



# THE PROGRAM OF THE FOURTH REPUBLIC



# **THE PARTY PROGRAM OF THE 4K! FOURTH REPUBLIC MOVEMENT**

**The party's program lays down the long-term and general goals of the party, and concentrates on the key areas for reaching the goals of 4K!. The program was accepted by the party's Founding Congress on 28th April 2012 and updated by the 3rd Congress on 5th December 2015.**

**APRIL 2012**

## ABOUT PATRIOTISM

The program of 4K! is based on the idea of patriotism. However, the context of patriotism in the Hungarian political language is different from its context in the English or American political life.

The political right-wing in Hungary doesn't use the word "patriotic". The representatives of the political right identify themselves as *nemzeti* (national). They claim to represent the *nemzet* (nation). According to the Hungarian political language the members of the nation are white Hungarians living in Hungary and ethnic Hungarians living in the neighboring countries (Austria, Croatia, Romania, Serbia, Slovakia, Slovenia and Ukraine). However, Roma people and immigrants in Hungary are not part of the nation. The concept of the nation is based on the fiction of common descent. *Nemzet* is the concept of blood. Right-wing rhetoric claims to be *nemzeti* and not patriotic.

The idea of patriotism is different. "Patriotism" is rarely used in the Hungarian political language or in everyday discourse. Patriotism means that our community is based on the same place, a common home instead of the same blood. Patriotism is a unifying idea for ethnic Hungarians, Roma people and immigrants in Hungary.

# THE FOUNDATION OF THE PROGRAM: PATRIOTISM

The program of 4K! is based on patriotism. Patriotism defines our objectives, value system and decisions.

Every individual is living in a community that provides the roots and framework through which they can get to know the world, perceive it and live their life. We define patriotism as being aware of our connection to the community, as individuals, and feeling responsible for this community.

Our patriotism is not a defiant, frustrated, self-contained nationalism, but a healthy relationship with our country.

Patriotism has three major goals: Hungary's self-determination, real democratic self-governance and the possibility of fairness and prosperity for everyone. These three objectives are closely intertwined and dependent upon each other.

We believe in a free Hungary which gives everyone the possibility for a dignified life, which doesn't differentiate between ethnicities and where everyone can freely participate with common responsibility towards each other in shaping our world.

We regard ourselves the inheritors of those tendencies in Hungarian history which struggled for the independence of Hungary, the self-determination of its inhabitants and social justice. Therefore, we look to the national progress of the 19th century, the revolutions of 1848, 1918, 1956 and the social democratic movement as our forebears.

We do not agree with those systems which implemented only one element of patriotism instead of all three. We do not consider the Horthy period as a bright era of Hungary's history, because while it has put great emphasis on Hungary's self-determination, this was combined with supporting a narrow elite, creating radical social inequality, keeping millions in extreme poverty and limiting democratic participation as well as gradually cutting back citizen's rights on a racial basis. We do not think about socialism as a realized utopia, because while it created a secure standard of living for all people living in Hungary and eliminated the most inhumane forms of poverty, it turned Hungary into a satellite country of the Soviet Union and abolished the possibility of self-organization and acting by our common will.

The meaning of patriotism for 4K! is that we want to live in a country where independence is combined with social justice and the possibility of common decisions; where these common decisions are supported by freedom of speech with wide popular participation.

# **THE HISTORICAL SITUATION: THE FAILURE OF THE THIRD REPUBLIC**

The third republic that was proclaimed in 1989 promised the possibility of a great rehabilitation for Hungary, but it failed both in social legitimacy and in its institutional system.

The third republic only fulfilled few of its original promises. It created a stable multi-party system, the rule of law, and guaranteed basic freedoms for everyone. Beside establishing these democratic foundations, however, it did not achieve much. The institution of local governance lost its real purpose, and did not provide the possibility of genuine local self-administration. Parties did not represent the real common will of the people, instead they got trapped by the interests of a narrow political elite and oligarchistic businesses. In the third republic, the possibilities for society's participation in public affairs was limited to the bare minimum.

The new economic system was not at all able to provide the possibility of a decent living for everyone. Extreme poverty and inhumane pauperism reappeared and began to grow rapidly. After two decades, medieval conditions prevail in certain areas of the country. Social mobility, provided by state means during socialism, essentially disappeared. Apart from the winners of the regime change, chronic insecurity became an everyday problem for the majority of society.

After the liberation from Soviet subordination, Hungary did not establish a clear foreign policy in favor of its own interests. The political elite of the third republic fully agreed that the country should passively follow current U.S. and EU policies. The former open political dependence upon the Soviet Union was replaced by the economic dependence upon the EU's 'core' states and foreign creditors.

Out of the three objectives of patriotism, the third republic achieved a minimum of democratic self-governance and Hungary's self-determination, but was unable to establish basic social justice.

## **A DISINTEGRATING SOCIETY**

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Public property which was collectively constructed during the era of socialism was sold off. Furthermore, dominant propaganda declared that it had never actually had any value.

Masses of people were left without work in the new economic system. The country lost the civilized minimum that had been reached under socialism: namely, that society would not leave any of its members completely behind. Moreover, the third republic almost completely abandoned Roma people, which now threatens with ethnic violence.

As a result of the development model which was built exclusively on attracting foreign direct investments, the Hungarian economy was divided in two parts: a multinational sector capable of exports and a domestic SME sector, where companies are not only weak, but they are also forced to operate in the grey zone due to unrealistic, unpredictable taxation. This process was reinforced by the state's policy of providing unrealistically high subsidies for multinational companies while putting an unbearable burden of taxes and contributions upon the SME sector.

A new world was created, where the ideology might refer to free competition, but in reality, most people are forced to cheat in order to survive - where it is absolutely impossible to progress in a completely honest way, despite all good will and talent, and success often exclusively depends on one's network.

The citizens of the third republic didn't feel any real connection to the state, and they followed the practice of the previous decades by considering the state an opponent to be tricked.

As a result of the huge shadow economy, the state also started bleeding to death. While lost in the debt spiral, and limited in its margin to manoeuvre by domestic oligarchy and foreign investors, it has proven less and less able to maintain adequate public services.

Paradoxically, while socialism had a Marxist ideology, the system of individual loopholes ensured that workers didn't learn the need to jointly represent their interests in a capitalist society. The enforcement of interests was weakened by the impairment of trade unions, and in many cases by the intimidation of their leaders. Trade unions were interwoven with the leadership of the party during socialism, and after the regime change they were not able to redeem their identity. Today they are often simple servants of employers, and the most important priorities for trade union leaders are their protected status and their salary.

For the majority of people, everyday life in the third republic meant that they did not have a real say in public affairs, they became vulnerable in the workplace and they were forced to circumvent the laws to survive, while gradually losing their access to quality public services.

Being an unjust social system, the third republic had no reserves. Therefore, it failed at the first serious political and economic crisis.

## **THE FALL OF THE THIRD REPUBLIC: THE ORBÁN REGIME**

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As a result of the political crisis of the third republic and the global economic crisis, Fidesz acquired two thirds of the seats in Parliament at the 2010 general election. This political majority was used by Fidesz to announce the creation of a new system without any authorization from society. They began to create a single-party constitution and developed a new electoral system shaped to their own needs.

However, the Orbán regime did not set the country on a different track to the one it previously followed during the third republic. The only novelty was simply to openly withdraw the previously unfulfilled promises of the third republic: it no longer wants to maintain even the pretense that ordinary people have a real say in public affairs, and openly states that it does not want to provide work and a decent living for everyone.

The Orbán regime continues the traditional right-wing strategy known from the inter-war Horthy regime: it is trying to increase Hungary's autonomy and scope to manoeuvre, while internally limiting democracy, undermining the rule of law and supporting the upper classes against the weakened middle class and the poor. The vision of the Orbán regime is a country which is completely in the hands of its economic and political elite: where no one can dictate them, neither from abroad nor from inside the country.

The existence of the Orbán regime is the result of our previous, misguided development model. An unjust social system that does not provide a perspective for the majority of people can eventually only be maintained by authoritarian means. The new system is not looking to break out of Hungary's current situation, but it forces it to stay on the old track, because force is the only way to keep it there.

