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SSA paper

Did not applying for the loan part of RRF-funds make sense? An AMT-based analysis of a Hungarian government official's argumentation

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Nyilatkozatok

1. Alulírott Nagy Márton, nyilatkozom, hogy jelen dolgozat saját szellemi termékem, önálló munkám eredménye. A dolgozat készítése során betartottam a hivatkozásokra vonatkozó szabályokat, a szó szerinti idézéseket idézőjellel is jelöltem. Jelöltem azt is, ahol saját korábbi munkáimból használtam fel részleteket. Tudomásul veszem, hogy a plágiumot elkövető hallgatóval szemben fegyelmi eljárás indítható.
2. Alulírott Nagy Márton, nyilatkozom, hogy a dolgozatban szereplő adatokat jogszerűen használtam fel. Tudomásul veszem, hogy a dolgozat titkosítására nincs lehetőség.

Budapest, 2022. 11. 27.

Nagy Márton

Absztrakt

A COVID-19 pandémia által okozott gazdasági visszaesésre adott válaszul az Európai Unió (EU) egy 750 milliárd eurós, NextGenerationEU (NGEU) elnevezésű, példa nélküli gazdasági eszköz kivitelezése mellett döntött, mely az európai gazdaságok gyors beindítását és megreformálását célozza. Magyarország az NGEU Helyreállítási és Rezilienciaépítési Eszközének (RRF) keretein belül 5,4 milliárd euró vissza nem térítendő támogatást, és 9,1 milliárd euró kedvező feltételű hitelt hívhatott le. A magyar kormány úgy döntött, hogy nem hívja le az RRF hitelkomponensét 2021 májusában, és a döntést részletes érveléssel igyekezett alátámasztani. A dolgozat célja ezen érvelés Ágostházy Szabolcs által előadott verziójának érveléstechnikai jellemzőinek feltárása. A dolgozat ezen kérdésre az Argumentum Model of Topics módszertani keretei szerint keres választ, mely egy érvrekonstrukciós módszertan, ami világossá teszi a materiális és procedurális kiindulópontok közti következtetéses kapcsolatot. A dolgozat tudományos hozzájárulása az Ágostházy által előadott érvelés teljeskörű rekonstrukciója és az érvelés tárgyi tartalmának elemzése az NGEU és az uniós költségvetés átfogó bemutatására támaszkodva. A dolgozat feltárja az Ágostházy által előadott hat érvet, és rámutat, hogy ezek természetükben különböznek a szakirodalom alapján megfogalmazható várakozástól, mivel egy sem követ analógián alapuló sémát. Az érvelés rekonstrukcióján és elemzésén keresztül a dolgozat azonosítja, hogy a lehetséges negatív hatások és tulajdonságok miatt nem támogatta a magyar kormány az RRF-hiteleket, azaz az erre vonatkozó döntés főként technikai volt, és nem állt kapcsolatban az uniós intézmények és a magyar kormány közti általános vitákkal.

Abstract

To react to the economic downturn caused by the COVID-19 pandemic, the European Union (EU) decided to roll out an unprecedented, 750-billion-euro economic tool, named the NextGenerationEU-package (NGEU), aiming to kickstart and reform European economies. Hungary could apply for 5.4 billion euros in grants and 9.1 billion euros in loans at favourable conditions under the Recovery and Resilience Facility (RRF) of NGEU. The Hungarian government decided not to apply for the loan part of the RRF in May 2021 and tried to support this decision with detailed argumentation. The aim of this paper is to uncover the argumentation technical characteristics of this argumentation as presented in an interview given by Szabolcs Ágostházy, a deputy secretary of state. This paper seeks an answer to this question by employing the methodological framework of the Argumentum Model of Topics, which is a methodology to reconstruct arguments while explicitly stating the inferential connection between tha material and procedural starting points of the argument. The academic contribution of this paper is a complete reconstruction of Mr Ágostházy's argumentation as well as an analysis of the material contents of the arguments, relying on a detailed overview of the NGEU and the EU's budget. This paper uncovers the six arguments advanced by Mr Ágostházy and points out that their nature differs from the expectation set by the literature as none follow an analogous scheme. Through the reconstruction and analysis of the argumentation it was also identified that it was the possible negative consequences and characteristics of the RRF-loans that made the Hungarian government disfavour them, and thus this decision was mainly technical and was not connected to the general disputes between the European institutions and the Hungarian government.

Contents

1. Introduction

At the end of 2020, amidst the raging COVID-19 pandemic, the institutions of the European Union (EU) came to an agreement concerning the next Multiannual Financial Framework (MFF), that is the budget of the European Union for the 2021-2027 period. In addition to the MFF, the European institutions decided to launch a new package called the NextGenerationEU (NGEU), aiming to kickstart the economies of the Member States after the recession caused by the pandemic (Rodríguez, 2021). The size of the NGEU is 750 billion euros in 2018 prices, that is roughly 70 percent of the MFF package alone (European Commission, 2021b). Apart from its sheer size, another peculiarity of the NGEU package is that the European Union will raise the funds directly from the financial markets, leading to the mutualization of debt between the Member States (European Commission, 2021b). Part of the funds of the NGEU will be distributed as grants among the Member States, whereas another chunk will be used to provide loans to the Member States at an interest rate that is much more favourable than most Member States could get on the financial markets (Rodríguez, 2021). The NGEU will also contribute to certain other EU policies.

This paper will mainly focus on the loan part of the NGEU-funds under the Recovery and Resilience Facility (RRF), and it will examine the Hungarian government's approach towards these loans in detail. The research question that this paper aims to answer is to examine, what are the argumentation technical characteristics of the argumentation put forward by Szabolcs Ágostházy vis-à-vis the fact, that Hungary decided not to apply for the loan part of the Recovery and Resilience Facility's funds at that time.

This paper contributes to the existing literature by uncovering the arguments used by Mr Ágostházy and the structure in which they are connected. This paper also provides a brief analysis of the material content of the arguments used. The recontruction and analysis of the argumentation is based on the Argumentum Model of Topics framework. This methodology can be seen as a tool to reconstruct arguments by making the inferential connection between the material and procedural stating points explicit. This framework was chosen as it was previously shown by Rigotti and Palmieri (2010) that it is applicable to argumentations advanced in a financial-economic context.

The findings of this paper are twofold. First, it was uncovered that the argumentation advanced by Mr Ágostházy differs from what could have been expected based on the literature, as it does not present any arguments based on analogies. Rather, the arguments mainly focus

on the possible negative consequences and the negatively deemed characteristics of the RRF-loans. These findings point to the direction that the Hungarian government's decision on not taking the loans was mainly technical and not connected to the general disputes of the Hungarian administration with the European institutions. This suggestion is however limited by the fact that one cannot make sure that the arguments put forward by Mr Ágostházy are identical to those advanced by other government officials behind closed doors.

This paper is divided into the following further sections. First, the existing literature on the topic of the MFF and the NGEU-funds will be reviewed, and – in order to have the necessary background information needed to assess the Hungarian government's argumentation – an overview of the national recovery and resilience plans of the different Member States and of Hungary will be presented. Then, the methodological framework used to reconstruct the argumentation will be presented and the reconstruction of the argumentation will be performed, which will be analysed afterwards. Lastly, the main findings of this paper and possible directions for further research will be summed up in the conclusion section.

2. The budgetary solutions of the European integration

The available literature on the topic of the Multiannual Financial Framework is rather vast given that the European integration came into existence more the seven decades ago. In the following few paragraphs, a brief overview of the now conventional budgetary approach of the Multiannual Financial Framework will be presented. Then, the existing literature on the new top-up package to the budget will be introduced, that is the NextGenerationEU-deal.

2.1. The Multiannual Financial Framework

The first multiannual budgetary framework was agreed upon in 1988, as described by Benedotto (2019). This new arrangement "*has provided great stability to the negotiation of the budget and put an end to the interinstitutional conflicts of the previous stages*" (Rodríguez, 2021, p. 171). To date – including the current Multiannual Financial Framework between 2021 and 2027 – there have been six MFFs (Delasnerie, 2022). The concrete legal basis for setting up an MFF is set out in Article 312 of the Consolidated version of the Treaty on the Functioning of the European Union (TFEU). According to this article, there is only a lower limit for the duration of a MFF – *"[i]t [the MFF] shall be established for a period of at least five years"* (TFEU, Art. 312(1)).

As far as the structural evolution of the budget is concerned, Kengyel (2016) notes, that a gradual change is noticeable in the spending areas of the budget. At first, the CAP was the main spending element, but the importance of the ERDF (or rather Cohesion Policy in a broader sense) increased gradually. These two policy areas' budgetary shares remained relatively constant "*at around 70-80% of the total spending*" (Kengyel, 2016, p. 101). Boiar (2019, p. 354) writes however, that even though these are the main spending areas of the European Union, this is not in line with the "*priorities of the European integration*".

It is important to note – as described by Delasnerie (2022, para. 4) – that the Treaty of Lisbon changed the nature of the MFF from being "*an interinstitutional agreement*" to "*a Council regulation subject to the consent of the European Parliament*". The MFF is adopted in a special budgetary procedure the description of which is out of the scope of this paper.

According to the TFEU, Art. 312(1), the MFF must be a balanced budget, that is the European Union's expenditures must fall "*within the limits of its own resources*". These own resources are as follows (Vojtech, 2021, p. 30): "*traditional own resources […], own resource*

based on value added tax […], own resource based on gross national income […], [o]ther sources of income".

2.1.1. The Multiannual Financial Framework of the 2021-2027 period

The traditional system of own resources has been altered in two ways by the adoption of the MFF between 2021 and 2027[1]. First, a new type of own resource was introduced that is based on non-recycled package waste. Matthijs (2022, p. 15) goes as far as calling this "*the first environmental tax concerning the European budget*". Second, the new MFF gave the right to the European Commission to borrow a relatively large amount of money on the financial markets on behalf of the European Union. "*[T]he size of this temporary programme, […] and its use to finance grants to Member States, are unprecedented for the EU"* (European Commission's Directorate-General for Budget, 2021, p. 13).

The spending side of the current MFF can be broken up into seven main headings, as presented in Figure 1. From this one can observe that the current MFF continues the trend observed by Kengyel (2016). That is, Cohesion Policy and Common Agricultural Policy are still the biggest policy areas by spending, representing 62 percent of total spending together – this figure is however a bit lower than the historical observation of 70-80 percent by Kengyel (2016). Boneva and Petkov (2020, p. 256) summarize this change by saying that "*the cohesion policy and the common agricultural policy are seriously cut not only because of Brexit but also due to the redirection of budget resources to other priorities such as migration management, border control and security instruments*".

