

THE RECONSTRUCTION AGENDA

A blueprint for post-Orbán Hungary

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Summary

- Orbán's electoral defeat on 12 April 2026 and the Tisza Party's parliamentary supermajority have opened a 12- to 18-month window in which Hungary's institutional architecture will be rewritten. The scale of the reconstruction task is large but measurable: Hungary's Varieties of Democracy (V-Dem) Liberal Democracy Index (LDI) needs to recover from 0.32 in 2023 to roughly 0.77 (its 2009 level) and its Economic Freedom of the World (EFW) score from 7.07 to 7.33. The direction is known; the sequencing is not.

- Three principles underlie the reform philosophy of this paper. The first is self-limitation: Every reform should be designed so that the Tisza majority that implements it cannot easily use the same institution for partisan advantage and so that the next majority cannot easily reverse it. The second principle is sequencing: Reforms impacting political freedoms should precede those affecting economic freedoms, fast-moving reforms should be front-loaded in the first year, and slow-moving reforms started early but measured over the full electoral cycle. The third principle is measurement: Every proposed reform is mapped to the specific V-Dem or EFW sub-component it is expected to raise, so that progress is monitored against the 2009 benchmark rather than declared.

- The biggest single risk is that Tisza inverts rather than dismantles the Fidesz architecture. The same cardinal-law framework, the same Constitutional Court capture mechanism, the same state-financed media vehicles, and the same civil-society gatekeeping can be operated by any supermajority. Democrats across the political spectrum have a direct stake in whether the reconstruction produces a durable rule-of-law order – a 'hard core' of entrenched counter-majoritarian rules inside a 'soft shell' of ordinary policy legislation – or a friendlier version of the same machine.

- Political freedom reforms should target, in order of severity, the components that fell furthest between 2009 and 2023: freedom of expression (−0.45 points), legislative constraints (−0.37), clean elections (−0.33), judicial constraints (−0.27), and freedom of association (−0.24). Each reform in this paper is mapped explicitly to the V-Dem sub-components it would be expected to raise, so that the 2009 benchmark becomes an operational target rather than a rhetorical one.

- Economic freedom reforms should target Area 2 (legal system and property rights) and Area 5 (regulation), which are the two areas most directly tied to political institutions (Gwartney et al. 2025). Area 3 (sound money) will recover largely through disinflation and greater independence of the Hungarian National Bank; and Area 4 (trade) is protected by EU Single Market membership. The governance reforms in the political freedom section will do more for Area 2 than any purely economic policy could.

- Judicial reappointment must not simply be an inversion of Fidesz's capture of the courts. A Judicial Appointments Commission, with a fixed majority of serving judges elected by the judiciary itself and a prohibition on retroactive purges, is the institutional design most likely to raise the V-Dem

Judicial Constraints on the Executive Index back towards 0.90 without triggering the cycle observed in Poland.

- Media pluralism requires the legal unwinding of the Central European Press and Media Foundation (KESMA) rather than its outright dissolution. An ownership-cap rule entrenched in a cardinal law, combined with a return to state advertising with an independent, auditable allocation mechanism, is the approach most likely to raise freedom of expression scores without producing a new state-owned media bloc.

- Civil-society re-funding should operate through an independent National Civil Society Fund governed by randomly selected, term-limited expert panels, with EU co-financing as a medium-term bridge. Building on the abolition of the Sovereignty Protection Office in June 2026, Act XLIX of 2021 and the remaining 'Stop Soros' provisions should be repealed and replaced with a light-touch transparency framework. Equality before the law requires repeal of the 2021 child protection law (Act LXXIX of 2021) and the 2025 restrictions on Pride assemblies, restoration of administrative legal gender recognition, and removal of the definitional language on marriage and the family from Article L of the Fundamental Law, since the principle at stake is individual equality before the law and the removal of state-imposed legal restrictions.

- Poland under the Tusk government (2023–26) is the only directly comparable case. It shows that a return to a democratic government can restore freedom of expression and legislative constraints quickly (Poland's V-Dem freedom of expression score rose from 0.66 in 2023 to 0.91 in 2024 – see Table 2). However, the judicial component is structurally sticky when a captured Constitutional Tribunal and a hostile presidency stand between the government and reform. Tisza

starts from a more favourable institutional position; it should not waste the opportunity.

- On the time horizon, V-Dem research on the reversal of autocratisation episodes (Nord et al. 2025) finds that 73% of such episodes that ended in the last 30 years were U-turns, that restoring the prior level takes on average about 5.5 years once autocratisation has ended, and that 90% of U-turns restore or exceed prior levels of democratic functioning. Adjusted for the depth of Hungary's decline and the entrenchment of its cardinal laws, a realistic envelope for closing about three-quarters of the gap to the 2009 LDI level is 8–10 years, with only the rapid scenario coming close to a full return within that period, while in the central scenario the EFW score is projected to regain its 2009 level within the first Tisza term, conditional on early sequencing and the preservation of Tisza's parliamentary majority through at least 2030.

Introduction: A post-populist story from Greece of relevance to Hungary

On 12 April 2026, Hungarian voters ended sixteen years of the Fidesz government. Péter Magyar's Tisza Party obtained a supermajority in the National Assembly, which means that the institutional framework built by Fidesz after 2010 can now be rewritten without the latter's consent. Fidesz was not the first Hungarian party to hold a constitutional majority; however, it was the first to use one without restraint, and the distinction matters for everything that follows (Levitsky and Ziblatt 2018; Kornai 2015).

Tisza's new supermajority is both an opportunity and a problem. It is an opportunity because the damage is reversible. Sixteen years of Fidesz produced one of the deepest and most comprehensively measured cases of democratic backsliding in the EU, as the V-Dem Institute's dataset and the Fraser Institute's Economic Freedom of the World 2025 report show (Coppedge et al. 2026; Gwartney et al. 2025). Yet comparable declines elsewhere have been reversed (Boese et al. 2021; Nord et al. 2025). It is a problem because the same institutional architecture that allowed Viktor Orbán to rule as he did is now available to

his successor, and what the Tisza government does with that inheritance will shape Hungarian politics for at least a decade.

The contrast is not merely hypothetical; there is historical precedent for both the hopes and the apprehensions. The socialist–liberal coalition elected in 1994 held 72% of the seats in the National Assembly, enough to amend the 1949 Constitution at will under the ordinary two-thirds rule. The need to consolidate the transitional Constitution and reduce the number of two-thirds laws was already on the agenda. In 1995, the National Assembly nevertheless amended the Constitution to require a four-fifths majority for the rules governing the preparation of a new Constitution; the drafting committee it established could not act without opposition support. The restriction carried its own sunset clause: It expired with the 1994–98 parliamentary term. No new Constitution was adopted because the opposition, Fidesz among them, never consented, and the four-fifths rule lapsed in 1998 without having been used. The episode is the clearest Hungarian precedent for the self-limitation principle developed in this paper: A majority that could have written the Constitution alone chose a procedure that made it dependent on its opponents and bound only itself. It is also a warning about the limits of precedent. Self-restraint practised by one majority did not bind the next: The 2010 supermajority treated the 1995 example as irrelevant. Good precedents do not prevent bad successors; only rules that survive the transfer of power do. That is why this paper emphasises entrenched procedure rather than example.

A similar electoral turn took place in Greece in 2019, when the country had already lived through a shorter and less deeply entrenched version of the same broad political danger. In 2015, an unlikely coalition brought together the far left, the Coalition of the Radical Left (Syriza),[2] and the nationalist populist right, the

2 An acronym for the *Synaspismós Rizospastikís Aristerás*.

Independent Greeks (ANEL).[3] Their ideologies were different, but their political instincts were similar: Both presented society as a struggle between a virtuous people and hostile elites, and both treated liberal restraints as obstacles to the popular will. Once the coalition was in government, this logic produced repeated confrontations with independent institutions, constitutional limits, and critical media. The attempt to place television licensing under direct government control, which was later ruled unconstitutional by the Council of State, became one of the clearest symbols of this approach. Greece did not become an Orbán-style regime and its democratic institutions proved more resilient, but four years of left–right populist government weakened institutional confidence and showed how quickly political and economic freedom can deteriorate when liberal safeguards are already fragile (Houle and Kenny 2018; Celico and Rode 2023; Kyriacou and Trivin 2026). By 2019, it was clear that removing a populist government through elections would not be enough. A prepared programme of reconstruction was also needed.

KEFIM (Center for Liberal Studies) therefore developed a detailed reform agenda covering a smaller and more effective state, lower and simpler taxation, fiscal credibility, redesigned health and pension systems, modern market supervision aligned with EU law, stronger institutions for economic growth, freer labour markets and a freer education system, and better public administration and local government based on the principle of subsidiarity.

Per our subsequent assessment, almost 40% of that programme was later adopted or substantially implemented by the government that took office in 2019.

Although the government that took office in Greece in 2019 was, and remains, centre-right in orientation, broadly resembling Tisza

3 Shortened from the *Anexartitoi Ellines*.

in this respect, it succeeded in restoring economic freedom to a meaningful extent and made several important reforms in the sphere of political freedom. These achievements, however, were accompanied by clear shortcomings, particularly in their handling and strengthening of democratic and political institutions.

This underlines the central concern of this paper: Economic reform alone cannot secure a durable liberal order unless it is matched by institutional self-restraint and strong protections against future political capture.

The Greek experience therefore underpins this paper. It demonstrates that a post-populist transition succeeds only when political alternation brings not merely a change of ruling party, but a government ready to implement immediately a coherent blueprint to rebuild institutions, safeguard freedom, and restore prosperity.

This paper moves from analysis to prescription. The V-Dem v16 release (Coppedge et al. 2026) and the Fraser Institute's *Economic Freedom of the World: 2025 Annual Report* (Gwartney et al. 2025) together document the scale of what sixteen years of Fidesz government did to Hungary's political and economic institutions. The headline numbers are well-known: The Liberal Democracy Index fell from 0.77 in 2009 to 0.32 by 2023 – a drop of 58%, the largest sustained decline recorded for any EU member state in the V-Dem series (Coppedge et al. 2026). What is less well-known is that the decline was not uniform across the sub-components of liberal democracy and that its uneven distribution is precisely what a reconstruction agenda needs to work with.

Across the components of the V-Dem Liberal Democracy Index, freedom of expression fell by 0.45 points between 2009 and 2023, legislative constraints on the executive by 0.37, clean elections by 0.33, judicial constraints by 0.27, and freedom of association by 0.24. Equality before the law moved less in absolute terms but

deteriorated qualitatively through the discretionary application of cardinal laws, tax rules, and public-procurement criteria.

In the *Economic Freedom of the World* survey, Hungary's overall score fell from 7.33 in 2009 to 7.07 in 2023, a smaller decline, but one that masks a sharp divergence: Area 5 (regulation) was weighed down by the accumulation of sectoral taxes, price caps, and retail licensing regimes introduced from 2010 onwards. Area 3 (sound money) swung with the Magyar Nemzeti Bank's politicisation and the 2022–23 inflationary episode, while Area 4 (trade) was largely protected by membership of the Single Market (Gwartney et al. 2025).

Each of these changes can be traced to specific statutory instruments – the Fundamental Law of 2011, the cardinal laws on the judiciary (Act CLXI and CLXII of 2011), the 2013 Fourth Amendment, the 2017 Act LXXVI on foreign-funded NGOs, the 2018 merger of KESMA, the 2023 Sovereignty Protection Act (Act LXXXVIII of 2023), and the 2011 Act CCIII on the redrawing of electoral districts – each of which maps onto the observed decline in a specific V-Dem or EFW sub-component, as the European Commission's Rule of Law reports (European Commission 2023, 2024, 2025), the Venice Commission opinions on the Fundamental Law (Venice Commission 2011, 2013), and the Hungary case files from the European Anti-Fraud Office (OLAF[4] 2022, 2023) separately document.

The present paper asks a different question: Given this context, what steps should a Tisza government take, in what sequence, and through which institutional arrangements, to restore Hungary to its 2009 benchmark and prevent a future supermajority from re-establishing the structures that enabled its democratic decline? The answer is developed through three elements: a twin agenda of political and economic freedom reforms, a recovery

4 In French, *Office européen de lutte antifraud*.

horizon estimating how long Hungary will need to return to its 2009 levels, and a comparison with Poland's reconstruction since 2023, presented in the section on lessons from Warsaw.

The central argument is that the reconstruction of Hungary's liberal democratic order should be framed as a twin agenda. The first half is political freedom reform, which is the subject of the eponymous section of this paper. It concerns the counter-majoritarian institutions – courts, media, civil society, the electoral framework, and the cardinal-law architecture – whose erosion is what gave Orbán's regime its distinctive illiberal character. The second half is economic freedom reform, which is the subject of its own section again. This concerns the institutional foundations of growth and prosperity – secure property rights, predictable regulation, monetary stability, open markets, and fiscal discipline – which deteriorated in ways that are both causes and consequences of the political erosion.

Defenders of liberal democracy have a particular stake in the framing of this agenda. The Fidesz regime was ideologically explicit: At the Bálványos speech of July 2014, Orbán described his project as the construction of an 'illiberal state'– a regime that preserves electoral procedures while systematically dismantling the constitutional, judicial, and civil-society structures that constitute liberal democracy in substance. [5]

The Magyar government has not committed to an illiberal project and nothing in its campaign platform suggests that it will attempt one. The early signals are encouraging: The first months have produced ministerial appointments and procedural choices that point away from such an approach.

5 The phrase is commonly rendered this way from the Hungarian; readers of the original stress that Orbán's formulation turns on 'nemzet', a predominantly ethnic term for the nation rather than for the state.

The risk is more basic: that in the urgency to restore functional governance, the government will adopt the same institutional tools that Orbán built, albeit operated by different people and pointed in a different direction.

The result would be a less autocratic but still personalised state – less hostile to liberal values but structurally no better protected against the next would-be Orbán. That outcome would be a serious missed opportunity and represents the central risk the recommendations of this paper seek to mitigate.

The argument of this paper is organised around three claims. The first is that the V-Dem and EFW sub-component data allow reforms to be targeted with considerable precision. Every reform proposed in the sections that follow is mapped to the specific sub-component or sub-components it is expected to improve, so that progress can be measured.

The 2009 figures – from before the Fidesz era – are used throughout as the benchmark. This is not because Hungary in 2009 was a liberal utopia, nor should the choice be read as an endorsement of the government of that time. The years from 2006 to 2010 ended in a collapse of public confidence in the governing elite, which is itself part of the explanation for the two-thirds majority Fidesz won in 2010, and any Hungarian reader will recall that context immediately.

The benchmark is used here strictly as a measurement of institutional conditions before the authoritarian shift officially began. It is because the 2009 levels represent the last point at which Hungary's political and economic institutions were, by the standards of the indicators used, in alignment with the EU mainstream and because a substantial convergence towards those levels is a credible political and technical objective for the period to 2036.

The second claim is that good reform design is almost entirely predicated on self-limitation. The Fidesz architecture worked because it allowed any majority, including a constitutional one, almost unchecked procedural latitude. The Tisza supermajority now offers the same latitude. Reforms that simply restore the status quo ante without incorporating procedural protections against future capture will not survive the first alternation of power. This paper therefore gives especial attention to institutional features – supermajority requirements, randomised panels, sunset clauses, cardinal-law discipline, and minimum-retention rules – that are sometimes dismissed as legalistic, but which are precisely what distinguish durable rule-of-law reform from a change of management.

The third claim is that the Polish experience since 2023 is the most important comparative reference for the Hungarian reconstruction. Poland and Hungary were two EU cases where a populist government used constitutional amendment, judicial reorganisation, media capture, and civil-society pressure as a coordinated toolkit (Halmai 2019; Scheppele 2018). In both cases, V-Dem indicators recorded similar patterns of structural damage (Bermeo 2016; Mechkova et al. 2017); and in Poland, a democratic government has now been attempting to reverse these changes for nearly three years.

The results have been mixed. In some areas – such as legislative constraints and freedom of expression – the Polish recovery has been rapid. In others – such as judicial constraints and reform of the Constitutional Tribunal and the National Council of the Judiciary – progress has been hindered by structural veto players that Tusk inherited and could not easily remove (Wójcik 2025a). The section on ‘Lessons from Warsaw’ examines that record in detail, because Tisza enters office with a parliamentary position Tusk did not have and the first question is whether that additional room for manoeuvre will be used effectively.

A secondary comparative reference – addressing a different and, for this paper's self-limitation argument, arguably more cautionary failure mode – is the Georgian experience after the 2003 Rose Revolution. Under Kakha Bendukidze, Georgia implemented what the US Agency for International Development (USAID) described as 'the broadest, deepest, fastest business climate reforms of any country in the last fifty years': the number of taxes fell from 21 to 6, the income tax rate from 20% to 12%, and the country rose from 112th to 11th in the World Bank's *Doing Business* rankings between 2005 and 2010 (Burakova and Lawson 2014).

Yet a three-year field study of Georgia by the European Stability Initiative (ESI) identified the structural contradiction at the heart of the programme: Georgia had become a libertarian success story, but not a liberal one (ESI 2010). The judiciary was never insulated from executive influence; its parliament remained subordinate to the presidency; and the same architecture that enabled Saakashvili's reforms also enabled institutional capture by his successors.

When Bidzina Ivanishvili's Georgian Dream took power in 2012, it did not dismantle the institutional machinery it inherited – it used it to privatise state assets by routing them into the new billionaire's own companies, to install informal dependencies in the judicial system, and to suppress civil society (Transparency International Georgia 2020).

Georgia demonstrates that the economic reform track, pursued without simultaneously building durable counter-majoritarian institutions, produces a machine that any subsequent majority can use for institutional capture. The Hungarian reconstruction agenda must avoid this outcome: The principle of self-limitation applies to economic governance structures no less than to constitutional ones.

The paper is structured as follows. Following this introduction, a short section outlines the situation as of October 2026, and a further section then assesses how the Tisza platform aligns with the proposed reform agenda.

The section on political freedom reforms covers eight areas: judicial reappointment, constitutional review, prosecutorial independence, media pluralism, civil-society re-funding, equality before the law, the electoral system, and the architecture of cardinal laws.

The section on economic freedom reforms assesses seven areas: the legal system and property rights, central bank independence and sound money, the regulatory thicket, public procurement, suspended EU funds, the public-interest asset-management foundations, and fiscal discipline.

A substantive section on the recovery horizon draws on the literature around the V-Dem U-turn to construct a Hungary-specific recovery envelope.

The section on lessons from Warsaw includes a structured case study of the Polish record since December 2023 and extracts specific lessons for Tisza. The conclusion returns to the 12- to 18-month reform window and sets out the sequencing priorities. A technical appendix describes the data construction and the method used to fit the recovery envelope.

One methodological note: All quantitative claims for the Fidesz period are drawn directly from V-Dem v16 (Coppedge et al. 2026) and the Fraser Institute's *Economic Freedom of the World: 2025 Annual Report* (Gwartney et al. 2025). Claims concerning EU financial conditionality and procurement irregularities draw on OLAF's activity reports and the European Commission's Rule of Law country chapters (OLAF 2022, 2023; European Commission 2023, 2024, 2025).

