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# *The Role and Impact of Trust on the Operation and Sustainability of the State*

**SUMMARY:** The foundation for economic growth is the belief of people in a better and happier future. Without this we would not be shopping more and more, we would not take out loans and we would not be after technological innovations. Enhanced economic growth is founded on the increase of confidence in the future, while the contrary, the deadlock of public trust starts a chain reaction toward an economic crisis. Governance has to recognize that it makes the biggest mistake if it “only governs” but fails to give a convincing and encouraging perspective and plans to the people and the companies. The analysis assesses each component of the correlation between security, trust and economy based on the experiences of the Hungarian governance. There is a correlation between the sense of security, the change in security risks and the public trust relating to the governance. The governments and the societies that know how to handle a security crisis and strengthen the sense of security will also be successful in terms of increasing public trust. It is justifiable that only the governments that are able to strengthen the sense of security of the citizens will be successful in economy. If a government underperforms in the “security test”, it will lose public trust regardless of any other positive results. The success factor of the governance of the future: the security of people. The author intends to support these theorems with statistical analyses.

**KEYWORDS:** public trust, governance, competitiveness, political stability, security, sense of security, evolution

**JEL CODES:** B0, B15, H11

We are living in a VUCA world! According to today’s social theory, our world means a volatile, uncertain, complex and ambiguous social environment. Following the English acronym (*Volatility, Uncertainty, Complexity, Ambiguity*) it is a VUCA world, which progresses toward disorder, that is, entropy. The second theorem of thermodynamics, entropy was called by Einstein the first law of all sciences. According to the theorem much-analysed also in social sciences, all existing phenomena “evolve” toward disintegration and cessation, that is, nothing can escape the law of entrop-

py, neither can societies. It could logically be inferred from this hypothesis that the direction of history is the increasing vulnerability of human security. However, the experience seems to contradict this. At least in terms of human conflicts. Humans have always been the worst threats to humans. Nevertheless, human civilisation is increasingly peaceful. According to historians’ estimations 15 percent of all deaths in history were caused by human violence: in the 20th century this figure decreased to 5 percent, and in our century to 1 percent. For example, 56 million people died in 2012: “only” 120 thousand of them died in a war and 500 thousand due to a criminal act. On the contrary, 800 thousand

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people committed suicide and one and a half million died from diabetes. (Harari, 2017, p. 22) Today more people die from obesity than from a violent act. Violence is not increasing, but is rather decreasing through history. This is what *Steven Pinker* proved in his high-impact book (2012). On the other hand, however, the figures and analyses of *Global Risks Report* issued annually by the World Economic Forum (WEF) point out the escalation of security risks and the prevalence of the law of entropy.

## TRUST BUBBLE AND ECONOMIC GROWTH

Volumes of library literature talk about why the Hungarian economy did not succeed in setting on a consistent growth path after the regime change. (László, 1994; Bod, 2011) Why couldn't the stability of state finance be created? There is less literature on why the foundation of growth and public financial balance has gradually been created since 2011-2012. What brought the turning point in the past 5 years? (Lentner and Parragh, 2016; Lentner, 2017)

According to our theorem, it is for the first time through the history of Hungarian governance after 1990 that public trust has been successfully founded on a vision since 2011. Trust in the future is the foundation for investments, loans and entrepreneurs' courage. Economic growth is founded on trust. As economies strive to a greater and greater growth, an increasingly strong and long-term trust relating to the future is needed. The governance which carries out the trust-building of a vision successfully may also expect economic success.

Trust is a critical factor for each system built on community, cooperation and competition. We already know a lot of the trust

factor for economic and business competitiveness (Chikán, 2012; Piricz, 2013). The impact of public trust in the state and governance is a more complicated correlation. The business environment is substantially determined by the institutions and regulations under the responsibility of the government. The trust relating to these, including the sense of security, the trust in legal security or the social authenticity of the government measures all have an impact on investment and business intentions as well as consumption.