## **THE WAY OUT OF HUNGARY'S CRISIS: A NEW DEVELOPMENT PATH AND THE FOURTH REPUBLIC**

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The promise of the regime change was to create a fair playing-field where everyone can compete individually, and everyone can get ahead based on their individual abilities. Two decades showed that the field has never been fair. Therefore we have no other choice but to change the entire field together.

After the fall of the third republic and the Orbán regime, Hungary needs to change its model. This change must simultaneously affect politics, public law, economy and society.

We must create a fourth republic that will change Hungary's position in the global economy, in order to provide the opportunity for prosperity for all its citizens, where the state is strong enough to maintain public services, and where people can shape their own world by means of participatory democracy.

Re-establishing the republic, putting the country on a new development path and creating an independent foreign policy are in the focus of 4K!'s program.



# THE RE-ESTABLISHMENT OF THE REPUBLIC

Patriotism for 4K! means that all of our country's citizens must have a real say in the forming our common world. Therefore our most important task is to create a fourth republic which ensures real participation and integrates the minorities into the republic, after the illegitimate, single-party constitution which disrupted Hungary's constitutional development.

## THE CREATION OF THE FOURTH REPUBLIC

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### 1) BASIC PRINCIPLES

#### A) THE REPUBLIC IS THE FORM OF PEOPLE'S POWER

People power, democracy, means that all power lies with the people: the only source of state power are the people, the community of citizens, and the goal of democracy is to guarantee the prosperity of the citizens. We are an independent country, where the citizens are the only ones to determine what the state is doing.

The republic is the practical manifestation of the principles of independence and the sovereignty of people. The republic means that the community of citizens decides of its own fate, answers the questions concerning the community: it defines the state's political direction, the composition of the bodies of state power, supervises their operation with the power of free speech, and participates in the realization of public functions on equal terms.

#### B) THE REPUBLIC CAN ONLY WORK AS A RULE OF LAW

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The directing principle of the republic's structure and operation is the rule of law. The rule of law means that public authority is subject to law, it is operating in a predictable and controlled way; it means a state subordinated to the rule of law. In the rule of law all citizens can take part in the work of the state, take on public duties and become members of a political organization on equal terms. Political forces must operate within the limitations set by law, and they cannot transform these limitations in order to achieve their goals; therefore we consider legal security and the exclusion of retrospective legislation of special importance. All democratic political forces have a duty to guarantee the above.

## **2) THE PROBLEM**

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### **A) THE REPUBLIC AS A FORM OF STATE WAS HOLLOW**

In Hungary the fundamental principles of the republic are not effective in practice, they are simply convenient catchphrases. Real representation, the real possibility for people to have their say in public affairs is missing. Politics and the political elite are controlling the people, instead of people controlling politics: thus the republic has remained an empty form which formally regulates the operation of the state and the order of legislation, but in practice it is not effective. This empty form provides the opportunity for an isolated range of leaders to have authority over society by using legal measures as mere instruments in order to keep their power. In a real republic, however, the state cannot be the instrument of the current government, of the executive power, it has to serve the community of its citizens. Therefore democratic operation must be restored, the republic must have substance.

### **B) TRUST IN THE THIRD REPUBLIC HAS WAVERED**

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The democratic framework established at the regime change created a solid legal system, but in practice it did not provide real control for citizens over those in power. The fact that despite the obvious wish of the voters' majority there was no possibility to remove the government in power between 2006 and 2010 has undermined people's trust in the state and in the owners of political power. Without this trust the system cannot function. The framework of public law in the third republic was not able to provide a solution for the crisis and the resulting loss of trust is significantly limiting the principle of popular sovereignty.

### **C) THE SINGLE-PARTY CONSTITUTION INTERRUPTED CONSTITUTIONAL DEVELOPMENT**

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Due to the loss of trust, there was a great need in society to reform the republic. Abusing this situation, in 2012 Fidesz put a single-party constitution in effect without democratic authorization and consensus, which is formally legal, but entirely lacks legitimacy. The new constitutional system complies with formal requirements, but it doesn't guarantee the power of the people.

The single-party constitution interrupted the constitutional development which had been continuous since the end of socialism. It didn't solve the crisis of the republic, but made it permanent.

The new constitutional system, effective from 2012, puts the decision maker, the "good leader" in focus, subordinates law to political decisions, therefore it goes explicitly against the rule of law over state power. Thereby this system starts to eliminate the constitutional state and the republic.

### **3) THE GOALS OF 4K!**

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#### **A) ESTABLISHING THE FOURTH REPUBLIC**

The legal goal of the party is to participate in establishing the fourth republic based on a new, broad social consensus, which will restore the constitutional state and popular sovereignty through a democratic process by creating a new constitution and holding a referendum to accept it. We have to reach this political goal by democratic means, in cooperation with all political and social actors who are willing to take part in the realization of this plan in a democratic way, by respecting the values and norms of the republic and taking into account the fundamental principles of a constitutional state.

#### **B) THE CONSTITUTIONAL FOUNDATIONS OF THE FOURTH REPUBLIC**

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All forms of republic have to take into account the circumstances, the social and economic environment in order to function well, so building the institutions of a republic cannot be based solely on a theoretical model, its principles have to be put in practice. Therefore the institutional system of the republic has to reflect the political traditions, and the social, economic circumstances specific for the country on one hand, and on the other hand, the effectiveness of the principles has to be reviewed constantly.

The constitutional foundations of the fourth republic need to be based on the republican traditions of Hungary. These principles are depicted within the aims of the revolutions of 1848 and 1918, the republic of 1946 and the revolution of 1956, as well as the constitutional tradition created during the third republic. As a contrary to the constitution put in effect in 2012 which interrupted constitutional development, the institutional system of the fourth republic should be established by taking into account the accumulated experience of the constitutional state's development over the past two decades.

During this process, we should maintain the solutions which have been able to guarantee the stable operation of the republic and we should eliminate any solutions which reduced citizens' control over the operation of the state by derogating the principle of people's sovereignty. In order to achieve this, the new constitutional provisions concerning the Constitutional Court must again guarantee the right for all citizens to appeal directly and freely to the Constitutional Court.

The new, consensual constitutional system should strive to restore and further develop democratic institutions which have been encroached as a result of the new constitution put in effect in 2012. So it must pay special attention to the real sovereignty of the people and the compliance with the principles of the constitutional state. The new system must revise whether the separation of powers is actually carried out and it must effectively exclude parties from the direct management of public bodies. It must guarantee the self-determination of local communities and end the continued attempts at centralization. This system should also restore the unconditional fulfillment of independent constitutional control, human and citizens' rights, and the power of the Constitutional Court. It should regulate the incompatibility of the functions as an MP, mayor and local government representative. Laws passed using the current two-thirds majority in Parliament must be amended according to democratic principles.

### **C) REPRESENTATIVE AND PARTICIPATORY FORMS OF DEMOCRACY**

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Professional governance is the task of the government, but it is necessary that citizens always have control over directions being laid down and their observance. By restoring a reasonable relation between direct and representative democracy, the community of citizens must control those in power in an actual, permanent and effective way; otherwise people's sovereignty will only be formal. Beyond voting at the elections every four years, citizens should be given the opportunity to express their opinion in the most important questions in a democratic way and with real gravity, even by recalling their representatives. The innovations of the information technology revolution should be used when creating the institutional system.

The increase of people's participation in public affairs can primarily be achieved by strengthening the self-determination of local communities. The system of local governments to be created should enable a decision making process which is independent of national politics and takes into account local interests instead of party discipline. In order to achieve this, the ongoing trend towards centralization needs to be reversed, and the self-determination, institutional system and resources of local governments must be restored. For cost efficiency reasons the institutional system should be operated as close to the people as possible.

Local self-organizations dealing with common goals and problems are important for the creation of strong local communities, and they help their members to become successful through community cooperation. Therefore the establishment of local cooperatives and voluntary community work should be supported.

