2024

MEGATREND INDEX 4.

How prepared is Hungary for the
challenges that define the World?

Equilibrium
Institute

Future for Hungary ▶▶

Equilibrium Institute

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EXECUTIVE SUMMARY

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The Equilibrium Institute's Megatrend Index tracks the trends that determine the long-term success of European countries. It aims to show how EU countries, including Hungary, are faring in preparing for the global changes that will shape the 21st century. In 2024, the Megatrend Index will be published for the fourth time.

02

The index looks at indicators of five global trends. These trends are education, digitalization, environment, health and social cohesion.

03

The actual scores on each indicator are primarily not the result of one year's actions, and do not simply reflect the success or failure of the current government. Trends can take years to change, but if we start early, Hungary can become a more successful, happier and more competitive country in the medium term.

Megatrend Index

SMART COUNTRY   **DIGITALIZATION**   **CLEAN COUNTRY**   **HEALTH**   **SOCIAL COHESION**

04

Hungary is ranked 21st in the 2024 aggregate Megatrend Index, putting it at the bottom of the EU midfield, in the top one-third of the EU. Although Hungary's overall position has not improved between 2021 and 2024, we have moved up in all dimensions except the Smart Country sub-index.

05

We are the best performer in terms of digitalization, although we are still only in the middle of the EU: in this dimension Hungary ranked 15th out of 27 Member States, up five places. This is followed by our 16th place in the Social Cohesion sub-index and 20th place in the Clean Country sub-index. Our weakest performance occurred within the Smart Country sub-index, resulting in a decline of three positions.

06

The latest PISA results have drastically reshuffled the top third of the Smart Country sub-index rankings: not all of the Nordic countries have been able to maintain their top ranking. Based on previous years' experience, Denmark, Sweden and Finland have typically competed for the top spot, but based on the 2021 index scores, Sweden is the only Nordic country to retain its prominent position. Sweden came first, Slovenia second and Belgium third. The performance of the Netherlands is remarkable in this respect: they are the most efficient in terms of sources invested, which means that they can achieve outstanding results with relatively low inputs.

07

The results of the Digitalization sub-index confirm that the success of countries depends not only on technological development and access to the internet, but also on the smart use of technology and continuous improvement. Finland came first in this dimension, the Netherlands second and Denmark third.

08

The Clean Country sub-index measured active as well as passive environmental awareness. In the ranking of the Clean Country sub-index, Sweden came first, Estonia second and Italy third. Austria lost the most ground, losing its second place since 2012.

09

The Equilibrium Institute has included indicators in the Health sub-index that capture the differences between developed European countries, important differences by welfare state standards. The number of healthy life years at birth is increasing across Europe, but the level of health awareness and preventive health behavior beyond institutional care varies across countries. In terms of health data, Sweden is the clear leader in the ranking, maintaining its number one position throughout the period under review. Ireland and Malta are in second and third place.

10

The aim of the Social Cohesion sub-index is to show how strong the retention capacity of society is. The interpretation of this sub-index requires the most care: any data in this area will only paint an accurate picture when interpreted in conjunction with other data series. Slovenia, Austria and Cyprus are in the top three for the Social Cohesion sub-index.

11

In the 2024 report, the Equilibrium Institute aggregated the indicators on which Hungary performed particularly well or poorly. Hungary has the second lowest number of robberies per 100,000 inhabitants in the EU compared to other countries, but the second worst score for the number of deaths from preventable diseases.

