

## OPEN BUDGET TRACKER CASE STUDY - HUNGARY

Petra Edina Reszkető  
Independent researcher

Baseline report  
September 2014

*The project leading to this report was commissioned by the International Budget Partnership. Any critical comment is welcome. I acknowledge here the extremely useful assistance of junior researchers of the Budapest Institute for Policy Analysis, Lili Márk, Anna Orosz, and Flóra Samu.*

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## 1. SUMMARY

This paper focuses on budget transparency in Hungary. More precisely, we sketch here the baseline case for Hungary regarding:

- the engagement, awareness and perceptions of the national /local civil stakeholders (civil society actors and organisations), and
- the media attention

in the field of budget transparency.

We discuss the results of the online survey run among Hungarian stakeholders, the outcome of interviews with key stakeholders, and the outcomes of the media content analysis focusing on the 2013 budget cycle. That means, that we start our analysis in June 2012 and go through June 2014, because we wish to cover the entire 2013 budget cycle in a systematic way. This choice is also justified with our plan to be able to compare the occurrence and effectiveness of the actions of national and international stakeholders for two budget cycles (2013 and 2014) in one year when the final report of our investigation shall be prepared.

Our aim is to shed light and collect evidence on the advocacy actions of national, civil society organizations and assess the effectiveness of those actions so as to compare the national baseline case with the state-of-play in one-year time, after the Open Budget Survey tracker (OBS tracker) has been in operation and some specific advocacy actions has been launched by the national partner of the IBP in Hungary.

Table 1 Overall assessment – baseline scenario

Variables of budget transparency	Level	Notes
<b>CSO advocacy</b>	Very limited advocacy	Few actors in play, advocacy is primarily based on informal channels and networks <b>For more information, see the national stakeholder map in section 2.2 and in Annex I, the stakeholder survey's results in sections 3.1 and 3.2 (access to budget documents/ data).</b>
<b>Effectiveness of CSO advocacy</b>	Some engagement, very limited in impact	Mostly informal, not documented meetings with key government officials, with no significant impact on the government's practices <b>For more information, see section 2.4 through 2.5.</b>
<b>Media attention</b>	Some coverage, low relevance, highly descriptive and in the majority neutral and non-analytical claims	Most of the articles seem to be not relevant to the core topic of this investigation <b>For more information, see the chapter on media content analysis, esp. section 3.1 and 3.2 and results of descriptive analysis and regressions in Annex III.</b>
<b>Pressure on government by international donors</b>	Explicit pressure, limited influence	Regular assessments and recommendations by several international donors <b>For more information, see section 2.4 through 2.5.</b>
<b>Publication of international assessments</b>	Sporadic national reflections on publications, selective impact	Positive impact only in case of stakeholders already committed to budget transparency issues <b>For more information, see section 2.6.</b>
<b>IBP support</b>	No formal support	In the period January 2012 – June 2014 <b>For more information, see section 2.7.</b>

In the area of central budget the enacted budget and the budget proposal submitted by the government to the parliament are the main reference documents for the national stakeholders.

Given the high popularity of the government documents, it is not a surprise that the website of the parliament is the highly dominant source for accessing budget documents, followed by the websites of the particular government agencies in case of national reports and assessments (see the Central Statistical Office and the Fiscal Council).

In general, national stakeholders download the relevant documents for (applied) research objectives, followed by media appearance. Very few users (max. 2) among the respondents to our questionnaire have downloaded information for advocacy and lobbying and most of them seem to be relatively more satisfied with how the documents can be downloaded and processed compared to the degree of how detailed and user-friendly the official documents are. Stakeholders think that official documents have in general the following shortages: i) lack of detailed data on expenditures; ii) lack of credibility and consistency of the relevant government sources, iii) low level of openness and cooperative attitude on the part of public officials.

This big picture is very appealing for budget data, as well – with the exception of source of data. Unlike the budget documents, many stakeholders rely on EU official websites for accessing data instead on national websites. Public information requests are extremely rare, and the national stakeholders seem primarily to use informal channels to access to the relevant data(bases).

The data users are less satisfied with the quality of budget data than with that of the budget documents, and their main criticism goes with the lack of detailed information (missing EU-compatible standards) and with the limited availability of background estimations and impact assessments.

All in all the national stakeholders would warmly welcome more transparency in the planning and implementation phase, opportunity to monitor public finances on a regular basis (quarterly reports, ESA95 and/or consolidated accounts), and some technical improvements (baseline-comparisons, less discretion in classification of the expenditures, public access to official macro forecasts).

The most relevant international assessment are well-known by the majority of the national stakeholders and the mostly contacted and consulted international donor is the European Commission. Low proportion of the stakeholders is familiar with the Open Budget Survey and even fewer national actors use the OBS report prepared for Hungary informally by the Fiscal Responsibility Institute in 2012 as reference document.

The most popular media sources (*portfolio, origo, nol*) report on budgeting issues on a regular basis, but most of the articles deal with monitoring and assessing the progress of the planning or the implementation phase (progress of implementation and implementation risks). June, September, October, November and December are the months with high number of budget articles across our sample. This corresponds to our expectations and to the Hungarian budget cycle where June is the period of the year, when planning phase ends, and the parliamentary debates go usually through December.

All in all, the Hungarian online media covers budgetary issues in a very selective and in a highly descriptive way. Reports on the state of play in the planning and implementation phase, including assessments on the budgetary risks involved dominate the agenda. Information on the macro-economic framework and the methodological background are the second in frequency. The importance of institutional rules (e.g. the constitutional budget rules and/ or the numerical rules on government debt ratio) tends to increase since 2012, but we shall check next year whether there is indeed a shift in the media interest or this is only a temporary bias. Our results show that the compliance with international standards is the less frequently discussed topic in the online media, and the only stakeholders pressing this issue with significant likelihood are international actors / donors.

In general the media sources are very cautious in delivering normative messages and consequently in influencing the public agenda with value-based messages. There are only two exceptions – government actors are more likely to deliver normative claims in positive tone, while normative messages coming



from non-governmental and international actors are more likely framed with a neutral and negative tone. In 2013 international actors were more likely pressing the issues of adequate macroeconomic and methodological framework rather than talking about implementation and budgetary risks, alike the non-governmental actors who talk about the importance of adequate macro- and methodological framework more likely in a time-consistent way.

The dominant share of the relevant claims identified in the media sources focuses either on the progress of implementation and attached risks or on the macroeconomic and methodological framework. There is no significant shift in this pattern.

Based on our research's results, we have some recommendations for national, non-government stakeholders and international donors, which we believe might support better targeting of any advocacy actions in the future.

**Room for improvements/ short term – low hanging fruits for advocacy and public influence:**

- recommendations to improve the quality of budget docs and especially that of budget data (see, machine-readable formats, time-consistency, completeness, and user-friendliness)
- develop online data source of central budget items, improve public monitoring mechanism (e.g. broken down by various classifications, time series of budget data!)
- administrative costs (searching time, alternative costs of downloading in working hour) can be saved in case of easing access to timeline, executive's budget proposal, final accounts, and reports of some government agencies (State Treasury, Tax Authority)
- in general, higher quality of official data and datasets (improvements in consistency, more detailed data, user-friendly datasets), better compliance with international open data standard
- more precise and detailed information on the dynamics of major items both on the revenue (tax!) and on the expenditure side
- improving both time and cross-country comparability (plans as baselines instead of historical baselines, consolidated accounts),

**Room for improvements / midterm – issues for advocacy and public influence:**

- improve evidence-based policy formulation and evaluation in general and in public finances (see, credible commitment to impact assessments, program evaluations, and the publication of the relevant studies)
- open up government's black box on planning and more transparency in public consultations (better communication during the planning phase as well as during the implementation phase, e.g. timeline, quarterly plans).

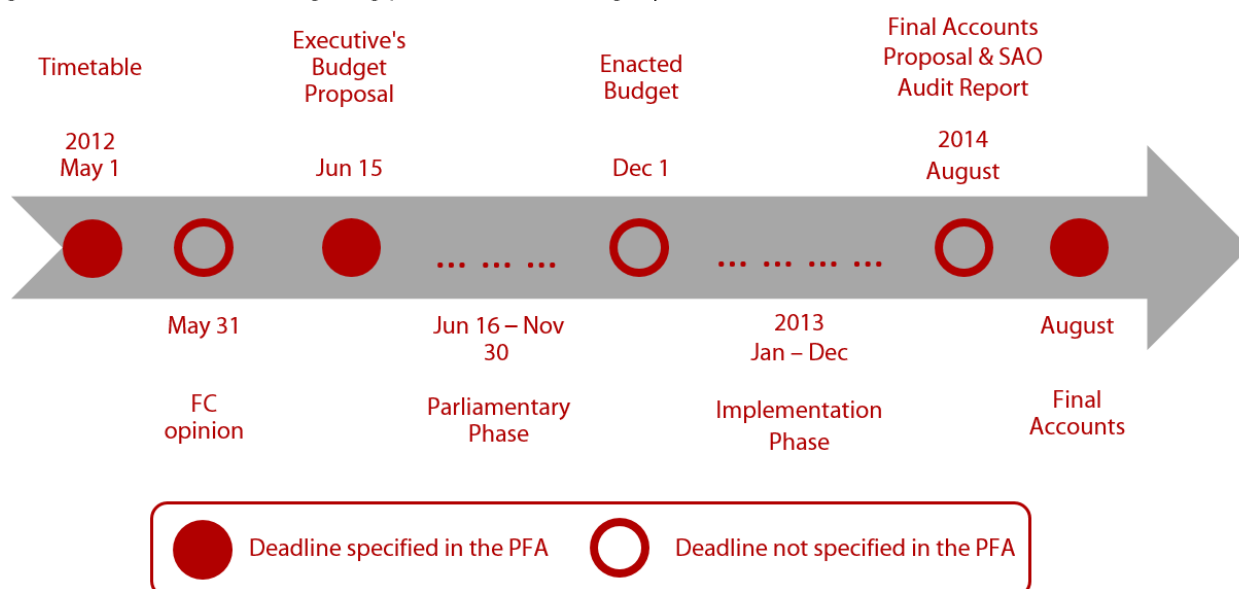
In the following chapters, we first give an overview of the fiscal framework in Hungary in a nutshell, then we review the results of the stakeholder survey carried out in July 2014, before the introduction of the OBS tracker. Finally, we summarise the outcomes of the media content analysis. The annexes contain some additional information on the legal framework and methodological notes.

## 2. THE POLICY CONTEXT - STYLISTED FACTS

### 2.1 Regulatory framework, documents and data

The Public Finance Act (PFA, Act CXCV. of 2011) provides the major regulations on public budgeting, including the planning, the parliamentary, the implementation phase, and the period of preparing the final accounts. The current PFA currently in effect sets only two specific, and one relative procedural deadlines: until June 30 the government is obliged to publish a timetable for the preparation of the executive's budget proposal for the forthcoming budget year, and until October 15 of the given year the executive's budget proposal has to be submitted to the Parliament. The timing of the other government tasks in the budgeting process is not fixed either by the PFA or by any other statutory provision – except the obligation to finalise and enact the final accounts at most eight months after the end of the budget year. Notably, this is due to the comprehensive change of the regulatory framework in the period 2010-2012 that was initiated by the new (right-wing) government entering into office following the national elections in April 2010. Consequently, recently the government's detailed timeline may vary quite a lot across the financial years. Figure 1 demonstrates the example of the 2013 budget cycle, starting in May 2012 and closing with the approval of the final accounts in August 2014.<sup>1</sup> For detailed information on the relevant budget documents and sources in Hungary, see Table 6 in Annex I.

Figure 1 Timeline of the budgeting process for the budget year 2013



Before the parliamentary phase, the most important step is the submission of the budget proposal to the Fiscal Council (FC) for revision. During the parliamentary phase, Members of the Parliament (MPs) have at least two rounds of debate about the appropriations of the budget proposal, and the State Audit Office (SAO) publishes its opinion about the risks of the budget proposal. The budget bill is enacted usually in the second half of December. During the given budget year, the Cabinet and the MPs might initiate amendments to the budget bill, and the Fiscal Council is obliged to inform the central government and the Parliament on its opinion about each amendment. The PFA also specifies that the draft Final Accounts have to be submitted to the SAO at least two months before presentation to the Parliament.

<sup>1</sup> Please note that 2013 is not a representative budget year. The Hungarian government decided to finalise central budget plans extremely early compared to the usual practice due to ambiguous reasons related to the receipt of financial support from the EU Cohesion and Structural Funds.

The Fiscal Responsibility Law (FRL, Act LXXV of 2008) stipulates a real debt rule stating that the rate of increase in gross debt may not exceed the inflation rate. The FRL also contains some procedural rules such as the pay-go rule that does not allow any increase in mandatory expenditure (or reduction in mandatory revenues) without any offsetting measure.

The new constitution of Hungary (adopted on April 25, 2011) includes a constitutional debt brake, i.e. until the debt-to-GDP ratio is above 50% the government may only enact budget bills that lead to the decrease of this ratio. Another new rule is that the Parliament can be dissolved in case the budget bill for the actual year is not adopted until March 31. Further regulations on the implementation of the constitutional rules are specified in the Economic Stability Act (ESA, Act CXCV of 2011). In addition, in 2013 the Ministry for National Economy (MNE) introduced the functional classification of budget entities in its recent statute (Statute 68/2013).

There are three official sources for Hungarian budget data. The Hungarian Central Statistical Office publishes budget data on a monthly basis. The categorisation of the revenues and expenditures is relatively broad (and notably, they are not in line with ESA95, an EU standard). The data is easily downloadable in a user-friendly format. The Hungarian Gazette is the official journal publishing all the enacted laws and bills, and it is published both online and offline). The format is not user-friendly in the sense that it is not possible to download data from the official website in machine-readable format, the appendices of the budget acts contain detailed data, though only the planned items (broken down by government institutions). The Eurostat database is a powerful source for budget data both in annual and quarterly breakdown. It contains different categorisations of the revenues (by taxes and sub-sectors) and expenditures (ESA95 and COFOG classifications) for Hungary as well as for other European Union member states. The data is easily comparable across different countries and years, and can be downloaded in various formats. For the overview of the three main data sources, see Table 2.

Table 2 Budget data sources

Source		Content	Breakdown
<b>Hungarian Central Statistical Office (HCSO)</b> <a href="http://www.ksh.hu">www.ksh.hu</a>		Budget revenue and expenditures Balance of Payments	Expenditures: by purpose (though not COFOG classification) Revenue: by source (personal income taxes, corporate taxes, taxes on consumption, interests, EU transfers, etc.)
<b>Hungarian Gazette</b> <a href="http://www.mhk.hu">www.mhk.hu</a>		Appendices of the budget act enacted and its amendments	Expenditures: by purpose (though not COFOG classification) Revenue: by source (personal income taxes, corporate taxes, taxes on consumption, interests, EU transfers, etc.)
<b>Eurostat</b> <a href="http://epp.eurostat.ec.europa.eu">epp.eurostat.ec.europa.eu</a>		Government revenue, expenditure and main aggregates Taxes by economic function Government deficit/surplus, debt and associated data	Expenditures: COFOG and European system of accounts (ESA95) classification Revenues by type of tax or social contribution and by sub-sector of general government)

## 2.2 Institutions and stakeholders involved

The Ministry for National Economy is in charge of budget planning and implementation. Line ministries collaborate and separate government agencies provide *ex-ante* and *ex-post* monitoring, manage the

government debt and support the daily management - see, the Fiscal Council (FC, *Költségvetési Tanács*), the State Audit Office (SAO, *Állami Számvevőszék*), the Government Debt Management Agency (GDMA, *Állami Adósságkezelő Központ*).

Political parties and Member of Parliament (MPs) may influence the planning and allocation of public funds by appealing to the minister of finance and also by submitting proposals for amendments in the budget.

Non-governmental organisations may monitor and track budgetary processes and disseminate monitoring information to the broader public. The number of such NGOs is increasing in Hungary, as well as their interest in budgetary issues. The colony of independent researchers (both specialised in public finances and those specialised in various public policies) is rich, and their activity is well documented.

Experts from the private sector (e.g. macro analysts in banks, business analysts), business organisations, and media actors can also be interested in public budgeting, analytics and data. These actors have usually played vital role in shaping the public discourse on budgetary issues. Recently, their voice is rather low and their influence is not evident.