The initial timeline of trust is the present. We link trust to the existing institutions (courts, public administration, taxation), the existing government and the existing business environment. "Do you trust X institution?" The question, however, implicitly refers to the future too, as trust also encodes the question: "what can I expect from someone/something". In our interpretation the psychological attribute of public trust is anticipation, the either positive or negative image of the future. Everything that is a reality in the past or in the present, including each positive result of the governance will create trust if it is able to give rise to a positive anticipation for the future. What is needed for all this? First and foremost, that the plans and opportunities for the future emerge from the governance convincingly. This partly requires an intensively future-oriented and prognostic government communication. The more stable and stronger a government is, the more courageous it will become in undertaking plans and the longer-term future. Since the regime change it is during the 3rd and 4th Orbán government that we have heard for the first time of government commitments pointing in 15–20 years perspectives (2030). Why is it important to deal with the timeline of trust? According to our theorem, the turning point in the development of Hungarian economy, in addition to many other factors, was mostly caused by

the emergence and strengthening of trust in the future and a positive vision. The role of the governance in the change of trust in the future needs to be assessed. It is important to analyse how and why the vision and trust in the future affect the operation of the economy to an extent exceeding the perception of the existing institutions.

Economy is operated by trust in the future. An entrepreneur will take out a loan if they believe that their products will be purchased. They will start innovating if they believe that the researchers are making successful developments. The bank will give a loan if it believes that there will be solvent consumers to buy the products of the entrepreneur, so he/she will be able to pay back the loan. One must believe that the state will function well, one must believe that many people will invest, many people will start a business, and

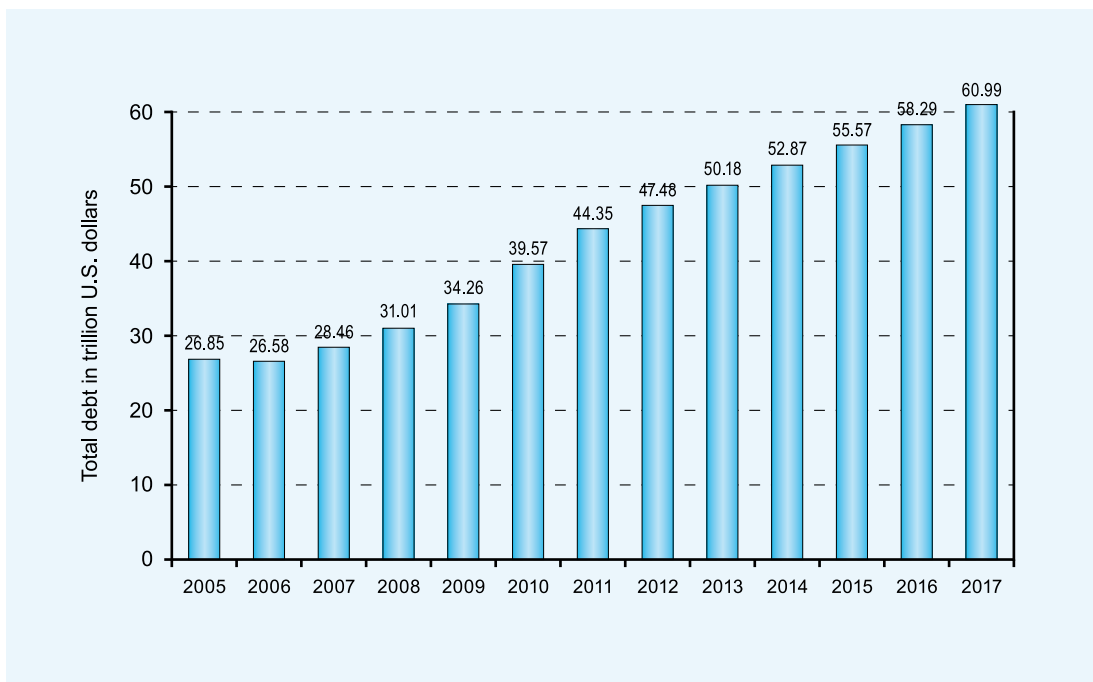
more and more people will consume and they will consume more and more, and that the researchers will come up with newer and newer technological solutions which create newer loans and trust in a more prosperous future. What is a more prosperous future?

According to the counter of *The Economist* (*The Global Debt Clock*), the total public debt at the time of writing this article is 59, 406, 890, 844, 918 US dollar (that is, almost 60 thousand billion), but by the time the reader receives this article, it will be higher by billions. According to *Statista* portal the world exceeded the 60 billion threshold already in 2017, but it is even more interesting how the total stock of public debt of the states of the world doubled in one decade (from 2007). (See Figure 1)

The other interesting data is the world's total GDP growth (World Bank data) which

