# Did not applying for the loan part of the RRF-funds make sense?

## An AMT-based analysis of a Hungarian government official's argumentation

**Author: Márton Nagy**

# This study deals with a relevant economic issue from an unusual perspective.

## Relevance

- The **Hungarian** recovery and resilience **plan has just been accepted** last week by the EC.
- An unprecedented economic instrument and expert **consensus that its characteristics fit well** for achieving the goal of recovery and resilience building.

> But the **Hungarian government still decided not to make full use of it** – room for research!

## The idea

It is **not obvious why the Hungarian government rejected** a seemingly good economic instrument.

- Is this a general **derivative of the** many **disputes** between the Hungarian government and the EU? **Or is there a thorough reasoning** behind?
- To find out, **an argumentation technical analysis is needed**.

# This study uncovers the argumentation technical characteristics of an argumentation on Hungary not taking the RRF-loans.

## Research question

What are the **argumentation technical characteristics** of the Hungarian argumentation on the refusal of the RRF-loans?

As put forward by Szabolcs Ágostházy, Secretary of State in an interview given to Világgazdaság in May 2021.

## Methodology

**Argumentum Model of Topics**

a framework to reconstruct argumentations, proven to be applicable for argumentations in the financial-economic context
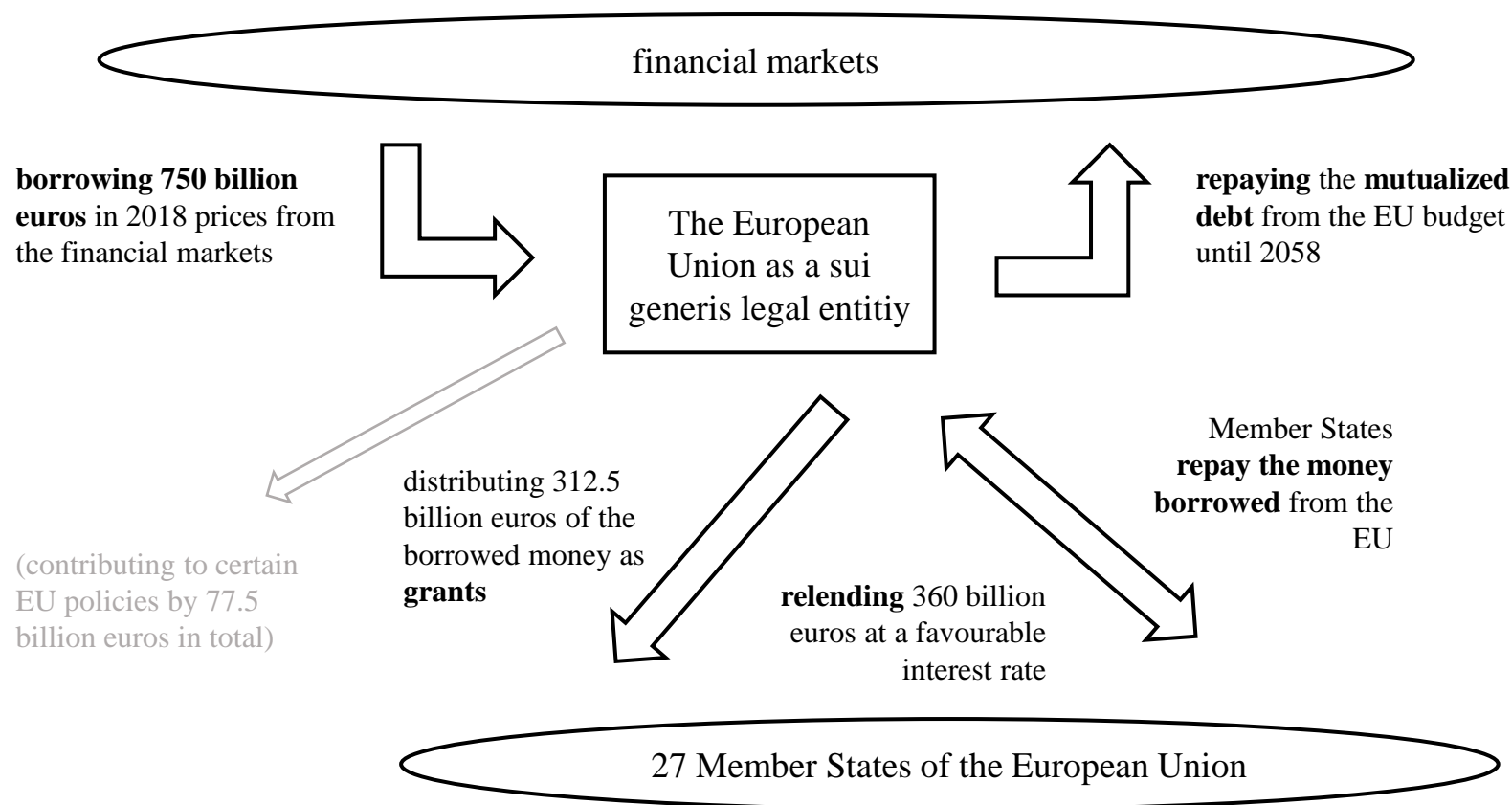
## Findings