Finally, most of the international organisations (i.e., OECD, OGP, EC and IMF) play a monitoring and consultative role in shaping the budgetary framework in Hungary. They regularly publish assessment reports, have consultations with the government (except the IMF in the last 3 years) and with some non-government stakeholders, and provide recommendations both in fiscal/ technical and on institutional/ procedural issues. They also track the government's compliance with earlier commitments.

For the stakeholder map compiled see Figure 2. We have used the map for collecting the sample of our stakeholder survey.

Figure 2 Stakeholder map



### 2.3 International assessments

The adjustment of the fiscal policy framework came to the fore among the international policy recommendations in the last decade, as an option for crisis management and prevention. In the recent

years international organizations have put forward consistent guidelines on (1) country-specific numerical fiscal rules, (2) on the establishment of an independent fiscal body in charge of monitoring and evaluation (c.f. Fiscal Council), and on (3) transparent budgeting process and multi-annual planning.

The OECD publishes the *Economic Survey of Hungary* every January on a yearly basis, the European Council hand in hand with the European Commission prepares the so-called *country-specific recommendations* within the framework of European semester (the cross-EU policy coordination framework) every year in April.<sup>2</sup> In addition to that, the IMF published one *occasional paper* on the fiscal framework of the country and produced *staff reports* to monitor and assess the budgeting processes and practices in Hungary. Regarding structural issues, the international stakeholders mostly criticize the lack of transparency in decision-making and the lack of detailed information on public fund management. For the overview of the main topics of the country-specific reports and papers, see Table 7 in the Annex I.

Hungary introduced fiscal reforms in 2008-2009 as a response to economic crisis. Although these steps were in line with the international recommendations, some of the changes made by a new government in 2010 provoked criticism from international actors - especially, the steps aimed at weakening the rights and competences of the Fiscal Council established in 2008. (The professional staff members mostly of them with degree in economics were fired, the members of the FC – originally independent experts - have been replaced by political candidates.) International donors still argue that a more independent and adequately funded council is a key to strengthen Hungarian budgetary discipline and transparency (EC 2012, IMF 2013, 2014, OECD 2014).<sup>3</sup>

The second, most-often disputed issue related to the lack of medium-term fiscal strategy and that of numerical rules. The implementation of the Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States in December 2013 approved a number of amendments relating to budgetary framework: regular publication of fiscal data of the central and the local level, the accessibility of planning documents, introduction of new numerical rules, and improving the medium-term budgetary framework. According to international peers, the lack of follow-up control, lenient escape clause, insufficient monitoring and correction mechanism in case of deviation reduce however the effectiveness of those measures (EC 2012, 2014).<sup>4</sup>

According to the IMF (2013) the recent poor growth performance can be attributed to structural factors as well as to domestic policy mistakes. Frequent and unpredictable policy changes (e.g. as far as the fiscal targets are concerned) and adoption of ad-hoc measures without prior consultation weaken policy predictability in general.<sup>5</sup>

Key proposals made over and over by the international organisations are about spending consolidation instead of ad hoc adjustments and more consistent public communication. They recommend simplification in general and scaling down of the sectoral taxes (introduced over recent years in banking, retail, telecommunication, and in the energy sector) in particular. In the long term, they argue, the authorities should replace these distortionary taxes with more growth friendly instruments and should communicate the policy changes in more transparent and systematic way (IMF 2013, 2014, OECD 2012, 2014).<sup>6</sup>

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<sup>2</sup> For further information on the European Semester, see: [http://ec.europa.eu/europe2020/making-it-happen/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/index_en.htm)

<sup>3</sup> EC(2012): Fiscal frameworks across Member States: Commission services country fiches from the 2011 EPC peer review  
IMF 2014: Country Report No. 14/155 HUNGARY 2014 ARTICLE IV CONSULTATION—STAFF REPORT; PRESS RELEASE; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR HUNGARY <http://www.imf.org/external/pubs/ft/scr/2014/cr14155.pdf>, June 2014

IMF 2013: Hungary: 2013 Article IV Consultation and Third Post Program Monitoring Discussions—Staff Report; Informational Annex; Public Information Notice; and Statement by the Executive Director

<sup>4</sup> EC 2014. Assessment of the 2014 National Reform Programme and the Convergence Programme, Country-specific Recommendations. Commission Staff Working Document. Brussels. For EC 2012, see above.

<sup>5</sup> See above.

<sup>6</sup> OECD 2012, 2014: *Economic Survey*, OECD Paris.

For the comprehensive list of policy recommendations by the European Commission and the European Council, see Table 7 in the Annex I.

### 3. STAKEHOLDER REVIEW

In this project we conducted the online stakeholder survey so as to map and assess the motivation, the interest and the resulting activities of the domestic stakeholders. Consequently, the survey focused on the following activity areas:

1. access to budget documents and data, and their user experience (e.g. the exact documents they read, the sources they use, their purposes of reading budget documents, the time they spend on finding the documents – all of these as part of the *CSO advocacy*),
2. opinion on the completeness, transparency, and quality of the relevant documents and data
3. efforts undertaken to collaborate with the government (*CSO advocacy*)
4. information and knowledge on the relevant international assessments and info sources (*international assessments, pressure on government*)
5. professional relation with the International Budget Partnership (*IBP support*)

Next, we take account of these areas and present the opinions and practices of the domestic stakeholders based on the results of the online stakeholder survey.

We have sent the survey to 90 national stakeholders coming from various stakeholders groups – such as CSOs, media firms and platforms, business and academic sector as well as from international organisations and the government sector. We have high response rate for the non-government groups (altogether 75%) and extremely low response rate for the government group (only one of the invited government actor has replied our questions). The representative respondent is between 30-40 years old, economist by educations, deals with budget issues for more than 15 years. Notably, this does not imply that we did not have people with degree in journalism, law or any other discipline in our sample or respondents younger than 30. All what this means is that the median respondent have the above characteristics which is not a surprise provided the very specific topic and presumed the very specific interests in this topic. Regarding the representation of the various professions, we have researchers, academicians, or journalists with nearly with the same probability in our sample. For the description of the survey methodology, see Methodological note on the stakeholder survey in Annex II).

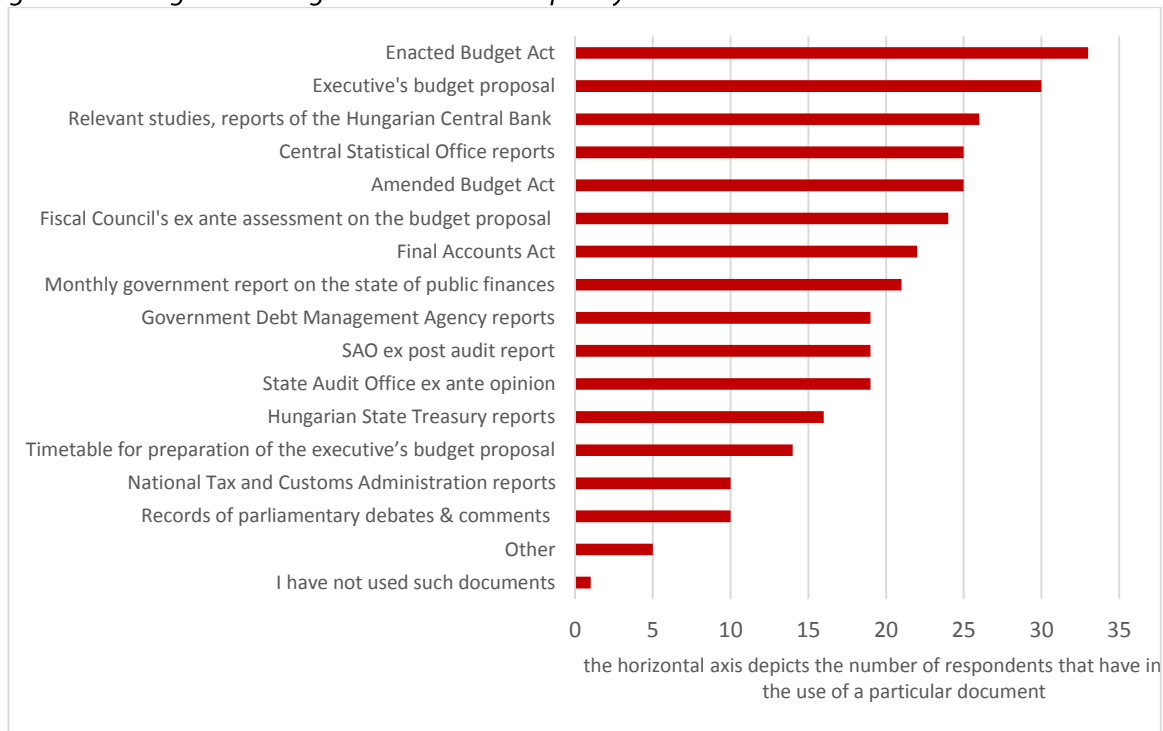
#### 3.1 Access and quality of budget documents

The most frequently used budget documents are the enacted Budget Act and the budget proposal submitted by the government to the parliament. The reports and publications of the Hungarian Central Bank (HCB), the Hungarian Central Statistical Office (HCSO) together with the *ex-ante* assessment of the Fiscal Council (FC) lead the league of the second cluster of related publications, followed by the Final Accounts Act and the monthly report on the state of public finances published by the Ministry for National Economy (for an overview, see Figure 3).

Given this popularity rank, it not a surprise that the website of the parliament ([www.parlament.hu](http://www.parlament.hu)) is the highly dominant source for accessing budget documents, followed by the websites of the particular government agencies in case of national reports and assessments (see CSO, FC). Five respondents marked alternatives to the government budget documents, which are the publications of the European Union (Eurostat), OECD and studies published by research institutes.



Figure 3 Ranking of the budget documents – frequency of use

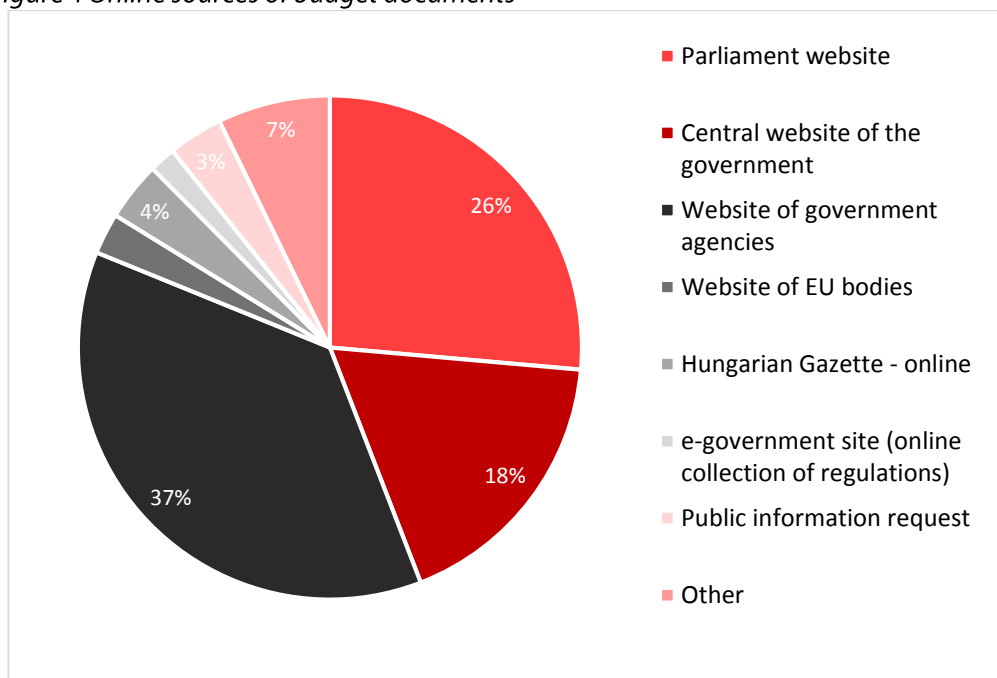


The dominant sources of these documents are government websites (esp. the website of the parliament, the central government website and those of the particular government agencies). Public information requests are rare (5 cases, see Figure 4).

In general, stakeholders download the relevant documents for (applied) research objectives, followed by media appearance. Very few users (max. 2) among our respondents have downloaded information for advocacy and lobbying – the only exception is the enacted budget referred as background document for such activities (14%). Our respondents seem to be frequent users, since on average 64% of them have downloaded such documents in the last 6 months.



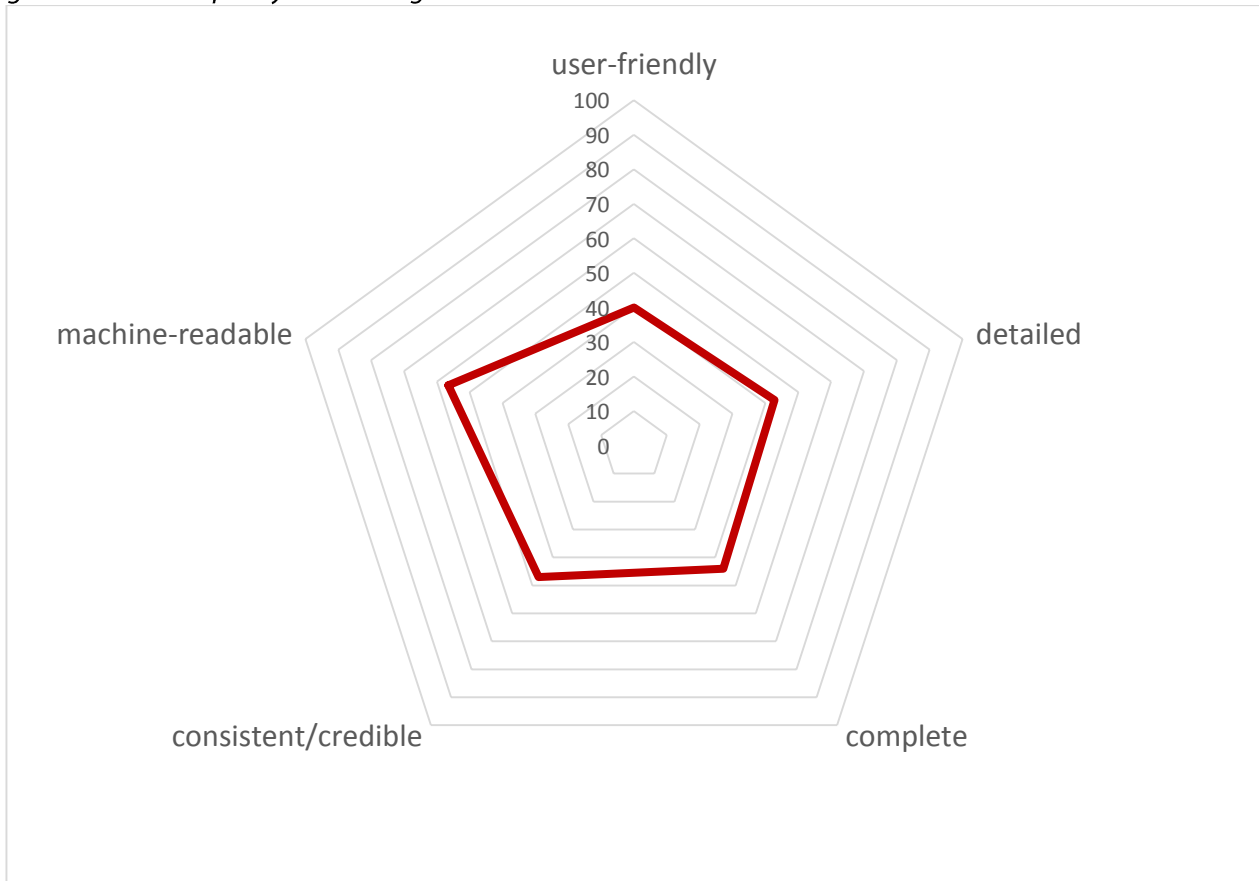
Figure 4 Online sources of budget documents



Note: The proportions are normalised by the number of respondents per each type of source.

Interestingly, the respondents seem to be relatively more satisfied with how the documents can be downloaded and processed compared to the degree of how detailed and user-friendly they are. The average scores vary around 50 (on the scale 1-100), which indicates very moderate satisfaction with the quality of these documents in general (see Figure 5). Furthermore, respondents mentioned the following features as barriers to effective use of the official budget documents: i) lack of detailed data on expenditures; ii) lack of credibility and consistency of the relevant government documents, iii) low level of openness and cooperation with the public officials.