Where quantitative claims are made about Poland, they are drawn from the same V-Dem and EFW sources, harmonised in a country–year panel. The method used to estimate the recovery envelope is described in the technical appendix. Fidesz statutes are cited throughout by act number and year.

A companion diagnostic paper (Saravakos 2026) sets out the full sub-component decomposition for the 2009–2023 period and is referenced where the details would otherwise interrupt the prescriptive argument.

Table 1: Hungary: V-Dem and EFW benchmarks; 2009, 2023, and 2031 targets

Indicator	2009 (benchmark)	2023 (actual)	2031 (target range)
V-Dem Liberal Democracy Index (LDI)	0.77	0.32	0.62–0.68
V-Dem Freedom of Expression (FoE)	0.95	0.50	0.85–0.95
V-Dem Clean Elections Index	0.93	0.61	0.85–0.93
V-Dem Judicial Constraints on the Executive	0.90	0.63	0.80–0.90
V-Dem Legislative Constraints on the Executive	0.88	0.51	0.80–0.88
V-Dem Freedom of Association	0.88	0.64	0.85–0.88
EFW overall score	7.33	7.07	7.38–7.42
EFW Area 1 (size of government)	5.61	6.05	6.05
EFW Area 2 (legal system / property rights)	6.69	6.62	6.67–6.68
EFW Area 3 (sound money)	9.04	7.36	8.70–8.89
EFW Area 4 (trade)	8.51	8.72	8.72
EFW Area 5 (regulation)	6.79	6.61	6.75–6.77

Sources: V-Dem v16 (Coppedge et al. 2026); Economic Freedom of the World: 2025 Annual Report (Gwartney et al. 2025); authors' calculations for 2031 targets. Note: 2031 target ranges span the central to rapid scenario bands described in the

technical appendix. EFW Areas 2, 3 and 5 are projected towards their 2009 levels, Areas 1 and 4, already above those levels, are held at their 2023 values, and the overall EFW score is the mean of the five areas. Ranges for the individual V-Dem indicators are indicative targets bounded by their 2009 levels and are not derived from the recovery model.

State of play: The reconstruction of November 2026

Several of the questions treated below as open have been settled by the new government since the April 2026 election. This section records those decisions in one place, so that the prescriptive argument that follows can be read against them. Where a decision has bearing on a recommendation, the assessment of the route taken is placed alongside the recommendation, rather than here.

On the constitutional question, the government has opted for but not yet submitted a new Fundamental Law, prepared through public debate and submitted for a referendum, rather than the focused amendment package recommended in the ‘Political freedom reforms’ section or for a cross-party drafting process.

In the judicial sphere, the recomposition of the Constitutional Court has begun with the introduction of a mandatory retirement age of 70 through the Seventeenth Amendment to the Fundamental Law, adopted on 13 July 2026 and in force since 19 July. The mandates of the four justices already over that age, including the court’s president, ended on 1 September 2026. The amendment also shortened future terms in the court from twelve to nine

years and made the presidencies of the Curia and the National Office for the Judiciary six-year, non-renewable offices.[6] This supersedes the arrangement allowing Fidesz-era appointees to serve until the end of their terms that is discussed in the political freedom reforms section.

The Sixteenth Amendment of 15 June 2026 introduced into the Fundamental Law an eight-year limit on the prime minister's total term of office, including any time served since the first parliamentary session of 2 May 1990.[7] The Seventeenth Amendment added a twelve-year limit on parliamentary mandates – though the terms of sitting members are exempt – and ended the tenure of the sitting president.

Parliament elected András Baka, the former president of the Supreme Court who was removed in 2011, as president on 11 August 2026. He took office on 19 August and may serve until a new Constitution comes into force or for five years at most.[8]

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6 'Hungary's parliament passes amendment of the constitution', CMS Law-Now legal update, Budapest, 20 July 2026 (https://cms.law/en/hun/legal-updates/hungary-s-parliament-passes-amendment-of-the-constitution); 'Hungarian president Tamás Sulyok signs constitutional amendment ending his own mandate', *Euronews*, 18 July 2026 (https://www.euronews.com/2026/07/18/hungarian-president-tamas-sulyok-signs-constitutional-amendment-ending-his-own-mandate).

7 'Hungarian MPs approve PM limits to block potential return of Orban', *Al Jazeera*, 15 June 2026 (https://www.aljazeera.com/news/2026/6/15/hungarian-mps-approve-pm-limits-to-block-potential-return-of-orban); 'Tisza term-limit amendment would bar Orbán from becoming prime minister again', *Budapest Business Journal*, 21 May 2026 (https://bbj.hu/politics/domestic/government/tisza-term-limit-amendment-would-bar-orban-from-becoming-prime-minister-again/).

8 'Hungary elects Baka as new president in shift from Orbán era', *Bloomberg News*, 11 August 2026 (https://www.bloomberg.com/news/articles/2026-08-11/hungary-elects-new-president-in-shift-from-orban-s-political-era); 'New Hungarian president elected; vows to restore the rule of law', *Balkan Insight*, 12 August 2026 (https://balkaninsight.com/2026/08/12/new-hungarian-president-elected-vows-to-restore-the-rule-of-law/rd/).

Regarding the prosecution service, the prosecutor general resigned in July 2026 and demitted office on 25 August. Parliament rejected the new president's first nominee on 28 September and elected his second nominee, Fejes Péter, on 3 November by 139 votes to 6, for a nine-year term under the existing rules.[9]

Hungary requested accession to the European Public Prosecutor's Office (EPPO) in May 2026. The European Commission confirmed its participation on 10 July and Hungary became a participating member state on 2 August, although the Office cannot operate in Hungary until the Council appoints a Hungarian European Prosecutor (European Commission 2026).

On media, Parliament elected the chair and members of an enlarged Media Council on 22 September 2026, under new rules that reserve three of its seats for the opposition, although Parliament rejected the nominees of the main opposition parties.[10] The government has also indicated that it does not intend to continue financing the Central European Press and Media Foundation (KESMA) from its public funds. On civil

9 'Hungarian Parliament rejects President's nominee for chief prosecutor', *Budapest Business Journal*, 28 September 2026 (https://bbj.hu/politics/domestic/parliament/hungarian-parliament-rejects-presidents-nominee-for-chief-prosecutor/); 'President nominates retired deputy chief prosecutor to lead prosecution service', *The Budapest Times*, 13 October 2026 (https://www.budapesttimes.hu/hungary/president-nominates-retired-deputy-chief-prosecutor-to-lead-prosecution-service/).

'Megválasztotta az Országgyűlés Fejes Pétert Magyarország legfőbb ügyészének', Euronews, 3 November 2026 (https://hu.euronews.com/2026/11/03/megvalasztotta-az-orszaggyules-fejes-petert-magyarorszag-legfobb-ugyeszenek).

10 'Hungarian Radio and Television (Magyar Rádió és Televízió Nonprofit Zrt.): Country profile', *State Media Monitor*, October 2026 (https://statemediamonitor.com/2026/10/mtva/).

'Hungary's Sovereignty Protection Office Abolished', Human Rights Watch, 2 July 2026 (https://www.hrw.org/news/2026/07/02/hungarys-sovereignty-protection-office-abolished).

society, Parliament abolished the Sovereignty Protection Office on 30 June 2026 by 135 votes to 44.

On individual rights, Parliament decided on 13 October 2026, by 139 votes to 51, to remove the provisions of Act LXXIX of 2021 that restricted the portrayal of sexual and gender diversity in content accessible to minors (Act LXII of 2026). These provisions were replaced with a general standard on content that seriously impairs a child's development. The Family Protection Act, the assembly restrictions used against Pride, and the constitutional language on sexual and gender identity were not touched.[11]

Regarding the public-interest asset-management foundations, the Mathias Corvinus Collegium has been restructured, removing this prominent case from the immediate reform agenda without resolving the broader questions surrounding these foundations.

On asset recovery, Parliament adopted Act XXXIV of 2026 on 28 July, establishing the National Asset Recovery and Protection Office with investigative, prosecutorial, and civil-recovery powers and a retrospective mandate. Its president and deputies were elected on 28 August and took office on 1 September.[12]

On the EU track, an agreement reached on 29 May 2026 released cohesion and Recovery and Resilience Facility funding previously

11 'Hungarian MPs scrap Orbán's anti-LGBTQ measures', *BBC News*, 13 October 2026 (https://www.bbc.com/news/articles/c6vg9nj4l322o).

12 'Hungarian Parliament establishes the National Asset Protection and Recovery Office', *Kinstellar*, August 2026 (https://www.kinstellar.com/news-and-insights/detail/4654/hungarian-parliament-establishes-the-national-asset-protection-and-recovery-office); 'Hungary's Parliament adds safeguards to asset recovery office', *Human Rights Watch*, 6 August 2026 (https://www.hrw.org/news/2026/08/06/hungarys-parliament-adds-safeguards-to-asset-recovery-office).

suspended under EU conditionality mechanisms, unlocking €16.4 billion in recovery, cohesion, and higher-education funding.[13]

This moves the analysis in the 'Economic freedom reforms' section from conditionality as leverage to conditionality as a ratchet: no longer an incentive to reform, but a safeguard against reversing what has been done.

Eurozone membership has been adopted as a political objective of the government, with a commitment to meet the Maastricht criteria by 2030.[14]

On 6 October 2026, the government published a draft proposal for a wealth tax of 1% on net assets above HUF 1 billion, rising to 1.5% above HUF 100 billion, to apply from 1 January 2027.[15]

On the electoral framework, work on a new system is underway, with the declared aim of making a two-thirds majority unobtainable by any single party in future. The proposal is expected to be completed by the end of 2027, allowing Parliament to legislate and the administration to prepare before the next general election.

None of these changes alters this paper's central argument. They only alter which parts of it are prescriptive and which are now merely an assessment of reforms in progress. Indeed, they sharpen the central question of whether the instruments used to

13 'Hungary unlocks €16.4bn in EU funds after Magyar secures deal with Brussels', *Euronews*, 29 May 2026 (https://www.euronews.com/2026/05/29/hungary-unlocks-164bn-in-eu-funds-after-magyar-secures-deal-with-brussels).

14 'Government commits to euro adoption by 2030', *Hungary Today*, 23 June 2026 (https://hungarytoday.hu/goverment-commits-to-euro-adoption-by-2030/).

15 'Hungary unveils wealth tax plan, raising burden on ultra-rich', *Bloomberg News*, 6 October 2026 (https://www.bloomberg.com/news/articles/2026-10-06/hungary-unveils-wealth-tax-plan-raising-burden-on-ultra-rich); 'Hungary government proposes wealth tax on ultra-rich', Reuters, 6 October 2026 (https://www.reuters.com/business/hungary-government-proposes-wealth-tax-ultra-rich-2026-10-06/).

dismantle the Fidesz architecture leave that same architecture available to the next majority.

Mapping Tisza's manifesto onto the reconstruction agenda

The starting point for any prescriptive exercise is the platform of the incoming government.[16] In February 2026, Péter Magyar's Tisza Party published *Foundations of a Functioning and Humane Hungary* (Tisza Párt 2026) – a 240-page electoral platform covering the institutional, economic, and social agenda of governance. The platform is detailed by Hungarian electoral standards, but deliberately non-technical in register: It identifies problems, commits to a corrective direction, and leaves most questions of institutional design open to post-election specification. This paper seeks to address those unresolved questions.

The purpose of this section is to map Tisza's published commitments onto the reform agenda outlined in the 'Political freedom reforms' and 'Economic freedom reforms' sections, identify the points of convergence where the platform and this

16 The mapping is based on the platform published in February 2026. Where commitments have since translated into legislative action, these are noted in the preceding section.

paper agree on both direction and instrument, and highlight the points of divergence where the platform is either silent or takes a different view from the recommendations set out here.

On judicial independence and anti-corruption, Tisza commits to Hungarian accession to the EPPO within its first year and to guaranteeing the independence of the Constitutional Court, the courts, and the Prosecutor General's Office. These commitments are consistent in direction with the political freedom recommendations on prosecutorial independence and the Judicial Appointments Commission. Accession to the EPPO would materially strengthen the prosecutorial reform by embedding a supranational check that cannot be unwound by a future national majority.

This paper adds specificity to institutional design – including a single non-renewable seven-year term for the prosecutor general, supermajority appointment, and mandatory reasoning for non-prosecution decisions – that the manifesto does not itself provide.

On media, Tisza commits to suspending direct state-media operations, creating a new independent media authority, and imposing a temporary moratorium on allocations for state advertising. These commitments align with the KESMA-unwinding architecture discussed in the 'Political freedom reforms' section, but the instruments differ. This paper recommends a cardinal law to cap ownership, with divestiture supervised by the Media Authority, on the grounds that operational suspension without structural reform leaves the KESMA aggregation intact and available for re-politicisation. The moratorium on state advertising is necessary, but not sufficient; a permanent, auditable allocation mechanism is what is needed to convert a first-year policy into a durable institutional feature.

On the Constitutional question, the manifesto committed Tisza to 'developing a draft constitution after broad social dialogue', with no timeline attached. The government has since chosen its

route: a new Fundamental Law prepared through public debate and put to a referendum. This paper agrees that a single-party Fundamental Law is neither desirable nor durable. On its own terms, the referendum route answers the legitimacy objection well, since a text ratified directly by voters is harder for a successor majority to characterise as a partisan document. It is also a more realistic route than cross-party drafting with the present opposition.

It does not, however, make a focused amendment package redundant. An amendment package restoring the specific features removed by the 2013 Fourth Amendment and subsequent amendments remains the faster instrument to address the specific defects listed in the ‘Political freedom reforms’ section. Furthermore, the core rule-of-law provisions of any new text should be entrenched behind a double lock of a two-thirds majority and a referendum, so that the instrument that legitimises the new Constitution is also the one that protects it.

A referendum is a necessary condition of legitimacy for a new Constitution, but not a sufficient one. Hungary’s own record shows why: The 2016 referendum on the migrant quota and the 2022 referendum on child protection were each used to confer the appearance of popular ratification on a position the government had already taken, with questions drafted by the governing majority. The democratic test is one of both content and process.

On content, a text that is ratified by referendum but weakens limits on power, judicial review, or individual rights is not improved by the ratification. On process, the draft should be submitted to the Venice Commission before being put to voters. The referendum question should be neutrally worded and reviewed by an independent body, with the final text itself, rather than a mandate to draft one, being put to the vote.

On executive discipline, Tisza commits to a two-term (eight-year) limit on the office of prime minister. Constitutional practice in democracies is divided on whether term limits on parliamentary premiers are desirable, with Westminster-model systems generally operating without them. The commitment is not inconsistent with the self-limitation principle, but its institutional design (whether it applies to consecutive or total terms, whether it is entrenched in the Fundamental Law, and whether it is enforceable through the Constitutional Court) will matter more than the headline commitment.

The limit was enacted and entrenched in the Fundamental Law through the Sixteenth Amendment, adopted on 15 June 2026: No person may be elected prime minister after serving a total of eight years in office, counted from 2 May 1990.[17] This should be distinguished from the twelve-year limit on parliamentary mandates introduced a month later by the Seventeenth Amendment, which applies to members of Parliament rather than to the head of government and does not affect members elected in the current term.[18]

The prime ministerial limit counts total rather than consecutive terms, which is the more demanding condition. Its stated political purpose is to prevent the return of the previous prime minister. That purpose matters, because a term limit adopted in order to exclude a particular person is precisely the kind of measure which the self-limitation principle tests: Would the rule still appear reasonable to its authors if it applied to a leader they supported?

17 'Hungarian MPs approve PM limits to block potential return of Orban', *Al Jazeera*, 2026; 'Tisza term-limit amendment would bar Orbán from becoming prime minister again', *Budapest Business Journal*, 2026.

18 'Hungarian president Tamás Sulyok signs constitutional amendment ending his own mandate', *Euronews*, 2026.

The defence this paper finds persuasive is specific to Hungary: Sixteen years of continuous office by Orban were used to reshape the constitutional order itself, and a limit that takes that record into account responds to a demonstrated concentration of power rather than to a political rival. Whether it is a rule or a weapon will be shown by whether it is applied with equal force to every future prime minister, including those from Tisza.

On economic policy, the platform's most distinctive commitments are a 1% wealth tax on fortunes exceeding €2.6 million and a package of anti-concentration measures in the banking and retail sectors. This paper's economic freedom recommendations take a different view: The EFW Area 1 (size of government) reforms point towards fiscal discipline and restraint on expenditure rather than new wealth taxation. However, the anti-concentration approach risks replicating the Fidesz-era pattern of discretionary sectoral intervention under a different political direction.

This is the clearest point of divergence between the Tisza platform and the recommendations of this paper, and the commitment is no longer merely a campaign promise. On 6 October 2026, the government published a draft wealth tax of 1% on net assets above HUF 1 billion, rising to 1.5% above HUF 100 billion. The proposed tax base covers real estate, financial and corporate holdings, and assets held abroad, net of debt. If enacted, the tax would take effect from 1 January 2027, with the first liability assessment of holdings at the end of 2026.[19]

This paper's position is that a standing tax on capital is not the right answer to a deficit of this size, which calls for expenditure restraint and the removal of the discretionary subsidies and tax privileges of the Fidesz era. Moreover, revenue projections for

19 'Hungary unveils wealth tax plan, raising burden on ultra-rich', *Bloomberg News*, 2026; 'Hungary government proposes wealth tax on ultra-rich', Reuters, 2026.

a tax of this kind are notoriously sensitive to valuation disputes, avoidance, and capital mobility.

Should the tax be legislated, however, the contribution of this paper is to constrain its design rather than to oppose it outright. The threshold is high, which is the first condition of a defensible design. Two further conditions should be pressed in Parliament: a statutory sunset, so that the tax lapses unless it is re-enacted following a review of evidence, and an independent evaluation of its yield, compliance costs, valuation disputes, and effect on investment before any renewal.

A third condition should be added as well: The threshold should be indexed to inflation, and neither the threshold nor the rates should be susceptible to change except by an act of Parliament subject to the same evaluation. A wealth tax whose base can drift downwards through inflation or decree stops being a tax on the very rich and becomes an instrument of discretion.

One qualification should be recorded here. The political case made for the measure in Hungary is not primarily redistributive but restitutive: It is being presented as a way of recovering wealth accumulated through public contracts. That objective is legitimate and this paper does not dispute this. It is, however, an objective that a standing wealth tax is most ill-designed to serve, because the tax reaches every holder of assets above the threshold, including those with no connection to the procurement networks, while leaving the specific transactions untouched.

The higher tax band of 1.5% above HUF 100 billion narrows that gap in practice, since the few dozen fortunes above that level include the principal beneficiaries of the procurement networks. It does not close the gap, however. The tax still asks how much a person owns rather than how it was acquired, so it treats lawfully and unlawfully acquired wealth alike. Once the tax is paid, any unlawfully obtained capital remains with its holder. Only due process can separate the two.

Recovery through procurement enforcement, competition-law enforcement, and criminal procedure is slower, but it is targeted, reviewable, and consistent with the position this paper takes in the ‘Economic freedom reforms’ section, which objects to recovery outside due process rather than to recovery per se.

