

# The Labor and Social Policies of Neo-authoritarian Populist Governments: A Comparative Analysis of Hungary, Poland, and Türkiye

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The nationalist and patriarchal agendas of the governments of Hungary, Poland, and Türkiye have strong political support. But such support can be tenuous if the material conditions of its citizens is weakened or falters, and if such weakening is associated with government policy. This paper undertakes a comparative analysis of some of the main labor and social policies in Hungary, Poland, and Türkiye to understand why these governments enjoy widespread electoral support, despite an array of illiberal policies that have chipped away at the democratic foundations of the countries.

It argues that in addition to its populist rhetoric, the three governments have privileged high visibility labor and social policies that benefit the lower and middle classes that constitute the governments' political base, and which mitigate the labor market insecurity associated with the neoliberal economic model. As such, there is the seemingly contradictory tendency of the governments pursuing the flexibilization of labor rights, both individual and collective, while simultaneously delivering significant real increases in the minimum wage. Because workers typically associate their employment contracts and working conditions more generally with

1 The views expressed in this paper are my own and do not reflect the views of the International Labour Organization.

the managerial prerogative of employers, rather than specific government policies, the regimes do not suffer the consequences of the labor flexibilization policies. And by sidelining or co-opting unions, the governments not only enable further flexibilization of the labor market, but also marginalize a potential countervailing force to the government.

### Neo-authoritarianism and the suppression of countervailing forces

Fidesz in Hungary, PiS in Poland and the AKP in Türkiye have each been associated with “democratic backsliding” though to different degrees (Szikra and Oktem, 2023; Berberoglu, 2021) (see Figure 1). Part of the democratic backsliding concerns the treatment of unions, which have been marginalized in Hungary, co-opted in Poland, and attacked in Türkiye, for both economic and political objectives. With respect to economic objectives, the weakening of trade unions supports the neoliberal labor market flexibilization policies that are part of the countries’ economic models, while disempowering unions helps to sideline potential political opposition to anti-democratic policies. Strong and independent unions are cornerstones of democracy (Curtis, 2021), thus policies that limit unionization, or make it less effective through restrictions on collective bargaining, ultimately weaken the working of democracies.

**Figure 1: Democratic Backsliding and Regime Types**



Source: Szikra and Oktem, 2023

In Hungary, Fidesz, under the leadership of Victor Orbán, came to power in 2010 when the country was still reckoning with the effects of the global financial crisis and the resulting austerity policies imposed as a condition of IMF and European Central Bank loans. The 2010 landslide victory of the Fidesz-KDNP coalition, which created a right-wing nationalist conservative alliance, allowed the government to enact drastic reforms that removed democratic guarantees from the political process (Hungler, 2022). Some of the reforms were ingrained into Cardinal Acts that can only be modified by a two-thirds majority, binding future governments to these reforms (Szikra and Öktem, 2023). The government controls, directly or indirectly through close political ties, the vast majority of print radio and television media, the result of purchases made in the late 2000s with loans from state-controlled banks (IPI, 2023). Its attacks on academic freedom culminated with the expulsion of the Central European University in 2018.<sup>2</sup> Judicial independence has been restricted and labor courts have been weakened. The government has been criticized for its treatment of minorities, including refugees, Roma, and LGBTQ+ people. Fidesz was a member of center-right European People's Party (EPP) but was suspended in 2021 out of concern over its commitment to democracy and the rule of law.

Unions have become marginalized under the Fidesz government. The government abandoned national tripartite bodies, including replacing the forum for national tripartite minimum-wage setting with a private sector consultation forum in 2010 (Meszmann and Szabó, 2023). The government also reduced funding to trade union confederations. In 2018, a mere 7% of the working population was unionized, most in the public sector (see Figure 2).

Poland, similar to Hungary, underwent a transition to democracy and a market economy in the early 1990s. Following a period of rapid economic growth and integration with Western Europe, it joined the European Union in 2004. In 2005, the center-right Law and Justice Party (PiS) won a narrow victory and formed a government, though it was ousted in 2007 in a vote of no confidence and replaced by a coalition

- 2 The Central European University moved its campus from Budapest to Vienna due to the terms of the 2017 law regulating foreign universities.

government led by the center-left Democratic Left Alliance. In the 2015 elections, PiS returned to power with a parliamentary majority and has since been accused of democratic backsliding due to dismantling of governmental checks and balances (Szikra and Öktem, 2023). In particular, the highest court in Poland does not meet EU standards of judicial independence (Smiecinska, 2021).

