FIDESZ PIS AKP TABLE

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|  | FIDESZ | PIS | AKP | AKP after 2013 |  |
| Capitalize on economic dissatisfaction of voters | √  (after global crisis) | √  (after global crisis) | √  (after 2001 crisis) |  |  |
| Resist to IMF austerity programme | √ |  | Adopted IMF programme. |  |  |
| Nationalistic approach | √ | √ | - not clear | √ |  |
| Anti-immigrant | √ | √ | - | - |  |
| Euro-sceptic | √ | √ | Pro-Euro | √ |  |
| more nationalist economic strategy |  |  |  |  |  |
| establishment of an illiberal democracy  Search for an alternative model to western liberal democracy | Openly declared as the obj of government |  | Embrace liberal democracy and global competition | Not a clear fight against global competition  Not openly declared illiberal democracy |  |
| Policy shift to heterodox economic strategy | √ | √ |  | √ |  |
| Openness to Trade and FDI | \*dependent developmental path based on FDI-led export-oriented industrialisation  introducing new taxes in foreign investor-dominated sectors of the economy.  started to enact **‘crisis’ taxes** on the **retail, telecommunications and energy sectors**, which were dominated by foreign investors.  yet left the automotive manu- facturing sector untouched.  For attracting foreign direct investment, Orbán’s government lowered the corporate income tax to 9 per cent in 2017, the **lowest in the EU. (and flexibilize labor market)**  **generous investment incentives,** in the form of **tax incentives**, low-interest rate **loans** and **land** available for free or at reduced prices, as well as negotiation-based ‘VIP’ **subsidy opportunities** for investments greater than 10 million euro (HIPA 2017)  -introduced incentives to support R&D activities and technology intensive investments. in line with the govern- ment’s **innovation and industrial development** **Irinyi Plan (bu daha çok developmental state hikayesine benziyor)**  while also increasing the number of Hungarian suppliers in the higher value-added parts of FDI-controlled supply chains.  \*more than half of FDI in manufacturing **went into low- to medium low-tech- nology** intensive manufacturing (for example food processing, beverages sectors, consumer dur- ables).  \*the bulk of FDI in greenfield investment in the 2000s was in the **service sector, such as banking, telecommunications and IT** services.  increasing foothold of **FDI coming from the East, namely China, and Russia**.  Hungarian ‘Eastern Opening’ strategy: effort to decrease economic dependence on Western European investors and promote the national interests of the Hungarian economy (MFAT 2017  role of the state in assisting the development of the export capability of SMEs by creating state- owned trading houses in emerging economies to mediate between Hungarian SMEs and foreign buyers (Szunomar 2017) | introducing new taxes in foreign investor-dominated sectors of the economy.  Yet left the automotive manufacturing sector untouched.  - **Incentives for industrial development:** new system of **special economic zones (SEZ)**, where the **exemption from income tax** for companies that meet specific conditions is available throughout Poland for a period of 10 or 15 years.  -‘**Responsible Development Strategy’,:**  aims to address the middle-income trap by strengthening the position of domestic capital in relation to foreign investors and **supporting the production of innovative and high-value added products**  increasing foothold of **FDI coming from the East, namely China, and Russia**.  By 2016, Poland has become **China’s largest trade partner in the CEE region** and was the first European country to issue government debt in the Chinese bond market (Kuo 2017). | - Open to trade, no tax barriers  - Foreign capital was not in the form of FDI but mostly in hot money inflows.  -not support R&D activities and technology intensive investments. |  |  |
| decrease their dependency on foreign capital through the renationalisation of strategic sectors of the economy, | √ |  | Built foreign capital dependent structure | Not actually try to decrease foreign dependent structure |  |
| National competition emphasis | √ |  | - | √ |  |
|  |  |  |  |  |  |
| Restricting Banking regulation- for foreign capital | Introduced the highest bank levy in the world, mostly affecting the large foreign-owned institutions. (tax for foreign capital)  Orban’s government forced the banks to convert the foreign currency mortgages.  (Greater prevalence of foreign currency lending before the crisis. Thus tried to prevent this structure.)  Foreign currency’den kaçınılması ve bankacılık sektöründeki yabancı sahipliğinin azaltıması için önlemler | Despite criticism from the ECB and Poland’s central bank, the government imposed a levy on the banking and insurance sectors in 2016.  Instead of forcing banks to convert foreign currency loans into zloty,  requiring banks with portfolios of foreign currency mortgages to make quarterly payments into a **new mortgage relief fund,** which would help the borrowers to meet their financial obligations (Moody’s 2017). | -  Incentives for foreign capital.  Increased foreign ownership in banking sector. | -  Foreign ownership in banking sector continued to increase. |  |
