

In Spite of High Inflation, the Population's Assessment of their Ability to Save is Outstanding

**The Population's Economic Situation Assessment and the Incumbent
Party's Support**

January-February 2022



The support of Fidesz-KDNP seems undiminished in the run-up to the elections. The consumer confidence index in February has shown an improving trend for the third month in a row. Inflation expectations are approaching the level measured in October 2021, but the population's assessment of its own ability to save in the future has reached its highest level since the beginning of these measurements - 1993. Analysis by 21 Research Center.

Executive Summary

In March 2021, 21 Research Center published its [monthly analysis](#) examining the relationship between the population's economic expectations, certain important financial changes affecting the country's financial and social situation, and the support of the respective incumbent parties.

In January and February 2022, the [GKI consumer confidence index](#) - an indicator of the expected development of the financial situation of households, the country's economic and unemployment situation, and the perceived savings capacities - slightly improved compared to December last year, equaling the values measured in July 2021. Meanwhile, support for the ruling party began to slowly increase in the run-up to the elections.

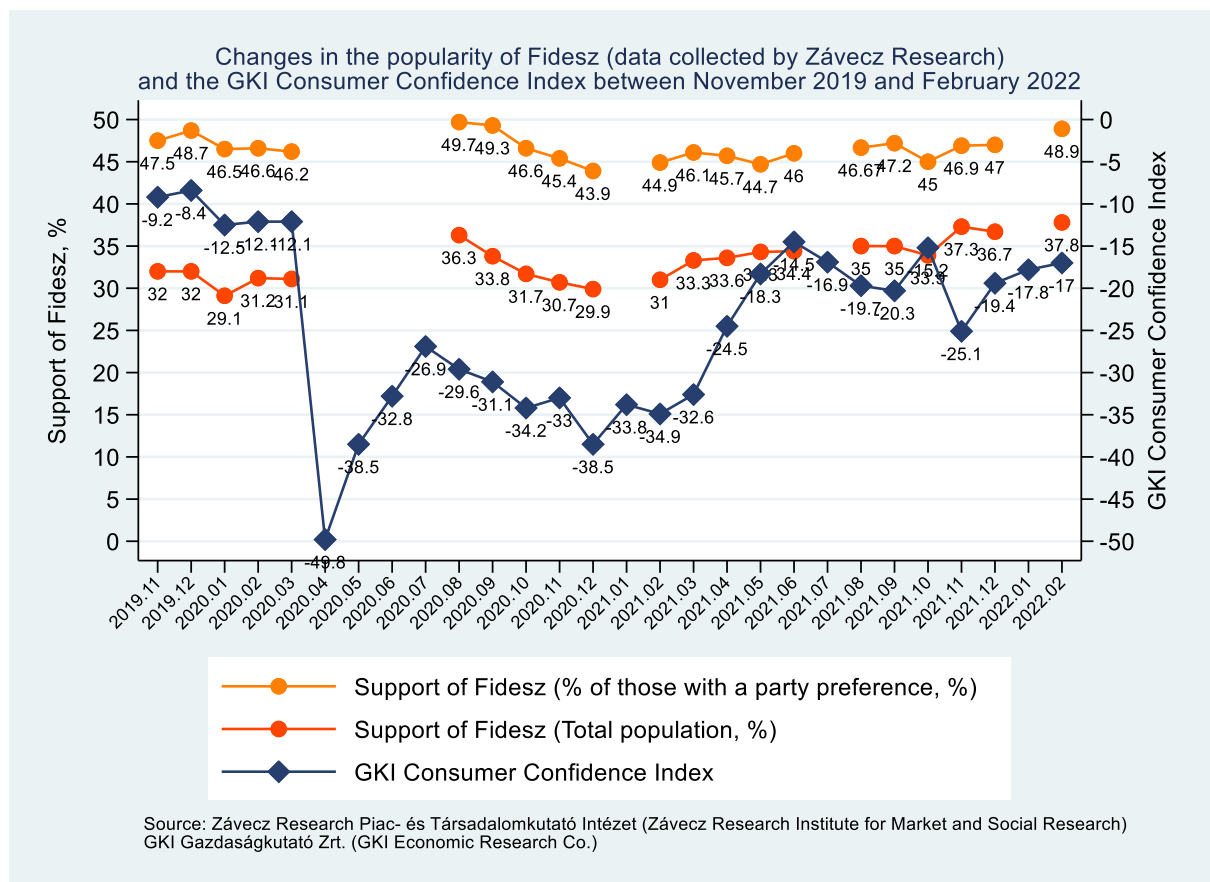
The government's give-away was effective

Inflation expectations are slightly eased in comparison with those observed in December and January, however, they still score high. The economic situation assessment of the population improved, moving from the values measured in January (-2) positively (+1.7). This could be due to the [reimbursement of personal income tax](#), the [13th month pension](#), the price cap on [petrol](#) and [foodstuff](#), and the [other economic benefits](#) introduced by the government in December.

The population's economic situation assessment remained practically unchanged in January and February (-28 and -28.1). The assessment of unemployment has deteriorated compared to January (-20, as opposed to -26.2), which may be the result of a [seasonal effect and a disruption in global supply chains caused by the Covid-19 pandemic](#), which could lead to a decline in employment rates in the longer run. The assessment of one's saving capacity has shown an improving trend since May

- albeit with small fluctuations. The February value (15.7) is the highest this indicator has ever produced. The reason for this may be that the government, by keeping household energy prices artificially low, and introducing price caps on petrol and foodstuff, gives the population the feeling that the economic benefits will continue - thereby living up to their election promises.

The support of Fidesz-KDNP is on the rise



According to Závecz Research, the incumbent party is at its highest level of support among the whole population in the period under review (39%), while among party voters it is approaching the values observed in September 2020 (49%). This upward trend can be attributed to the approaching elections, as support for the ruling party begins to rise predictably every four years with the parliamentary elections approaching. 21 Research Center has illustrated this trend in its study titled [The Fidesz Secret. Economic Voting in Hungary.](#)

The 5th wave of Covid-19 [peaked between January and February](#). The government raised the possibility of a third and fourth vaccination and converted the previous protection certificate into a [vaccination certificate](#). However, no mitigating measures have been taken in the area of mask wearing or other restrictions. Covid as a topic is nonetheless becoming less and less relevant, and it can be observed that the support of Fidesz has not been substantially affected by the tightening of the vaccination certificate.

Overall, we can conclude that the two indicators under consideration seem to be drawing closer to each other as the elections approach. However, the rising inflationary pressures, the devaluation of the HUF and the armed conflict between Russia and Ukraine escalating since March might diminish the population's confidence in the performance of the government as well as the economy in the coming months.

Written by 21 Research Center
Published: Budapest, 21/03/2022
Cover photo: Unsplash - Mathieu Stern