



White Elephants in Hungary

Lessons of some EU funded projects – Case studies

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Introduction

In this short study¹, we document six of Hungary's EU-funded white elephant projects. Apart from their implementation, these projects have minimal or no social benefits (Robinson and Torvik, 2005). The contribution to such highly inefficient investments was certainly not the intention of the EU taxpayers. Hence, these cases point to issues that the Hungarian state and the EU have important reasons to overcome.

In part I, we provide a brief review of the literature published on white elephants. We look at possible explanations for:

1. why decision-makers undertake such projects;
2. how foreign aid can interfere in the process of project implementation;
3. what their effects may be on economic development.

Part II presents six case studies of such projects in Hungary. Hungarian media covered these cases. However, before this study, all have remained largely inaccessible for an English language audience.

In the conclusion, we make some observations. These concern (i) the broader mechanisms that explain the occurrence of these projects in Hungary and (ii) policy recommendations to prevent such undertakings in the future.

In the Annex, we provide indicators of the reliability of cited Hungarian media outlets. These include their outlet type, popularity, ownership, and further comments on their history. The cited media outlets are among the leading news portals in the Hungarian online media market. The data presented in Annex confirm this fact.

¹ This is a revised and extended English-language version of an earlier research paper published by CRBC in 2019 (Tóth and Matuz, 2019).

Literature

This section provides a brief overview of academic literature relevant to understanding white elephants and foreign aid. White elephants are defined as investment projects which, apart from their implementation, have not yielded benefits. Hence, their social surplus is negative (Robinson and Torvik, 2005). First, we focus on explanations for the occurrence of white elephants, then we discuss how foreign aid may contribute to the process. Lastly, we investigate their effect on economic development.

There are two kinds of explanations for the occurrence of white elephants. First, some authors focus on why such undertakings may be in the interest of governments. Robinson and Torvik (2005) argue that white elephants benefit politicians by redistributing goods to specific groups in ways that opposition politicians cannot. No party would campaign by pledging to undertake inefficient investment projects. Given that politicians may (i) prefer the well-being of the affected group and (ii) gain an advantage over the opposition through this process, the cost of white elephants can be outweighed. Bohn (2004) shows the limited incentive politicians have to undertake any efficient investment. Given high political instability (the politician may lose power in the future), an efficient investment project's expected benefit would be low. In such cases, the politician has little interest in the efficiency of an investment project, explaining the occurrence of white elephants.

The second explanation for white elephants focuses on the limited ability of governments to prevent their occurrence. Keck, 1988, and Ganuza and Llobet, 2020, model a standard concession agreement as a principal-agent problem with asymmetric information. The government is the principal and the firm it contracts with for a project is the agent. The government wants to maximize efficiency but the firm is only interested in its profit. Only the firm knows whether the project will be efficient but it has no incentive to share that information. The government may incentivize the firm to do so through rewards. But once the marginal cost of those rewards is higher than the marginal benefit of increased efficiency, they are no longer beneficial for the government. Hence, it is highly likely that some white elephants emerge from this conundrum.

If we hold that economic output is a function of capital per worker, foreign aid should contribute to economic growth. However, research results often provide mixed results. While on average foreign aid has a 20-25% positive return, its success is highly dependent on the institutional quality of the recipient country (Finn and Chenery, 2008).

One explanation for these mixed results is that foreign aid increases the level of corruption in countries with poor institutions, which in turn dampens economic development. This can be because foreign aid (i) decreases the political accountability of governments as they become less dependent on tax revenue from their own citizens, and (ii) increases the popularity of otherwise corrupt or

inefficient governments as people associate the visible positive effects of foreign aid with them. Some empirical studies have already demonstrated these effects with regard to the EU Cohesion Funds (Fazekas et al., 2014; Fazekas and Tóth, 2017; Tóth and Palócz, 2022).

Bose (2010) claims a mismatch between the theoretical and empirical economics of corruption and development. There are two competing views in the literature. The first says that corruption is bad for growth, leading to inefficient resource allocation, while the second claims that corruption can accommodate economic development as it helps overcome inefficient institutional rigidities. However, the evidence overwhelmingly supports the first view.

To clarify the debate, imagine the following scenario. A government can either increase the wages of its officials through higher taxes or allow these officials to collect bribes. This same government must weigh up which of these choices is less costly for society as a whole. There are two main reasons raising taxes tends to be less costly: (i) taxation is more predictable than bribes, and (ii) bribes cause additional market distortions as officials can prioritize activities where it is easier to collect them. Empirical evidence from Uganda, where the marginal cost of bribes was three times higher than that of taxation, confirms this (Olken and Pande, 2012).

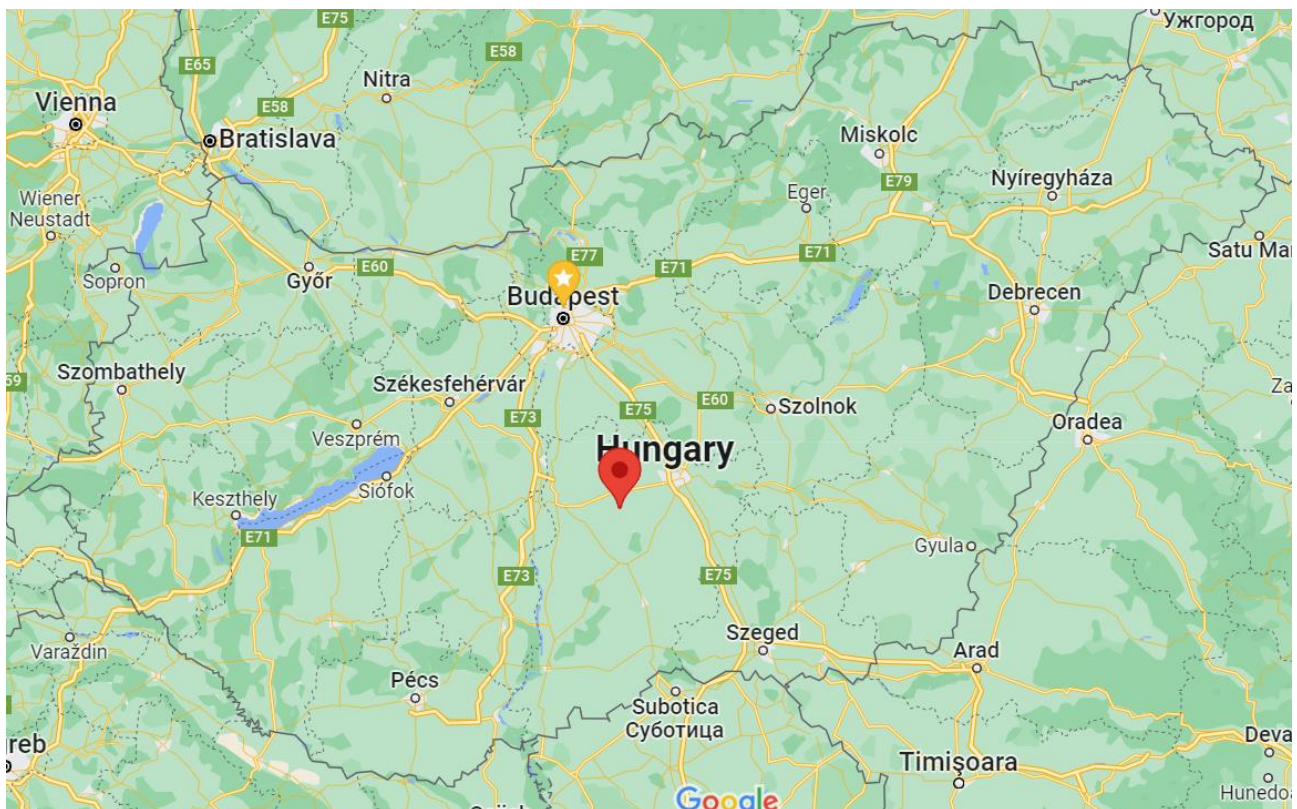
Though this debate was not explicitly applied to white elephants, the above scenario is analogous in many ways. As described in the preceding section, governments can (i) use white elephants as a method for redistribution similar to bribes and (ii) may find that preventing white elephants is more costly than letting them come to fruition.

Case Studies

1. An EU funded private home: the hunting lodge of the city mayor

Izsák is a small town, population 5567, in the Bács-Kiskun county of Hungary.²

1.1. Picture: The location of Izsák in Hungary



Source: google.maps, <https://bit.ly/2SU00C3>

For most of the period between 1998 and 2020, the mayor of the city was József Mondok,³ who won elections in 1998, 2002, 2006, 2010 and finally in 2014 as the candidate of the FIDESZ-KDNP coalition.⁴ In the 2019 elections, the governing party nominated him despite ongoing prosecution proceedings against him concerning the case we present below. He lost against the independent candidate Tibor Kutas by a narrow margin of 39 votes. However, Kutas resigned

² 'Izsák (Település)', in *Wikipédia (HUN)*, accessed 9 March 2022, <https://bit.ly/2Fwyx5w>.

³ 'Mondok József', in *Wikipédia (HUN)*, accessed 9 March 2022, <https://bit.ly/2TNUd0J>.

⁴ 'Izsák települési választás eredményei', *Önkormányzati választások*, 2014. október 12. (Nemzeti Választási Iroda, 18 November 2014), <https://bit.ly/2Fzu41N>. Accessed 9 March 2022

in the summer of 2020, after unknown perpetrators vandalized his car.⁵ At the by-elections, József Mondok was re-elected to office.⁶ He did not complete his term after unexpectedly passing away in late 2020.⁷

Between 2014-15, József Mondok used EU funds to build a hunting lodge⁸ next to the city. Allegedly, he moved in and used it as his personal home.

1.2. Pictures: The hunting lodge in Izsák⁹



Besides being the mayor of Izsák for most of the period between 1998 and 2020, József Mondok owned multiple businesses (he was the CEO of Karádi Mezőgazdasági Zrt.¹⁰ and Agro-Wild Ltd.;¹¹ he was also the operator of the Mondok Ltd. Fuel Station¹²). In his spare time, he was an amateur hunter and a member of the Hungarian Equestrian Federation.¹³ Until 2014, he was the president of the Equestrian Federation of Bács-Kiskun county, the leader of the Charioteering Branch, and the hunting master of the Hubertus Hunting Company.¹⁴

⁵ Tamás Botos, 'Miután megrongálták autóját, lemondott az izsáki polgármester', *444.hu*, 2020, <https://bit.ly/37hTAIQ>. Accessed 14 March 2022.