Figure 1

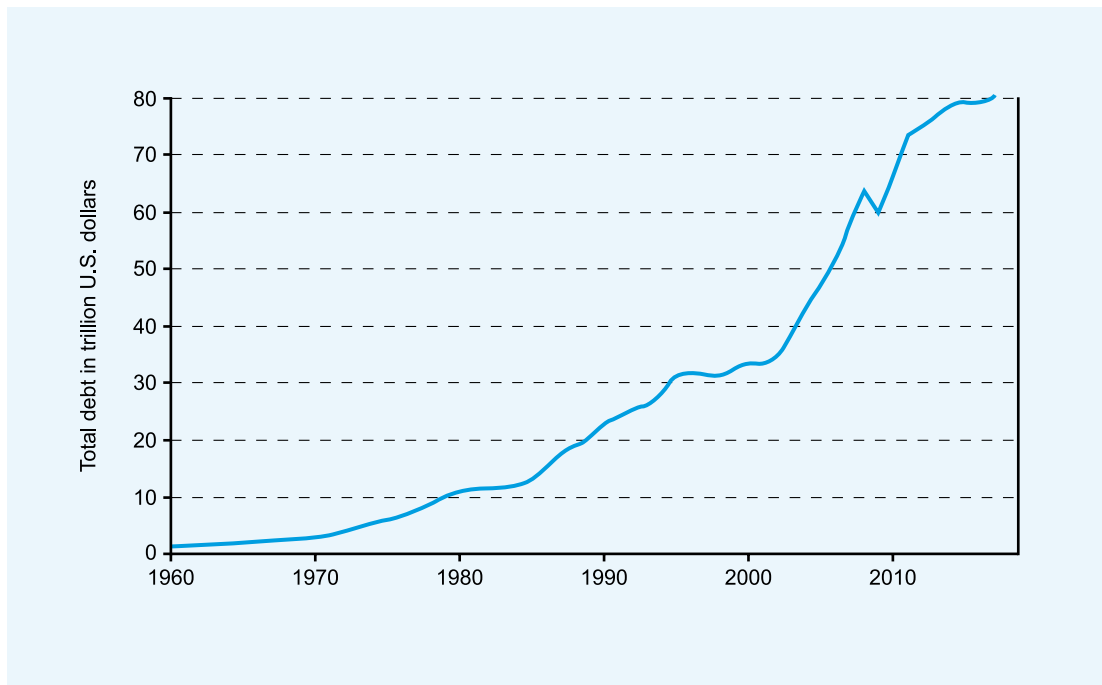
**TOTAL STOCK OF PUBLIC DEBT 2005–2017 (TRILLION USD)**



Source: Statista, <https://www.statista.com/statistics/686067/global-public-debt/>

Figure 2

**THE WORLD'S TOTAL GDP, 1960-2010 (TRILLION USD)**



Source: World Bank, <https://data.worldbank.org/indicator/ny.gdp.mktp.cd>

also doubled in the last decade and exceeded 80 thousand billion USA dollars. (See Figure 2)

There is a sharp increase in the rate of debt, the amount of money and the rate of the total economic production. Let us just consider that over the last ten years the amount of both economic elements doubled the quantity accumulated during the previous centuries. What produces, injects this quantitative growth? The short answer is: the extreme growth of trust in the future. Conversely: what drives the economy into crisis and decreases the quantity of money and products? The short answer is: the setback in the extreme growth of trust in the future.

The sudden money and product growth are substantially founded on a virtual, that is, imagined future. The expression “financial or loan bubble” is known as the explanation of financial world crises. There is actually an

increasing “trust bubble” behind economic growth in each case. There is production behind the increase of money quantity to a lesser and lesser extent, and there is actual product behind the GDP growth to a lesser and lesser extent. What we call money and what we call product is the pricing and selling of trust in future developments to an increasing extent. Trust gives rise to the growth of purchases as we have trust in the increase of our income. The economy has trust in this as well, which increases production; so do both the creditor and the borrower in case of new loans. An important psychosociological factor of trust is that people expect a better and happier life from the development of technology and comfort. They spend and purchase more because they have trust. The advertising industry is working successfully on the maintenance of “trust in a happier life”.

We could read about the theories of professor *Y. Noah Harrari* in issue 2018/2. of *Pénzügyi Szemle* (Public Finance Quarterly) in terms of the operation of money, capitalism and economies. (Pesuth, Varga, 2018) Harrari is not an economist, but a historian. As a historian he deals with social and entopsy-chological motivations. His basic thought is that: *“...people will live better and better in the future, brought about the start of lending and the spread of the capitalist ideology, which led to the establishment of several institutions that had been unconceivable earlier. The “intertwining” of science, capitalism and politics was the pinnacle of the process. The capitalist system enables the financing of discoveries and research projects on a large scale, as a result, there will really be a larger amount of stock available in the future. The state as a regulator guarantees the security of investments, sets the “rules of the game”, supervises their observance or, if required, enforces them. At this point, cultural elements, such as the form of government and legal certainty, contribute more to the economic performance of the country than natural resources.”*

What conclusions are worth drawing for the governance from the reasoning cited above?