When assessing the size of the current MFF, one must also add, that the biggest part of the NextGenerationEU funds – 721.9 billion euros in 2018 prices – will be used in line with the policy areas of the Cohesion, Resilience and Values heading. A small part will also go to the

[1] *The existing literature is mixed whether it uses the term MFF to refer to both the long-term budget and the NextGenerationEU-funds or only the long-term budget. To avoid confusion, this paper will refer to only the long-term budget by MFF, unless stated explicitly otherwise. Moreover, 2018 prices will be used throughout the paper to make comparison easier.*

Natural Resources and Environment (17.5 billion euros) and to the Single Market, Innovation and Digital heading (11.6 billion euros) (European Commission, 2021a).

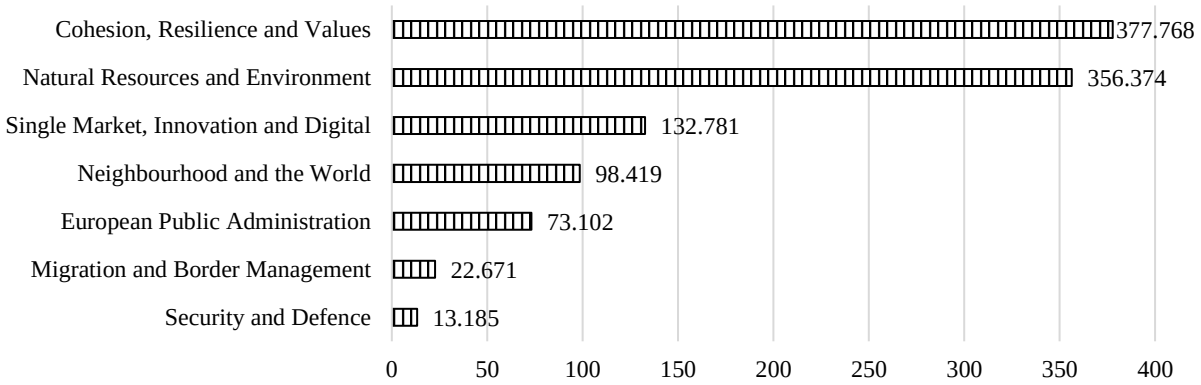

Figure 1: Total spending of the MFF 2021-2027 by headings, EUR billion, 2018 prices

Source: own figure based on European Commission (2021a and 2021b) data

2.2. The NextGenerationEU-funds

The NextGenerationEU-package (NGEU) is an unprecedented economic instrument in the history of the European integration aiming to "*help repair the immediate economic and social damage caused by the coronavirus pandemic and make the EU fit for the future*" (European Commission, 2021b, p. 8). The package will be rolled out over three years and is quite notable in its size relative to the traditional MFF (roughly 70 percent, or 750 billion euros compared to 1.074 trillion euros) (European Commission, 2021b).

The twofold goal of the package is represented also in the name of the cornerstone instrument of the NGEU-package, that is the *Recovery and Resilience Facility* (RRF). Rodríguez (2021, p. 175) even calls this a "*well-timed step to support the recovery in Europe*". The RRF falls under the *Cohesion, Resilience and Values* heading of the MFF (European Commission, 2021a). Furthermore, Rodríguez (2021, p. 176) writes that "*[t]he distribution of funds will take into account the uneven effects of COVID-19 across countries*" and that "*NGEU will be strongly redistributive*". The RRF is the flagship instrument of the NGEU as it represents a total of 672.5 billion euros (312.5 billion in grants and an additional 360 billion in loans) (European Commission, 2021a). The NGEU also contributes to other programs of the European Union. For a complete list of these programs, refer to Figure 2. Even though these additional funds represent a serious reinforcement of these policy areas, the analysis of the effects of NGEU on these policies is out of the scope of this paper. The analysis of the RRF will follow in the next two sections.

NGEU is not only unique and unprecedented in its goals and functioning, but also in the way it is financed. The European Commission will raise funds directly on the financial markets. 70 percent of debt will be issues by the end of 2022 and the additional 30 percent by the end of 2023 (Rodríguez, 2021). This scheduling is also present in when the RRF-funds should be made available (Regulation 2021/241/EU, Article 12). The economic rationale behind the European Union issuing bonds as a sui generis legal entity is that these bonds "*are expected to receive a high grade from rating agencies*" (Rodríguez, 2021, p. 178), meaning that the cost of debt will be lower than the one Member States could get on financial markets on their own. The novelty of the financing solution of the NGEU-package is grasped by Veselinovič (2022, pp. 681–682) by writing that "*[t]he EU […] is a contractual association of member states. Therefore, this EU budget innovation is even more revolutionary for financial institutions – lenders to the EU. They will have claims against someone «special» in their assets for the first time*".

To repay this debt, the European Union decided to increase the ceilings for own resources to 2 percent of EU GNI – this means, that the EU has increased capacity to ask for Member States' contribution to repay the debt outstanding (Rodríguez, 2021). This increased ceiling will be in place until all the debt is repaid (2058 the latest) (European Commission, 2021a). European Commission (2021b, p. 22) also adds, that *"[t]o help repayments, the EU will look into introducing new own resources to the EU budget"*. For a schematic overview of the functioning of the NGEU-package, refer to Figure 2.

According to Regulation 2021/241/EU, Article 18 (4) e-f, at least 37 percent of the RRF must go to fight climate change and at least 20 percent of the RRF must foster digital transformation. This means that national governments must allocate at least these proportions to projects that contribute to the attainment of these goals in their national recovery and resilience plans (RRF-plans). Other than these quantitative thresholds, there are four other pillars of the RRF: smart, sustainable and inclusive growth; social and territorial cohesion; health, and economic, social and institutional resilience; and policies for next generation (Regulation 2021/241/EU, Article 3).

To access the RRF-funds, Member States first have to present their national RRF-plans to the European Commission, describing reforms and investments to be carried out by the end of 2026 (European Commission, 2022a). "*Each plan should effectively address challenges identified in the European Semester, particularly the country-specific recommendations of 2019 and 2020 adopted by the Council*" (European Commission, 2022a, para. 12). After the national plan is approved by the European Commission and the Council of the European Union, Member States can get a maximum of 13 percent of the total support to jump-start the rolling out of the plan (Regulation 2021/241/EU, Article 13). The remaining parts are disbursed after the successful achievement of pre-determined milestones and targets in the national RRF-plans (European Commission, 2022a).

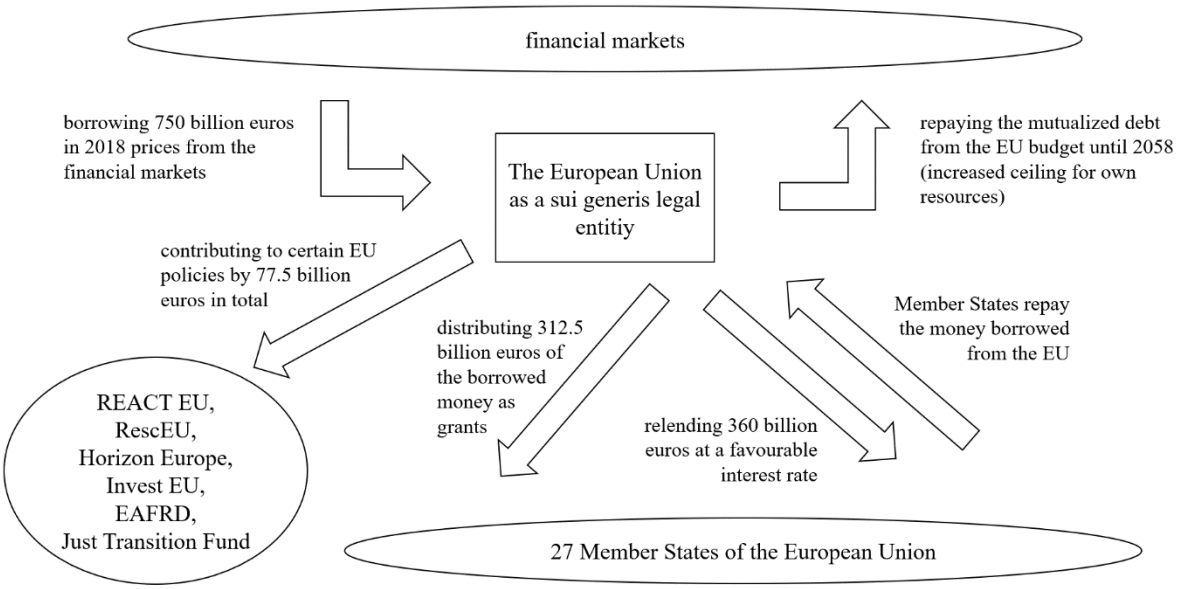

Figure 2: The schematic functioning of the NextGerationEU-package

Source. own figure

2.2.1. The grant part of the RRF-funds

As described above, the Recovery and Resilience Facility is divided into two parts. First, the grant part of the package will be presented, representing 312.5 billion euros in 2018 prices.

This leg of the RRF is strongly redistributive, as *"[t]he allocation key for 2021-2022 will consider for each country its population, the inverse of GDP per capita and the relative unemployment rate over the past 5 years*" (Rodríguez, 2021, p. 176). The allocation key for 2023 will change in a way that "*the unemployment criterion will be replaced, in equal proportion, by real GDP growth in 2020 and over the period 2020-2021*" (Rodríguez, 2021, p. 176). According to these criteria, the maximum grant amounts by country can be seen in

Table 1. The legal basis for the grant part of the RRF is set out in Art. 6(1)a and Art. 11–12. of Regulation 2021/241/EU.