⁶ Zsolt Sarkadi, 'Újra Mondok József lett Izsák polgármestere', *444.hu*, 2020, <https://bit.ly/3q1GbeH>. Accessed 14 March 2022.

⁷ Attila Rajnai, 'Felmentették az izsáki vadászházügy vádlottjait, nem követett el bűncselekményt a nemrég elhunyt polgármester', *24.hu*, 2021, <https://bit.ly/3i6m6PU>. Accessed 14 March 2022.

⁸ See Google map address: Izsák, R8GM+7W, 6070 Hungary.

⁹ Zsolt Sarkadi, 'Izsák fideszes polgármestere épített egy vadászpanziót EU-támogatásból, aztán beköltözött', *444.hu*, 2017, <https://bit.ly/2AJgYMe>. Accessed 19 March 2022.

¹⁰ 'Karádi Mezőgazdasági Zártkörű Részvénytársaság' (Igazságügyi Minisztérium, 26 0 2021), <https://bit.ly/3wpk5a3>. Accessed 9 March 2022

¹¹ 'AGRO-WILD Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság' (Igazságügyi Minisztérium, 1 September 2021), <https://bit.ly/3w3pP98>. Accessed 9 March 2022

¹² See Google Map address: Q9W7+86 Izsák, Hungary

¹³ 'MONDOK József, alelnök' (Bács-Kiskun Megyei Lovasszövetség, 2017), <https://bit.ly/2ANRWeT> Accessed 14 March 2022.

¹⁴ Ibid.

In 2014, one of the mayor's companies, Mondok Ltd.,¹⁵ applied for a tender worth HUF 35 million (around EUR 90,000¹⁶) to build a hunting lodge and hotel to attract local tourists. It was announced by the Hungarian government as part of the Darányi Ignác Plan.¹⁷ The goal of the Plan was to foster the ability of rural regions in Hungary to sustain and support their populations by protecting natural assets and resources, fueling agrarian production, and increasing the standard of living in rural communities. A substantial portion of the Darányi Ignác Plan is EU funded. The budget of the Plan from 2012 until 2014 was HUF 300 billion (around EUR 750 million).¹⁸

József Mondok was a member of the local committee responsible for assessing applications for the tender. This committee was set up under the "LEADER Program"¹⁹, in Hungary launched by the Hungarian government.²⁰ Its goal is that EU funds reserved for rural development are spent in coordination with local political, economic, and non-governmental actors. To this end, they set up "Local Action Groups" tasked with developing the given territory's rural development strategy. The funds are then distributed locally, through local tenders, to projects that are in line with the locally developed strategies.²¹

Mondok's hunting lodge was built by a company from the small city of Kecskemét (Generál-Centrál Építőipari és Kereskedelmi Ltd²²) between August 2014 and February 2015²³ on the Gedeon-dűlő (vineyard) near Izsák. However, according to local residents in 2017, Mondok Ltd. did not advertise that the hunting lodge was operating as a hotel or receiving guests. Allegedly, József Mondok had moved into the lodge and was using it as his personal home.²⁴ When journalists

¹⁵ 'MONDOK Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság' (Igazságügyi Minisztérium, 24 0 2021), <https://bit.ly/36nf9HG>. Accessed 9 March 2022

¹⁶ In all conversions throughout the paper we use the exchange rate of 9 March 2022, which was around EUR 1 = HUF 380. See: 'EUR to HUF Chart', in *XE.Com*, 2022, <https://bit.ly/3IbDLA7>. Accessed 14 March 2022.

¹⁷ Zsolt Sarkadi, 'Izsák fideszes polgármestere épített egy vadászpanziót EU-támogatásból, aztán beköltözött', *444.hu*, 2017, <https://bit.ly/3KvCWUO>. Accessed 10 April 2022

¹⁸ 'Darányi Ignác Terv: A Nemzeti Vidékstratégia (2012-2020) végrehajtásának keretprogramja' (Vidékfejlesztési Minisztérium, 2012: 19), <https://bit.ly/2ROyWqr>. Accessed 9 March 2022

¹⁹ See: https://enrd.ec.europa.eu/leader-clld_en

²⁰ 'HVS felülvizsgálat 2013: Helyi Bíráló Bizottság megválasztása' (Kolon Menti Leader Egyesület, 2013), <https://bit.ly/2D8vDSV>. Accessed 9 March 2022.

²¹ 'Megjelentek a Leader Helyi Akciócsoportok első vidékfejlesztési pályázatai' (Magyarország Kormánya, 2017), <https://bit.ly/2HaE5Vz>. Accessed 9 March 2022. and 'ÁLTALÁNOS ÚTMUTATÓ a LEADER Helyi Akciócsoportok által meghirdetett helyi felhívásokhoz, Verzió: 1.0' (Magyar Államkincstár, 2017), <https://bit.ly/2FwwKNN>. Accessed 9 March 2022.

²² 'GENERÁL CENTRÁL Építőipari és Kereskedelmi Korlátolt Felelősségű Társaság' (Igazságügyi Minisztérium, 2021), <https://bit.ly/3u22u4W>. Accessed 9 March 2022.

²³ (Untitled), 2017, <https://bit.ly/3ig4XDf>. Accessed 9 March 2022.

²⁴ Zsolt Sarkadi, 'Izsák fideszes polgármestere épített egy vadászpanziót EU-támogatásból, aztán beköltözött', *444.hu*, 2017, <https://bit.ly/3KvCWUO>. Accessed 10 April 2022

visited the site for a 2017 story, a Nissan Navara off-road vehicle²⁵ owned by the municipality was parked in the garden of the hunting lodge. The municipality of Izsák had provided such a car for the mayor, and later, József Mondok was seen driving it to the town hall.²⁶

Mondok admitted in an interview given to a TV channel in mid-January 2017 that he was living in the lodge.²⁷ However, two weeks later, he denied the same accusation in another statement given to *baon.hu* (a local newspaper in Bács-Kiskun county). According to his latter claim, he was spending time at the lodge only to patrol the property.²⁸

In the aftermath of articles published by the Hungarian news portals *444.hu* and *index.hu*, the Hungarian State Treasury launched an investigation into the case. They checked the bookkeeping of Mondok Ltd. to discover whether the hunting lodge ever functioned as a hotel.²⁹ The investigation concluded that the hotel was illegally used for private gain, as it was primarily utilized by József Mondok and his acquaintances. Hence, the State Treasury suspended Mondok Ltd.'s eligibility for the funds and required it to reimburse them.³⁰

As a result, prosecution proceedings were initiated against József Mondok in November 2017. The District and Investigative Prosecutor of Kecskemét wrote in their statement, in November 2017, that it was charging the defendant with fraud, public-document forgery, and the use of false private documentation. Mondok's son (Miksa Mondok) and Pál. K. István, a representative of Mondok

²⁵ A Nissan Navara is unaffordable for an average Hungarian household. It costs at least 2-3 times more than the two most commonly owned cars in Hungary, the Opel Astra and the Suzuki Swift (if we compare the minimum prices of each of the newest models). Moreover, if we look at the minimum price of a new Nissan Navara (HUF 12,300,000), the average after-tax wage in Hungary (HUF 289,000/month) and the average savings rate in Hungary (30%), an average Hungarian would have to work 12 years to buy such a car. See sources: Csaba Lencsés, 'Itt a lista, amit még nem láttál: Magyarország legnépszerűbb autói', *Vezess.hu*, 2019, <https://bit.ly/3j8b2SP>, Nissan Solymár, 'Nissan Navara', n.d., <https://bit.ly/38IK7kg>, Suzuki Géro, 'Suzuki Swift', n.d., <https://bit.ly/3ubE76i>, Opel Maxabo, 'Opel Astra', n.d., <https://bit.ly/3NQ1mKW>, Iván Sztojcssev, 'KSH: 289 ezer forint a magyar nettó átlagkereset, az orvosi béremelés is megdobta az összeget', *Hvg.hu*, 2021, <https://bit.ly/3NQUSvh>, World Bank, 'Gross Domestic Savings (% of GDP) - Hungary', n.d., <https://bit.ly/3r6f2HV>. All accessed 6 April 2022.

²⁶ Attila Rovó, 'Kétszer is megjárta az izsáki polgármester a vadászházstiklit', *Index.hu*, 2017, <https://bit.ly/2ClavHs>. Accessed 9 March 2022.

²⁷ Tamás Német, 'A fideszes polgármester elismerte: uniós pénzből épített vadászházban lakik', *Index.hu*, 2017, <https://bit.ly/3i40547>. Accessed 14 March 2022.

²⁸ Sándor Czinkóczi, 'Az izsáki polgármester azt állítja, nem ő lakik az uniós pénzből épült vadászházban, csak néha hosszabb időt tölt el ott', *444.hu*, 2017, <https://bit.ly/3t77vtI>. Accessed 14 March 2022.

²⁹ Zsolt Sarkadi, 'Soron kívüli vizsgálatot indítanak az izsáki polgármester vadászpanziója miatt', *444.hu*, 2017, <https://bit.ly/2RpSjXs>. Accessed 14 March 2022.

³⁰ *Index.hu*, 'Vádat emeltek a vadászház helyett saját otthonát építő izsáki polgármester ellen', 2017, <https://bit.ly/3u39jDy>. Accessed 17 March 2022.