Governments have to recognize that we “live more and more in the future”, we think in terms of the future. This is particularly true of the economies experiencing their fourth industrial revolution, the information and technology explosion. Trust increases and appreciates according to the growth graphs of figures 1 and 2.

The appreciation of trust is partly a necessity, which arises from the growth constraint of the economy and consumption. The appreciation of trust is induced by the fear of the decline of the collective optimism maintaining growth. The government has to recognize that it does the best for economic growth if it

provides the people and the companies with convincing and encouraging perspectives and plans for the future. The governance has to recognize that it makes the biggest mistake if it “only governs” but fails to give a convincing and encouraging perspective and plans to the people and the companies.

Since July 2018 the Hungarian government and its Prime Minister has outlined government plans until 2030.<sup>1</sup> Demography and family policy, which are among the most serious issues influencing our national future, have become a priority in the government policy. With the assistance of the national Central bank a reform path plan has been made for the period extending up until 2030, which outlines 180 elements of enhancing competitiveness and growth. An armed force development plan and security strategy have been prepared for the period extending up until 2026.

The strengthening of future vision and public trust between 2010 and 2018 was achieved by the government essentially by developing the different dimensions of security, by improving the sense of security of the Hungarian people. This policy is in indirect correlation with the fast and significant improvement of the Hungarian state finances and the macro indicators of the economy. This article analyses the impact of the Hungarian governance on public trust and the decisive factor thereof, i.e. the creation of security and stability. We assess each element of the correlation between security, trust and economy.

## THERE IS NO PUBLIC TRUST WITHOUT SECURITY

The subjective sense of security is not proportionate with the objective security situation for several reasons. On the one hand, we are not able to take in and analyse all the

important information relating to security. On the other hand, the traditional and new media (social media), the flood of information on the Internet weakens our sense of security without borders, and strengthens the fear factors. The weakening of the sense of security is a global phenomenon: the states and the politics have to give new answers to this complex psychosociological challenge. (Kis, 2017) The decisive factor of public trust in the state and the governance is the state of social security. My article strives to analyse the content of the correlation between the two phenomena, and the direction of change thereof.

Public trust is the homogeneous trust of a community in a person/people. The trust in the state and the governance thereof is a popular topic in political science (Fukuyama, 2007; Muraközy, 2012; Boda, 2016). Measuring them results in more and more differentiated solutions and methods, especially in the systems of international organizations (OECD, WEF). The basis of democratic institutions is also founded on the manifestations of public trust, above all, on the forms of parliamentary and other representative elections.

However, if we wish to depart from the basics, it is also worth considering the psychological and evolutionary biology perspectives to study the nature of public trust. It is an interdisciplinary phenomenon, the understanding of which goes beyond the categories of political science and social theory. The fundamental of evolutionary psychology is that we cannot know about human phenomena (behaviour) as long as we don't understand the instincts of the primal human inside us. The basic elements of this are fear and trust. One of the principles of evolutionary biology is that the trust between people meant the evolutionary advantage by which homo sapiens was able to win the survival competition against other animal species and humanoids

(Dawkins, 1986; Csányi, 1979; Winston, 2002). The key to success is a high-level cooperation. (Ridley, 1997) To put in other words: if our ability to trust had not reached the level known today, it is highly likely that we would have failed the long evolutionary battle for survival, and we might have been extinct by today. It is the developed capacity of homo sapiens to trust that allowed and still allows a cooperation between a large number of strangers to develop. The extension of cooperation increased the chances of both survival and reproduction in the fight for dominance. Animals are also able and other humanoids were also able to cooperate to a limited extent, but only homo sapiens is able to cooperate with strangers as well, that is, to develop collective concepts that create trust and founds cooperation even between a large number of people.

The most successful community-building concept of evolution is statehood. The first states developed nearly six thousand years ago, which had been preceded by 200 thousand years of social development without states in the history of the homo sapiens. States are therefore “young” concepts in evolutionary terms, and forms of cohabitation achieving “fast” success. The evolutionary benchmark of success is reproduction and security. States were able to become forms building up public trust and communities in particular by striving to guarantee external security and public security. The *raison d'être* of states is the security capability, and sense of security is the prerequisite of public trust.