## **D) THE FOURTH REPUBLIC AS A WELFARE STATE**

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The fourth republic must be a social constitutional state with the aim to ease social tensions in all areas of society, economy and culture, and to facilitate solidarity and cooperation between social groups and individual citizens. Everyone must be provided with the possibility of social, economic and cultural development, and the organization of self-help communities and autonomous groups should be promoted. The goal is to achieve social democracy.

## **RESTORING THE COMMUNITY**

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### **1) BASIC PRINCIPLES**

4K! defines the community of our common country by the republican principle: that is, Hungary is the community of Hungarian citizens who maintain the state and form their own destiny together. Every citizen is part of this community. Revoking this right to any extent goes against the republican principle, therefore 4K! denies all forms of exclusion and supports the strengthening of social cohesion and the creation of an inclusive society. We consider all those who speak Hungarian and think of themselves as Hungarians members of the Hungarian nation. We deny the ethnicity-based definition of the Hungarian nation.

### **2) THE PROBLEM**

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During the history of Hungary, this republican principle has been fundamentally breached many times. The decisions resulting in the Treaty of Trianon separated millions of Hungarian citizens from Hungary and forced them to live in other countries, against their will. In the second world war, hundreds of thousands of citizens with Jewish and Roma background were firstly excluded from the political community, many of them subsequently executed or deported to Nazi death camps.

These offences profoundly disturbed the foundations of a coherent Hungarian political community. We can only strengthen these by basing our politics upon a republican principle, which embraces the whole Hungarian political community.

Due to historical and social reasons, in today's Hungary, questions of republic and community mostly arise in relation to the Roma minority, Hungarians living abroad and immigrants.

### **3) ROMA PEOPLE**

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#### **A) THE PROBLEM**

## **I) The Roma minority is separated from the Hungarian political community.**

Socialism integrated the Roma minority from a totally marginal situation into the system of the socialist state. It offered them jobs, but did not provide Roma people with real education or a chance to get ahead. Completing one's studies in elementary school was not a requirement in socialism, so illiterate Roma workers were not a rare sight in socialist factories. As a result of this situation, they were the first ones to drop out of jobs after the regime change and the road to economic integration has been closed to them ever since.

Roma self-governments have been created as a means for national policies to deal with Hungarians living abroad, instead of supporting Roma interests, and they have remained bureaucratic organizations which did not serve the political participation of Roma people. Roma political representation basically got stuck on the level of dependence from big parties and funding organizations, and that of client-patron relationship. The Roma programs which were based on the principle of help from above did not result in the rise of the poorest and did not provide the target group with the opportunity to control the process from below.

## **II) A significant proportion of Roma slipped into misery and illegality**

After the regime change the Hungarian countryside has been stripped of economic opportunities and Roma people living there slipped into medieval circumstances in many cases. In order to make a living they used illegal means and developed an increasingly tense relation with the local population which was also struck by poverty. The political elite was not willing to react to these tensions and they declined any mentioning of the issue by accusing anyone who brought up the topic with racism, or did exactly the opposite and used doublespeak on purpose to increase tension in order to try and get additional votes. Thanks to this attitude the extreme right was able to exploit the use of the loaded phrase of "Gypsy crime" in order to build its strength.

## **III) The situation threatens ethnic violence**

Today masses of Roma people have no opportunity to make a living within the legal economic framework, neither political side regards Roma as a part of the Hungarian political community and there is no real political representation of their interests. This is a serious contemporary problem for the Hungarian political community which may lead to catastrophic conflicts in the future, if we don't solve it together using the principles of republican coherence.

## **THE GOALS OF 4K!**

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### **I) Structural changes in the economy**

For a change in the relationship of Roma people and Hungarians in the Hungarian countryside it is necessary to change the whole current structure of the economy which produces unemployment and poverty and keeps the Hungarian countryside in a vacuum. The economic integration of the Roma is only possible by putting the whole country on a new development trajectory.

## **II) Using state instruments for integration**

In addition to the structural changes in the economy, the use of state instruments for integration is vital for Roma people to become full members of the Hungarian political community:

Hard sanctions against discrimination. 4K! denies the idea of racism from any side and takes action against any application of the principle of racism.

The state must intervene in the field of education, hygiene, housing, gender relations and guarantee that people born as Roma start off with the same chances as the members of the majority society.

Measures against crime. The state must take measures against organized crime afflicting the Roma community from the inside and outside, as well as against illegal ways to gain income which derive from current living circumstances. On one hand this means providing legal forms to make a living, and on the other hand it means taking legal measures against illegal forms.

Poverty policy should facilitate real mobility. We need a poverty policy that does not segregate and does not conserve client-patron relations. The amount and distribution of social benefits must be controlled so that those in real need can benefit from them.

## **III) Partnership with Roma self-organization**

Offering help from above is not enough for the masses of Roma to get a real representation of their interests within the Hungarian political community. In order to abolish the dependence of Roma people living in poverty upon the Hungarian and Roma political elites, a political movement is needed that will establish the possibility of true representation of interests, and the control of representatives for the Roma. 4K! wants to be the equal partner of such a movement.

## **4) ETHNIC HUNGARIANS LIVING ABROAD**

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The Hungarians torn away from our political community by the verdict of Trianon are still part of the Hungarian community by common historical roots and our common culture. Since these people were forced to change their citizenship against their will, it is Hungary's duty to support these Hungarian minorities in representing their interests. Hungary, however, cannot subordinate these interests to conflicts in

Hungarian domestic politics, and neither can it interfere in the political representation of Hungarians living abroad because of domestic policy reasons.

4K! supports the idea of granting Hungarian citizenship to ethnic Hungarians outside the borders through a simplified process. However, the fate of our country must be determined by those citizens who live here, or who have been living here and are expected to return in the future. State benefits and public services should be available only to citizens paying taxes in Hungary. If citizens who are not living in Hungary, not paying taxes in Hungary and are not expected to return to Hungary can decide about the country's fate and are eligible for state benefits, it may create tension between Hungarians living in Hungary and abroad. The possibility of such a conflict must be avoided, because it would only exacerbate the trauma resulting from the Treaty of Trianon.

## **5) IMMIGRANTS**

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As a result of transformations in the global economy, possible conflicts and environmental problems, it is expected that larger waves of immigrants will reach Hungary in the coming decades than we have seen previously. At the same time, the Hungarian population is ageing, which might lead to economic and social problems in the future. Immigration might provide a partial solution to this problem.

4K! wants to handle the issue of immigration according to the republican principle of the political community: anyone living and working in Hungary who learns the Hungarian language and knows the historical and cultural traditions is eligible for citizenship and for political participation. The same principle requires that anyone who wants to be part of the republic must genuinely recognize the Republic of Hungary as their new home. Integration is a pre-condition for immigration. It is a duty of the government to facilitate and to oversee the process of integration.

## **6) EMIGRANTS**

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After Hungary joined the EU, the emigration of workforce overseas accelerated, which is expected to increase even further as the circumstances in Hungary deteriorate. After the year 2000, emigration was not limited to workforce with higher education: unqualified workers or people with secondary education also started leaving the country. This trend may herald unimaginable consequences for our system of higher education and our health care.

4K! intends to halt and reverse this emigration trend. It is a duty of the state to keep its citizens in Hungary with incentive measures and benefits, and not with coercive laws. 4K! is not against the idea of people moving abroad to gain experience, because the country may receive new, positive impulses from those who return later. Repatriation must be facilitated and made desirable for Hungarian citizens who are



already living and working abroad in order to utilize the experiences they have collected.

# NEW DEVELOPMENT PATH

## BASIC PRINCIPLES

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### 1) ECONOMIC DEVELOPMENT MUST NOT HARM SOCIETY

In a genuine republic which enables the people's self-determination, the minimum goal of economic development is to guarantee that all members of society are able to provide for their basic needs: healthy food, medical services, the opportunity to be educated, housing, clothing, a decent job with a decent wage, and a pension which enables an old age lived with dignity. Besides these, our basic expectation for economic development is that it must foster social mobility and should be able to counterbalance the differences between people which are present when they are born.