The instrument promised for that purpose in the manifesto – which Parliament has since created – is the National Asset Recovery and Protection Office, discussed in the ‘Economic freedom reforms’ section.

Nor is the tax retroactive in the sense criticised in the ‘Economic freedom reforms’ section: It applies to asset holdings from the end of 2026 onwards and does not reopen past transactions. The objection to it is one of design and economic efficiency, not of legality, and it should be argued on those terms.

On civil society and labour, the Tisza platform commits to repealing the 2017 law on foreign-funded NGOs and the 2023 sovereignty-protection framework, as well as to strengthening trade union rights. The first two commitments align closely with the civil-society re-funding agenda in the section on ‘Political freedom reforms’. The trade union commitment is outside the scope of this paper, but this paper would caution against a corporatist reading – the reform should strengthen freedom of association (V-Dem Freedom of Association) rather than producing a new statutory bargaining architecture.

Four conclusions follow from this mapping. First, on most of the political freedom agenda, the direction of Tisza’s commitments is compatible with the prescriptions of this paper. This paper seeks to contribute specifications for institutional design, rather than to advocate a different policy direction.

Second, on the economic freedom agenda, the divergences from the Tisza position are larger, with the recommendations

of this paper tending to contest rather than complement the Tisza position.

Third, the government's choice of a new Fundamental Law ratified by referendum narrows but does not eliminate the space for the focused-amendment strategy recommended in the 'Political freedom reforms' section. The amendment package remains the faster instrument for addressing the specific defects; the referendum is the right instrument for legitimacy only if the content and the process both pass the tests set out above.

Fourth, the self-limitation principle – which is not a Tisza manifesto commitment but an addition proposed in this paper – is the most important design input this paper can contribute, because it is the feature that distinguishes durable reform from a mere change of management. The remainder of this paper develops each of these points in detail.

Political freedom reforms: Strengthening liberal democracy

Political freedom is the prior category in this paper, both analytically and in the sequencing of reforms. Property rights are not secure where courts are not independent; regulation is not predictable where the legislature does not constrain the executive; and economic freedom is structurally tied to the institutional quality of the political order[20] (see Acemoglu and Robinson 2012 for the theoretical framing). Fixing the political side first is therefore a precondition for the ideas discussed in the 'Economic freedom reforms' section to have a durable effect.

We organise the political agenda around eight reform areas, each corresponding to a part of the Fidesz architecture identified in the V-Dem and EFW decompositions and in the Venice Commission's successive opinions on the Fundamental Law (Venice Commission 2011, 2013). The eight areas, in the order in which we believe they should be sequenced, are: judicial

20 The V-Dem Liberal Democracy Index and the Fraser EFW overall score correlate at $r \approx 0.68$ ($r^2 \approx 0.47$) in the 2009–23 EU-27 panel (Coppedge et al. 2026; Gwartney et al. 2025).

reappointment, constitutional review, prosecutorial independence, media pluralism, restoring funding to civil-society, equality before the law (including repeal of the 2021 anti-LGBTIQ+ legislation), the electoral framework, and the architecture impacting cardinal laws and constitutional amendments. Each subsection documents briefly what was done by Fidesz (citing the enabling statute and the relevant Venice Commission or European Commission finding), states the proposed reform, maps the reform to the specific V-Dem subcomponent we would expect it to ameliorate, and discusses institutional design risks – in particular, the risk that a reform simply inverts the Fidesz tool rather than dismantling it.

Judicial reappointment without a loyalty swap

The principal institutional casualty of the Fidesz era was judicial independence. Act CLXI and Act CLXII of 2011 restructured the courts in ways that concentrated administrative authority over the judiciary in the hands of the president of the National Judicial Office (OBH) and lowered the retirement age from 70 to 62 (displacing approximately 274 senior judges in a single cohort) – an action subsequently found by the Court of Justice of the European Union to be in breach of EU law (Case C-286/12). The Fidesz administration also reshaped the Constitutional Court by expanding it from eleven to fifteen members and reconstituted the nominating committee so that it reflected parliamentary strength rather than parity between government and opposition. It left the two-thirds majority requirement for election formally intact, while removing the opposition's ability to block a nomination. Over the same period, the V-Dem Judicial Constraints on the Executive sub-index declined from 0.90 in 2009 to 0.63 in 2023.

The temptation facing any incoming reformist government in such a context is straightforward. The captured Constitutional Court and the OBH leadership were appointed through politicised processes; their legitimacy is contested and the new government has the supermajority required to replace them. However, the

Polish experience since 2023 illustrates why this temptation should be resisted. The Tusk government's attempts to resolve the status of the Polish Constitutional Tribunal through ordinary legislation produced referrals back to that same Tribunal and a sustained institutional deadlock that, nearly three years later, has been eased by calendar attrition rather than resolved. A similar Hungarian response would likely produce a similar result: legitimacy contests, litigation, and a fresh set of politicised appointments that the next opposition will in turn attempt to reverse.

The alternative is an insulated reappointment framework built around three features. The first is a Judicial Appointments Commission composed of a fixed majority of sitting judges (selected by the Curia and the appellate courts from among themselves; not by the executive); a minority of parliamentary appointees drawn from both government and opposition, with a mandated two-thirds supermajority for any nomination to advance; and a smaller number of legal academics selected by professional associations. This design – drawing on principles advocated by the European Commission for Democracy through Law (Venice Commission) – is intended to prevent any political majority, however large, from unilaterally controlling judicial appointments.

The second feature is an explicit statutory prohibition on retroactive purges: Judges appointed under the Fidesz-era framework retain their posts until the end of their term, with disciplinary removal available only for demonstrated misconduct under pre-existing legal standards.

The third is a sunset clause for the reappointment authority itself, expiring at the end of the first Tisza parliamentary term, so that the commission's first-use powers are limited and cannot become a permanent patronage machine.

The expected V-Dem effects of this reform are a rise in Judicial Constraints on the Executive sub-index from 0.63 in 2023 towards 0.85–0.90 within two electoral cycles, a rise in the Liberal Component Index and the associated sub-component score on equality before the law from 0.87 towards 0.95, and – indirectly, through property rights – an improvement in EFW Area 2 (legal system and property rights) from 6.62 towards 7.5. None of these changes can be achieved fully in the first year. The Polish experience suggests that the judicial constraint sub-index moves slowly, precisely because judicial culture, caseload assignment practices, and appellate behaviour change only gradually as the composition of the bench changes, dictated by retirement and attrition timetables rather than legislative ones.

A final and closely related point concerns the National Judicial Office itself. The office should not be abolished – a central administrative body for the court system is not in itself a problem, and the alternative of dispersed administrative authority across the court system produces its own challenges. The reform should instead reconfigure the OBH parameters: reduce the president's discretion over case assignment and the appointment of court presidents; subject budget allocations to a fixed, inflation-linked formula, rather than annual discretion; and require that the president be selected by a two-thirds parliamentary majority. This is the least glamorous and most consequential of the political freedom reforms: It would determine whether, fifteen years from now, the Hungarian judiciary looks like its 2009 version or merely its mildly more pluralist post-2011 self.

Rebuilding the Constitutional Court

The Constitutional Court was not captured in a single moment; it was rebuilt piece by piece. The 2011 expansion of the bench to fifteen members, combined with the abolition of the cross-party nominating committee, allowed the Fidesz parliamentary supermajority to fill the court with judges aligned with government

priorities. The Fourth Amendment to the Fundamental Law (March 2013) then removed the binding force of Constitutional Court decisions issued before the 2012 Fundamental Law, removed from the court's jurisdiction the review of constitutional amendments on their substance, and excluded budget and tax legislation from a review of their merits. By 2015, the Constitutional Court was, institutionally, a different entity from the one it had been five years earlier.

The reconstruction of the court requires three steps, each of which presents a risk of inversion. The first is procedural. Election to the court already requires a two-thirds parliamentary majority, and this illustrates the limitation of the existing safeguard: That threshold did not prevent capture, because a single party held a two-thirds majority. The reform must therefore bolster the parts of the procedure that bind even a supermajority: a nominating committee on which no single party holds a majority, a mandatory opposition veto on at least one-third of appointments, and a cap on the share of the bench that may be elected on nominations from any one party. The veto would be exercised collectively: for at least one-third of the seats, a nominee would need the approval of a majority of all opposition MPs, voting individually rather than by party. Nomination stalemates should trigger a default procedure – random selection from a shortlist compiled by the Judicial Appointments Commission – to prevent one party from using indefinite delay to freeze the court's composition. This combination produces a court in which no single party's nominees dominate and in which nomination disputes cannot be used as instruments of political obstruction.

The second step is the reversal of the Fourth Amendment's substantive limitations on review, which should be undertaken in the first constitutional revision package. Restoration of the pre-2012 jurisprudence as a source of constitutional interpretation, and the creation of a formal power of substantive review of constitutional amendments – for compatibility with the eternity

clause tradition established in German and Italian jurisprudence – will together restore the court to something approaching its pre-2011 constitutional role. The expected V-Dem effect would primarily concern two components of the Liberal Component Index: the Judicial Constraints on the Executive Index and the Equality Before the Law and Individual Liberty Index.

The third and most politically sensitive step is the treatment of sitting Fidesz-era appointees. The argument of this paper is that they should remain in post to the end of their terms. Their legitimacy is contested; but the alternative, which is retroactive removal through legislation, sets a precedent that the next political majority can deploy against Tisza appointees. The Polish case is a sobering demonstration of how reappointment battles consume reformist administrations. The procedural reforms above will ensure that replacements over the coming years are made under the new rules. The composition of the court will gradually shift naturally, with jurisprudence expected to follow within two to three years of that shift.

This question has been decided in the other direction instead, recently. A mandatory retirement age of 70, introduced through the Seventeenth Amendment to the Fundamental Law adopted on 13 July 2026, removed four of the fifteen justices, including the court's president, with effect from 1 September 2026. The amendment also shortened future terms from twelve to nine years.[21] Human Rights Watch drew a comparison with the 2011 retirement-age cull before the vote:[22] The difficulty is that the

21 'Hungary's parliament passes amendment of the constitution', CMS Law-Now, 2026; 'Hungarian president Tamás Sulyok signs constitutional amendment ending his own mandate', *Euronews*, 2026.

22 'Hungary: rushed constitutional changes undermine rule of law', *Human Rights Watch,* 25 June 2026 (https://www.hrw.org/news/2026/06/25/hungary-rushed-constitutional-changes-undermine-rule-of-law).

instrument is the same one used against the Hungarian judiciary in 2012, when the retirement age was lowered from 70 to 62 and some 274 judges were displaced in a single cohort, an action the Court of Justice found to be in breach of EU law in Case C-286/12. A retirement age of 70 is far more defensible than one of 62, and the direction of travel is the opposite one in this latest amendment. However, the precedent is procedural rather than substantive, and it is the procedure, not the figure, that the next majority inherits.

Two safeguards would limit the risks: a statutory commitment that the retirement age will not be adjusted again within the lifetime of two parliaments and a rule that no future change to judicial tenure may take effect during the term of the parliament that enacts it.

The expected effect is a rise in the V-Dem indicator for Judicial Constraints on the Executive to 0.85 by 2031, an improvement in the Equality Before the Law and Individual Liberty Index from 0.87 to 0.94, and an improvement in the EFW Area 2 component through the property rights and contract enforcement channels – with lags. A court that is procedurally insulated from any single-party majority is also an institution that would prevent a future government from using the Fidesz playbook. That is the core design objective.

An independent prosecutor and the limits of hardwiring

The office of the prosecutor general was one of the quieter but more consequential vehicles of Fidesz consolidation. Act CLXIII of 2011 created a prosecutorial office with broad discretion over which cases to pursue and which to decline, a nine-year term for the prosecutor general, and minimal procedural constraints on politically sensitive decisions not to prosecute. The effect, over time, was to produce a prosecutorial pattern in which cases involving opposition politicians proceeded, while cases

involving government-connected figures did not, without any single dramatic intervention that could be pointed to as capture (European Commission 2022; OLAF 2018).

The reform proposed here is threefold. First, the prosecutor general's term should be made non-renewable and set at seven years, with explicit grounds and procedures for removal limited to misconduct as established through a judicial-disciplinary process. Election by a two-thirds majority is already required and was required under Fidesz too, which is the clearest available demonstration that an appointment threshold is not by itself a safeguard: What disciplines the office is that its holder has no second term to seek. Second, a statutory code on prosecutorial decisions should require reasoned decisions on declinations above a specified public-interest threshold, with a right of appeal to a specialised panel of the Curia. Third, a parliamentary oversight committee chaired by an opposition member (modelled on the Westminster select committees) should have the power to compel testimony and the production of documents on the aggregate pattern of prosecutorial decisions, without any power to intervene in individual cases.

The timing matters. The prosecutor general resigned in July 2026 and demitted office on 25 August; nomination of a successor fell to the newly elected president and the office was exercised by a deputy in the interim. Parliament rejected the president's first nominee on 28 September by 138 votes to none, on the ground that a career made under the previous prosecutor general could not restore confidence in the service. Parliament then elected the president's second nominee, Fejes Péter, on 3 November, for a nine-year term under the existing rules.[23]

23 'Hungarian Parliament rejects President's nominee for chief prosecutor', *Budapest Business Journal*, 2026; 'President nominates retired deputy chief prosecutor to lead prosecution service', *The Budapest Times*, 2026.

This episode illustrates both sides of this paper's argument. The two-thirds threshold gave the governing majority a veto, which it used, illustrating the failure of the threshold when a single party attains it alone. On the other hand, the president's refusal to withdraw his nominee showed the office doing the work an independent nominating body is meant to do. Neither is a substitute for the rules proposed here. Since the new prosecutor general was appointed under the existing rules, the safeguards proposed here now have to be legislated for a sitting office-holder, and they should be designed to apply in full from the next appointment, so that they cannot be adjusted to suit the present one.

The V-Dem mapping here is indirect but important. The Clean Elections Index is affected by selective prosecutions of opposition campaign activity; the Equality Before the Law and Individual Liberty Index is affected by differential treatment across political lines; and the Freedom of Expression and Alternative Sources of Information Index is affected by the prospect of libel or defamation actions against the media. An independent, proceduralised prosecutor should improve all three. The expected aggregate effect is an additional 0.03–0.05-point rise in the Liberal Democracy Index over and above what the judicial reforms alone would produce.

The harder question is whether these reforms should be constitutionally entrenched or contained in ordinary legislation. Constitutional entrenchment is a stronger protection but requires supermajorities to amend, which means that oversights in the first draft are costly to fix. Our recommendation is that the core features – appointment by a two-thirds majority, the non-renewable term, and a structured removal procedure – should be entrenched into a cardinal law with a sunset-and-renewal clause at ten-year intervals. The detailed procedural codes (the code on prosecutorial decisions, the oversight committee's terms of reference) should be set out in ordinary legislation and be

amendable by simple majority. This is the ‘hard core, soft shell’ approach that Ginsburg and Huq (2018) propose as a model for constitutional resilience.

Media pluralism and the KESMA problem

No single instrument of the Fidesz era elicited as much international attention as KESMA, formed in a single day in November 2018 when approximately 476 pro-government media outlets were donated to the new entity. The transaction was declared a matter of national strategic interest by government decree, which placed it beyond the reach of the competition authority for review. By 2023, KESMA controlled the majority of Hungary’s regional press, a substantial share of its broadcast media, and a network of national dailies, online portals, and radio stations (Bátorfy 2018; Mérték Media Monitor 2021). The V-Dem Freedom of Expression and Alternative Sources of Information Index fell from 0.95 in 2009 to 0.50 in 2023, the largest single decline in any of the indicators in the diagnostic dataset.

The temptation in a post-Fidesz reconstruction is to treat KESMA as a single pathology and break it up administratively. This would be a mistake. KESMA is but a symptom of the regime in which state advertising budgets, public-interest broadcaster governance, and media-ownership law collectively permitted one political network to concentrate ownership. Breaking it up without changing the underlying rules will simply produce a reconstituted network the next time a political majority can organise one. The reform should therefore be structural.

The structural reform should have four components. The first would be an ownership-concentration cap on news media, entrenched in a cardinal law, limiting control of audience share by a single beneficial owner to 20% across television and 30% across the regional press. This cap would be enforceable by a media authority whose president would be appointed by a

two-thirds parliamentary majority for a non-renewable six-year term, with the requisite professional qualification and an explicit commitment to editorial independence. The second component would be a state advertising transparency act that routes all public-budget advertising through an independent auditor with pro rata allocation rules based on a verified audience share, removing discretion as a tool of editorial pressure. The third would be a reform of the public broadcaster, the Media Services Support and Asset Management Fund (MTVA), to a BBC Trust-style governance model. This would require an editorial board insulated from government appointments and a funding model predicated on licence fees and constitutionally locked into an inflation-linked formula. The fourth would be a straightforward repeal of the special-interest 'national consultation' advertising exemption that allowed Fidesz to use the state budget for campaign-like messaging.

Two recent developments have a bearing on this package. First, Parliament elected the new chair of the Media Council and Media Authority on 22 September 2026, who is an academic specialised in media law, together with four members of a council enlarged from five to seven seats. The amended media law reserves three seats for nominees of the governing groups and three for the opposition, with the chair selected through an open competition, which is a clear improvement on the Fidesz-era design. In practice, however, the governing majority voted down the nominees of the main opposition parties, so that two of the three opposition seats remain empty.[24] The chair's qualification meets the professional standard proposed above, but a safeguard that the majority can neutralise with its votes does not yet meet the test of self-limitation. That test is whether the opposition seats are filled through a procedure the majority cannot block, and

24 'Hungary's parliament passes amendment of the constitution', CMS Law-Now, 2026; 'Hungarian Radio and Television (Magyar Rádió és Televízió Nonprofit Zrt.): Country profile', *State Media Monitor*, 2026.

whether the members' tenure and non-renewability are fixed in statute rather than left to the majority of the day.

The second development is that the government has indicated that it will not continue financing KESMA from public funds (Media and Journalism Research Center 2026). This is welcome but insufficient: Withdrawal of state money is reversible by a single budget decision and leaves the ownership structure intact, whereas the ownership cap is the part of this package that survives a change of government. The collapse of the Fidesz-era media outlets has nevertheless gone further and faster than the withdrawal of public money alone would explain. The outlets did not lose only state advertising and subsidies; the businesspeople who had financed them as the price of public contracts stopped paying at once, so that titles, channels, and websites have been closing down or shrinking even before the legal unwinding reaches them.[25] Under a simple Tisza majority, pro-Fidesz media might have remained attractive investments, given the possibility of Fidesz returning to power in 2030. Under a Tisza supermajority capable of rewriting the rules and pursuing legal action against these networks, however, their expected value diminished sharply, prompting financiers to withdraw their support. This supports this section's central diagnosis: Dependence on politically allocated funding enabled and sustained concentrated media ownership. The collapse of these networks therefore reinforces, rather than undermines, the case for structural reform. A media system that dissolved because its patrons lost power can be rebuilt by the next patrons; an ownership cap and advertising rules are what prevent such rebuilding.