Ltd were also charged at the District Court of Kecskemét as accessories to the crimes.³¹ Pál K. István was charged as an accessory because he signed and submitted official documents for the company. He is a retired office bearer of the municipality of Izsák and was allegedly responsible for falsely registering a public employee as maintaining the local history museum of Izsák while he was implementing tasks at the hunting lodge at the mayor's orders.³²

The trial started on 6 November 2018 and József Mondok did not attend. His son, Miksa Mondok, arrived and claimed that his parents were paying for the hotel while staying there. Miksa Mondok³³ became the manager of Mondok Ltd. at the age of 18 while he was still a secondary school student.³⁴

József Mondok suddenly passed away on the last day of 2020. In early 2021, three years after the Prosecutor pressed charges, the District Court of Kecskemét did not find any of the defendants guilty. Judge János Jádi reasoned as follows: charges against József Mondok had to be lifted as a result of his death. However, the court also failed to find the evidence brought against him to be sufficient. The judge claimed that Mondok had submitted all necessary plans for the project well in advance and that he used the property in line with its intended purpose. With regard to his son, Miksa Mondok, Judge Jádi argued that the court cannot draw conclusions on the ground that it is unrealistic for an 18-year old to run the company. The Court also found that, according to accessible data, the employee working at the hunting lodge was not registered as public employee at the time.³⁵

As a result, the government repaid the HUF 35 million to Mondok Ltd. However, the verdict is not yet final, as the Prosecutor appealed to determine culpability.³⁶

While the vast number of articles covering this story are available only in Hungarian, there was also a limited amount of English language coverage.³⁷

³¹ József Spirk, 'Rászállt az Ügyészség a fideszes polgármesterre, aki EU-pénzből két vadászházat épített magának', *24.hu*, 2017, <https://bit.ly/2ChIT78>. Accessed 9 March 2022.; György Farkas, 'Vádat emeltek a fideszes polgármester ellen', *24.hu*, 2017, <https://bit.ly/2Fske2G>. Accessed 9 March 2022., and Pál Dániel Rényi, 'Nem ment el bírósági tárgyalására a költségvetési csalással vádolt izsáki polgármester', *444.hu*, 2018, <https://bit.ly/2AVixHh>. Accessed 9 March 2022.

³² 'Megkezdődött az izsáki vadászház pere, a vádlott fideszes polgármester nem volt jelen', *hvg.hu*, 2018, <https://bit.ly/2CnXk8H>. Accessed 9 March 2022.

³³ (Untitled), n.d., <https://bit.ly/2FrFFkb>. Accessed 14 March 2022

³⁴ 'Megkezdődött az izsáki vadászház pere, a vádlott fideszes polgármester nem volt jelen', *Hvg.hu*, 2018, <https://bit.ly/2CnXk8H>. Accessed 9 March 2022.

³⁵ Attila Rajnai, 'Felmentették Az Izsáki Vadászházügy Vádlottjait, Nem Követett El Bűncselekményt a Nemrég Elhunyt Polgármester', *24.Hu*, 2021, <https://bit.ly/3i6m6PU>. Accessed 11 April 2022.

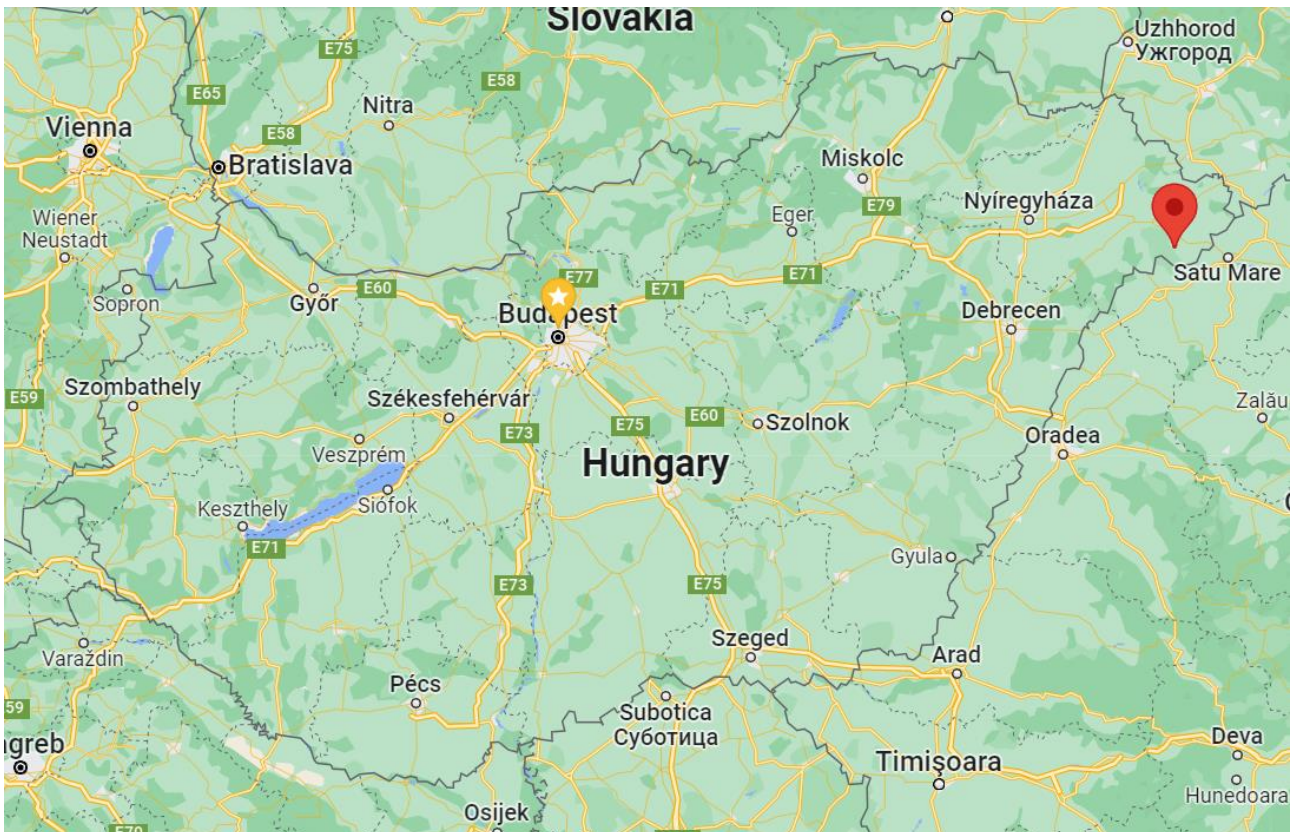
³⁶ Ibid.

³⁷ Átlátszó.hu, 'Government Politicians Built Invisible "Guest Houses" with EU Funding', 2021, <https://bit.ly/37i787a>. Accessed 14 March 2022., and Balázs Pivarnyik, 'Fidesz Mayor Indicted for Building a Hunting Lodge for Himself with EU Funds', *The Budapest Beacon*, 2017, <https://bit.ly/3Jn1QFu>. Accessed 14 March 2022.

2. The Hungarian San Gimignano: The 11 lookout towers in Tyukod

Tyukod is a village situated near the Hungarian-Ukrainian-Romanian triple border in Szabolcs-Szatmár-Bereg county. It has a population of 2025.³⁸

2.1. Picture: The location of Tyukod in Hungary



Source: google.maps, <http://bit.ly/2RJxfus>

Despite the fact that Tyukod's surroundings are flat and have no attractions, 11 lookout towers were built between 2013 and 2017 with EU funds from which the locals heavily profited. The towers ('Rádika Göngye' Lookout Tower [GPS coordinates: 47,866, 22,491]³⁹; 'Erdei' Lookout Tower at the Makkos path [GPS coordinates: 47,864, and 22,504⁴⁰]; 'Szabó I' Lookout Tower [GPS coordinates: 47,853, 22,536⁴¹]; 'Szabó II' Lookout Tower [GPS coordinates: 47,861, and

³⁸ 'Tyukod', in *Wikipédia (HUN)*, n.d., <https://bit.ly/2RQFZ1Y>. Accessed 9 March 2022.

³⁹ (Untitled), n.d., <https://bit.ly/2He1hSU>. Accessed 9 March 2022.

⁴⁰ (Untitled), n.d., <https://bit.ly/2SWqdji>. Accessed 9 March 2022. and (Untitled), n.d., <https://bit.ly/2FxQa4T>. Accessed 9 March 2022.

⁴¹ (Untitled), n.d., <https://bit.ly/2ANib59>. Accessed 9 March 2022.

22,501⁴²]; Kecskés Lookout Tower [GPS coordinates: 47,863 and 22,535⁴³], and five more) cost HUF 264 million (around EUR 675,000), all from EU funds.⁴⁴

2.2. Pictures: Some lookout towers in Tyukod⁴⁵

2.2.2a: The Rádika Gyöngye Lookout Tower



2.2.2b: The Makkos Lookout Tower



2.2.2c: The Szabó Lookout Tower I.



⁴² (Untitled), n.d., <https://bit.ly/2M8VuNs>. Accessed 9 March 2022.

⁴³ (Untitled), n.d., <https://bit.ly/2RppB9f>. Accessed 9 March 2022.

⁴⁴ 444.hu, 'Tizenegy kilátó épült uniós pénzből a kétezer lakosú alföldi faluban, Tyukodon', 2017, <https://bit.ly/3CPXyUQ>. Accessed 11 April 2022. and RTL Klub, *1 falu, 11 kilátó, 4 év alatt, 264 millióból*, 2017, <https://bit.ly/3KMjpPE>. Accessed 9 March 2022.

⁴⁵ Sources cited in preceding paragraph above.

2.2.2d: The Szabó Lookout Tower II.



2.2.2e: The Kecskés Lookout Tower



In 2017, the locals claimed to visiting journalists that no tourists had visited the towers.⁴⁶ One can observe an illegal landfill and an abandoned TSZ (“agricultural cooperative” from the socialist era⁴⁷) building from the Szabó Lookout Tower I.⁴⁸ From another tower built by Ferenc Szabó one can clearly see the next tower situated 500 meters away and a second one located 1000 meters away.⁴⁹

⁴⁶ RTL Klub, *1 falu, 11 kilátó, 4 év alatt, 264 millióból*, 2017, <https://bit.ly/3KMjpPE>. Accessed 9 March 2022. and Mátyás Domschitz, ‘Az EU kilátókra adott pénzt, ezért egy faluban kilátókat építettek. Eddig 11-et’, *Index.hu*, 2017, <https://bit.ly/34Oq6S2>. Accessed 17 March 2022.