**No analogous arguments** identified.

- Contrary to the suggestion of Rigotti and Palmieri (2010).
- Points to the direction that…

The **decision** might have been **taken on a technical basis.**

Thus unconnected to the general EU-Hungary disputes.

# The NGEU is a one-time top-up package to the EU budget, of which €5.4 bn grants and €9.1 bn loans were available to Hungary.

financial markets

**borrowing 750 billion euros** in 2018 prices from the financial markets

The European Union as a sui generis legal entitiy

**repaying** the **mutualized debt** from the EU budget until 2058

distributing 312.5 billion euros of the borrowed money as **grants**

(contributing to certain EU policies by 77.5 billion euros in total)

Member States **repay the money borrowed** from the EU

**relending** 360 billion euros at a favourable interest rate

27 Member States of the European Union

**The schematic functioning of the NextGenerationEU-package**
Source: based on own figure

# The AMT is a tool to reconstruct financial-economic argumentations by inferentially connecting material and procedural starting points.
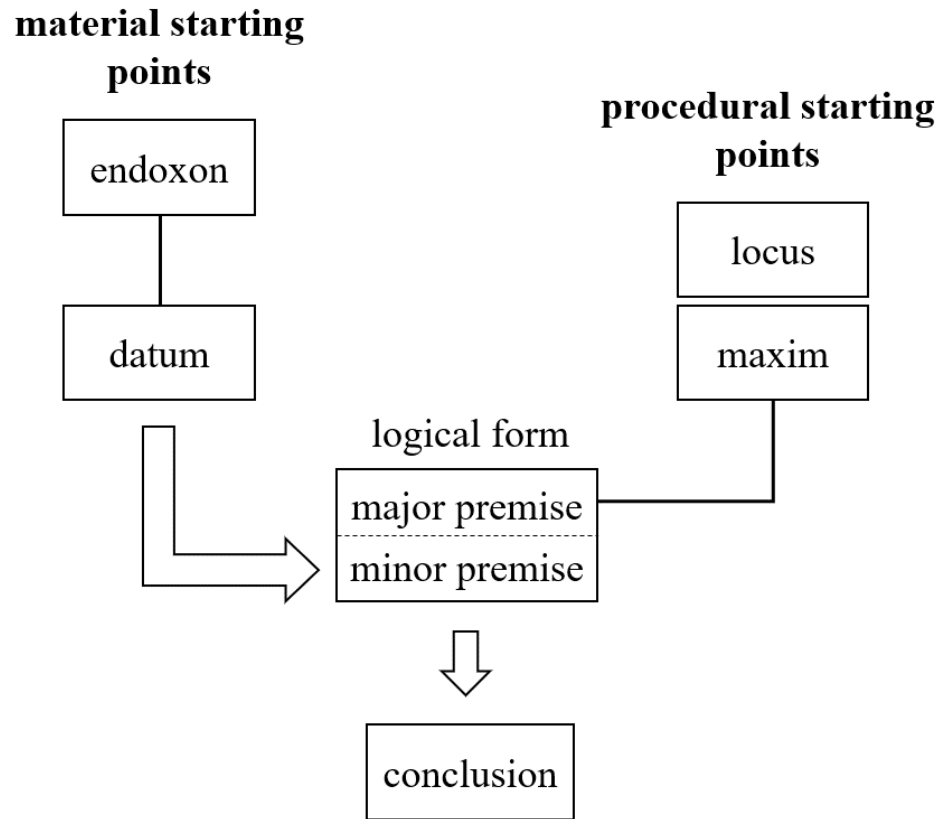


**An overview of the components of the Argumentum Model of Topics**
Source: own figure based on Rigotti and Greco Morasso (2010)

## Chosen because

It can be applied to argumentations advanced in a **financial-economic context**.

It **can be extended** to reconstruct a complex argumentation consisting of multiple arguments.