Figure 5 Perceived quality of the budget documents



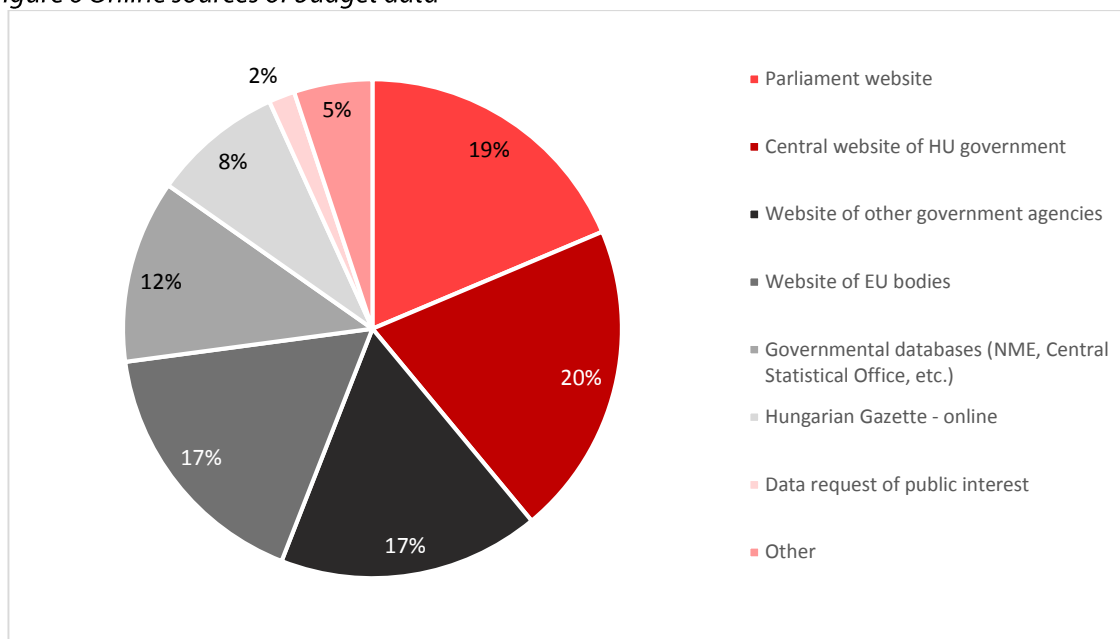
Note: The scale of the assessment was 1 to 100, indicating minimum or maximum degree of satisfaction in the given dimension. The scores are normalised by the number of respondents. Labels indicated in this figure are the shortened versions of the original statements from the survey. The original statements are to be found in Table 12.

### 3.2 Access and quality of budget data

86% of the respondents use budget data on an ordinary workday, the majority of them (62,5%) for applied research purposes. This is followed by the aim of media appearance and publication (33%), alike in case of budget documents. Regarding the source of budget data, EU official websites (esp. Eurostat) compete with the national online sources as far as they are as often referred as data sources as the main domestic websites (parliament website, central government website, and websites of other government agencies). Official public information requests are extremely rare. 81-96% of our respondents have never turned to any public institution with information/ data requests.<sup>7</sup> There is one exception among the government institutions, namely the Ministry for National Economy, which was ticked by 28% of the respondents as target of such a request.

<sup>7</sup> These results are striking given that fact that there are several civil initiatives and online sources launched for information sharing and easing public information requests. For the examples of online information package, toolkit, and facilitation, see '[Freedom of Information 1x1](#)' by TASZ (Hungarian Civil Liberties Union) and the '[Who Knows What](#)' by the atlatzo.hu (civil organisation facilitating whistleblowers)

Figure 6 Online sources of budget data



Note: The proportions are normalised by the number of respondents per each type of source.

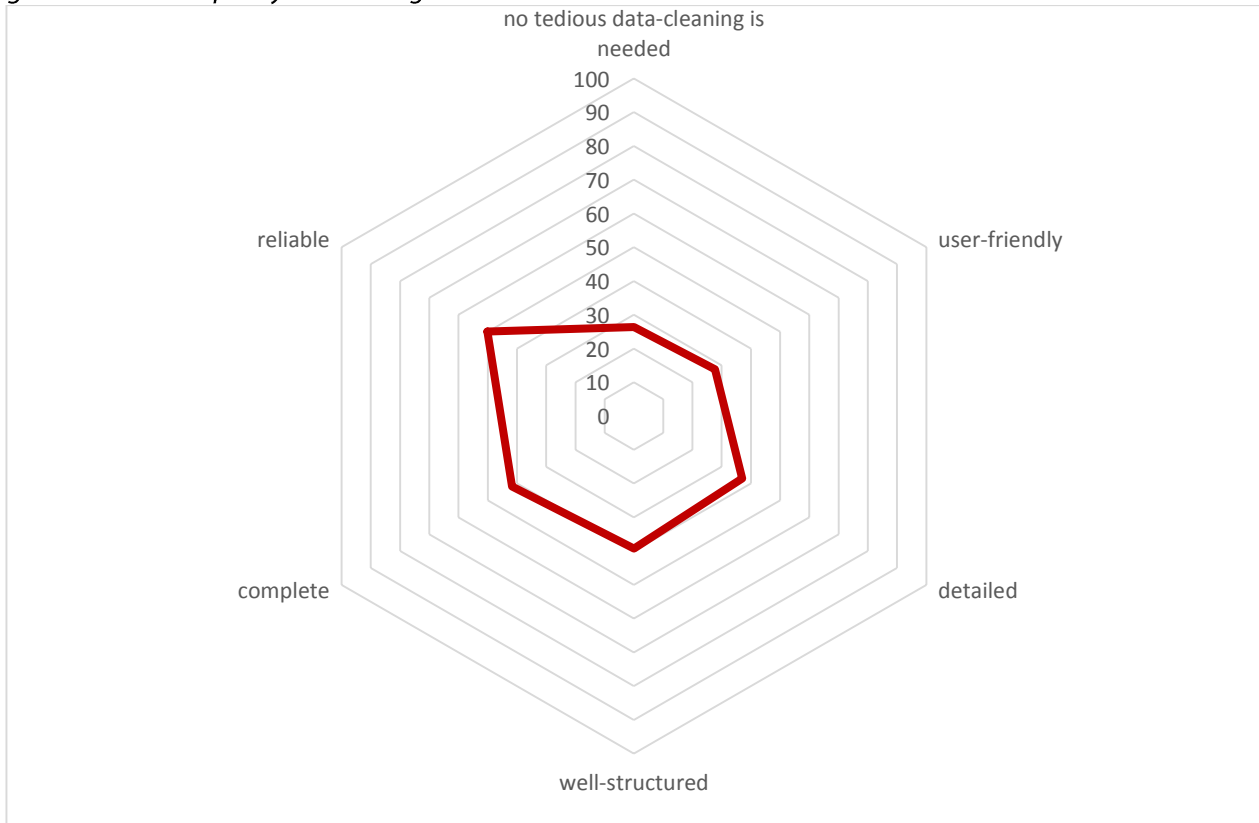
For assessing the quality of Hungarian budget data, we relied on the international standards on and definition of open data.<sup>8</sup> The graph below shows that our respondents have severe concerns on almost all of our evaluation criteria –that means, on:

- the efforts necessary spent on *data cleaning and mining*
- the (rather) lack of *user-friendly data formats*,
- the *structure and transparency* of the relevant datasets, and
- the fact that in many cases common users miss *detailed data* (esp. data broken down by government functions and institutions) and that the available data requires additional information and/ or supplementary matching (with other datasets).

Answers to open questions in the survey suggest that national stakeholders miss for example the detailed information on budget items broken down in EU standards (ESA95), background estimations and impact assessments, and budget figures in easy-to-process formats (going beyond usual .pdf formats). Our interviewees confirmed that the above criticisms correspond to the complaints experts usually express on the quality of public finance data. It is also worth noting that the assessments of budget data are in general worse than the results of a similar exercise as regards the budget documents (see figure below).

<sup>8</sup> See [www.opendatahandbook.org](http://www.opendatahandbook.org) or [opengovdata.org](http://opengovdata.org)

Figure 7 Perceived quality of the budget data



Note: The scale of the assessment was 1 to 100, indicating lack of or total satisfaction in the given dimension. The scores are normalised by the number of respondents. Labels indicated in this figure are the shortened versions of the original statements from the survey. The original statements are to be found in Table 12.

### 3.3 Administrative costs and burden

Although the time and working hours spent on searching and downloading budget documents and data are usually short (less than 30 minutes) for the majority of respondents (73 % in case of budget data and 76% in case of data). There are though a few outliers in case of budget documents:

- the executive's budget proposal, the final accounts, and the budget timeline (more than 2 hours)
- reports published by the State Treasury and the Tax Authority (between 1 and 2 hours).<sup>9</sup>

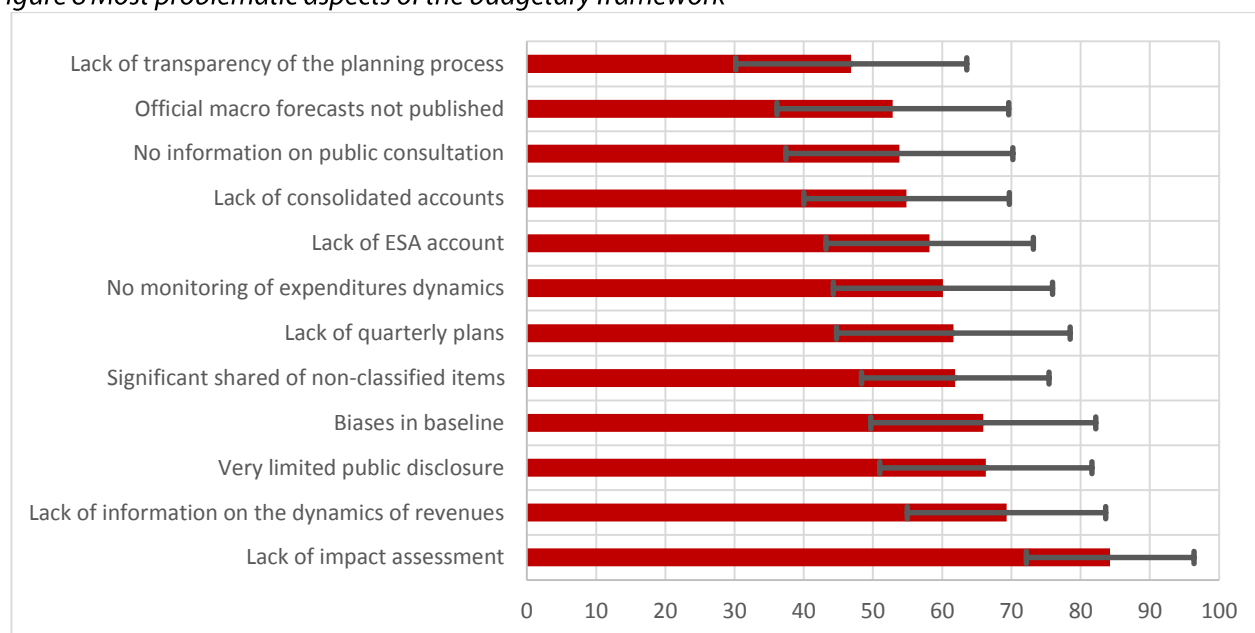
We have also mapped the stakeholders' view concerning a list of challenges identified during our interviews with key stakeholders. The results of stakeholder survey suggest that the national stakeholders would strongly support:

- better access (and actually existence) of impact assessments (e.g. impact assessment of policy measures financed by public funds),
- more information published on the development of the revenue side (esp. regular information on the tax revenues), and
- more extended public disclosure in general.

Notably, the majority of the respondents would also warmly welcome more transparency in the planning and implementation phase, opportunity to monitor public finances on a regular basis (quarterly reports, ESA95 and/or consolidated accounts), and some technical improvements (baseline-comparisons, less discretion in classification of the expenditures, public access to official macro forecasts) – see Figure 8.

<sup>9</sup> Even if the number of those respondents facing long searching and downloading time is rather small in our sample, the fact that this could be a difficulty for stakeholders interested in budget issues suggest that this might equally be a challenge for a common citizen, as well.

Figure 8 Most problematic aspects of the budgetary framework



Note: The scale of the assessment was 1 to 100, indicating no or full support of the respecting, critical claim. The scores are normalised by the number of respondents. Red bars indicate the average scores, and grey ones the respective standard deviations. Table 13 presents the original statements corresponding to the labels used in this figure.

### 3.4 Cooperation among non-government stakeholders

Collaboration among the non-government stakeholders (both national and/ or international) is far from being popular (45%). The top3 partners are professional and civil partners/ organisations, and international actors and organisations. Intriguingly, 37% of our respondents have indicated that they went for private cooperation (e.g., contacting other peers privately).

The top three most popular motivations for collaboration were: consultation and analysis on specific revenue (*top1*) and expenditure (*top2*) items, and access to budget docs and data. The dominant share of this collaborations happened in the last six months, which implies relatively high frequency.

### 3.5 Cooperation and consultation with government actors

Consultation and cooperation with the central government, the government agencies seem to be even more challenging. 72% of our respondents have not initiated any meeting or any other action in the analysed period (January 2012 – June 2014), and those in exception have mostly asked for more detailed information on specific revenue or expenditure items. The Ministry for National Economy and the line ministries lead this list, followed by the State Treasury and the Central Statistical Office.

### 3.6 International assessments

Regarding the information on relevant international assessments and potential cooperation with those donors/ organisations, the overall picture is less depressing. 92-97% of the respondents know and follow the related activity of those organisations (OECD, IMF, European Union) and use their publications on monthly or quarterly basis (72%), although few of them have heard about the International Budget Partnership and the Open Government Partnership (2 and 4 respondents out of 28 in this block).

Publications from the OECD (*Economic Survey*), the European Commission (*Assessment of the National Reform Programme and the Convergence Programme*), and from the International Monetary Fund (*Fiscal Monitor*) are the most commonly known international references (see Table 3).

Table 3 Popularity of international assessments

Publication	Number of respondents familiar with the doc	%	Number of respondents using the doc	%
OECD 2014 - Economic Survey Hungary, Chapter on Fiscal Policy	23	85.2	15	65.2
EC 2013 - Fiscal frameworks in the EU	15	55.6	10	43.5
EC 2014 - Assessment of the 2014 NRP and Convergence Programme for HUNGARY	20	74.1	18	78.3
IBP 2012 - Open Budget Survey Report	5	18.5	3	13
IMF 2014 - Fiscal Monitor	19	70.4	11	47.8
Other publications			2	8.7

Note: Multiple answers, Non-respondents: 18 and 21

Among the international databases, the *Eurostat* beats all the other data sources (with 92% of the respondents having already downloaded data from *Government Finance Statistics*<sup>10</sup>), followed hand-in-hand by *AMECO* (annual macro-economic database by the European Commission<sup>11</sup>, 50%) and by the *EC Fiscal Governance Database*<sup>12</sup> (managed by the DG Economic and Financial Affairs, 33%) and the *IMF Fiscal Monitor Database*<sup>13</sup> (30%).

### 3.7 International donors

The European Commission (EC) is the international donor mostly contacted and consulted by the national stakeholders. 15 respondents indicated that they have been or they have contacted the Brussels' officials in matter of public budgeting. Most of them have received or given technical assistance, some of them participated in workshops and trainings organised by EC, and in two cases the European Commission was also funder of national activity.

The OECD and the IMF have also provided technical assistance, or have been inviting national experts for consultation. One respondent referred to the WB as partner for consultation.

The OGP is well known, though very rarely referred to as international donor. The IBP was not mentioned as partner at all.

<sup>10</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/introduction)

<sup>11</sup> [http://ec.europa.eu/economy\\_finance/db\\_indicators/ameco/zipped\\_en.htm](http://ec.europa.eu/economy_finance/db_indicators/ameco/zipped_en.htm)

<sup>12</sup> [http://ec.europa.eu/economy\\_finance/db\\_indicators/fiscal\\_governance/index\\_en.htm](http://ec.europa.eu/economy_finance/db_indicators/fiscal_governance/index_en.htm)

<sup>13</sup> <https://www.imf.org/external/pubs/ft/fm/2011/02/app/FiscalMonitoring.html>

## 4. MEDIA CONTENT ANALYSIS

In this chapter we focus on the media coverage of budget transparency issues in the Hungarian online media. Here again we analyse the media attention covering the 2013 budget cycle (see Figure 1) starting in June 2012 and going through June 2014. In particular, we are interested in the following questions:

- i) How much attention do the media give to budget transparency?
- ii) How often and how deeply do the media report on budget transparency and related issues?
- iii) Were there any 'hot issues' in our period?
- iv) Is there any variation in the main topics the different stakeholders refer to in the online media?

