



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE  
T: +44 (0)20 7957 5700 E: [contact@chathamhouse.org](mailto:contact@chathamhouse.org)  
F: +44 (0)20 7957 5710 [www.chathamhouse.org](http://www.chathamhouse.org)

Charity Registration Number: 208223

## Transcript

# The Role of Traditional Values in Europe's Future

Viktor Orbán

Prime Minister of Hungary

Chair: Professor Lord Alton of Liverpool

9 October 2013

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

## **Viktor Orbán:**

My Lords, Your Excellencies, ladies and gentlemen.

First of all, allow me please to say thank you for inviting me here today. It is my honour to address you here, and since I do not want to take advantage of your patience and the aim of my remarks is to invite a discussion, I will summarize my thoughts in short theses. But before saying anything wise, I think I should briefly say something about myself. First of all, I'm a Hungarian. I am sure you do know a lot about Hungary. We have an interesting history and we speak a unique language. We have a saying about ourselves: if you have a Hungarian friend you do not need an enemy. This proves that self-reflection and self-irony is not too far from us. But as for the future, our most important skill is our innovative way of thinking. Just to give you an idea: Hungarians have invented the computer, the ballpoint pen and the espresso. It is not a bad composition. My basic political experiences originate from the underground anti-communist movements. Later on, I won elections and I lost some as well. I have led a coalition government and now I am backed by a two-third majority in Parliament. This is very rare in Europe. Maybe this is the reason why I have looked at the crisis primarily not as a problem, rather as a possibility to deliver deep structural reforms. As we say in Hungary: more than reforms, renewal of the country. By the way Europe – in the old times, I saw Europe from a perspective from where it looked like an unreachable land. I chaired the Parliamentary Committee on European Integration; as prime minister I led the accession talks and I had the chance to see a European Union full of strength, optimism and self-confidence. But what can I see now? Totally the opposite. An uncertain European Union without a clear vision about its future.

So, ladies and gentlemen, let's get to the list of theses. But I have to warn you in advance: although I graduated from a law school, I am not a lawyer. Although I have studied philosophy, I am not a philosopher. Although I have spent quite some time in a research institute, I am not a researcher either. I am a doer, so my theses will reflect my thoughts from a very practical point of view. The first difficult question we have to answer is, whether this place where we are right now is supposed to be a part of Europe or not? What we surely know is that if we pose this question in a political sense, the answer is yes. The approach of Hungarians towards Europe is less ambivalent than the approach of the British. For us the European Union earlier was equal to 'the West', 'the desired West'. That is one of the main reasons why we attach positive feelings to the EU, to the Anglo-Saxons, regardless of some controversial developments of the history.

Thesis number one, ladies and gentlemen. The most important conclusion I have drawn from the crisis is, that it is not something that ruins our competitiveness only temporarily, it is not a challenge that we can overcome by simple political measures. It is better to acknowledge we cannot live as we have lived so far. To put it very simply and very straight: we cannot live beyond our means. It is often quoted that Europe's share of the world's population is eight per cent, while we account for 25 per cent of the world's production, but 50 per cent of social expenditures. This list of numbers raises a serious dilemma itself, but here comes the yet darker other side of the coin: the total state debt of the EU-28 reaches 11 thousand billion euros, the yearly payment of this sum with interests are more than 2 thousand billion euros, and the member states of the EU produce approximately 1.2 thousand million euros of new debt every day. Who would be crazy enough to finance a system like this? And above all, who is ready to do so from cheap sources, which are indispensable for competitiveness? So, what could be the conclusion? All major systems need to be deeply restructured. We should encourage even families and communities to change their life strategies. It has to be realized whether we like it or not: the illusion of a society based on entitlements and unaffordable social expenditures is over. All right, this sounds brutal. And this leads to the essential question: will the European political elite be brave enough to be honest and to tell the people about this? And here we have arrived at the necessity of traditional values, because we could consider honesty as a traditional value. Without honesty not only are we going to be unable to overcome the crisis, but we will hardly be in a position to raise the adequate questions either. All in all, long live honesty.