⁴⁷ See: Glenn Carroll, Jerry Goodstein, and Antal Gyenes, ‘Organizations and the State: Effects of the Institutional Environment on Agricultural Cooperatives in Hungary’, *Administrative Science Quarterly* 33, no. 2 (1988): 233–56.

⁴⁸ (Untitled), n.d., <https://bit.ly/2Fq72LH>. Accessed 9 March 2022.

⁴⁹ (Untitled), n.d., <https://bit.ly/2Cjk0XC>. Accessed 9 March 2022.

2.3: Pictures: The view from the two lookout towers built by Ferenc Szabó⁵⁰

2.2.3a: The view from Szabó Lookout Tower I.



2.2.3b: The view from Szabó Lookout Tower II.



Each lookout tower was EU-funded with EUR 79,000 and the tenders were distributed by the Ministry for Rural Development.⁵¹

The librarian at the local cultural center was also a lookout tower builder. He admitted that he did not build the tower for the view. However, he made HUF 5 million (around EUR 13,000) worth of profit on the tender. He even claimed that other tower builders had higher profit margins, as they did not care about durability. They used lower quality wood, which rots earlier, squeezing out an income of up to HUF 10 million (around EUR 26,000) from the project.⁵²

There is no information on whether 'the entrepreneurs' who built the 11 towers or the staff of the Rural Development Ministry or other Hungarian institutions approving the EU funded tenders had to face any legal consequences.

It is unknown through what procedures the Hungarian authorities distributing EU funds or the EU institutions themselves made the construction of the 11 lookouts in Tyukod possible. Obviously, if they had known about it before the 11 lookouts were built, neither EU taxpayers nor EU institutions would have approved such projects.

While most of the coverage of the towers is in Hungarian, a German language article also appeared in 2017.⁵³

⁵⁰ Sources cited in the preceding paragraph.

⁵¹ Népszava, 'Kilátók a Magyar Síkságon 264 Millióért', 2017, <https://bit.ly/3usJEFu>. Accessed 11 April 2022.

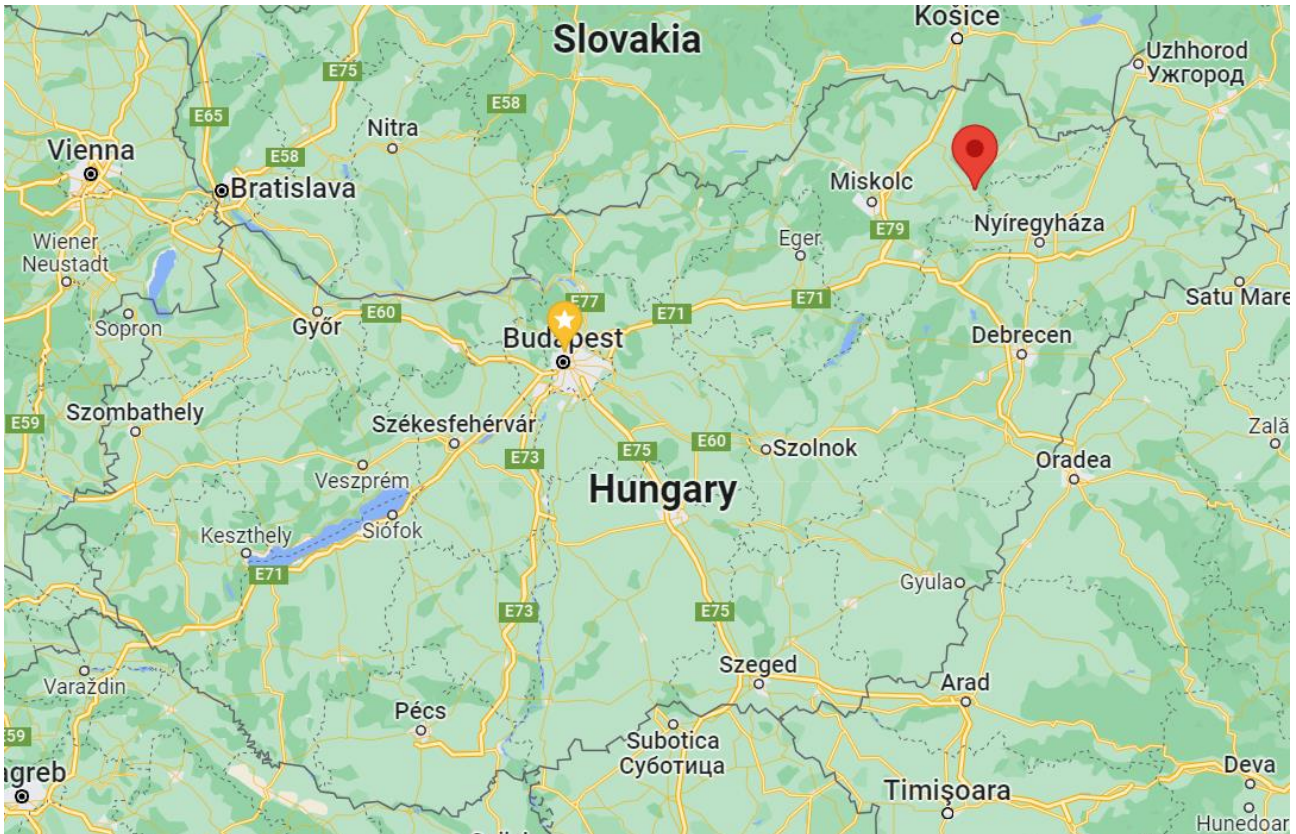
⁵² Ibid.

⁵³ Steffen Dobbert, 'König Viktor Und Die Elf Türme von Tyukod', *Zeit Online*, 2017, <https://bit.ly/37FhEpl>. Accessed 17 March 2022.

3. The world's shortest lookout tower: Bodrogkeresztúr

Bodrogkeresztúr is a village in Borsod-Abaúj-Zemplén county, 50 kilometers east of Miskolc. It has a population of 1109.⁵⁴

3.1. Picture: the location of Bodrogkeresztúr in Hungary



Source: google.maps, <http://bit.ly/2HaFDix>

In 2007, a 39-centimeter tall lookout tower⁵⁵ was built in the village. The project was worth HUF 39 million (around EUR 100,000) and was financed by the EU. The funding was secured by the municipality as part of the Tokaj world heritage tender, advertised by the National Development Agency (NDA).⁵⁶

The short lookout tower has a bronze ring on top, and a place for visitors to rest with sidewalks, benches and a fireplace surrounding it.⁵⁷

⁵⁴ Bodrogkeresztúr', in *Wikipédia (HUN)*, n.d., <https://bit.ly/37msgZY>. Accessed 9 March 2022.

⁵⁵ Google map address: 5986+PP Bodrogkeresztúr, Hungary.

⁵⁶ Index.hu, 'Nem akartak nagyobb, mint 40 centis kilátót', 2009, <https://bit.ly/3MU1aK0>. Accessed 14 March 2022.

⁵⁷ Hírek360.hu, *Bodrogkeresztúri kilátó: 40 centivel a Föld felett*, 2018, <https://bit.ly/3Idb8mc>. Accessed 15 March 2022.

3.2. Picture: The lookout tower in Bodrogkeresztúr⁵⁸



In a short video published on Youtube, two journalists document their visit to the site. They said that, previously, tourists had illegally climbed on the nearby hump of the waterworks to enjoy the panorama. The lookout tower was built as an alternative for visitors. Ironically, it turned out to be much shorter than the waterworks.⁵⁹

⁵⁸ Környéke.hu, 'Panoráma Kilátó-Pont - Bodrogkeresztúr', n.d., <https://bit.ly/34VgvsP>. Accessed 19 March 2022.

⁵⁹ Hírek360.hu, *Bodrogkeresztúri kilátó: 40 centivel a Föld felett.*

3.3. Picture: The journalists sitting on the lookout tower with the hump of the waterworks in the background⁶⁰



After some hesitation to provide an explanation, the National Development Agency stated that the lookout tower had a reasonable cost. Spokesperson Péter Oravecz stated that the landscaping and cleaning cost HUF 19-20 million (around EUR 49,000-52,000). The other half of the budget was spent on infrastructure, including the sidewalks and the roads.⁶¹

Oravecz confirmed that the residents of Bodrogkeresztúr wanted to build the site because tourists previously used the hump of the waterworks to admire the view and that it was purposefully built this short. As he reasoned, there was no point in building a higher tower, since the place is already adequate for a panoramic view. He added that the site was designed by a renowned architect.⁶²

The world's shortest lookout tower (<40 cm) was built in Hungary with EU funds. It is an excellent symbol of the fact that spending foreign aid may result in useless projects.

⁶⁰ Source: Ibid.