An interactive data visualization of the 2024 Megatrend Index is available on the website of the Equilibrium Institute by scanning the QR code.
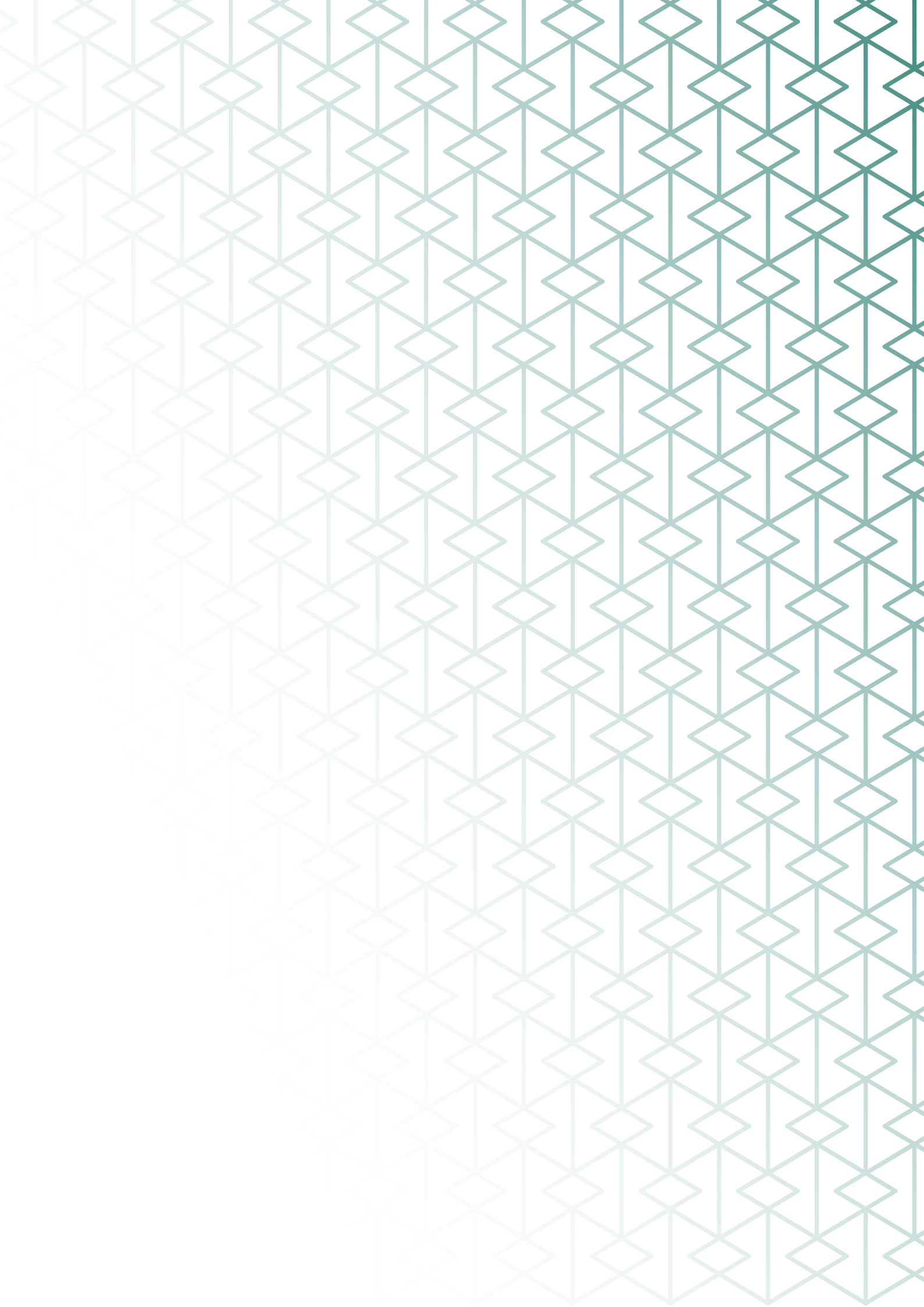
1. INTRODUCTION

The goal of the Equilibrium Institute is to make Hungary a more successful and livable country by 2030. Our vision and policy proposals are based on the premise that **Hungary may fall behind not only Western European countries but also its regional competitors in the next decade** if it fails to respond to the key trends and changes shaping the near future. This is why the Equilibrium Institute has created the Megatrend Index to assess economic, technological, environmental and social changes in Hungary and other EU countries. The Index looks at *education*, *digitalization*, the *environment*, *health* and *social cohesion*, based on objective statistics that can be compared over time.

The success of each country's development and policy decisions can be tracked across the five dimensions selected. The areas examined are also considered to be breakthrough points: the inclusion of debates on the development directions and future of these areas in public thinking would allow public policy discourse in Hungary to become more modern and in-depth. The Megatrend Index, published annually, allows policy decisions in key areas to be monitored and evaluated. Analyzing these and drawing lessons from them can help Hungary to become a more successful, healthy and competitive country in the medium term. **The Megatrend Index is published for the fourth time in 2024.**

> " The Megatrend Index, published annually, allows policy decisions in key areas to be monitored and evaluated. "

The Megatrend Index scores countries on a 100-point scale, with 1 being the lowest and 100 the highest. Based on the results of the indicators, each country is given a score each year after the appropriate statistical calculations have been carried out: a higher score indicates a better performance. The scale of the Megatrend Index thus makes it possible to compare countries' performance and the direction of change.
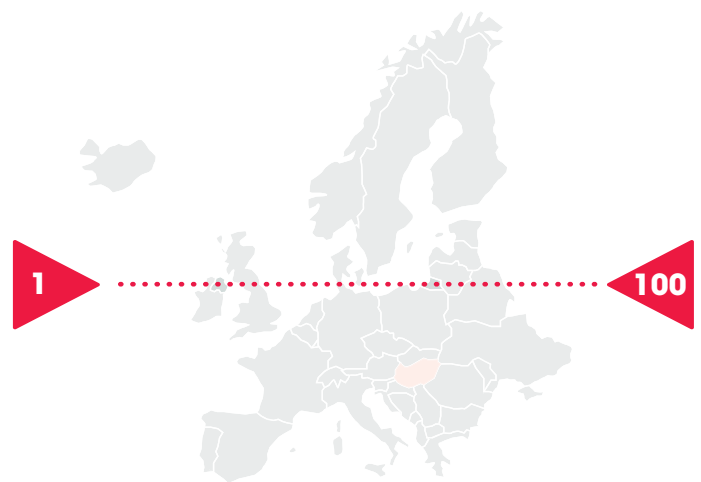
Each year, the Equilibrium Institute aims to include the best components under each sub-index, so the list of indicators is reviewed from time to time. The 2024 Megatrend Index has been restructured for methodological reasons and expanded in some areas. The sub-indexes are based on the latest data available in each dimension, so the starting and ending years may differ for each index (see Table 1).