Since the regime change, politics put profit before the interest of society which caused serious social damages. According to 4K! we need an economic policy that does not separate economic development from its consequences in society. We do not consider it a real development if GDP growth is coupled with impoverishment of the masses and strips more and more people from the chances to provide for their basic necessities.

In order to avoid economic development carried out at the cost of society, we should regard it as a basic principle that ownership relations are social relations too, and as such we do not put ownership relations above other social interests. In other words, we do not consider profit maximization superior to workers' rights.

### 2) WORKERS' RIGHTS

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According to 4K!, to live life with dignity and in a meaningful way, people must have the opportunity to contribute to the development of their environment not only as citizens and consumers, but also as employees.

4K! adopts the social democratic principle that the role played by capital in production is not superior to the role played by the workers. If production conditions are shaped solely by the interests of capital, the end result will be a loss on the level of the whole society. Economic development that is not detached from the development of society cannot be imagined without the protection and participation of workers.

In order to reach this goal all basic rights must be guaranteed which serve as a basis to provide workers with wage and other allowances, security, self-organization and power to negotiate. We must reverse the tendency of constantly increasing workers'

defenselessness, a practice which has been ongoing since the regime change. The goal of 4K! is to guarantee that workers have a chance to shape their own working conditions in more and more sectors of economy.

In order to reach this goal, trade unions must be given a bigger role in social and economic negotiations. At the same time market-supervising and market-regulating authorities must be strengthened and their efficiency increased in order to make workers' rights function in everyday practice as well.

### **3) THE ROLE OF PUBLIC PROPERTY AND EMPLOYEE OWNERSHIP**

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The efficient operation of the state, providing a framework of strategic development for the economy and for the defense of the common good, is crucial for social considerations to proceed in the economy.

4K! does not believe in the idea that the state is necessarily a bad owner. The current functioning of the state is often inefficient, wasteful and corrupt. However, when reacting to this, the state cannot abandon the operation of the country, but it must make the functioning of the state more efficient, more transparent and adept, in order to take part more actively in the development of the country.

In order to create an economy that integrates the interests of the society, economic activity based on workers' ownership (cooperatives) should gain more ground. 4K! does not consider companies based on workers' ownership as tools of welfare policy, but as economic actors with full-fledged rights. However, for this type of companies to fulfill this role they must be strengthened by an advantageous legal environment, tax benefits and subsidies. We also consider it important to increase the number of companies with employee ownership schemes.

### **4) SUSTAINABILITY: ENVIRONMENTAL PROTECTION IS NOT A SUBSECTION OF POLICY**

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4K! regards the environment as a common good, and its protection cannot be limited to just a subsection of policy - it must be a principle that shapes all the bits and parts of the economy and the state. We understand 'environment' as referring to our common life conditions. The role of the state is to defend these conditions and to represent sustainability in a pro-active way on an international scale, and to prevent the practice of pushing the social disadvantages caused by environmental damages onto others, based on the current power balance in society.

## **THE PROBLEM**

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### **1) WE ARE NOT MOVING CLOSER TO THE WEST**

The economic model of the past 20 years was based on the belief that Hungary's economy is getting closer to the economic level of Western Europe. The collapse after the regime change, the lay-offs, the austerity packages of the 1990s were pushed by the governments to be accepted by society with the promise of getting closer to the West. For the vast majority of the Hungarian society the promise of this economic convergence meant that for a few years we should by all means put up with the harsh and worsening living conditions, but on the long term everything will get better and we will live on the level like, for example, our Austrian neighbors. This illusion and together with it the economic model has failed during the past few years in two respects. On the one hand by now it is clear that the promise of catch-up was a fake promise - economic convergence meant that Hungary entered into subservient relation with the West. Mistakes made by the Hungarian political elite played a major part in this. On the other hand, the subject of our illusions, Western Europe, found itself in a serious crisis as well.

### **2) FOREIGN INVESTMENTS HAVE NOT PUT THE COUNTRY ON A DEVELOPMENT PATH**

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The basis of the economic model propagating a fake illusion of convergence was the attraction of foreign direct investments to Hungary. The governments formed after the regime change all hoped for economic revitalization, by creating an investor-friendly environment to draw more foreign capital into the country. In practice this investor-friendly environment mainly supported multinational companies by tax benefits and cheap local labor. Hungary's economic development strategy was based almost solely on the attraction of foreign direct investments and almost everything was subordinated to this goal. Today we can see clearly that this strategy has failed, it has not lead to real emergence, the economic catch-up has not happened. We are still on the semi-periphery of the world economy, and the current institutional set-up of the European Union is only cementing this position by its directed transfers, the free flow of labor and capital etc.

### **3) THE NEOLIBERAL GLOBAL ECONOMIC MODEL HAS FAILED**

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Parallel to Hungary's crisis but independently of that, Western Europe and the neoliberal world economic model have slipped into a deep crisis. In the past few years it turned out that the global economic set-up based on neoliberal doctrines is not sustainable, but it is yet to see what direction it will take.

Hungary has to find its new development path in a hectic, transforming world to replace the failed strategy the country has followed since the regime change.

## **4) A DUAL ECONOMIC STRUCTURE TOOK SHAPE IN HUNGARY**

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As a consequence of the regime change a dual economy took shape and stabilized in Hungary during the past 20 years. In the new realities of the market economy a part of the population found their place as entrepreneurs or employees in the sectors that are integrated into the world economy. However, for a significant part of the people, the new economic order did not offer any alternative whatsoever.

After the regime change masses of workers were expelled from the economy: they became unemployed or were forced into taking jobs in the grey and black economy to make ends meet. One consequence of the dual economy is that increasing masses of people experience downward mobility, both existentially and socially. At the same time, another consequence is that a large number of people have found themselves in a situation where they can maintain their living standard and existence only if they do not pay personal income taxes, social security and pension contributions. In today's Hungary masses are forced to enter black or grey employment, because this is the only way to keep their small companies alive or because their employer will only employ them if they accept these conditions.

In this system workers' rights are violated permanently and politics is actively supporting the formal elimination of these rights. The grey and black economy has grown to a size where it is seriously hindering the country's development, while the government revenues are so low that the mere functioning of the country is endangered.

## **THE GOALS OF 4K!**

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### **1) DEVELOPMENTAL STATE**

The country has entered into a deep economic and social crisis from which it cannot escape if it relies solely upon market mechanisms. In order to treat the crisis successfully and to map out a new development path, the state needs to play a determined and active role which provides direction and strategy for the Hungarian economy.

4K! does not believe in the dogma that exposing a country to market forces is the best way for its development. A developmental state should be created which will actively direct development, based on an economic development strategy shaped by negotiations with professionals and social actors.

4K! does not consider economic policy as a separate branch from other policies. Economic policy and economic development should be in harmony with the state's whole strategy and social policy.

Economic policy necessarily influences other policies, and exactly for this reason it cannot be separated from those. The state should work out an overall economic development strategy that incorporates and informs all other policies. The economic development strategy should define the most important goals of the state and the economic policy should serve the achievement of these goals.

For the birth of a successful developmental state, the state should take a more active role as an owner in the strategic branches of the economy. In a successful economic development strategy strong and efficient state-owned companies should take a role by increasing state revenues and by providing links – in the framework of a concerted development direction - to other actors of the domestic economy, like domestic cooperatives and small and medium enterprises, through, for example, common R&D programs.

## **2) LONG-TERM ECONOMIC DEVELOPMENT STRATEGY BASED ON PROFESSIONAL CONSULTATION**

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A long term economic development strategy should be created based on broad professional and social consultation to make the country prosper. The basic goal of the strategy is to break out from the current semi-periphery position of the country, to decrease the presently large differences between different regions of Hungary, to eliminate the dual economy, and to guarantee the opportunity to get ahead for all members of society.

### **A) DECREASING DEPENDENCY**

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We have to break away from the failed convergence model and the practice based on it, which means following an economic policy that subordinates everything to attracting foreign direct investments to Hungary. Presently, Hungary depends too much on the Western Europe, particularly on the German market. To decrease this one-sided dependency we have to diversify our foreign economic relations and find new economic partners (Latin America, Asia, North Africa, the Balkans).