First, we present some facts derived from our descriptive statistics. Second, we summarize the results of regression analyses by separating descriptive and informative content from claims with more influencing potential (*cf* normative claims with neutral or even negative tone).

The stakeholder survey showed that 12% of our respondents did not have publications or references in the Hungarian online media either in the last six or in the last twelve months. The national stakeholders use mostly their own institutional/ organisational websites to disseminate budget-relevant information and opinions. We could identify only one stakeholder with a blog and two respondents with their own websites – potentially used for sharing information and opinions on budget transparency. Nine respondents have no direct access to any media platform. These results suggest that the key Hungarian stakeholders in the field are not very active in the online media, very few of them is motivated and ambitious to use the online media sources either for dissemination and information-sharing or for agenda-setting and lobbying.

### 4.1 Low coverage of budget transparency issues

#### *Selected media sources*

Our sample is composed of the leading news portal (*origo.hu*), online journals (*hvg.hu*, *portfolio.hu*, *figyelo.hu*), the websites of two daily newspapers with the largest national coverage (*nol.hu*, *mno.hu*), and one popular political blog (*mandiner.hu*). We aimed at a set of online sources, which:

- i. focuses on economic and political issues,
- ii. reaches out to as many as possible readers (ie composition of online sources with high number of visitors and views per each),
- iii. represents sources with daily and weekly, printed alternatives (when available), and
- iv. is balanced in terms of partisan bias.

For detailed information on each of the media sources, see

Table 4.



Table 4 Selected online sources

Online source	Short description	Unique visitors/day*	Page views/day*	Claims identified (%)
<b>Origo</b>	Leading news portal	161,076	381,750	25.68
<b>HVG</b>	Economic and political magazine, centre	110,023	323,467	6.72
<b>NOL</b> <i>(Népszabadság)</i>	Online version of one of the leading daily newspapers in terms of readership, left-leaning	30,279	73,579	20.05
<b>Portfolio</b>	Leading financial and economic online journal	20,616	90,300	25.32
<b>MNO</b> <i>(Magyar Nemzet)</i>	Online version of one of the leading daily newspapers in terms of readership, right-leaning	9,367	25,948	7.71
<b>Mandiner</b>	Blog written by active right-leaning players of the political blogosphere	2,370	4,265	7.08
<b>Figyelő</b>	Business and news online journal	527	1,685	7.44

\*based on HypeStat estimation (<http://www.hypestat.com/>)

Next, we have selected our sample in two steps: first we listed articles from each of the sources which had a proportion of relevant key words higher than 10% compared to all words in the given article. Second, we chose randomly from those top segments and studied 455 articles. If an article was relevant to our claim-based research, we have analysed it sentence by sentence. That means, in our final sub-sample we had 105 articles (15 articles from each of the sources) and we examined the content and the relevance of each sentence in the given article. This process we shall refer to as claim-based analysis and we will return to this in the next sub-chapter. For more information on the methodology of sampling, selection of articles and on the methods of content analysis, see the Sample selection description in Annex III.

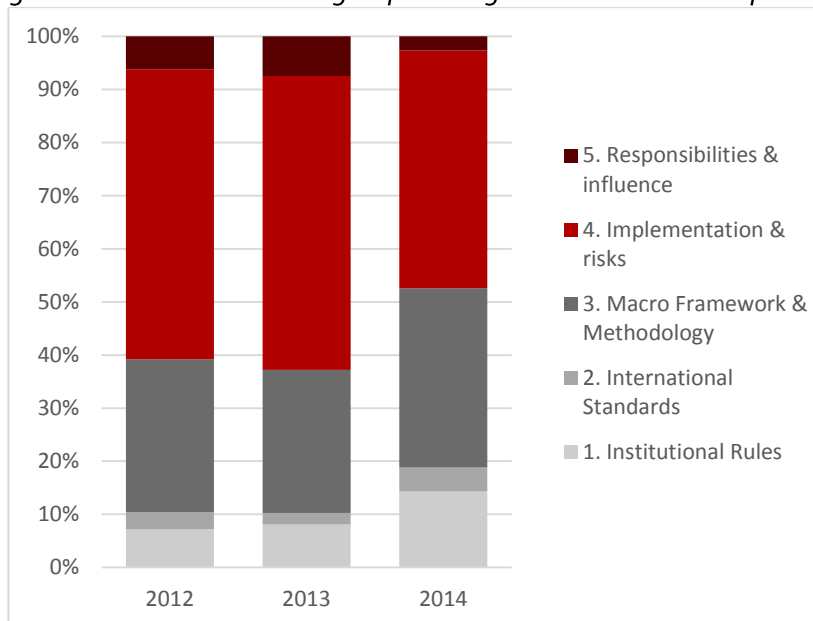
Table 5 Claim groups and claims

Claim group	Claim	# of claims (%)
1. Institutional Rules	<ul style="list-style-type: none"> <li>Numerical rules enhance the stability and the credibility of the national fiscal policy.</li> <li>Constitutional rules on fiscal policy (esp. the public debt ceiling rules) improve the fiscal discipline.</li> </ul>	96 (8.7%)
2. International Standards	<ul style="list-style-type: none"> <li>Budget planning documents meet the international standards and recommendations.</li> <li>Budget documents published in the implementation phase international standards and recommendations.</li> <li>Publication of budget data complies with the international standards and recommendations.</li> <li>Accounting rules and practices comply with the international standards and recommendations).</li> </ul>	31 (2.8%)
3. Macro Framework & Methodology	<ul style="list-style-type: none"> <li>Short- and medium-term (1-3 years) fiscal objectives are well-defined and justified.</li> <li>The budget is based on short- and medium-term macroeconomic forecasts.</li> <li>The forecasting methodology is well developed and adequate.</li> <li>The budget items are based on appropriate background calculations and analysis (e.g. on macro-effect estimations and on impact assessments).</li> <li>The actual revenues and expenditures are consistent with the baselines assessments and estimations.</li> </ul>	313 (28.4%)
4. Implementation & risks	<ul style="list-style-type: none"> <li>Frequent amendments to the actual budget are due to government failures.</li> <li>Risks associated with a particular budget revenue item are not significant.</li> <li>Risks associated with a particular budget expenditure item are not significant.</li> </ul>	591 (54%)
5. Responsibilities & influence	<ul style="list-style-type: none"> <li>The legal framework clearly defines the responsibility of the different government authorities in the budgeting process.</li> <li>The Fiscal Council supports consistency and predictability in the budgeting process.</li> <li>A business organization / actor enforced its own position /opinion on a budgetary question.</li> <li>A civil organization / actor enforced its own position /opinion on a budgetary question.</li> </ul>	71 (6.4%)

**Error! Reference source not found.)** shows, most of the claims identified in the articles relate to risks associated with (the planning and amendment of) certain revenue or expenditure items. Claims approving or criticizing the macroeconomic framework and the methodological framework of the budgeting process are the second on popularity list across the sources.

The Hungarian media sources are much less interested in all the other three topics (the responsibility of the different government agencies, the effectiveness of business and civil advocacy during the budgeting process along with compliance with the international standards). Less than 20% of the identified claims refer to these issues or report of related actions.

Figure 9 Distribution of claim groups throughout the observation period



The distribution of topics across the observation years is quite stable. There is only one obvious shift in 2014, when a significantly higher share of the statements related to Institutional Rules emerge compared to the previous years – notably, mainly at the costs of division of government responsibilities and reports on actions of non-government actors (a topic really rarely covered by media, if at all). Implementation and budgetary risks associated with certain budget items are the dominant issues followed by Macro framework and methodological ones.

#### *Some general observations*

The ratio of claims appearing in titles or subtitles is remarkably low (ca. 13%). We also checked whether the *direction* of the given statement was similar to our original claim or rather its opposite (for example, ‘The risk associated with a particular budget revenue item is not significant’ defined as exact *versus* ‘The risk associated with a particular budget revenue items is significant’ coded as opposite). Most of the analysed claims were framed in the way our reference claim suggested. In the topics, which had a large number of “hits” in our articles (claim group: Implementation and risks, Macro framework and Implementation risk), the proportion of exact and that of opposite claims was relatively balanced.

Although the articles did not cover the compliance with international standards too often, when they did, it was mostly in the opposite direction – that means, in most of the cases they suggested that the Hungarian fiscal framework does not meet the international standards (see 31 claims of which 81% was coded in the opposite direction). In all the other categories (Compliance with institutional rules, Responsibilities and influence) exact claims dominate (74% and 80%).<sup>14</sup>

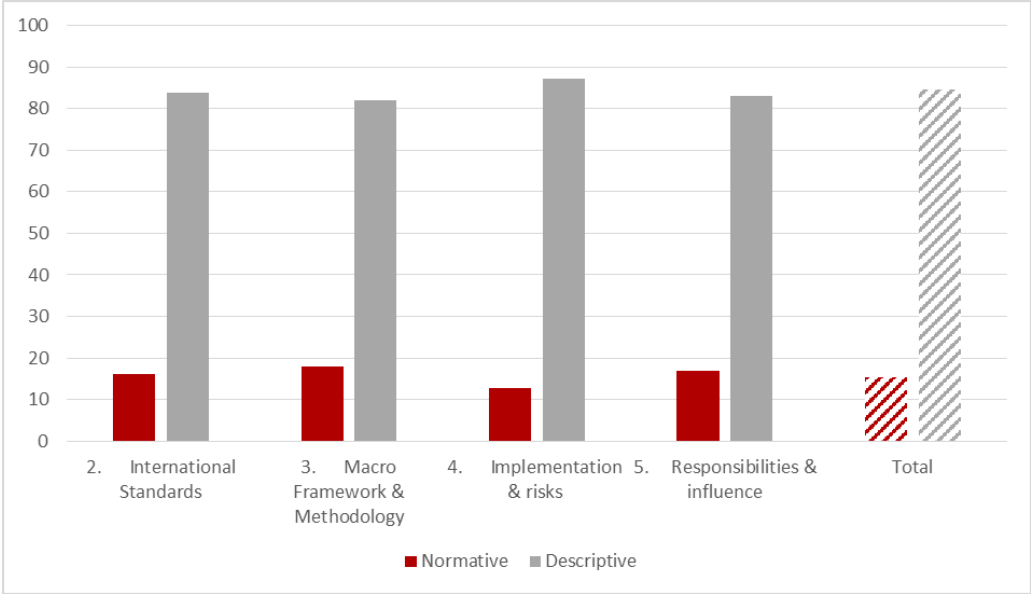
We also wanted to see to what extent do the statements explicitly express the meaning of our reference claims or they do it in an implicit way. Across all the topics, implicit claims dictate. Risk and Implementation issues are though a bit more likely to be explicitly expressed (36%), while claims on the adequacy of the macroeconomic framework and the methodological background are the least likely to be explicitly formulated.<sup>15</sup>

<sup>14</sup> For further details, see Table 16.

<sup>15</sup> For further details, see Table 17.

Figure 10 below shows that the ratio of normative statements (i.e. statements with a value-based judgement and/or with a message on how things should be/should have been done as opposed to statements which only describe the state of play of the given matter) is quite low, ranging between 12-21% across the different claim groups. Very high proportion of the identified statements is descriptive and the sources are mostly neutral in their tone.<sup>16</sup> This may indicate that in general the online media in Hungary is very cautious in delivering messages with motivation of influencing the government agenda or even the government actions. We think that in general there is a bias on reporting on the *status quo* rather than giving room to voices, which could / would challenge the national context. We will come back to this issue in the next section.

Figure 10 Percentage of normative and descriptive claims in the different claim groups

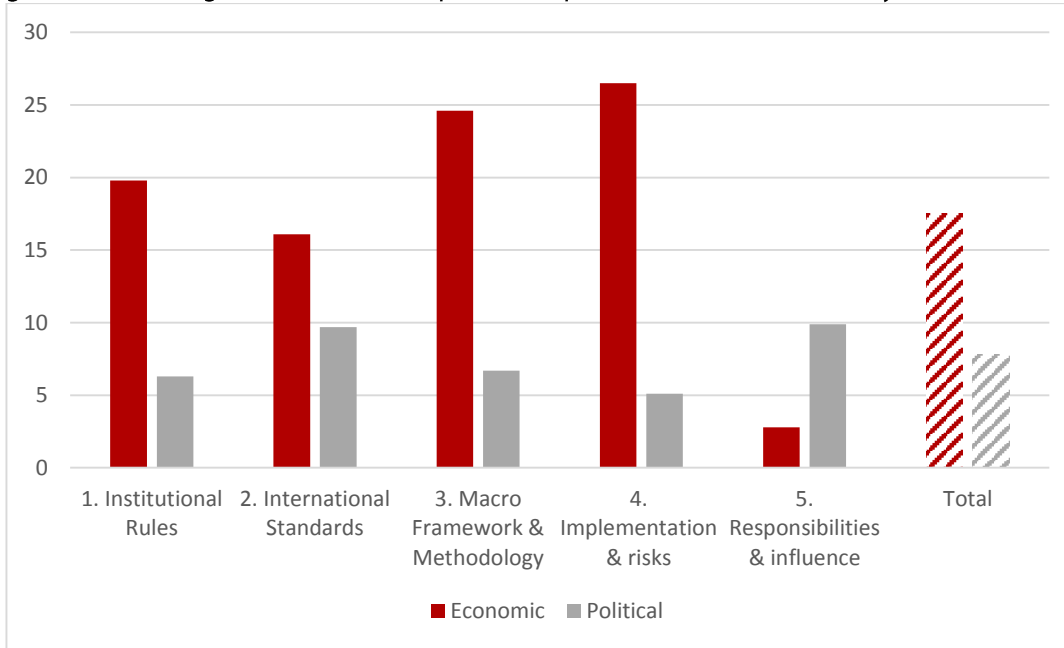


Note: Claim group 1 (Compliance with institutional rules) is not depicted in the figure, because the formulation of the claim is normative in itself.

In addition, our results also show that most statements are *non-analytical*, implying that journalists do not come forward with explanations on the reported facts or events.<sup>17</sup> In case they do, they primarily rely on economic arguments rather than on political ones.

<sup>16</sup> For further details, see Table 18 and Table 20.  
<sup>17</sup> For further details, see Table 21 Distribution of analytical statements.

Figure 11 Percentage of economic and political explanations – in case of analytical claims



The distribution of the *information sources* within the different claim groups is relatively balanced. The top information sources are mostly the journalists themselves, the Ministry of National Economy or the Fiscal Council. In case of claim group 5 (Responsibilities and Influence), the State Audit Office also emerges as important information source. Civil society organisations and line ministries are the least frequently occurring information sources.<sup>18</sup>

37% of the statements come from the journalist without reference to or quote from another party. The ratio of paraphrased statements (that means, interpreted and not quoted by the journalist) is roughly 40% of all statements, while the share of the quoted statements is 25%.<sup>19</sup> Government actors (ie. representatives of the Ministry of National or of the line ministries (including also the prime minister) the information sources which are quoted in more than 65% of the cases as opposed to international actors and domestic, non-government actors (e.g. experts from the business sector, CSOs) who are quoted in less than 17% of the cases.

## 4.2 Agenda-setting and significance of influencing claims

We have clustered the identified claims into three groups:

- descriptive and neutral claims – labelled as *information-sharing claims*,
- normative claims with a neutral or negative tone – labelled as *influencing or challenging claims*, and
- normative claims with a positive tone – labelled as *confirming claims*.

We analysed who delivers such types of claims when and whether there is a seasonal pattern of claim groups and information sources. That means, we have also controlled for the interaction of topics and seasons by taking into consideration the fact that one or the other topic may be more relevant in certain budget periods and for some of the stakeholders.

<sup>18</sup> For further details, see Table 21 Distribution of analytical statements.

<sup>19</sup> For further details, see Table 21 Distribution of analytical statements.