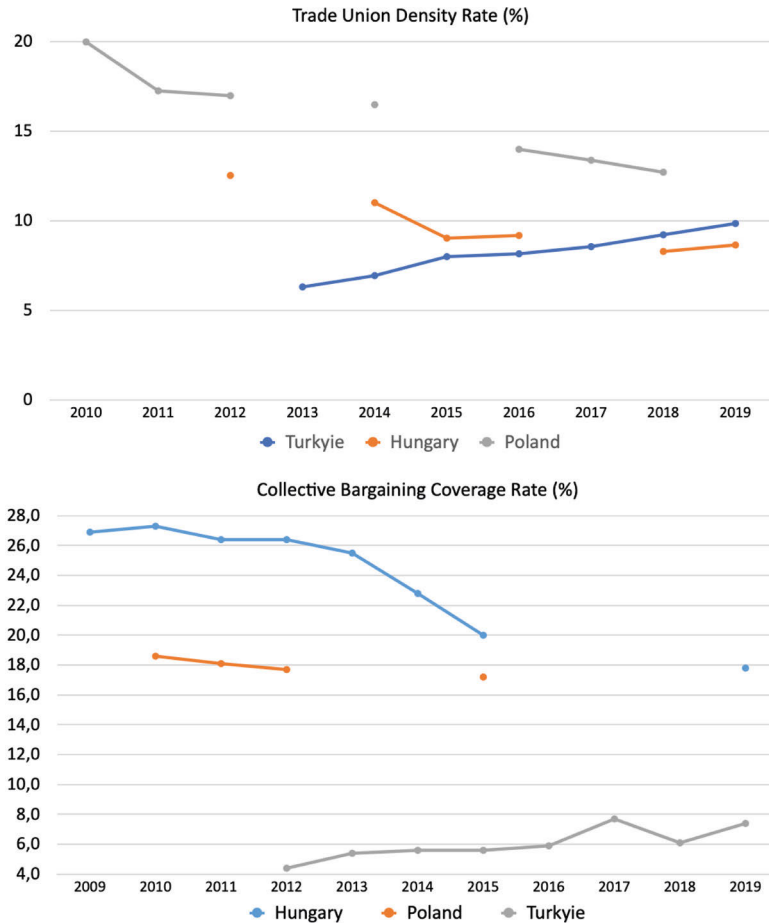
NSZZ Solidarność, the largest Polish trade union, has maintained close ties to the ruling PiS party, and many PiS politicians, including Jarosław Kaczyński, the party chairman, are former Solidarność members. The trade union has used its ties to push through popular reforms, including a lowering of the retirement age, banning Sunday trading, and curtailing the expansion of civil law contracts. It has also worked to secure increases in the minimum wage. In addition, the unions succeeded in pushing for an amendment to the Trade Union Act that expanded the eligibility for union membership to all “persons performing paid work” as a means of boosting unionization of workers on civil contracts, which are widespread in the Polish labor market (Czazasty and Mrozowski, 2023). The government has also supported the mining union in resisting mine closures despite the EU climate target.

Nonetheless, there has been a steady decline in unionization falling from a high of 65% (12.5 million members) in 1980 to 20% (2.6 million members) in 2000; by 2019, unionization stood at a low of 13% or 1.5 million members, 98% of whom were in the public sector (Czazasty and Mrozowski, 2023). Much of this decline is the result of the economic restructuring and privatization policies pursued in the 1990s, which shrunk the industrial base and led to a mass shedding of workers and, as a result, union members. However, the low unionization rate is also due to the characteristics of the industrial relations system: unionization is limited to enterprises with 10 or more employees, thereby precluding the large share (40%) of workers employed in small enterprises from unionizing. In addition, the law permits an unlimited number of unions at the workplace, leading to fragmentation, and prohibits closed shops<sup>3</sup>

- 3 A closed shop is an arrangement whereby a place of employment requires current membership in a specific union as a condition of employment.

(Czarzasty and Mrozowski, 2023). Collective bargaining is limited to the enterprise level. Other features of the labor market – particularly the high share of temporary contracts and widespread use of civil contracts in employment – hurt unionization.