### **B) BREAK-OUT POINTS**

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We cannot expect the upswing of our economy induced solely by investments of multinational companies. Our country's conjuncture cannot be based on cheap labor and employees with weak rights. Domestic state-owned and small- and medium-sized

enterprises must be strengthened and made more competitive to achieve development.

The economic development strategy has to define the break-out points for Hungary, namely those sectors of the economy which can become competitive internationally. The state must support these sectors by all possible means, including the harmonization with R&D resources and education. By selecting strategic industries we can provide a clear guidance and a stable business environment in the long term for the actors of the economy. Not having a stable business environment is currently a serious barrier to economic growth and companies' investments.

### **C) DECREASING BUREAUCRACY**

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An important task of economic development is the decrease and rationalization of bureaucracy that has become too big and inefficient. It is particularly important to make the life of enterprises less complicated, to make the setting up of enterprises easier, in other words to simplify administrative procedures and the tax system. A more efficient and more simple state would mean a reduction of state budget expenditure on the one hand, and it would also provide some fresh air for the enterprises. The more efficient operation of state authorities and a better conduct of supervision by these authorities could serve as tools to reduce oversized bureaucracy. This would not mean increasing the size of state administration, but an improvement of their infrastructure and personnel, and would also necessitate the creation of a more adequate legal background.

### **D) COMPREHENSIVE FIGHT AGAINST CORRUPTION**

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The state must work out a long-term anti-corruption strategy. In order to achieve any economic upswing it is crucial to prevent the irresponsible and corrupt management of public assets, to decrease the influence of the black economy and to increase the number of taxpayers. We consider it a basic principle for public procurements that public funds paid by taxpayers should be spent on developing public goods and employee ownership instead of transforming it into private profit. Therefore in case of public procurement tenders transparency should be accompanied by giving advantage to state-owned or employee-owned companies against privately owned companies. The state has to boldly fight the crimes against public property with legal means as well. Crimes against public property should induce a more severe punishment.

## **3) SIMPLE AND STABLE TAX SYSTEM BASED ON SOLIDARITY**

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## **A) THE BAD IMPACT OF DUAL ECONOMY**

Today one of the most important problems of the Hungarian economy is that a significant part of the working population is not paying taxes. The current tax system is a consequence of the dual economy, but it is also cementing it.

The explanation for high taxes in Hungary is that this is a way for the state to compensate for unpaid taxes. At the same time, however, a high tax burden further erodes tax-paying morale and sustains the black economy. The most important goal should be to increase the size of the legal economy and to increase the number of tax payers.

In addition to the high tax burden, the other reason for the low tax-paying morale in Hungary is people's low confidence in the state. This confidence should be rebuilt with a transparent utilization of tax revenues and by strengthening the role of local taxes. In order to strengthen confidence and to create a predictable tax system, a long-term tax reform plan is needed. We have to forget the tax policy of the past years that eroded confidence in the tax system, by changing constantly and unpredictably.

Another important point is to simplify the tax system, which is a pending issue of the past 20 years. In order to improve tax-paying morale and the employment level, the primary target should be to reduce employers' contributions. The willingness to pay taxes can also be strengthened by strict control and realistically payable tax levels.

## **B) TAX SYSTEM BASED ON SOLIDARITY**

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One of the functions of the tax system is to strengthen solidarity and to decrease social inequalities. The flat tax rate does not fulfill this function, because it further increases income differences. Moreover, due to the current socio-economic conditions it does not improve upon the willingness to pay taxes. A progressive personal income tax system is more fair than the flat tax system. Increasing the role of wealth related taxes could also make the tax system more just. Introducing multiple tax rates in case of value added tax is also an option, with a lower tax rate for basic necessities.

## **4) DECREASING THE GOVERNMENT DEBT**

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### **A) REDUCING THE GOVERNMENT DEBT CANNOT BE EQUAL TO AUSTERITY**

Hungary's huge government debt is exposing the country to the turbulences of the world economy and it also hinders economic growth. Therefore government debt must be reduced and the high proportion of foreign debt must be changed. However, the permanent austerity measures of the past 20 years have not reached this goal, they only increased social inequalities and deteriorated economic growth.



From now on we should break with the practice that the reduction of government debt is equal to cutbacks in social benefits and the privatization of public property.

## **B) OTHER FORMS TO REDUCE GOVERNMENT DEBT**

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An economic policy where the state plays an active role in developing the economy through state-owned companies increases budget revenues and can contribute to the reduction of government debt. For a decrease of government debt it is necessary to reduce the size of the black economy, in other words to increase tax revenues. The current losses of the state should be reduced. Currently the state operates in a wasteful and inefficient way which is lowering economic performance and generating excessive costs for the country. The state could save significant costs with a rationally built, efficiently operated state administration and a stricter control of public funds, and this could reduce budget expenditures and government debt.

## **5) PUBLIC SERVICES IN STATE OWNERSHIP**

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### **A) PUBLIC SERVICES ARE SOCIAL AND NOT MARKET FUNCTIONS**

The state must keep public services which include energy provision, health care services, education, pension as well as public transport in public ownership, and cannot let the market mechanisms determine their operation. The rationalization of public services and increasing their efficiency is a highlighted duty of the state. In those sectors where the state has already privatized certain public services earlier, the legal ways of restoring state and community ownership should be investigated with respect to the state's possibilities.

### **B) SOCIAL SOLUTION OF THE PENSION ISSUE**

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One of the results of the dual economy is that the current Hungarian pension system is unsustainable on the long run, since the masses working in the grey or black economy will not be entitled to pension as they are not paying pension contributions during their active years. Therefore the main challenge concerning the Hungarian pension system is to increase the number of legal employees, that is, to broaden the scope of those paying pension contributions so that more people will contribute to the cost of public services.

The other great challenge of the pension system arises from the ageing society, since the number of active workers is constantly decreasing, and they have to pay for the provision of an increasing number of pensioners, which already imposes a serious

burden on the state. As the owner of enterprises, an active state can use a part of its companies' revenues to cover the costs of the pension system if necessary.

Beside the operation of a sustainable and efficient pension system, the state must take a more active part in elderly care and cannot leave the elderly people on their own. This includes providing the opportunity for elderly people to maintain a link to society so they don't lose their social relationships, with the help of state programs and opportunities for social work.

## **C) HARMONIZATION OF EDUCATION WITH ECONOMY**

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The transformation of the educational system must be harmonized with the economic development strategy. One of the main sectors where economic development and education can connect is research and development. A well-organized R&D system, which plans for the long-term, can be a break-out point for the education as well as Hungarian enterprises. Similarly to agriculture, conditions in both the health care and educational system are good in Hungary, and while the infrastructure built during socialism has been partially amortized, it hasn't been privatized yet. However, these systems are insufficiently funded and operate inefficiently, so they cannot properly fulfill their function.

In addition to their basic function, a better organized and more efficient health care and educational system can be competitive at international level and thus become export products. It is also necessary to involve economic actors in the financing of education.

The goal of 4K! is to support innovation and to protect Hungarian inventions, so they must be kept, patented and manufactured in Hungary. In case of achieving success internationally, patents and inventions can become export products and they will be able to increase state revenues.

## **D) DEVELOPMENT OF PUBLIC TRANSPORT**

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Since the regime change the development of transport focused almost exclusively on extending the road network, whilst railways and water-ways were neglected. 4K! wants to change this practice and considers the development of these transport networks as an important goal. The development of the railway and water-way infrastructure creates a development opportunity for the Hungarian industry too. The state must take part in research and development, as well as manufacturing related to public transport, in order to facilitate the replacement and modernization of vehicles and to increase the number of jobs in the country.

4K! also wants to develop urban public transport, supports the introduction of environmentally friendly (green) forms of public transport, and wants to encourage city residents to use public transport.

## **E) TRANSPARENT INCOMES IN THE PUBLIC SECTOR**

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One of the basic conditions for a more active state being able to keep the public services in public ownership is to improve society's confidence in the state. Transparency can play a key role in this process. The developmental state can only be successful if state companies are operating transparently and public services are also managed in a transparent way.