Table 1: Maximum grant allocation of the RRF by country, EUR billion, 2018 prices

	70 % (available by the end of 2022)*	30 % (available by the end of 2023)**
Austria	2.1	1.4
Belgium	3.4	0.8
Bulgaria	4.3	1.0
Croatia	4.3	0.8
Cyprus	0.8	0.1
Czechia	3.3	3.8
Denmark	1.2	0.1
Estonia	0.7	0.1
Finland	1.5	0.2
France	22.7	11.9
Germany	15.2	10.6
Greece	12.6	3.5
Hungary	4.3	1.1
Ireland	0.9	0.0
Italy	44.7	19.1
Latvia	1.5	0.2
Lithuania	2.0	0.0
Luxembourg	0.1	0.0
Malta	0.2	0.1
Netherlands	3.7	0.7
Poland	18.9	2.0
Portugal	9.1	5.2
Romania	9.5	1.7
Slovakia	4.3	1.2
Slovenia	1.2	0.2
Spain	43.5	27.8
Sweden	2.7	0.2

Sources: own compilation based on data from European Commission (2021b, p. 61) and European Commission (2022b, p. 1)

*Additional information: *Data presented as in European Commission (2021b, p. 61)*

***Data of European Commission (2021b, p. 61) is updated according to European Commission (2022b, p. 1) Hungary's grant allocation decreased by 1.2 billion euros (in 2018 prices) due to this update.*

2.2.2. The loan part of the RRF-funds

The second leg of the Recovery and Resilience Facility is the loan part, amounting to 360 billion euros in 2018 prices (Regulation 2021/241/EU, Article 6 (1)b). The exact rules for the loans provided by the EU for the Member States under the RRF are set out in Articles 14 and 15 of Regulation 2021/241/EU.

As for the application for the loans, a Member State can request them either when first submitting its national RRF-plan, or anytime later (by a revised national RRF-plan) until 31 August 2023 (Regulation 2021/241/EU, Article 14(2)). The maximum amount a country can

ask for in loans is 6.8 percent of its 2019 GNI in current prices (Regulation 2021/241/EU, Article 14(5)). For the maximum amount of loans requestable by Member States, refer to Table 2. The functioning of the loan facility is similar to that of the grants, meaning that payments are tied to achieving pre-determined milestones and targets (Regulation 2021/241/EU, Article 14(7)).

According to Article 15(2) of Regulation 2021/241/EU, the maturity, the pricing and the repayment schedule are all subject to the individual loan agreements between the Member States and the European Commission. As the loan leg is also financed by the issuance of bonds by the European Commission, this gives room for the European Commission to decide on interest rates on a country-by-country basis, adjusting for different macroeconomic conditions of the countries, but still providing loans cheaper than it would be available on the financial markets for the Member States.

Table 2: Maximum amount of loans under the RRF by country, EUR billion, 2018 prices

Austria	25.6	Italy	115.7
Belgium	30.9	Latvia	1.9
Bulgaria	4.0	Lithuania	3.0
Croatia	3.5	Luxembourg	2.5
Cyprus	1.4	Malta	0.8
Czechia	13.5	Netherlands	52.1
Denmark	20.6	Poland	32.8
Estonia	1.8	Portugal	13.4
Finland	15.5	Romania	14.1
France	158.7	Slovakia	5.9
Germany	227.0	Slovenia	3.0
Greece	11.7	Spain	79.9
Hungary	9.1	Sweden	31.3
Ireland	17.6		

Source: own calculation based on Darvas et al. (2021).

Additional information: Values are converted to 2018 prices by using the standard 2 percent inflation rate as proposed in European Commission documents (e.g., European Commission, 2021b).

2.2.3. Assessing the economic potency of the RRF-funds

As there is no empirical data available on the economic effects of the RRF-funds yet, one might only assess their potency by examining expert forecasts. Monés (2021, p. 198) writes that "*[b]ecause of its size and commitment schedule, NGEU should not be seen as a short-term countercyclical spending tool, but rather as a structural instrument*" that might be able to steer European economies to a new direction. Monés (2021, p. 199) argues that "*[r]ather than agreeing on large laundry lists of reforms that will never be implemented, the process should serve to select two or three truly binding constraints for growth in areas were reform is actually*

politically viable". This recommendation is in line with the six-pillar structure of the NGEU, with a special emphasis on fighting climate change and digital transformation of European economies. However, Monés (2021) doubts, that NGEU would be more successful in achieving reforms than former, similar attempts were.

Rodríguez (2021, p. 180 and p. 191) sets out a more positive tone, when writing, that the RRF-funds "*will be concentrated in the most affected areas of the EU, helping to balance divergences between Member States and to prepare the economies for the future*" and that "*NGEU is a great opportunity for Europe to go ahead with integration and financial stability*".

The European Commission's (2022, para. 2) assessment is also optimistic, as they believe that "*[t]he RRF helps the EU achieve its target of climate neutrality by 2050 and sets Europe on a path of digital transition, creating jobs and spurring growth in the process*". Pfeiffer et al. (2021, p. 25) even quantify the effect of the NGEU by forecasting a roughly 1.5 percent GDP increase on an EU-level compared to a scenario without the NGEU. Darvas et al. (2021, para. 13) contribute to the literature by saying that "*the cross-country allocation of grants strongly depends on the level of development, suggesting that RRF could contribute to convergence on the part of poorer countries*".

2.3. An international outlook: overview of the RRF-plans of the EU Member States

The official deadline for submitting the first versions of the national recovery and resilience plans to the European Commission was 30 April 2021 (Regulation 2021/241/EU, Article 18(3)). Many countries turned up later than this with their first plans, which nonetheless entailed no consequences other than getting to the funds a bit later.

In the following a general overview of the national recovery and resilience plans' contents and key spending areas will be presented. Special emphasis will be put on briefly presenting separately the countries that opted for applying for the loan part of the RRF and those that opted for not applying. While the Hungarian recovery and resilience plan is included in the data presented here, this plan will also be presented in detail in Section 2.4. of this paper.

2.3.1. A general overview of the plans and key spending areas

As noted by European Commission (2021a), the thresholds concerning the fight against climate change and digital transition have both been achieved, as 39.9 percent of the presented spending in the national RRF-plans will go to the fight against climate change (as opposed to

the 37 percent target), and 26.4 percent will go for digital transition (as opposed to the 20 percent target). However, Darvas et al. (2021, para. 8) remarks the possibility, that some of the spending labelled as climate or digital spending may not comply "*with the relevant taxonomy of the RRF Regulation*". They also add that some of the spending may have already been planned before the pandemic, so the RRF may just provide an alternative source of financing for these plans (Darvas et al., 2021).

As outlined in Article 19 and Annex V of Regulation 2021/241/EU, the European Commission has a time limit of two months to assess the submitted national RRF-plans. This assessment is based on eleven criteria, each of which is rated on an A to C scale, where A means the criterion is met to a large extent, B means the criterion is met to a moderate extent, and C means the criterion is met to a small extent (Regulation 2021/241/EU Annex V (2)).

The assessed criteria are the following:

1. comprehensive and balanced response to the economic and social situation,
2. effectively addressing country-specific recommendations,
3. strengthening growth potential and resilience,
4. no significant harm to the environment,
5. green transition (37 % threshold),
6. digital transition (20 % threshold),
7. lasting impact,
8. effective monitoring and implementation,
9. estimated costs are reasonable and plausible,
10. prevention, detection and correction of corruption, fraud and conflicts of interests,
11. coherence.

The assessment of the European Commission has been made for all the Member States except the Netherlands (which only submitted its national RRF-plan in July 2022) and Hungary (an issue to be examined later). The assessments given were straight As for all the Member States for all the criteira, except for a few cases where a B rating was used (Darvas et al., 2021).

2.3.2. Grants and loans – those who take it and those who do not

As far as the grant component of the RRF is concerned, all Member States requested roughly the maximum amount available to them (Darvas et al., 2021). Note, however, that as all national RRF-plans were submitted before the European Commission publishing the updated maximum grant allocations, the grants requested might be somewhat below or above the up-to-

date maximum amounts – for example, Hungary is entitled to 1.2 billion euros (in 2018 prices) less in grants because of this update (refer to Table 1 for further detail).

So far, only seven Member States of the EU have opted for applying to a certain part of the loan-leg of the RRF-funds. Out of these seven, only Italy, Greece and Romania decided to apply for the maximum amount of loans available to them (Darvas et al., 2021). Cyprus applied for 13.3, Poland for 34.8, Portugal for 19.0 and Slovenia for 21.9 percent of the loans available for them. Note, that those countries that have not yet applied for all of the loans available for them can still request more anytime until August 2023.

Out of the twenty-seven Member States of the EU, twenty decided not to apply for the loan part of RRF-funds. It is important to keep in mind that countries can still apply for the loan part anytime until August 2023 with the submission of a revised RRF-plan. The maximum amount of loans that is still available under the RRF is "*around EUR 225 billion when converted in current prices*" (European Commission, 2022c, p. 28).

2.4. An overview of the Hungarian RRF-plan

The official Hungarian recovery and resilience plan has been submitted for review to the European Commission on 12 May 2021 (European Commission, 2021c). In this plan, Hungary officially requested 7.2 billion euros of grants in current prices, that is the maximum amount of grants requestable by Hungary at that time. Note, that since then, the European Commission has made its revision concerning 30 percent of the grants based on up-to-date macroeconomic data, which resulted in a decline of 1.2 billion euros (in 2018 prices) in the maximum amount of grants payable to Hungary (see Table 1). As of November 2022, the plan is still under review by the European Commission.

In the following parts of this section, this paper will first present a brief overview on the political controversy that led to the submission of a plan requesting only the grant part of the RRF. Then the content of the Hungarian recovery and resilience plan will be introduced.

2.4.1. The political context of the Hungarian RRF-plan and the rule of law conditionality

The idea of the establishment of a connection between the respect of rule of law and the EU's budget came up first in 2017, while the European Commission's first proposal for a regulation on that matter dates back to 2018 (Kirst, 2021). The regulation, however, lacked political support by the Member States, so it was halted in the Council of the EU until July

2020, when a European Council meeting on the seven-year budget has given the political impetus needed (Kirst, 2021).

At the end of 2020, however, before the adoption of the MFF for the period 2021-2027, a large political turmoil was set off when Hungary and Poland threatened to veto Decision 2020/2053/EU, Euratom, that is the EU legislation needed for the financing of the MFF and NGEU, if the other Member States were to adopt the later Regulation 2020/2092/EU, Euratom on the rule-of-law conditionality of the EU's budget without the consent of Hungary and Poland. This controversy was overcome on the 11 December 2020 meeting of the European Council. "*[T]he Heads of States agreed on comprehensive declaratory statements regarding the adoption, application, and interpretation of the Conditionality Regulation*" (Kirst, 2021, p. 104) which then resulted in Hungary and Poland lifting their veto on Decision 2020/2092/EU, Euratom. The two states nonetheless decided to address the European Court of Justice (ECJ) for the annulation of Regulation 2020/2092/EU, Euratom at the beginning of 2021, starting a legal procedure that halted the application of the regulation until early 2022, when the ECJ finally decided to deny the annulation request of Hungary and Poland (Case C-156/21).