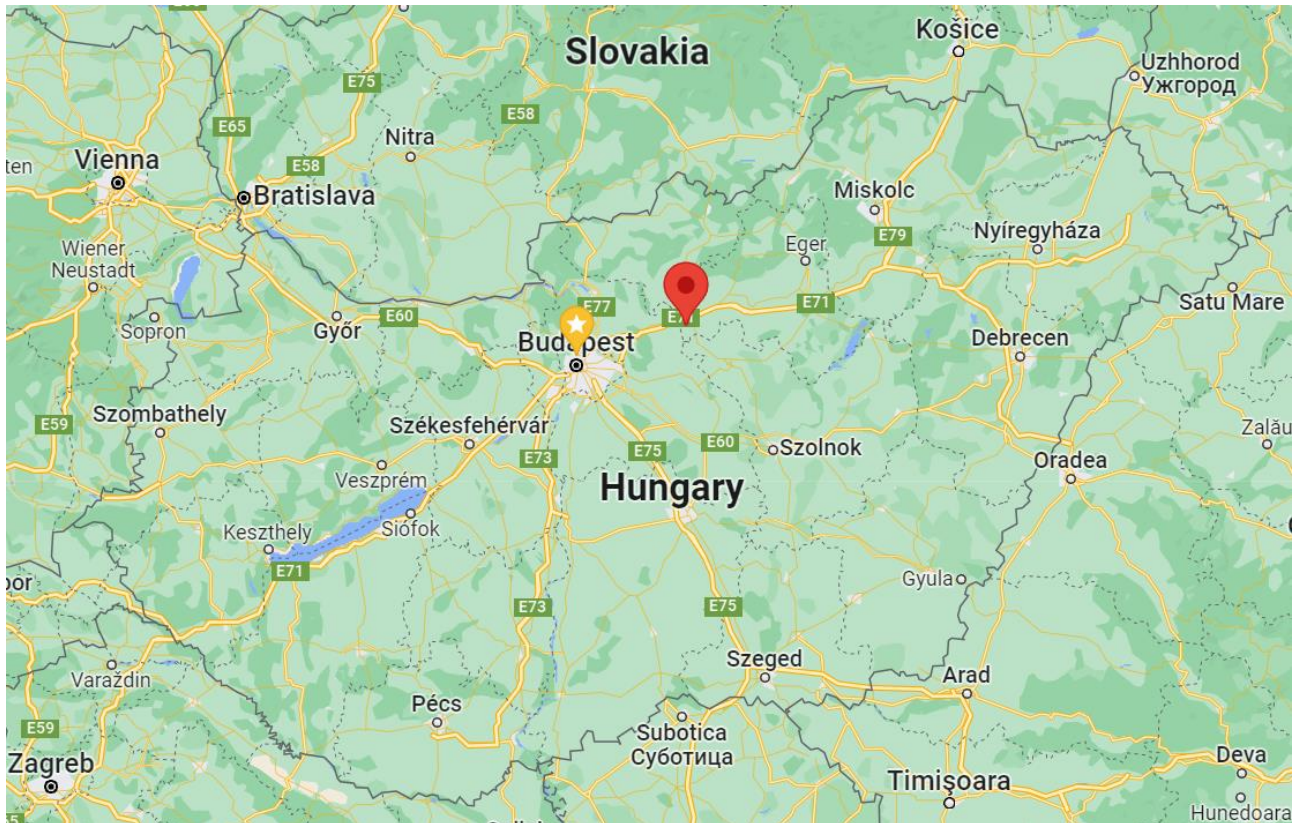
⁶¹ Index.hu, 'Nem akartak nagyobb, mint 40 centis kilátót', 2009, <https://bit.ly/2FGHDgT>. Accessed 15 March 2022.

⁶² Ibid.

4. Life threatening: the bicycle adventure park in Hatvan

Hatvan⁶³ is a town situated 60 kilometers from Budapest, in the Western region of Heves county.

4.1. Picture: Hatvan in Hungary



Source: google.maps, <http://bit.ly/2FA4oCr>

The goal of a 2014-2015 project was to support bicycle tourism by the river Zagyva.⁶⁴ The project consisted of a new bicycle adventure park and a bicycle path connecting the city with the village of Boldog. The latter also included the construction of a new bridge 100 meters away from an already-existing bridge over the Zagyva.

The project had an overall, after-tax cost of HUF 1.1 billion (around EUR 2.8 million). The bicycle path and the bicycle adventure park each took around half of the budget.⁶⁵

⁶³ 'Hatvan', in *Wikipédia (HUN)*, n.d., <https://bit.ly/3N4r9if>. Accessed 9 March 2022.

⁶⁴ Gábor Vágó, 'Uniós pénzszórás Hatvanban: bizarr objektum és gazos kerékpárút több mint egymilliárdért', *Átlátszó*, 2016, <http://bit.ly/2VWY4ua>. Accessed 9 March 2022. and 'Kalandozz kerékpárral a Zagyva-folyó mentén!', *Velo.hu*, 2015, <http://bit.ly/2RxOtMd>. Accessed 9 March 2022.

⁶⁵ Tamás Wiedemann, 'Világ bajnok magyarázat az úthibákra a kormány kedvenc cégétől: „ez fizika”', *G7.hu*, 2019, <https://bit.ly/35SqdwF>. Accessed 15 March 2022.

The bicycle path was opened for the public in 2014. However, after just one year, wide cracks caused by reeds sprouting up through the pavement began to appear. An expert report concluded that mistakes were made both during the planning and the implementation of the project.⁶⁶ The planners had to fix almost the entire 7.3-kilometer bike lane while it was still under warranty. A representative of the construction company, Duna Aszfalt, claimed that “it is possible the path will break up again; it is simple physics”.⁶⁷

4.2. Pictures: Photographs of the bicycle path after the renovation⁶⁸



The bicycle adventure park⁶⁹ was finished a year later, in 2015. However, it was soon deemed highly dangerous. Hence, shortly after its opening, it was closed down and is only available to those taking full responsibility for any possible injuries sustained. Only 41 people had applied to use the park through 2019. This means that the project cost HUF 9.5 million (around EUR 25,000) per cyclist, before tax.⁷⁰

⁶⁶ Wiedemann, 'Világ bajnok magyarázat az úthibákra a kormány kedvenc cégtől: „ez fizika”'. Accessed 15 March 2022, <https://bit.ly/3C54EG1> Accessed 19 March 2022.

⁶⁷ Ibid.

⁶⁸ 24.hu, 'Egymilliárdért építették, két év alatt tönkrement a hatvani bicikliút', 2016, <https://bit.ly/3wkPTwp>. Accessed 19 March 2022. and Tamás Koncz, 'Egymilliárdért repedezik a hatvani bicikliút', *Origo.hu*, 2016, <https://bit.ly/3653TA0>. Accessed 19 March 2022.

⁶⁹ See Google map address: MMCH+H7 Hatvan, Hungary.

⁷⁰ Wiedemann, 'Világ bajnok magyarázat az úthibákra a kormány kedvenc cégtől: „ez fizika”'. Accessed 15 March 2022.

4.3. Pictures: The bicycle adventure park in Hatvan⁷¹



József Bíró, a local representative of the opposition party MSZP reported the case to the authorities;⁷² however, the police did not order an investigation.⁷³

⁷¹ Alfahír, 'Százmilliók a kukában: darabjaira hullik a hatvani kalandpark, amit nem is használhattak az emberek', 2017, <https://bit.ly/3tH1hky>. Accessed 27 March 2022. and Hvg.hu, 'És akkor megmutattuk Európának, hogyan kell lenyúlni az uniós pénzt', 2018, <https://bit.ly/3tpWyn6>. Accessed 19 March 2022.

⁷² József Bíró, 'Most már elég! Büntetőfeljelentés a hatvani kerékpárút miatt.', *60lap.hu*, 2015, <https://bit.ly/3IcPC11>. Accessed 9 March 2022.

⁷³ *Atlatszo.hu*, *Uniós pénzszerzés Hatvanban: bizzar objektum és gazos kerékpárút több mint egymilliárdért*, 2016, <https://bit.ly/3waUrpm>. Accessed 9 March 2022.

The main builder⁷⁴ on both projects was Duna Aszfalt Ltd. (tax number: 11426628-4-03, company registration number: 0309105290).⁷⁵ This company is particularly successful in winning tenders on construction projects funded by the EU.⁷⁶ Its owner is László Szíjj,⁷⁷ who has close ties to the governing party, Fidesz. For example, in 2020, Hungarian Foreign Minister Péter Szijjártó was photographed in Croatia on Szíjj's luxury yacht.⁷⁸

4.4. Pictures: Hungarian Foreign Minister Péter Szijjártó photographed in Croatia on a luxury yacht owned by László Szíjj⁷⁹



⁷⁴ 'Közbeszerzési Értesítő 2014/112' (Közbeszerzési Hatóság, 2014), <https://bit.ly/3IkZFRS>. Accessed 9 March 2022. and 'Közbeszerzési Értesítő 2014/136' (Közbeszerzési Hatóság, 2014), <https://bit.ly/3JhmHdl>. Accessed 9 March 2022.

⁷⁵ 'DUNA ASZFALT Út És Mélyépítő Korlátolt Felelősségű Társaság' (Igazságügyi Minisztérium, 2020), <https://bit.ly/3KPHhCf>. Accessed 9 March 2022.

⁷⁶ Katalin Erdélyi, 'Májusban is Szíjj László nyerte a nemzeti tőkésosztály közbeszerzési versenyét', *Átlátszó*, 2018, <https://bit.ly/3CKLDro>. Accessed 9 March 2022.

⁷⁷ See his personal LinkedIn profile: 'László Szíjj - Founder & Owner, Duna Group', *LinkedIn*, n.d., <https://bit.ly/3LSfYaT>.

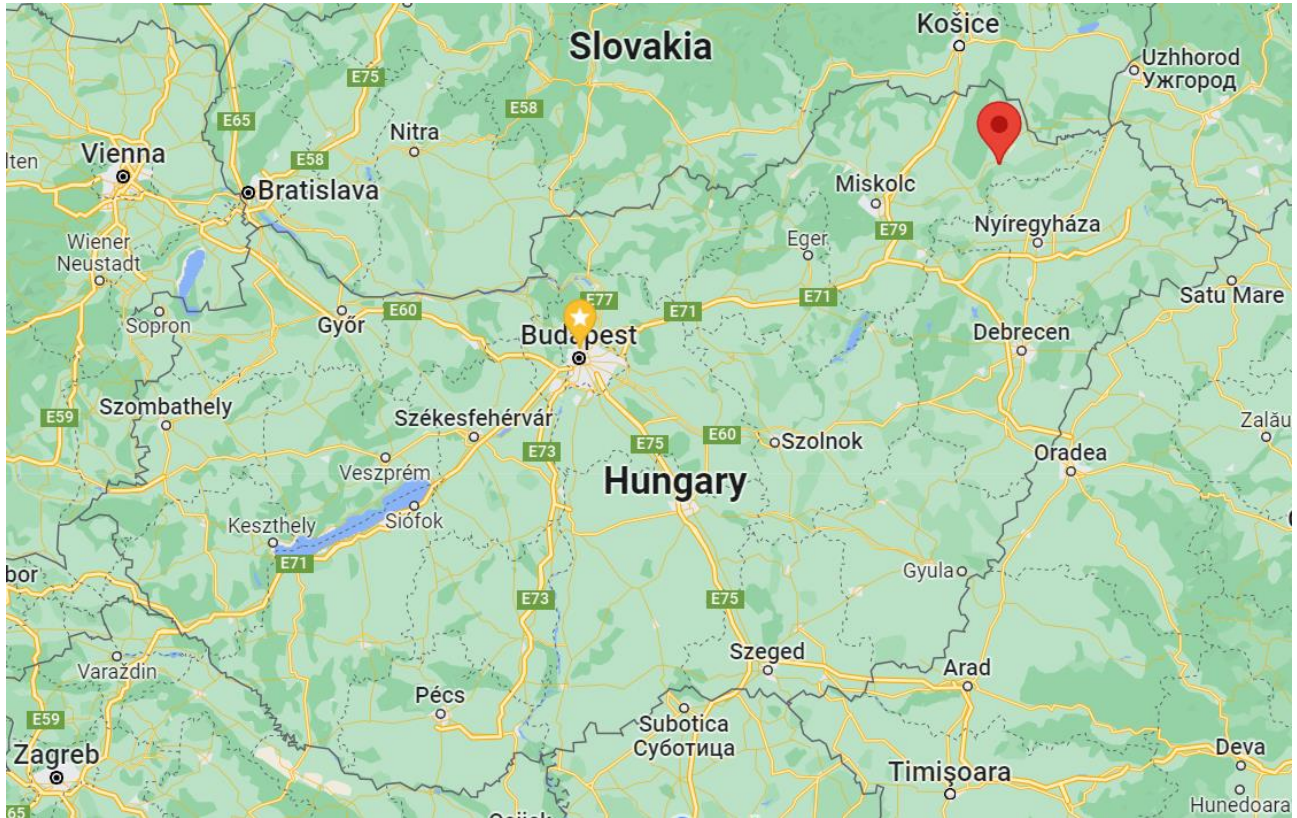
⁷⁸ Dániel Németh, 'Szijjártó Péter külügyminiszter Szíjj László adriai luxusjachtján bekkeli ki a fehérorosz válságot', *Átlátszó*, 2020, <https://bit.ly/3ufhvS8>. Accessed 6 April 2022.