Sub-index	Interval
Smart Country	2016–2021
Digitalization	2016–2022
Clean Country	2015–2020
Health	2015–2020
Social Cohesion	2015–2020

Table 1: Intervals of the sub-indexes included in the study

2. OVERALL RESULTS OF THE MEGATREND INDEX

According to the aggregated data of the 2024 Megatrend Index, **Sweden has been the top EU country since 2021.** Finland, the Netherlands and Denmark were in the running for second and third place, but the Danes were eventually ousted from the top three, with the Dutch coming in second. It is worth highlighting the outstanding progress made by **Slovenia and Estonia, both of which moved up six places.**
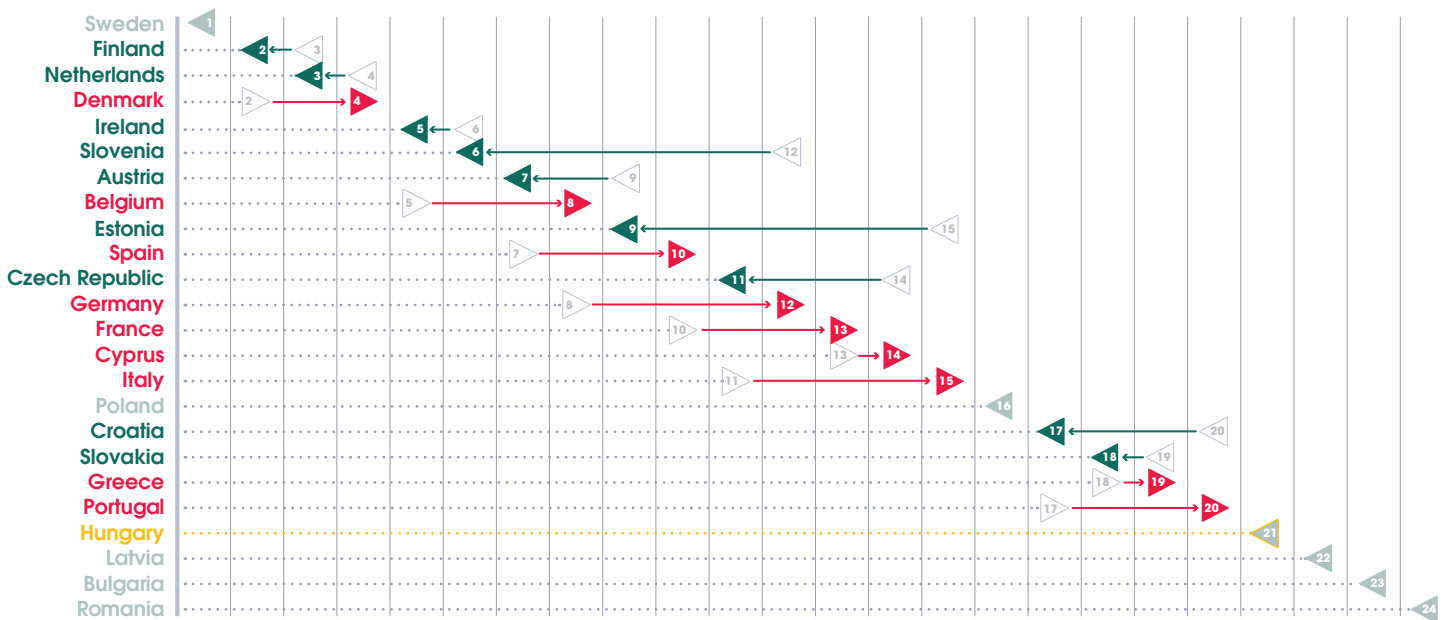

Figure 1: Overall results of the Megatrend Index[1]

The biggest under-performers in the fourth Megatrend Index are clearly Germany and Italy: these two countries have fallen four places since 2021. At the same time, Belgium, Spain, France and Portugal have all seen their scores fall significantly in recent years.

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1 The aggregate results for Lithuania and Luxembourg are not available for all years, nor for Malta for any year.

