

Hungary remains the most corrupt country in the European Union, according to Transparency International's 2023 Corruption Perceptions Index

Press release

Budapest, 30 January 2024. Hungary retained its previous ranking as the European Union's most corrupt country, according to the 2023 edition of the Corruption Perceptions Index (CPI), published today. The CPI is compiled every year by the Berlin-based Secretariat of Transparency International (TI).

This is the second time Hungary finished last place in the EU, while its ranking on an international scale of 180 countries improved only by one place to the 76th.

While some of the judicial reforms implemented by the Hungarian government as a precondition for accessing EU funds can be regarded as steps in the right direction, in the absence of additional measures these reforms are insufficient to restore the rule of law and to weed out systemic corruption in Hungary, according to TI Hungary's country report released in Budapest on 30 January.

Once more, Hungary takes last place in the EU

Today's Corruption Perceptions Index (CPI) is the 29th published by the Berlin-based Secretariat of Transparency International (TI-S). It ranks countries based on the resilience of their public sector against corruption. Hungary received 42 points for its 2023 performance on a 100-point scale where 0 marks the highest level, and 100 the lowest level of perceived corruption. This puts Hungary in 76th place among 180 countries assessed worldwide, representing a slight improvement compared to its 2022 performance.

For the second time in a row, however, Hungary finished last place in the European Union. This results from a continuous downward trend: while the country ranked 19th in 2012, five years ago only Greece and Bulgaria finished behind Hungary. In 2020, Hungary shared the last place in the EU with Bulgaria and Romania, only to be outperformed in later years first by Romania and then by Bulgaria. The Visegrad4 countries have been performing way better than Hungary: with 57 points, Czechia is now in 16th place in the EU, while Poland and Slovakia are both in 19th place, with 54 points each.

Neighbouring countries' anti-corruption performance vary, with many of them outdoing Hungary in the CPI ranking. For example, Austria – a long-time model country for Hungary – received 29 more points for its 2023 anti-corruption performance, while Slovenia (with 56 points) had a 14-point, Slovakia (with 54 points) a 12-point, and Croatia (with 50 points) an 8-point advantage compared to Hungary.

The close "historic friendship" between Serbia and Hungary is also reflected in their CPI rankings: last year, the two countries finished just six points apart, while Ukraine got 36 points, the same as Serbia.

An independent justice system is key to tackling corruption

When comparing the latest CPI results with the Rule of Law Index compiled by the World Justice Project – an independent, multidisciplinary organization –, Transparency International's Berlin-based Secretariat (TI-S) found that countries with a poor CPI rating tend to have equally poor ranking in the Rule of Law Index. These findings led TI-S to establish a strong correlation between corruption and the lack of independence in a country's judicial system. Based on the 2023 findings, the organisation also concluded that judicial independence is deteriorating globally.

According to TI-S, the lack of judicial independence that characterises semi-authoritarian regimes helps perpetrators of corruption to remain unprosecuted.

„Corruption will continue to thrive until justice systems can punish wrongdoing and keep governments in check. Leaders should fully invest in and guarantee the independence of institutions that uphold the law and tackle corruption,” – said François Valérien, chair of Transparency International.

Slow progress on the milestones

In its annual report on the state of corruption in Hungary, TI Hungary provides an overview of the rule of law situation, the malfunctioning of the public procurement system, the impact of corruption on the economy, and the country’s access to EU funds.

The rule of law chapter concludes that the powers and mandate of both the Integrity Authority and of the Anti-Corruption Task Force – a consultative body helping the work of the Authority – are too limited. Both institutions were created in response to the rule of law conditions (milestones) set by the European Union as a pre-condition for Hungary to access billions of euros worth of EU funding between 2021 and 2027. TI Hungary is currently a member of the Anti-Corruption Task Force. The report also highlights that while Hungary – under pressure from the EU – has removed some of the biggest obstacles to accessing public interest information, the government in principle maintains its no-access policy.

For example, the government strengthened the rules for safeguarding business secrets and introduced almost half a dozen other new provisions at the at end of 2023 with the intention of blocking access to public interest data.

In the case of asset declarations, the 2022 reforms that followed decades of absurdly designed legal measures with zero improvement of transparency, actually made things worse compared to the starting point: people falling under the reporting obligation no longer have to include the real estate property they live in, and instead of disclosing all their income, it is now enough to indicate broadly defined ranges.

Thanks to a package of judicial reforms the Hungarian government implemented over the past year, the European Commission, in December 2023, unlocked €10,2 billion from Hungary’s frozen cohesion policy envelop. While the reforms scrapped several regulations seriously curtailing the independence of the courts, the package as such is still insufficient for restoring full autonomy. Overall, the reforms came too late: in the 14th year of Prime Minister Viktor Orbán’s “National System of Cooperation” (NER) – a governing style that became the synonym of corruption and cronyism –, the courts find it more and more difficult to fight off the pressure coming from the government.