**Figure 2: Trade Union Density and Collective Bargaining Coverage in Hungary, Poland, and Türkiye**



Source: ILOSTAT, International Labour Organization

While NSZZ Solidarność is independent from PiS, the close ties, both politically and ideologically, between the union and the government, and the overall weakness of the trade union movement in general, mean that unions – and particularly NSZZ Solidarność – do not act as a counter-vailing force to the PiS's policies.

At the furthest end of the anti-democratic spectrum is Türkiye, which shares similarities with Hungary and Poland, but has been more extreme in its pursuit of neo-authoritarianism. The Justice and Development Party (AKP) first came to power in 2002, following political and economic instability in the 1990s. Recep Tayyip Erdoğan, the party leader, served first as Prime Minister until 2014, and since then as President. During its initial years in power, the AKP adopted an ambitious sociopolitical development agenda with the aim of joining the EU; but following its landslide victory in the 2007 elections, the government became more authoritarian in its pursuit of power (Özkiziltan, 2019). In 2016, a constitutional reform was adopted that abolished the parliamentary system, removed checks and balances, and gave the president more wide-reaching powers. Following the 2016 failed coup attempt by the Gülen movement, Erdoğan instituted a state of emergency and used it to silence any remaining opposition (Kirişci and Sloat, 2019). In 2018, Erdoğan was elected President under the new constitution, and then subsequently re-elected for a second term in May 2023.

Although at first glance it appears that collective rights have strengthened in Türkiye (see Figure 2), the opposite has occurred. In 2012, the AKP promulgated a new labor law that made it easier to establish unions and be recognized for collective bargaining, but also easier for the government to curb industrial action.<sup>4</sup> The new law led to increased unionization in the pro-government, Hak-İş union, which was also helped by the practice of the government paying the dues for public employees (Çelik, 2015). Between 2002 and 2018, union membership in Hak-İş more than doubled from 302,000 to 654,000, whereas membership in the oldest union confederation, Türk-İş, fell from 1.95 million to 959,000, and membership in

4 In particular, there are no protections against dismissal on the grounds of union membership and activity (Çelik, 2015).

DISK (Confederation of Progressive Trade Unions of Türkiye) fell from 368,000 to 161,000. The International Trade Union Confederation (ITUC) ranks Türkiye among the top 10 worst countries on its Global Rights Index, which measures the degree to which countries, and the companies that operate within them, uphold the rights of workers as outlined in international law. In 2023 it scored 5 (no guarantee of rights) as a result of the arbitrary arrest of union leaders as well as attacks on other rights; Hungary and Poland scored 3 (regular violation of rights)<sup>5</sup> (ITUC, 2023).

### Market liberalism with labor flexibilization

The policies of the three governments towards the labor market are in line with their economic visions, which remains neoliberal. All three countries, though to varying degrees, have institutionalized the labor market precarity they inherited – or in the case of Hungary and Türkiye, have increased such precarity. At the same time, each of the governments have pursued strategic interventions in the economy that give them political leverage and support.

#### *Hungary: The work-based society*

Shortly after assuming power, in 2011, the Fidesz government adopted a new constitution that linked social rights “to a citizen’s obligation to ‘serve the community’”. The new constitution, known as the Fundamental Law, stated that “everyone shall be obliged to contribute to the enrichment of the community through his or her work, in accordance with his or her abilities and potential.”<sup>6</sup> Such a vision was in line with its electoral promise of creating one million new jobs by 2020 and replacing an “uncompetitive welfare state” with a “work-based society” (Szikra and Oktem, 2023, p. 7). The Fidesz government expanded the public works program (*közmunka program*) that had been instituted during the 1990s and early 2000s by the socialist government, but made it more punitive and meager, while at the

5 Scoring ranges from 1 (sporadic violation of rights) to 5+ (No guarantee of rights due to the breakdown of the rule of law) (ITUC, 2023).

