

# A Stronger Hungary

The Manifesto of Fidesz - Hungarian Civic Union



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Abridged version





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## Reclaiming the Future

When nineteen years ago Fidesz was founded, the most important aims we had in mind were to ensure that Hungarians could also enjoy those benefits of democracy, freedom and welfare only known to us in Western Europe. We dreamt of a country where everyone could live in peace and security, where those in power were on the side of law and morality. We expected that, with the change of regime, honesty, credibility and accountability would be basic prerequisites. We wanted to see responsible, purposeful, and effective governance, such as could create a better life for all Hungarians. The guarantee for economic development was seen in quality education for all, and in the talent and hard work

of all Hungarians. We believed in a strong middle-class that could offer new opportunities for the poor and the weak. We wanted to build a just society in which honest work would make decent living a reality, where the elderly were respected, where families with children could reasonably count on receiving attention and assistance, and where the young were presented with ample opportunities to make a decent living. We dreamt of a country where the gifted would be able to make their dreams a reality and the needy would be given help and support. For us the regaining of independence meant the hope that national interests would be strongly represented and the Hungarian government would always respect the interests of the people of Hungary when making decisions. European

integration for us was a chance for the reunification of the nation, and we hoped that maintaining relations with our Hungarian brothers and sisters across the borders would be a natural and free practice within a few years. At around the turn of the millennium it seemed to many of us that our goals were within reach, but recent years have proved us wrong. We nevertheless continue to stay with our aims and continue to stay united. Today there is a greater need for our alliance than ever before, since it is now common knowledge that our country has been betrayed and plundered in recent years. In the past five years the socialist-liberal coalition has been unable to make life better, but has tried everything in its power to cover up its inabilities and lack of talent with a flood of lies. But when

caught lying, the coalition did not assume responsibility for its actions; instead it resorted to intimidation to silence the discontented. As a result, a new majority has emerged with the aim of bringing to an end the lies and the politics of intimidation, but at this stage many are at a loss and have no idea on how to go about achieving these objectives. We have a responsibility – greater than ever before – to restore people’s faith, restore democracy and lay the foundations for Hungary’s return to prosperity.

While in recent years in Hungary we have witnessed processes that are contrary to the aims of the political changes of the late eighties, a new political and intellectual era is unfolding before our eyes in Europe.

The notions of family and community have regained relevance; Europe has once again recognised that humans are communal beings who are born into, live in, and are only able to recreate themselves within communities. The new European zeitgeist understands that the family, the nation, and European culture are the property not only of the living, but rather of an indissoluble community of past, current, and future generations. We have believed in and pursued these principles ever since the foundation of our party and are therefore happy and reassured to see that these values are shared by an increasing number of people across Europe.

The European zeitgeist and current Hungarian reality compel us to renew

our programme and put it before the public. Recently it has become obvious that the socialist-liberal coalition has no clear idea of Hungary's future, and so it is now up to Fidesz – Hungarian Civic Union to reformulate its programme for prosperity and convergence. We cannot just sit back and watch poverty, debt and hopelessness grow day by day. It is now our duty to show that Fidesz is capable of guiding the country out of this seemingly hopeless situation.

In the face of new challenges we need a new centre-right programme. The new centre-right has a nation-centred outlook, is devoted to democracy and competition, and is socially aware. It is *nation-centred* in its desire to preserve Hungarian cultural values and protect Hungary's economic interests. It is

*democratic* because we will always, under all circumstances, insist on compliance with democratic norms. We have struggled long for democracy and we will stay true to it even when our opponents constantly violate democracy's written and unwritten rules. We believe in honest economic and social competition, which gives everyone the opportunity to make a living according to their ability, effort and merits. The new centre-right is also *socially aware*, which means that it protects society from the trend in reorganising *all* aspects of people's lives in accordance with the narrow logic of profit and the market. Health, the acquisition of knowledge, and culture – prerequisites of social and financial advancement – cannot be merely a question of money; there are areas where the principles of mutual

responsibility and community spirit must prevail.

Our new programme is a result of year-long undertaking. As head of the parliamentary group, I was honoured to be appointed by Viktor Orbán to coordinate the renewal of our political programme. In November 2006 at the Fidesz congress in Győr we decided to launch a series of discussions about justice, the quality of life, public services and competitiveness. Experiences and findings were discussed on a monthly basis within the framework of conferences (each focusing on a specific subject area), and at Fidesz's May congress we accepted the final document of the debate series, known as "Our Future". In the past six months we have been conducting wide-scale consultation

and harmonisation with our European sister parties. We agreed with the British Conservative Party that, in order to establish a firm and just society, there must be a reinforcement of the most important and strongest community unit: the family. During her visit to Budapest, we agreed with German Chancellor Angela Merkel that Fidesz and her German sister party will co-operate in programme-making processes. In the course of our co-operation, we exchanged ideas mainly with regard to a social market economy, family-friendly taxes, and common European security policies. With the chairman of the European People's Party – European Democrats in the European Parliament – European Democrats, Joseph Daul, we reviewed our common objectives and the tasks facing European

centre-right parties. We agreed that the fundamental pillar of Europe's economic and social competitiveness is economic growth based on tax cuts, priority support of R&D, the reversal of unfavourable demographic trends, and the expansion of employment. The citizens of Hungary are also European citizens, longing for European freedom and welfare. Hungary therefore needs European-style politics. Fidesz – Hungarian Civic Union is a member of Europe's strongest party alliance, and our political programme is the programme of a European Hungary.