TI Hungary also finds that the 2023 sovereignty protection law and the Sovereignty Protection Authority starting off just two days from now, are a waste of taxpayers’ money and they breach the Hungarian Constitution on several points.

Serious corruption, humble economic output

As in previous years, the report finds a strong correlation between European Union member countries’ economic growth – measured by the per capita gross domestic product (GDP) – and their CPI ranking.

“Hungary is the most corrupt country in the European Union, and it has a very moderate economic performance,” said József Péter Martin, executive director of TI Hungary. Presenting the latest CPI results and TI Hungary’s annual report, Mr Martin said that in terms of per capita GDP, Hungary surpasses only Bulgaria, Croatia, and Romania, while its peers in the group of the Visegrád4 countries – including Czechia, Poland and Slovakia – outperform Hungary.

“It is no surprise that the anti-corruption measures are half-hearted at best, because the Orbán-government’s primary goal has been to get the frozen EU funds unlocked, not to weed out corruption and rebuild the rule of law in Hungary,” József Péter Martin said.

For many years, until 2023, the Hungarian economy was characterised by a very high investment rate. But it is not necessarily good news, as the trend of high levels of investment in proportion to the GDP was coupled with moderate economic performance and weak productivity compared to Hungary's regional competitors.

No breakthrough in improving Hungary's public procurement system

TI Hungary concludes that neither the measures aimed at fighting corruption, nor stagnating investments – due to the freezing of EU funds – have triggered major changes in Hungary's public procurement market, which has become one of the main channels for redistributing public money based on political considerations.

TI Hungary believes that not even the full implementation of the EU's (super)milestones would solve the systemic problems in the public procurement system. While the number of single bid tenders have come down, this in itself is insufficient for restoring market conditions and competition, or to limit the high concentration in public tendering. The government's action plan for boosting competition is not very promising, either, and there are still loopholes in the system for publishing data relating to public procurement processes.

The bigger part of EU sources remains blocked

Thanks to the judicial reform, the EU unlocked €10,2 billion of cohesion policy funding for Hungary at the end of last year. However, the bigger part of the EU funds earmarked for Hungary between 2021 and 2027 – over €21 billion, including the loan part of the Recovery and Resilience Facility – remains frozen until Hungary fully complies with the anti-corruption and rule of law conditions set by the EU. The country also has to fully implement the provisions of the Charter of Fundamental Rights of the European Union in the areas the European Commission still considers problematic, including academic freedom, the rights of the LGBTQ+ community, and the asylum system.

About the Corruption Perceptions Index

The Corruption Perceptions Index scores 180 countries and territories around the world based on perceptions of public sector corruption, using 13 different data sources from 12 different institutions, including the World Bank, World Economic Forum, private risk and consulting companies, think tanks and others. The scores reflect the views of experts and businesspeople on numerous corrupt behaviours in the public sector, including bribery, state capture, nepotism in the civil service, and diversion of public funds. The data points are converted to a scale of 0-100 where 0 represents the highest level of perceived corruption, and 100 the lowest level of perceived corruption. The detailed description of the methodology can be found [here](#).

The process for calculating the CPI is regularly reviewed to make sure it is as robust and coherent as possible, most recently by the European Commission's Joint Research Centre in 2018. The document can be found [here](#).