6 Fundamental Law Article XII paragraphs (1) and (2) cited in Hungler, 2022.

same tightening unemployment benefits (Geva, 2021; Vidra, 2018). Prior to 2011, participants in the public works program earned the minimum wage. After 2011, payment was reduced to 78% of the minimum wage for full-time work, with the belief that the wage reduction would motivate participants to seek other employment. Most of the public works are low-intensive, physical tasks (drainage, cleaning sides of roads, gardening), with participants required to accept any job the municipality offers, independent of their educational level and skills. The policy aims to “activate” people and break their benefit dependency. Under the reforms, beneficiaries of unemployment insurance lose their benefits after 90 days of unemployment, unless they agree to do public works. The public works program has been criticized for being unproductive and demoralizing, with initial evaluations finding no effect on labor market insertion (Risak and Kovács, 2017). In 2016, the public works scheme employed roughly 5% of the labor force at a cost of 1% of GDP (IMF, 2017). Given its large size, it has served to decrease the unemployment rates, as participants are counted as employed.

The government’s economic strategy centers on export-led manufacturing to the EU, with Hungary hosting important industrial plants of major German car and appliance manufacturers. In addition to the lowest EU corporate tax rate at 9%<sup>7</sup>, many of the multinationals benefit from tax credits – a policy that was started under the socialist government in the 2000s but has continued under Fidesz. Between 2010 and 2020, the Hungarian government provided 770 million euros in subsidies to multinationals who in turn created 33,695 jobs (Hungler, 2022).

Moreover, its labor policies have been designed to support the needs of multinational firms. In 2018, in response to labor shortages caused by emigration, the government adopted a bill that permitted up to 400 hours of overtime and gave companies three years instead of one to pay for the work. While the measure, dubbed by the opposition as a “slave law,” led to widespread protests, it nonetheless went into effect (Karasz and Kingsley, 2018). During the pandemic, the government further pursued labor market flexibilization by allowing for derogation from collective agreements.

7 In contrast, the highly regressive VAT is at 27%; the income tax is set at a flat rate of 15%.



It also passed a decree giving employers unilateral privileges to expand the reference period for working time banking, which had formerly been subject to collective agreement (Hungler, 2022). This measure was retained following the lifting of the state of emergency.

Despite the emphasis on private-sector-led investment, the government has been strategic in gaining hold of key industries for both economic and political purposes. The financial crisis caused havoc in the housing market as many Hungarians had mortgages denominated in Swiss francs, which were no longer affordable following the devaluation of the Hungarian forint in the fall of 2011. Orbán forced the banks to accept an artificially lowered currency exchange rate and to “shoulder the losses” making Orbán a “populist hero” (Geva, 2021, p. 83). The government then undertook an ambitious program of “financial nationalism” through a series of legal changes that made foreign ownership of some key industries unprofitable. The government was able to gain control of the banking sector, which it then used as a means to direct credit to loyalists who purchased other companies in industries of interest to the government, such as the media sector (Sebők and Simons, 2022).

### *Poland*

Like Hungary, Poland's economic model is also highly dependent on external trade, with Poland serving, for the most part, as a low-value-added producer in German supply chains. The country has 14 special economic zones that provide tax exemptions to foreign enterprises. The emphasis on export-led growth has, for the most part, been successful as the country has sustained relatively high rates of economic growth since transition in the early 1990s, and in some areas has advanced to more value-added production (Gromada, 2023). Nevertheless, its economic model has been based on low labor costs and a flexible adjustment to demand, including through out-migration to other EU countries.

The Polish labor market is highly segmented with a disproportionate use of non-standard employment arrangements. Polish employers have relied heavily on the use of these arrangements for two decades, with the share of fixed-term contracts increasing from 2.9% in 1992 to 27.9% in 2006

(Buchner-Jeziorska, 2013). In 2018, 24% of the employed population were on fixed-term contracts, the second highest rate of temporary employment in the EU-27, just below Spain.<sup>8</sup> An additional 5–7% of the workforce (one to 1.4 million workers) has been hired using civil law contracts (referred to commonly in Poland as “junk contracts”), which are widespread in low-skill professions, including security guards, cleaning, and catering services (Statistics Poland, 2018).

The use of non-standard employment arrangements reflects the export-led growth strategy in place since the transition. Responding to the concerns of its electoral base, the PiS has extended some rights and benefits to workers on junk contracts<sup>9</sup>, including pension benefits, minimum wage, and the right to unionize (Czarzasty and Mrozowski, 2023). While commendable, it nonetheless sustains segmentation in the labor market and is less preferable than a more comprehensive solution that would root out segmentation and would involve expansion of the legal definition of employment and enforcement through labor inspections and the judiciary. Given the exceptionally low level of unionization in the private sector (2%) and the excessive use of non-standard contracts, it is not surprising that the wage share, at 46%, is the second lowest in the EU, or that it has fallen dramatically over time from 57% in 2000 and 63% in 1992 (Kalecki Foundation, n.d.).