### Information-sharing claims (descriptive & neutral claims)

Figure 12 Distribution of descriptive & neutral claims across claim groups- all sources

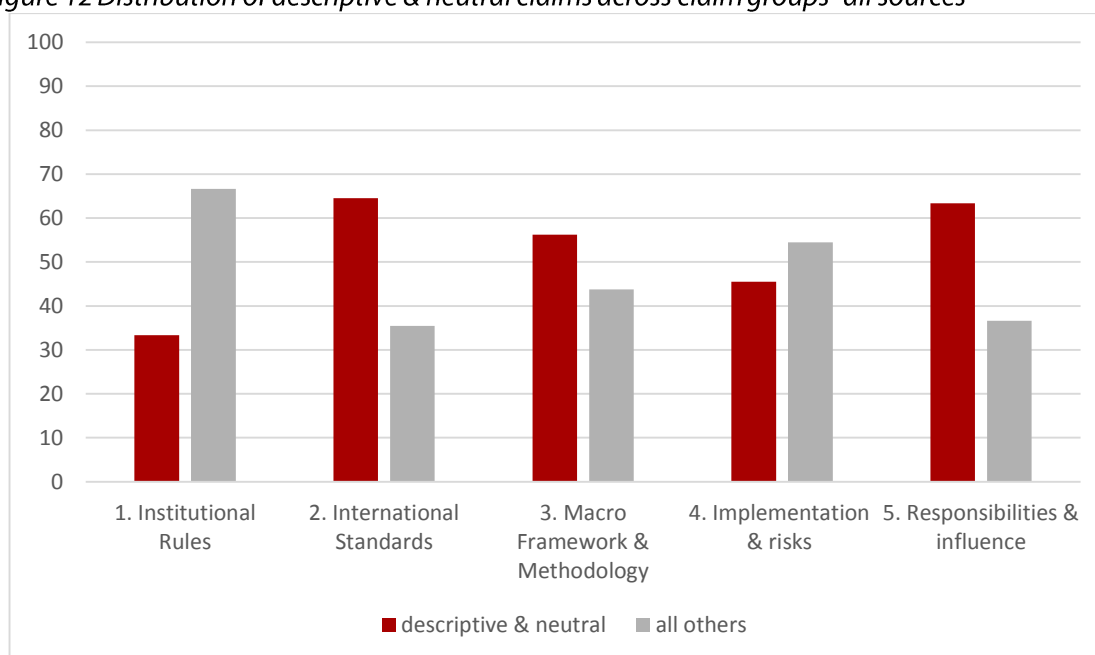


Figure 12 above suggests that the online media talks more frequently in a descriptive and neutral way in case of topics – such as, compliance with international standards, macro framework and methodology, and division of government responsibilities and the influence exercised by CSOs or by business actors. Our regression results confirm these observations though with some more sophisticated distinctions.<sup>20</sup>

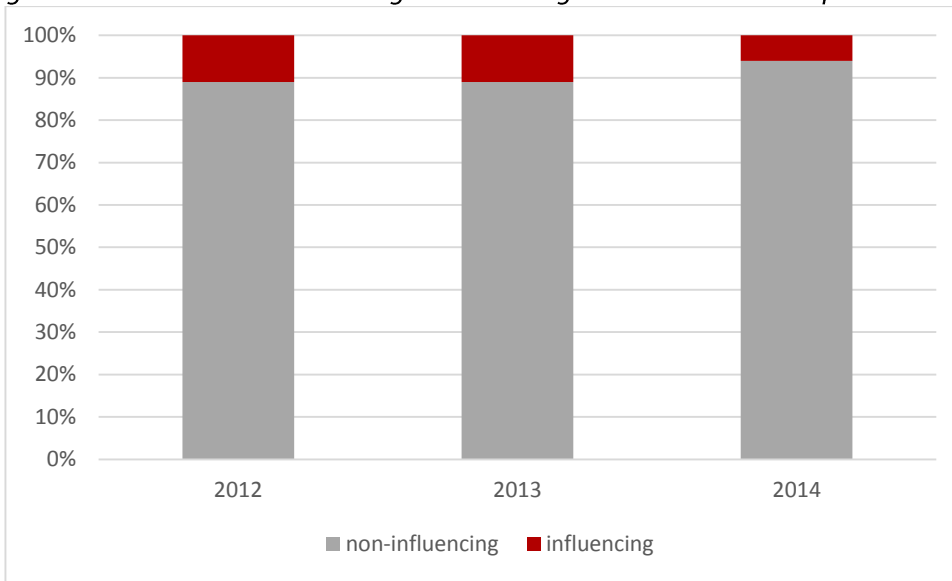
- Independently from the information source, it is true that compliance, responsibility and influence issues were more likely represented in a descriptive way in 2014 than reports on implementation and budgetary risks in 2013.<sup>21</sup>
- The online media shared less likely information on institutional rules in 2012 in a neutral way than it did on implementation and budgetary risks in 2013.
- In general, control agencies (such as the Fiscal Council and the State Audit Office) and the journalists are more likely to talk about budgetary issues in a descriptive and neutral way than the government actors (MoNE or line ministries).
- By controlling for the messages of the government actors, it is evident that they pressed on the institutional rules less likely in a descriptive and neutral way across time than they did it in case of implementation and budgetary risks in 2013.
- By controlling for the messages taken from the media representatives (journalists), we find that they preferred sharing information on the macroeconomic and methodological framework and on the government responsibilities more likely across all the years than they did in case of implementation and risks in 2013.

<sup>20</sup> For the detailed regression tables, see Annex III.

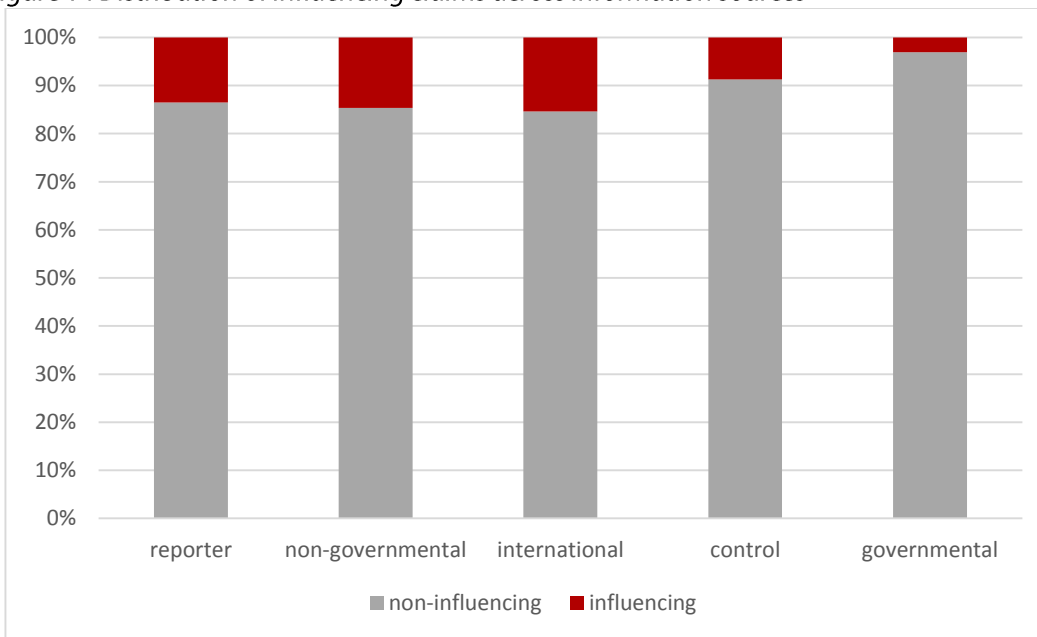
<sup>21</sup> We should consider here that this results shall be interpreted cautiously, since we could not analyse the whole 2014 budget cycle due to the fact that we closed our sample by June 2014. This analysis has to be repeated with a higher number of 2014 budget-relevant articles in one year.

*Influencing / challenging claims (normative & neutral /negative claims)*

**Figure 13** Distribution of influencing claims throughout the observation period



**Figure 14** Distribution of influencing claims across information sources



Figures above illustrate that claims challenging the *status quo* are really rare across the years and the information sources. This may indicate that the Hungarian online media is not assertive with respect to mediating messages in a neutral or negative way to the broader public. The share of influencing claims is decreasing in our period, and obviously the government actors and the state control agencies are the less critical actors. The largest share of messages with the potential to influence public opinion comes from international agencies and from national, non-governmental actors. The regression results confirm these statistics by showing that:<sup>22</sup>

<sup>22</sup> For the detailed regression tables, see Annex III.



- All the actors other than the government actors and the state control agencies are significantly more likely to put forward normative messages with a neutral or even negative tone.
- In case of the 2012 budget messages related to implementation failures and the division of government responsibilities were more likely framed in a way corresponding to our influencing claims, but this critical attitude seems to fade away in case of the budgets of the following years (2013, 2014).
- In 2013 international actors were significantly more likely criticising the Hungarian government in relation to the adequacy of the macroeconomic framework and the budget methodology than on implementation and budgetary risks.
- Non-governmental actors followed this track and challenged the *status quo* in macro-economic planning and methodology in 2014 and in implementation and risks in 2012 and 2014 significantly more likely than they did in the case of implementation and risks in 2013.

#### *Confirming claims (normative & positive claims)*

In case of the confirming messages (normative claims with positive tone) the regressions results are not significant except one factor – the information source. All the stakeholders (even the state control agencies) are less likely normative in a positive tone in their messages than the government actors.<sup>23</sup>

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<sup>23</sup> For the detailed regression tables, see Annex III.

## ANNEX I. BACKGROUND INFORMATION

Table 5 List of abbreviations

Abbreviation	English term	Hungarian term (if appropriate)
COFOG	Classification of the Functions of Government	COFOG
CSO	Civil Society Organisation	Civil szervezet
ESA	Economic Stability Act	Gst. /Mo. gazdasági stabilitásáról sz. Tv (194/2011)
ESA95	European System of Accounts	Európai Elszámolási Rendszer
FC	Fiscal Council	Költségvetési Tanács
FRL	Fiscal Responsibility Law	Költségvetési Felelősség Törvény
GDMA	Government Debt Management Agency	Állami Adósságkezelő Központ
HCB	Hungarian Central Bank	Magyar Nemzeti Bank
HCSO	Hungarian Central Statistical Office	Központi Statisztikai Hivatal
IBP	International Budget Partnership	Nemzetközi Költségvetési Együttműködés
MNE	Ministry for National Economy	Nemzetgazdasági Minisztérium
OGP	Open Government Partnership	Nyílt Kormányzat Együttműködés
PFA	Public Finance Act	Költségvetési Törvény
SAO	State Audit Office	Állami Számvevőszék

Table 6 List of relevant regulations and budget documents

Document	Responsibility	Source
Timetable	MNE	<p><i>Official Title:</i> Timetable for preparation of the executive's budget proposal for 2013, 2012. 05. 17.</p> <p><i>Relevant Legislation:</i> Has to be made public until 30<sup>th</sup> of June in the year preceding the budget year. (Act CXCV. of 2011, paragraph 13)</p> <p><i>Link:</i> <a href="http://ngmszakmaiteruletek.kormany.hu/download/e/7f/a0000/2013_utemterv.pdf">http://ngmszakmaiteruletek.kormany.hu/download/e/7f/a0000/2013_utemterv.pdf</a></p>
FC Opinion	FC	<p><i>Official Title:</i> Opinion of the Fiscal Council about the Draft of Hungary's Budget Proposal for 2014<sup>24</sup></p> <p><i>Relevant Legislation:</i> The FC forms an opinion about the preliminary version of the Executive's Budget Proposal. (Act CXCV. of 2011, paragraph 24)</p> <p><i>Link:</i> <a href="http://www-archiv.parlament.hu/kt/dok/0923_11_kt_velemenypdf">http://www-archiv.parlament.hu/kt/dok/0923_11_kt_velemenypdf</a></p>
SAO Opinion	SAO	<p><i>Official Title:</i> Opinion about the Draft of Hungary's Budget Proposal for 2013, 2012. 06.</p> <p><i>Relevant Legislation:</i> The budget proposal is discussed in the Parliament together with the opinion of the State Audit Office and the Fiscal Council of Hungary. (Act CXCV. of 2011, paragraph 22 (6); overruled by Act XIV of 2014, paragraph 98 (3))</p> <p><i>Link:</i> <a href="http://www.asz.hu/jelentes/1289/velemenymagyarorszag-2013-evi-kozponti-koltsegveteserol-szolo-torvenyjavaslatrol/1289j000.pdf">http://www.asz.hu/jelentes/1289/velemenymagyarorszag-2013-evi-kozponti-koltsegveteserol-szolo-torvenyjavaslatrol/1289j000.pdf</a></p>
Executive's Budget Proposal	MNE	<p><i>Official Title:</i> Budget Proposal for 2013, no. T/7655, 2012. 06. 15.</p> <p><i>Relevant Legislation:</i> The government has to present the budget proposal for the central budget to the Parliament until October 15. (Act CXCV. of 2011 paragraph 22, (2))</p> <p><i>Link:</i> <a href="http://www.parlament.hu/irom39/07655/adatok/2013_tvjav_0615.pdf">http://www.parlament.hu/irom39/07655/adatok/2013_tvjav_0615.pdf</a></p>
Enacted Budget	Parliament	<p><i>Official Title:</i> Act CCIV of 2012 about the central budget of 2013, T/7655/459, 2012. 12. 01.</p> <p><i>Relevant Legislation:</i> Act CXCV. of 2011 paragraph 14-22</p> <p><i>Link:</i> <a href="http://www.parlament.hu/irom39/07655/07655-0459.pdf">http://www.parlament.hu/irom39/07655/07655-0459.pdf</a></p>
FC Opinion about Modification	FC	<p><i>Official Title:</i> The Opinion of the Fiscal Council about the Proposal for Modifications of the Act CCIV of 2012 about the Budget Bill of 2013, 2013. 03. 05., 2013. 05. 16., 2013. 11. 07.</p> <p><i>Relevant Legislation:</i> Act CXCV. of 2011, paragraph 31-34</p> <p><i>Link:</i> <a href="http://www-archiv.parlament.hu/kt/dok/kvt_26_2013.pdf">http://www-archiv.parlament.hu/kt/dok/kvt_26_2013.pdf</a> (2013. 03. 05.)  <a href="http://www-archiv.parlament.hu/kt/dok/0516_kt_velemenypdf">http://www-archiv.parlament.hu/kt/dok/0516_kt_velemenypdf</a> (2013. 05. 16.)  <a href="http://www-archiv.parlament.hu/kt/dok/kvt_135_2013.pdf">http://www-archiv.parlament.hu/kt/dok/kvt_135_2013.pdf</a> (2013. 11. 07.)</p>
In-Year Report	MNE	<p><i>Official Title:</i> Report on the monthly situation of the central subsystem of the general government (monthly publication)</p> <p><i>Link:</i> <a href="mailto:http://ngmszakmaiteruletek.kormany.hu/reszletes-allamhaztartasi-tajekoztatok-2012">mailto:http://ngmszakmaiteruletek.kormany.hu/reszletes-allamhaztartasi-tajekoztatok-2012</a></p>
Proposal for Year-End Report	MNE	<p><i>Official Title:</i></p> <p><i>Relevant Legislation:</i> Act CXCV. of 2011, paragraph 89-90</p> <p><i>Link:</i></p>
Audit Report	SAO	<p><i>Official Title:</i> Report about the execution of Hungary's budget bill for 2013; not published yet for this year – usually in August</p>

<sup>24</sup> We could not find the FC Opinion about the draft of the 2013 budget proposal in the official governmental sources so we included the opinion of the 2014 budget cycle.