# The analysed text contained six arguments that were connected into the structure below, of which none were analogous.
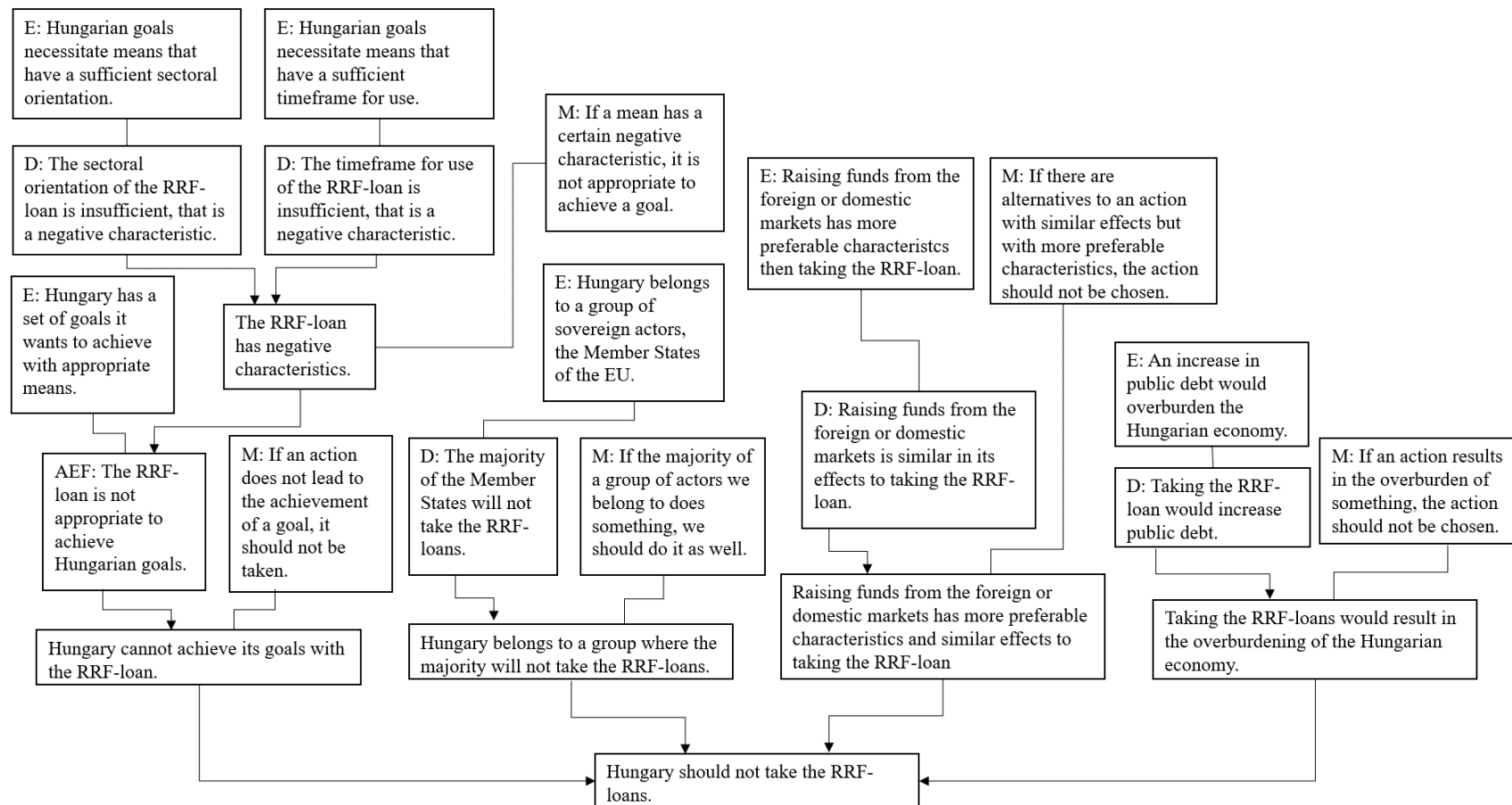


**The complete AMT-based reconstruction of Mr Ágostházy's argumentation**
Source: own figure

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

# The refusal of the RRF-loans may not be connected to the general EU-Hungary disputes, but not the whole argumentation is seen.

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## Limitations

The **argumentation** put forward **behind closed doors may differ** from that of Mr Ágostházy.

- Is the reconstructed argumentation the strongest one?

There **may have been** some **hidden interests** at stake.

- Is this a negotiation situation?

## Further directions

- How does the uncovered argumentation **compare** to that of other government's?
- How has the Hungarian argumentation **evolved** since May 2021?
- Can the issue be analysed from a **negotiation** technical perspective?

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