Similar to Hungary, though less extensive, the PiS has also advocated the “rePolanization” of the economy, vowing to “stop the privatization agenda of the previous government” (Orenstein and Bugaric, 2020, p. 12). In 2016, the government imposed a special levy on the banking and insurance sectors and increased state control in this sector from 30% to over 50%. Given the importance of coal production to both the economy, its labor force, and its unions, the PiS has resisted EU climate targets, in addition to consolidating its domestic energy sector.

8 Data from Eurostat.

9 The right was granted to a specific type of civil law contract called *umowa zlecenie*. Under this contract, the contractor is required to perform a certain activity within a specified period as commissioned by the principal in return for a fixed remuneration.

In February 2001, Türkiye erupted in economic crisis following the devaluation of its exchange rate, which had previously been pegged to the dollar. The IMF provided bailout loans on the condition of a structural reform program centered on strict fiscal and monetary policies and a floating exchange rate. When the AKP assumed office in 2002, it continued with the program, and with the prospect of EU accession, Türkiye soon became the darling of financial investors, attracting substantial capital inflows in the ensuing decade, both because of the high interest rates, but also as a result of the widespread privatization program undertaken by the AKP that concerned the oil sector, transport, telecommunications, tobacco, financial services, and other industries (Szanyi, 2020).

The inflows of foreign capital and widespread privatization allowed the government to fund a massive construction spree that entailed the building of highways, busways, airports, and universities, in addition to fueling a household credit boom, with household debt rising from 2% of GDP in 2002 to 20% by 2013. The supply of new housing was facilitated by the Public Housing Authority, which was granted special privileges to direct public land towards construction through subcontracting. This not only generated rents for the government, but also allowed it to direct permits to business groups with whom it had close ties, further strengthening political support (Orhangazi and Yeldan, 2021). Construction's share of GDP, in turn, rose from 7.5% in 2004 to 17.2% by 2017 with concomitant gains in employment.

The privatization program was central to the AKP's economic vision to “create a market society”, which also included flexibilization of the labor markets. In 2003, the government reformed dismissal protection such that job security would only apply to enterprises employing 30 or more workers, up from 10, while reducing severance pay. Given the importance of small and medium-sized enterprises in Türkiye, this new threshold essentially eliminated protection in all but the largest firms. The government also eased the rules on agency employment and instituted widespread outsourcing in the public sector. Between 2002 and 2011, the number of subcontracted workers increased from 358,000 to 1.5 million (Çelik, 2015).

In 2014, the government published its National Employment Strategy (NES), 2014–2023, which argued that a more flexible labor market was needed to ensure the competitiveness and efficiency of Turkish enterprises, as well as to reduce unregistered employment and high levels of youth unemployment (Ministry of Labour, 2014). Targets for the government included a better ranking in the Employing Workers component of the World Bank's Doing Business Indicators, which ranks countries (with greater labor and social security protections resulting in a lower score), in the areas of dismissal protection and severance, the use of fixed-term contracts, working hours restrictions, and the level of social security contributions ("payroll taxes"). As such, the strategy argued for the need to introduce flexible work arrangements by drafting new legislation and raising awareness among employees and employers (Ministry of Labour, 2014). The National Employment Strategy was prepared without the participation of the social partners, which is common practice but also in violation of International Labour Organization (ILO) Conventions.<sup>10</sup> The three main trade union confederations objected to the NES. The Confederation of Progressive Trade Unions of Turkey (DİSK) referred to it as "the most significant attack on labor rights in the history of the Republic" (Çelik, 2015, p. 626), and even the pro-government confederation Hak-İş expressed its concern. The NES was nonetheless supported wholeheartedly by the employers' organizations (Çelik, 2015). The reforms to the labor market under the AKP have been characterized by the Turkish industrial relations scholar, Aziz Çelik, as "authoritarian flexibilization", with individual labor rights being "the most unprotected in the history of the Republic", and collective labor rights and unions as the weakest in the last 50 years (Çelik, 2015).