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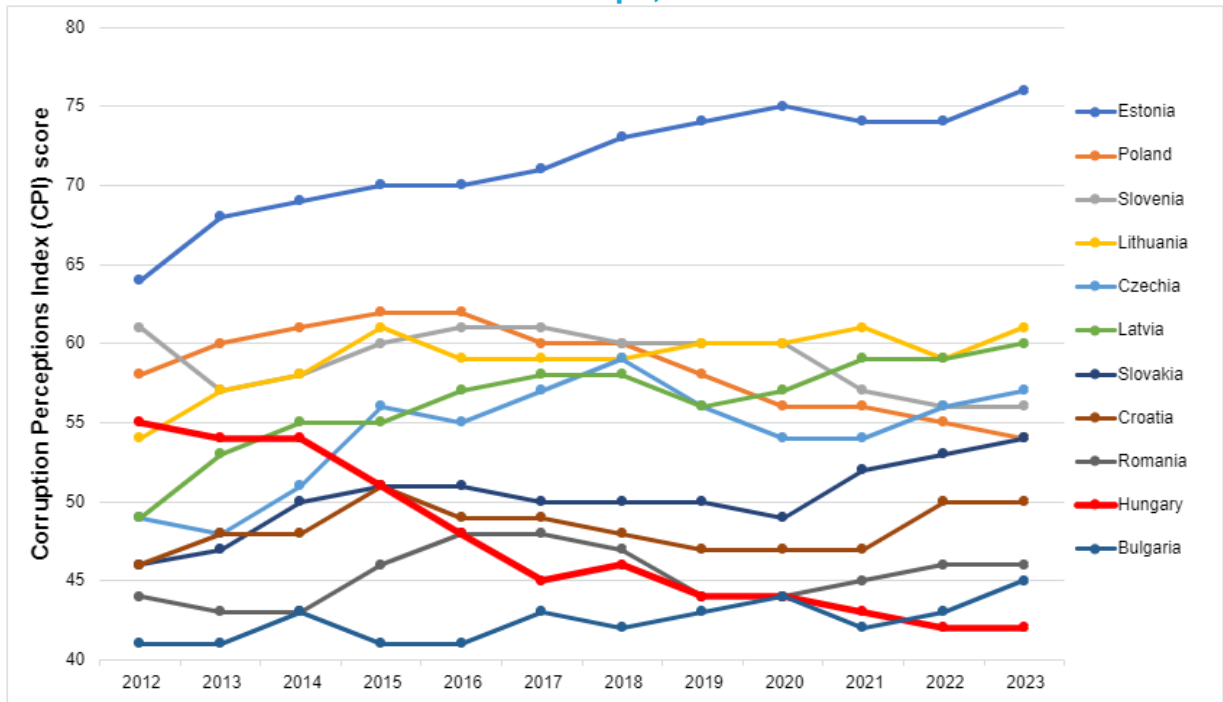
Tables and graphs

Corruption Perceptions Index scores in the European Union, 2023

Placement within the EU	Country	Score		Placement within the EU	Country	Score	
1.	Denmark	90	=	15.	Latvia	60	↑
2.	Finland	87	=	16.	Czech Republic	57	↑
3.	Sweden	82	↓	17.	Italy	56	=
4.	Netherlands	79	↓		Slovenia	56	=
5.	Germany	78	↓	19.	Poland	54	↓
	Luxembourg	78	↑		Slovakia	54	↑
7.	Ireland	77	=	21.	Cyprus	53	↑
8.	Estonia	76	↑	22.	Malta	51	=
9.	Belgium	73	=	23.	Croatia	50	=
10.	France	71	↓	24.	Greece	49	↓
	Austria	71	=	25.	Romania	46	=
12.	Lithuania	61	↓	26.	Bulgaria	45	↑
	Portugal	61	↓	27.	Hungary	42	=
14.	Spain	60	=				

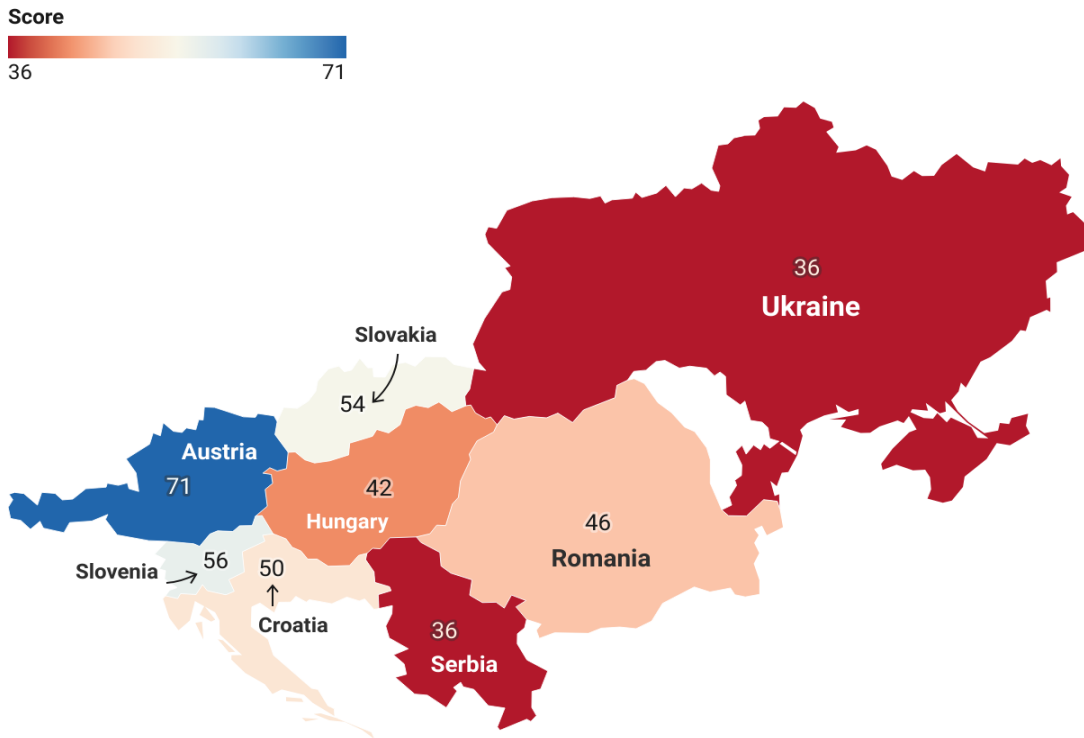
Source: TI Hungary calculations based on the Corruption Perceptions Index 2023. The column showing the ranking of countries shows the ranking within the European Union, not the global ranking, and the arrows indicate the direction of change relative to the country's score in the Corruption Perceptions Index in 2022.

