

Transparency International: Hungary still one of the most corrupt countries in the European Union

The Secretariat of Transparency International in Berlin has prepared the Corruption Perceptions Index (CPI), the world's most comprehensive anticorruption ranking for the 26th time. The global survey shows that Hungary, which jointly shares the last position of the ranking within the European Union with Bulgaria, and Romania, is still unable to overcome corruption. This is topped by the coronavirus pandemic, used by the government as a pretext to further deconstruct the country's democratic edifice and to enrich oligarchs at the expense of public resources, while spending less than needed to mitigate the social crisis triggered by the global epidemic. These are the most important conclusions of the report presented by TI-Hungary at the Budapest launch of the 2020 CPI results.

Hungary failed to improve the perception of its anticorruption performance according to the most recent results of the Corruption Perceptions Index. In 2020, Hungary received 44 points on a scale ranging from 0 (the most corrupt country) to 100 points (country least infected by corruption), placing it at 69th position, tied with Romania and Bulgaria, among the 180 countries examined. Hungary's score of 44 points hardly exceeds the ranking's global average, which was 43 points in 2020.

While considered moderately corrupt globally, Hungary lags significantly behind its regional peers. The three other members of the Visegrad 4 group scored much better than Hungary, with Slovakia receiving 5 points more, Czechia 10 points more and Poland 12 points more than Hungary. On the other hand, the CPI score of the members of the Visegrad 4 group declined from 2019 to 2020, apart from Hungary, whose score stagnated, therefore the difference between these countries' perceived anticorruption performance decreased.

COVID-19: Not just a health and economic crisis, but a corruption crisis too

Based on the CPI's results, Transparency International's Secretariat in Berlin concluded that most countries have made little to no progress in tackling corruption in almost a decade and more than two-thirds of countries scored below 50 out of 100. The global anticorruption watchdog warned that even countries with higher scores on the CPI have had their fair share of corruption challenges, including a lack of transparency in public spending in response to COVID-19.

Delia Ferreira Rubio, Transparency International's chair stressed that "COVID-19 is not just a health and economic crisis. It's a corruption crisis. And one that we're currently failing to manage."

Destruction of the rule of law in the shade of the pandemic

As regards the state of play of rule of law in Hungary, the report concludes that the outbreak of the coronavirus pandemic and the government's response to the challenges accelerated the deconstruction of the country's democratic edifice. One of the examples to mention is the introduction of a rule by decree regime, which substantially broadened the government's room for manoeuvre. Moreover, the government revoked some of the competences of municipalities and diverted a non-negligible share of their revenues by the designation of so-called special economic zones and by depriving some of the municipalities' most important non-restricted financial

resources, such as vehicle tax and local business tax. The government used the need to combat the pandemic as an excuse to significantly curtail the accessibility of public interest information. Beside tripling the 15-day deadline set out in the law for servicing freedom of information requests, the government rewrote the constitutional definition of public funds in the Ninth Amendment to the Fundamental Law.

Cronyism still a key feature of the regime

The way Hungary's government manages the present crisis goes against economic theory and the practice of developed countries. Expenditure to secure jobs and to mitigate the social crisis remained low. „Besides policy considerations, the government's endeavour to use the pandemic as a pretext to further enrich business players belonging to its inner circle may explain these measures” – Mr Jozsef Peter Martin, TI-Hungary's executive director said, commenting on the latest CPI results. TI-Hungary's report exemplifies this trend by a variety of questionable transactions, such as the distribution of direct grants by Hungary's Tourism Agency, the overpriced procurement of life support devices and testers, the transformation of substantial amounts of public funds into private assets by conveying them to the boarding school 'Mathias Corvinus', and the fact that the magnitude of public funding to sports and churches exceeded the healthcare system's share of budgetary resources.

Efficient use of EU funds more important than ever before

TI-Hungary warns that the efficiency of EU grants dedicated to economic development during the 2014-2020 multiannual financial framework remained humble, and the proportion of single-bidder processes in public tendering was particularly high. Hungary receives in the 2021-2027 period around 40,6 billion euro worth of EU funding, which is way more than the sum of 32,1 billion euro received in the previous funding cycle, which makes it pivotal for the country to more efficiently use the EU grants.

About the Corruption Perceptions Index

The Corruption Perceptions Index (CPI) is prepared by the centre (Secretariat) of Transparency International (TI) in Berlin based on 13 surveys and analyses performed by 12 organisations. They measure corruption in the public sector by surveying the opinion of experts and businessmen on the corruption exposure of the public institutional system, the economy and society. Corresponding data was available on 180 countries in 2020, and Hungary was assessed based on 10 different sub-factors. TI defines the scores of the sub-factors on a scale from 0 to 100, where 0 marks highly corrupt countries and 100 those least affected. The secretariat of TI in Berlin calculates the index by weighting the average of the scores.

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