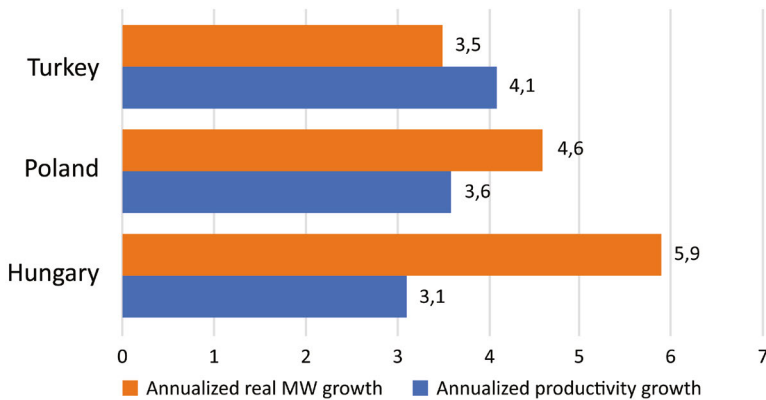
### Minimum wages: Visible and immediate

Despite the weakness and, in some instances, deterioration, in individual and collective labor rights, all three governments have been supportive of real increases in the statutory minimum wage. Between 2010 and 2019,

10 Specifically, the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), which Türkiye has ratified.

increases in the real value of the minimum wage have exceeded productivity growth in Hungary and Poland, and in Türkiye as well, until the inflationary crisis erased some of the gains (see Figure 3). As a result of these increases, the minimum-to-median wage ratio in all three countries is relatively high, at 63% in Poland and 71% in Hungary; in Türkiye it approaches 100% (ILO, 2020).

**Figure 3: Average Annual Growth of Real Minimum Wage and Productivity, 2010–2019**



Source: ILO, 2020

While the minimum wage policy would seem to contradict the emphasis on labor competitiveness espoused by all three countries, the minimum wage nonetheless provides an important means of improving earnings among workers that can be directly associated with government policy, particularly in the absence of collective bargaining. This is particularly true in countries with one national minimum wage, which is the case in all three countries. As argued in the introduction, other labor policies, particularly concerning contractual arrangements, or weakening collective bargaining, are less visibly associated with government policies. The minimum wage is thus an important tool used by these populist governments to ensure broad electoral support, and indeed the minimum wage was raised in Türkiye just prior to the presidential election in Spring 2023.

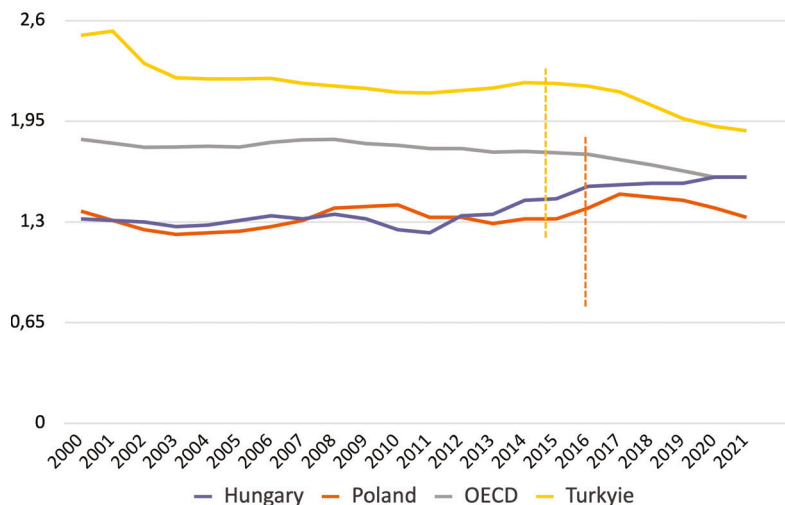
In line with the traditional values and anti-immigration stance of the three governments, boosting fertility is a central objective, particularly in Hungary and Poland, whose fertility rates of 1.6 and 1.3 children, respectively, are well below replacement rates (Türkiye's fertility rate is 1.6), and in the case of Poland, below the EU average of 1.46 live births per woman in 2022. In addition to boosting fertility, pro-natalist social policies also seek to reinforce traditional gender roles, as they emphasize women's roles as carers (Cook, Iarskaia-Sminorva, and Kozlov, 2022; Fischer, 2020; Akkan, 2021). To support their pro-natalist, pro-family, and nationalist visions, all three countries have instituted flagship social policies that, like the minimum wage, are highly visible and benefit important swaths of the population, thus garnering electoral support. Some of the policies are also administered locally and thus reinforce clientelism (Çelik, 2015).