In order to enable Hungary to realise her dreams we must first restore the unity and functioning of the nation. In order to rebuild our country, everyone must join hands as long as they share a desire to replace the politics of hate

with peace and rationality, to see responsible government instead of lies and the arrogance of power, growth instead of austerity measures, respect instead of humiliation, a just state instead of chaos, solidarity instead of a divided society, integrity and communal effort instead of disintegrating communities.

## Security of the Nation

*Fidesz considers defence to be an important national cause as we are convinced that only a secure state, recognised by international politics, is capable of guaranteeing the freedom and well-being of the people. Our Euro-Atlantic integration was among Fidesz's aims with the advent of parliamentary democracy, and the country's long-term security can be assured within the alliance network of NATO. We regard it as crucial that Hungary, as a reliable party within the alliance, fulfils her international obligations; therefore we will also restore Hungary's reputation and credibility in international politics once we are back in a position to govern the country.*

**Hungary needs a strong army.** We will put an end to the army's chaotic reorganisation and repeated staff cuts in recent years. We will rebuild the Hungarian Army in a manner that will see the new formation devoted to the alliance, capable of presenting independent defence capacities, highly prepared and capable of home-based and expeditionary tasks, with a solid moral standing, and effective financial management. We will restore the army's social status and revive its prestige. We wish to place military training on a new basis and support NATO-model training as much as we can. We want to strengthen classic military values such as patriotism, solidarity, and comradeship. Our aim is to build a Hungarian Army comprising highly qualified soldiers with a knowledge of foreign

languages. We will offer a military career that not only gives financial and moral support, but also presents a long-term predictable future for those wishing to build a career as part of the armed forces.

**We will increase spending on defence and improve present military technology.** Spending on defence as a proportion of GDP is extremely low in Hungary. Only Luxemburg and Iceland spend less on national defence. This is intolerable, and greatly increases Hungary's security risks. For this reason budget expenditure on national defence must be increased and military spending must gradually be brought up to fully meet the expectations of NATO – in line, of course, with the country's ability to contribute. This is also

necessary in order to enable us to meet our obligations to participate in international action at the expected level. The military resources of the Hungarian Army include a great many obsolete, uneconomic vehicles and technical devices. If the level of development and investment in military technology continues to remain low, this will present a significant security risk for Hungary. Modernisation and the acquisition of new, environmentally-friendly, economical technology and equipment would greatly improve the efficiency of the army. When conducting procurement procedures for military technology, domestic military suppliers must enjoy priority, as this could boost the Hungarian economy and can also help Hungarian SMEs obtain NATO-supplier accreditation.

**We will rationalise the system of expenditure on defence. With the separation of production and consumption logistics and the setting up of the Joint Force Command Headquarters and the Development and Logistic Agency, the various procurement procedures have become significantly more awkward and time-consuming. The system as developed is inoperable in the long run. It is therefore necessary to remedy the faults in the present structure and to rationalise the system. The major principle behind all military procurement must be characterised by open, transparent and fair competition. Lavish spending must be curtailed, and even the *opportunity for corruption must be eliminated.***

**Military leadership will be simplified and the number of professional troops will be increased. Fidesz will do all in its capacity to simplify and rationalise the structure of military leadership and to eliminate duplication within the system. Simultaneously, it is prudent to diminish the importance and burden of central control, spend less taxpayer's money on bureaucracy, and channel saved funds into increasing the number of well-trained and qualified soldiers who can engage effectively in the country's defence .**

**Military reserve.** In response to the new challenges of a changed global security environment, Hungary has no option but to treat the question of national defence as a matter of public

policy. We are convinced that there is a need for building a voluntary reserve defence force within the framework of the Hungarian Army – a force that is both able to provide territorial protection and to reinforce the nation’s sense of security.

**Military services for the security of the nation.** Independent military intelligence and counter-espionage have specific tasks and a specific cause. Our NATO membership obligations and our safe participation in international missions both require a sure-footed, professionally qualified and dedicated military with a strong sense of commitment and conviction. We are convinced that we must strengthen the prestige and status of the armed forces.

**International roles – protection of economic interests.** Today Hungarian soldiers are serving in various missions across the globe. We are participating in UN, OSCE, NATO and EU missions. Under the control and supervision of the Joint Force Command Headquarters, our soldiers are serving in four military missions. The role assumed by the Hungarian Army in international missions presents significant risks and requires great sacrifices. We are convinced that alongside assuming an active role in peace-keeping missions, Hungary cannot afford to give up her interests and intentions to participate in the economic reconstruction of the stabilised regions and states.

**Security of the nation.** Security is one of the most fundamental values

in the eyes of civil society. According to our philosophy, national security rests on two pillars: the powers of the Hungarian nation itself, and Euro-Atlantic integration (or international co-operation). We will make it very clear that, in terms of national security, Hungary is not a *bridge* between West and East, but a strong *bridgehead* of the West. We believe that there is a need for a new intelligence service which is not tied to political interests, but sees as its prime objective the preservation of the nation's true interests and values. Our security policy programme is based on the premise that our times are inherently beset with a multitude of risks and sources of danger. These include terrorism, ethnic and religious conflicts, international crime, the sale of illegal weapons, and migration.

Hungary's energy dependence presents another security risk for the nation. We therefore have a long-term need for civilian and military security services. It is our aim to make these organisations capable of providing appropriate and effective solutions to the new challenges that have manifested themselves under the present changed circumstances. For this reason financial and moral rewards to personnel, the offer of a secure future, and a professional environment free of political interference are all crucial components in our programme. The immediate dismissal of politically compromised and professionally incompetent military leaders is a must.