To understand the relevance of Regulation 2020/2092/EU, Euratom to the topic of this paper, one must grasp, that even though the regulation's scope is limited to breaches to the rule of law that endanger the EU's budget, but the EU's budget also encompasses the NextGenerationEU-package (Baraggia & Bonelli, 2022). From this, it follows that if a breach of rule of law endangering the EU's budget were to be found in the case of Hungary, that could result in Hungary not being able to access the grants it has requested until the breaches are not remedied.

The above strain of thought sheds light on why it would have been preferable for Hungary if its national recovery and resilience plan was adopted by the European Commission swiftly in the first half of 2021, as Regulation 2020/2092/EU, Euratom was still at a hold due to Case C-156/21.

2.4.2. Key spending areas of the Hungarian RRF-plan

The Hungarian recovery and resilience plan presents 62 projects that are grouped into nine bigger components (Miniszterelnökség, 2021). These components and the amount of needed funding associated to them are presented in Figure 3. The two biggest components are *Healthcare* and *Sustainable green transportation*, representing 34.13 and 25.13 percent of total spending, respectively (Miniszterelnökség, 2021). The Hungarian recovery and resilience plan

is in line with the thresholds set by Regulation 2021/241/EU for fighting climate change and digital transformation, as it allocates 41.17 and 23.08 percent of spending to these two goals, respectively (Miniszterelnökség, 2021). As *Healthcare* and *Sustainable green transportation* together represent almost 60 percent of all spending, it is important to have a look at what kind of projects are included under these headings.

The *Healthcare* component is composed of five main areas, all promoting structural reforms in the Hungarian healthcare system. The biggest part of the *Healthcare* component aims to increase the wages of healthcare workers and eliminate parasolvency in the Hungarian healthcare system (34.99 percent of total spending under this component) (Miniszterelnökség, 2021, p. 270). The second largest area aims to develop healthcare infrastructure under the name "*Development of the requirements of the 21st century's healthcare"*[2] (34.04 percent of total spending under this component) (Miniszterelnökség, 2021, p. 270). The other three areas promote the increase of the role of general practitioners, the digital transformation of the healthcare system, and a digital program for the safety of people of reduced capability to look after themselves – with spending of 7.82, 12.62 and 10.50 percent of this component, respectively (Miniszterelnökség, 2021, p. 270).

The *Sustainable green transportation* component is composed of three main areas. The first is the *"[r]ailway development of Budapest's agglomeration"*[3], representing 76.9 percent of spending of this component (Miniszterelnökség, 2021, p. 146). This mainly means developing the railway infrastructure of this region and the procurement of zero-emission, electric railway cars. The two other areas of this component are "*[d]evelopment of regional transportation networks"*[4] (representing 18.4 percent of spending under this component) and "*[d]igitalisation of transportation"*[5] (representing 4.7 percent of spending under this component) (Miniszterelnökség, p. 146).

As for the macroeconomic impact of the Hungarian recovery and resilience plan, the Miniszterelnökség (2021, p. 386) estimates that during a time span of 10 years, the projects will generate 7.37 trillion HUF gross added value. Miniszterelnökség (2021, p. 386) further estimates that the projects will generate an additional GDP-growth of 0.7; 0.8; 0.1; 0.1 and 0.1 percentage points for the years spanning from 2021 to 2025 (in 2026, GDP-growth is predicted

[2] *Translated by the author.*
[3] *Translated by the author.*
[4] *Translated by the author.*
[5] *Translated by the author.*

to be 0.1 percentage points lower, which is mainly due to the increased basis of the previous years). In the long-run, a successful implementation of the Hungarian RRF-plan would mean a GDP-trajectory that is 1.3 percent higher than the trajectory without the implementation of the RRF-plan (Miniszterelnökség, 2021, p. 386). Moreover, the RRF-plan would increase the number of available workplaces by 27.5 thousand and the income side of the state budget by 1.5 percent in the long-run as compared to the trajectory without the implementation of the RRF-plan (Miniszterelnökség, 2021, p. 387). From this data one can derive that the overall estimated macroeconomic effect of the projects under the Hungarian RRF-plan would be positive if successfully implemented.

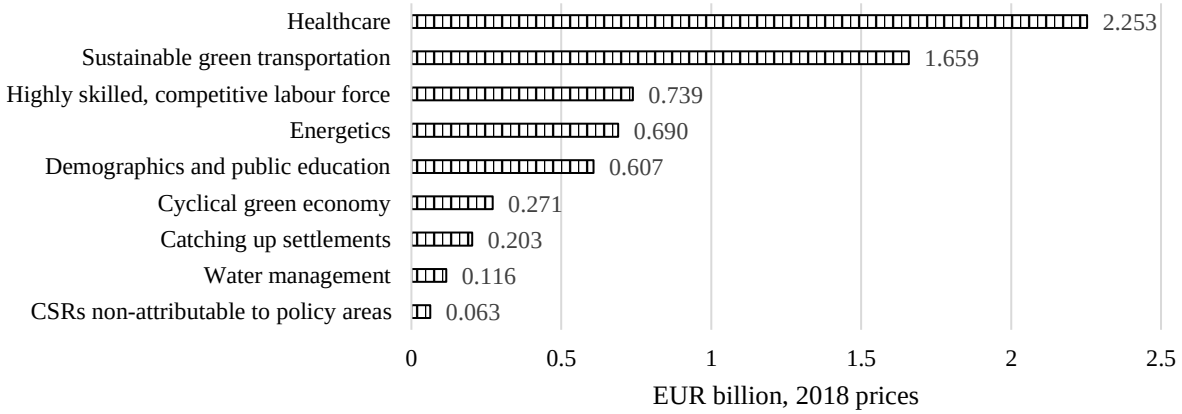

Figure 3: Spending allocation by component of the Hungarian RRF-plan

Source: Miniszterelnökség (2021, p. 25) data converted to euros and adjusted to 2018 prices by the author. Additional information: Translation of the names of the components was done by the author. CSR stands for country-specific recommendations.

3. Methodology for reconstructing and analysing the argumentation

This section of the paper presents the theoretical and methodological background of the reconstruction and analysis of an argumentation that will be employed in further sections. First, the Argumentum Model of Topics is presented as a tool to reconstruct the argumentation. Special emphasis will be put on the differentiation between procedural and material starting points of an argument, and how these two strains can be intersected to support a certain conclusion. Then, an explanation will be given on how the Argumentum Model of Topics can be extended in such a way, that it can support the reconstruction of a complex argumentation structure. Lastly, the choice of the specific interview as the basis of the analysis will be justified.

3.1. The Argumentum Model of Topics

This paper builds on the work of Rigotti and Greco Morasso (2010) to reconstruct the argumentation put forward by Szabolcs Ágostházy by the approach of the Argumentum Model of Topics (AMT). This theoretical framework tries to integrate the procedural and material parts of argumentation into one framework, and as such synthesizes mainly the work of Walton (e.g., Walton et al., 2008) and the pragma-dialectical school (see e.g., van Eemeren et al., 2002). Rigotti and Greco Morasso (2010, p. 493) argue, that "*the argument scheme combines a* procedural *starting point, coinciding with the inferential connection (maxim) that is activated, with a* material *starting point guaranteeing for the applicability of the maxim to the actual situation considered in the argument*". The AMT-framework may be a more useful tool for argumentative analysis as compared to previous approaches, because "*[t]he inferential configuration of actual arguments is made more explicit*"; "*[t]he argument premises are identified in such a way, that allows distinguishing the procedural premises from the material […] ones*"; and "*[t]he context boundness of arguments is made evident*" (Rigotti & Greco Morasso, 2010, pp. 508–509)

The AMT-framework was proven to be applicable in financial-economic contexts by Rigotti and Palmieri (2010) where an argumentation that was advanced by a German entrepreneur amidst the economic crisis of those times has been addressed. Note, that this work analyses a private-sector economic and financial issue. Greco et al. (2016) showed that the AMT-framework can be applied to institutional argumentation and public sector issues as well. One must recognize, however, that the AMT is not a context-specific framework, but rather an

approach that has been proven to be applicable to texts of financial-economic context, an area that is rather understudied and overlooked by argumentation technical studies.

The AMT-framework was chosen as the basis of the analysis as it was proven to be a useful tool in analysing argumentations of financial-economic nature (e.g., Rigotti & Palmieri, 2010) and to analyse policy-related argumentations (e.g., Greco et al., 2016 or Jacquin & Zampa, 2016). Moreover, its toolset facilitates further analysis as it has some advantages to other traditional approaches, as it will be discussed in detail in Section 3.3.

The AMT provides a holistic framework for the analytical reconstruction of arguments. It builds on the differentiation between *procedural* and *material* starting points of an argument. According to Rigotti and Greco Morasso (2010), the procedural starting point has three levels. First, a fundamental argument scheme is invoked by the *locus*, as referred to by Rigotti and Greco Morasso (2010). Second, from a certain locus, multiple *maxims* may be drawn, that are abstract instances of a certain *locus* (Rigotti & Greco Morasso, 2010). These maxims then serve as the major premise of a certain *logical form* on the third level (Rigotti & Greco Morasso, 2010). The procedural branch is most often only implicitly present, as it serves as the abstract force of the argument, that can be made use of by the material level.

The material starting points are statements whose truth either relies on parties agreeing the statement is true (*endoxon*) or on factual truth stemming from reality (*datum*) (Rigotti & Greco Morasso, 2010). An argumentatively justified opinion and an argumentatively justified fact can also be used as part of the material branch, as it will be further explained in Section 3.2.

The procedural and material branches intersect at the level of the logical form, where the first provides the major, and the second the minor premise (also called the first conclusion) of a certain logical form (Rigotti & Greco Morasso, 2010). For example, the procedural level may provide the major premise of a modus ponens logical form, while the material level provides the minor premise. These put together than result in the final conclusion of the argument in question.

A schematic overview of the approach of the AMT-framework to reconstruct argument schemes is presented in Figure 4.