#### *Hungary's earned income family tax credit*

In keeping with the emphasis on work, many of the social policies in Hungary have been transformed into tax credits that are only available to the employed. In 2011, the Fidesz Party sought to boost fertility rates via the fiscal system, through the expansion of an existing earned income tax credit. The policy provides a per-child monthly allowance to be deducted from income taxes; in 2018 the credit was set at 200 euros for one child, 400 euros for two children, and 660 euros for three or more children (which, after taxes, was equivalent to a benefit of approximately 31 euros, 63 euros and 104 euros per month, respectively).<sup>11</sup> In addition, mothers with four or more children receive a lifelong exemption from income tax (Cook, Iarskaia-Smirnova, and Kozlov, 2022). With this policy, spending on family policy increased from 3.5% of GDP in 2010 to 6.2% of GDP in 2022. The policy is directed at middle-class families in the formal economy; participants in the public works scheme are not entitled to the deduction (Lendvai-Bainton and Szelewa, 2020; Szikra and Otkem, 2023).

11 In comparison, the average net monthly salary in Hungary in 2018 was 730 euros.

Figure 4: Fertility Rates in Hungary, Poland, and Türkiye



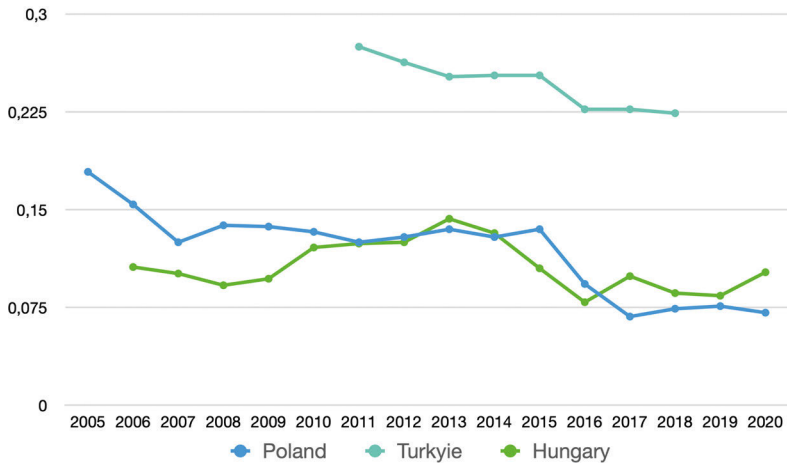
Source: World Bank

### *Poland's Family 500+*

In 2016, the PiS introduced the Family 500+ Program with the explicit objective of boosting fertility. Initially the program provided a credit of 500ZŁ (120 euros) per month, per child (up to eighteen years old) to each family with two or more children or to every family with a single child if the family met the income criteria. As of mid-2019 the program was made universal, with all families, regardless of the number of children (0–17 years old) or income, receiving 500ZŁ credit for each child. The policy, at a cost of approximately 3% of GDP, has pushed Poland near the top for family spending in Europe (Cook et al., 2022). Family 500+ is extremely popular and contributes to the governing party's continuing success. The Family 500+ has led to a substantial reduction in child poverty (see Figure 5), though this was not the explicit intention of the program. With respect to fertility, the program led to an initial bump in fertility, but this has since tapered off (see Figure 4).

The Family 500+ program has been criticized for lowering female labor force participation and, by consequence, reinforcing gender roles. Initial analyses of its effects do point to a reduction of nearly 3 percentage points among women, with pronounced effects on low-educated mothers and those in small towns (Magda, Kielczewska, and Brandt, 2018). While it is true that the reduction in labor market participation could have consequences for women's empowerment, including future participation and career progression, it is also true that such a policy relieves women of the double burden of paid and unpaid work and therefore reduces their time poverty.