| Foreign ownership in banking sector | By the end of 2017, the foreign ownership of the banking sector decreased from 80 per cent to just below 50 per cent, with two-thirds of the domestic share owned by the state (EBF 2018) | Try to Re-Polonise the banking sector: increased state control from 30 per cent to over 50 per cent (Miszerak and Rohac 2017). | Increased foreign ownership in banking sector. | Foreign ownership in banking sector continued to increase. |  |
| Nationalization of strategic sectors | state control of the domestic energy sector.  ENI EON gibi şirketlerin ülkede lisanslarını state’e geri vererek çekilmeleri.  nationalised smaller **air transport companies,** a mass transportation company Pécsi Közlekedési Zrt and the **telecommunications company** Antenna Hungaria.  took control of small firms in the **meat industry**, and the **automotive company** | -  the PiS government in Poland took a **less combative** approach and was more willing to listen to the recommendations of the EC and private investors.  BUT It also introduced a turn-over based **tax** on the **retail sector**, domi- nated by **big foreign-owned supermarket chains.**  **domestic energy sector, the government increased its control after the state-owned PGE bought the assets that were owned by France’s EDF** | -  Enerji sektörü ve telekominakasyonun özelleştirilmesi | -  Enerji, ulaşım ve sağlık sektörlerinde özelleştirme ve bunların bir grup işadamı eliyle yürütülmesi devlet kontrolü gibi görünse de amaç development değil |  |
| Force sector to finance government |  | the government ordered state-run utility companies to reduce or stop paying dividends in order to increase investment and help finance government spending needs**.** |  | Force companies to make donations, creating employment |  |
| Nationalization of funds | Nationalized all pension funds. | nationalised 25 per cent of the assets held by the mandatory second-pillar private pension funds (OFEs) and transferred the rest into new mutual funds.  (bir önceki hük de %51’ini millileştirmiş) | - | - |  |
| Macroeconomic policy-making |  |  |  |  |  |
| CB Independence | undermining central bank independence | refrained from impinging on the independence of the central bank NBP.  Yet, the government appointed Adam Glapiński in 2016, a former economic advisor to the late president Lech Kaczyński, as the new central bank’s governor, | - | undermining central bank independence |  |
| Fiscal Discipline | abiding by fiscal discipline  Following the ‘Structural Reform Programme 2011 – 2014  Since 2011, Government debt/GDP ratio has declined from 79.7 % to 73.9 per cent in 2016 and 70.9 % by 2019.  achieved through fiscal consolidation and ‘the declining share of foreign owned and foreign currency denominated debt’ (EC 2018a, p. 14  **government budget deficit below 3 per cent** of GDP  −1.9 per cent of GDP in 2016 | As always, debt-to-GDP ratio has stayed below 60 per cent  increased to 54.11 per cent, raising the medium-term fiscal sustainability risks. (bir önceki hük. Zamanında %50 imiş)  due to the **public spending increases** to **fund election pledges**, the **structural deficit** is predicted to increase (EC 2018b, p. 8, 18). potential **shift from the strict fiscal policies** of previous governments. | abiding by fiscal discipline  Structural Reform Program | - increased public spending  **-shift from the strict fiscal policies from previous term** |  |
| Monetary Policy | outside the Eurozone, had more policy room  Orban’s government appointed his own Minister of Economy, as the new governor of the central bank MNB in 2013  **looser monetary** policy in order to **stimulate the economy** and encourage lending, by **gradually reducing the key interest rate from 7 per cent to 1** per cent in 2016.  maintaining the 3 per cent medium-term inflation target  (Bunu dünyada liquidity glut’ın azaldığı, Eur bölgesinin krizde olduğu dire economic conditions’da yapabildiler)  **currency devaluation:** part of a wider non-orthodox economic policy after the Orbán-backed central bank governor took over in 2013. | outside the Eurozone, had more policy room  More orthodox MP  Conservative monetary policy keep the key interest rate at 1.5 per cent, while pursuing the medium-term inflation target at 2.5 per cent | More orthodox MP  -reduce interest rate and encourage lending  -Inflation target maintained | -innovative MP  -try to reduce interest rate and encourage lending (as the exchange rates and inflation lets)  -Inflation skyrocketed, thus manipulated |  |
| Trying to decrease foreign capital dependent structure | Greater prevalence of foreign currency lending before the crisis. Thus tried to prevent this structure.  Through Self-Financing Programme, the MNB encouraged banks to invest their excess liquidity in **liquidity securities** and this way contribute to **reducing the country’s external vulnerability** |  |  |  |  |