## Health Belongs to Us All

*Fidesz – Hungarian Civic Union is convinced that the principles of solidarity, equal access, and equity are unquestionable and firm pillars in healthcare which must apply to everyone. Building on these principles, our resolute and coherent healthcare policies have the following aims: an increase in average life expectancy, improvement in the standard of healthcare provision, higher levels of satisfaction among patients and healthcare professionals, and – even in the mid-term – the establishment of more rational financial management.*

**Fidesz – Hungarian Civic Union's position is that healthcare is not a**

**business commodity, and therefore hospitals are not for sale.** We strongly oppose the unthinking closure of hospitals. We are convinced that, in line with European practice, the penetration and strengthening of non-profit forms of community ownership in hospitals ought to be encouraged. The government has an obligation to guarantee the operation of the healthcare system, and so we will undertake and put into practice this duty of government when we return to power. In an effort to focus the government's role on legislation and official tasks, we will curtail the government's direct controlling functions. It is our aim to make local government ownership dominant in in-patient care, and also increase the role of non-profit organisations.

Fidesz – Hungarian Civic Union is

convinced that more cost-effective forms of healthcare supply ought to be given greater emphasis. This shift however, must not mean greater regional concentration across the present provincial hospital network; furthermore, the introduction of more cost-effective day-care and nursing centres can in the future provide a much better dispersed, localised service – one that is more easily accessible and available to the population at large. In order to ensure the ready availability of intellectual and financial resources for emergency services, we will encourage the establishment of suitable regional centres. If elected to government, Fidesz will continue to build oncology centres as well as improve the conditions of supply that determine standards of patient care.

**The development of the health insurance system will be one of the major tasks of the next government term.** This will trigger fundamental changes in healthcare. Fidesz – Hungarian Civic Union supports the emergence of new forms of supplementary insurance, but we will certainly not press untested systems on the Hungarian healthcare system. Modern solutions in patient care and in the practical implementation of prevention seem very promising alternatives. Access to healthcare provision is a citizen's right which must be available to all. By introducing independent accident cover, employers must be given the incentive to provide even safer workplaces. All this will require further major investments and

development in the information technology of healthcare.

**Fidesz – Hungarian Civic Union rejects outright the introduction of co-payments for medical appointments and the daily fee for hospital stays** – as well as the implementation of these measures – since both were imposed by the government without a mandate from the electorate, and both have consequences detrimental to the medical profession and patients alike. We must emphasise that Hungarian healthcare has never been free of charge : we have been paying for our healthcare services, and now we are paying ever more in the form of state healthcare contributions. Our position is that placing increasing financial burdens on patients and

greater administrative duties on medical staff, together with harming patient-doctor relations are certainly not appropriate ways of resolving the difficulties of the healthcare system; rather, they are the cause of further severe problems. There is also a serious threat that patients who are in need of medical attention will refrain from visiting medical institutions. Ever-growing administrative duties will lead to longer and longer waiting lists, which, in turn, will give new momentum to the practice of paying doctors gratuity money. The present co-payment fee is definitely already too much for those who are struggling with everyday money problems. There is also a real threat that the government may increase this fee at its own discretion: the first such rise has already been implemented when,

in the summer of 2007, the cost of medical services without referral from a GP was increased from HUF 600 to HUF 1000. It is a misconception that co-payments go directly to doctors; this revenue is not left to doctors or healthcare institutions. It is used instead to supplement the revenues of local governments, who – owing to the austerity measures of the Socialist/ Free Democrat coalition – are in an ever more difficult situation.

## Protecting Human Rights

***Fidesz – Hungarian Civic Union was established to turn Hungary into a free, independent, and prosperous country. In the initial period, the founders of Fidesz had nothing else to resort to in their opposition of the then oppressive communist powers than publicity and making a strong stand for human rights. Ensuring human rights is seen as one of the most fundamental criteria of democracy – therefore its protection is considered very important even today. We are convinced that sound democracy is only possible with the participation of auto-dynamic organisations established voluntarily by its citizens; hence NGOs and religious communities can both count on our support.***

## **We will restore legal certainty.**

Today the present political powers do not ensure the free exercise of fundamental civic rights and cannot guarantee real public safety for citizens. The government does not consider legislation and the dispensation of justice as binding upon itself. As a result, to be law-abiding in Hungary today simply is not being encouraged. Fidesz is not afraid of people's right to self-determination. We will, in all cases, support the legal exercise of people's right to collective action and their right of assembly. We believe the police ought not to be used as the weapon of the authorities but be the protector of citizens, with functions to prevent and detect injustices the citizens may suffer. We will ensure full compliance with the Police Act and

strengthen civilian control over the police forces. We will restore legal certainty and the operation of the democratic institutional system.

We will build a country where people, families, children and the elderly can live in security. Everyone knows that people cannot live in fear. In order to enable Hungary to stand on her own feet, the country must be turned into a safe place; the conditions of a fear-free life must be guaranteed. Fear-free life in Hungary also means that parents will not have to worry about their children on their way to school, the elderly and members of various minority groups will not have to worry about being subjected to aggressive behaviour day after day in the street. For this reason, the letter and the spirit of the law must

be enforced. We have to set new conditions, we must ensure that no official body involved in crime fighting will tolerate infringement of the law by its own membership. We will put a stop to the practice (that rightly irritates people) whereby a selected few is given preferential treatment when facing the law. This practice is unacceptable; enforcement of the law cannot take one's financial circumstances and political contacts into consideration when passing judgement. In recent years corruption has proliferated in Hungary. The most dangerous practices include corruption within areas of public service because this is the domain where the citizens are the most vulnerable and least protected. The corrupt behaviour displayed by people holding public office – particularly

state leaders – undermines the status of government. We will stand up to corruption by introducing stricter penalties and expanding the scope of crimes punishable by forfeiture of property. We will allow the courts to examine one's assets and financial relations more effectively. This will be a suitable means of detecting unreasonable increase in assets through tax evasion, and hence it will be possible to prevent the present practice whereby the tax authority instigates asset investigations on rather peculiar or political grounds.