3. SUMMARY OF THE HUNGARIAN RESULTS OF THE MEGATREND INDEX

Hungary is ranked 21st in the 2024 aggregate Megatrend Index, placing it at the bottom of the EU midfield, in the top one-third. The situation is overshadowed by the fact that it has always finished last among the Visegrad countries between 2021 and 2024. Apart from the 2023 result, Hungary's relative position has not changed. In the V4, the data so far do not show a consistent pattern of development, but in this group, only the Czech Republic shows a trend.
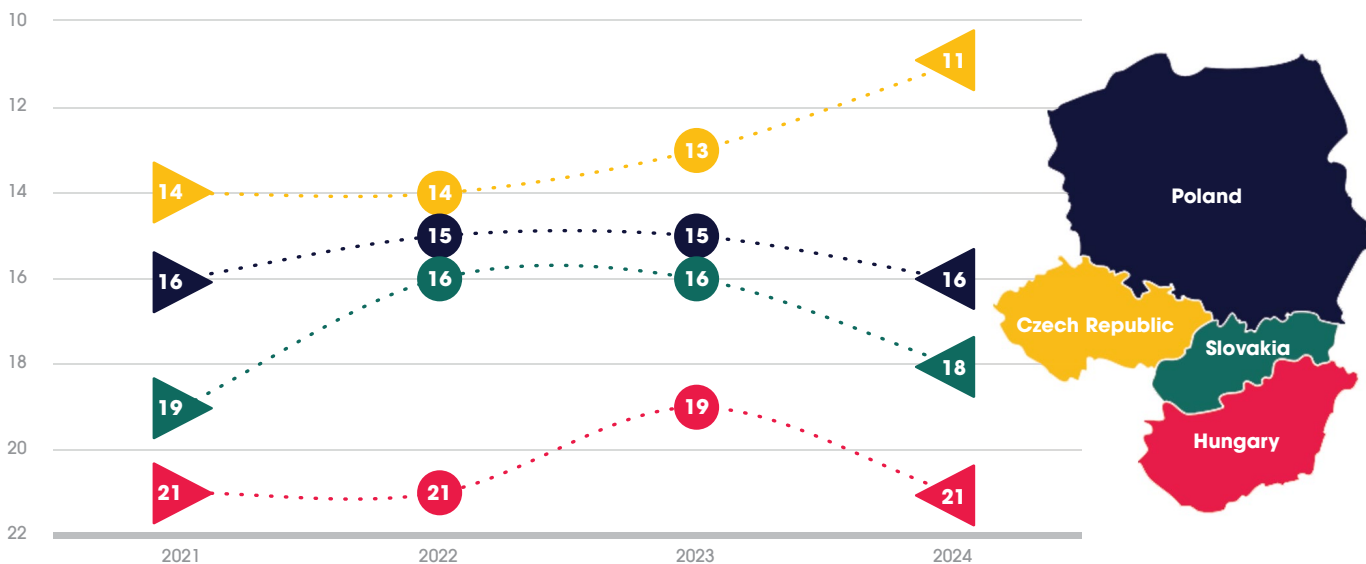

Figure 2: Rankings of the Visegrad countries in the overall Megatrend Index

Although Hungary's overall position has not improved between 2021 and 2024, it has moved up in all dimensions except the Smart Country sub-index (see Figure 13). **Hungary is the best performer in terms of digitalization, although still only in the middle of the EU:** in this dimension the country is ranked 15th out of 27 Member States, up five places. Hungary is 16th in the Social Cohesion sub-index and 20th in the Clean Country sub-index. **The country's weakest performance occurred within the Smart Country sub-index, resulting in a decline of three positions.** Although Hungary is still one of the top performers in the health dimension, it has moved up two places over the period.
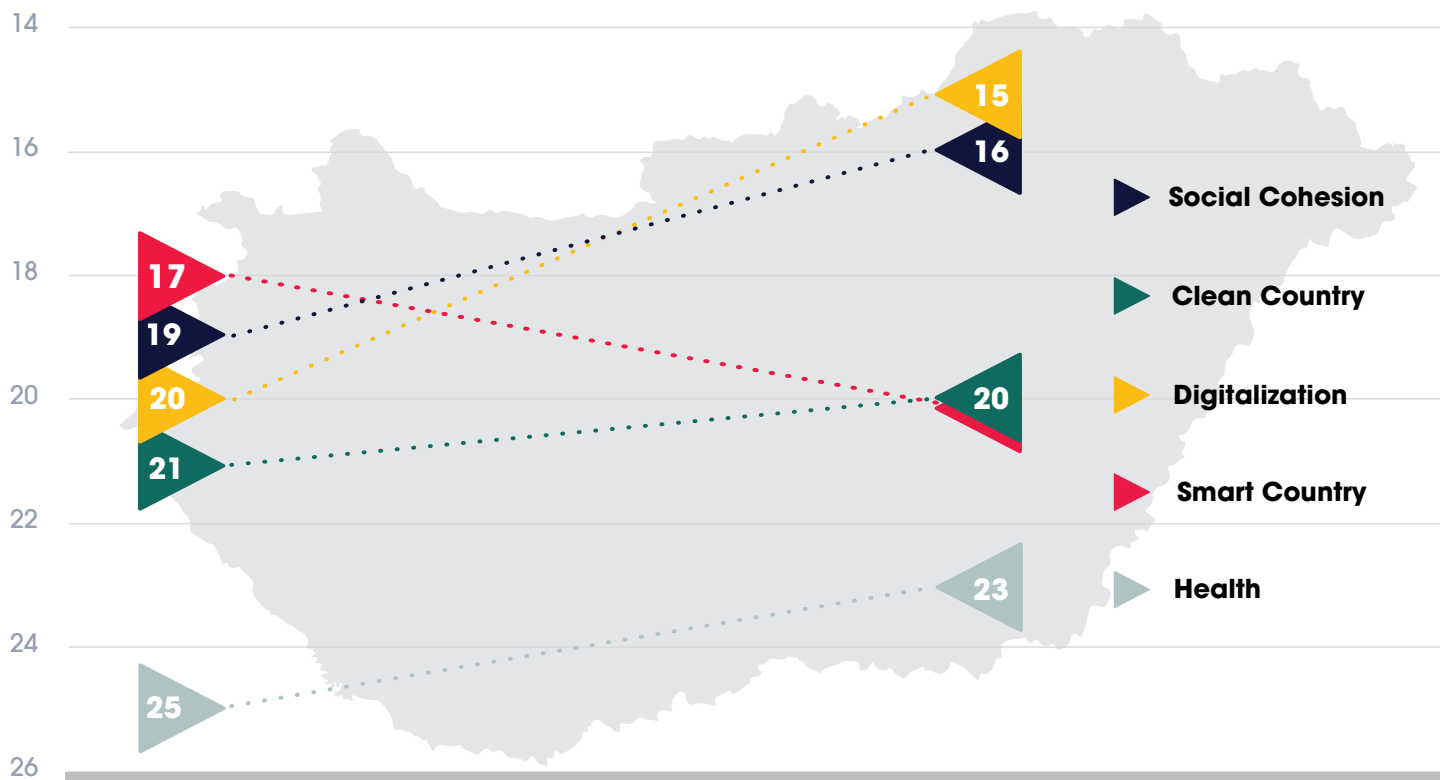
Figure 3: Changes in Hungary's position based on the earliest and latest available data included in the analysis