25 'Elapadtak az állami milliárdok, összezsugorodik a Fidesz médiabirodalma' [The state billions have dried up, the Fidesz media empire is shrinking], Átlátszó, 17 June 2026 (https://atlatszo.hu/kozugy/2026/06/17/elapadtak-az-allami-milliardok-osszezsugorodik-a-fidesz-mediabirodalma/).

On the status of KESMA itself, this paper proposes a legal unwinding rather than administrative dissolution. A media ownership divestiture act, passed in the first legislative year, would require KESMA outlets in breach of the new ownership cap to be divested within eighteen months through an auction supervised by the Media Authority. Proceeds after tax would be distributed pro rata to the divesting entity; successful bidders would be subject to five-year ownership lock-ins to prevent immediate reconsolidation. This approach has the advantage of operating by ordinary competition-law logic rather than requiring a special-purpose unwinding, which is both more defensible in the Court of Justice of the European Union and less likely to be reversed by a future government acting by the same means.

The expected V-Dem effect is a rise in the Freedom of Expression indicator from 0.50 in 2023 to approximately 0.85 within one electoral cycle, a rise in Alternative Sources of Information, and an indirect improvement in the Clean Elections parameter (through the electoral resource-equality channel). The Polish experience since 2023 is encouraging: The Freedom of Expression indicator there rose from 0.66 to 0.91 between 2023 and 2024, a movement faster than the V-Dem recovery literature would predict, exemplifying the speed with which independent journalism can re-emerge once state advertising, regulatory harassment, and pressure from owners are removed. Hungary should be able to repeat that trajectory, with the caveat that KESMA's scale is larger than that of the Polish state-owned broadcaster, Telewizja Polska (TVP).

Civil-society re-funding without state dependency

The 2017 law on foreign-funded organisations (Act LXXVI of 2017) – and its successor, the 2018 'Stop Soros' package – imposed registration, disclosure, and reputational penalties on Hungarian NGOs receiving foreign funding beyond a low threshold. Both were subsequently found by the EU Court of Justice to be in

breach of EU law (Cases C-78/18 and C-821/19). Their practical effect – in the spirit of the Russian foreign-agent logic – was to brand internationally funded organisations working in the fields of advocacy, legal aid, human rights, and the environment as acting against the Hungarian national interest. They also produced a measurable contraction in civil-society activity: The V-Dem Freedom of Association indicator fell from 0.88 in 2009 to 0.64 in 2023. The 2017 law was repealed in 2021, but it was replaced by Act XLIX of 2021, which subjects associations and foundations deemed capable of influencing public life to annual review by the State Audit Office (ÁSZ), and was complemented in 2023 by the Sovereignty Protection Act (Act LXXXVIII of 2023), whose office Parliament abolished on 30 June 2026. The legal form of control thus moved from public stigmatisation to administrative scrutiny, while its political targeting remained.

Building on that step, the reform proposed here is the repeal of Act XLIX of 2021, of the remaining ‘Stop Soros’ provisions and of any remaining provisions of the Sovereignty Protection Act, accompanied by the creation of a new, lighter, transparency-only framework that applies uniformly to all civil-society organisations, regardless of funding source. That framework should rest on general civil and tax law rather than on an NGO-specific statute. It should drop the open-ended criterion of ‘capacity to influence public life’, since in a democracy every organisation is entitled to take part in public debate, and it should apply the same rules to all bodies, including sports and religious organisations, particularly where they manage public money. The State Audit Office should audit only the use of public funds, while private donations should be subject to the tax authorities alone, on the same terms as private businesses. The reform has three pillars. The first is a standard annual-return disclosure regime – comparable to the UK Charity Commission model – requiring all civil-society organisations with receipts above a reasonable threshold to publish audited financial statements, including donor categories (not individual donor identities, except for large donors, per the

UK model for political donations). Second, an explicit statutory provision that foreign funding does not constitute grounds for any regulatory action, disqualification, or procurement exclusion. The third requires repeal of the special tax treatment of foreign-funded entities and of any legislative provisions implying adverse inferences from internationally funded advocacy.

The more substantive question is around civil-society re-funding. Sixteen years of targeted funding under Fidesz – to government-organised NGOs (GONGOs) aligned with regime priorities and to universities and research institutes in ways that produced a parallel patronage structure – have meant that the civil-society ecosystem is depleted. The natural temptation is to use the state budget to rebuild it by re-funding liberal civil society directly. This would be a serious mistake. State funding of civil society produces state dependence; state dependence is a permanent vulnerability to the next political shift; and the Fidesz-era GONGOs should be the cautionary tale here, not the model.

The alternative is an independent national civil-society fund, endowed with a single-tranche capital grant from the state budget (perhaps 0.3% of central government revenue as an endowment), governed by a board selected through stratified random sampling from a pool of qualified civil-society professionals, with decisions made by panels whose composition is also randomised, with each panel replaced every two years. Grants would be allocated through open competitive calls with clearly defined, published criteria. EU co-financing – in particular through the ‘Citizens, Equality, Rights and Values’ programme – could provide a bridge for the first five years while the endowment model is established. This is not a new design: Arm’s-length civil-society funding bodies operate in Finland (STEA) and Canada (Canada Council for the Arts).

The expected V-Dem effect is a rise in the Freedom of Association indicator from 0.64 to 0.85 within one electoral

cycle, in combination with modest improvements in the Freedom of Expression and Civil Liberties sub-indices of the Liberal Component Index. The design principle is that the next illiberal government – should there be one – should inherit a civil-society infrastructure that does not depend on its goodwill for survival.

Equality before the law: Individual rights and the repeal of anti-LGBTIQ+ legislation

One of the most distinctive features of the Fidesz period was the progressive constitutionalisation of a restrictive view of family, gender, and individual identity, enacted through a sequence of cardinal laws and constitutional amendments that limited the legal recognition, public expression, and associational freedom of LGBTIQ+ Hungarians. The principal instruments were: Article L of the Fundamental Law (2011) defining marriage as the union of a man and a woman; the 2020 Ninth Amendment, extending the constitutional definition of family; Section 33 of Act XXXIII of 2020, ending administrative recognition of a legal gender; Act LXXIX of 2021 (the so-called 'child protection law') prohibiting the portrayal of non-heteronormative relationships in school and media content accessible to minors, which the EU Court of Justice found incompatible with Union law in Case C-769/22 in April 2026; and the 2025 amendments restricting the right of assembly for Pride and associated events. The V-Dem Equality Before the Law sub-component of the Liberal Component Index fell measurably over the period, while the Freedom of Expression and Freedom of Association indicators captured a part of the associated restrictions as well.

The reform proposed here is grounded in the constitutional commitment to equality before the law and to the protection of individual rights against arbitrary state interference. The starting point is negative liberty – the removal of legal restrictions imposed on individuals because of their sexual orientation, gender identity,

or expression – rather than positive programmes of state-directed identity recognition or group-based preferential treatment.

The proposed reform has four components. The first is the repeal of Act LXXIX of 2021 in full, together with accompanying regulatory instruments that apply a 'child protection' framing to the depiction of LGBTIQ+ lives in educational and media content. This repeal should be accompanied by the restoration of the Equal Treatment Authority's pre-2020 independence and mandate, which this paper's proposals for prosecutorial and public-administration reforms independently support.

Parliament has already acted on part of this. On 13 October 2026 it amended Act LXXIX through Act LXII of 2026, by 139 votes to 51, removing the prohibition on the 'portrayal' or 'promotion' of sexual and gender diversity in material accessible by minors and substituting a general standard that protects children from content that would seriously impair their physical, intellectual, emotional, or moral development. The government presented the change as decoupling child protection from sexual orientation and gender identity.[26] This is an amendment rather than the repeal recommended here, however, and our assessment is two-pronged. The form is correct: A content-neutral standard for harm applied to everyone is what equality before the law requires, which is preferable to a mirror-image rule that would have protected one category of content by name. The risk is in the breadth: 'seriously impair' is a standard, not a rule, and a standard administered by a media regulator and a consumer-protection authority is a grant of discretion that a future majority could turn back to its earlier restrictive use. The safeguard is procedural: The standard should be applied only through decisions that are reasoned, published, and open to judicial review, with the burden on the authority to show harm rather than on the publisher to show its absence.

26 'Hungarian MPs scrap Orbán's anti-LGBTQ measures', *BBC News*, 2026.

The remaining components of the first reform are still open. Section 5/A of the Family Protection Act carries a parallel restriction, the 2025 assembly provisions used against Pride remain in force, and the constitutional language is unchanged, so the recommendations that follow stand.

The second component of the proposed reform is the restoration of an administrative procedure for legal gender recognition that is grounded in individual declaration supported by standard medical documentation, consistent with the European Court of Human Rights' case law (*Goodwin v United Kingdom*; *Y.T. v Bulgaria*) and with the practices of the Czech Republic, Estonia, and most EU member states. This is a rule-of-law reform: The 2020 repeal removed an administrative right, whose absence produces ongoing incoherence in identity documents for an identifiable group of Hungarian citizens; its restoration is a matter of ensuring equality of treatment rather than of granting special status.

The third component of the reform is a repeal of the 2025 legislative restrictions on Pride and associated assemblies and restoration of the general freedom-of-assembly framework in line with Article 11 of the European Convention on Human Rights. The reform should be symmetric – applying equally to all political and civic assemblies, regardless of content – rather than conferring any special protected status on particular groups.

The fourth component is the maintenance of the civil marriage framework as a matter of ordinary legislation rather than of constitutional definition: The Fundamental Law's Article L should be amended to remove the definitional language, returning the substance of the question to ordinary democratic politics, where it belongs. This paper expresses no view on the subsequent policy choice.

This reform proposal deliberately excludes a number of measures that are sometimes grouped with LGBTIQ+ rights agendas in other European jurisdictions but that fall outside the frame of

equality before the law. No quota-based or group identity–based hiring, procurement, or public-appointment preferences are recommended. No state-mandated curricular content on identity-specific matters is proposed; the position taken here is that school curricula should be determined through the ordinary educational governance process, not through legislative mandate in either direction. No special criminal provisions pertaining to hate speech are recommended, beyond the existing general framework around incitement to violence. The freedom-of-expression protections that apply to everyone also apply to speech about identity; the existing criminal provisions on incitement to violence already apply to identity-based incitement. No state-financed advocacy programmes for specific identity groups are proposed. Advocacy is a civil-society function and is supported through the general civil-society re-funding framework discussed in the previous section, rather than identity-earmarked state funding.

The underlying principle is that the position taken here places individual equality before the law, not group-based substantive equality. The distinction matters operationally: This position produces a reform that removes legal restrictions and restores the procedural capacity of individuals to conduct their lives without arbitrary state interference; it does not introduce new state categories of protected identity or new state instruments for the promotion of certain identities.

Additionally, this approach is the one most likely to survive future political change. Reforms grounded in individual rights and in removal of state interference are harder to reverse than reforms grounded in state-directed group preferences, because the latter generate countervailing political coalitions that the former do not.

The V-Dem mapping is direct: The Equality Before the Law indicator should rise towards pre-2010 levels; Freedom of Expression should improve through the repeal of Act LXXIX; Freedom of Association should improve through the repeal of

Pride-related restrictions. The Liberal Component Index score is expected to rise by approximately 0.04 points from this reform alone, which compounds with the other political freedom reforms to produce the aggregate recovery trajectory described in the recovery horizon section.

Clean elections: Redistricting and the two-thirds trap

Act CCIII of 2011 reshaped the Hungarian electoral system (Venice Commission 2012). The Assembly was reduced from 386 to 199 seats; 106 new single-member constituencies were defined in an annex to the act itself, adopted by the Fidesz two-thirds majority without any independent boundary body – a process the Venice Commission criticised in its Opinion 662/2012 for its lack of transparency and safeguards for the equality of the vote. Its effect, when combined with the state-financed 'national consultation' campaigns and the skewed state-advertising regime discussed above, was a sustained fall in the V-Dem Clean Elections Index from 0.93 in 2009 to 0.61 in 2023.

The reform proposed here has four components. The first is for an independent boundary commission, modelled on the UK and Canadian commissions (with parliamentary ratification of the commission's recommendations retained, a stage the UK itself removed in 2020), to redraw constituency boundaries every ten years, using transparent population-equality criteria and with a mandated public-consultation period. The initial redistricting after the Tisza supermajority should happen in the first two years of the legislature and should apply from the subsequent general election.

The second reform component is a fixed proportional-representation threshold of 5% – with a compensatory mechanism allowing a small number of seats to be allocated on the German Zweitstimme model – to preserve the majoritarian character of

Hungarian elections, while reducing the disproportionality that produced the post-2010 gap between seats and votes.

The third component of reform is a political finance act establishing equal-access rules for campaign advertising, state-funded broadcasting slots, and reimbursable campaign expenditure that applies formulas proportional to the number of seats contested.

The fourth component is reform of the external voting process. The existing dual-track system – which allows ethnic Hungarians living abroad without a Hungarian domicile to vote by postal ballot for the party-list segment only, while Hungarian citizens with a domicile but temporarily abroad must vote in person at consulates – should be harmonised into a single framework. This responds to the OSCE/ODIHR's recommendation that all citizens abroad be able to vote under equal conditions (OSCE/ODIHR 2022) and removes the structural advantage that the current asymmetric arrangement confers on the incumbent party in government. Access to the vote should be equal for every Hungarian citizen, subject only to procedural requirements that are uniform and verifiable, namely voter identification, ballot secrecy and an auditable chain of custody for ballots, while substantive criteria such as length of residence are not recommended.

These recommendations address a process already underway. Work on a new electoral system has begun, with the declared aim of making a two-thirds majority unobtainable by any single party in future. The proposal is expected to be complete by the end of 2027, so that Parliament can legislate and the administration can prepare for the next general election. The timetable is tight but feasible, and it carries an important implication for the design set out above: The boundary review and the threshold and compensation rules should move as a single package, because separating them invites the familiar outcome in which the technical reform passes and the structural one does not.

The electoral system was the main mechanism in the production of four consecutive supermajorities. It converted pluralities into two-thirds majorities, punished fragmentation on the opposition side so severely that only a single all-opposition list could compete, and was adjusted before each election to preserve that effect (Nova 2020, 2022). It follows that the proportionality of the system Tisza enacts – specifically, whether it makes a single-party two-thirds majority arithmetically improbable rather than merely harder – is the ultimate test of the self-limitation principle this paper proposes. Every other reform in the political freedom reforms section can be reversed by a future supermajority; an electoral law that makes supermajorities unlikely is the one reform that protects the others. The declared aim of the current work meets that test on paper. Whether the enacted rules meet it when the party designing them is the party that would benefit from the present rules will be the best test of whether the commitment to self-restraint can survive the recovery.

The V-Dem effect is primarily on the Clean Elections and Electoral Democracy Index scores, with the expected recovery of the former from 0.61 to 0.90 within one electoral cycle and of the latter from 0.43 to 0.75. Suffrage and Elected Officials sub-scores are already at ceiling values, which means the entire recovery will be driven by Clean Elections.

The harder institutional question pertains to the ‘two-thirds trap’. The Fidesz-era electoral architecture is anchored in the Fundamental Law and in cardinal laws that require two-thirds majorities to amend. The Tisza supermajority can, procedurally, enact the reforms proposed above. The question is one of design: whether the reforms themselves should be entrenched to the two-thirds rule, which protects them from future reversal through a simple majority but also makes them harder to update as circumstances change. The recommendation of this paper is asymmetric entrenchment: The independence of the Boundary Commission, the 5% threshold, and the equal-access rules

should be entrenched to a two-thirds majority; the specific boundary cycles, the allocation formulas, and the expenditure reimbursement levels should sit in ordinary legislation. This preserves the government's ability to adjust technical details without requiring constitutional majorities, while locking the structural features against future capture.

Cardinal laws, sunset clauses, and constitutional discipline

Hungary's cardinal-law architecture – the large set of statutes that can only be amended by a two-thirds parliamentary majority – was both a Fidesz inheritance and a Fidesz weapon. Successive cardinal laws over the 2011–16 period were used to lock in tax, regulatory, educational, and institutional arrangements that would require two-thirds majorities to revisit. The effect was to transfer large areas of ordinary political contestation into the category of quasi-constitutional rules, insulating them from the alternation of power that is the ordinary mechanism of democratic politics.

The reform proposed here is a cardinal law rationalisation act, passed in the first two years of the Tisza legislature, which would do three things. First, it would reclassify approximately two-thirds of the currently cardinal statutes as ordinary legislation, restoring them to simple-majority amendment. The criteria for the remaining cardinal laws would be restrictive and explicit: provisions directly implementing constitutional rights, the structure of counter-majoritarian institutions (courts, independent agencies, and the central bank), the electoral system, and the language of cardinal-law discipline itself.

Second, it would introduce sunset clauses on all new cardinal legislation, with a ten-year default term renewable by a two-thirds majority vote and with automatic expiry on non-renewal.

Third, it would establish a statutory ‘cardinal-law audit’ on a rolling five-year timetable, through which the parliamentary standing committee on constitutional affairs reviews whether a given statute should remain cardinal.

The analytical logic of this reform is that cardinal laws are a legitimate instrument for the entrenchment of core institutional features, but are a pathological one when it comes to the entrenchment of policy choices. The Fidesz architecture abused the distinction; the Tisza reconstruction should restore it. The V-Dem effect is primarily on the indicator for Legislative Constraints on the Executive, which is expected to rise from 0.51 to 0.85 within one electoral cycle, roughly matching the Polish recovery trajectory observed in 2023–24.

A related reform concerns the Fundamental Law itself. The Fourth (March 2013), Fifth (September 2013), and subsequent amendments compressed multiple substantive changes into a small number of constitutional revision exercises, producing a Fundamental Law that is substantially different in its operative text from the document adopted in 2011 (Venice Commission 2013). Its structural integrity is uneven. Whether or not a new Fundamental Law is eventually adopted through the referendum route, under the conditions set out in the assessment of the manifesto, the first two years of the Tisza legislature should adopt a single, consolidated constitutional amendment package that restores the pre-2013 judicial review jurisdiction, removes the Fourth Amendment’s retroactive nullification provision, and inserts an ‘eternity clause’ protecting core rule-of-law provisions from future amendment. This package is consequential but limited; its design and adoption should occupy the second half of the first Tisza year.

The cumulative effect of the eight reforms enumerated in this section, if implemented well, is a recovery trajectory in which the Liberal Democracy Index rises from 0.32 in 2023 to

approximately 0.59 by 2030 (the end of the first Tisza term) and to approximately 0.67–0.73 by 2034 (the end of the second term). This trajectory is consistent with the V-Dem U-turn base rate, adjusted for Hungary's depth of decline.

The key risk factor is not the reform design – about which the comparative literature is reasonably clear – but the political survival of a reformist majority long enough for the design to work. That is a question about Hungarian politics that this paper cannot answer. What it can say is that the reforms proposed here are those most likely to survive a change of government, because each is designed around the principle that the next majority should not be able to easily reverse them.