Sense of security is a basic human instinct, which abides by the encoded commands of survival and reproduction. The two commands build on individual security and the sense of it. We can only speak about external environment, including trust in the state, if it gives a sense of security. Fear is a basic instinct. According to *Bibó* “at the root of the ultimate motives of both politics and reli-

gion there is the consciousness of fear” (Bibó, 1986, 11.). Fear was the prerequisite of successful human evolution and survival by the fact that humans operated sensitive fear receptors. Nowadays, however, both the nature and the source of fear has changed. The internal system of fear developed for millions of years despite natural risks (wild animals, cold). The mass of stress experienced by urbanized people generates much more and a different kind of fear reaction than what our nervous system is prepared for. As a result, anxiety becomes a crowd disease and thus strengthens, increases the general weakening of sense of security. The new fear factor is the migration from the developing countries to the western world and the terrorist attacks happening with new methods and in places considered to be safe. In the list of global risks extreme weather, natural disasters and water scarcity are in the first place. (WEF Global Risks Report 2017) The wide range of tools of mass media intensifies the fear based on facts, the “real time” reports and the notorious repetitions, the flood of news and comments enhance the sense of fear. The “fear” of voters was also discovered by politics a long time ago as manipulative political target. Although mass media manipulates, it still has minimum ethical restrictions and control. However, the new media and the Internet intensify fears and magnify security threats in a non-controllable manner and to a non-controllable extent.

According to our theorem, the governments and societies that know how to handle a security crisis and strengthen the sense of security will also be successful in terms of increasing public trust, and as a consequence, in the confidential and political stability of the governance as well. Moving forward, only the governments that are able to strengthen the sense of security of the citizens will be successful and stable. If a government underperforms in a “security test”, it will lose public

trust regardless of any other positive results. The paradigm of today’s governance: the security of people.

## THE AUTONOMY AND TRENDS OF PUBLIC TRUST

At this point, it is worth highlighting a few important aspects of public trust. International indicator systems assessing economic potential and competitiveness pay more and more attention to the matter of public trust. Public trust is a defining factor in the performance and competitiveness of a country. Our reasoning has already given a certain justification to this correlation: the correlation between performance and the ability to trust is justified by human evolution. From the survival of our ancestors to the great economic performances, we can find extensive and complex cooperation based on greater and greater spectrum of trust.

An analysis on the “secret” of Silicon Valley was published in the issue May 2018 of the *Guardian*. How can 2 million people living in a territory the size of a big city operate as the economic and innovation engine of the world? The secret is that they have lifted trust to a higher level. The experts living there talk a lot with each other about everything, typically informally and confidentially. The more extensive, the faster, the freer the flow of information is in a community, the greater intellectual performance the efficient community will be able to achieve.

The topic of the majority of the researches on public trust is the social, political and economic damage and disadvantages caused by distrust. A study by *Tóth* (2009) explored the deep layers of the causes and consequences of distrust in the Hungarian society. The volume of studies “In the Net of Distrust” (Muraközy, 2012) also provided a broad picture of



the negative interactions between public trust and social and economic subsystems.