**Belief is the most personal public matter.** The historical churches make up an integral part of our national culture; the conservation of architectural, artistic, and other cultural values preserved by the

churches down the centuries is our responsibility; therefore government support of religious communities is the common aim and task of believers and non-believers, even if only in the interest of the preservation of our material cultural heritage. Of course, we think highly of the moral values imparted by the churches, the spiritual support extended by religious communities, the mutual attention, and social care. We know that, regardless of one's personal religious views, the vast majority of people consider the churches an important building block of society. Our political opponents may often ignore this, but we will continue to uphold our strong conviction that only mutual respect and understanding, and real partnership can lead to positive outcomes in church policies.

In addition to engaging in religious activities, the churches also maintain a number of welfare, educational, healthcare and social institutions. They perform tasks in parallel with the state, yet the Socialist/ Free Democrat government still provides them with less funding than state institutions receive. We intend to introduce a financial system which does not differentiate between people according to which institution's services they make use of. When in government, we will ensure real equal opportunities and support the value-conserving and renewing activities of church institutions through sector-neutral financing.

**The freedom of religion and the free practice of religion is everyone's innate right.** The division of state and

church is a fundamental constitutional value which prevents any interference by the state in people's personal religious convictions. At the same time, it is important that no congregation is allowed to call itself a church that does not really intend to serve people's spiritual convictions but has completely different motives, for example the financial gain. Such an organisation must not be allowed to function as a church. We will ensure that the support and allowances due to churches for religious activities will only be extended to organisations that really are involved in religious activities.

**Minority policies – a national cause.**

Fidesz considers the cultural activities of ethnic groups and support for the preservation of their traditions

extremely important. Nurturing local ethnic traditions, the promotion of relations with the mother country and her culture, the promotion of local and national media appearances, the presentation of the objective and living values of ethnic cultures are very important government tasks. In order to provide financial support to minority cultures, we will establish a special incentive system both for private individuals and economic associations; the cultural activities of national and ethnic minorities will have a responsible overseer at local, county, and national levels.

**The integration and advancement of Roma citizens is a common cause for all.** One of the most fundamental aims is to allow an increasing number of Roma people to enter the labour

market in order to enable them to sustain their families and contribute to the public good. The leading role on the road to integration is placed on education. Making integrated education a widespread practice in the public education system is a task for legislators. Afternoon activities, after-school remedial classes, recreational programmes and summer camps must become normal everyday practices. It is particularly important to strengthen preparation for further education among year 7-8 students. High priority must be given to training Roma people in professions that are marketable and are important for the entire Hungarian society. The former scholarship programme in public and higher education must be strengthened and made accessible to all gifted Roma youth. In addition

to having a differentiated education grant system, it is also important to introduce a tutoring system in higher education, in order to reduce dropout rates.

By providing clean drinking water, and by improving public hygiene and public transport conditions, we will help create more liveable conditions in the present Roma settlements. We will help working or studying Roma people to make a better life for themselves and their families.

Support will be focused in two key areas. On the one hand, the number of Roma students completing elementary education or going into further education to get qualifications must be increased. On the other hand, more and more Roma people

must be integrated into the labour market, and engage in agricultural and entrepreneurial activities. In the interest of integration, a complex training- and employment-based social care and support system must be developed hand in hand with the National Roma Self-Government and the local Roma communities. The social components of integration will include special training courses, the reorganisation of local economic associations, the support of traditional Roma occupations, social employment, public works, and the implementation of community projects.

## **Economic Growth and Social Security**

*The aims of Fidesz – Hungarian Civic Union’s economic policies are to increase welfare and security, strengthen competitiveness, greatly reduce unemployment, restore the credibility of economic management, and generate economic growth that exceeds the regional average rate of growth. By supporting strong economic growth and establishing financial balance we will create an economic environment where favourable economic processes will mutually strengthen each other.*

**According to Fidesz’s economic policy concepts, long-term balance and economic growth are equally**

**important objectives.** Long-term balance can only be achieved by economic policies that plan for the long-term and are simultaneously balance- and growth-oriented. Balance achieved by short-term measures cannot lay down the foundations of long-term growth based on structural changes. The economic policies pursued by the current government are not only dangerous because they lead to intensifying social inequalities and the degradation of public services, but also because they leave economic tensions untreated in the long-run, and all this will jointly lead to a significant lag relative to neighbouring countries and our competitors. It is also important to improve budgetary discipline, which goes far beyond the reduction of the budget deficit.

In order to complete public finance reform in a consistent manner, it is necessary to define and redefine the scope of authority and sub-systems within public finances. The statistical and accounting system of public finances must be further developed, a task- and expenditure-oriented budget must be created, and the regulations on the planning of tasks associated with public finances must be fully reviewed. The financial regulatory issues of local governments, the examination of tasks and resources, the regulation of state assets and liabilities, the resolution of questions relating to the controlling system, and the introduction of the treasury system are all high priority government objectives.

The current government must first

clean up the mess it has created, and only then can it make a request for further sacrifices from the populace. We will place great emphasis on restoring the credibility of budget policies, and the transparency of the budget. According to Fidesz – Hungarian Civic Union, there is a need for more rigorous control and greater transparency in the use of government funds.