CPI scores for Central and Eastern Europe, 2012-2023



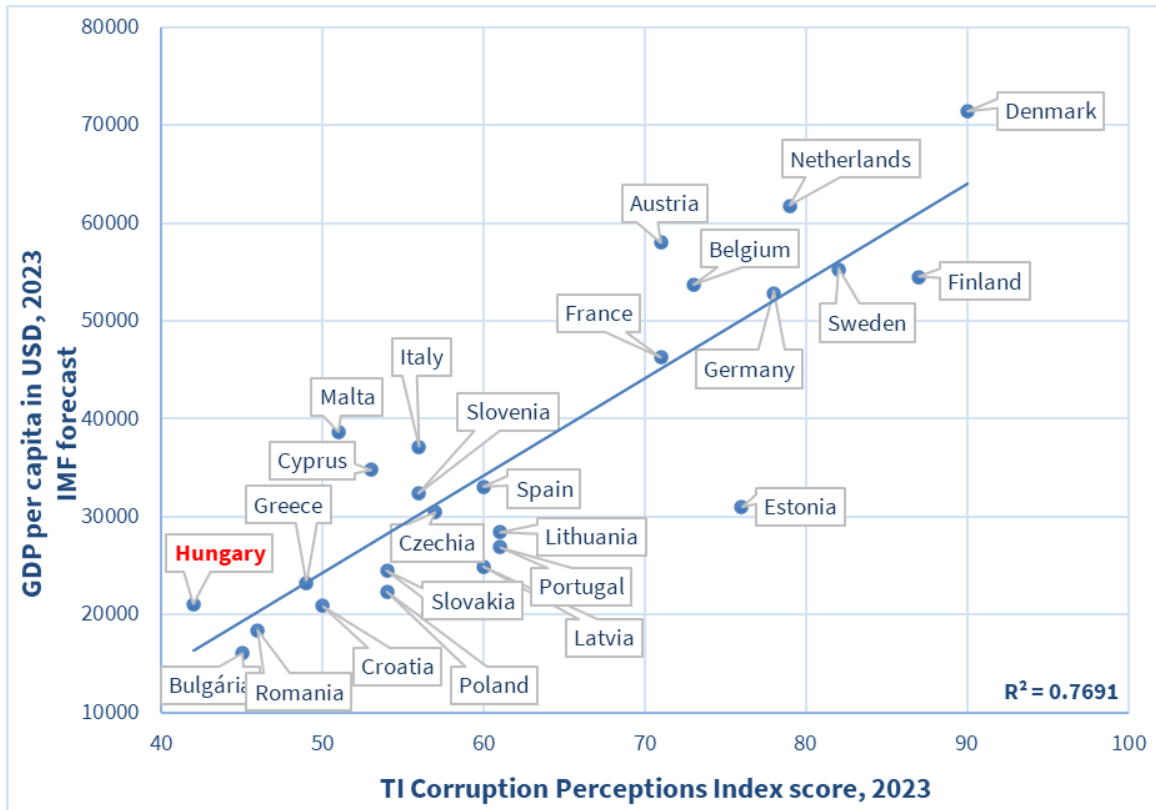
Source: TI Hungary calculations based on the Corruption Perceptions Index 2012-2023.

CPI scores for Hungary and neighboring countries (2023)



Source: TI Hungary calculations based on the Corruption Perceptions Index 2023.

GDP per capita in the EU Member States of Central and Eastern Europe, current prices, in US dollars, 2023



Source: TI Hungary calculations based on the Corruption Perceptions Index 2023 and IMF data. The higher the Corruption Perceptions Index score, the lower the exposure to corruption. Among the EU member states, Luxembourg (with 135,605 USD per capita GDP) and Ireland (with 112,248 USD per capita GDP) were excluded from the calculations, the former because of its special status, the latter because of its unique national accounts. The R² value shows the degree of correlation between the per capita GDP and the Corruption Perceptions Index score. It is 0.769, indicating a strong association between the two variables.