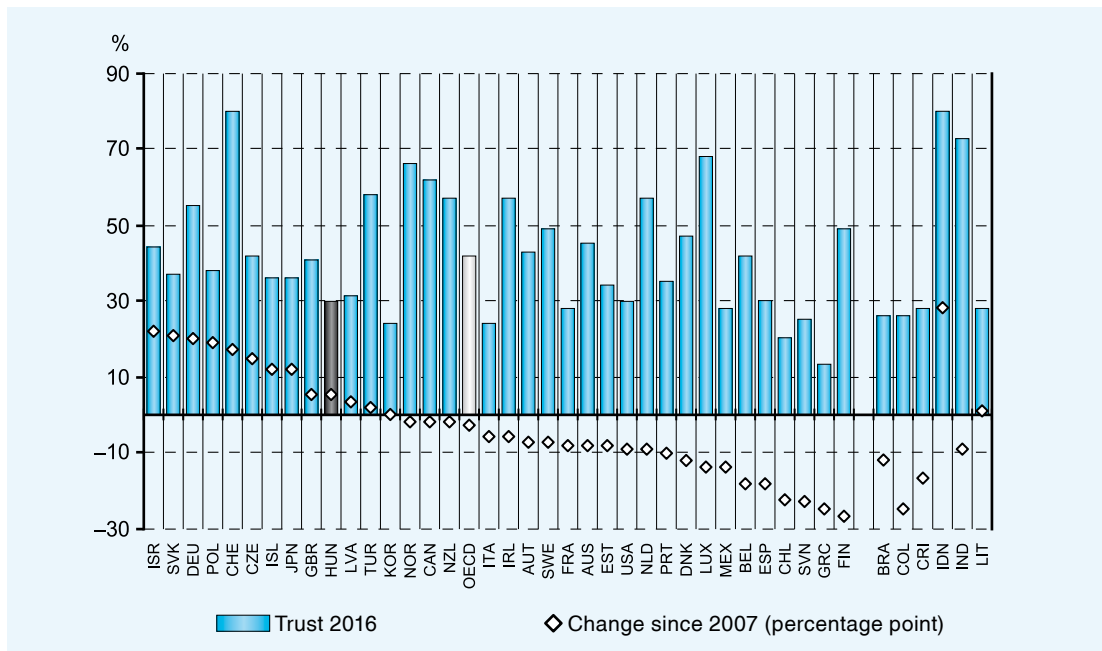
According to the poll Government at a Glance (2017) by the OECD, the trust in governance decreased in the great majority of the countries (in 30 out of 41 examined countries) between 2007 and 2016. Public trust has strengthened in very few countries over the past 10 years. The trend of public trust is determined by the governing capability of two fields in a decisive manner: the handling of security crisis and financial crises (2008). As the financial crises weaken the sense of security, the common denominator of the two fields is financial or material security.

Few governments recognized that the ability to strengthen the sense of security is the key question in the growth of public trust. The security priority of the government policy and communication (*securitization*) is a slow-

ly emerging new trend of governance (Tálas 2016). Since the early 2010's the Hungarian government was among the firsts to recognize the appreciation of security in social attitude and politics. Accordingly, the main stress of the government policy has been on the field of security since 2015. The extremely high social support and political stability of the Hungarian government reflects well that security has become the most important topic for people instinctively, on a gut level, above anything else. According to the poll Government at a Glance by OECD, Hungary has been the most dynamically developing country in terms of public trust in governance over the past 8-9 years. Public trust is developing more slowly than in Hungary in nearly 30 OECD countries, and it is developing at the same degree as in Hungary in only 8 OECD countries (*see Figure 3*).

Figure 3

**TRUST IN NATIONAL GOVERNMENTS IN 2016,  
AND THE CHANGE IN TRUST SINCE 2007**



Source: OECD, Gallup World Poll, [https://doi.org/10.1787/gov\\_glance-2017-graph155-en](https://doi.org/10.1787/gov_glance-2017-graph155-en)



The public trust index in the country increased by 10 percent to 30 percent within five years between 2012 and 2016. Although it is lower than the OECD average of 42 percent, it already reaches, for example, the level of the public trust index of the USA. The fact that the public trust index in the police is 73 percent in Hungary, which approaches the OECD average and substantially exceeds the level of the general public trust, refers to the field of security being the “political topic leading to success”.

The security policy of the European Union and several member states in it are in a political crisis. The principal reason is the lack of strategic answers to the security crisis, and as a consequence the inability to handle efficiently the weakening of sense of security. The crisis is a burden shared by each EU member state and each European country. In the absence of a common solution, at the moment, each state has to find a way to break out from this situation individually. Hungary is apparently on the brink of a historical opportunity if it succeeds in being the first in modern history to succeed in building a permanent and stable public trust with a determined and efficient government security policy. The international polls, the government support at the parliamentary elections between 2010 and 2018, and the national statistical surveys also point there. (Kaiser, 2017)

### CORRELATION OF SECURITY AND PUBLIC TRUST, INTERPRETATION AND MEASUREMENT

The poll on the governmental abilities relating to security is carried out by the international organizations in specific fields such as security policy, legal certainty and external security. The Good State researches conducted by the National University of Public Ser-

vice since 2014 have defined frameworks of interpretation and measurement parameters for each dimension of security. The Good State Report (hereinafter: Report) measures the processes, results and impact of governmental abilities and activities identifiable in the scope of security and public trust in five dimensions:

- external security,
- public trust and disaster management,
- legal certainty,
- public trust in the government and transparency, and
- material security.