The wages of the leaders of state enterprises, members of local governments and the parliament, commission members, government officials and the leaders of state institutions are important elements of transparency. Therefore when determining the wage for these positions, the use of performance-based payments should be encouraged, and the maximum limit of leaders' income must be set based on rational considerations. In addition the possibility that leaders of unprofitable companies with public majority ownership receive premiums or bonuses needs to be legally ruled out.

## **6) EXTENSIVE SOCIAL HEALTH PROGRAM**

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No real reforms have been carried out in the health care system over the past 20 years. Governments have permanently taken away resources from the sector. Today the result of this process is a wasteful and underfunded Hungarian health care system filled with corruption. The current health care system of Hungary is often unable to fulfill its function, at the same time it costs an enormous amount of money for society through the expenses of the budget, gratuities (parasolventia) and private health care services.

For improving the current situation of the health care system it is vital to stop and reverse the emigration of Hungarian doctors. This can be achieved by creating a career plan which is predictable on the long term and by equalizing the huge wage differences which currently characterize the sector.

We cannot let the market play an exclusive role in renewing the health care system, the state must become the key actor in this process. The state must not withdraw from the health care sector, it has to find new resources and eliminate wasteful management as well as the system of gratuities.

The state is not only responsible for managing the health care sector's infrastructure, but also for creating an overall social health care program which must include

providing healthy food, yearly health screenings, sporting opportunities for everyone and, additionally, an environmental policy which would support public health.

## **7) STOPPING THE DETERIORATION IN EDUCATION**

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One of the most important tasks is the radical improvement of pedagogues' financial recognition and the creation of a predictable career plan, because this is the only way to prevent counter-selection when students are choosing their future vocation.

One of the most important expectations concerning the educational system is that it must be available for everyone, because one of the keys to social mobility is high-quality public education available for all. It is not acceptable that the Orbán government's reform of the higher education excludes tens of thousands of talented students who come from low-income families and deprives them from the chance of earning a degree.

Beside financing, the educational system itself needs to be renewed too. The current system doesn't prepare students for life in the 21st century and it doesn't provide relevant knowledge for today's environment. In addition to harmonizing the educational system with the country's overall economic development strategy, education needs to be made more practice-oriented. The current educational system has a tendency to segregate, therefore it is important to introduce special programs that provide the integration of disadvantaged groups through education.

## **8) INTRODUCING A NEW APPROACH IN HOUSING POLICY: COMMUNITY RENTAL HOUSING SYSTEM**

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### **A ) THE MOST VALUABLE ASSET: A SOFT SPOT**

Housing policy is an especially important field in Hungary, because beside influencing one of the most basic needs for people, the place where they live, their house or flat is the most valuable property for the majority of people.

After the regime change people were often rushed to become house owners by offering them the possibility to buy the flats owned by the state during socialism at a very low price. The state got rid of the burden of maintaining the housing stock, but many of the new owners were unable to sustain and maintain their property. The housing policy of the governments after the regime change was limited to supporting the acquisition of property, first through subsidized loans and then by the irresponsible enablement of foreign currency loans.

As a result a rental housing system was not developed in Hungary, and the proportion of private properties is one of the highest in Europe. Therefore many people have almost all of their assets tied down in residential property, and they can't use it for business ventures and growing wealth.

## **B) COMMUNAL HOUSING**

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The end result of the housing policy of the past 20 years is a housing stock in appalling condition, several hundred thousand families have gone bankrupt, and a vulnerable economy has been exposed to foreign currency loans. Therefore we need a completely new housing policy which strengthens the role of communal rental housing instead of private property, strictly regulates renting terms and provides better protection for both tenants and lessors.

## **C) FINDING SOLUTIONS FOR HOMELESS PEOPLE**

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In a country with sufficient amount of housing but many people without a place to live, housing policy must deal with the problems of homeless people. The current handling of the homeless issue reflects a disintegrating society. Due to increasing unemployment, the debt trap and social policy directed against the poor, once again masses of people risk losing their home and aggravating already existing social tensions. The measures to tackle the problem thus far do not represent an overall solution. The state's basic task is to create a long-term strategy based on social consensus for the improvement of the homeless people's situation.

The declared goal of 4K!'s housing policy is to halt and reverse the process which results in masses of Hungarian citizens are losing their home. It intends to do so by developing the communal rental housing system, a stronger regulation of crediting and with the utilization of existing public properties.

## **9. KEEPING AGRICULTURE IN NATIONAL OWNERSHIP**

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### **A) FOOD AND WATER SECURITY**

The role of agriculture and water management has become a priority in the 21st century. Food supply and safety will become one of the most important problems in the coming decades. The conditions in Hungary are outstanding in this field, but currently they are not exploited efficiently. The basic goal to achieve, is that the country's agriculture supplies the Hungarian food industry and satisfies Hungary's needs for food, thereby minimalizing the need to import food.

For Hungary it is important to be independent and self-supporting as much as possible for both food safety and supply considerations. 4K! also believes in keeping our natural resources like the drinking water stock in social ownership.

### **B) PRESERVATION OF PUBLIC AND SOCIAL PROPERTY**

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One of the sources of low productivity in Hungarian agriculture today is the excessive fragmentation of land ownership, the existence of too many small, non-viable land

properties. The main responsibility of agricultural policies therefore lies in establishing a definite set of regulations and rules in support of a competitive ownership structure. However, this does not mean exclusivity for large estates. We need a diversified ownership structure where large, middle-sized and small estates all have their place and can operate side by side, complementing each other. Cooperatives can play an important role in satisfying the capital needs of the sector, for example by establishing processing plants or equipment parks in common ownership.

Considering existing advantages, an effective national agricultural sector has the potential to become competitive at the international level as well. While the idea that agriculture can become the main economic domain propelling the entire Hungarian economy is nothing but an illusion, the creation of a prosperous and export-oriented agricultural sector combined with a well-organized processing industry is a real possibility. And a prosperous agriculture could mean a chance for many people and regions to break out from poverty.

In order to support this, we need a stable regulatory environment which fully supports the direct sales of locally grown produce and the creation of direct farmer-consumer relations.

The significant share of domestic and state ownership in this sector, along with the educational and health sectors, is an additional factor that confers a special status to the agricultural sector in the Hungarian economy. The high share of state-public and domestic ownership should be sustained and encouraged with existing measures, in the long run. State policies therefore have to set appropriate incentives and adopt adequate support programs to encourage the establishment of cooperatives to strengthen domestic ownership and aspire towards efficient ownership structures.

## **10) REDUCING ENERGY DEPENDENCY**

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In the area of energy policy, there is a need for a long-term energy strategy based on consensus and developed with the principle of sustainability in mind. The main objectives should be the rational minimization and diversification of our energy imports. The primary goal is to increase energy efficiency, followed by increasing reliance on renewable energy tailored to locally available options.

In addition to increasing energy efficiency in the public sector, the adoption of programs targeting the improvement of energy efficiency among households are a necessity. These targets should be reliable, and consistent with budgetary constraints in the long run. Although there are no prominent housing shortages at this time in Hungary, the current state of housing reveals severe deficiencies with respect to energy efficiency.

As part of a long-term strategy, an environmentally conscious way of life should be promoted, and green energy as well as enterprises specialized in this field should be supported.

# AUTONOMOUS FOREIGN POLITICS

## BASIC PRINCIPLES

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Hungary as a community can enable the autonomy of its members only if the common home also enjoys the conditions for independence and freedom of decisions as a public entity.

One of the historical sins of the Hungarian political elites of 20th century is that they locked Hungary into a satellite position, and communicated this role to the public in the form of false delusions. A common propaganda strategy of every regime has been to convince us that we Hungarians, “are finally on the victors’ side”. These words were said during the Second World War with reference to the inevitable victory of Germany, during socialism in the context of associations with the “undefeatable space superpower” and “brother-friend” nation, the Soviet Union; as well as after the regime change, in the propaganda focusing upon accession to NATO and European Union.