Economic freedom reforms: Growth and prosperity

The economic freedom story in Hungary is less spectacular than the political freedom story, but the implications for long-term growth and prosperity are arguably greater. The Fraser Institute's *Economic Freedom of the World: 2025 Annual Report* records a relatively modest decline in Hungary's overall EFW score (from 7.33 in 2009 to 7.07 in 2023) coupled with a sharp deterioration in global ranking (from 38th to 61st), reflecting the fact that other countries improved while Hungary stagnated (Gwartney et al. 2025). The decline was concentrated in two areas: Area 3 (sound money), which fell by 1.69 points on the back of the 2022–23 inflation episode, and Area 5 (regulation), which fell by 0.18 points, both measured from the 2009 baseline used throughout this paper. The sectoral discussion below measures from 2010, the first year of the Fidesz government, which is why the area figures given there differ slightly.

The cross-country correlation between LDI and EFW ($r \approx 0.68$, $r^2 \approx 0.47$ on the 2009–23 EU-27 panel; Coppedge et al. 2026; Gwartney et al. 2025) means that the political freedom reforms set out earlier – in particular those affecting judicial independence, prosecutorial discretion, and the rule-of-law architecture – will do more for Area 2 (legal system and property rights) than any purely economic policy could. The reforms in this section should

therefore be read as complementary to, and not substitutes for, the political agenda. We organise the economic agenda around seven areas: legal system and property rights, sound money and central bank independence, the regulatory environment, public procurement, the release of the suspended EU funds, the public-interest asset-management foundations, and fiscal discipline.

Restoring the legal system and property rights

Hungary's EFW Area 2 (legal system and property rights) score was 6.69 in 2009 and 6.62 in 2023 – a small movement in absolute terms, masking a 6-place fall in global ranking over the same period, from 35th to 41st. The reason the absolute score did not collapse is that the EFW Area 2 methodology captures formal features of the legal system that did not change in Hungary (contract law exists; property is registered; courts operate). It cannot fully capture the systematic slippage in the actual quality of adjudication, the unpredictability of enforcement, and the inequality of treatment across politically connected and unconnected parties. The World Bank's Worldwide Governance Indicators, which use a different methodology, show Hungary's 'rule of law' percentile ranking falling from the 74th percentile in 2009 to the 55th by 2023 (World Bank 2025; Kaufmann et al. 2011).

The political freedom reforms set out in the earlier section are the primary levers here. Additionally, an independent judiciary will, within three to five years, produce measurable improvements in commercial adjudication, property dispute resolution, and contract enforcement. Beyond the judicial reforms, three complementary measures matter. First, the strengthening of cadastral and land-registration systems through a digitalised, publicly auditable register – modelled on the Estonian e-Land system but operated through the existing Hungarian land office structure – would reduce transaction costs and narrow the enforcement-quality gap between Hungary and the EU average.

Second, a commercial court specialisation within the appellate judiciary, with cases above a specified value routed to designated commercial chambers staffed by judges with relevant expertise, would reduce the variance of commercial adjudication – this is a well-established intervention in the EU context (Denmark, Germany, and Belgium all operate variants). Third, the ratification and operationalisation of the Singapore Convention on Mediation, combined with a Hungarian commercial arbitration reform act upgrading the framework to standards matching the United Nations Commission on International Trade Law (UNCITRAL) Model Law, would give commercial parties – domestic and foreign – alternatives to the slow litigation route.

The EFW mapping is as follows: Area 2A (judicial independence) moves with the political freedom reforms set out earlier. Area 2B (impartial courts) moves similarly. Area 2C (protection of property rights) moves with the cadastral reform and with the general rule-of-law improvement. Area 2D (military interference in the rule of law), already at a high score, is unlikely to change. Area 2E (integrity of the legal system) moves with prosecutorial reform. Area 2F (enforcement of contracts) moves with the commercial court specialisation. The model projects a return to approximately the 2009 position (6.69) by 2031. Closing the remaining gap to the EU average of 7.43 (2023) would require the institutional reforms to raise the score beyond its pre-2010 level, which the model does not assume.

There is one institutional risk. Commercial court specialisation can produce a two-track justice system in which well-resourced commercial litigants receive better adjudication than small claimants. The design should therefore include a small-claims commercial jurisdiction within the specialised chambers and a fee structure that does not exclude small and medium enterprises from the specialised forum. The cadastral reform should include a data-protection framework – ownership information is sensitive

– modelled on the public-but-anonymised architecture of the Registers of Scotland, the Scottish land registry.

A final and more politically sensitive point concerns the status of investments made during the Fidesz period by politically connected networks. OLAF's Hungary case files (OLAF 2022, 2023) and the European Commission's 2024 Rule of Law country chapter (European Commission 2024) together document the pattern of procurement irregularities and wealth accumulation in a small network of businesspeople aligned with the ruling party.

The position of this paper on this question needs to be stated precisely, because it may be easily misread. It is not that assets acquired through corruption should be left with their holders, nor that recovery should stop at the point where the holder is a politician or a politically connected businessman. A legal order in which the proceeds of procurement fraud are retained because recovering them would be politically awkward is not a rule-of-law order. The Hungarian view that the absence of consequences after 1990 helped make the Orbán regime possible deserves to be taken seriously. Any criminal or civil proceedings may end in the recovery of assets; this does not become a purge just because the defendant held office. What should be resisted is recovery outside due process: confiscation by administrative act, liability defined after the fact, reversal of the burden of proof without judicial control, and the selection of targets by political affiliation rather than by evidence. Those instruments set a precedent that the next majority will use, they are weak under EU law and the European Convention on Human Rights, and they signal to every investor that title in Hungary depends on who is in power. The test is therefore *nullum crimen sine lege* ('no crime without law') and its civil-law counterpart: the conduct must have been unlawful when it occurred, the finding must be made by a court, and the same rules must apply to the friends of the present government as to the friends of the last. Within those limits, the scope of recovery that is legally available is large

and pursuing such recovery is a requirement of equal treatment rather than a departure from it.

The instrument the Tisza government has chosen for this task is the National Asset Recovery and Protection Office (Nemzeti Vagyonvisszaszerzési és Vagyonvédelmi Hivatal, or NVVH), the most prominent commitment of the party manifesto and the first new institution the new Parliament created. Act XXXIV of 2026 was submitted on 10 July, adopted on 28 July by 143 votes to 47, and entered into force on 29 July; Parliament elected the Office's first president on 28 August for a six-year non-renewable term beginning on 1 September.[27] The Office is independent of the government and reports only to Parliament. Its president and four deputies – three of whom must be prosecutors – are elected by Parliament on the proposal of the constitutional-affairs committee, with civil-society representatives mandatorily involved in the selection, and they hold parliamentary immunity.

The mandate of the Office is retrospective: to uncover unlawful management of public assets, to identify and secure property removed from public ownership in connection with criminal offences, and to recover it. Its toolkit is correspondingly wide. It may conduct risk assessments and investigations, enter premises without notice, and inspect documents and bank accounts. It may also place an organisation under 'public asset protection supervision', in which specified transactions require the countersignature of an appointed supervisor, take over investigations from other authorities, bring indictments and civil recovery actions, and fine obstruction at up to HUF 50 million for individuals and HUF 5 billion for organisations. An investigation is mandatory where a company and its affiliates derived at least

27 'Hungarian Parliament establishes the National Asset Protection and Recovery Office', *Kinstellar*, 2026; 'Hungary establishes the National Asset Recovery and Protection Office', Schoenherr, *CEE Legal Matters*, 1 September 2026 (https://ceelegalmatters.com/countries/hungary/hungary-establishes-the-national-asset-recovery-and-protection-office/).

75% of their revenue in any of the preceding five years from public procurement, concessions, subsidies, or state-guaranteed credit.[28] The final text added judicial oversight of measures that restrict individual rights and an independent complaints mechanism, neither of which was in the June draft.[29]

The Office's origins are political as well as legal. Accountability for the Fidesz period was among the strongest demands of the electorate that brought Tisza to power; a visible body charged with delivering accountability answers that demand in a way that a reformed prosecution service, working quietly, would not. That is a legitimate reason for a government to act; it is also a reason for the design to be watched carefully, since an institution created to be *seen* to deliver results is under a pressure that an ordinary prosecutor is not.

Three observations follow from a rule-of-law standpoint. The first concerns duplication. The Office combines, in one body, powers that in most European systems are divided across the police, the prosecution service, the tax authority, and an asset-recovery office. This duplication is not accidental: It exists because the prosecution service of the Fidesz period did not prosecute. That is a reason for the Office to exist now; it is not a reason for it to exist permanently. A body that investigates, prosecutes, and recovers, and also selects its own cases, concentrates discretion in a way that this paper has argued against in every other section, and the right design is therefore a mandate with a horizon. The act should provide that the Office's investigative and prosecutorial functions lapse after a fixed period, of the order of 8–10 years, unless Parliament re-enacts the legislation on the basis of an independent evaluation, with the asset-protection and

28 'Hungarian Parliament establishes the National Asset Protection and Recovery Office', *Kinstellar*, 2026.

29 'Hungary's Parliament adds safeguards to asset recovery office', *Human Rights Watch*, 2026.

supervisory functions transferred to the ordinary authorities once those have been rebuilt.

The second observation concerns the toolkit. Supervision of a company before any court has issued a freezing order and the triggering of a mandatory investigation by a revenue threshold are powers that reach lawful businesses as well as unlawful ones and therefore they should be bounded. Supervision should require judicial confirmation within days rather than weeks, the revenue trigger should open a review rather than create a presumption of prosecution, and every rights-restricting measure should carry a right of appeal to a court, with the burden of proof on the Office. The safeguards added in July go in this direction and should be completed.

The third observation concerns the Office's durability. Here, the regional comparisons are uncomfortable for the government. Romania's National Anticorruption Directorate, created in 2002, produced convictions at a rate no other body in the region has matched; in 2017 and 2018, the government it was investigating tried to decriminalise part of its caseload and removed its chief prosecutor. Slovakia's Special Prosecutor's Office, created in 2004, led the prosecutions that followed the 2020 change of government; the government elected in 2023 abolished it within months. Both cases confirm the argument made throughout this paper: An institution whose work is identified with the prosecution of the previous government is the first thing the next government dismantles. Its only protection is that it be seen to apply the same rules to everyone. The NVVH will be judged, in Hungary and in Brussels, less by what it recovers from the Fidesz networks than by whether it proceeds in the same way when the first case touches a Tisza-connected enterprise.

Independence of the Hungarian central bank and sound money

Hungary's EFW Area 3 (sound money) score dropped from 9.09 in 2010 to 7.36 in 2023, the single largest fall in an EFW component in any EU country over the period. The cause was the 2022–23 inflation, during which Hungarian consumer price inflation peaked at 25.7% (January 2023) – the highest rate in the EU. This was in part a global phenomenon driven by energy prices and pandemic-era monetary expansion, but the Hungarian inflation peak was substantially higher than in peer economies. This divergence reflects the combination of loose monetary policy, persistent fiscal expansion, currency depreciation, and retail price controls that generated secondary inflation through shortage-driven effects.

The reform proposed here is a reassertion of formal and operational independence of the MNB. The MNB is formally independent under Act CXXXIX of 2013. However, the governance framework allows for political appointment of the governor and the Monetary Council on terms that do not meet the European Central Bank (ECB) standards for operational independence under Protocol 4 of the Treaty on the Functioning of the European Union (TFEU).

This proposed reform has four components. First, governor and Monetary Council appointments should require a two-thirds parliamentary majority and entail non-renewable seven-year terms with explicit 'professional qualifications and operational experience' requirements stipulated in the enabling legislation. Second, a statutory prohibition should be placed on monetary financing of government expenditure, reaffirming Article 123 of the TFEU and closing any interpretive loopholes in the Hungarian enabling act. Third, a formal inflation target of 3% (with ±1% tolerance band) should be inscribed in the statute rather than in the operational guidelines as the single mandated objective, with secondary objectives – such as financial stability or exchange-

rate stability – explicitly subordinated to price stability. Fourth, a central-bank transparency act should be passed, requiring publication of monetary policy minutes, voting records, and staff macroeconomic forecasts on a fixed schedule aligned with ECB practice.

The EFW mapping is direct. Area 3A (money supply growth variability) moves with the inflation-targeting reform. Area 3B (inflation variability) moves similarly. Area 3C (inflation rate) moves with the combined monetary and fiscal stance. Area 3D (freedom to own foreign currency accounts) is at a high score and should not change. The target is a recovery from 7.36 in 2023 to approximately 8.4–8.7 by 2028 and close to its 2009 level of 9.04 in the early 2030s, which – per the existing literature on inflation dynamics (Cukierman et al. 1992; Alesina and Summers 1993; Garriga and Rodriguez 2020) – would require a disinflation path consistent with 2% or lower average inflation over 2026–28. Institutional reform alone cannot guarantee this; it depends also on the fiscal and external environment.

A related question is Eurozone membership. Hungary has not adopted the euro and does not currently meet the Maastricht convergence criteria (European Central Bank 2024). The case for euro adoption is not unambiguous – the euro solves monetary discretion problems but produces its own trade-offs in the form of reduced monetary policy flexibility, which matters most in asymmetric shocks. The recommendation of this paper is not a commitment to euro adoption on a specified timeline, but a political decision to place euro area membership on the public agenda as a medium-term institutional objective. This would involve a Convergence Programme updated annually and submitted to Parliament, with the implicit target of entering the Exchange Rate Mechanism (ERM II) within the current legislature. This is consistent with the pattern of recent Central European accessions (Croatia 2023, Bulgaria 2026) and would

provide an external monetary anchor that makes the reform durable against future policy shifts.

Eurozone membership has now been adopted as a political objective of the government, which has committed to meeting the Maastricht criteria by 2030.[30] Per the central bank's own reading, that implies ERM II entry by early 2029 and adoption no earlier than 2032. This graduates the question from whether to raise it to how to make the timetable credible. Two conditions do most of that work: entry into ERM II within the current legislature and a disinflation and fiscal path that meets the convergence criteria without recourse to one-off measures. Without these conditions, the statement of intent to join the Eurozone will be read as aspirational and will not deliver the anchoring effect that is the main argument for doing so.

The caution is this: The value of the euro for Hungary is as a constraint on monetary and fiscal discretion that a domestic majority cannot easily remove. A timetable met through accounting devices or one-off revenue measures would defeat the purpose of adopting it.

The institutional risk here is the classical one impacting central-bank independence: The legal provisions are only as strong as the political commitment to respect them. The Fidesz government's treatment of the MNB under György Matolcsy showed that formal independence is not the same as operational independence. The design of the reform should therefore prioritise features that are hard to undo: appointment by a two-thirds majority with non-renewable terms, a statutory inflation target, transparency obligations, and a constitutional prohibition of monetary financing of the government. The target is an MNB that remains robust in the next political cycle as well as in this one.

30 'Government commits to euro adoption by 2030', *Hungary Today*, 2026.

The regulatory thicket and Area 5

Hungary's EFW Area 5 (regulation) score fell from 7.21 in 2010 to 6.61 in 2023, a decline of 0.60 points, with its ranking falling by 23 places (Gwartney et al. 2025). The mechanism was not a single catastrophic deregulation event but the slow accretion of sector-specific rules, licensing requirements, and administrative interventions that frequently operated in ways that favoured politically connected firms over competitors. This accretion is documented by the European Commission's annual Rule of Law reports (European Commission 2023, 2024, 2025) and by successive Organisation for Economic Co-operation and Development (OECD) regulatory policy reviews (OECD 2021). The most visible examples included the 2013 National Tobacco Trade Act, restructuring the retail tobacco market into a concession system awarded to a small number of operators; the pharmaceutical distribution reform of 2010–14; the partial renationalisation of energy utilities; and the banking-sector restructurings of the early Orbán era. Each was defensible on its own terms as a domestic policy choice; the cumulative effect was a regulatory environment in which entry, operation, and exit had become substantially more discretionary than in 2009.

The reform proposed here has three components. First, a Regulatory Impact Assessment (RIA) regime should be mandatory for all primary and secondary legislation, with expected compliance costs above a specified threshold, administered by an independent better-regulation unit with statutory authority to delay publication of draft legislation where RIA standards are not met. This is a standard OECD-style reform with predictable effects. Second, a regulatory sunset act should be passed, applying to all sector-specific licensing and authorisation regimes, with a ten-year default term, renewable only after an independent review that demonstrates the regime continues to serve its original regulatory purpose. This addresses the specific Fidesz-era problem of licensing regimes accumulating without review. Third, a competition law reform should be initiated to

strengthen the Hungarian Competition Authority (GVH) – instituting independence of appointment, sectoral inquiry powers modelled on the UK Competition and Markets Authority, and the removal of the Fidesz-era ‘strategic national interest’ exemption that allowed politically sensitive transactions to be placed outside competition review.

The EFW mapping is as follows: Area 5A (credit-market regulations) moves with normalisation of the banking sector. Area 5B (labour-market regulations) is largely outside the scope of this paper, but should be considered as a secondary reform priority. Area 5C (business regulations) moves with the RIA regime, the sunset act, and the competition law reform. The model projects a recovery from 6.61 in 2023 to approximately 6.75–6.77 by 2031, close to the 2009 level (6.79) but below both the EU average of 7.07 (2023) and the 2010 value (7.21).

Two design risks deserve flagging. The first is that RIA regimes, if poorly designed, produce a bureaucratic-constrained industry without actually improving regulatory outcomes – the regime produces the correct forms but does not change the decisions. The better-regulation unit’s staffing, independence, and enforcement authority are more pertinent than the formal RIA requirement. The second is that sunset clauses can create ‘sunset cliffs’, as necessary regulations expire through administrative failure to renew, producing regulatory gaps that are politically unpopular and get backfilled through emergency legislation. The reform should therefore include automatic transitional provisions (e.g., 12-month extensions pending completion of renewal reviews) that avoid the cliff while preserving review discipline.

A final and more political question concerns the treatment of Fidesz-era legislation in sectors where the regulatory choice was defensible but the implementation was discriminatory. The tobacco retail restructuring, for example, was not in itself an unusual policy choice; the specific allocation of concessions

was. The recommendation of this paper is that the reforms should focus on procedural architecture – open competitive allocation, transparent criteria, and arm's-length appeals – rather than on substantive policy choices. A Tisza government that re-nationalises tobacco retail on different political terms does not improve economic freedom; a government that establishes transparent allocation procedures that make future politicisation difficult does.

Public procurement and the return to competitive markets

Public procurement was one of the central mechanisms through which the Fidesz regime concentrated wealth in a small network of politically connected firms. OLAF's repeated findings of procurement irregularities, the deterioration in Hungary's ranking on the Corruption Perceptions Index from 51st (2009) to 76th (2023), and the distinctive single-bidder pattern in high-value EU-financed procurement (approximately 42% of contracts by value in 2021 were awarded on single-bidder tenders) were the visible evidence. The Public Procurement Act of 2015 and its subsequent amendments created a framework that, while formally compliant with EU procurement directives, contained sufficient discretionary elements to produce systematically uncompetitive outcomes.