Hungary stands out from its closest competitors in the area of digitalization, with the second highest index score after the Czechs. Nevertheless, Hungary is the worst performer in social cohesion and health. As for the other Visegrad countries, the Czech Republic is also in the lead in social cohesion, digitalization and health, while Poland is among the leaders in education, and Slovakia in environment.
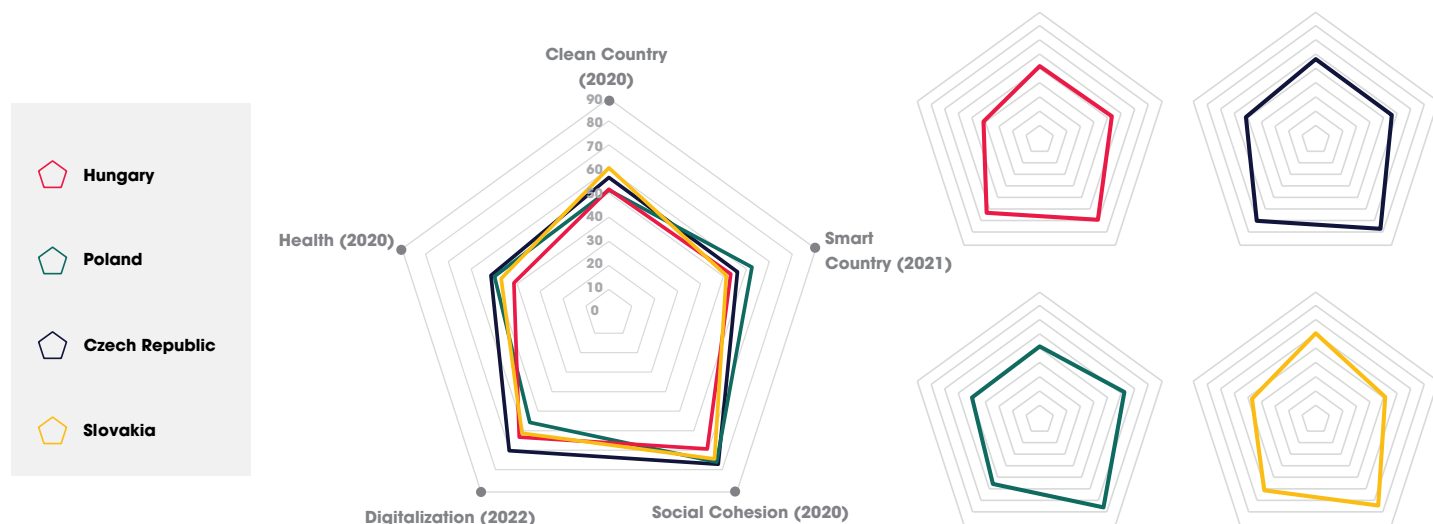

Figure 4: Comparison of the Visegrad countries' performance on each sub-index based on the latest available data

The table below summarizes the indicators for which Hungary performed particularly well or poorly. As mentioned above, Hungary has the second lowest number of robberies per 100,000 inhabitants in the European Union and the lowest number of divorces per 100 marriages (rank 2). In addition, Hungary is the 4th best in terms of the proportion of the population exposed to noise pollution.

However, if we look at the number of deaths from preventable diseases (26th) or suicides (26th), the situation in Hungary is particularly worrying. The country is also underperforming in the recycling of packaging waste (25th).