		<p><i>Relevant legislation:</i> "The proposal about the year-end report is discussed together with the audit report of the State Audit Office of Hungary." (Act CXCV. of 2011, paragraph 90)</p> <p><i>Link:</i> 2012 report: <a href="http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf">http://www.asz.hu/jelentes/13080/jelentes-magyarorszag-2012-evi-kozponti-koltsegvetese-vegrehajtasanak-ellenorzeserol/13080j000.pdf</a></p>
Year-End Report	MNE	<p><i>Official Title:</i> Act ... of 2014 about the execution of Act CCIV of 2012 about the central budget of 2013; not published yet – deadline: August 31</p> <p><i>Relevant Legislation:</i> TBA</p> <p><i>Link:</i> 2012 report: <a href="http://www.parlament.hu/irom39/12002/adatok/norma.pdf">http://www.parlament.hu/irom39/12002/adatok/norma.pdf</a></p>

Table 7 Overview of country-specific recommendations – fiscal framework

Topics	2010	2011	2011	2012	2012	2013	2013	2014
	IMPL.	RECOM.	IMPL.	RECOM.	IMPL.	RECOM.	IMPL.	RECOM.
<b>independent budgetary institutions - FC</b>	<i>relatively success in building independent budget institutions ((FC equipped with its own 30-strong analytical staff)</i>	broadening FC's mandate to cover the entire budgetary cycle (e.g. real-time assessments, preparation of the macroeconomic forecast underlying the draft budget, medium-term planning, ex-ante impact assessment of major fiscal policy initiatives (e.g. tax laws, also which are outside the standard budgetary cycle) (EC)	<i>weakening of FC, its access was narrowed to certain official information and lost all funding</i>  <i>FC's veto right over the annual budget</i>	strengthening the FC, providing it with analytic stuff with sufficient resource and broadening its mandate (IMF EC)  veto right gives the council too much power (OECD IMF)	<i>no significant measures were taken</i> <i>the analytical capacity of the fiscal council has been reinforced</i> <i>(recruiting staff , technical support from SAO and the MNB)</i>	strengthening the FC, providing it with sufficient resource and broadening its mandate (IMF) (e.g. systematic ex-post monitoring, mandatory preparation of macro-fiscal baseline projections, assessments of policy proposals) (EC)  veto right gives the council too much power (IMF)	<i>no significant measures were taken</i>  <i>FC's role in policy formulation and implementation is still implicative with a focus on ex ante compliance with public debt rules</i>	a more independent and adequately-resourced FC (IMF)  veto right gives the council too much power (OECD IMF)

<b>Transparency</b>	<p><i>a new fiscal framework was adopted in 2008</i></p> <p><i>- problems: the complexity of the rules, the weak statutory base</i></p> <p><i>- success: introducing stringent multi-annual procedural rules</i></p>	<p>details only specified in the subsequent 'cardinal' laws (e.g. temporary numerical rules until the debt ratio declines to 50%, the precise interpretation of the escape clause, etc.)</p> <p>the imposition of a nominal debt cap, if used as an all-purpose device, could easily lead to a pro-cyclical fiscal stance (EC)</p>	<p><i>-problems: fiscal discipline gradually loosened (medium-term real debt rule replaced by a nominal debt ceiling)-</i></p> <p><i>success: a separate chapter on public finances in the new Constitution (+ central regulation of the local government debt)</i></p>	<p>a number of flaws remain in the new institutional framework: the lack of follow-up control, lenient escape clause or insufficient monitoring and correction mechanism in case of deviation reduce the effectiveness of these fiscal rules, further legislative steps needed (EC)</p>	<p><i>no significant measures were taken</i></p>	<p>the system includes certain new provisions that may weaken the institutional safeguards of domestic economic governance, namely severe restrictions on the competences of the Constitutional Court and a requirement for a two-thirds parliamentary quorum to change the features of tax policy. (EC)</p>	<p><i>transposition of Council Directive 2011/85/EU: the deficit target of the budget must be in accordance with the 3 % of GDP deficit threshold and with the medium-term objective</i></p> <p><i>3-year plans defined by 30 April</i></p> <p><i>changing the plans would require an official justification by the gov. in the relevant resolution</i></p>	
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<b>transparent budgeting process - consultation</b>	<i>the rights to access information are not specified, the timeliness of data publication is not stipulated and the dimension of public awareness on budgetary matters is not appropriately considered</i>	strengthening the transparency of the budgetary process (information, timeline for data publication, support public awareness on budgetary matters) (EC)			<p><i>there was no prior consultation with banks</i></p> <p><i>plans to reduce bank taxes were reversed. the levy became permanent and a new tax on bank transactions was introduced</i></p>	prior consultation with stakeholders is needed (IMF)		
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<b>effective multi-annual budgetary planning</b>	<i>possibility to adjust the key figures in the outer three years of planning the central budget at any time without further specifics</i>	introducing a medium-term budget framework (IMF EC)	<i>in the Public Finance Act, the rudiments of a medium-term budgetary planning framework have been established</i>	introducing a medium-term budget framework (IMF OECD EC)	<i>frequent and unpredictable policy changes (e.g., sectoral taxes, pension nationalization, mortgage pre-payment schemes, utility tariff cuts) the budget rely on taxes levied on bank, retail, telecom, and energy sectors.</i>  <i>a structural balance rule and a correction mechanism to be used in case of deviations are being considered</i>	introducing a medium-term budget framework (IMF EC)	<i>frequent changes in the fiscal targets and adoption of ad-hoc measures</i>  <i>As regards the medium-term budgetary framework there has been no policy response, thus it was purely indicative until the implementation of Council Directive 2011/85/EU</i>  <i>'comply or explain' type of rule</i>	simplifying the system and stressed the need to set the rules in structural terms to avoid pro-cyclicality (IMF)
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<b>fiscal adjustment, a composition of spending and revenues</b>					<i>A large fiscal adjustment was implemented and the deficit target was met. However, the adjustment relied heavily on ad-hoc tax measures.</i>	rebalancing of the adjustment toward durable spending consolidation (better targeting social benefits) (IMF)	<i>the composition of the budget remained largely unchanged as additional ad-hoc revenue measures were taken</i>	durable expenditure consolidation, enhanced composition of spending (reform family benefits) (OECD)  the authorities should replace these distortionary taxes with more growth friendly instruments (IMF, EC, OECD)
<b>fiscal adjustment, a composition of spending and revenues - tax system</b>			<i>introduction of the flat PIT system</i>		<i>the budget continued to rely on existing and new special taxes levied on bank, retail, telecom, and energy sectors</i>	rationalization of the tax system, including a gradual elimination of sectoral taxes (IMF)	<i>shift from direct taxes towards consumption taxes and special levies. a lower corporate tax (CIT) rate, higher VAT and excise tax rates. (2 ½ percent of GDP from sectoral taxes)</i>	a gradual elimination of distortionary taxes and simplifying the tax system (IMF, OECD)

		need to improve the availability of budgetary information, raising public awareness of budgetary policies (EC) the transposition of Council Directive 2011/85/EU needed					<i>transposition of Council Directive 2011/85/EU: regular publication of fiscal data at both the central and local government levels, the accessibility of planning documents, the introduction of new numerical rules</i>	
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Source: <http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/>

Table 8 List of stakeholder interviews

	Date	Main focus
IBP partner	22 July 2014	HU fiscal framework, situation analysis, challenges
Government actor	8 September 2014	Public disclosure of budget data
Media actor	4 July 2014	Budget docs & data, pressure on government
Business actor	9 July 2014	Budget docs & data, pressure on government
NGO	10 September 2014	Budget docs & data
CSO advocacy	19 August 2014	Pressure on government

## ANNEX II. METHODOLOGICAL NOTES – STAKEHOLDER SURVEY

First, we identified 6 stakeholders groups that we included in the survey: civic society organizations (CSOs), media, professionals (university professors, ex-governmental officers, etc.), business / macro analysts (at banks, insurance companies, consulting firms, etc.), international peers and government members. During the process of respondent selection we consulted some key stakeholders to complete the list of people necessary to be included in the survey.

Early July we asked three stakeholders (a journalist, a macro analyst and a researcher) to test the draft questionnaire and make suggestions about formulation of questions and the topics included. Building on their valuable feedback we finalised the questionnaire. We sent out the invitations to stakeholders via email on July 16 and announced the closure of the survey in one-week time (this deadline was extended once for one additional week). The survey was anonym, and we used survey gizmo as survey tool (<http://www.surveygizmo.com>).

Table 9 Respondent statistics

Statistics on Respondents	Number of people
Invitation sent -overall	90
Invitation sent – non-government SH	81
Invitation delivered	82
Responded	45
... of which partial response	17
... of which completed response	28
<b>Response rate</b>	<b>75%</b>

We sent out the survey to a total of 90 people, 81 were non-government stakeholders (see statistics on respondents in the table above), and 45 people answered our questions – partially or completely. Respondents with partial responses did not reach the “Thank you!” page of the survey, but we can see the answers for the questions that they responded. While evaluating the results we took attention of the potential distortion effects – namely, that towards the end of the questionnaire there tend to be fewer responders per question.

*Table 10 Respondent statistics – question blocks*

<i>Question block</i>	<i>Approximate Response rate</i>
Budget documents	89%
Budget data	64%
Cooperation with non-governmental organisations	64%
Media coverage	56%
Cooperation with governmental organisations	62%
International assessments	62%
International support	42%

*Table 11 Stakeholder organisations invited to participate in the SH survey*

**IBP partner**

KFIB (FISCAL RESPONSIBILITY INSTITUTE BUDAPEST)

**Civil Society Organisations**

atlatszo.hu

K-Monitor

TASZ (Hungarian Civil Liberties Union)

Hungarian Helsinki Committee

Transparency International Hungary

Haza és Haladás (The Patriotism and Progress Public Policy Foundation)

Századvég Foundation

Hétfi Research Institute

REKK (Regional Centre for Energy Policy Research)

Kopint-Tárki Institute for Economic Research Co.

GKI (Hungarian Economic Research Institute)

Policy Agenda

TÁRKI (Social Research Institute)

MTA KTI (Hungarian Academy of Sciences - Centre for Economic and Regional Studies )

Corruption Research Center (Corvinus University of Budapest)

Expanzió Human Consulting

eGov Consulting Ltd.

Budapest Institute

## Media

portfolio.hu  
index.hu  
vs.hu  
hvg.hu  
mandiner.hu  
444.hu  
napi.hu  
Figyelő  
Heti Válasz  
Népszabadság  
HVG  
hvg.hu

## Peers, (Ex) Professionals

Hungarian Academy of Sciences  
National Bank of Hungary  
State Audit Office  
Budapest Business School  
ELTE  
KPMG  
Corvinus University of Budapest  
University of Pécs  
University of Debrecen  
Agenda Consulting

## Business Macro-analysts

MKB (Hungarian Commercial Bank)  
Concorde  
ING  
OTP  
Amchaim

## International Peers

EU representative  
US embassy  
NL embassy

## Government representatives

NGM (Ministry of National Economy)  
Költségvetési Tanács (Fiscal Council)  
ÁKK (Government Debt Management Agency)  
MNB (National Bank of Hungary)  
MÁK (Hungarian State Treasury)

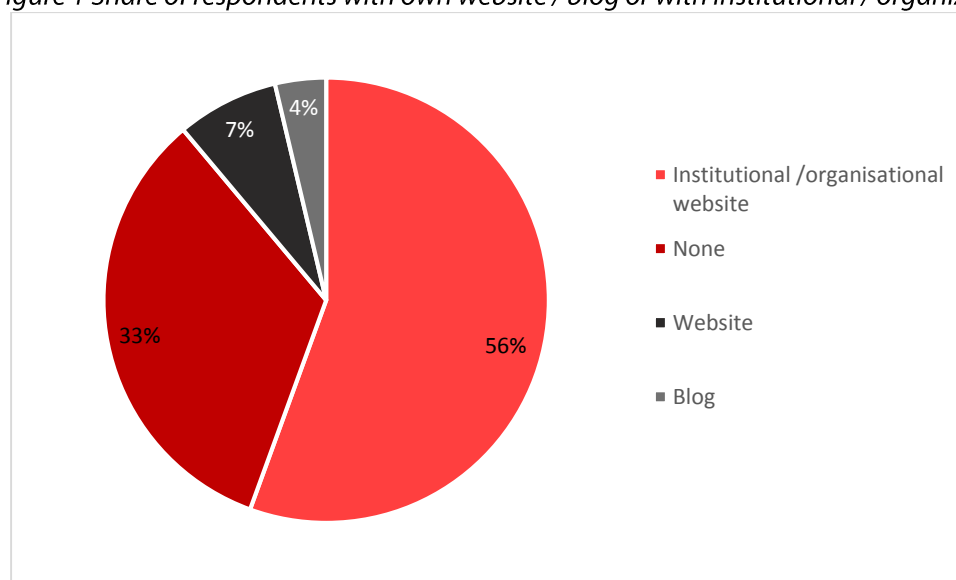
## Parliament

Budget Commission

*Table 12 Satisfaction with budget document quality – labels used in the figure and the corresponding statements in the survey*

Label	Statement in the survey
User-friendly	The document is clearly structured and user-friendly – ie the information in it is easily accessible and easy-to-find.
Detailed	The document is detailed – ie all necessary and expected data appears in the appropriate breakdowns and with proper references.
Complete	The document is complete – ie it can be used for the user's initial purpose without any additional information.
Consistent/credible	The document is reliable – ie there is no need for double checks and the data/information involved is consistent across time and sources.
Machine-readable	The document is easy to process – ie the data / information involved is easy to extract and the format helps the user to re-use the information in an efficient way.

*Figure 1 Share of respondents with own website / blog or with institutional / organizational website*



*Table 13 Most problematic aspects of the budgetary framework*

Short label	Original statement from the stakeholder survey
Lack of impact assessment	Impact assessments establishing the basis of measures impacting certain budget line items are not available / not public.
Lack of information on the dynamics of revenues	There is very little available information on the dynamics of certain revenue items (i.e.: tax revenue)
Very limited public disclosure	The documentation of the budgeting process is not accessible by the general public.
Biases in baseline	In the different assessment reports planned budget items are compared to previous years and not to the accepted appropriations' figures (final accounts, monthly reports, State Audit Office reports).

Significant shared of non-classified items	Summary tables of the different budgetary documents (tables in functional / institutional break-down) often contain figures lacking a specific classification (i.e.: "other expenditures").
Lack of quarterly plans	The time period of analysis in budgeting documents is mostly annual and there are only a few documents referring to shorter time periods (i.e.: quarterly reports).
No monitoring of expenditures dynamics	It is difficult to track the changes of specific revenue/expenditure items real time.
Lack of ESA account	The central budget does not contain the ESA95 aggregates.
Lack of consolidated accounts	The central budget lacks consolidated accounts.
No information on public consultation	The information available on the procedure and content of negotiations with the civil and business sector actors is very limited.
Official macro forecasts not published	Information on the macro forecasts and calculations used for the accepted appropriations is not publicly available.
Lack of transparency of the planning process	The planning process, the ministerial and governmental negotiations cannot be easily tracked.

*Note: Column 1 contains the labels used in Figure 8 while Column 2 the corresponding original statements from the stakeholder questionnaire.*

### ANNEX III. METHODOLOGICAL NOTES - MEDIA CONTENT ANALYSIS

#### Sample selection description

To find the most relevant articles for the purposes of our study and to ensure a unified sampling process, we run a combination of keywords google search in two rounds while conditioning on the date of publication (January 2012- June 2014) and the online source. This ensured that the samples from the online sources were comparable. Since the google search engine scans the entire web page including commercials, comments and other recommended articles, in the first round the relevant articles were less frequent than *a priori* expected, so we decided to run a second round with more specific keywords. The keyword-based search was carried out based on the following criteria:

- First round: budget AND (suggestion OR proposal OR analysis OR forecast OR modification OR opinion OR practice OR procedure OR revenue OR expenditure) AND (government OR portfolio OR Matolcsy OR Varga OR Fiscal Council OR State Audit Office OR State Treasury OR Central Bank OR OECD OR European Council OR IMF OR public) NOT credit NOT excessive deficit
- Second round: budget AND (report OR analysis OR assessment OR opinion OR modification OR recommendation OR consultation OR liaison OR transparency OR accountability OR publicity OR responsibility OR publish) AND (OECD report OR suggestion of personal representatives OR European Council OR IMF OR public OR expert  
budget AND (effective OR productive OR independent OR enforce OR control OR account OR appropriations OR design) AND (OECD report OR suggestion of personal representatives OR European Council OR IMF OR public OR monitor)

Our original plan was to choose sub-sample based on high-frequency periods and then randomise within these periods. We decided however to analyse the whole sample, since the number of articles are usually low and based on the frequency analysis we expect to have many non-relevant articles at the end of the day. The content analysis will focus on the same period (January 2012- June 2014), so as to cover the whole budget cycle of the 2013 central budget.