My second thesis. We should not neglect the difference between the member states of the European Union. If we do so, it may have serious consequences. It is obvious, that after a while members of the eurozone cannot avoid to adopt a common budget, with common tax policy and with common social policy. In the meantime, non-eurozone countries should have the right to choose their own economic policy mixes. In this case, we just have to follow what common sense dictates: the same economic policy will surely not be appropriate for the United Kingdom, for Sweden and for Hungary. So, instead of ideology and dogmatism, wide-ranging diversity has to be acknowledged and respected.

Thesis number three. If we acknowledge diversity, it means that we acknowledge the nation itself as well. Even though being very open, free trade-oriented and investment-attracting, these economies are national

economies. And this leads us to a conclusion of utmost importance: the concept of nation still exists, nation still remains relevant.

Coming to my fourth thesis, let me refer to what a former Central European president wrote in his book. He wrote that there is a green and leftist political conspiracy going on in Europe against the nations. Well, my understanding of this situation is a bit different. Conspiracy requires secrecy. But I think what is going on in Europe now, is an absolutely open red and green attack against traditional values: against the church, against family, against the nation. Of course we accept that there is a room to debate issues about the future of Christianity and the church, but allow me to cite a wise English man: 'we can have even basic doubts about the future of Christianity, I am sure it is not the task of politicians to kill it'. Especially because in our understanding, democracy in Europe is democracy based on Christianity. The anthropological root of our political institutions is imago Dei, which requires an absolute respect to the human being. As for families, here we should say a straightforward sentence. A community that is unable to sustain itself biologically will not survive and does not deserve it either. Immigration is not an answer. It is a trick, a bluff. Most European countries, including my homeland, are suffering from demographic decline. We have to acknowledge demographically motivated family policies are essential and legitimate.

Thesis number five. It is better to acknowledge, even if it is difficult, that the concept of welfare state is over. Instead of that, we should try to build up workfare states and replace entitlements with a merit-based society. In Hungary, thanks to the policies of the former governments, the inactive outnumbered the active. So what we are doing now is a true European attempt: we have renewed the country by restructuring the major systems. We abolished the former tax system which had penalized work and was too complicated to be competitive. Our new tax system is a family-based flat tax system, which honours those who want to work more, or to employ more people and who are ready to raise kids. We have introduced a 16 per cent tax rate on income, and a 10 per cent rate for small- and medium-size companies. Doing this, we have killed the dogma that you can introduce favourable changes in the tax system only during time of prosperity. We have introduced Europe's most flexible labour code as well; we have restructured the higher education system and the vocational system in order to meet the demands of businesses. We have been constantly fighting bureaucracy and changing the total social system which does not keep away one from work anymore. During this attempt, we succeeded in meeting the triple challenge faced by most of the European countries: we have decreased the state debt,

we have improved our competitiveness and we have been able to maintain social and political stability. When we came to office, there were 1.8 million people paying tax. 1.8 million taxpayers in a country with a population of almost 10 million. This is the best road to suicide. Now we have 4 million taxpayers and I would like to see 5 million.

And now I have arrived at my last thesis. Instead of simply managing issues, what we need is leadership. A leadership motivated by vision. Hungary has great luck in this sense. Our leadership is rooted in a democratic legitimacy, resulting in an overwhelming two-third parliamentary majority. We can surely say that Hungary serves nowadays as a real laboratory: we try to find the proper answers to the challenges of a modern world based on traditional values. It would not be appropriate to praise ourselves here and now. That is why I am not speaking now about the decreasing state debt, about the budget deficit which has been well below three per cent for the last three years, I am not mentioning that amount of foreign direct investments has tripled in a year and I am not going into details regarding our record low inflation rate. I just want to ask you to pay attention to the developments in Hungary, and if you could cross your fingers it would be a privilege for us.

Thank you for your kind attention.