**Dynamic growth is the focal point of our economic policies.** Through dynamic growth Hungary can exploit her hidden potential and artificially suppressed economic opportunities. We will promote economic growth which, instead of only benefiting a narrow group of people, will make the whole of society the beneficiary of prosperity, which will allow for

the equal distribution of public burdens, which will extend across the entire country, not by restraining developed regions but by promoting underdeveloped ones. The often self-conflicting interests of growth, job creation, the suppression of inflation, and regional development *must* and *can* be synchronised with each other. All this requires active government action to promote and influence market processes by the means of economic policy.

**Export as the driving force behind economic growth in the coming years.** Our economic policies will include market-conform means to promote export incentives and will employ economic diplomacy to aid the export of Hungarian produce. Penetration in foreign

markets, however, is best served by implementing structural changes in the real economy and by introducing modern and marketable products. In addition to attending to this responsibility, we will also help trade chambers in building up their export market information services and market organising activities.

**The swift introduction of the European common currency – the euro – is one of Hungary’s long-term aims.** Hungary had been steadily converging on the Maastricht criteria from the mid-1990s until 2002. Owing to poor economic policies pursued ever since, however, we missed the 2007 introduction as that was planned back in 2002, which – according to the calculations of the National Bank of Hungary – could

have meant a 0.4–0.5% increase in economic growth from the year of the introduction of the euro. The deferral of the introduction of the common currency is particularly detrimental to the Hungarian economy because the advantages associated with introduction cannot enter the bloodstream of the economy: in other words, the cake cannot get bigger for the governing parties to achieve their social political aims of equity and fairness. Also, the delay in the introduction of the euro presents a significant competitive disadvantage (losses suffered due to currency exchange, bank commissions, “internal” expenditure, etc.). Today Hungary does not meet any of the euro criteria. According to analysts and financial institutions, Hungary will be the last of the countries that joined

the EU in 2004 to enter the euro zone – some time in 2014.

**We support a government that is capable of protecting and supporting its people**, one that releases the powers of society as opposed to paralysing them. We need a state that takes the needs of people as its premise and can provide the conditions for its people to engage in voluntary auto-dynamic activities. The state of the 21<sup>st</sup> century will relinquish tasks relating to the organisation of the economy and society which the citizens and their communities are able to perform. Given its capacity to act, however, such government will effectively assume and perform tasks that are beyond the powers and capacities of the citizens and their communities.

The state will only interfere with competition in areas where and if its intervention is absolutely necessary; where without the government assuming a role, Hungarian companies would suffer major competitive disadvantages, or the market processes would directly threaten the social political objectives of the government. The government ought primarily to assume incentive, supportive, regulatory roles in the economy or perhaps define the directions of strategic development. Civic economic policies, in addition to this, consider it fundamental that the state be a stable and reliable partner of all actors in the economy and provide a predictable backdrop for the economy for many years to come. Fidesz believes that the assumption of government roles and the

strengthening of the government's regulatory role – independent of all economic interest groups – is a must in laying down and enforcing the rules of competition and democracy. Without government backing, the economic and social processes that are prerequisites of a well-functioning market economy and democracy cannot achieve momentum.

**Strengthening SMEs.** By curtailing tax burdens, introducing simplified administration, providing discounted loans, and the placement of government orders, we will improve the operating conditions in the SME sector. We will increase funds earmarked for the support of SMEs, but will not only concentrate on the financial side. The emergence of technology parks, the organisation

of supplier relations, entrepreneurial networks, education, training and consulting will be facilitated by a network of government institutions. We will support NGOs who are engaged in organisational and information tasks. Of the SMEs, special attention will be given to enterprises manufacturing innovative, technology-intensive products. Fidesz will give a new momentum to the development of the SME sector, which will build on high technical knowledge and specially skilled labour. Capable of relatively fast development, the SME sector will establish integral (supplier) relations with large international companies in the country, will help improve balance figures, and expand the internal market. This will also improve export capacities. The development of the SME sector

will serve social security policy and social political objectives alike. The expansion in the number of vacancies will significantly improve the rate of income-earners and dependents, will increase disposable incomes in society, and create markets and further jobs by stimulating consumption.

We will strive to ensure that financial institutes and enterprise-support institutions will help the still existing micro-enterprises grow into small or mid-sized companies, provided it is in line with their own intentions. This aim may be achieved by discounted capital allocations, loans, incubator houses, information centres, consulting agencies and business services meeting the needs of SMEs. This task will not necessarily have to be performed by government

institutions exclusively, but the government must certainly support banks, local governments, social organisations, foundations and private enterprises which help SMEs to strengthen. Support must be given to SMEs to help enter neighbouring countries by taking advantage of their common language.

We will develop all enterprise-promoting programmes, particularly in the interest of increasing the number and ratio of competitive enterprises on the Hungarian and also on international markets and to increase SMEs' ability to create new jobs.

The experiences of OECD countries definitely indicate that SMEs play an important role in strengthening economic competitiveness. SMEs will be successful only if they are

innovative, which is predominantly a function of the introduction of new technologies.

**Our aim is to eliminate the obstacles facing corporate social responsibility.** Using all political

means at our disposal, we will promote company CSR activities.

We are of the firm belief that the only way to give effective answers to today's economic, social, and environmental challenges is by co-operation with the participants of the competitive sector who have been at the cutting edge of CSR.