The results of the second sample selection contained much fewer non-relevant articles, but in order to improve the chances of relevant search results we decided to make a threshold considering the proportion of the (above mentioned) keywords in the article, and choose 15-15 articles from each



sources randomly above this threshold value (10%). Conversely to avoid irrelevant articles about Budget 2012 (which is possible because we took articles from 2012 as well in order to map the entire process of the 2013 Budget) and articles referring the budget issues in other countries we excluded articles with the large proportions of words related to these issues.

Notably, we did not find enough number of relevant articles in the case of *figyelo.hu* and *mandiner.blog.hu*, so we extended the threshold to 5% and in the case of the blog where the large number of comments may have worsened the keyword-frequency indicators we chose a random sample from the first sample. The number of irrelevant articles by media sources is shown in Table 14 Number of articles by year and online sources.

### Background tables and figures

*Table 14 Number of articles by year and online sources*

	2012	2013	2014	Total
origo.hu	368	228	68	664
hvg.hu	265	225	67	557
nol.hu	191	241	115	547
portfolio.hu	212	208	71	491
mno.hu	64	162	135	361
mandiner.hu	106	219	149	474
figyelo.hu	43	48	46	137
Total	1,249	1,331	651	3,231

*Table 15 Composition of the article sample with respect to relevance*

	relevant	irrelevant	relevant but no claims	Total
portfolio.hu	15	7	0	22
nol.hu	15	8	3	26
origo.hu	15	12	0	27
hvg.hu	15	17	0	32
figyelo.hu	15	21	1	37
mandiner.blog.hu	15	296	0	311

*Table 16 Distribution of the statements with respect to their direction compared to the original claims*

Claim group	exact (%)	opposite (%)	Total (#)
1. Institutional Rules	74	26	96

2. International Standards	19	81	31
3. Macro Framework & Methodology	44	56	313
4. Implementation & risks	44	56	591
5. Responsibilities & influence	80	20	71

*Table 17 Distribution of the statements with respect to their implicitness / explicitness*

Claim group	Implicit (%)	Explicit (%)
1. Institutional Rules	68.75	31.25
2. International Standards	77.42	22.58
3. Macro Framework & Methodology	82.75	17.25
4. Implementation & risks	63.96	36.04
5. Responsibilities & influence	81.69	18.31

*Table 18 Distribution of descriptive and normative statements*

Claim group	Descriptive (%)	Normative (%)
1. Institutional Rules	79.17	20.83
2. International Standards	83.87	16.13
3. Macro Framework & Methodology	82.11	17.89
4. Implementation & risks	87.14	12.86
5. Responsibilities & influence	83.1	16.9

*Table 19 Distribution of neutral, negative and positive statements*

Claim group	Negative (%)	Neutral (%)	Positive (%)
1. Institutional Rules	19.79	43.75	36.46
2. International Standards	25.81	64.52	9.68
3. Macro Framework & Methodology	23	63.58	13.42
4. Implementation & risks	28.43	47.21	24.37
5. Responsibilities & influence	19.72	64.79	15.49

*Table 20 Distribution of the claim groups in the different online sources*

source	Institutional Rules (%)	Compliance with International Standards (%)	Macro Framework & Methodology (%)	Risk and Implementation Failure (%)	Responsibilities and Influence (%)	Total (#)
portfolio	7.53	4.3	25.45	53.41	9.32	279
hvg	8.11	9.46	17.57	63.51	1.35	74
figyelo	17.07	4.88	18.29	59.76	0	82
origo	7.07	1.77	23.32	61.84	6.01	283
nol	6.33	0.45	39.82	43.89	9.5	221

mno	16.47	0	36.47	43.53	3.53	85
mandiner.blog	8.97	2.56	37.18	47.44	3.85	78
	8.71	2.81	28.4	53.63	6.44	1102

Pearson chi2(24) = 90.4794 Pr = 0.000

Table 21 Distribution of analytical statements

Table 27. Distribution of analytical statements

Claim group	Non-analytical (%)	Analytical (%)				Total (#)
		Economical (%)		Political (%)		
		external	internal	external	internal	
1. Institutional Rules	75	3.1	15.6	2.1	4.2	96
2. International Standards	74.2	12.9	3.2	0	9.7	31
3. Macro Framework & Methodology	68.7	4.5	20.1	1.6	5.1	313
4. Implementation & risks	68.4	3.2	23.3	0.7	4.4	591
5. Responsibilities & influence	87.3	0	2.8	0	9.9	71
Total	70.4 % (776)	3.6 % (40)	19.9 % (219)	1.0 % (11)	5.1 % (56)	1102

Table 22 Distribution of the statements with respect to their direction compared to the original claims by the source of information

	NONCRITICAL					CRITICAL					Total
	Institutional Rules	Compliance with International Standards	Macro Framework & Methodology	Implementation risk	Responsibilities and Influence	Institutional Rules	Compliance with International Standards	Macro Framework & Methodology	Implementation risk	Responsibilities and Influence	
reporter	16	1	34	57	32	11 (--)	15	76	159 (-)	7	408
MoE	32 (++)	3	61	108 (++)	4 (++)	1	1	13	31		254
MPs				2			2			3	7

SAO					9	2			3	1	15
Inter nat	1		7	20 (+)	1	2	1	15	30	1	78
FC	13	1	15	12	4	8	3	21 (-)	49	1	127
CSO	2 (++)	1	2	6	3			9	19		42
NGOs	1 (++)		4	4				6	5	1	21
busin ess	2		6	29				5	12		54
other	4		8	22 (+)	4	1	3	31 (-)	23 (- -)		96
Total	71	6	137	260	57	25	25	176	331	14	1,102

Note: '+' and '-' refer to the tone of the statement (positive or negative)

*Table 23 Distribution of the claims with respect to their tone, by source of information*

	Negative (%)	Neutral (%)	Positive (%)	Total (#)
reporter, journalist	35.29	58.82	5.88	408
Ministry of Economy	3.15	38.98	57.87	254
Line Ministries	71.43	28.57	0	7
State Audit Office	33.33	46.67	20	15
Int'l institutions	21.79	56.41	21.79	78
Fiscal Council	29.13	60.63	10.24	127
CSO	19.05	69.05	11.9	42
NGOs	4.76	90.48	4.76	21
Business actor	18.52	61.11	20.37	54
Other	47.92	37.5	14.58	96
Total	25.5	53.18	21.32	1,102

Table 24 Distribution of claims with respect to the third-party source of information (quoted, paraphrased)

Source of information	0 (%)	Cited (%)	Quoted (%)	Total (#)
reporter, journalist	100	0	0	466
MoE	0	32.5	67.5	281
Line min.	0	28.6	71.4	7
SAO	0	9	91	22
intern. inst.	0	83.5	16.5	103
FC	0	47.3	52.7	150
CSO	0	98	2	44
NGOs	0	100	0	21
business	0	89.3	10.7	56
other	0	66.4	35.6	113
Total	466	38.2	61.8	1,263

Figure 15 Distribution of influencing claims across claim groups –all sources

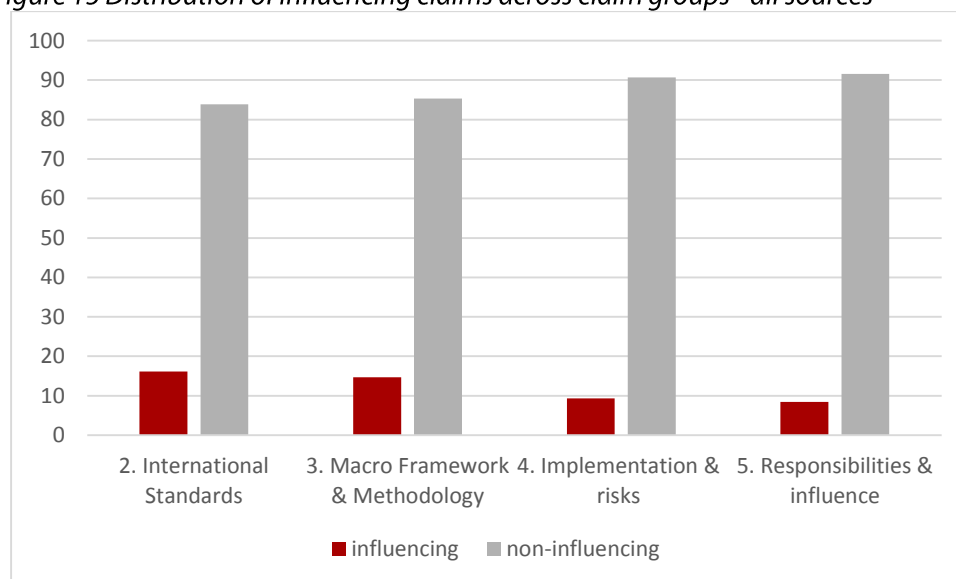


Figure 16 Distribution of influencing claims across claim groups –governmental sources

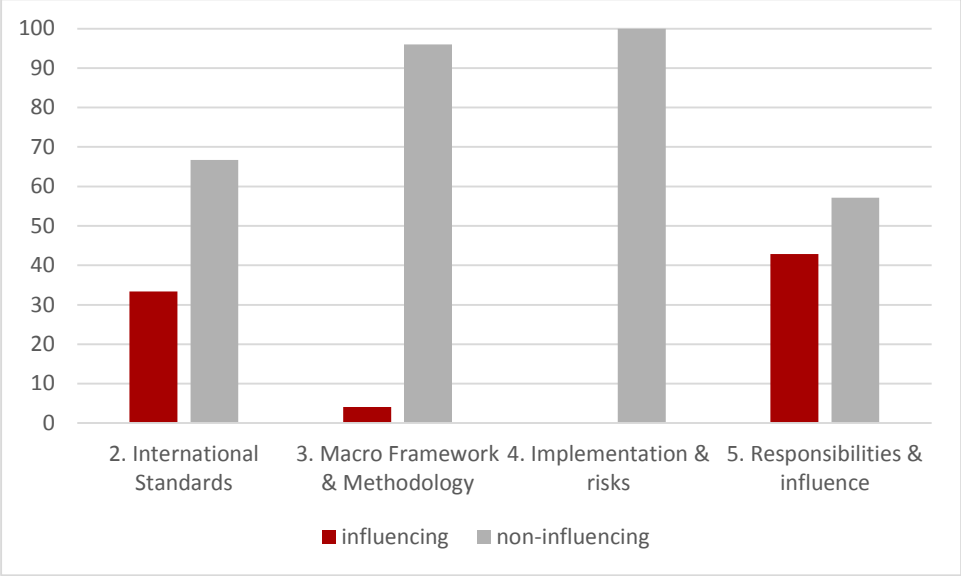


Figure 17 Distribution of influencing claims across claim groups –source: reporter

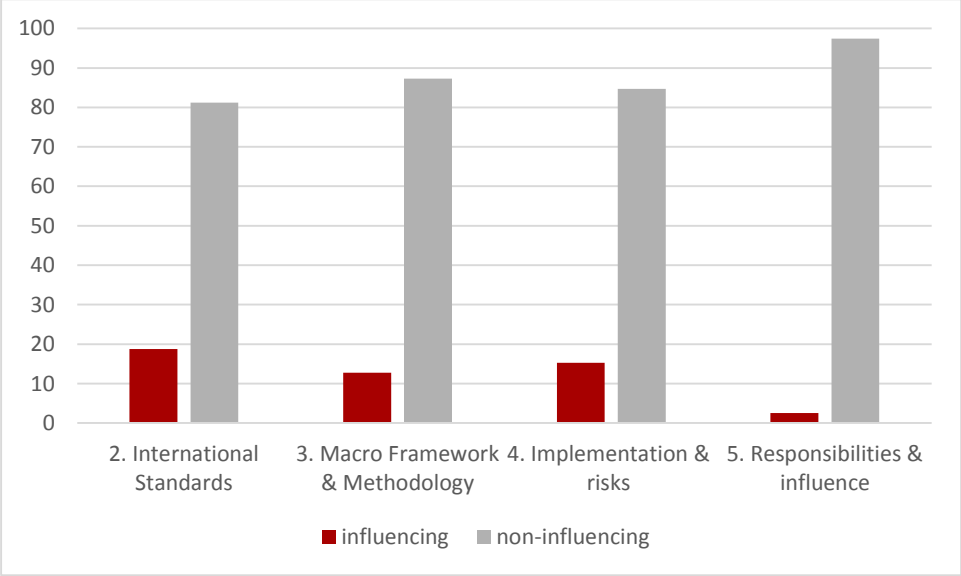


Figure 18 Distribution of influencing claims across claim groups – non-governmental source

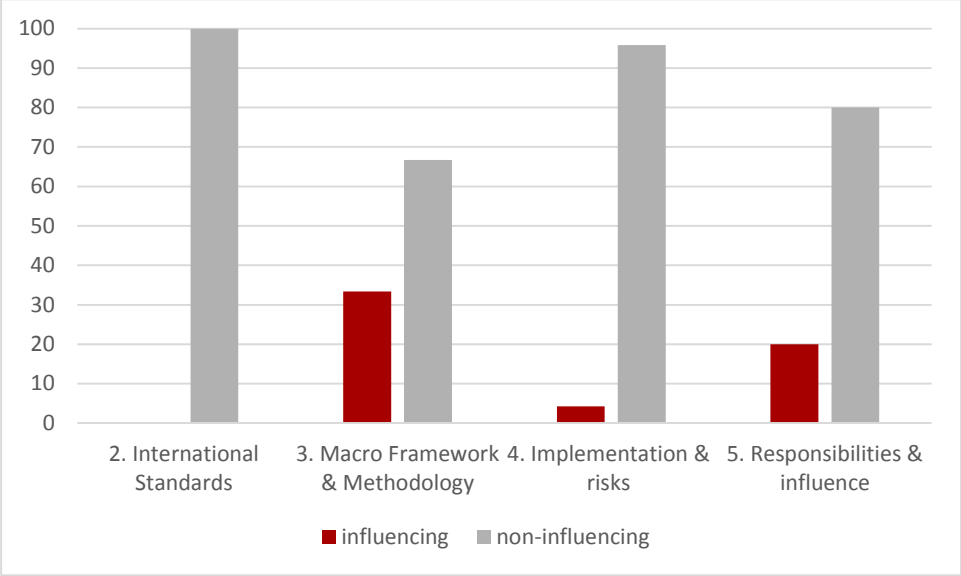


Figure 19 Distribution of influencing claims across claim groups – international sources

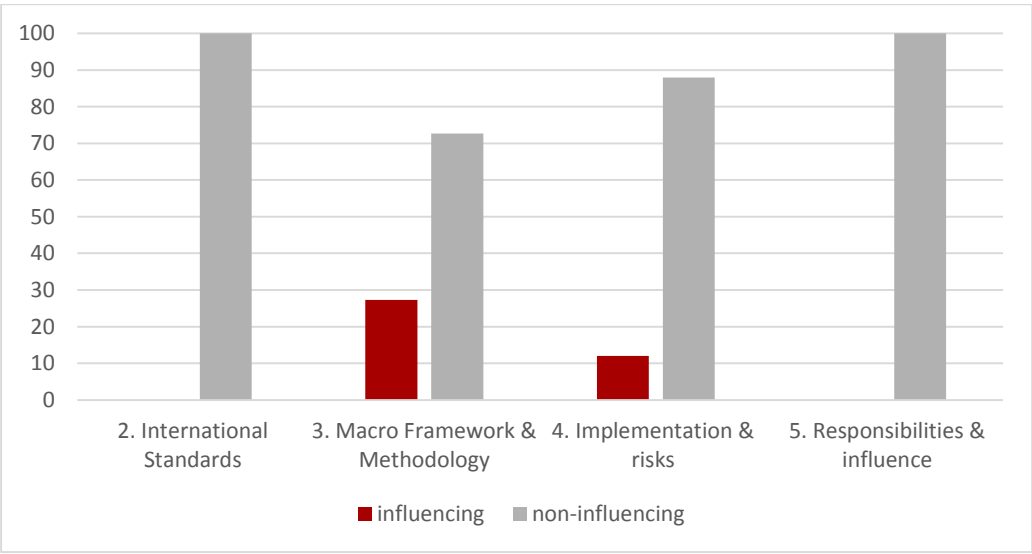


Figure 20 Distribution of influencing claims across claim groups – control sources