| Ease credit conditions | unconventional monetary policy instruments by restructuring the MNB’s active balance sheet, such as introducing the Funding for Growth Scheme (FGS) and the Market-Based Lending Scheme (MLS) to support SMEs in accessing credit |  |  | -force public banks to extend cheaper credits  -force CB reduce ir  -manipulate liquidity through swaps  -BRSA regulations |  |
| **support SMEs in accessing credit** | Through introducing the Funding for Growth Scheme (FGS) and the Market-Based Lending Scheme (MLS) |  |  | -through Kredi Garanti Fonu |  |
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| **Social Policy** | pursued a starkly anti-poor and workfarist agenda  But flexibilize labor market | flagship electoral pledges to increase social spending | -increased social spending | -not much increased social spending |  |
|  | -constitutional amendment, the government granted power to local authorities to **criminalise home- lessness.**  **-family tax allowance for working families, where families with two children to**  **the age of 20** | ‘Family 500+’ programme  disperses a **monthly child benefit** of 500 zlotys (around £90) to Polish families for every second and subsequent child up to the age of 18, and to low-income families with one child  reversed the previous government’s unpopular decision to **increase retirement age** and lowered it back to 60 for women and 65 for men | -increased retirement age |  |  |
| **Wage and unemployment** | **Unemployment insurance** has been reduced from 9 to a maximum of 3 months.  compensation for low-income earners has been eliminated and active labour market policies have been replaced with a **public works programme**, which pays at **70 per cent of the national minimum wage** and is tied to **eligibility for social assistance.**  **a flat income tax of 15 per cent, while increasing the minimum wage in 2012 by 19 per cent in order to compensate low-income workers (Myant et al. 2013, p. 407).** | -curb the use of atypical work arrangements  -introduced a new minimum hourly wage at 13 zloty | -Min wage increased yet  -Unemployment increased  - Income inequality further deteriorated. | -Min wage increased yet  -Unemployment increased  -Income inequality further deteriorated. |  |
| **Structural factors** | **Dependent mode of integration**  the neoliberal regulatory regimes established at the EU level  at the global level (for example, the World Trade Organisation rules and IMF conditionality) | Dependent mode of integration  the neoliberal regulatory regimes established at the EU level | Dependent mode of integration  the neoliberal regulatory regimes at global level (IMF conditionality) | Dependent mode of integration |  |
|  | **transnationality index,1** which is a useful measure of the degree of integration of a particular country within the world economy, Hungary consistently had a higher rate of FDI participation.  **dependent financialisation**, as banks **relied heavily on external financing** before the crisis and households accumulated large foreign-denominated debts to purchase homes or consumer durables (Becker and Jäger 2010, p. 15, Myant et al. 2013, p. 403)  **market-constraining state interventionism in some areas** of economic policy-making at the national level (banking, energy sector, media), the alternative economic strategy is still **embedded within neo- liberal regulatory frameworks** at the EU and global level.  market-disciplinary power of EU institutions acted as a buffer | market-constraining state interventionism in some areas of economic policy-making at the national level (banking, energy sector, media), the alternative economic strategy is still embedded within neo- liberal regulatory frameworks at the EU and global level. |  |  |  |
| Privatization | by faster and more extensive privatisation processes in Hungary in the early 1990s,  By the time of the 2008 financial crisis, Hungary’s scale of state ownership was smaller than the EU average. (when compared to the new EU member states in CEE)  (o yüzden nationalization’a geri dönüyor.)  the direct **control of the state over business enterprises has decreased** significantly in Hungary between 1998 and 2013,  Hungary privatised its major state-owned enterprises in the energy sector, manufacturing, food processing and chemistry in the 1990s.  Thus Orbán’s regime was more aggressive in its approach to renationalisation of privatised companies as part of its economic strategy compared to the PiS government | Poland followed only in the late 1990s.  in Poland the direct **control of the state over business enterprises** has remained almost the same between 1998 and 2013 (EC 2016, 17).  over 300 state-owned enterprises (SOEs) in 2012,  Poland still had major state-owned enterprises in the airline, energy, banking, chemical, insurance, military, oil and rail industries by the end of its transition. | Most of the privatizations during the AKP term.  (özelleştirmenin bayraktarı zaten) |  |  |