**The key to our economic policy is seen in the improvement of employment.** Using EU support

funds made available in the next government cycle, we will launch a

programme that will directly support the creation of new jobs. In order to converge on the EU's 64% average rate of employment, Hungary must raise her level of employment by seven percentage points. It is our aim to ensure that anyone willing to work should be able to find employment. We want to pursue economic policies which help create new jobs with a view to achieving full employment as far as is possible. Fidesz's programme is the programme of employment through limiting the burdens on enterprises. Using these policies will help significantly expand the number of people in employment. Further efforts will be made to balance out regional differences in employment and unemployment levels. When supporting industrial and service-based investments, encouraging

telecommunications and IT networks, developing public utilities and public road networks, and implementing motorway development programmes, we will continue to create new jobs primarily in the underdeveloped regions of the country. The sooner we can bring these regions into the country's economic bloodstream, the sooner they will be able to make up their decade-long deficit. In addition to this, the chances of job preservation will also be improved. The ultimate goal of our economic policy is to improve people's welfare and hence create the foundations for Hungary's convergence. In the interest of implementing employment-based economic policies, we will launch a new Széchenyi Plan. The New Széchenyi Plan will be built on the following four pillars:

- cutting taxes and contributions payable by employers
- developing the infrastructure
- supporting SMEs
- introducing programmes that directly create new jobs and expand employment.

We support what is known as ‘atypical employment’ (part-time work), and will continue to run special employment programmes (career starters, people with disabilities, telework). Our position is that with the government assuming greater roles and obligations, significant progress could be made in part-time employment. We will ensure full transition between part- and full-time employment. We believe that by encouraging part-time work, we can exert a positive

impact on unemployment. With the encouragement of part-time employment, we intend to provide employment primarily to women, young mothers, people with disabilities, and students in higher education. The employment of women over 45 years of age and of men over 50 will be encouraged by employers’ contribution cuts.

The future task facing Fidesz is to continue to identify and explore all the opportunities that can help contain poverty and eliminate all the obstacles we still carry as the painful legacy of our past, which still prevent many from making ends meet through the fruits of their labour. It is important for this reason to expand public works programmes that can provide temporary employment and make such programmes easier

for the applicants to access. Local governments must play a greater role in this, and therefore they must have a greater direct interest in the development of such programmes.

**The security of existing jobs will be increased.**

We wish to continue to apply the “employment rather than dole” and the “fishing net rather than fish” principles. By developing the education and training system, we must help people living in underdeveloped regions to acquire competitive skills.

Owing to the inflexibility of the labour market, family farming and the different forms of seasonal labour must be encouraged among the Roma population.

In the restoration of the status of work, modern and effective labour-

market control will have a major role.

The new system of control will be designed to reduce the vulnerability of employees and to prevent law infringements by employers. It may greatly help if the government gave appropriate support to employers willing to employ career starting young people in suitable jobs meeting their qualifications.

**Recovery from a stagnating economy is only possible by economy-boosting measures which can simultaneously serve economic and social stability.**

In our opinion, there is a set of tools available for economic policy to strengthen Hungarian SMEs and boost their outside work activities.

All this requires measurable economic laws and tolerable tax rates. Nobody can be expected to show observance

of the law if laws change every month, and if, owing to high tax rates, a law-abiding entrepreneur is almost certain to go bankrupt. With targeted tax cuts, and the widening of the tax base, state revenues may even increase. By reducing the tax burden and simplifying tax-related bureaucracy, we will be offering an alliance with the people. To this end, we would cut most of all the costs of labour, which can have the added impact of expanding employment. The reduction of taxes on labour and the introduction of a significantly simpler tax accounting system will help 'whiten' a large share of today's tax evading economic activity.

**We will establish the conditions for family-friendly taxation.** The present taxation system unquestionably

disadvantages families as it does not take into account the number of dependents maintained by a taxpayer. In order to eliminate this form of injustice, Fidesz – Hungarian Civic Union will gradually introduce a family-friendly taxation mechanism under which not only taxable incomes but also the number of dependents will be taken into account.

If a tax system does not work properly, opposition against it will, in time, become widespread. This is demonstrated by the present taxation system whose evasion is seen much more like a virtue rather than an antisocial act. Rethinking the tax rebates on incomes from decent labour and the reduction of tax burdens can help persuade people who today ignore their obligation to contribute their share to public

burdens to review their position. In line with the needs and rightful expectations of citizens making a living from honest labour, it will be necessary to modernise and simplify administration, and to develop the free information technology services offered by APEH (Hungarian tax authority).

**Uncompromising and decisive measures are required to take a stand against the black and grey economy and corruption.** According to calculations of the National Bank of Hungary, the volume of hidden incomes is close to 1000 billion forints while the performance of the black economy is estimated to amount to 25-30 % of the GDP. The government's attempts to tackle black economy have failed; there is a strong publicity-

campaign going on instead of the elimination of the real causes. Strict measures need to be implemented in the fight against the black economy by cutting back corruption, bureaucracy, and reducing taxes. Our programme is the programme of whitening black economy. By introducing calculable economic laws, the cutting of taxes, and the simplification of tax-related bureaucracy, we will be offering an alliance to the people. Widening the legal sphere can be a real resource for economic growth, increased budget revenues, and this will also expand the circle of the legally employed population.

**Hungary's energy strategy is defined by global changes, our national capabilities and objectives.** Where there exists a common European

energy management strategy, it must certainly be taken into account. At the same time, it is also clear that the European Union has not yet been able to come to a consensus as far as the energy policy is concerned. There are fundamental differences between the member states with respect to the natural geographic characteristics or the available fuel reserves.