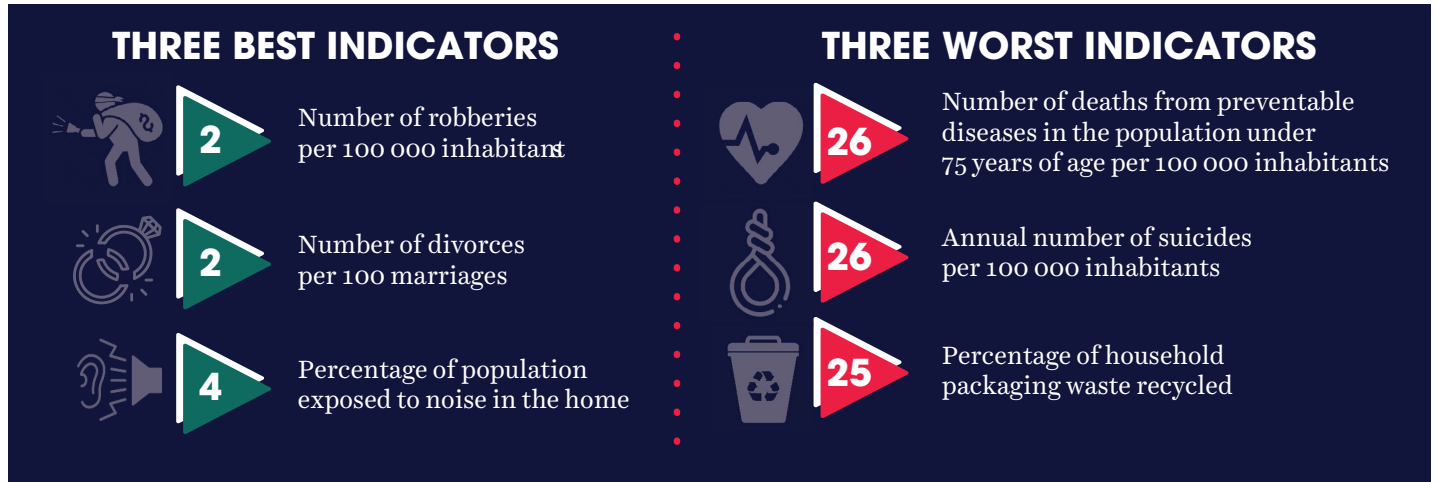| THREE BEST INDICATORS	THREE WORST INDICATORS
2 Number of robberies per 100 000 inhabitants	**26** Number of deaths from preventable diseases in the population under 75 years of age per 100 000 inhabitants
2 Number of divorces per 100 marriages	**26** Annual number of suicides per 100 000 inhabitants
4 Percentage of population exposed to noise in the home	**25** Percentage of household packaging waste recycled

Table 2: Hungary's three best and worst indicators based on the latest available data
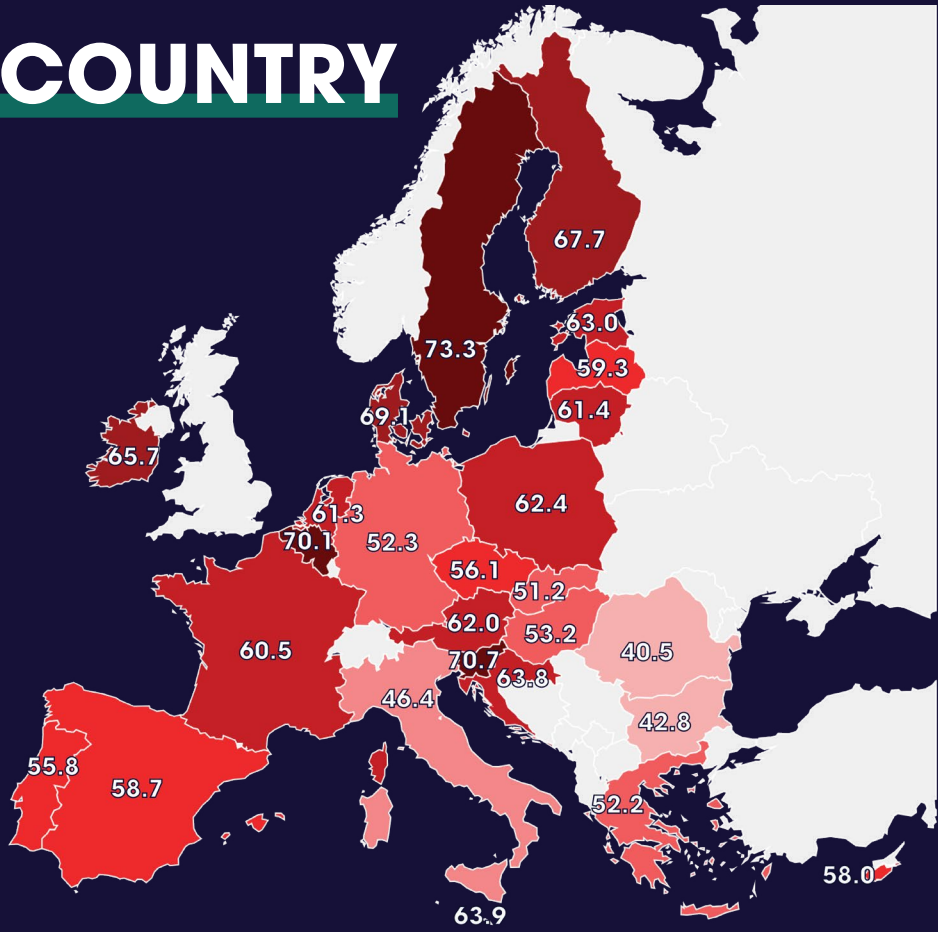
4. SMART COUNTRY