**Figure 5: Child Poverty Ratio, 2005–2019**



Source: OECD

### *Türkiye's pension and health reforms and cash-for-care*

The principal social policies in Türkiye include pensions and social assistance. With respect to pensions, the government in 2003 doubled the value of social pensions for the elderly and disabled. In 2008, despite opposition from trade unions and other groups, the government reformed the social security system, merging employees, the self-employed, and civil servants



into one social security system. The new system provided greater access and reduced inequality between groups to the benefit of the lower social classes, though later reforms tightened eligibility and removed the benefit floor (Szikra and Öktem, 2023). Another major flagship program that was highly appreciated by lower-income segments of the population was the reform of the health system, which effectively universalized access to public hospitals.

In addition, in 2006 the government enacted a cash-for-care program that provided cash transfers to a family member, usually a woman, in exchange for care at home of the elderly and the disabled (Buğra, 2020). The policy, which critics argue reinforces family-based care and the patriarchy (Akkan, 2018), grew from 28,583 beneficiaries in 2007 to 535,805 in 2021. Moreover, the administration of social assistance was often discretionary and administered by religious associations and thus “mired in clientelism” (Szikra and Öktem, 2023, p. 10).

While the cash-for-care program was not linked to a pro-natalist effort, the AKP has been openly committed to increasing birth rates, supported through financial compensation but also through de facto restrictions on family planning and abortion.<sup>12</sup> In addition, since 2015 the government has offered monetary incentives to raise the natality rate under the “Family and Dynamic Population Structure Conservation Program”. These incentives, which are less generous than those provided in Hungary and Poland, provide a modest one-time payment at birth (Dildar, 2022).

While a more detailed analysis is needed to evaluate the impact of such policies on fertility, the de facto restrictions on family planning and abortion in Türkiye seem to have had a greater effect on raising fertility than the one-time monetary incentive. As Figure 4 shows, the fertility rate in Türkiye slightly increases after 2012 and starts to decline in 2015, the year in which the monetary incentives were initiated. In Poland, the fertility rate increased only slightly after the implementation of the Family 500+

- 12 In speeches, Erdoğan has condemned family planning “as a conspiracy to eliminate the nation” and has advocated for families to have a minimum of three children. Though abortion has not been outlawed, it has become unavailable in many public hospitals and many public family planning centers are defunct (Kiliç, 2017).

program in 2016, only to later fade out. This increase likely reflects a shift in the time preference of families who were already planning to have children, rather than an incentive to have children (Cook et al., 2022). Moreover, the restrictive abortion law, which led to the death of a woman in Poland from sepsis in September 2021, has likely discouraged some women from getting pregnant. In Hungary, the effect of the financial incentive on fertility seems to be stronger, but more detailed analyses are needed to evaluate its efficacy.

What is evident, however, is the effect of the policies on child poverty, which in all three countries, but particularly in Poland, fell substantially (see Figure 5). Such dramatic effects not only translate into immediate improvements in the material well-being of families with children, but also result in medium- to long-term benefits for these children in terms of health as well as education, as it deters school leaving.

### **Conclusion: An illiberal turn that has delivered**

It is difficult to attribute success to governments that are explicitly pursuing anti-democratic agendas that will likely be experienced for decades to come. Nonetheless, it is important to understand how specific policies enacted by anti-democratic governments garner popular support. Specifically, it is important to ask the question of whether the illiberal turn experienced in these countries has nonetheless successfully responded to the economic needs of the middle and lower classes who constitute the base of the regimes' support, apart from the nationalist and conservative rhetoric, which has strong appeal to substantial parts of the population.

During their time in office, the Fidesz government of Hungary, PiS in Poland, and the AKP in Türkiye have continued with the neoliberal economic policies that they inherited, while at the same time pursuing economic, labor, and social policies that achieve the economic and social objectives laid out in their economic vision. Through political allies, the governments have been able to exercise direct or indirect control of key industries, including banking, energy, telecommunications, and the media. Hungary and Türkiye have both increased labor market flexibility, while Poland has only made piecemeal attempts to address its high degree of labor market segmentation. Unionization is weak in all three countries,

and trade unionists have been attacked in Turkey. Nevertheless, the three governments have eagerly pursued increases in the minimum wage that have surpassed the rate of productivity growth. Meanwhile the economic insecurity resulting from the neoliberal economic and labor market policies are softened by large scale, highly visible, and highly popular social policies. Social spending strengthens support for the different regimes and reinforces their nationalist objectives of increased fertility and traditional gender roles. Absent large-scale economic crises, or if economic crises can be controlled – as Türkiye tenuously seems to be doing – it is hard to imagine such support withering.

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