

Hungary's Controversial Child Benefits On Show

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As the cheerful noise of little children slowly fills the Jatekvar Bolcsode nursery in Budapest's city centre, Istvan Zsupan, a 35-year-old entrepreneur, drops off Anna, the youngest of his three children.

Zsupan's family is one of many who benefit from an array of government support introduced under conservative Prime Minister Viktor Orban to incentivise couples to have children.

"We have used everything offered by the government, apart from the car-purchase programme," Zsupan told AFP while he helped Anna, 2.5, get changed near a room filled with colourful toys.

"It's a huge help," he said, adding the family had received government assistance of at least 70,000 euros (\$75,000).

Touted as Hungarian model, the policies are once again in focus at Thursday's bi-annual Budapest Demographic Summit, where Italian Prime Minister Giorgia Meloni is one of the speakers this time.

Drawing interest from conservative and far-right politicians and prominent figures, such as US tech billionaire Elon Musk, critics say however, the policies have fuelled inequality and discrimination.

Since taking power in 2010, Orban has styled himself as an "illiberal" defender of Christianity and "pro-family" values in the central European country of 9.7 million.

A subsidised housing scheme for young married couples was introduced in 2015, while policies announced in 2019 include lifelong tax exemption for women who bear four or more children.

Newly wed women under 40 can also apply for a lump-sum, 10-million forint (26,000 euros) loan, cancelled once they have three children.

The benefits are tied to being married, with strict penalties if you divorce.

Arguing the policies' success, the government points to a marriage rate that has doubled from 3.6 marriages per 1,000 persons in 2011 to 7.4 in 2021, far above the EU average of 3.9 that year.

The fertility rate stood at 1.61 live births per woman in 2021, also above the EU average of 1.53 and up from a record low of 1.23 in 2011.

But critics say this still falls short of the government's goal of a fertility rate of 2.1 by 2030, needed to reverse a decline in the population.

Reaching such a rate is "completely unrealistic," according to social scientist Dorottya Szikra.

Struggling with record-high inflation and a gloomy economic outlook, the government also

announced a tightening of the eligibility for the housing benefit and the so-called “baby loan”.

Critics say the policies add pressure on women from a deeply conservative society to have children.

They are also discriminatory and fuel inequality, according to Szikra, a researcher at the Hungarian Centre for Social Sciences.

“It’s overwhelmingly higher-income families who are able to benefit from these costly flagship aids,” she told AFP, adding poor people do not have the stable jobs or spare cash needed to apply for the credits.

She said the benefits came at the expenses of other broader benefits for those in need.

LGBTQ couples are also excluded from the benefits.

Hungary’s constitution — amended under Orban — states that marriage is only possible between a man and a woman, and that the mother is a woman and the father is a man.

Laws have effectively banned same-sex couples from adopting children.

Parents questioned by AFP say the policies did not influence their decision to have children.

Gabor Nagy, who brought his 16-month-old son to the Jatekvar Bolcsode nursery, said his family received 35,000 euros worth of government support.

“This is quite a lot of money and we would have been stupid not to take it, but that’s not why we had a child,” the 49-year-old musician told AFP, adding the pregnancy was unexpected.

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