⁷⁹ Ibid.

5. Ghostland: The adventure park in Sáradsadány

Sáradsadány⁸⁰ is a small village in Borsod-Abaúj-Zemplén county with a population of just 240. It is afflicted with deep poverty, an ageing population, and a 23% unemployment rate. It has no shops or restaurants.⁸¹

5.1. Picture: Sáradsadány in Hungary



Source: google.maps, <https://bit.ly/2T6C26F>

Behind the bus stop on the outskirts of the village⁸² there is an “adventure park”.⁸³ Part of its territory consists of rope-nets and wooden pillars. Next to this there is a bicycle obstacle course, which is unsuitable for use and resembles a few heaps covered with weeds. There are also some concrete paths designed to practice road safety for children.⁸⁴

⁸⁰ ‘Sáradsadány’, in *Wikipédia (HUN)*, n.d., <https://bit.ly/3JrKJCs>. Accessed 9 March 2022.

⁸¹ Pál Dániel Rényi, ‘Pénzégetés Tokajban: valóságos szellem-élménypark épült Sáradsadánynál’, *444.hu*, 2016, <https://bit.ly/3iahDM7>. Accessed 15 March 2022 through internet archive.

⁸² 24.hu, (*Untitled*), 2018, <https://bit.ly/3u37K8i>. Accessed 9 March 2022.

⁸³ Google map address: 7FCW+X9 Sáradsadány, Hungary.

⁸⁴ 24.hu, (*Untitled*), 2018, <https://bit.ly/3w9HkVp>. Accessed 9 March 2022.

5.2. Pictures: The adventure park in Sáradsadány⁸⁵



According to the locals, the park resembles a ghost town. Hardly anyone in the small village with an ageing population uses it. Tourism is hard to attract given the lack of any facilities in the village, the poor quality of roads, and a much higher quality adventure park just 20 kilometers away in Sátorlajújhely.⁸⁶

In the summer of 2017, we visited the site. There is a blackboard at the adventure park saying that it cannot be used without authorization. A telephone number must be called to get access to the facility (+36 47 390 002). We learned that it corresponds to the phone number of the Municipality of Sáradsadány. Consequently, it is only available during working hours.⁸⁷

The project was completed in 2015 with a cost of HUF 35 million (around EUR 90,000). It was funded within the framework of "Special touristic attractions and services: The touristic development of Tokaj-Hegyalja" run by the Office for the

⁸⁵ Pál Dániel Rényi, 'Pénzégetés Tokajban: valóságos szellem-élménypark épült Sáradsadánynál', *444.hu*, 2016, <https://bit.ly/3iahDM7>. Accessed 15 March 2022 through internet archive.

⁸⁶ 24.hu, 'Szellemtanya hangulatát idézi az év elején átadott sáradsadányi élménypark', 2016, <https://bit.ly/3qb30wn>. Accessed 15 March 2022.

⁸⁷ 'Sáradsadány Önkormányzat', *Sáradsadány Község*, n.d., <https://bit.ly/3jbTjKj>. Accessed 6 April 2022.

Széchenyi Plan,⁸⁸ with a total EU funded budget of HUF 2.3 billion (around EUR 6 million).⁸⁹

The builder on the project was FOUR-ROAD Építő és Szolgáltató Ltd. (tax number: 22663131-2-15, company registry number: 1509075878)⁹⁰ from Nyíregyháza. It was appointed by the municipality of Sározsadány. The cost for construction were:

1. Bicycle obstacle course: HUF 5,000,000 (around EUR 13,000) + tax
2. Adventure park: HUF 14,755,000 (around EUR 38,000) + tax
3. Bike training park: HUF 11.929.604 (around EUR 31.000) + tax
4. Skills development play park available also for people with disabilities: HUF 4,200,000 (around EUR 11,000) + taxes⁹¹

⁸⁸ Tokaj Borvidék Fejlődéséért Nonprofit Ltd., 'Tájékoztató a Tokaj Borvidék Fejlesztési Tanács Tevékenységéről', 2018, <https://bit.ly/3MVfK48>. Accessed 9 March 2022.

⁸⁹ Pál Dániel Rényi, 'Pénzégetés Tokajban: valóságos szellem-élménypark épült Sározsadánynál', *444.hu*, 2016, <https://bit.ly/3iahDM7>. Accessed 15 March 2022 through internet archive.

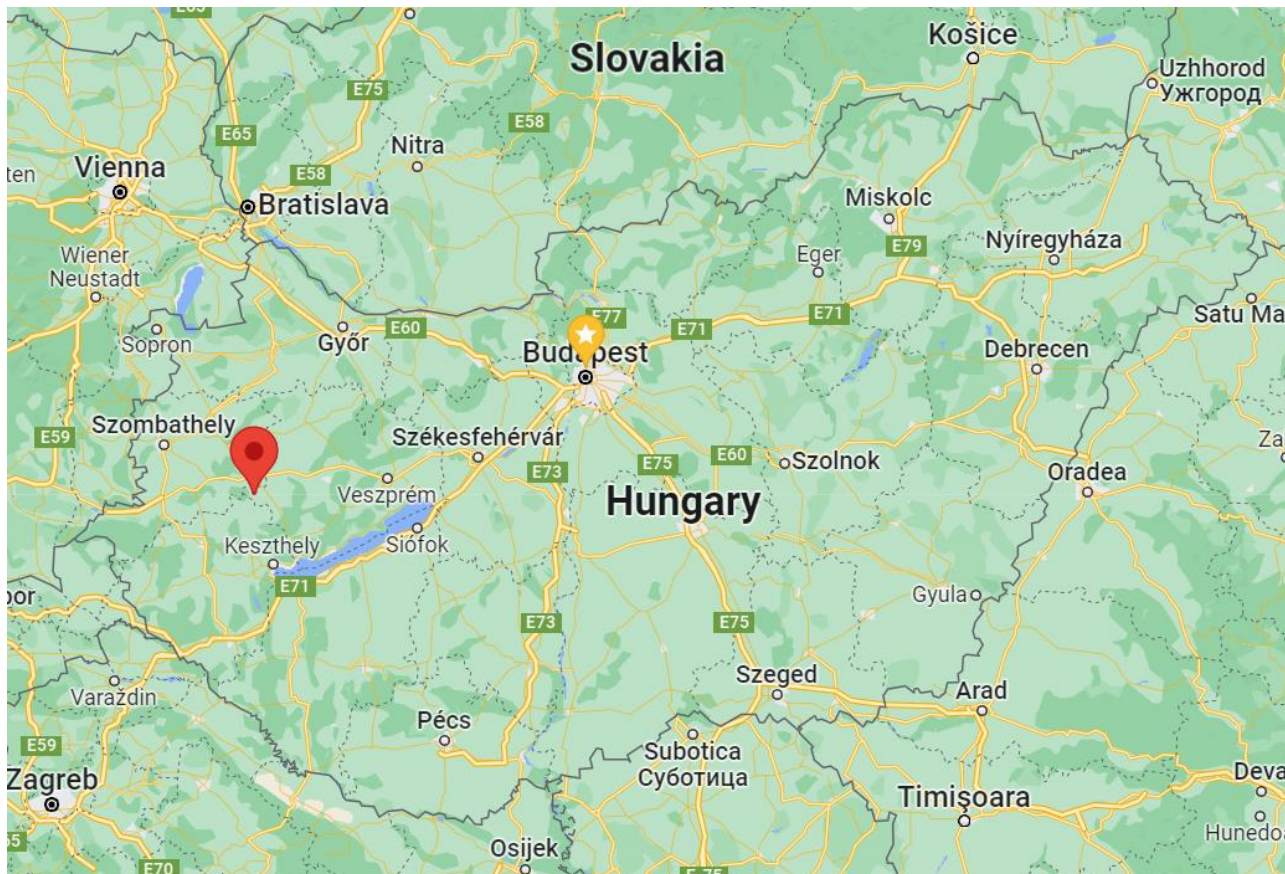
⁹⁰ 'FOUR-ROAD Építő És Szolgáltató Korlátolt Felelősségű Társaság' (Igazságügyi Minisztérium, 2021), <https://bit.ly/3u2oqgr>. Accessed 9 March 2022.

⁹¹ 'Közbeszerzési Értesítő 2015/109' (Közbeszerzési Hatóság, 2015), <https://bit.ly/3td4PLd>. Accessed 9 March 2022.