The survey results presented here are the results of the joint work<sup>2</sup> of the research team “Trust and Security” of the Good State Report.

► **EXTERNAL SECURITY** means a defence capability against a potential external armed attack, primarily the elimination and mitigation of the threat. It is by the GDP-proportionate defence expenses that this governmental capability can be measured from the side of resources. These started to increase in 2016 in Hungary following the stagnation of the previous years, which is an adequate basis for the strengthening of the military force and the security potential of the country. On the global military force index (*Global Firepower Index, GFP*) the position of Hungary did not decline significantly between 2013 and 2017, the military force of the country has remained stable in the past period despite the increasing security threats. The development of the armed forces founded on volunteer military service changed the operational features and construction principles of the Military of Hungary. Acquiring and retaining personnel with the necessary headcount and the adequate quality indicators is a serious challenge. The headcount of the Military of Hungary approved by the Parliament has increased slightly since 2007.

Hungary participates in different international missions to an extent corresponding to its firepower. The annual expenses of the foreign military assistance contain the international military and enforcement involvement in peace support and crisis management operations, including the crisis management and conflict prevention operations carried out by the UN, NATO and EU, and executing military and enforcement tasks founded on bilateral and multilateral international conventions.

▶The governmental ability to prevent, identify and punish the phenomena threatening or infringing public order appears in **PUBLIC SECURITY**. A part of this is also the disaster management ability which ensures protection against natural or industrial losses.

According to the polls, the sense of security of the population is improving: while in 2013 two thirds of the people questioned felt safe in public spaces, in their neighbourhood, in 2017 already more than three quarters did. Public trust in the police increased significantly compared to 2009, and the value thereof is one of the highest among the public institutions in the country. In the case of three out of the four crime types under assessment (murder, assault, robbery and fraud) having the greatest impact on the subjective sense of security, a significant decrease occurred in the past eight years. The expenses spent on public order (annual governmental expenses for one thousand residents spent on public order, civil defence, fire and disaster management) increased significantly in the six years following 2010. The human resources of law enforcement (criminal judges, criminal attorneys, the personnel of law enforcement, police) expanded significantly over the past eleven years, and the success rate of law enforcement improved to an extent exceeding this rate.

▶The subject of the impact area of **LEGAL CERTAINTY** is the ability of the government to

strengthen trust in the legal system and to create the security guaranteed by law. The most fundamental legal certainty content is the trust in legislation and justice. Trust in the legal system fundamentally defines the decisions of the citizens and entities. These decisions from contracting relationships through economic decisions to the legal remedy initiatives vary across quite a wide spectrum.

The subjective judgement of the legal system is influenced by a lot of objective factors in addition to the capacity, preparedness and independence of jurisdiction, such as the comprehensibility of the decisions of jurisdiction and the media communication relating to the operation of the legal system. According to the poll by TÁRKI (Tóth, 2009) trust in the Hungarian legal system improved from 2009 to 2013 (from 4.0 to 4.78). The relevant poll by the Central Statistical Office for 2013 measured an average of 5.1 on a scale of 10 according to a different methodology, which is considered the base data of trust measurement, which decreased slightly by 2015 (by 0.2), and since then there has not been a new measurement to be compared to the base data.

The financial resources of jurisdiction have been increasing continuously since 2010, which shows a governmental ability to strengthen trust in jurisdiction, and the Hungarian trend is the strongest in the Visegrad Group. The moderation of the number of court cases with a public administration topic received by the court of first instance after 2015 show the improving satisfaction of clients in connection with decisions of public administration. The ranking developed based on the time needed for deciding on civil, commercial, public administration and other matters Hungary is in a leading position among the EU member states: our ranking position shows a continuously improving tendency, the duration of court administration shows a

decreasing trend. By measuring the constitutional element of legal certainty, we see that since 2012 the number of the legislative provisions declared unconstitutional has shown a decreasing tendency which reflects the improving quality of legal certainty.

▶ **PUBLIC TRUST IN THE GOVERNMENT AND TRANSPARENCY** are the core values of a legal state and democracy. Transparency shows the capability of governmental openness. Transparency is essentially a result, the effect of which is trust. The point of transparency is the access to governmental public interest data, decision preparation and decisions. The ability to prevent corruption is also a tool for strengthening transparency and trust.

The strengthening public trust and political stability since 2010 can be measured in the governance: an important indicator of this is the rate of the parliamentary mandates acquired at the elections in proportion of the total mandates. However, in a democracy the stability of the government can only be considered a value if the democratic core values are in force to the maximum extent possible. There is the closest logical correlation between public trust in governance and the transparency of governance.

