costly for the government, it increased the tax burdens of the lower 70% of wage earners, while the top 10% was able to save hundreds of billions of HUF, while its contribution to the overall income of the state budget deriving from personal income tax shrank from 61% to 41% by 2013. The burdens of minimal wage earners were more than doubled.\(^{50}\) While the government has been expecting increased economic performance as a direct result of this measure, its efficiency has been strongly debated.\(^{51}\)

Another significant increase can be attributed the rise of value added tax, that was elevated to 27%, thus introducing the highest VAT in the European Union, and one of the highest ones in the world, that increased budgetary income by nearly 300 000 000 000 HUF. This has affected more those strata with lower income than the upper classes, hence the poorest social classes are required to spend a larger share of their income on consumer goods that are inevitable for self-sustainment.\(^{52}\) Despite the fact that several legislative measures have been enacted by the Orbán governments to decrease VAT of various products that are inevitable for self-sustainment, such as egg, pork and chicken meat and further foodstuffs, however, it only decreased state income, hence consumer prices returned to the previous level within months after the decreases.

From legislative perspective, the Orbán governments have been highly productive. Despite the fact that in their campaign they have been promoting tax-cuts and rationalization of already existing taxes, the overall number of taxes has increased: while there were 52 types of taxes Hungarians had to pay prior to the inauguration of the second Orbán cabinet, by the dawn of the fourth, it has increased to 58.\(^{53}\) It is true, that more than a dozen types of public burdens have been abolished by FIDESZ governments, but they have shown impressive creativity when they had to replace them. According to a Policy Solutions study, published in 2012, the Orbán-led FIDESZ government introduced 28 various types of taxes.\(^{54}\)

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\(^{44}\) Act. CLXIX. of 2010.

\(^{45}\) Act. L. of 2018.

\(^{46}\) Medina, L. and Schneider, F. (01. 2018), *ShadowEconomiesAroundthe World: WhatDidWe Learn Over the Last 20 Years?* International Monetary Fund, online. Available at: https://www.imf.org/~/media/Files/Publications/WP/2018/wp1817.ashx [Accessed: 18. 11. 2018.]

\(^{47}\) IMF Executive Board (12. 05. 2017), *IMF Executive Board ConcludesArticle IV Consultationwith Hungary*. IMF Press Release, online. Available at: https://www.imf.org/en/News/Articles/2017/05/12/pr17162-imf-executive-board-concludes-article-iv-consultation-with-hungary [Accessed: 18. 11. 2018.]

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\(^{51}\) Erdős, T. (2012), Egykulcsos jövedelemadó és gazdasági növekedés. *Közgazdasági Szemle*, LXIX.(02), 109-138.

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Increased taxes on tobacco products as well had deeper impact on the poorer social strata, as according to studies they are more likely to be consumers of various tobacco products, as well as it is more likely to consume higher quantity of unhealthy products. According to official argumentation, “in order to reduce the consumption of products which are not considered useful for human health and to promote healthy nutrition, furthermore to improve the financing of health-related services, especially programs regarding public health” the government has enacted Act CIII. of 2011, that imposed special tax on a variety of unhealthy foodstuffs, including chocolates and other products of confectionery industry, on snacks, soft drinks and further products. The law proved to be successful, as the government has been able to realize significant income with its help and the sale of such products decreased, therefore in 2019 the tax is to be raised. However, while it is considered an innovative tax, nevertheless it remains more of a burden for the lower strata of Hungary.

As it has been explained so far, the income of the Hungarian state budget has been increased due to the increased burdens of the lower social classes. But people are not likely to support governments which take away from them, consequently one might ask, how is it possible that people do not turn against Orbán, if he robs them in order to give to the rich? This success can be attributed to the propaganda machine of Orbán: as an informational autocrat, he is able to promote his measures, even if they are against the interest (and net income) of the majority. A fine example is the famous “bank tax”, a special financial instrument imposed by the government to overcome the difficulties of the financial crisis. While the instrument was heavily criticized internationally, the government was able to promote it among the electorate, claiming that the profiteers of banks were to pay their share in the crisis management, and that banks were not to avert costs on consumers. Among various critics of this tax, was Tibor Erdős, who mentioned in his study that if banks are able to avert it in any forms on the consumers, they will do it, if not, that was supposed to have other negative economic consequences. While the government was in denial about the averted costs, consumers experienced a rise of 52% of banking fees in the 2012-16 period. The bank tax and the later introduced transaction fee finally were averted in various ways on the costumers.