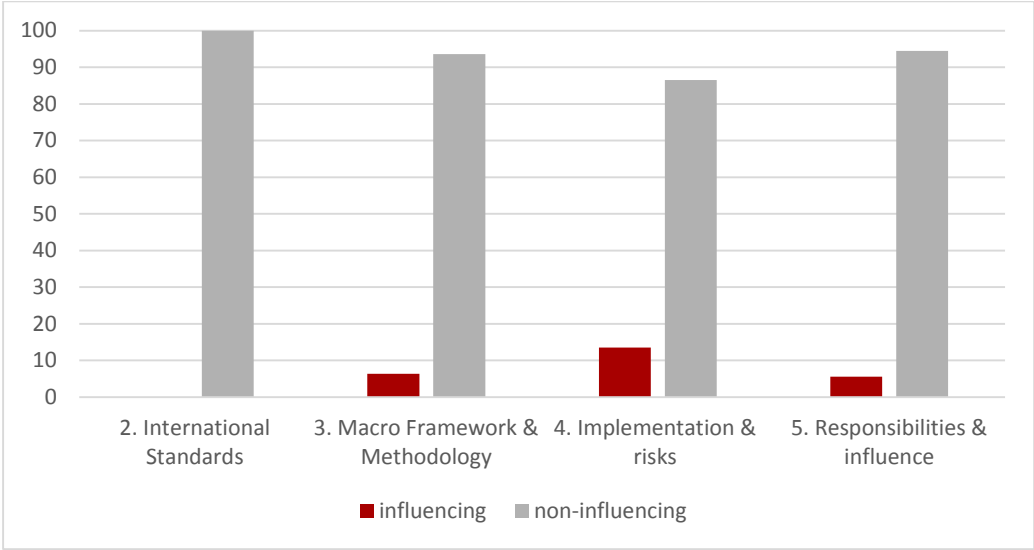




Table 25 Regression table – Descriptive and neutral claims

	All source	Governmental Actors	Reporter
<b>Topic and period</b> (reference: Risk and Implementation Failure - Budget 2013)			
Institutional Rules - Budget 2012	-0.255 (0.080)***	-0.258 (0.104)**	-0.250 (0.143)*
Institutional Rules - Budget 2013	-0.026 (0.097)	-0.301 (0.133)**	0.013 (0.155)
Institutional Rules - Budget 2014	-0.093 (0.113)	-0.312 (0.183)*	0.166 (0.240)
Compliance with International Standards - Budget 2012	0.150 (0.249)	-0.529 (0.264)**	0.272 (0.317)
Compliance with International Standards - Budget 2013	-0.033 (0.226)	-0.150 (0.127)	-0.038 (0.232)
Compliance with International Standards - Budget 2014	0.384 (0.105)***	-0.012 (0.201)	0.511 (0.094)***
Macro Framework & Methodology - Budget 2012	0.217 (0.221)	-0.142 (0.256)	0.512 (0.147)***
Macro Framework & Methodology - Budget 2013	0.167 (0.076)**	0.086 (0.132)	0.311 (0.099)***
Macro Framework & Methodology - Budget 2014	0.115 (0.078)	-0.080 (0.145)	0.208 (0.111)*
Risk and Implementation Failure - Budget 2012	0.051 (0.115)	0.072 (0.195)	-0.049 (0.150)
Risk and Implementation Failure - Budget 2014	0.126 (0.075)*	-0.099 (0.140)	0.194 (0.092)**
Responsibilities and Influence - Budget 2012	0.009 (0.093)	-0.445 (0.192)**	0.285 (0.130)**
Responsibilities and Influence - Budget 2013	0.025 (0.138)		0.293 (0.131)**
Responsibilities and Influence - Budget 2014	0.346 (0.089)***	-0.226 (0.127)*	0.450 (0.087)***
<b>Information source</b> (reference: Governmental Actors)			
Reporter	0.202 (0.053)***		
Non-governmental Actors	0.071 (0.081)		
International Institute	0.198 (0.123)		
Control Actors	0.198 (0.085)**		
<b>Media source</b> (reference: Origo)			
Portfolio	0.357 (0.072)***	0.428 (0.191)**	0.210 (0.119)*
Hvg	-0.132 (0.107)	-0.165 (0.095)*	-0.129 (0.162)
Figyelo	-0.026 (0.111)	-0.120 (0.101)	-0.165 (0.170)
Nol	0.070 (0.083)	-0.018 (0.126)	0.032 (0.122)
Mno	0.224 (0.077)***	0.141 (0.092)	0.192 (0.145)
Mandiner	-0.089	0.217	-0.119

	(0.103)	(0.240)	(0.147)
allwords	-0.000	-0.000	-0.000
	(0.000)**	(0.000)	(0.000)
Constant	0.205	0.320	0.382
	(0.087)**	(0.082)***	(0.130)***
Adjusted R2	0.13	0.18	0.14
N	1,102	261	408

\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$   
Standard errors in parentheses  
Linear probability model

Table 26 Regression table – Normative and neutral/negative claims

	All source	Non-governmental Actors	International Institute	Control Actors	Governmental Actors	Reporter
<b>Topic and period</b> (reference: Risk and Implementation Failure - Budget 2013)						
Compliance with International Standards - Budget 2012	0.442 (0.267)				0.708 (0.216)***	0.343 (0.322)
Compliance with International Standards - Budget 2013	0.099 (0.103)		-0.072 (0.087)		-0.015 (0.015)	0.156 (0.122)
Compliance with International Standards - Budget 2014	-0.008 (0.029)	0.429 (0.093)***		-0.187 (0.145)	-0.013 (0.014)	-0.036 (0.052)
Macro Framework & Methodology - Budget 2012	0.139 (0.151)		1.049 (0.075)***		0.019 (0.018)	0.051 (0.167)
Macro Framework & Methodology - Budget 2013	0.047 (0.037)	0.207 (0.082)**	0.325 (0.238)	-0.103 (0.066)	0.052 (0.048)	-0.006 (0.053)
Macro Framework & Methodology - Budget 2014	0.125 (0.046)***	0.528 (0.105)***	-0.095 (0.079)	0.021 (0.116)	-0.040 (0.034)	0.195 (0.080)**
Risk and Implementation Failure - Budget 2012	0.097 (0.069)	0.408 (0.092)***	0.043 (0.219)		-0.026 (0.037)	0.093 (0.102)
Risk and Implementation Failure - Budget 2014	0.099 (0.045)**	0.397 (0.095)***	-0.058 (0.084)	0.050 (0.141)	-0.012 (0.017)	0.155 (0.084)*
Responsibilities and Influence - Budget 2012	0.245 (0.227)				0.431 (0.294)	-0.021 (0.037)
Responsibilities and Influence - Budget 2013	0.016 (0.038)	0.411 (0.170)**		-0.276 (0.295)		-0.028 (0.053)
Responsibilities and Influence - Budget 2014	-0.029 (0.029)		-0.080 (0.079)	-0.100 (0.111)	-0.040 (0.036)	-0.011 (0.053)
<b>Source of information</b> (reference: Governmental Actors)						
Reporter	0.085 (0.030)***					
Non-governmental Actors	0.078					

International Institute	(0.039)*					
	0.171					
Control Actors	(0.070)**					
	0.082					
	(0.044)*					
<b>Source of information</b>						
(reference: <i>Governmental Actors</i> )						
Portfolio	-0.034	-0.547	-0.216	-0.205	0.027	0.008
	(0.059)	(0.084)***	(0.115)*	(0.145)	(0.022)	(0.108)
Hvg	0.013	-0.242	0.084	-0.178	0.033	0.091
	(0.067)	(0.151)	(0.142)	(0.062)**	(0.022)	(0.113)
Figyelo	-0.092	-0.452	0.132	-0.147	0.033	-0.071
	(0.041)**	(0.071)***	(0.091)	(0.111)	(0.024)	(0.050)
Nol	0.039	0.030	0.131	-0.091	0.081	0.069
	(0.043)	(0.065)	(0.100)	(0.062)	(0.059)	(0.076)
Mno	-0.010	-0.184	-0.287	-0.085	0.009	-0.037
	(0.044)	(0.071)**	(0.222)	(0.072)	(0.013)	(0.049)
Mandiner	0.371	0.184	-0.067		0.311	0.408
	(0.079)***	(0.077)**	(0.014)***		(0.219)	(0.124)***
allwords	0.000	0.000	0.000	0.000	-0.000	-0.000
	(0.000)	(0.000)***	(0.000)***	(0.000)	(0.000)	(0.000)
Constant	-0.043	0.034	-0.078	0.142	-0.016	0.021
	(0.023)*	(0.046)	(0.073)	(0.109)	(0.012)	(0.037)
Adjusted R2	0.14	0.24	0.30	0.06	0.51	0.12
N	1,006	163	75	159	228	381

\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$   
Standard errors in parentheses  
Linear probability model

Table 27 Regression table – Normative and positive claims

	All source
<b>Topic and period</b> (reference: Risk and Implementation Failure - Budget 2013)	
Compliance with International Standards - Budget 2012	-0.013 (0.018)
Compliance with International Standards - Budget 2013	-0.008 (0.016)
Compliance with International Standards - Budget 2014	-0.001 (0.014)
Macro Framework & Methodology - Budget 2012	-0.005 (0.011)
Macro Framework & Methodology - Budget 2013	0.006 (0.018)
Macro Framework & Methodology - Budget 2014	-0.008 (0.013)
Risk and Implementation Failure - Budget 2012	-0.006 (0.010)
Risk and Implementation Failure - Budget 2014	0.012 (0.014)
Responsibilities and Influence - Budget 2012	-0.017 (0.016)
Responsibilities and Influence - Budget 2013	0.008 (0.010)
Responsibilities and Influence - Budget 2014	0.056 (0.040)
<b>Source of information</b> (reference: Governmental Actors)	
Reporter	-0.041 (0.020)**
Non-governmental Actors	-0.038 (0.025)
International Institute	-0.047 (0.019)**
Control Actors	-0.048 (0.020)**
<b>Source of information</b> (reference: Governmental Actors)	
Portfolio	-0.006 (0.009)
Hvg	0.037 (0.035)
Figyelo	0.004 (0.009)
Nol	0.046 (0.018)***
Mno	0.029 (0.034)
Mandiner	0.011 (0.015)
allwords	0.000 (0.000)
Constant	0.028 (0.016)*
Adjusted R2	0.04
N	1,102

\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$   
Standard errors in parentheses  
Linear probability model

### **List of prototypical descriptive or influencing quotes and references**

"Azt kérjük az Európai Uniótól, mondja meg, hogy mennyi hiányzik. És akármennyit mond, azt mi elő fogjuk teremteni" - közölte a miniszterelnök.

*Prime Minister Viktor Orbán: "We ask the European Union to tell us how much is missing (ed: of the budget to be balanced). No matter how much they say, we are going to raise the required amount of money.*

*Source: <http://www.origo.hu/gazdasag/20121019-orban-brusszel-meg-ez-sem-eleg-mondjak-meg-mennyit-sporoljunk-1.html>*

"Akármit csinálunk, sose elég" - fogalmazott a kormányfő.

*Prime Minister Viktor Orbán: "No matter what we do, it's never enough." (ed: for the EU) Source:*

*[http://hvg.hu/vilag/20121019\\_Orban\\_a\\_helyzet\\_meg\\_mindig\\_torekeny/](http://hvg.hu/vilag/20121019_Orban_a_helyzet_meg_mindig_torekeny/)*

"Nyugodtan nevezhetjük ezeket uniós zárolásnak".

*State Secretary: Gabor Orban: We can simply call these EU lockups.*

<http://mno.hu/belfold/orszaggyulesi-szocsata-honnan-jon-a-nyomas-1162437>

Arra azonban nincs semmi garancia, hogy az elfogadott költségvetés megy végig jövőre, és nem csak a választások és a költségvetésben tetten érhető költekezési kedv miatt.

*Journalist: There is, however, no guarantee, that the enacted budget will rule the next year, and not only because of the upcoming national elections and of the spending drive encoded in the budget plan.*

<http://m.origo.hu/gazdasag/20130930-jovore-minden-szep-lesz-a-kicentizett-2014-es-koltsegvetesben.html>

Számos új eszköz került bevezetésre, mely erősíti az állami adóhatóságot - említi meg a korábbi intézkedéseket a kormány.

*Ministry for National Economy: We have introduced several new measures, which strengthen the role and the competences of the national tax authority – says the government about earlier measures.*

[http://www.portfolio.hu/gazdasag/adozas/kozetette\\_matolcsy\\_miniszteriuma\\_a\\_csomagot\\_ime\\_a\\_r\\_eszletek\\_4.174505.html](http://www.portfolio.hu/gazdasag/adozas/kozetette_matolcsy_miniszteriuma_a_csomagot_ime_a_r_eszletek_4.174505.html)

A Költségvetési Tanács szerint azonban már most is kockázatos a büdzsé, mert például az áfabevételeket túlzottan optimistán tervezte meg a kormány.

*According to the Fiscal Council, the budget bears severe risks, because for example the government's plans of the VAT revenues are highly optimistic.*

<http://m.origo.hu/gazdasag/20130930-jovore-minden-szep-lesz-a-kicentizett-2014-es-koltsegvetesben.html>

Orbán a brüsszeli intésről: ezzel most nem foglalkozunk

*Prime Minister Viktor Orbán about the warning from Brussels: right now we are not dealing with this.*

[http://nol.hu/gazdasag/orban\\_a\\_brusszeli\\_intesrol\\_ezzel\\_most\\_nem\\_foglalkozunk-1345255](http://nol.hu/gazdasag/orban_a_brusszeli_intesrol_ezzel_most_nem_foglalkozunk-1345255)

A magyar gazdaság pénzügyi konszolidációja sikerült, az új magyar gazdasági modell pedig - habár sokak ízlésének nem tetszik, sokak érdekét sérti - működőképes.

*Prime Minister, Viktor Orbán: The fiscal consolidation of the Hungarian economy was successful, the new Hungarian economic model is working even if it has not gained everybody's sympathy and harms the interest of some actors.*

<http://www.origo.hu/itthon/20121110-orban-az-egyetemek-adossagat-is-atvallalna.html>

"Ma ezen a földgolyón egyetlen ember sincs, se Brüsszelben, se Budapesten, aki meg tudná mondani most, milyen lesz a 2014-es költségvetés."

*Prime Minister, Viktor Orbán: "Today, no one on the Earth can tell neither in Brussels, nor in Budapest, what the budget of the year 2014 will look like."*

<http://www.origo.hu/itthon/20121110-orban-az-egyetemek-adossagat-is-atvallalna.html>

"Sose jó, ha a kocsi megelőzi a lovat. Azok a spekulációk, amelyek arról szólnak, hogy az önkormányzatoktól átvett adósságot hogyan rendezi majd az állam a bankokkal, idő előtti viták, mert még nem vettük át az adósságot"

*Prime Minister, Viktor Orbán: "It's not good if the cart leads the horses. Speculations about how the government is going to deal with the debt taken over from municipalities, are too early, premature ones, since we have not made any steps yet."*

<http://www.origo.hu/itthon/20121110-orban-az-egyetemek-adossagat-is-atvallalna.html>

„Mindannyian nagy elismeréssel kell hogy adózzunk a magyar emberek erőfeszítésének, amelyek lehetővé tették azt, hogy a kormány, jó reményeink szerint, még ebben a félévben kihozza hazánkat a túlzottdeficit-eljárás alól."

*Prime Minister Viktor Orbán: "We have to be grateful to the Hungarian people, to their efforts that helped the government to relieve the country of the excess deficit procedure by the end of this year"*

[http://figyelo.hu/cikk\\_print.php?cid=tulzott-deficit---londoni-elemzok--valoszinu-az-eljaras-megszuntetese](http://figyelo.hu/cikk_print.php?cid=tulzott-deficit---londoni-elemzok--valoszinu-az-eljaras-megszuntetese)

Az első Orbán-kormány gazdasági minisztere szerint a jelenlegi kormányzásnak igenis van koncepciója, a döntések szakmai előkészítése viszont fájóan hiányzik.

*Former Minister of Economy – Professor Attila Chikán: "According to the Minister of Economy of the first Orbán-cabinet (ed: 1998-2000), the current government has in fact an economic development concept, we desperately miss however evidence-based policy analysis and impact assessments."*

[http://mandiner.hu/cikk/20130702\\_chikan\\_attila\\_harom\\_ev\\_gazdasagpolitikajarol](http://mandiner.hu/cikk/20130702_chikan_attila_harom_ev_gazdasagpolitikajarol)