6. EUR 1.4 million disappeared: the biogas plant in Zalaerdőd

Zalaerdőd is a tiny village in Veszprém county with a population of just 232.⁹²

6.1. Picture: The location of Zalaerdőd in Hungary



Source: google.maps <https://bit.ly/3tRCrhX>

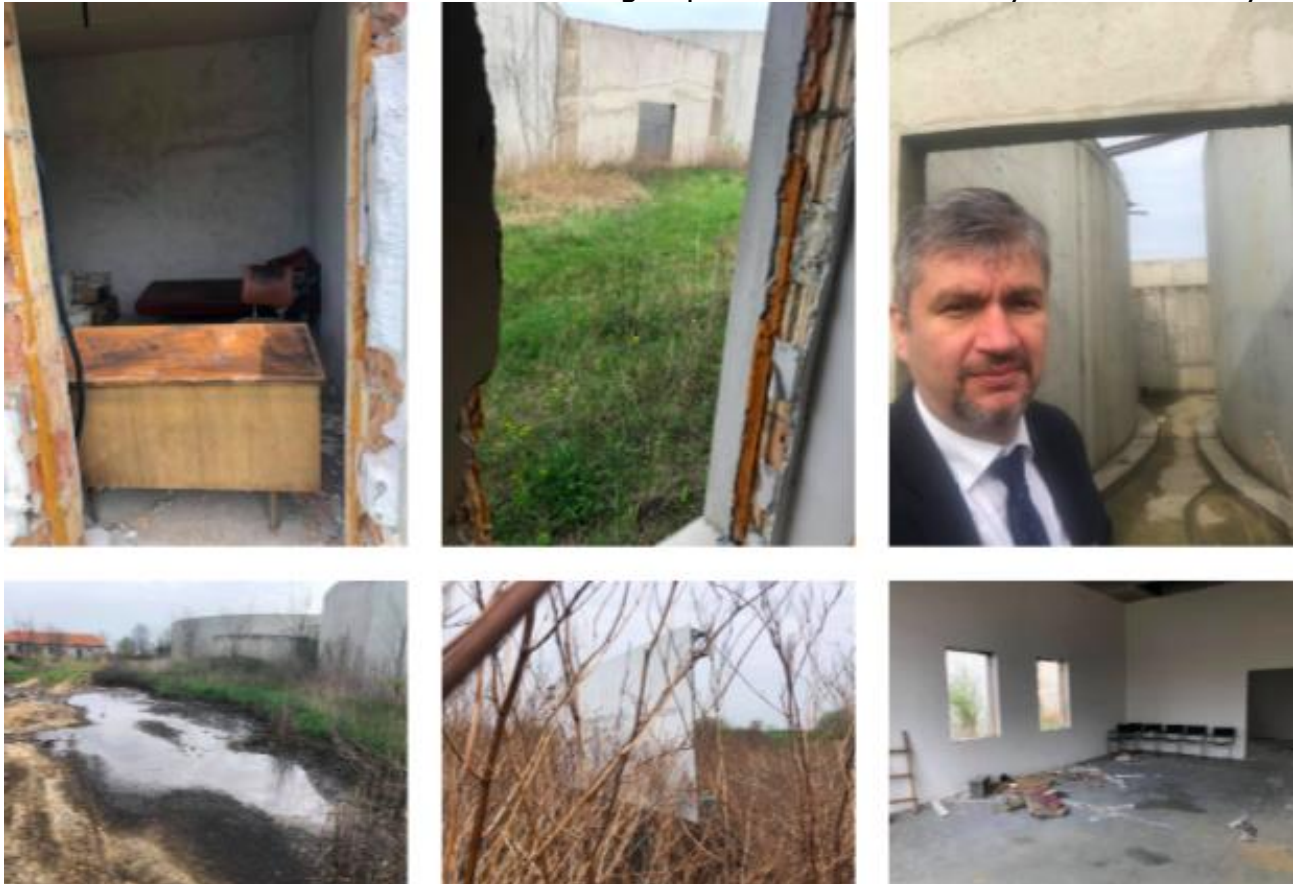
In 2015, a company called “Capári és Társa Vendéglátó, Kereskedelmi és Szolgáltató Ltd” won EU subsidies worth HUF 550,026,958 (around EUR 1.4 million) to build a biogas plant in the village in the program KEOP-4.10.0/C/12. The project was funded within the framework of the European Regional Development Fund financed by the European Union. The government database on public procurements reports that the entire amount was paid by June 10, 2016.⁹³

⁹² ‘Zalaerdőd’, in *Wikipédia (HUN)*, n.d., <https://bit.ly/3Lvd4bF>. Accessed 30 March 2022.

⁹³ Palyazat.gov.hu, ‘KEOP-4.10.0/C/12. Helyi hő és hűtési igény kielégítése megújuló energiaforrásokkal; Biogázüzem létrehozása Zalaerdőd községben’, 2016, <https://bit.ly/3LqJUe2>. Accessed 30 March 2022 and <http://www.crcb.eu/?p=2863> in the dataset (crcb_2021_database_eu_2007_2013_210612.xlsx).

In May 2021, opposition politician and former leader of the party "*Politics Can Be Different*" (Lehet Más a Politika; LMP), Ákos Hadházy,⁹⁴ visited the site. He posted pictures on social media, indicating that the plant was far from functioning. In fact, almost nothing had been built there. He also claimed that locals had told him about the Capári family, the owners of the company that had won the tender. They claimed they were close friends with Fidesz politician László Végh, the mayor of the closest nearby city, Sümeg (László Végh).⁹⁵

6.2. Pictures: Pictures taken of the biogas plant in Zalaerdőd by Ákos Hadházy⁹⁶



In the registry of the Ministry of Justice, no detailed information can be found on Capári és Társai since the company closed down sometime between September 2019 and October 2021. However, the records do show that the company was registered at 34 Simon István utca, 8330 Sümeg.⁹⁷ Another

⁹⁴ See: https://en.wikipedia.org/wiki/%C3%81kos_Hadh%C3%A1zy

⁹⁵ Source: Hadházy Ákos, 'Valami bűzlik Zalaerdődön', *Korrupcióinfo.hu*, 2021, <https://bit.ly/3LoYaE3>. Accessed 30 March 2022.

⁹⁶ Ibid.

⁹⁷ 'CAPÁRI ÉS TÁRSA Vendéglátó, Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság "Felszámolás Alatt"' (Igazságügyi Minisztérium, 2021). Available at: <https://bit.ly/3uZnpq3>. Accessed 30 March 2022.

company, Metanisz Ltd., is registered at the same address. This latter company is owned by Róbert Gyula Capári.⁹⁸

The official e-mail address of Metanisz Ltd.⁹⁹ corresponds to that of the Horse-riding Hall of Sümeg, the building of the “Capári Riding School”,¹⁰⁰ which Róbert Gyula Capári also owns.¹⁰¹ He was also the vice-president of the Local Electoral Committee of Sümeg during the 2019 Municipal Elections.¹⁰²

⁹⁸ ‘METANISZ Mezőgazdasági Szolgáltató Korlátolt Felelősségű Társaság’ (Igazságügyi Minisztérium, 2021). Available at: <https://bit.ly/38iuqKV>. Accessed 30 March 2022.

⁹⁹ Ibid.

¹⁰⁰ Lovasok.hu, ‘Capári Lovasiskola, Sümeg Lovastábor’, <https://bit.ly/3tQSoVA>. Accessed 30 March 2022.

¹⁰¹ ‘Nyilvántartásba vett lovas szolgáltatók listája’ (Budapest Főváros Kormányhivatala - Kereskedelmi, Haditechnikai, Exportellenőrzési és Nemesfémhitelesítési Főosztály, 2015). Available at: <https://bit.ly/3Nw9DDF>. Accessed 30 March 2022. and Lovasok.hu, ‘Capári Lovasiskola, Sümeg Lovastábor’. Accessed 30 March 2022.

¹⁰² Sümeg Helyi Választási Bizottság, ‘Helyi Választási Bizottság Sümeg 47/2019 számú határozata’ (2019). Available at: <https://bit.ly/3wLIJBP>. Accessed 30 March 2022.

Conclusions

These six projects together cost EU taxpayers more than €5 million in EU funding. Some of these white elephant projects are examples of EU taxpayers' money being wasted on projects whose initial plan was nonsense, such as the 11 lookout towers in a small village in the lowlands, or the 40-centimeter high lookout point. Others are examples where the implementation of the project has resulted in EU taxpayers' money being wasted, such as the life-threatening bike-cross track and the hunting lodge that does not function as a guest house. These six projects are also just the tip of the iceberg for white elephant projects in Hungary. Nonetheless, these particular projects are perhaps the ones that most clearly symbolize the contradictions between the original purpose of EU funding (to promote economic convergence) and the actual social benefits. Presumably, in a weak legal environment and with relatively high levels of corruption, white elephant projects are more frequent and involve more significant amounts of money being wasted.

Examining these projects closely leads us to several conclusions.

Firstly, the fact that they were possible highlights the apparent anomalies in how EU funds are spent in Hungary. This conclusion is reinforced by the fact that the use of EU funds in Hungary is driven by the need to increase the so-called 'absorption capacity' - often used in Hungarian EU jargon - at all costs: to spend as much incoming EU funds as possible in a way that formally meets the general objectives set by the EU.

Secondly, they also show a weakness in the use of EU funds from the definition of general objectives, the definition of sub-programs and their implementation, to the monitoring of the projects implemented. The weaknesses and incompetence of the institutions that manage and allocate EU funds and monitor spending can also be highlighted by these and other white elephant projects. How else could it have been possible for an organization to decide on an operational program to support and approve a project that implements the obviously absurd idea of building 11 lookout towers in a village?

Thirdly, the projects presented also highlight the shortcomings of the monitoring process. The Hungarian state does not seem to be adaptive with respect to learning from its own mistakes. How is it possible that the Hungarian government has not produced a general report on the failed projects, of which only six have been briefly presented here, analyzing the reasons for failure and discussing each case in detail? If there was such an internal report, why did the government not make it public and open for professional discussion? The lack of such feedback predisposes Hungarian government institutions involved in using EU funds to make these mistakes again in the future and thus promote the

creation of new white elephant projects in the future. EU taxpayers' money still needs to be made safe.