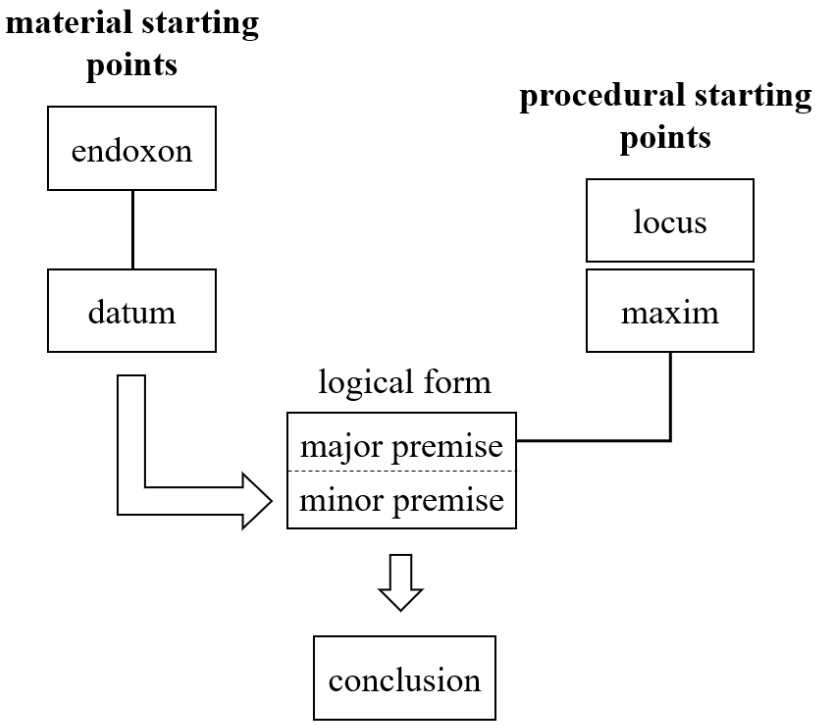

Figure 4: A schematic overview of the Argumentum Model of Topics framework's Y-structure
Source: own figure based on Rigotti and Greco Morasso (2010)
Additional information: this figure differs from the traditional representation of the AMT-framework in order to make the intersection between the material and procedural starting points at the level of the logical form more explicit. However, the traditional figure will be used in further sections of this paper.

3.1.1. The procedural starting points

In the approach of the Argumentum Model of Topics, "*three levels emerge in the relation between* loci *and the entire argument scheme*" (Rigotti & Greco Morasso, 2010, p. 493). The first level is the locus that is described by Rigotti and Greco Morasso (2010, p. 494) as "*the «ontological relation» on which a certain argumentative reasoning is based*". A locus is simply presented by its name in the AMT-framework (e.g., locus ab oppositis or argument from opposition).

After having invoked a certain locus, *"each ontological relation gives rise to a series of* inferential connections *called* maxims" (Rigotti & Greco Morasso, 2010, p. 494). Note, that there are many possible maxims that may be derived from a certain locus. These maxims "*are not mere rules, as they work as a particular type of premises, close to axioms*" (Rigotti & Greco Morasso, 2010, p. 496). To determine which maxim can be "*correctly activated in argument schemes*" (Rigotti & Greco Morasso, 2010, p. 497), a thorough semantic analysis is needed.

On the third level of the procedural branch, a certain logical form is activated. Rigotti and Greco Morasso (2010, p. 495) write that "*provided that a certain ontological relation is the case, any inferential connection or maxim generated by it activates through its application a logical form in an argument scheme*". This activation of a logical form can be interpreted as that the maxim used defines which logical form the argument might take and serves as the major premise of this logical form. This logical form is then completed by a minor premise that roots in the material starting point.

3.1.2. The material starting points

In the AMT-framework, the procedural part is only a necessary, but not a sufficient component of a reconstructed argument scheme (Rigotti & Greco Morasso, 2010). To complete the argumentative move, the material starting point is introduced by Rigotti and Greco Morasso (2010).

The material component is built up from an endoxon and a datum. According to Rigotti and Greco Morasso (2010, p. 501), and endoxon is "*an opinion that is accepted by the relevant public or by the opinion leaders of the relevant public*". Therefore, this material starting point is something the parties of the discussion should agree upon. The datum is the other part of the material component, that is "*a factual premise, which is likely to be accepted if it corresponds to the repeated observations of the participants in the critical discussion*" (Rigotti & Greco Morasso, 2010, p. 501).

From the endoxon and the datum a first or preliminary conclusion can be drawn. This statement is then used by the procedural components as the minor premise to the logical form. The maxim of the procedural component used as the major premise and the preliminary conclusion of the material component used as a minor premise allow for the derivation of the final conclusion of the argument scheme.

3.2. The extension of the Argumentum Model of Topics to reconstruct a complex argumentation structure

The initial aim of the AMT-approach is to reconstruct single argument schemes. However, real life argumentative texts are most often more complex than this. Therefore, if one wants to analyse an argumentative text in whole of its complexity, the AMT-framework must be extended.

As presented by Rigotti and Palmieri (2010), the argument schemes reconstructed by the AMT-approach can be integrated with the reconstruction of the whole argument structure. That is, the arguments can be intersected to be organised into a more complex argument structure with the conclusion of one argument serving as the endoxon or the datum of the other.

To extend the AMT-framework, Rigotti and Palmieri (2010) relies on the identification of the criteria of an argumentative discussion as proposed by Van Eemeren et al. (1993). These matters to identify are the *"issue under discussion, the parties involved in the critical discussion […] and their standpoint in relation to the issue, the arguments advanced in support of the standpoint, the structure in which the arguments are organised"* (Rigotti & Palmieri, 2010, p. 8)

Building on this, the argument structure can be reconstructed, in line with the method proposed by Van Eemeren et al. (2002). This reconstruction can then be extended according to the AMT-framework, as each relation that represents how a certain premise supports a certain (sub)conclusion can be extended into a Y-structure of the AMT. Note, that when extending the AMT-framework, the notions of endoxon and datum become, by definition, misleading, therefore the more appropriate *argumentatively justified opinion* and *argumentatively established fact* are used (Rigotti & Palmieri, 2010).

Rigotti and Palmieri (2010) have also shown that the notion of connected premises of the pragmadialectic school can be integrated into the AMT-framework. To do so, simply one premise shall serve as an endoxon while the other serves as a datum of the material component.

This paper will also employ this approach of intersecting the different reconstructed argument schemes to produce a more complex argument structure as the basis of further analysis. This is needed because of the complexity of the analysed argumentative text.

3.3. The comparison of the Argumentum Model of Topics to other contemporary approaches

Rigotti and Greco Morasso (2010) compares the AMT-framework to other argumentation technical approaches, namely to that of Toulmin, Kienpointner, Walton and the pragmadialectic school to highlight the similarities and advantages and disadvantages of using the AMT. The authors claim that "*the AMT is both more explicit and more complete in identifying the inferential configuration of arguments*" (Rigotti & Greco Morasso, 2010, p. 502). In the

following paragraphs the comparison to the other approaches will be briefly introduced to further justify the use of the AMT in this paper.

As far as the Toulmin-model of Toulmin (1958) is concerned, Rigotti and Greco Morasso (2010) argue, that a *warrant* in that model can be interpreted as a maxim. In addition, Toulmin (1958) is also in parallel with the AMT-framework when it presents the *datum* as a sort of factual premise of an argument. The authors conclude, however, that "*Toulmin's approach does not result in a clear analysis of the inferential configuration of arguments*" (Rigotti & Greco Morasso, 2010, p. 503).

Rigotti and Greco Morasso (2010, p. 503) see the contribution of Kienpointner (1992) in highlighting "*the relation between loci and argument schemes*" and "*explicitly formulat[ing] maxims*". They criticise, however, the completeness of Kienpointner's approach as it does not pay enough attention on how maxims provide an inferential support for actual arguments. Thus, Rigotti and Greco Morasso (2010, p. 504) conclude that "*in relation to Kienpointner's proposal, the AMT turns out to be not only more complete but also more precise in formulating which kind of premises and inferential links between the are necessary for the argument to be sound*".

As for the work of Walton et al. (2008), Rigotti and Greco Morasso (2010) point out, that the reconstructions of certain argument schemes as of Walton et al. (2008) omits the explicit stating of the maxim of the argument scheme, thus not making the inferential connection explicit. Rigotti and Greco Morasso (2010, p. 505) argue, that "*the AMT proves to make the inferential configuration of arguments more explicit and inferentially consistent*". Moreover, Rigotti and Greco Morasso (2010, p 506) add to this that the AMT-approach "*also helps identify which nodes of the inferential structure are sound and which ones are not*".

Lastly, the approach of the pragmadialectic school (see e.g., Van Eemeren et al., 2002 & 2007) shows many similarities with the AMT-framework. In fact, Rigotti and Greco Morasso (2010, p. 507) only criticise the pragmadialectic school because "*the second level or* maxim *in the AMT is not explicitly formulated in the general representation of the argument scheme in pragma-dialectics*". Adding to this, the authors write that "*the AMT can provide an exhaustive representation of the argument scheme, which is kept partially implicit in the pragma-dialectical approach*" (Rigotti & Greco Morasso, 2010, p. 507).

3.4. The choice of the source document for argumentation technical analysis

The text that will be the subject of the argumentation technical analysis is an excerpt from an interview with Szabolcs Ágostházy, Secretary of State for EU Development Projects at Prime Minister's Office by the Hungarian economic newspaper Világgazdaság on 17 May 2021 (Gyöngyösi, 2021). The translated and the original version of the source document is presented in Annex A.

This interview was chosen because of two factors. First, it is the only relevant available source document that is outside the political sphere to an acceptable extent (as justified by the professional nature of the newspaper Világgazdaság), and as such, can be the subject of argumentation technical analysis. Other source documents that deal with the issue in question were either produced by top-level government officials or were presented in plenary sessions of the Hungarian National Assembly, and as such, would have necessitated more of a rhetoric than an argumentation technical analysis. Second, the genre of the document chosen (that is, an interview) partially implies the dialogue presented will be an argumentative one.

Note, that this choice of the source document entails some limitations for the interpretation of the conclusions of this paper. First, as the argumentation examined was put forward by only one representative of the Hungarian government, one cannot generalise the conclusions derived from this argumentation to the whole of the government. Second, one must also note, that because of the political nature of the topic, one can expect, that not all relevant arguments were presented by Mr Ágostházy, leaving open the possibility that there exists a stronger argumentation that may have been put forward in closed-door meetings with the representatives of Hungary and the European Commssion.

4. Reconstruction and analysis of the argumentation

4.1. Reconstructing the argumentation

This section presents the reconstruction of Mr Ágostházy's argumentation following the framework of the AMT. To do so, the arguments present in the interview (see the extract in Annex A) will be first identified and their underlying inferential structure will be made explicit by constructing a Y-diagram for all of the arguments identified. Then, it will be analysed how these individual arguments connect into a complex argumentation structure. Lastly, the integration of the Y-diagrams into a single argumentation structure will be presented.

