

FAMILY POLICY IN HUNGARY: THE CHILD COMES FIRST

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Hungary has one of the most generous family support systems in Europe. Viktor Orbán's government aims to bring about a demographic turnaround in Hungary. The government's goal is to ensure that all the children they want are born and that families can live in financial security. Right-wing innovation from the Carpathian Basin, centred on the families that are the foundation of Christian Europe.

Like Europe, Hungary faces demographic challenges. Half of the 20th century was defined for Hungary by the communist dictatorship. In the '50s, Hungary banned abortion and taxed individuals without children. Referred to as the Rátkó-era, these years led to a baby boom in the country. **The last baby boom was in the 1970s**, with those born then now in their 40s, either having children or too late. Therefore, **Hungary's population has been steadily declining since 1981.**

The government's main aim is to reverse this negative demographic trend, and it does not intend to do so by importing migrants. Mr Orbán is committed to "keeping Hungary as the country of Hungarians".

In his first term in office (1998-2002), Viktor Orbán set up a system of family allowances, but the left-wing government (2002-2010) abolished them. Then they hit the Hungarian people with tax increases and a series of austerity measures.

The Orbán government, which came back to power in 2010, decided to give families back the dignity they deserved and to allow them to have the financial means to start a family.

Several family support instruments were introduced and the public was repeatedly consulted on the support system through so-called national consultations.

Hungary has had a family tax system in place since 2011. **In families with 3 children, the father or the mother does not have to pay personal income tax**, according to their own choice. This allows families to earn 15% more income. **While mothers with 4 children pay no personal income tax at all.**

But starting a family takes not only money, but also time and energy. This is why the **government has made it possible for mothers to spend up to 3 years at home with their babies**, paid for by the state. Childcare allowance is also paid if the mother is still at university or working part-time during this time. If a baby brother or sister is born, the allowance is even more. Even the mother's student loans are abolished or reduced for young women who have children.

The crown jewel of the Hungarian family policy is the broad home creation programme. The Hungarian government has recognised that the means of starting a family have changed. Parents need predictability, financial security and a home. Moreover, the vast majority of Hungarians live in their own property and this is their goal. However, **the 2008 crisis caused nearly 1 million families to lose their property under the left-wing government**. The Orbán government has freed families from foreign currency loans. In agreement with the banks, families were allowed to pay off their foreign currency loans in Hungarian forints and were also given the option of preferential repayments.

Following the debt relief, the government **launched a new home creation programme**. The more children you have or raise, the more government support you get to buy or build a home. For example, **if a family has 3 children, they can claim a non-repayable grant of €25,000 from the state**. Families can also benefit from a range of family home-building allowances, state subsidised interest-free or very low interest loans.

Young couples without children but who want to start a family can also receive the grants if they agree to have a child within a certain period of time. And by subsidising housing, the government has achieved economic growth. **The surge in property renovation and construction has led to a huge boom in the construction industry.**

Further reducing the burden on families, **the government is paying for school meals for hundreds of thousands of children and has made textbooks completely free in primary and secondary schools.** Across the country, crèches, kindergartens and schools are being built and renovated to ensure that childcare is not a problem. Although Hungary does not have a sea, tens of thousands of **children can spend their summer holidays on Lake Balaton, known as the 'Hungarian Sea'**, with its beautiful scenery, thanks to the government's child care programme.

However, the Hungarian economy and at the same time families have faced a long-standing challenge due to the coronavirus epidemic and its consequences. The government decided to **fully refund the tax paid by parents with children in 2021** in February this year. This **meant an average family tax refund of €1,000.**

Europe is facing an energy crisis due to the war and sanctions. The rise in energy prices has increased spending for families with higher consumption. The government has therefore allowed Hungarian families to pay the lowest energy prices in Europe. Since 2013, it has introduced an official price for electricity and gas, and although the rules have had to be changed, Hungarians still pay the lowest energy prices. Family allowances are also guaranteed in the 2023 budget.

The figures show the encouraging results of Hungarian family policy. Despite a decline in the number of women whom are in childbearing age between 20 and 45, **5,000 more babies were born than a decade earlier.** The **ratio of births to the total population has risen from 9 to 9.7, putting Hungary in penultimate place in 2010 and above the EU average.** The number of abortions has halved and the number of divorces has fallen by a quarter. **While the number of marriages contracted has not been this high for more than 3 decades.**

Hungarian family policy has made a breakthrough, but the population decline has not stopped. Orbán expressed his commitment to supporting families despite the current global challenges. With a population of around 9.7 million, Hungary's declining population requires the maintenance of family benefits and the introduction of additional ones.

It is important to note that European countries are facing a demographic challenge. **The EU population is ageing, with the median age rising from 38 in 2001 to 44 in 2020.** This represents an average increase of 6 years, while in Spain and several EU countries the median age has increased by 7 years. Young people and fertility rates are falling in many countries across the continent. According to leftist politics, the demographic problems should be alleviated by importing migrants from other cultures, but in this case the nations of Europe would lose their national identity, leading to the end of the Christian European.