Beyond this, there is a more general lesson. The anomalies in the use of EU funds in Hungary, and the white elephant projects that have been presented, seem to be an example of what Peter Thomas Bauer described 60-50 years ago regarding the waste of international aid and the negative impact of this aid on the economy of the recipient country. The 11 lookout towers in Tyukod will not contribute anything to the development of rural tourism, except in a perverse way: EU taxpayers will come to this Hungarian village on the Romanian border as 'EU-disaster tourists' to see for themselves in person how the Hungarian authorities have squandered their tax money on nonsense ideas.

Finally, the question that needs to be asked is: Is it even possible to distribute EU funds without white elephant projects in an autocratic regime such as Hungary?

A deeper analysis is required to answer the questions raised above.

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Annex

We present some indicators of the reliability of cited Hungarian media outlets. These are Index, 444, 24.hu, Átlátszó, G7, HVG and Magyar Narancs. In the charts below, we present information on their type, popularity, ownership, and make some comments on their history. See table A1. below.

A1. Table: Indicators of reliability of cited Hungarian media outlets

Media outlet	Type	Ownership	Popularity ¹⁰³	Comments
<i>index.hu</i>	online news portal	It is owned by Indamedia Group, ¹⁰⁴ where pro-Fidesz businessman Miklos Vaszily bought a 50% stake in 2020. ¹⁰⁵	1,628,728 visits on 30 September 2020	Index used to be the leading opposition news site prior to 2020. However, after Miklos Vaszily took over, editor in chief Szabolcs Dull was fired. In reaction, most of its journalists resigned and created the new alternative to Index, called telex.hu. ¹⁰⁶
<i>hvg.hu</i> [hard printed format: HVG]	online news portal	It is owned by HVG publishing house. ¹⁰⁷ Since 2018, it has also relied on subscription fees, to some extent. ¹⁰⁸	808,662 visits on 30 September 2020	HVG started as one of the first important independent newspapers in post-communist Hungary. It published "Weekly World Economics", which is similar to <i>The Economist</i> . ¹⁰⁹ Numerous HVG journalists have been awarded the Joseph Pulitzer Memorial Prize. ¹¹⁰

¹⁰³ Source: Genius Audience, 'Domains - Hungary', n.d., <https://bit.ly/3K9XUIN>. Accessed April 2022.

¹⁰⁴ Index.hu, 'Impresszum', n.d., <https://bit.ly/36UsiIW>. Accessed 6 April 2022.

¹⁰⁵ BBC, 'Hungary's Index Journalists Walk out over Sacking', 2020, <https://bbc.in/3O2xN98>. Accessed 6 April 2022.

¹⁰⁶ Péter Lengyel-Szabó et al., 'A Kirúgás Után Eldőlt, Hogy a Végpusztulás Felé Száguhdunk Mindannyian', *Telex.hu*, 2021, <https://bit.ly/3r3IfU0>. Accessed 6 April 2022.

¹⁰⁷ Hvg.hu, 'Impresszum', n.d., <https://bit.ly/36SAXeV>. Accessed 6 April 2022.

¹⁰⁸ Hvg.hu, 'Pártoló Tagság', n.d., <https://bit.ly/3r87UL0>. Accessed 6 April 2022.

¹⁰⁹ BBC, 'The Press in Hungary', 2004, <https://bbc.in/37pKpGx>. Accessed 6 April 2022.

¹¹⁰ Hvg.hu, 'A HVG újságírója nyerte 2021-ben a Joseph Pulitzer-Emlékdíjat', 2021, <https://bit.ly/3udeDoU>. Accessed 6 April 2022.

<i>Media outlet</i>	<i>Type</i>	<i>Ownership</i>	<i>Popularity</i> ¹⁰³	<i>Comments</i>
444.hu	online news portal	It is owned by Magyar Jeti Zrt., which is partly funded through individual donations. ¹¹¹ In 2014, the American Digital News Venture bought a minority share of the company. ¹¹² It is part of the Media Development Investment Fund, partly financed by the George Soros-funded Open Society Foundations. ¹¹³ This tie to Soros attracted criticism by Fidesz supporters. ¹¹⁴ But 444 maintains the majority of its shares are owned by the editors. ¹¹⁵ 444 also states that it receives support from the Heinrich Böll Foundation and the OAK Foundation. ¹¹⁶	797,724 visits on 30 September 2020	444.hu was created in 2013 by the former editor-in-chief of index.hu, Péter Uj. Most of its journalists were former employees of either index.hu or origo.hu (another popular news site that turned pro-Fidesz after a change in its ownership). ¹¹⁷

¹¹¹ 444.hu, 'Mostantól te is segíthetsz, hogy még jobb legyen a 444', 2017, <https://bit.ly/3x7T76R>. Accessed 6 April 2022.

¹¹² Péter Uj, 'Van egy új kisebbségi tulajunk', 444.hu, 2014, <https://bit.ly/3r6VpPY>. Accessed 6 April 2022.

¹¹³ Media Development Investment Fund, 'Funders and Investors', n.d., <https://bit.ly/3DI1LdL>. Accessed 6 April 2022.

¹¹⁴ Origo.hu, 'Elismerte a 444-főszerkesztő a Soros-pénzt, és magyarázkodik', 2017, <https://bit.ly/3v2yO8x>. Accessed 6 April 2022.

¹¹⁵ Uj, 'Van egy új kisebbségi tulajunk'. Accessed 6 April 2022.

¹¹⁶ 444.hu, 'Impresszum', n.d., <https://bit.ly/3LOuAYT>. Accessed 6 April 2022.

¹¹⁷ MTI, 'Elindult Uj Péter portálja, a 444.hu', *Új Szó*, 2013, <https://bit.ly/3DMZVIH>. Accessed 6 April 2022.

<i>Media outlet</i>	<i>Type</i>	<i>Ownership</i>	<i>Popularity</i> ¹⁰³	<i>Comments</i>
24.hu	online news portal	It is part of the Central Media Group, ¹¹⁸ owned by Zoltán Varga. Varga is an investor and the 36 th richest person in Hungary. ¹¹⁹ He was one of the individuals against whom the Pegasus spying software ¹²⁰ was used. ¹²¹ A Fidesz MEP has admitted that the Hungarian Ministry of the Interior had bought the software. ¹²²	1,634,053 visits on?? 30 September 2020	It is currently the most read online news site in Hungary. ¹²³

¹¹⁸ Centrál Médiaszoport, 'About Us', n.d., <https://bit.ly/3v5nhW2>. Accessed 6 April 2022.

¹¹⁹ Gábor Ács, 'Korábban is lehallgattak és követtek – Varga Zoltán milliárdos már csak külföldön fektet be, és egy valamit biztos nem ad el', *Forbes*, 2021, <https://bit.ly/3LM4fus>. Accessed 6 April 2022.

¹²⁰ BBC, 'Pegasus: Spyware Sold to Governments "Targets Activists"', 2021, <https://bbc.in/3LF8TKs>. Accessed 6 April 2022.

¹²¹ Hvg.hu, 'Pegasus-Botrány: Varga Zoltán jogi lépéseket fontolgat a titkos megfigyelés miatt', 2021, <https://bit.ly/3J8H6kd>. Accessed 6 April 2022.

¹²² Máté Világi and Attila Rovó, 'Kósa Lajos beismerte, hogy a Belügyminisztérium vett Pegasus kémsoftvert', 2021, <https://bit.ly/3Js01GV>. Accessed 6 April 2022.

¹²³ Genius Audience, 'Domains - Hungary'. Accessed 6 April 2022.

<i>Media outlet</i>	<i>Type</i>	<i>Ownership</i>	<i>Popularity</i> ¹⁰³	<i>Comments</i>
<i>Átlátszó</i> (<i>atlatszo.hu</i>)	investigative/ watchdog	It is owned by atlatszo.hu Közhazsnú Nonprofit Ltd. In 2020 it was 54% funded through private donations. 22% of its funding came from Open Society Foundations, funded by George Soros. ¹²⁴ Prime Minister Viktor Orbán sees Soros as one of his main enemies. ¹²⁵	No data available	Founded in 2011, atlatszo.hu conducts investigative journalism, requests and publishes data of public interest, and leaks information unavailable to the public. ¹²⁶
<i>g7.hu</i>	online news portal	It is owned by G-7.hu Nonprofit Zrt. It is the common project of the above-mentioned Zoltán Varga ¹²⁷ and László Reszegi from Corvinus University of Budapest. ¹²⁸	44,990 visits on 30 September 2020	g7.hu's goal is to make economic topics accessible for a broader audience. ¹²⁹
<i>magyarnarancs.hu</i> [printed format: <i>Magyar Narancs</i>]	online news portal	It is owned by Magyarnarancs.hu Lapkiadó Ltd., run by Endre Bojtár, the newspaper's editor-in-chief. ¹³⁰	38,977 visits on 30 September 2020	Similarly to HVG, Magyar Narancs started as one of the early independent political magazines after the fall of socialism in Hungary. ¹³¹

¹²⁴ 'Atlatszo.hu Közhazsnú Nonprofit Ltd.', *Átlátszó*, n.d., <https://bit.ly/3DKGWy9>. Accessed 6 April 2022.

¹²⁵ BBC, 'Why Did Hungary's PM Viktor Orban Turn on George Soros?', 2019, <https://bbc.in/3KiIge7>. Accessed 6 April 2022.

¹²⁶ Tamás Bodoky, 'Independence Day - Elindult az Atlatszo.hu', *Bodoky.Blog.hu*, 2011, <https://bit.ly/35Lz3Mx>. Accessed 6 April 2022.

¹²⁷ See: ownership of 24.hu.

¹²⁸ Index.hu, 'Elindult egy új gazdasági portál', 2017, <https://bit.ly/3jecsvb>. Accessed 6 April 2022.

¹²⁹ Ibid.

¹³⁰ K-Monitor, 'K-Monitor Adatbázis - Magyar Narancs', n.d., <https://bit.ly/3DLAreC>. Accessed 6 April 2022.

¹³¹ BBC, 'The Press in Hungary'. Accessed 6 April 2022.