This “alliance” never meant real alliance but rather complete political, economic and cultural submission. As an automatic implication of this, Hungary imitated, transposed and adopted the institutions, traditions, worldviews and value systems of our “allies” in an undiscerning way at any particular time; leading to inevitable failure as they never considered the particularities of our national context. Very few positive outcomes have resulted from these alliances while they severely deprived Hungary of its inner freedom: sovereignty, freedom of thought, autonomy, innovative spirit and creativity.

This attitude and mindset is not only demeaning, but also ineffective for Hungary. Over the course of history it has contributed largely to increasing our losses, by encouraging a mentality that has come to regard Hungary as a vulnerable and weak nation, it robbed the country from a more flexible and pragmatic mindset, and therefore weakened its abilities to survive and function.

The role of “eternal loser” can only partly be attributed to geopolitics and other external factors. Those selfish and myopic policies of the Hungarian political elites, that portrayed personal and group interests as common interests and tied the faith of the country to political powers they saw as their own protectors, share responsibility.

The alternative of this worldview is not a nationalist inward-orientation and a false sense of Hungarian exceptionalism, but a flexible and adaptive thinking, in other words: more efficient national interest politics.

The foreign politics of Hungary has to be based on the fact that it is a small nation densely connected with its neighbors and the international arena. It has to give up both its illusions of isolation and the old dream of becoming a great power.



The small territory and population however do not mean that we have to follow a passive satellite-type politics. But rather, we have to adopt a pragmatic strategy that is focused on validating Hungary's interests among the big political blocks, on creating a clear foreign policy to increase our autonomy at the international level, as well as on seeking alliances that consider the interests of both parties.

As part of this strategy we must establish a closer cooperation with the neighbor countries on an economic and social level, keeping the basic principle in mind that the Hungarian state is responsible for supporting Hungarians living abroad in representing their interests as Hungarians where they were born.

Our goal within the European Union is to increase Hungary's ability for interest representation with bold but not aggressive diplomatic work and by decreasing the country's economic dependency. We must jointly represent our common interests with the neighboring countries in matters of the EU.

## **THE PROBLEM**

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### **1) THE NON-FULFILLMENT OF THE PROMISE OF EURO-ATLANTIC CONVERGENCE**

In Hungarian foreign politics the unquestioned direction since 1989 has been the adoption of any measures to ensure greater proximity to the Euro-Atlantic geopolitical center, without ever seriously questioning the decisions originating from there. The underlying promise was that as long as we do everything for greater integration, we will one day become equal partners among world powers.

This promise has not been fulfilled. We did not become one of the central Western nations of the global economic system; greater integration resulted in secondary political and economic roles instead of the promised benefits. Hungary's economy was not prepared for opening the market which was a requirement when joining the European Union. Notwithstanding greater economic integration at the European level, living standards at home diverged from Western European lifestyles.

Our membership in the EU and NATO so far has meant nothing more than passive adherence, without any real inclusion in decision making. Hungary is currently not representing its interests in the EU as effectively as it would be possible.

## **2) THE WORLD ECONOMY IS IN CRISIS AND IS UNDERGOING MAJOR TRANSFORMATIONS**

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Major transformations are taking place in the world following the global economic crisis that started in 2008 which will greatly affect the world economic system dominated by Western nations. These transformations will become even more exacerbated by the implications of climate change, ecological and energy crises.

## **3) THE CURRENT STRUCTURE OF THE EU IS PRESERVING INEQUALITY**

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The European Union is currently undergoing a political and economic crisis which is the logical consequence of the way it has been operating so far. The single market has always had priority over the common goals of development and social policy.

The structure of the common economic policy is based on increasing the production capacity of central states and at the same time de-industrializing the states of the periphery such as Hungary, thereby creating a dependence and forcing them to buy goods from the centre.

On the long run this practice causes indebtedness on the periphery which the EU is trying to "solve" with austerity measures which only enhances the problems caused by unequal distribution. In order to increase the efficiency of accumulation the same system is cutting back labour unions, health care, education, social policy, and cultural institutions in the centre as well.

Currently the decisions on economic policy are taken in the centre of the EU, while the social responsibility is shifted by the leaders of the EU on to the governments of the states confined between the limits of common economic policy. The citizens of the member states have every right to feel that the existing means of democracy don't guarantee the sufficient representation of their interests. The way the EU is currently working only generates inequality and therefore has to be changed. However, this can only be achieved if those on the exploited side of unequal accumulation have their say in shaping EU-wide policies.

## **THE GOALS OF 4K!**

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### **1) BRING ABOUT GREATER FLEXIBILITY IN THE CHANGING WORLD ORDER**

We must end the historical tradition of a Hungary swinging back and forth between the East and West preserved for so long by the conflict lines particular to Hungarian

domestic politics, which was projected to the whole world and has been determining our foreign policy.

The crisis of 2008, the crisis of the euro and the dollar, the economic rise of China and Latin-America are bringing about significant changes that must be evaluated and considered attentively and in their global context, setting up guidelines for determining our position in relation to these changes.

Western integration cannot be our sole objective not only because so far it has not rendered us any benefits, but also because the ongoing transformations have challenged the positions of the United States and the EU. Current changes of the global system will most likely emphasize regional fragmentation, contrary to initial expectations for greater globalization, and create conflict over essential resources.

During these transformations of the world order, it really is not in the interest of Hungary to tie itself down to any big interest sphere. The interests of the country lie in adopting more flexible autonomy for establishing the type of relations that are mutually advantageous and that are rewarding for the future of the country.

## **2) THE CREATION OF A SOCIAL EUROPE**

Abolishing the exploitative relationship between the centre and the periphery of the EU is essential for economic democracy. We need a common European development policy to create a real chance for development on the periphery by using instruments such as the common industrial development policy, the reform of the European Central Bank, stopping the flow of speculative capital, and banning offshore investments. Introducing social policy at EU level is also essential if we want to stop the practice of charging the costs of accumulation in the centre on the societies of the periphery. The creation of economic democracy has another precondition: decisions about the external economic agreements of the EU should be made participatory.

On the other hand these changes require a shift in the fundamentals of the economic system from capitalist accumulation to the welfare of society. The cooperative sector of the economy which is under the control of society needs to gain strength compared to capitalist companies and the representation of labour should be reinforced against the representation of capital. The process of creating a new European Constitution should be restarted to establish a constitution which serves the interest of the people instead of the market.

4K! is an ally of all European left-wing parties and movements fighting for these goals.

## **3) BOLDER REPRESENTATION OF INTERESTS WITHIN THE EUROPEAN UNION**

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The goal of our membership in the EU and our EU policy must be increasing the welfare of Hungarians. In order to achieve this, Hungary needs a more effective representation of its interest in the EU.

4K! considers a European policy which decreases global inequalities and unsustainable growth as desirable, and holds all countries that strive to reach this goal as natural allies.

#### **4) REGIONAL COOPERATION**

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From a regional perspective, we must end the false strategy that as an Eastern European nation we are in direct competition with other countries from the region for the grace of Western core nations. This competitive approach did not serve well the interests of these countries. It is in our common interest to strengthen regional economic relations that are mutually beneficial, and to establish a common bargaining position for issues that are similarly relevant for all Eastern European countries.

We therefore do not support the practice of inducing conflicts with neighboring countries in reference to the status of Hungarians living beyond the borders of Hungary, solely for domestic political purposes. The support of the Hungarian community living abroad must be accomplished in harmony with regional cooperation.

#### **5) FORMATION OF NEW INTERNATIONAL TRADE RELATIONS**

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Given the small size of its economy, Hungary will continue to depend on its exporting potentials along with strong domestic markets. Currently 80% of our international trade takes place with the EU, resulting in excessive dependence.

Hungarian diplomacy must work very hard to diversify Hungary's international trade relations, and to explore new possibilities of cooperation and exporting among regions that had been previously considered Third World regions.