Various social policies favor the upper-middle and upper-classes as well. While it is true that the budget of social policies in support of families have doubled since 2010, it mostly helped those with higher income. The state-supported possibility to acquire houses by families (CSOK) requires significant financial ability of a family to be awarded with the right to buy. The state supported housing policies in support of families have doubled since 2010, it mostly helped those with higher income. The state-supported possibility to acquire houses by families (CSOK) requires significant financial ability of a family to be awarded with the right to buy. While the government was able to promote it among the electorate, claiming that the profit of the housing market was to pay their share in the crisis management, and that banks were not to avert costs on consumers. Among various critics of this tax, was Tibor Erdős, who mentioned in his study that if banks are able to avert it in any forms on the consumers, they will do it, if not, that was supposed to have other negative economic consequences. While the government was in denial about the averted costs, consumers experienced a rise of 52% of banking fees in the 2012-16 period. The bank tax and the later introduced transaction fee finally were averted in various ways on the costumers.

3. Conclusions

Based on the findings of the current research, it can be concluded that the hybrid regime of Viktor Orbán provided evidence that the Selectorate theory can also be applied when studying hybrid regimes. The regime of Orbán has not invented new basic principles of political survival, however, they provide a relevant example how the proper application of the rules of political survival can manifest in decade-long reign of an incumbent leader. Orbán has created a small and centralized winning coalition, by occupying the system of checks and balances, and by decreasing the personal required for certain levels of state bureaucracy.
Meanwhile, by redistributing several markets to his fellow winning coalition members, of which the most important ones are constructions industry (where practically nobody can get access to the state- and EU-co-financed projects without being involved up to a certain degree in the winning coalition) and media, where the government fund-based advertisements have redrawn the entire market, Orbán has been focusing economic power into the hands of few, while incorporating already influential economic actors, private people and enterprises alike. It is evident that Orbán has successfully created a relatively small and centralized winning coalition, thus fulfilling the conditions of the first rule of political survival. In the meantime, he was as well able to significantly increase the size of his nominal selectorate by incorporating Hungarians residing abroad into the voting franchise of the country.

Based on the analysis of the fourth chapter, it can be stated that Orbán controls the flow of public and private resources totally and in a highly efficient way. While he has increased the overall budget, he as well has regrouped significant amount of financial resources to his own supporters. Having direct and indirect means to regulate markets as well as the income of his fellow coalition members, Orbán further tightens his grip over the control of the resources, thus increasing his own chances for long-term political survival, while obeying the advices of de Mesquita and Smith.

Moreover, Orbán obeys the fourth rule of survival, and he does not reward his supporters more than it is necessary. While the top circles of the winning coalition are well-paid and given the high price they ask for their loyalty, they cannot use the same very influence against the leader, without risking to repeat the failure of Simicska. In the meantime, the support coalition is only given as much as it is necessary. And while one might find strange that 10 000 HUF-worth vouched, given by the government for Christmas can be highly important in securing electoral victory, based on the example of Hungary, it is a successful strategy. In the contemporary country of Orbán, reward is given to those who are worthy, but still, they do not receive more than they worth for the Prime Minister and for his long-term political survival strategy.

The Hungarian Prime Minister obeys the final rule of power, and he acts as a counter-Robin Hood: he takes away from the poor to give to the rich. While his propaganda helps him in keeping the people ignorant about this fact, and in the meantime, it promotes, how the “unethical” capitalists of the country are forced to contribute to the burdens of the nation, in the reality, most of the taxes which had been imposed on these actors have been averted on the consumers than they worth vouched, given by the government for Christmas can be highly important in securing electoral victory, based on the example of Hungary, it is a successful strategy. In the contemporary country of Orbán, reward is given to those who are worthy, but still, they do not receive more than they worth for the Prime Minister and for his long-term political survival strategy.

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