The reform proposed here has four components. First, a procurement transparency act must be enacted, requiring publication of all contracts above a low threshold (€10,000 has become the emerging EU best-practice benchmark) in a machine-readable Open Contracting Data Standard (OCDS) format, with beneficial-ownership disclosure for contractors above a specified size. This is the foundation for all subsequent reforms because it produces the dataset on which procurement performance can be monitored. Second, the Public Procurement Authority

should be an independent body, with appointments by a two-thirds majority, sectoral-inquiry powers, and the explicit statutory authority to refer suspected collusive conduct to the prosecutor general under the reform discussed in the section on political freedom reforms. Third, an independent review mechanism is required for all single-bidder contracts above a specified value, with a statutory presumption against their award without clear justification. Fourth, the contract-modification regime – which Fidesz used extensively to expand the value of initially small contracts without renewed tendering – needs to be reformed to impose a 10% modification cap, beyond which re-tendering becomes mandatory.

The EFW mapping here is indirect but real. Area 2 (legal system and property rights) and Area 5 (regulation) both capture procurement performance through their sub-components on contract enforcement and the predictability of administrative treatment. The expected effect is an improvement in Area 2 by approximately 0.3 points over the first electoral cycle and in Area 5 of approximately 0.2 points. Less visible in the EFW data, but more importantly, the reform should produce a re-entry of competitive firms into the Hungarian procurement market, which has long-term effects on productivity and fiscal efficiency on timescales longer than five years.

The institutional design risk is the possibility that procurement transparency produces more data but not better outcomes if the Public Procurement Authority lacks either the resources or the political backing to act on the data. The comparative experience suggests that the combination of open data, beneficial-ownership disclosure, and civil-society and journalistic monitoring produces the necessary accountability, but only if the free-expression and civil-society reforms discussed in the political freedom section are in place. This is another instance of the point made at the start of this section: The economic freedom reforms depend on the political freedom reforms for their durability.

A potential issue during the transition period might be the treatment of existing long-term contracts awarded under the Fidesz regime. The recommendation of this paper is that existing contracts should be honoured to their original term, but that extensions, modifications, and successor contracts should be subject to the new procurement regime without transition reliefs. Contract sanctity is a rule-of-law principle that should apply to reformers as much as to anyone else. This should produce a gradual convergence on the new framework without retroactive voiding of existing arrangements. It would also signal to the inward investment community that contract sanctity is a serious commitment of the incoming government.

Unlocking suspended EU funds: Conditionality as reform leverage

A distinctive feature of the Hungarian reconstruction case, which has no direct Polish parallel, was the scale of EU funding suspended under the Commission's conditionality instruments. As of November 2025, approximately €18 billion of cohesion and Recovery and Resilience Facility (RRF) funding remained frozen, out of the €27.8 billion originally committed over 2021–27. Approximately €10.2 billion was released in December 2023 after partial implementation of the Hungarian 'super-milestones' on judicial reform; approximately €1 billion was definitively lost through the November 2024 RRF decommitment on contracts not signed by the relevant deadline. The remaining frozen funds are conditional on three types of reform: public procurement transparency and single-bidder reduction; prosecutorial effectiveness on EU financial interests; and the general anti-corruption framework, including beneficial-ownership disclosure and public-interest asset management reform. The second family includes the Hungarian position on accession to the European Public Prosecutor's Office, which Hungary had not then joined. Hungary requested accession on 29 May 2026, the Commission

confirmed its participation by Decision (EU) 2026/1701 of 10 July, and it became a participating member state on 2 August 2026, though the Office cannot open cases in Hungary until the Council appoints a Hungarian European Prosecutor (European Commission 2026).

Those funds have since been released: On 29 May 2026, the Commission agreed to unlock €16.4 billion, including €10 billion under a revised recovery plan, €4.2 billion of cohesion funding, and €2.2 billion tied to higher-education and academic-freedom reforms.[31] What follows is therefore no longer an argument about leverage. It is an argument about what happens once leverage has been exhausted, which is the harder question and the one on which the durability of the reconstruction actually turns.

The reform recommendations of this paper map onto the conditionality requirements with high specificity. The procurement transparency act and the single-bidder review mechanism described in the procurement section directly address the first conditionality family. The prosecutorial reform in the political freedom reforms section, combined with Tisza's manifesto commitment to EPPO accession, addresses the second. The Mathias Corvinus Collegium (MCC) and governance reform of state-endowed-foundation discussed below, combined with the beneficial-ownership disclosure requirements embedded in the procurement reform, addresses the third. The implication is that the reform agenda proposed here and the EU conditionality agenda are compatible and substantially overlap, which has two political consequences.

First, it provides an external anchor for reform sequencing. The action plan underpinning the Commission's May 2026 release can be framed as the implementation track for the reform agenda

31 'Hungary unlocks €16.4bn in EU funds after Magyar secures deal with Brussels', *Euronews*, 2026.

of this paper, with the release of frozen funds serving as the empirical test of its effectiveness. This is both a question of discipline (the reforms must actually be implemented, not merely legislated) and a political opportunity (visible macroeconomic benefits from the released funds can build the reform coalition). The Polish experience with the €137 billion cohesion release in July 2024 is directly relevant: The release was conditional on an action plan with specific judicial-independence commitments, the plan's implementation was monitored by the Commission, and the funds release was calibrated to verifiable progress rather than to political declarations.

Second, the overlap raises the cost of reversal for these reforms. A future Hungarian government that wishes to unwind the reforms described here would face not only the domestic political cost of doing so, but the external cost of risking re-suspension of EU funds under the same conditionality instrument. This is an additional layer of self-limitation that this paper's reform architecture enjoys simply by virtue of being EU-aligned and subject to the rule-of-law conditionality regime of Regulation (EU, Euratom) 2020/2092 (Saravakos et al. 2021; Scheppele et al. 2020). Tisza should therefore implement the reforms and also invite the Commission to formalise the reform architecture as the reference against which future rule-of-law assessments are conducted. This logic survives the release of the funds and becomes more important after it. Conditionality applied before disbursement is leverage; once the funds have been paid, it becomes a lock against backsliding – but only if the reform architecture has been formally adopted as the benchmark against which future assessments are made. That makes the recommendation that follows more urgent.

The recommendation of paramount importance is a rule-of-law implementation unit established in the Prime Minister's Office within the first hundred days, reporting quarterly both to the Commission and to Parliament, with statutory authority

to coordinate the cross-departmental implementation of the conditionality commitments. This is an instrument rather than an outcome – it does not itself improve any V-Dem or EFW indicator – but it is the mechanism through which the implementation of the substantive reforms is sequenced, measured, and communicated to the external funding authority. The unit should be subject to a sunset at the end of 2030, when spending under the 2021–27 Multiannual Financial Framework concludes, at which point its functions should be absorbed into ordinary ministerial responsibilities.

The MCC, public-interest asset-management foundations, and the self-limitation principle

A distinctive Fidesz-era institutional innovation, with no direct equivalent in Poland or other backsliding cases, was the transfer of substantial public assets – including universities, research institutes, cultural institutions, and media organisations – to private foundations (*közérdekű vagyonkezelő alapítvány*, public-interest asset-management foundations). These foundations were governed by boards that were, by statute, insulated from subsequent political change. The flagship case is that of the MCC, endowed in 2020 with a 10% stake in the oil company MOL and in Richter Gedeon (the pharmaceutical firm), with an estimated endowment value of approximately €1.7 billion. Similar foundations govern the 21 Hungarian universities removed from direct state ownership over 2019–21; the Hungarian Academy of Sciences research network; and the Nemzeti Közszolgálati Egyetem (University of Public Service).

The government has moved on these foundations faster than on almost any other item of this agenda. The method was a single statutory provision returning the founder's rights in the foundations to the state, after which what remains is an asset inventory, still in progress. The foundations without a university

attached, MCC among them, have been reabsorbed: The original founder was offered the option of continuing MCC without the state-transferred assets and declined. The distribution of the assets is underway, with some of the programmes expected to continue. The foundations that hold universities are to complete the process by 2027 under new boards; the selections were not made by the government, but around 98% of the board members have changed, but the governance model that will replace the foundation structure has not yet been settled. This removes the most conspicuous case from the live agenda. It does not dispose of the central question, which concerns the foundations that remain and the statutory architecture governing all of them. The MCC is therefore treated in what follows as the worked-out precedent rather than the outstanding problem.

The cardinal-law architecture of these foundations is unusually strong: Appointments to governance boards require a two-thirds parliamentary majority, the foundation documents can be amended only by a two-thirds majority, and asset dispositions are protected by the foundation's separate legal entity. In effect, the Fidesz government used the supermajority it possessed in 2020–21 to park approximately €3–4 billion of public assets in governance structures that are protected against the next supermajority – including the Tisza supermajority now in office. This is the single clearest institutional case of a Fidesz design that a reforming government may be tempted to use as an inverse template. It is also the single clearest case in which that temptation should be resisted.

The reform proposed here has three components. First, a foundation governance transparency act must be passed, applying to all public-interest asset-management foundations, requiring annual audited accounts to be published in machine-readable form, with beneficial-ownership disclosure of sub-investments above a specified size, and a statutory duty for foundation boards to demonstrate public-interest use of the

assets in their custody. This formulation is content-neutral: It does not alter institutional arrangements, but subjects them to the same transparency obligations as ordinary public bodies. Second, a reform of the board appointment process is needed for the transitional period of one Tisza parliamentary term, during which board vacancies arising through attrition shall be filled through a cross-party nomination process and supermajority approval (rather than through the current Tisza appointment track by simple majority).

In practice, the boards have already been replaced through the return of founders' rights, so this component is now a matter of assessment rather than prescription. Our reading of what happened has two components. The return to public ownership of assets that were public until 2020 is restitution, not expropriation. The objection that this paper raised to the foundations, that they parked public wealth beyond the reach of any future majority, is answered by this. To have left the endowments with boards appointed by the outgoing government would have made political capture pay. However, the near-total turnover of the boards is a purge in form, whatever its justification in statute, and the test now moves to the governance model that replaces the foundations: If the universities return to a structure in which the minister of the day appoints the board, the reform will have merely exchanged one dependence for another. The model should be settled in statute before 2027, with academic self-government at its centre and appointment rules that no single majority controls. A sunset review of foundations must be conducted by the parliamentary Standing Committee on Constitutional Affairs at the end of the first Tisza term, evaluating each foundation against a public-interest test and recommending continuation, reform, or reclassification into direct public ownership.

The reasoning is straightforward. The foundation structure is not itself objectionable; foundations are common governance instruments in higher education and culture across Europe, and

arm's-length governance of universities and cultural institutions is worth preserving as a principle. It should be said plainly that the Hungarian implementation did not deliver this, however. The foundations were not insulated from political pressure under the Fidesz government, and their creation did not end state financing of the universities concerned, which continued throughout. What the structure delivered was not independence but a lock placed by one majority against the next.

The objection is specifically to the use of the supermajority lock as a partisan entrenchment device. The reform should dissolve partisan entrenchment (through the cross-party appointment process and the sunset review) without dissolving the foundation structure itself. A Tisza government that simply used its supermajority to take over the foundations – replacing the current boards with its own appointees – would violate the self-limitation principle. It would also demonstrate to the next opposition that the foundation structure is a partisan football, which is the outcome the reform should most strongly avoid.

The V-Dem mapping is through Equality Before the Law (the foundation structure currently confers political-allocation benefits on Fidesz-aligned appointees, which should be normalised) and through Freedom of Association (reform of university and research governance affects the institutional capacity of Hungarian civil society). The expected effects are modest in indicator terms – no V-Dem component will move substantially as a direct consequence of foundation reform – but the signalling effect on the broader rule-of-law architecture is substantial, and the reform is the most visible application of the self-limitation principle in the Tisza agenda.

Fiscal discipline without constitutional rigidity

Hungary's EFW Area 1 (size of government) score rose from 5.61 in 2009 to 6.05 in 2023 – an improvement in absolute terms, but one that masks compositional changes in public expenditure during the Fidesz era. Public spending shifted away from social protection and education and towards subsidy programmes, state-owned enterprise support, and infrastructure spending allocated largely without transparency. Hungarian public debt remained at around 70% of GDP for much of the period – high compared to the 60% Maastricht reference value, but not catastrophically so – while the structural deficit deteriorated during 2020–23 under the pandemic-recovery expansion.

The reform proposed here concerns the fiscal framework rather than fiscal policy. The Tisza government will face distributional and allocative choices that are legitimately within the scope of ordinary democratic politics. The position taken here is not to preempt those choices through constitutional rigidity. The experience of EU member states with constitutional debt brakes (Germany, Spain) has been mixed, with substantial procedural compliance costs and limited demonstrable benefit in fiscal performance. Instead, the reform proposes three components. First, the existing Fiscal Council (Költségvetési Tanács) should be upgraded from its current advisory role to a full Irish Fiscal Advisory Council or UK Office for Budget Responsibility model, with statutory authority to publish the official macroeconomic and fiscal forecasts on which the Budget is based. A 'comply or explain' framework should require the finance minister to justify any departure from the Council's forecasts to Parliament. Second, the governance framework for state-owned enterprises (SOEs) must be reformed to align with the OECD Guidelines on Corporate Governance of State-Owned Enterprises (OECD 2015), including ring-fencing of SOE finances from the general government budget, professional board appointments on the basis of published criteria, and regular valuation reporting. Third, the Constitutional Court's jurisdiction over budget and

tax legislation, curtailed by the Fourth Amendment in 2013, has already been restored by the Seventeenth Amendment of July 2026, which repealed paragraphs (4) and (5) of Article 37 of the Fundamental Law. The remaining task is to protect this restoration from future reversal, so that egregious departures from fiscal discipline remain subject to constitutional review.

The EFW mapping is primarily through Area 1 (size of government). Area 1A (government consumption) moves with fiscal policy, which is outside the scope of this paper. Area 1B (transfers and subsidies) moves with the SOE governance reform, which should reduce hidden subsidy channels. Area 1C (government investment) is not expected to move substantially. Area 1D (top marginal tax rate) is a political choice outside the scope of the reform. The target is the maintenance of the Area 1 indicator around its current level of 6.0 – not an aggressive reduction of public expenditure, but a shift in its composition and transparency that is consistent with an emphasis on the quality rather than the quantity of the state.

A subsidiary question is the EU's post-2024 economic governance framework, which moved from the Stability and Growth Pact to a medium-term fiscal structural plan. Hungary's plan under this framework is a substantial political document that will set the basic fiscal parameters for the Tisza government. The recommendation here is that the plan be produced through the Independent Fiscal Council process described above and that it serve as the reference point for the annual budget process, rather than being treated as an external imposition that the Budget departs from as a matter of political preference. This also reinforces the EU's role as an external anchor for the reconstruction.

The combined effect of the economic freedom reforms is an expected recovery of Hungary's overall EFW score from 7.07 in 2023 to approximately 7.38 by 2031 in the central scenario and 7.42 in the rapid scenario, which would place Hungary slightly

above its own 2009 level (7.33) but still below the EU average (7.53 in 2023). The recovery is front-loaded in Area 3 (sound money), driven by the disinflation path and by reform to support the central bank's independence, and back-loaded in Areas 2 and 5, which move per the timescale of the political freedom reforms. The cumulative improvement in Hungary's global ranking is expected to be substantial, possibly returning it to the top 40 within one electoral cycle, which matters not only for Hungary's economic freedom scorecard but for the signalling effect on inward investment and on the convergence trajectory of Hungarian GDP per capita.

The recovery horizon: How long will Hungary need?

How long is this reconstruction going to take? We call the answer to this question the recovery horizon: the number of years Hungary would need, under realistic reform scenarios, to bring its V-Dem and EFW scores back to their 2009 levels. The answer matters for political calibration, for the sequencing of reforms, and for managing the expectations of reformist constituencies that will be impatient by the second or third year. The evidence base for the answer rests on the V-Dem research programme on episodes of autocratisation reversal (Nord et al. 2025), with Hungary's specific depth of decline and cardinal-law architecture as adjusting factors.

Nord, Angiolillo, Lundstedt, Wiebrecht and Lindberg (2025), in the most comprehensive treatment of the subject to date, analyse all episodes of autocratisation from 1900 to 2023 and identify the subset that produced 'U-turns' – episodes of reversed autocratisation, in which the decline is halted and turned around, whether or not the country ends the episode as a democracy. Three headline findings emerge from their analysis. First, 52% of all autocratisation episodes since 1900 produced U-turns, a share that rises to 73% among the episodes that ended in the last 30 years. Second, the democratisation phase following a U-turn lasts on average 3.2 years, and restoring the pre-episode level

takes about 5.5 years once autocratisation has ended, while an average U-turn episode lasts about eight years and those driven by democratic reaction almost ten. Third, 90% of the U-turns end at democracy levels equal to or exceeding the pre-autocratisation baseline – which means that, conditional on a reversal, recovery to or beyond prior levels is the overwhelmingly dominant pattern rather than the exception.

These are encouraging numbers for the Hungarian case, but they require several adjustments before they can be directly applied. The first adjustment necessary is for its depth of decline. Hungary fell on the Liberal Democracy Index from 0.77 to 0.32, a 0.45-point drop that places the nation among the deepest declines in the V-Dem dataset. The Nord et al. averages are pulled by shallower episodes; the recovery horizon for deeper declines is correspondingly longer. Because deeper declines take longer to reverse, the scenarios assume half-lives well above the average case, which places the time needed to close about three-quarters of the gap at approximately 8–10 years, rather than the 5.5-year mean.

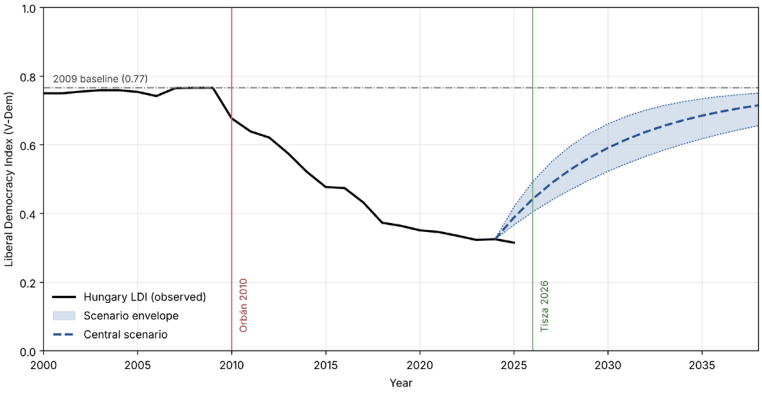
The second adjustment is for institutional entrenchment. Hungary's cardinal-law architecture, its rewritten Fundamental Law, and its captured Constitutional Court are deeper structural features than those present in the median U-turn case in the V-Dem dataset. These features do not prevent recovery, but they slow it, because reform cannot operate exclusively through ordinary legislation. The Polish experience since 2023 is directly relevant here: Nearly three years of a determined reformist government have produced substantial recovery in the freedom of expression and legislative constraints sub-indices but slower recovery in judicial constraints, precisely because the captured Constitutional Tribunal can veto reforms. Tisza's supermajority is a more favourable starting position than Tusk's was, which reduces but does not eliminate the drag.