4.1.1. The reconstruction of the arguments presented

To be able to identify the arguments that support a certain conclusion, it must be first recognized, that certain parts of the interview do not serve the purpose of argumentation, but rather only present the necessary background knowledge needed for the comprehension of the argumentation. After a thorough assessment, one can identify six arguments in the interview that directly or indirectly support the final conclusion. The final conclusion (or the standpoint), that Mr Ágostházy argues for can be stated as "*Hungary should not take the RRF-loan*"[6].

The standpoint is directly supported by four arguments that have been numbered (1), (4), (5) and (6) in Appendix A. Argument (1) is further supported by arguments (2) and (3).

Argument (1) follows the ontological structure of a *locus from consequences*, that is, it argues for or against taking a certain action based on the supposed consequences that would follow this action. This specific argument uses the maxim of this locus that states that "*if an action does not lead to the achievement of a goal, it should not be taken*". To arrive to the conclusion, this maxim necessitates a minor premise that states that taking the RRF-loan does not lead to the achievement of Hungarian goals. This minor premise, however, presupposes that the Hungary has a set of goals it wants to achieve and that taking the RRF-loan is not an appropriate mean to achieve these. As this second part of the presuppositions is not straightforward, it is further supported by arguments (2) and (3), thus making this part of the Y-structure not a datum, but an argumentatively established fact. Argument (1) is represented by the diagram in Figure 5.

[6] *Note that both here and in later parts of this paper a slight rephrasing of the argumentative statements is needed to facilitate the analysis.*

Arguments (2) and (3), supporting argument (1), follow the same structure and differ only in their material starting points. Each is a representation of a *locus from values* that exploit the maxim "*if a mean has a certain negative characteristic, it is not appropriate to achieve a goal*". The material parts of the arguments state that Hungarian goals require means with certain characteristics that the RRF-lacks, and that this lack of a certain characteristic is negative. As these arguments follow the same structure, only argument (2) is presented in Figure 6.

Argument (6) exploits the same locus as argument (1) but does so by building on a different maxim. The maxim of this argument states that "*if an action results in the overburden of something, the action should not be taken*". The minor premise, that allows Mr Ágostházy to draw the conclusion, states that taking the RRF-loans would overburden the Hungarian economy. This minor premise is supported by the datum and endoxon of the argument, as presented in Figure 7.

Argument (4) supports the conclusion by utilising a *locus from popular practice*. Its maxim states that "*if the majority of a group of actors we belong to does something, we should do it as well*". This maxim is exploited by the minor premise stating that Hungary belongs to a group, where the majority will not take the RRF-loans. The material starting points of this argument, from which the minor premise is drawn, state that there is an identifiable group – the Member States of the EU – where Hungary belongs to, and that the majority of this group will not take the RRF-loans available to them. This argument is represented in Figure 8.

Lastly, argument (5) employs a *locus from alternatives*, that is, it argues that "*if there are alternatives to an action with similar effects but with more preferable characteristics, the action should not be chosen*". This maxim is then made use of by the minor premise stating that Hungary can also raise funds on foreign or domestic markets with similar effects but with more preferable characteristics then that of the RRF-loan. This is supported by the material starting points as presented in Figure 9.

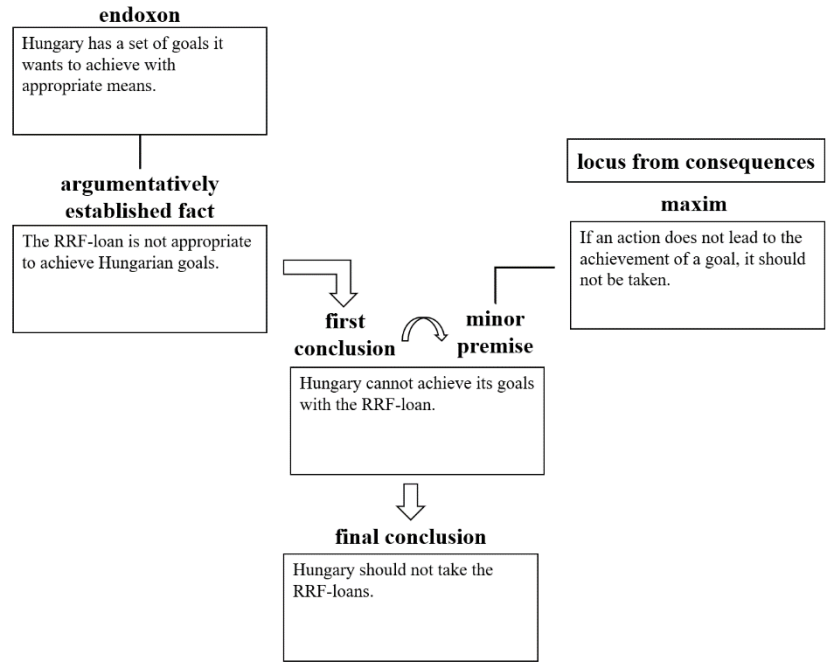

Figure 5: The Y-diagram of argument (1)

Source: own figure

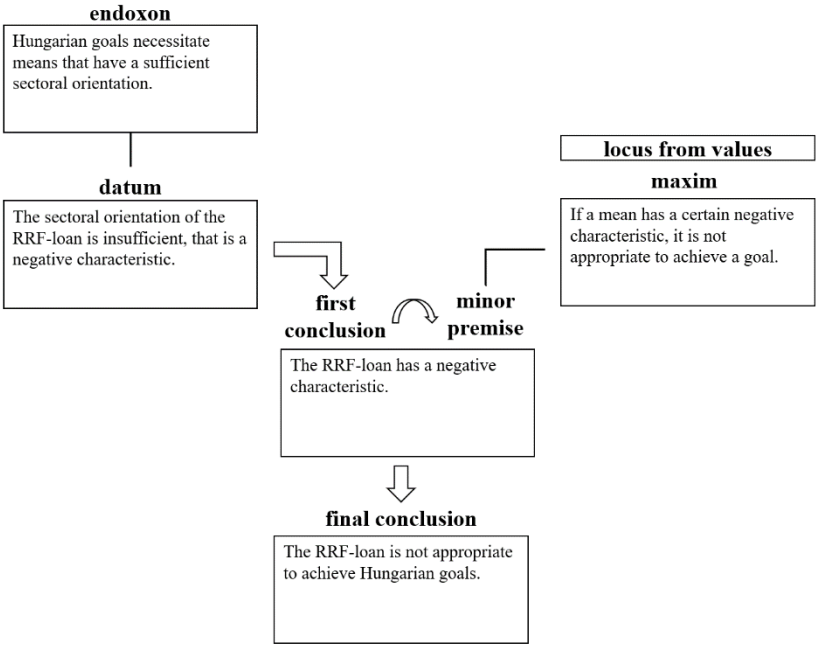

Figure 6: The Y-diagram of argument (2)

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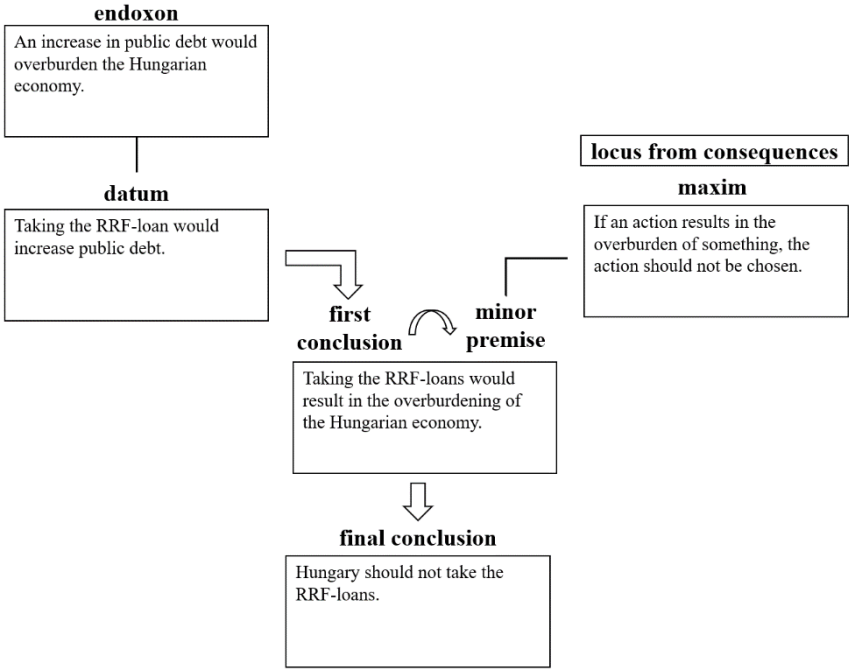

Figure 7: The Y-diagram of argument (6)

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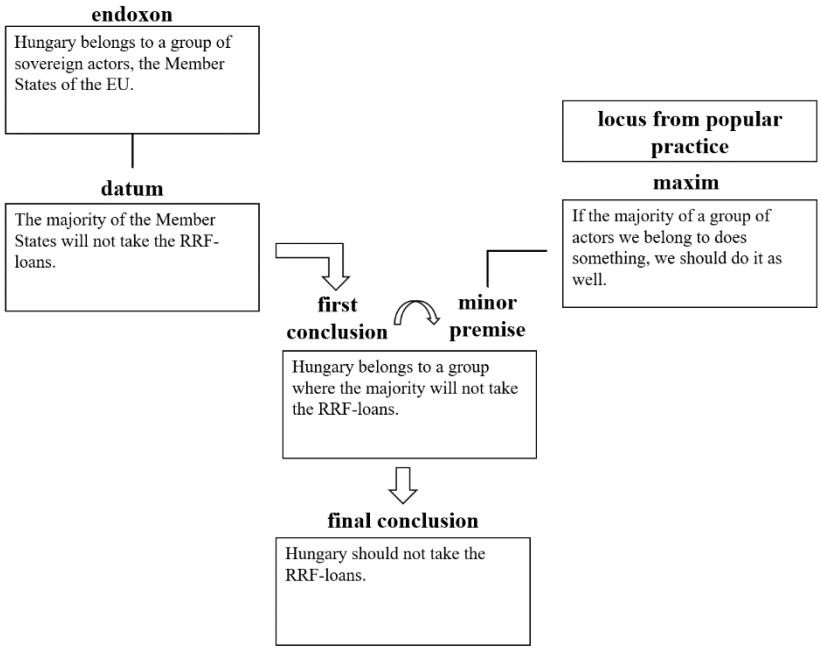