The fluctuating increase in the number of data visibility inspections ended with an unlawfulness establishment at the Hungarian National Authority for Data Protection and Freedom of Information represents the enhancement of civil initiatives and, pro rata, that of the legality implications. The primary feature of the quality of governance is trust in the government and the social perception relating to corruption. Transparency is the indicator of the integrity of the government, that is, of anti-corruption. The State Audit Office of Hungary (SAO) operates the system measuring the corruption risk of public institutions. The number of budgetary institutions participating on a voluntary basis has been

increasing since 2012. This increase indicates that the institutions of the government sector assume the objective measurement of transparency to an increasing extent, and this refers to the strengthening of integrity and transparency (Németh et. al., 2017). The index of the Enhanced Factors Index (EFI) applied in the integrity survey carried out by the SAO shows that the factors increasing corruption threat at the public institutions are decreasing year by year. This shows that efficient measures are taken on the level of public institutions to mitigate the corruption risks.

The EU published an anti-corruption report in 2014 and 2017. The poll was carried out by questioning a thousand people. It demonstrated that in 2013 89 percent of the respondents thought that corruption was a serious problem in Hungary. According to the 2017 survey, this rate slightly moderated, to 86 percent. The Corruption Perceptions Index (CPI), which is assessed by Transparency International, ranked Hungary to the 57th place out of 176 countries in 2016, and ranked it to the 66th place out of 180 countries in 2017.

The assessment of the visibility of data, that is, the access to the national databases of public interest is based on the Open Data Barometer measurement accepted more and more widely at international level. In the ODB ranking, Hungary has maintained its relative middle-ranking position among the investigated countries since 2013.

▶ The indicators of **MATERIAL SECURITY** assess the ability of the government to guarantee the minimum conditions of livelihood. One basis of the creation of material security is the state of the labour market situation of a country. Unemployment rate is an indicator for this, as unemployment, the lack of regular income is the greatest threat factor for the material security of the individual and their family. Decreasing by 6 percent from 2013, the un-

employment rate approached 4 percent, but a worrying rate of inequality can be observed among the counties.

The other indicator of material security is income security. The significant minimum wage increase experienced in 2012 occurred due to the compensation of the derecognition of tax credit. Another significant increase can be seen in 2017 owing to the increase of the minimum wage by 15 percent compared to the previous year and to low inflation. In 2018 a further increase is expected, as the minimum wage increased by 8.2 percent compared to the previous year.

In the matter of the future changes in the material situation, the number of those expecting positive changes has been increasing since 2012, but in 2017 nearly 70 percent of the population did not expect an improvement anymore. The sense of material security of the population has shown an improvement since 2013, but this seems to halt in 2017 and the number of the households not able to cover an unexpected expense of a larger amount is still high.

## CONCLUSIONS

The 2008 financial crisis undermined the material security, the migration crisis starting in 2015 did the same to the external and internal public security in the Western world. The global security risks are increasing, the sense

of security of people is weakening as a synergy of several factors. Governance cannot be successful and sustainable with the old approach and the old methods. The factors relating to the security of citizens and their subjective sense of security need to be analysed more thoroughly than ever before. The need for security and fear as basic human instincts need to be taken more seriously, as they fundamentally define the functioning of human trust. The importance of public trust also needs to be weighed, without which the operation of a state cannot be maintained. The justification of this theorem is given by human evolution. There is no public trust without sense of security, there is no successful governance without public trust. The government having the capacity and recognizing the correlation of the two human factors can build a state well and sustainably. The writing above analyses the security impact of the measures taken by the Hungarian government since 2010. It also analyses the causes of the improvement of public trust and the theorem according to which the continuous increase of public trust shows a direct link with the general improvement of the security indicators. The current period of the Hungarian government gives a chance for Hungary to emerge stronger from the political and security crisis of Europe. On a historical scale, the security policy of the Hungarian government may lead the country out of the centuries-old spiral of lack of public trust.

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## NOTES

<sup>1</sup> The speech of Viktor Orbán at the 29th Bálványos Free University and Student Camp 28 July 2018 Tusnádfürdő, [www.miniszterelnok.hu](http://www.miniszterelnok.hu)

<sup>2</sup> Zsuzsanna Hutkai PhD, Zoltán Jobbágy PhD, Norbert Kis PhD, Bence Mészáros PhD, András Téglási PhD

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