Fidesz urges for a common European energy policy which can guarantee the safety and security of supply, the expansion of the supply resources of the EU, calculable and affordable prices, as well as the reduction of fumes that are responsible for the greenhouse effect, the preservation of the natural environment, and the sensible use of energy. Drastic change can, however, be only expected

with the widespread use of modern technologies in real economy. With the proper allocation of national and EU funds, we can gradually improve on the present practice of consuming twice or – according to some analysts – three times the volume of energy for the production of any given unit of GDP than the European Union average. On the regulatory side, future tasks include system adaptation (with particular attention to the increasing roles of alternative energies), the careful application of pricing policies, and resolving the problem of limited capacities that act as a bottleneck.

## Consistent Foreign Relations

*When shaping 21<sup>st</sup> century Hungarian foreign policies, the following factors must all be taken into account simultaneously: given Hungary's peculiar geo-political position, we have a responsibility toward Hungarian minorities living in neighbouring countries, there are unexploited opportunities in the development of East Central European regional relations, and we are faced with new types of challenges that have emerged with accelerated globalisation. Fidesz – Hungarian Civic Union is of the conviction that the best answer to the challenges of our times is seen in a strong Europe in which Hungary can solidly represent her national interests while striving for strong*

*ties and co-operating with all other members states in all areas.*

**Freedom always comes from the West.** Fidesz is of the conviction that the maintenance of the North-Atlantic alliance is in Hungary's fundamental interest. For this very reason, in addition to supporting the European Union's independent defence and security policy measures, Hungary will continue to have an interest in the maintenance of NATO, and in adapting to the new conditions that have emerged with the altered international relations after 11 September 2001. Fidesz – Hungarian Civic Union is of the belief that Hungary's foreign policy objective is to represent Hungarian national interests in international relations and to create the international room

for manoeuvring required for the attainment of internal political aims, and the expansion of resources.

Only a country with solid internal conditions will be able to represent and enforce her national interests.

**Committed to national interests.** It is Hungary's foreign political peculiarity that it must represent dual interests: on the one hand, we must represent the interests of the Hungarian state and the Hungarian nation, in other words we must urge to secure the international conditions for the improving the freedom, security, and financial welfare of Hungarians, while, on the other hand, we must also support the aims of Hungarian minorities in neighbouring countries in order to strengthen stability in the region, and strengthen mutual respect

among the nations of Central and Eastern Europe.

The beginning of the 21<sup>st</sup> century is the era of an internationalising world. It is our duty to cement our position in this world by increasing the integrating force of the Hungarian nation and competitiveness. Isolation from the outside world is certainly no solution. The preservation of our nation's future, state sovereignty, democratic values and institutions is only possible by gaining a strong foothold in global competition.

**Fidesz is committed to freeing Hungarian policies from party political interests and economic group interests.** Putting foreign policies in the service of public interests, our external policies must become professional and calculable.

In our interpretation, foreign representations represent the state instead of placing pro-government propaganda in the focal point of their activities.

Hungary has been closely tied to Christian culture and European values of the West for more than a thousand years. It is our aim to preserve these values with particular attention to human rights. Accepting our national characteristics, we are fighting our battle for a united and strong Europe.

In order to secure real equality, it is essential to gradually eliminate the derogations and restrictions – such as the restriction on employment – which only reinforce the differences between the “old” and the “new” member states within the EU. It

is also our aim to bring the living standards of Hungarian citizens up to par with other Europeans. One of the keys to convergence is the effective utilisation of EU funds on the basis of a comprehensive strategy of wide consensus.

In the interest of enforcing our national interest at a European level, we must restore Hungary’s recently shattered international reputation. We firmly believe that a nation with raised self-esteem and sense of integration can meet the challenges of competition more successfully and can enforce her foreign policy aspirations more effectively. One of the most important EU challenges facing Hungary, the preparation for and the implementation of

the Hungarian EU-presidency requires national consensus and the overcoming of particular momentary interests. The country holding the presidency has exceptional opportunities to influence European matters.

**A strong Europe and a strong European Union means security, convergence, and equality for Fidesz – Hungarian Civic Union and the European People’s Party.**

We find the foreign and security policy, national policy, economic and environmental policy aspects of security, as well as legal certainty very important components just as much as the security of energy supply, and the formulation of common European energy policies. In addition

to supporting new common policies to strengthen the Union, we also consider it important to uphold and improve existing policies, which are exceptionally important for Hungary, such as the cohesion policies building on the principle of solidarity, the sensibly reformed agricultural policies, the increasingly important R&D policies, and the increasingly effective common foreign and security policies.

Fidesz – Hungarian Civic Union supports the formulation of common European immigration policies, but we feel focus should be on finding a reassuring long-term treatment of the migration issue which Hungary can approve of. We aim to implement a migration strategy that can answer

the challenges of international migration, take Hungary's peculiar geo-political position into account, and at the same time will not encourage the migration of Hungarian minorities into the mother country. The only solution to the problems of our national minorities living in neighbouring countries is offered by the improvement of their living conditions rather than by unwanted migration. Migration in recent years unfortunately entails increasing immigration. It is desirable to allow the young to gain valuable experience abroad, but mass immigration must be prevented.

Following her accession to the European Union, Hungary found herself in a completely new situation in Central and Eastern Europe. We

became the eastern and south-eastern bridge-head of the European Union and we are the direct EU neighbours to the bordering countries who wish to join next. Being members of the EU, we ought to shape and implement the regional and neighbourhood policies of the European Union! While this imposes obligations on us, it also presents opportunities for us. Making use of the financial resources rendered available by the European Union, we can help the process of democratic transformation, the economic and social stabilisation in neighbouring countries. It is our aim to completely eradicate the division of Europe. One of the means to attain this goal is the successful and complete integration of our region into the European Union therefore we

are in support of Croatia's full membership.