Figure 8: The Y-diagram of argument (4)

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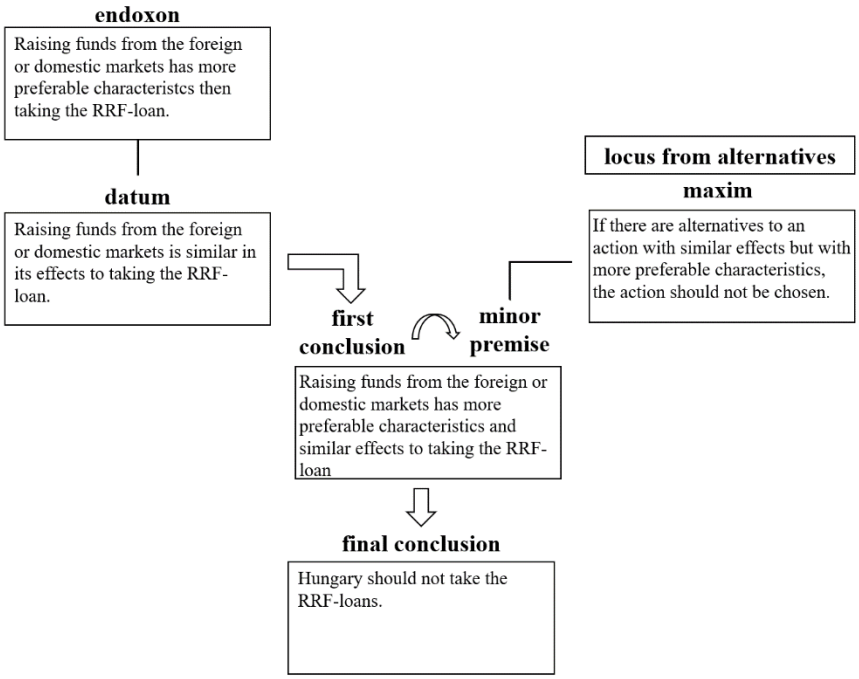

Figure 9: The Y-diagram of argument (5)

Source: own figure

4.1.2. The argument structure

As also outlined in the previous section, the separate arguments of Mr Ágostházy support the standpoint in a specific arrangement. This structure in which the arguments are organized can be represented as an argument structure following the methodology of Van Eemeren et al. (2002), as proposed by Rigotti and Palmieri (2010). Note, that further criteria of the argumentative discussion – as described in the methodological section of this paper – will be presented in Section 4.2.

The argument structure of Mr Ágostházy's argumentation is rather simple: four of the arguments, namely argument (1), (4), (5) and (6), directly support the final conclusion. Arguments (2) and (3), however, back argument (1). This structure is represented in Figure 10.

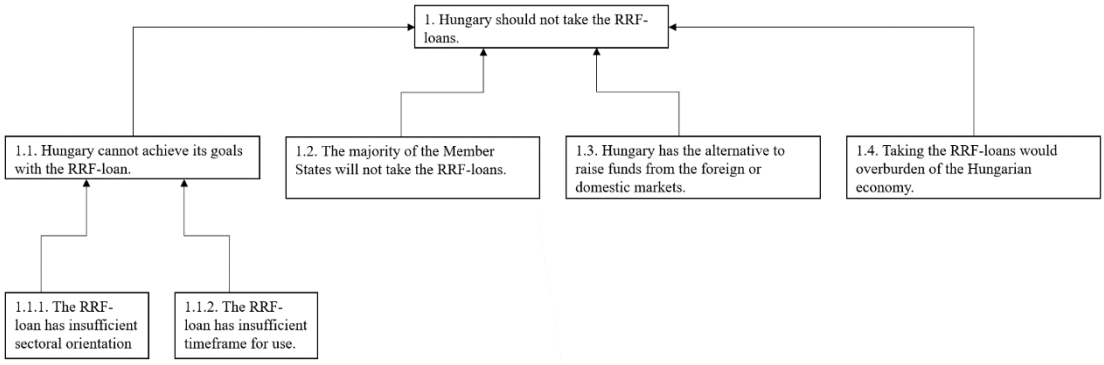

Figure 10: The argument structure of Mr Ágostházy's argumentation

Source: own figure

4.1.3. Combining the reconstructed arguments into a single structure

The argument structure, as presented in Figure 10, is an incomplete structure, as it only presents parts of the reconstructed arguments. Namely, it does not explicitly present how the inferential connection of the procedural and material starting points lead to a certain conclusion. However, these factors can be incorporated into this structure, as shown by Rigotti and Palmieri (2010) and as thoroughly described in Section 3.2.

To do so, each argumentative relation marked by an arrow in Figure 10 can be extended into a complete AMT-based Y-structure. Note, that as for arguments (2) and (3) the minor premise of the logical form is identical, two material branches support this statement, whose major premise (maxim) is also the same for both arguments.

The combination of the Y-structures into a single diagram can be seen in Figure 11.

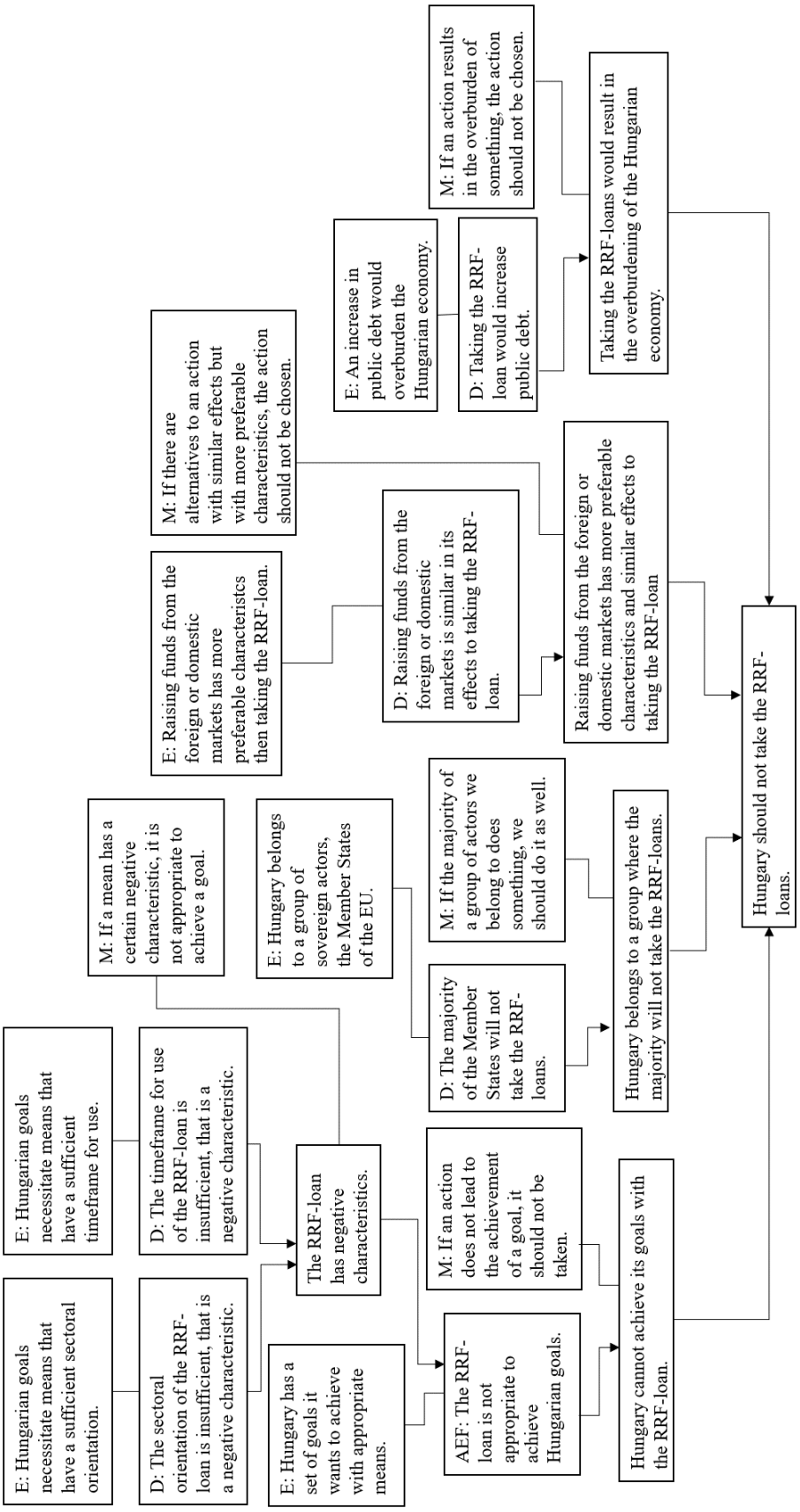

Figure 11: The combination of the Y-diagrams into a single structure

Source: own figure

Additional information: E – endoxon, D – datum, M – maxim, AEF – argumentatively established fact

4.2. Analysing the argumentation

As noted in Section 3.2., the extension of the AMT-framework to represent a complex argumentation structure relies on the identification of certain criteria of the argumentative discussion as proposed by Van Eemeren et al. (1993). In the following part of this section first these criteria will be identified and the argumentative nature of the interview situation will be justified. Then in the next section, the material contents of the arguments will be evaluated.

4.2.1. The argumentative discussion

The issue under discussion in the chosen interview can be formulated as whether Hungary should have applied for the loan part of the RRF-funds. As for the protagonists and antagonists of this discussion, one can clearly identify that Mr Ágostházy – as a representative of the Hungarian government – was positioning himself as the antagonist arguing against Hungary taking the RRF-loans.

The identification of the protagonist of the discussion is however not this straightforward. One might be tempted to identify Mr Gyöngyösi, that is the journalist interviewing Mr Ágostházy, as the protagonist of the argumentative situation. This identification is however not justified, as Mr Gyöngyösi does not perform argumentative speech acts in his questions, but rather only states the then-known facts and lets Mr Ágostházy establish his arguments. Thus, one can conclude that the protagonist of this argumentative situations is the sceptic readers Mr Ágostházy aims to convince. The analysis of the questions advanced by Mr Gyöngyösi are therefore out of the scope of this paper.

The arguments advanced by Mr Ágostházy to support his standpoint and the structure in which they are laid out are presented in Section 4.1.