Figure 5: Smart Country sub-index scores for EU countries, on a scale of 1 to 100 (darker shade indicates better position)
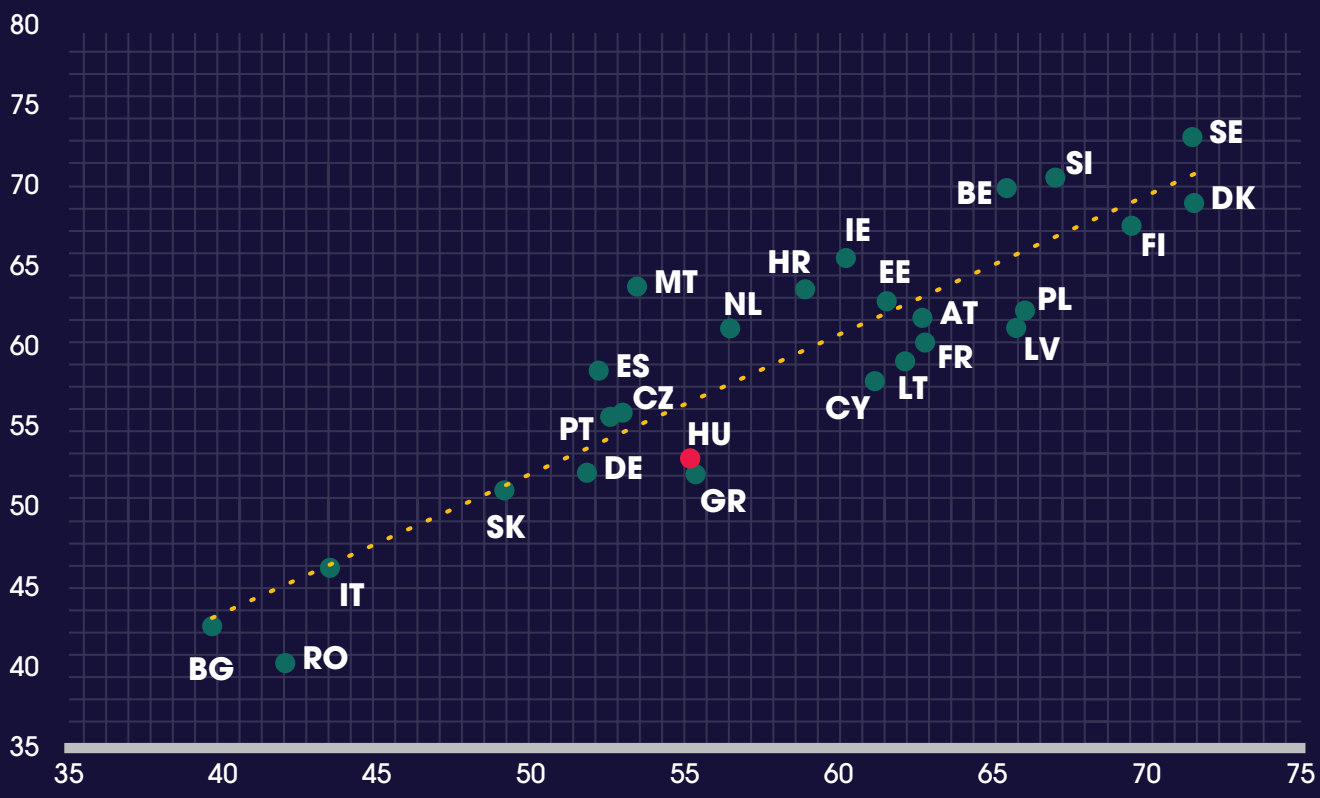

Figure 6: Evolution of the Smart Country sub-index between 2016 (horizontal axis) and 2021 (vertical axis) (trend line indicates growth rate)

Investing in human capital is the key to innovation and development. Socially and economically successful nations are better than Hungary in that they have recognized this earlier and made the necessary long-term decisions. In Hungary, **political and economic decision-makers must give a prominent role to human resources, and above all to the improvement of the education system.** This is why monitoring the quality of education is the first pillar of the Equilibrium Institute's Megatrend Index. The Smart Country sub-index uses 11 indicators to assess changes in education.