The third adjustment needed is for the specific pattern of Hungarian decline. The decline of political freedom was deeper than for economic freedom, which means the recovery paths are asymmetric. The V-Dem Liberal Democracy Index recovery envelope for Hungary, based on the adjustments above, is approximately 0.52–0.66 by 2030 and 0.60–0.73 by 2034 across the three scenarios described in the technical appendix: a rapid scenario, which assumes optimal reform sequencing and that Tisza retains its parliamentary majority through 2030; a central scenario, in which reforms proceed at the pace observed in Poland since 2023 and the judicial track is partly held back by legacy appointments; and a constrained scenario, in which the first Tisza legislature delivers only partial reforms and the second is a period of consolidation rather than further advance. The EFW overall score envelope is approximately 7.32–7.42 by 2031 and 7.36–7.44 by 2034. The EFW Area 2 (legal system and property rights) envelope lags both, with recovery ranges of 6.66–6.68 by 2031 and 6.67–6.69 by 2035, reflecting the institutional stickiness discussed above. All figures quoted in this paper are scenario-conditional point estimates within those ranges; they are reported to two decimal places for transparency of the underlying simulation, not as a claim of predictive precision at that level.

Figure 1 summarises the three-scenario recovery envelope for Hungary's Liberal Democracy Index, superimposed on the actual V-Dem trajectory from 2000 to 2024. The shaded band represents the range produced by the three-scenario simulation described in the technical appendix: a rapid scenario in which reforms are sequenced optimally and the Tisza supermajority survives to 2030; a central scenario in which reforms proceed at the pace observed in Poland since 2023; and a constrained scenario in which the first Tisza legislature produces partial reforms and the second only manages a period of consolidation rather than further advance. In the central scenario, the LDI closes about three-quarters of the gap to its 2009 level by 2033

and reaches approximately 0.67 in 2034, approaching that level only gradually thereafter. The rapid scenario comes closest, at approximately 0.73 in 2034, while the constrained scenario reaches approximately 0.60. None of the three should be read as a forecast; each is a plausible trajectory conditional on a specified set of political assumptions. The ensemble is intended to communicate the range of outcomes rather than to privilege any one.

Figure 1: Hungary Liberal Democracy Index – the historical path and three-scenario recovery envelope, 2000–2038



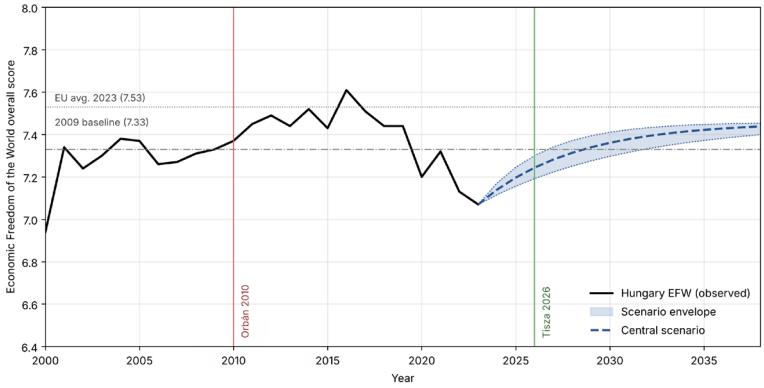
Note: 2000–25 values are V-Dem observations. The projections start from the 2024 value and run to 2038 under three scenarios (see technical appendix for scenario specifications). In the central scenario, the LDI closes about three-quarters of the gap to its 2009 level by 2033.

Sources: V-Dem v16 (Coppedge et al. 2026); authors' calculations.

Figure 2 plots the equivalent envelope for the overall EFW score. The shape of the recovery is more compressed than for the LDI because the decline in economic freedom was less severe and because Area 3 (sound money) is expected to recover relatively quickly through disinflation and central-bank reform, raising the overall score mechanically before the institutional reforms come

through. The overall score is computed as the mean of the five areas, with Areas 2, 3 and 5 converging towards their 2009 levels and Areas 1 and 4, already above those levels, held at their 2023 values. The central scenario regains the 2009 level in 2029 and reaches approximately 7.38 in 2031, the rapid scenario regains it in 2027, and the constrained scenario only in 2032. In all three scenarios the score remains below the EU average, at approximately 7.44 by 2038 in the central case.

Figure 2: Hungary EFW overall score – historical path and three-scenario recovery envelope, 2000–2038



Note: 2000–23 values are EFW observations; 2024–38 values are projected under the three scenarios described in the technical appendix, with a 2031 range of approximately 7.32 to 7.42 around a central value of 7.38, wider below the central path than above it. Sources: EFW 2025 Annual Report (Gwartney et al. 2025); authors' calculations.

The point of these envelopes is not to predict the future with precision – the bands are wide, the scenarios are conditional on political variables this paper cannot estimate, and the simulation is built around a parsimonious functional form that misses some mechanisms. The point is that Hungary's recovery, under plausible assumptions about reform quality and political persistence, is a credible project on a decadal rather than generational horizon.

The framing of reconstruction as a 10-year rather than a 30-year project has direct implications for political expectations: Progress in the first term should be measured against the 2030 target rather than against the 2009 baseline, while the task of civil society and independent analysts should be to keep up the pressure for second-term implementation rather than declaring victory after the first round of reforms.

One further observation concerns the political economy of the recovery. The V-Dem U-turn literature identifies the preservation of civil society's capacity through the autocratic episode as one of the strongest predictors of successful reversal. Hungary's civil society was weakened but not eliminated over 2010–26. Independent media such as Telex, 444, HVG, and Direkt36 survived; the Hungarian Helsinki Committee, the Eötvös Károly Institute, and the Hungarian Civil Liberties Union continued operating through the Stop Soros period; and academic networks at what remained of the Central European University in Budapest provided continuity of independent analytical capacity. The reconstruction will be carried out by the political system, but it will be watched, critiqued, and refined by civil society, and the quality of the reforms will be much higher for it. Preserving and expanding that capacity – through the civil-society re-funding framework described in the section on reforms impacting political freedom – is itself part of the recovery infrastructure.

Reforming without repeating: Lessons from Warsaw

The Polish case is the closest direct comparison for the Hungarian reconstruction. Poland and Hungary shared the same illiberal toolkit: constitutional violations, judicial reorganisation, capture of the public broadcaster, and pressure brought to bear on civil society. The V-Dem indicators recorded the damage, revealing similar structural patterns. Since December 2023, a democratic reformist government in Poland has been attempting the reversal that Hungary now faces, producing nearly three years of empirical evidence on what works, what does not, and what happens when the reform design encounters structural veto players.

This section examines the Polish record across four questions: what the Tusk government inherited; what has worked in the first two years; what remains stuck; and what Tisza should do differently given its more favourable starting conditions. The analysis draws on the Polish data from the panel workbook, on published assessments of the reform process, and on the comparative patterns observable in the V-Dem component data.

Table 2: Poland – V-Dem sub-component recovery under the Tusk government

Indicator	**2023** (end of PiS)	**2024** (first Tusk year)	Change
LDI	0.46	0.61	+0.15
V-Dem Freedom of Expression	0.66	0.91	+0.25
V-Dem Legislative Constraints on the Executive	0.83	0.91	+0.08
V-Dem Judicial Constraints on the Executive	0.56	0.73	+0.17
V-Dem Clean Elections Index	0.74	0.76	+0.02
EFW overall score (2023 vs. 2024)	6.80	n/a	n/a

Note: EFW 2024 values are not yet in the public dataset at time of writing. Polish V-Dem figures reflect the December 2023 change of government and the first full calendar year of Tusk-government reform activity. PiS refers to the Polish Law and Justice party (see footnote 32).

Sources: V-Dem v16 (Coppedge et al. 2026); EFW 2025 Annual Report (Gwartney et al. 2025).

What Tusk inherited

The Polish Law and Justice (PiS)[32] government took office in November 2015 and lost it in December 2023 after two parliamentary terms. The V-Dem LDI in Poland fell from 0.78 in 2015 to 0.46 in 2023, a decline of 41% over eight years. The sub-component pattern was similar to Hungary's, with the deepest falls in judicial constraints (from 0.87 to 0.56), freedom of expression (from 0.95 to 0.66), and clean elections (from 0.96

32 PiS is the abbreviation for *Prawo i Sprawiedliwość*.

to 0.74). The overall EFW score fell from 7.30 in 2015 to 6.80 in 2023.

Three features of the PiS inheritance matter for the comparison with Hungary. First, the Polish Constitutional Tribunal was captured through the 2015–16 'reform' package, which added three PiS-nominated judges selected through procedurally contested means, producing a Tribunal that the Polish Supreme Court and the EU institutions subsequently declined to recognise as legitimate. This is analogous to the case of Hungary's Constitutional Court, but with the additional feature that the legitimacy crisis was never resolved; the Tribunal continued to operate, but the authority behind its decisions remained contested.

Second, the National Council of the Judiciary was restructured in 2017 to remove judicial self-nomination and to transfer nomination authority to the Sejm, producing a body whose members after that date were not recognised by the European Court of Human Rights as validly appointed judges. The capture of the Council was succeeded by attempts on the Supreme Court itself: A new Disciplinary Chamber, created within the Supreme Court by the December 2017 judicial laws and staffed entirely by judges nominated by the reconstituted Council, was used to suspend the immunity and office of judges who questioned the legality of the changes. The Court of Justice of the EU ruled in July 2021 that this disciplinary regime violated EU law and, later that year, imposed a daily penalty of €1 million for continued non-compliance – the first time a backsliding on judicial independence carried a direct fiscal price. The Chamber was formally dissolved in mid-2022 and replaced by the Chamber of Professional Responsibility, whose own composition remains contested because it continues to include judges appointed through the compromised Council.

Third, the Polish public broadcaster, TVP, was placed under government control through the 2015 amendments to the

Broadcasting Act and operated as a political campaigning vehicle through the 2020 and 2023 elections.

The key difference from the Hungarian case is that Tusk's coalition took office without a constitutional supermajority. The Civic Platform-led coalition held approximately 240 Sejm seats out of 460, a comfortable parliamentary majority but well short of the three-fifths required to override a presidential veto and far short of the two-thirds required for constitutional amendment. The Polish presidency, held by Andrzej Duda through August 2025 and by Karol Nawrocki thereafter, operated as an active veto player on the reform agenda.

However, the comparison requires one institutional caveat: The Polish presidency is a far stronger office than its Hungarian counterpart. Poland's president is directly elected and a presidential veto can be overridden only by a three-fifths majority in the Sejm – which is why Duda, and Nawrocki after him, could block statutory reform outright. Hungary's president, by contrast, is elected by Parliament and holds only a suspensive veto: A bill returned to the National Assembly can be re-passed unchanged by simple majority, leaving referral to the Constitutional Court for preliminary review as the office's one consequential instrument. A Tisza government therefore never faced a Polish-style presidential veto player, but the question has in any case been settled by the replacement of the president: The Seventeenth Amendment ended the incumbent's mandate on 20 July 2026 and, on 11 August, Parliament elected András Baka, the Supreme Court president removed by the 2011 judicial reforms. He took office on 19 August and will serve until a new constitution enters into force or for five years at most.[33]

33 'Hungary elects Baka as new president in shift from Orbán era', *Bloomberg News*, 2026; 'New Hungarian president elected; vows to restore the rule of law', *Balkan Insight*, 2026.

The functional equivalent of Duda in the Hungarian case was never the head of state but the combination of a Fidesz-appointed Constitutional Court and the two-thirds–majority cardinal-law architecture. Neither is now producing a Polish-style deadlock: The court is being recomposed through the retirement age adjustment described in the political freedom reforms section. It was in any case a weaker veto player than the Polish Tribunal before any seats changed hands, because the Fourth Amendment of 2013 confined it to the text of the Fundamental Law, annulled its pre-2012 case law, and removed its power to review constitutional amendments on substance. Orbán disarmed the court so that it could not obstruct him; the same disarmament now means it cannot obstruct his successor, which is one more reason why the remaining elements of the court's restoration proposed in the political freedom reforms section, namely the reinstatement of its pre-2012 case law as a source of interpretation and a power of substantive review of constitutional amendments, should be the first item on the constitutional agenda rather than the last. Its jurisdiction over budget and tax legislation has already been restored by the Seventeenth Amendment of July 2026. The cardinal-law architecture does not constrain a majority that itself holds two-thirds of the votes. The architecture is not harmless but dormant; the only situation in which the two-thirds lock can be disarmed is when the party holding that majority actually loses by disarming it. That situation is the present Parliament. This structural difference is the most important variable in explaining the pace and shape of the Polish recovery.

What has worked

The Polish V-Dem Freedom of Expression sub-index rose from 0.66 in 2023 to 0.91 in 2024 – a rise of 38% in a single year, which is outside the normal range of the V-Dem recovery literature and reflects the speed with which independent journalism, editorial diversity, and broadcasting pluralism can re-emerge once direct

political pressure is removed. The mechanism was rapid, but it was also the most legally contested step the Tusk government has taken. In December 2023, the culture minister dismissed the supervisory and management boards of TVP, Polish Radio, and the PAP news agency. The minister relied not on media legislation – which would have required amending statutes the presidency could veto and the captured Constitutional Tribunal could strike down – but on the state's ordinary shareholder rights under the Commercial Companies Code. The government grounded this move in a 2016 Constitutional Tribunal ruling that had itself found the PiS-era transfer of appointment powers to the National Media Council unconstitutional.

When President Duda responded by vetoing the public-media financing bill, the government placed the companies into liquidation to retain control of them through appointed liquidators by the minister of culture. The manoeuvre operated at the outer edge of legality and was criticised on rule-of-law grounds not only by PiS but by some independent legal scholars. Yet it was quick and it worked: Within weeks, the PiS-appointed management was gone, TVP's news output pluralised, state advertising was redirected away from regime-aligned outlets, and regulatory harassment of independent broadcasters ceased. By the end of 2024, Polish media pluralism, as measured by V-Dem, had substantially recovered.

The Polish V-Dem Legislative Constraints on the Executive sub-index rose from 0.83 in 2023 to 0.91 in 2024. The recovery was driven by the simple fact that its parliament began to function as a deliberative institution again: Committee work resumed, the opposition was given working floor time, regulatory impact assessments were restored for draft legislation, public consultations were reinstated, and the use of 'private members' bills' as a vehicle for government legislation (a PiS-era device to avoid consultation requirements) ceased. Likewise, the recovery

in Poland did not require constitutional change; it required a government committed to operating Parliament as designed.

The Polish release of €137 billion in previously withheld cohesion and RRF funds, confirmed in 2024, had a secondary but real effect on the reform trajectory. The funds were released on the basis of the government's action plan to strengthen the rule of law. Presented in February 2024, the plan committed to specific judicial independence reforms and to restoring the separation-of-powers architecture. The conditionality mechanism – the Commission's ability to withhold funds pending evidence of compliance with the rule of law – displays both policy discipline (the government must actually implement the reforms) and political discipline (the public sees the tangible benefits in the form of released funds).

What remains stuck

The Polish V-Dem Judicial Constraints on the Executive sub-index rose from 0.56 in 2023 to 0.73 in 2024 – an improvement, but smaller than the recovery in Freedom of Expression (+0.25) and, unlike Legislative Constraints, which already exceed their 2015 level, still well short of the pre-2015 position (0.87). The explanation lies with the Constitutional Tribunal. Three judicial-reform bills passed by the Polish parliament in 2024 were referred by President Duda to the Constitutional Tribunal, which invalidated them. The government's attempts to resolve the Tribunal's status through ordinary legislation produced further Tribunal rulings rejecting those attempts. The effect has been what the German Marshall Fund (GMF) of the United States describes as being 'trapped in institutional paralysis' (Wójcik 2025b).

Developments in 2026 have altered this picture, though in the direction of deeper contestation rather than clear resolution. As the nine-year terms of PiS-era judges expired, the governing

coalition abandoned its earlier policy of leaving the vacancies unfilled: In March 2026, the Sejm elected six new judges to a Tribunal that by then had only nine of its fifteen seats occupied. President Nawrocki administered the oath to only two of them, with no legal criterion articulated. The remaining four judges took their oaths in the Sejm, in the absence of the nation's president, and were refused recognition by the Tribunal's own president. The European Court of Human Rights responded with an interim measure ordering that the four be allowed to take office; the Tribunal dismissed it and ruled that the president is under no constitutional obligation to swear in elected judges. A further judge elected in June 2026 was, by contrast, sworn in without incident. The arithmetic now runs against the captured court: As remaining PiS-era terms expire, judges elected by the current political majority will hold a majority of seats within a short horizon – but the Tribunal's recomposition will have been achieved by calendar attrition rather than statutory reform – hamstrung by an unresolved dispute over which of its members are lawfully seated.

The National Council of the Judiciary itself was recomposed in May 2026 through a careful piece of institutional design. Unable to legislate a return to judicial self-nomination past the presidential veto, the governing coalition worked within the PiS-era statute: Judges pre-selected candidates through assemblies of the courts held in April 2026. The Sejm then elected fifteen judge-members from that peer-endorsed list by a three-fifths majority, with two further seats filled from opposition nominations. The Constitutional Tribunal's attempt to halt the process by interim injunction was disregarded and – contrary to widespread expectation – the new first president of the Supreme Court, appointed by President Nawrocki from a shortlist composed entirely of post-2018 appointees, convened the new Council's first session rather than obstructing it.

The nominating body has thus been returned to substantive judicial control without a single statutory amendment. What

the recomposition does not resolve is the status of the several thousand judges appointed under the 2017–26 framework, who remain in office and continue to generate a ‘two-track’ judiciary. Some of its judgments are recognised by the European Court of Human Rights and some are not. Nor is it yet clear that the president will appoint the new Council’s nominees, which would relocate the blockage rather than remove it. Resolution of the appointments problem still requires either a constitutional amendment – for which the coalition lacks the majority – or a political settlement involving the affected judges themselves. As of late 2026, neither has materialised.

The election of Karol Nawrocki to the Polish presidency in August 2025 has further complicated the picture. Nawrocki’s position on judicial reform is closer to that of the PiS era than to Tusk’s, and his veto power over legislation has essentially frozen the formal judicial reform track for the remainder of his term. The Tusk government has been reduced to workarounds by way of executive orders and corporate governance, which have produced real but limited progress. The pattern is more specific than paralysis: A hostile presidency combined with a captured Constitutional Tribunal can freeze the statutory reform track almost indefinitely, but it cannot stop the calendar – term expiry eventually recomposes even a captured court, provided the governing majority is prepared to fill vacancies in a contested institution and absorb the legitimacy disputes that follow.

What Tisza should do differently

Tisza’s parliamentary position is substantially more favourable than Tusk’s was. A supermajority in the National Assembly can, procedurally, do in one legislature what the Polish coalition cannot do in two. That is both an opportunity and a responsibility. The question is how to use the advantage without producing a different pathology.

The first lesson is that of speed. The Polish experience suggests that the Freedom of Expression and Legislative Constraints sub-components respond quickly to a change of government – within a single year – once direct political pressure is removed. The Hungarian reforms to KESMA, state advertising, and parliamentary procedure should therefore be front-loaded in the first legislative year, because the expected V-Dem recovery on those dimensions is available at relatively low political cost and provides an early demonstration of reform credibility. The freedom of expression reforms in the political freedom reforms section of this paper are designed accordingly.

The second lesson is from the judicial track. Tisza should not attempt a retroactive purge of Fidesz-era judicial appointments, even though it has the parliamentary majority to effect this. The Polish experience shows what happens when retroactive removal meets a captured Tribunal: a decade-long legitimacy contest and limited substantive progress. The Hungarian reform should instead work through the insulated reappointment framework described in the political freedom reforms section, which operates procedurally, through attrition and retirement, rather than through removal. It is designed to be difficult to reverse through the same instrument by a future government. This is the slower but more durable strategy.