The argumentative nature of Mr Ágostházy's answers in this interview can be justified by the wording he uses (see Annex A). This can be best seen in argument (4) where he identifies that they (the Hungarian government) have *come to a conclusion* (that is similar to that of the other Member States), indicating that they intended to perform an argumentation, that has resulted in a certain conclusion.

Note however, that one cannot completely rule out the possibility that this situation is not purely argumentative, but rather there are some underlying interests at stake the Hungarian government intended to protect with its decision of not taking the RRF-loans. One possible underlying interest can be that the government had estimated, that not taking the loan part can

guarantee a quicker access to the grant part of the funds, as briefly noted at the end of Section 2.4.1.

4.2.2. A content analysis of the material starting points

In the following paragraphs a content analysis of the material parts of the arguments will be performed. The arguments will be analysed by evaluating whether the *endoxon* and *datum* parts represent an "*opinion that is accepted by the relevant public*" and "*a factual premise, which is likely to be accepted if it corresponds to the repeated observations of the participants in the critical discussion"*, respectively (Rigotti & Greco Morasso, 2010, p. 501). As identified above, the relevant public the argumentation is addressed at is the sceptic readers of the interview.

The *endoxon* parts of arguments (1), (2), (3) and (4) are rather clear and straightforward, as they state very generally accepted ideas about the essence of how policies are made (that is, setting goals and deciding on what are the sufficient means to achieve them); and about Hungary's place in the international system. Therefore, these *endoxon* parts follow the respective definition. One can also state that the *datum* parts of arguments (4), (5) and (6) present factual statements that coincide with the general views on certain economic affairs and thus are likely to be accepted by the readers.

The first uncertainty arises when one tries to assess the AEF part of argument (1). Mr Ágostházy identifies correctly in its argumentation that assessing whether something can be considered appropriate to achieve a certain goal necessitates further explanation. He provides this explanation in arguments (2) and (3). He invokes the sectoral and temporal constraints of the RRF-funds, as described in detail in Section 2. He, however, does not provide justification for why these characteristics would be insufficient vis-à-vis the achievement of Hungarian goals. This then raises uncertainty on whether the AEF of argument (1) is well-established enough.

A similar kind of uncertainty due to lack of justification arises when one looks at the *endoxon* parts of arguments (5) and (6). Concerning argument (5), Mr Ágostházy once again correctly identifies the special nature of the RRF-funds but fails to back his opinion that this nature makes the RRF-loans less preferable than other ones. Similarly, while it is factually true, that taking the RRF-loans would increase the level of public debt, Mr Ágostházy does not explain how this increase would constitute an overburden of the Hungarian economy.

The above shed light on the fact, that although Mr Ágostházy has presented a complex argumentation consisting of six arguments to support his standpoint, this is only achieved to a limited extent, as most arguments would necessitate further justification. This limitation of the argumentation points to the direction that – as noted in the previous section – this is not purely an argumentative situation, but rather there are some underlying interests at stake.

5. Conclusion

The aim of this paper was to uncover the argumentation technical characteristics of the argumentation put forward by Mr Szabolcs Ágostházy vis-à-vis the fact that Hungary decided not to apply for the loan parts of the RRF-funds. To do so, first an overview of the EU's budget, the NextGenerationEU-package and the RRF was provided. Then a methodological overview was given for the AMT-framework that was chosen as the approach to be employed by this paper. Building on the above, a complete reconstruction of the argumentation was presented, and its contents were analysed.

The presented reconstruction and analysis provide two valuable pieces of insight into how the decision of not applying for the RRF-loans might have been made and on the factors that have been considered. First, as far as the argumentation technical characteristics are concerned, six separate arguments were identified by using the framework of the AMT. Their nature is somewhat contradictory to the findings of Rigotti and Palmieri (2010), who suggested that analogical arguments dominate in financial-economic argumentations, whereas no argument of this type was advanced by Mr Ágostházy.

Second, it was identified, that it was mainly the possible negative consequences and negatively deemed characteristics, that made the Hungarian government disfavour the RRF-loans. This implies that the Hungarian government made the decision of not taking the RRF-loans on a technical basis, unconnected to the general disputes between the Hungarian government and the European institutions. The above findings are mainly limited by the fact that the chosen argumentation for the analysis may not fully be in line with the full argumentation put forward by officials of the Hungarian government behind closed doors.

This paper also contributes to the literature on the AMT by establishing it as a practical tool that can be used in the reconstruction of financial-economic argumentations in the public sphere. Moreover, this paper also represents a first attempt to reconstruct a Hungarian language argumentation using the AMT-framework, and also a first reconstruction of an argumentation concerning the RRF-funds of the EU.

The identified insights of the presented argumentations open the way for multiple paths of further scientific inquiry. First, there is room for analysing the Hungarian government's decision on not taking the RRF-loans from a negotiation perspective, thus taking into account the underlying interests that were left unaccounted in a strictly argumentation technical

analysis. Second, the uncovered argumentation structure could serve in the future as the basis of further comparative analysis comparing the Hungarian government's argumentation to the argumentation put forward by other countries' administrations. Third, there is also room for assessing whether the argumentation put forward by Mr Ágostházy has changed since May 2021.

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Annex A: The relevant parts of the interview of Szabolcs Ágostházy

The following is an excerpt from Gyöngyösi (2021). The translation from the Hungarian version was done by the author. The underlining and the numbering was added by the author of this paper.

In Hungarian:

[Gyöngyösi:] Április 14-én még az 5797 milliárd forintos keretre szabott helyreállítási terv részletei váltak nyilvánossá, majd április 23-án Orbán Viktor miniszterelnök brüsszeli látogatása már azt tette egyértelművé, hogy a kormány csak a 2511 milliárdos vissza nem térítendő támogatással tervez. Mi vezetett ide?

[Ágostházy:] A fejlesztési programokat korábban nagyobb, hitelfelvételt is figyelembe vevő keretre terveztük. Ugyanakkor menet közben, ahogy tárgyaltunk az Európai Bizottsággal, egyre világosabbá vált, hogy az unió által kínált hiteltermék nem mindenben passzol a magyar kormány célkitűzéseihez (1). A helyreállítási és ellenálló képességi eszköz, az RRF (Recovery and Resilience Facility) hitellába egy viszonylag olcsó kölcsön, így aligha meglepő, hogy számos más tagállamhoz hasonlóan számunkra sem elsősorban a kamatok tették kedvezőtlenné a konstrukciót, sokkal inkább az ágazati orientáció (2) és a felhasználás időbeli keretei (3). A miénkhez hasonló következtetésre jutott a tagállamok többsége (4), jelenlegi ismereteink és az eddig benyújtott tagállami tervek alapján öt ország fogja – részben vagy egészben – igénybe venni ezt a hitelt.

[Gy:] Egy kicsit konkrétabban: mennyire lenne olcsó az uniós hitel?

[Á:] Többféle konstrukció áll a hitel mögött, de hosszú távon nulla és egy százalék közötti kamatszintről beszélhetünk. Nem politikai, hanem tisztán szakmai döntést hozott a kormány, miután a Miniszterelnökség és a Pénzügyminisztérium közösen vizsgálta meg az RRF-hitel felvételét. Úgy ítéltük meg, hogy most nem ez a legalkalmasabb forrás a nemzeti célok megvalósításához (1). Ez a döntés már néhány nappal a miniszterelnök brüsszeli látogatása előtt megszületett, amiről Orbán Viktor személyesen is tájékoztatta Ursula von der Leyen elnök asszonyt.

[Gy:] Bár az akár 3400 milliárd forintnyi uniós kölcsönhöz 2023-ig bármikor folyamodhatna a kormány, ha továbbra sem él az ország a lehetőséggel, az így kieső összeget milyen módon teremtenék elő?

[Á:] Először is fontos leszögezni, hogy a korábbi tervben is csak olyan fejlesztések szerepeltek, amelyeket az uniótól függetlenül is megvalósítana a kormány. A célzott ráfordítások mögött részben biztosan hazai költségvetési források állnak majd, de ha szükség lenne hitelfelvételre, akkor arra az uniós hitel mellett számos lehetőség nyitva áll. Forrást a hazai vagy külföldi piacról is tudunk bevonni (5). Minden esetben az adott célhoz leginkább megfelelő finanszírozás megtalálása a cél. A válságból való kilábalás mellett a kormány az államadósság szintjének csökkentésével számol, azaz nem akarjuk különféle kölcsönökkel túlterhelni a nemzetgazdaságot (6). Csak azért, mert egy hitel elérhető számunkra, még nem feltétlenül kell igénybe venni (K). […]

In English:

[Gyöngyösi:] On 14 April, the details of the recovery plan, which was set at HUF 5 797 billion, became public, and on 23 April, Prime Minister Viktor Orbán's visit to Brussels made it clear that the government was only planning to use the HUF 2 511 billion in grants. What have led to this?

[Ágostházy:] The development programmes were previously planned for a larger budget, including the loans as well. However, as we negotiated with the European Commission, it became more and more clear that the loan product offered by the EU does not fit the Hungarian government's objectives in all respects (1). The Recovery and Resilience Facility's loan leg is a relatively cheap loan, so it is hardly surprising that, like many other member states, we were not primarily put off by the interest rates, but rather by the sectoral orientation (2) and the time constraints for its use (3). The majority of Member States have come to a similar conclusion to ours (4); based on our current knowledge and the plans submitted by Member States so far, five countries will use all or part of this credit.

[Gy:] More specifically, how cheap would the EU loan be?

[Á:] There are different types of schemes behind the loan, but in the long term, we are talking about interest rates between zero and one percent. The government has made a purely technical decision, not a political one, after the Prime Minister's Office and the Ministry of Finance jointly examined taking the RRF loan. We judged that it was not the most appropriate source of financing for achieving national goals now (1). This decision has been already taken a few days before the Prime Minister's visit to Brussels, and Viktor Orbán personally informed President Ursula von der Leyen of this decision.

[Gy:] Although the government could apply for the EU loan of up to HUF 3 400 billion at any time until 2023, if the country does not take this option, how would the money lost this way be substituted?

[Á:] First of all, it is important to note that the previous plan only included projects that the government would carry out independently of the EU. Some of the targeted spending will certainly be backed by domestic budget resources, but if borrowing was needed, there are a number of options open in addition to the EU loan. Funds can also be raised from the domestic or foreign market (5). In all cases, the aim is to find the most appropriate funding for the certain goal. In addition to getting out of the recession, the government is counting with reducing the level of public debt, so we do not want to overburden the national economy with various loans (6). Just because a loan is available to us, this does not necessarily mean we should take it (K). […]