#### **6) SUPPORT OF A MULTIPOLAR WORLD ORDER**

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In the long run, the interest of Hungary in the realm of foreign affairs lays in the establishment and preservation of a multipolar world order, avoiding a concentration of powers in the East, or a bipolar type of world order resembling Cold War type of relations. The shift away from a world order that serves unrestrained market forces and private property towards political systems that are controlled by the countries' citizens and focus more on common interests, seeking real answers to the main

ecological and social catastrophes resulting from the current economic structure is our basic interest. We support all pursuits which move in this direction.

## **7) DEFENSE POLICY ALIGNED TO ITS NEW CHALLENGES**

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Since 1990, the risks and challenges of national and global security have been radically re-organized and new priorities require a much more agile, task-oriented and cost-effective establishment of defense policy and interest representation. The split institutional system of security established after the regime change which was further polarized in summer 2010, and the fragmented mechanisms of command and control are unable to coordinate resources for the defense of our nation and the assertion of its foreign policy interests. Therefore strategic planning on governmental level is practically impossible.

A large degree of national independence is vitally needed for our military, our law enforcement and especially our intelligence and counter-intelligence services. At the same time we think it is important for the European Union to be able to guarantee its own safety. Therefore we support all endeavours regarding the creation of a common European army.

In the emerging multipolar world order, new challenges arise to accompany the old ones. These new and unpredictable challenges need new defense capabilities which are completely different from those established earlier in history. More and more responsibility is lying on our law enforcement agencies and especially on our national security apparatus. Judging by these facts, we can definitely confirm the need for a paradigm shift with new perspectives and practices for national defense, in concordance with a long-term vision of our country's future. It should be obvious, however, that these new and improved secret services must never become the tools of political parties.

# **AUTONOMOUS CULTURAL AND RELIGIOUS LIFE**

Republic is a community that provides an opportunity for its citizens to freely shape their cultural and religious life. Unlike the authoritarian regimes and dictatorships, a republic needs neither centralized culture nor established religion to keep the country's community integrated.

The cultural and religious life of the third republic had been permeated by clashes between the political parties. In the fourth republic politics shall abandon these domains of social life.

## **CULTURE INDEPENDENT OF PARTY POLITICS**

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### **BASIC PRINCIPLES**

#### **1) THE REPUBLIC AS CULTURAL COMMUNITY**

Republic is also conceived as a cultural community based on the multi-faceted and common traditions cherished by the ethnic groups of Hungary. Shared cultural traditions and cultural diversity are equally relevant in terms of the republic and patriotism. 4K! is committed to the mutual acceptance of and respect for the various cultural communities and regards one of its fundamental principles that all citizens independent of social position should have access to cultural goods for their individual evolution and integration into the community.

#### **2) AUTONOMOUS CULTURE**

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An important lesson drawn from 20th century history has been that no culture created and operated by state machinery can be authentic, therefore 4K! considers contemporary art autonomous: the creation of new and remarkable pieces of work does not need central control but independent professionalism. 4K! believes in a country where artists feel themselves at home, create their own environment, add to the creative energies of the community and do not depend on the sources of redistribution by the state.

#### **3) IMPORTANCE OF STATE SUPPORT**

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Nevertheless, sustainability of the art projects is inconceivable without financial aid from the state because the country is not large enough to keep all branches of art self-supporting solely based on the functioning of the market. The decision about the art

forms to receive state support, however, should be made independently of party politics.

## **THE PROBLEM**

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### **1) TOTAL DEPENDENCE OF CULTURE ON THE STATE**

Communism established the full dependence of culture on the state in Hungary. At that time culture was an important power tool, and the state strove to completely monopolize it. We can still feel the impact of this practice today, as representatives of contemporary art are hardly concerned with self-sufficiency, and do not consider financing by the audience and private sponsorship feasible; therefore artists have failed to pay due attention to establishing close relations with their recipients.

### **2) POLITICAL CULTURE WAR**

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In the third republic no new and coherent consensus was established with respect to the relationship between culture and politics. Political actors have turned different cultural communities against each other according to their power speculations, whereas the state provides support to certain subcultural communities in a selective manner, at the expense of other ones. Educational policy, supported art groups and the practice of appointing officials changed along with the changing governments, which caused more damage than the conservation of one of the political directions would have caused.

In the field of culture, antagonisms have grown into trench warfare, and the support of culture turned into a synonym of corruption, while there has been a persistent reduction of the available funds by the current government. At the same time the functions performed by the cultural institutions had not been defined properly, so the continuous change of the tender provisions for subsidies to cover operational and organizational costs and of other forms of budget sources (e.g. ministerial funds) have made the existence of cultural establishments which counted on state support increasingly precarious.

### **3) INEQUAL ACCESS**

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As part of social disparities, inequality in access to culture has contributed to weakening the community of the republic and now it is a barrier to social mobility.

## **THE GOALS OF 4K!**

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### **1) CULTURE INDEPENDENT OF PARTY POLITICS**



4K! aims to make culture independent of party politics.

To attain this goal 4K! is intended to launch a long-term professional strategy in the cultural domain through the involvement of the concerned professional associations.

The task of establishing a uniform concept and system of institutions aimed at a just and equitable distribution of cultural goods both in terms of the projects and recipients does not rest with the politicians, rather it should become the responsibility of the professional organizations. An essential condition for this is the decentralization of the existing institutions and the involvement of independent institutions operating all over the country into the system.

## **2) FINANCING BASED ON PROFESSIONAL CONSENSUS**

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The state should stop exercising control over the managed production of culture as much as possible. Instead it should stimulate the actors of contemporary culture to proceed with creative work without state participation. The state, however, does have to play a role in the financing of the cultural sector in order to support initiatives that might prove to be fruitful for the community in the long run. 4K! opines that the interference of politics in the distribution of funds has to be minimized, its institutional structure and financing itself must be made transparent. In the practice of the appointment to key positions the parity principle should be realized: organizations which represent attitudes different from those of the current governance and the rest of organizations also concerned in the decision making should be involved in the decision making process.

4K! thinks that in order to attain this goal, the organizations acting in the different spheres of culture should find a compromise between themselves. The party is ready to negotiate with art organizations in order to shape a distribution system of financial sources reached through consensus and acceptable for the decisive majority.

The state must support cultural projects and institutions that are able to operate using a steadily decreasing amount of budgetary funds in the long run and to produce real value and content for the financing community. Budgetary sources thus made available could be used to support new projects in order to keep cultural life thriving.

For the sake of sustainability 4K! welcomes cultural cooperation with countries of the region that are in a similar position. Exchange of cultural goods, practices and solutions and the application of foreign experience in Hungary is a precondition for marketing and dissemination of Hungarian cultural products abroad so that they become part of the international cultural life, and also for the distribution of Hungarian experiences to a broader audience abroad.

### **3) COMMUNICATION OF CULTURE TO A BROAD SPECTRUM OF THE SOCIETY**

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Culture is a common good which must be delivered to as many citizens as possible unrelated to their material conditions, therefore 4K! considers state participation paramount in the dissemination of cultural goods in order to mitigate social disparities.

The state is responsible for making culture accessible for the broadest possible social spectrum, and this aspect must enjoy priority especially when grants are awarded. Similarly to other kinds of state support a system of quality assurance should be established in culture, which enables the assessment of institutions' and projects' success based on a number of different indicators (number of spectators/listeners, domestic and international criticism/awards, location etc.) to revise state support if necessary.

### **RELIGIOUS LIFE INDEPENDENT OF THE STATE**

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4K! is a committed supporter of the free practice of religion. In the republic all religions are equal before the law. A democratic state must guarantee the right of religious freedom and it must not be biased towards any religion or church and against the others.

The support for churches cannot be determined by the world view of the actually governing parties. Interpenetration of state and church and the interference in each other's affairs is to be eliminated.

Financing religious life from the central budget is equally harmful for the state and the churches. This practice should be ceased and financing such activities must be fully independent of the state budget.

Activities of the churches in the sphere of education, health and social care should be subsidized by the state under identical conditions as those of similar kind pursued by other social organizations.

Abuses of budgetary funds aimed for public services but spent by congregations to cover running expenses should be fined. The legal environment should be shaped in a way that allows churches' investments from donations which serve the local communities to be realized as smoothly as possible.