**Visegrád Co-operation is an important pillar of our regional policies.** It is our task to revive this form of co-operation. The countries of the Visegrád Co-operation can play an important role in interest representation within the EU and also in the shaping of relations between the Central European region and Russia.

**It is in the interest of all Europe to have the Ukraine attached to the Euro-Atlantic organisations in numerous ways and not to let the commenced process of democratisation be disrupted.**

A precondition to the successful political, social and economic

transformation of the Ukraine is that the possibility of joining the European Union should open up to the Ukraine. It is in Hungary's interest to have economic relations set up with Russia develop on the basis of mutual benefits. Simultaneously, we must endeavour to reduce energy-dependence and the trade imbalance. It is the common interest of the countries to the Visegrád Co-operation to see the economic and political ties between the European Union and Russia further strengthen, and avoid any Member State entering into a separate arrangement with Russia that may adversely affect any other Member State of the European Union.

**Instead of draining Hungary's strength the Hungarians living**

**beyond the frontiers actually increase it.** Commitment to national interests and political reason urge the Hungarian government to consider the legitimate organisations of Hungarians living in other countries as units which increase its interest representation capacity, and whose organisational power it can surely rely on for support. Fidesz – Hungarian Civic Union supports the efforts of Hungarians communities abroad at in setting up autonomous institutions.

**Our foreign policy focuses on the promotion of harmonised state and national interests.** These two are inseparable, and especially should by no means be brought into conflict. Diplomacy must advocate the staying of Hungarian communities at their birthplaces so that the Hungarian

language and culture can continue to live all over the Carpathian Basin.

With Hungary's joining the Schengen system, the Hungarians living in Voivodina and Sub-Carpathia will meet increased difficulties in contacting the motherland. Although the agreement concluded with the Ukraine on cross-border traffic facilitates the free entry of Hungarians to Hungary, satisfactory solution would only be achieved by the possibility of application for Hungarian citizenship by Hungarians who live abroad.

The transfer of Hungary's experiences and specialised knowledge and incentives to tender partnerships we can promote the most efficient use of funds allocated by the

European Union and accessible at their birthplaces and their active and successful participation in Community tenders. Another objective is to make better use of the possibilities available for us in the framework of the European Union – for instance educational and language programmes, co-operation between local governments, cross-border co-operation and development projects and cultural can be financed from funds allocated by the European Union – and Community forums to improve relations between Hungarians in and outside the country and set the situation of Hungarians living abroad to rights.

Our security and defence policy relies on the self-respect and responsibility of the Hungarian nation, political,

economic and military co-operation in the Euro-Atlantic integration, the improved performance of the Hungarian economy, and the democratic management and control of the armed forces and security services. Support from the Hungarian society is indispensable for a successful security and defence policy. Hungary is interested in NATO remaining the strongest organisation in security policy.

In order to meet the global and regional challenges and manage conflicts, co-operation between Europe and the United States of America in the international organisations with utmost consideration to international law and human rights in a multilateral framework relying on equality is

indispensable. However, Hungary is interested in maintaining close bilateral partnership with the United States in politics, economy and culture on the basis of shared values. Hungary is interested in the implementation of pan-European energy safety through the diversification of resources and energy paths. Transatlantic cooperation is a precondition to the achievement of this objective.

Our foreign policy must be founded on the representation of national interests. This requires the alignment of foreign policy and foreign economic policy and setting them in an integral framework in order to use the means of foreign policy more efficiently in the enforcement of foreign economic policy interests. Foreign economic policy, on the other hand, must fit into

the wider framework of economic policy.

Special attention must be paid to the interests of small- and medium-sized enterprises as they have a primary role in job creation. This means better use of the economic potentials inherent in the region. The internationally accepted system of institutions and means used for the movement of capital, trade development and export incentives must be strengthened. The affected organisations of interest representation must be involved in the creation and application of the means of trade development and export incentives.

**Foreign economic policy must capitalise on the possibilities offered**

**by membership of the European Union, and we must act in the interest of developing the common trade policy of the European Union.**

Although this applies to all major fields of international trade negotiations, it has primary significance in the management of trade in agriculture. Robust support must be given to the representation of the interests of Hungarian agriculture and more specifically Hungarian farmers in Europe as well as globally.

**Cultural diplomacy is a means of pursuing Hungary's foreign policy interests.**

For this reason, its duties must be aligned with our foreign policy goals. Its institutional system must be developed in a way to allow the principle of uniform foreign policy governance to fully prevail.

One of the key themes in Hungarian history has been its longing for freedom, and awareness of this can be raised all over the world by keeping the memory of 1956 alive. This is the topic that offers the best chance for us to represent that Hungarian foreign policy consistently focuses on values.

**Hungary is committed to Central European co-operation. We consider the characteristically colourful culture of our region a common asset.**

Hungary is traditionally thought to have the role of a “relay” in Europe, mediating and melting cultural, artistic and scientific values. This role has increased its aptitude to engage in dialogues and openness to the values of other peoples.

**Familiarising of the international public with the cultural goods created by Hungarians living abroad is a key task of Hungarian cultural diplomacy.** Our cultural diplomacy should rely far more than currently on the relations built by the Hungarians living in scattered communities in the West. Despite numerous initiatives in this regard, the “network of Hungarian relations” from the perspectives of foreign policy, foreign economic policy and cultural affairs has not been mapped so far.



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