The third lesson is from the constitutional track. Tisza's supermajority means that it can, in principle, adopt a new Fundamental Law in its first term. A Fundamental Law adopted by a single party through a parliamentary vote alone would be vulnerable to the same legitimacy challenges that the 2011 Fidesz document encountered, which is why the referendum route chosen by the government is acceptable only under the conditions set out in the assessment of the manifesto, namely prior review by the Venice Commission, a neutral question checked by an independent body, a vote on the final text, and a double lock of a two-thirds majority and a referendum for the

core rule-of-law provisions. In the meantime, Tisza should adopt a focused amendment package that restores the core features removed or compromised by the 2013 Fourth Amendment and subsequent amendments, while preserving as much of the 2011 structural text as can be retained without political controversy. A second constitutional revision, under less pressured political conditions and with broader cross-party participation, can follow in the second Tisza term or beyond.

The fourth lesson is from the media track. KESMA's scale is larger than anything the Polish state broadcaster TVP represented; its political sensitivity is correspondingly higher. The Polish experience of rapidly effected changes in corporate governance at TVP, combined with redirection of state advertising, produced a fast V-Dem recovery on Freedom of Expression. The Hungarian equivalent – the structure of ownership cap plus divestiture described in the political freedom reforms section – will take longer because the unwinding of KESMA will operate through a legal process over 18–24 months, rather than through corporate board meetings.

The Polish media takeover also carries a warning embedded in its success. Because Tusk lacked the votes to change the media laws, he was forced into an improvised legal route that handed his opponents a genuine legal grievance and made the new arrangements dependent on contestable corporate acts rather than on statute. Tisza, with the parliamentary position to legislate, does not face this trade-off: The slower statutory route is available precisely because the arithmetic is different. Taking that path converts a vulnerability of the Polish precedent into a durability advantage. This is a timing rather than a design issue, which should be communicated clearly to reformist constituencies so that the expectation is not set that Hungary will match Poland's Freedom of Expression recovery in a single year.

The fifth lesson comes from civil society. The Polish civil-society ecosystem survived the PiS period in better shape than the Hungarian civil-society ecosystem has survived the Fidesz period, not because of policy design but because of the shorter duration of the Polish illiberal episode (eight years versus sixteen) and a larger baseline capacity. Hungary is closer to the lower bound of the range of civil-society capacity in which a U-turn is likely to succeed. The civil-society re-funding framework proposed in the political freedom reforms section should therefore be a first-year priority, both because of its direct effect on the V-Dem Freedom of Association score and because of its indirect effect on the capacity of civil society to monitor and support the other reforms.

A final observation is that the Polish recovery, despite its structural constraints, has endured through the Nawrocki presidency so far. The reforms that have been implemented have not been easily reversed by executive action, because they were implemented through statute, parliamentary procedure, and administrative practice and because they benefit from the kind of quiet-majority support that reform successes generate. This is an encouraging signal for the Hungarian case: Good reforms, even partial ones, generate their own political constituencies, and those constituencies become durable political factors. The first Tisza term's job is to produce as many of those facts as possible.

Poland and Georgia together define the two failure modes the Hungarian reconstruction agenda must avoid simultaneously. Poland shows that the political track – restoring judicial independence, media pluralism, and legislative constraints – is achievable, but that it proceeds only slowly when structural veto players are entrenched and the economic reform agenda stalls. Georgia under Saakashvili demonstrates the inverse: Economic liberalisation was rapid and measurably successful, but the absence of durable counter-majoritarian political institutions meant that the reform gains became hostage to whoever controlled the executive next (European Stability Initiative 2010;

Burakova and Lawson 2014; World Bank 2012). The twin-agenda framework of this paper – political freedom reforms and economic freedom reforms pursued in parallel, each designed to guard against the inversion risk – is intended to avoid both modes of failure.

Conclusion: The 12–18-month window

The 12- to 18-month window that follows the April 2026 election is the period in which the basic architectural decisions of the Hungarian reconstruction will be taken. Cardinal-law reform, the judicial reappointment framework, media-pluralism legislation, electoral-system reform, civil-society re-funding, and the constitutional amendment package – these decisions, once taken, will shape Hungarian politics for at least the next electoral cycle and probably longer. The contribution of this paper is not to the question of whether reform happens – the supermajority means it will – but to the question of how it is designed.

Three principles summarise the reform philosophy proposed in this paper. The first is self-limitation. Every reform should be designed so that the Tisza majority that implements it cannot easily use the same institution for its own political advantage and the next majority cannot easily reverse it. Supermajority appointments, randomised panels, sunset clauses, cardinal-law discipline, and statutory transparency obligations are the institutional vocabulary of self-limitation. The inverse-Orbán temptation – to use the Fidesz architecture in a different direction – should be resisted on the grounds that it produces an illiberal design with liberal content, which has a predictable life expectancy of just one political cycle. The decisive application of

the principle is the electoral law. A Tisza government that enacts a system under which no party, including Tisza, can expect to win two-thirds alone will have bound itself in the one way that protects every other reform in this paper. A government that keeps the arithmetic that produced its own supermajority will have kept the Orbán architecture with the parties exchanged.

The second principle is sequencing. The political freedom reforms (Table 3) should precede the economic freedom reforms, because the latter depend on the rule-of-law infrastructure to have durable effect. Within the political freedom agenda, the reforms that respond quickly (media pluralism, civil-society re-funding, and legislative constraints) should be front-loaded, and the reforms that operate on slower timescales (judicial reappointment and constitutional amendment) should be started early but not expected to produce visible V-Dem effects until the second half of the first term. Within the economic freedom agenda, central-bank independence and regulatory cleanup are the fastest-acting reforms; legal system and property-rights reforms operate on the same slow timescale as the judicial reforms.

The third principle is measurement. The V-Dem and EFW indicator frameworks are imperfect, but they are the best available public scorecards for the progress of the reforms. Hence, this paper has mapped each proposed reform to the specific sub-components it should be expected to raise (see Tables 3 and 4). The 2009 levels serve as the operational benchmark: Hungary's Liberal Democracy Index at 0.77, EFW overall at 7.33, Judicial Constraints on the Executive at 0.90, Freedom of Expression at 0.95, Clean Elections at 0.93, EFW Area 2 at 6.69 – these are not aspirational targets; they are the documented position of Hungary on the eve of the Fidesz era. Closing most of the distance to them is a credible political and technical project for a decadal horizon.

The Polish experience, imperfect as it is, shows that reversal is possible even under structurally unfavourable conditions. Hungary has more favourable structural conditions. The Tisza supermajority is a substantial institutional advantage. The question is whether it will be used well – to produce a durable rule-of-law order – or whether it will be spent on effecting a change of management alone. The conclusion of this paper is clear: The reconstruction should be designed to survive the next change of government, not just this one. That is what distinguishes a reform from a regime change.

Table 3: Summary of political freedom reforms

Reform	What it does	V-Dem pillar(s) targeted
Judicial Appointments Commission	A Judicial Appointments Commission with a fixed majority of judges elected by the judiciary, a minority of government and opposition appointees and a two-thirds threshold for nominations, no retroactive purges, a sunset on the reappointment power, and a reconfigured OBH.	Judicial Constraints on the Executive; Equality Before the Law
Constitutional Court reform	A nominating committee with no single-party majority, an opposition veto over at least one-third of seats, a cap on seats from any one party's nominations, random selection from a shortlist in case of stalemate, reinstatement of pre-2012 case law and substantive review of constitutional amendments.	Judicial Constraints on the Executive; Legislative Constraints

Table 3: (continued)

Reform	What it does	V-Dem pillar(s) targeted
Prosecutor general reform	Single non-renewable seven-year term, removal only for misconduct established through a judicial-disciplinary process, reasoned decisions on declinations with appeal to a specialised panel of the Curia, and an opposition-chaired oversight committee.	Rigorous and Impartial Public Administration; Judicial Constraints
Media pluralism (KESMA unwinding)	Ownership-cap cardinal law, divestiture through auctions supervised by the Media Authority, a media authority president elected by two-thirds for a non-renewable term, and auditable allocation of state advertising.	Freedom of Expression and Alternative Sources of Information
Civil-society re-funding	Repeal of Act XLIX of 2021, the remaining ‘Stop Soros’ provisions and any remaining provisions of the 2023 Sovereignty Protection Act, whose office was abolished in June 2026; a national civil-society fund with randomly selected expert panels and EU co-financing.	Freedom of Association
Equality before the law (individual rights)	Repeal of Act LXXIX of 2021 and the 2025 Pride restrictions, restoration of legal gender recognition in the administrative context, and removal of the definitional language on marriage and the family from Article L; no affirmative action or group-based preferences.	Equality Before the Law; Freedom of Expression; Freedom of Association

Table 3: (continued)

Reform	What it does	V-Dem pillar(s) targeted
Electoral system reform	Independent redistricting commission, tightened campaign-finance rules, 5% proportional representation threshold with compensatory seats, equal access to the vote for all citizens abroad, subject only to uniform and verifiable procedural requirements.	Clean Elections
Cardinal-law architecture (‘hard core, soft shell’)	Reclassify about two-thirds of cardinal laws as ordinary legislation, keep the two-thirds threshold for core constitutional rules, add ten-year sunset clauses to new cardinal laws and a five-year cardinal-law audit.	Legislative Constraints; Equality Before the Law

Table 4: Economic freedom reforms – summary

Reform	What it does	EFW area(s) targeted
Legal system and property rights	Carries through the judicial reforms in the political freedom reforms section, adds a digital land register, specialised commercial chambers, the Singapore Convention and a commercial arbitration act, and limits asset recovery to due process with a time-limited mandate for the recovery office.	Area 2 (Legal System and Property Rights)
Central bank (MNB) independence	Two-thirds appointments and non-renewable seven-year terms for the governor and Monetary Council, a prohibition on monetary financing, a statutory 3% inflation target, and published minutes, votes and forecasts.	Area 3 (sound money)
Regulatory simplification	Mandatory regulatory impact assessment, a sunset act for sector-specific licensing regimes with ten-year terms, and a strengthened Competition Authority without the 'strategic national interest' exemption.	Area 5 (regulation); Area 1 (size of government)
Public procurement transparency	Machine-readable publication of contracts above a low threshold with beneficial-ownership disclosure, an independent Public Procurement Authority, independent review of single-bidder contracts, and a 10% cap on contract modifications.	Area 2; Area 5

Table 4: (continued)

Reform	What it does	EFW area(s) targeted
EU funds conditionality alignment	Creates a rule-of-law implementation unit in the Prime Minister's Office; requires quarterly reporting to the Commission and Parliament, with a sunset at the end of 2030, and formal adoption of the reform architecture as the benchmark for future rule-of-law assessments.	Area 2; Area 5 (indirect, through rule-of-law channel)
Public-interest foundation governance (MCC and peers)	Advocates for a transparency act, return of founders' rights to the state (done), development of a statutory governance model for university foundations by 2027 (with academic self-government), and sunset reviews.	Area 2 (indirect); Equality before the law (V-Dem Liberal Component Index)
Fiscal discipline	Upgrades the existing Fiscal Council into an independent forecasting body with a 'comply or explain' rule for the finance minister, and aligns the governance of state-owned enterprises with the OECD Guidelines.	Area 1 (size of government)

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Technical appendix

This appendix documents in full the data, functional form, parameter calibration, and scenario construction behind the recovery envelopes reported in Figures 1 and 2.

Data sources: The panel covers the years 2000–25 for Hungary, Poland, and a comparator set of EU member states. The V-Dem variables (Liberal Democracy Index; Electoral Democracy Index; Liberal Component Index; and the five V-Dem component indices – Clean Elections, Freedom of Expression and Alternative Sources of Information, Judicial Constraints on the Executive, Legislative Constraints on the Executive, and Freedom of Association) are taken from V-Dem v16 (Coppedge et al. 2026). The economic freedom variables (EFW overall; Area 1, for size of government; Area 2, for legal system and property rights; Area 3, for sound money; Area 4, for freedom to trade internationally; and Area 5, for regulation) are taken from the Fraser Institute's *Economic Freedom of the World: 2025 Annual Report* (Gwartney et al. 2025). The panel is harmonised on a calendar-year basis with V-Dem values dated to the observation year and EFW values dated to the publication's reference year.

Baselines and troughs: The pre-autocratisation baseline is set to 2009 because it is the last year before the Fidesz government took office in 2010 and the last year for which Hungary's V-Dem indicators sat within the EU mainstream. The 2009 Hungary

values used throughout the paper are: LDI 0.766; Clean Elections 0.93; Freedom of Expression 0.95; Judicial Constraints 0.90; Legislative Constraints 0.88; Freedom of Association 0.88; EFW overall 7.33; EFW Area 2 6.69. The trough year for LDI is 2023, at which point LDI equals 0.32. The trough for EFW overall is 2023 at 7.07. The 'gap to close' is therefore 0.44 points for LDI and 0.26 points for EFW overall. Sub-component gaps are computed analogously.

> ***Cross-validation of the 2009 baseline:*** The 2009 V-Dem benchmark is corroborated by two independent democracy measurement projects using different methodologies. Freedom House's *Freedom in the World* 2010 report (covering calendar year 2009) rated Hungary 'Free' with Political Rights = 1 and Civil Liberties = 1 on a 1–7 scale (1 = most free), placing Hungary at the top of the scale alongside Western European democracies (Freedom House 2010). The Bertelsmann Transformation Index 2010 (covering the 2007–09 observation period) scored Hungary at 9.05/10 on Democracy Status and 8.55/10 on the Status Index, the highest category among Central European transition states (Bertelsmann Stiftung 2010). Together with the V-Dem LDI of 0.766, the three independent sources confirm Hungary's 2009 position in the EU democratic mainstream, supporting the benchmark's use as the operational reconstruction target.

Functional form: The recovery is modelled as an exponential approach to a target level, of the form value(t) = target − (target − start_val) × exp(−k × (t − t_0)), where k = ln(2) / half_life. This form is standard in the convergence literature (see, for example, Barro and Sala-i-Martin 2004 on growth convergence and Nord et al. 2025 on democratisation phases) and has four attractive properties. First, it is monotonically increasing for any non-zero gap, consistent with the observed behaviour of V-Dem indicators in U-turn episodes. Second, it has a closed-form expression for

the time to close any fraction of the remaining gap, which makes scenario calibration transparent. Third, the speed of recovery is controlled by a single interpretable parameter – the half-life, which is the number of years required to close half of the remaining gap. Fourth, the overshoot option (target = baseline + ε) allows the functional form to accommodate the V-Dem U-turn literature's finding that 90% of U-turns end at or above the pre-autocratisation level (Nord et al. 2025).

Half-life assumptions: The half-lives are scenario assumptions rather than estimates. They are anchored on the finding of Nord et al. (2025) that restoring the pre-episode level takes on average about 5.5 years once autocratisation has ended, which corresponds to a half-life of approximately 1.3 years if restoration is defined as closing 95% of the gap, and on their finding that U-turns driven by democratic reaction last almost ten years. Because Hungary's decline is among the deepest in the V-Dem data and its institutional entrenchment is unusually high, the central scenario assumes an LDI half-life of 4.5 years, under which about three-quarters of the gap is closed in about nine years. The rapid scenario (2.9 years) and the constrained scenario (7.0 years) bracket this assumption, and the EFW half-lives (2.3, 3.5 and 5.5 years) are set shorter for the reasons given below. These values reflect the authors' judgement on the evidence and are not the output of an estimated model.

Scenario definitions: Three scenarios are generated: (i) rapid, with an LDI half-life of 2.9 years, EFW half-life of 2.3 years, and no overshoot; (ii) central, with an LDI half-life of 4.5 years, EFW half-life of 3.5 years, and no overshoot; and (iii) constrained, with an LDI half-life of 7.0 years, EFW half-life of 5.5 years, and no undershoot. All three scenarios share the same targets, namely the 2009 level for the LDI and for EFW Areas 2, 3 and 5, while EFW Areas 1 and 4, already above their 2009 levels, are held at their 2023 values. The scenarios differ only in their half-lives. The rapid scenario assumes optimal reform sequencing and the

preservation of the Tisza parliamentary majority through 2030. The central scenario assumes that reforms proceed at the pace observed in Poland since 2023 and that the judicial reform track is partially stuck behind legacy appointments. The constrained scenario assumes the first Tisza legislature produces partial reforms only and the second is a period of consolidation rather than further advance.

Why does EFW recover faster than LDI? Three reasons explain why the EFW half-lives are shorter than the LDI half-lives across all three scenarios. First, the EFW decline was shallower than the LDI decline (0.26 points versus 0.44), so the mechanical gap to close is smaller. Second, Area 3 (sound money) is expected to recover quickly through disinflation and the normalisation of the MNB policy once central-bank independence is restored; the inflation convergence path for Hungary implied by the ECB's projections returns CPI inflation to 2–3% by 2027, which alone raises the Area 3 score by approximately 0.4 points. Third, Area 4 (freedom to trade) was largely protected by EU Single Market membership throughout the Fidesz period and does not require recovery.

Starting values: The recovery path for LDI starts at the 2024 value of 0.325. The 2025 observation (0.315), which became available with V-Dem v16, is plotted in Figure 1 for reference and does not materially alter the projection. The EFW path is computed area by area, and the overall score is the mean of the five areas. The recovery path for EFW starts at 7.07 in 2023 (the most recent Fraser observation). The 2024 and 2025 EFW values are interpolated linearly between the 2023 observed value and the first projected value, reflecting the lag in the Fraser publication cycle.

Limitations: Three limitations should be noted. First, the U-turn sample underlying the half-life calibration is relatively small (102 U-turn episodes identified by Nord et al. (2025)) and is

heterogeneous across regions (Latin America, post-Soviet Europe, and sub-Saharan Africa are all represented), so the evidence on which the half-life assumptions rest is indicative rather than precise. Second, the exponential functional form assumes smooth monotonic recovery, whereas actual recovery paths in the V-Dem data often exhibit step changes around specific institutional events (a successful judicial reform bill; a Constitutional Court ruling; and an EU funds release). The envelopes therefore miss short-term volatility and should be read as central tendencies rather than as year-by-year forecasts. Third, the scenarios are conditional on political variables – reform sequencing, the survival of the Tisza majority, and the Polish precedent – that this paper cannot estimate econometrically and that are treated as exogenous. The envelopes should therefore be read as indicative ranges, not as point forecasts, and the text accompanying the figures reflects this caveat.

Why not a Bayesian hierarchical model? An obvious extension would be to estimate the recovery parameters through a Bayesian hierarchical model with country-level random effects, using the Nord et al. (2025) U-turn sample as the underlying population. This would produce credible intervals that capture both the sampling uncertainty in the half-life calibration and the heterogeneity across episodes. We do not pursue this extension here because (i) the gain in inferential content is modest given the small sample and (ii) the parsimonious exponential form is more transparent for a policy audience. A companion methodological note, with the full hierarchical specification and posterior predictive intervals, is in preparation.



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