The data provide a clear picture of the **"input" (i.e. the resources devoted to education) and "output" (i.e. the effectiveness of education) variables.** The breakdown into these two groups shows the big picture: **what has been achieved with the resources invested in a given country.** It is clear from the data that in the field of education, the output results are more pronounced: **i.e. it is not how much a country spends on education per se, but how it makes use of the expenditure that matters. The Equilibrium Institute therefore weighted the inputs by 1/3 and the outputs by 2/3.**[2] (The Equilibrium Institute's policy proposals on public education are available by scanning the QR code.)

4.1. RESULTS OF THE SMART COUNTRY SUB-INDEX

The latest PISA results have dramatically reshuffled the top third of the Smart Country sub-index rankings, with **not all of the Nordic countries retaining their top ranking.** Based on previous years' experience, Denmark, Sweden and Finland have competed for the top spot, but based on the 2021 index scores, Sweden is the only Nordic country to retain its prominent position. **Sweden (2nd → 1st), Slovenia (4th → 2nd) and Belgium (7th → 3rd) took first place.** Denmark lost its first place (1st → 4th) and Finland slipped from third to fifth (3rd → 5th). Over the period under review, Greece (16th → 22nd) and Lithuania (6th → 12th) saw the biggest falls, while the **biggest improvements were made by Malta (18th → 7th) and Ireland (13th → 6th).**

In terms of the **input side** of the Smart Country sub-index (i.e. public expenditure, age characteristics of teachers and the ratio of pupils to teachers), **Malta, Belgium, Croatia and Cyprus are the leaders. Bulgaria (+16.6 index points), the Czech Republic (+11.4 index points) and Germany (+8.6 index points) have made the most progress**, while Lithuania (-17.5 index points), Latvia (-13.9 index points) and Portugal (-12.3 index points) have seen a drastic decline.

The top three countries on the output (education effectiveness) side are Sweden, Ireland and Finland. At the top, Ireland has made the biggest improvement, up almost 9 index points on 2016. At the same time, the three biggest underachievers on the input side also improved their output scores: Portugal, for example, gained 11.3 index points. Although spending typically takes years to have an impact, the link between spending and outcomes is not automatic, i.e. output scores are not necessarily a consequence of public spending. For this reason, it is particularly worth following the Netherlands, which ranked last on the input dimension and fourth on the output dimension.

> **For this reason, it is particularly worth following the Netherlands, which ranked last on the input dimension and fourth on the output dimension.**

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2 Luxembourg did not take part in the 2022 PISA surveys and therefore did not score in the 2024 Smart Country sub-index and was excluded from the analysis. The country was ranked fourth in 2016.

4.2. SUMMARY OF HUNGARY'S RESULTS ON THE SMART COUNTRY SUB-INDEX

According to the latest results, Hungary is in 20th place and will be in close competition with Portugal (19th), the Czech Republic (18th) and Cyprus (17th) in the coming years. It is worth pointing out, however, that Hungary has lost three positions compared to its 2016 ranking (17th → 20th).
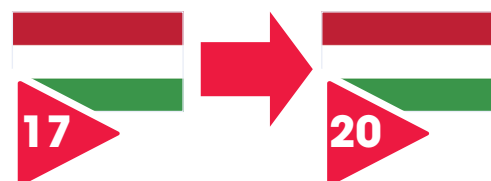
In terms of education system inputs, half of the EU countries show a deterioration. Hungary belongs to this group, which scored 9.7 index points lower in the period under review (10. → 14.). Although the level of expenditure as a share of GDP on the education system as a whole remained unchanged, expenditure on public education fell by 0.8 percentage points. While the ageing of the teaching workforce is a general trend across Member States, Hungary compares poorly with the rest of the world, with the share of teachers aged 55 and over increasing by 6.9 percentage points between 2016 and 2021. The number of students per teacher is better, but this is partly due to the decline in the school-age population. **Hungary was still showing some improvement in the 2021 Megatrend Index, but the ageing of the teaching force and the decline in expenditure as a share of GDP meant that this trend was reversed in 2022 and the deterioration is set to continue in 2024.**

Hungary is in the bottom third in terms of outcome measures, ranking 21st in 2021 and has dropped two places since 2016 (19th → 21st). Hungarian outcome data currently lags behind Swedish results by 24.6 index points.

In a Visegrad comparison, the situation is no better, with Poland (13th), the Czech Republic (14th) and Slovakia (18th) also ahead of Hungary. Among the countries of the broader region, **Slovenia's performance deserves special attention, ranking in the top third for both output and input variables.** It is worth pointing out that Hungary has a worryingly low share of tertiary education holders aged 30-34 (32.9%), ahead of only Italy (28.3%) and Romania (23.3%).

Overall, the data confirms that the Hungarian public education system is losing competitiveness both in European and regional comparisons. This also shows that education in Hungary needs a profound overhaul, in case it wants to be a more competitive, prosperous and crisis-resilient country in the long term.

> **It is worth pointing out, however, that Hungary has lost three positions compared to its 2016 ranking.**

5. DIGITALIZATION

1

2

3

86.7

80.3

70.6

61.5

64.8

80.5

75.0

55.8

86.0

71.3

62.0

69.1

70.3

61.3

70.2

63.3

66.9

61.7

40.2

59.3

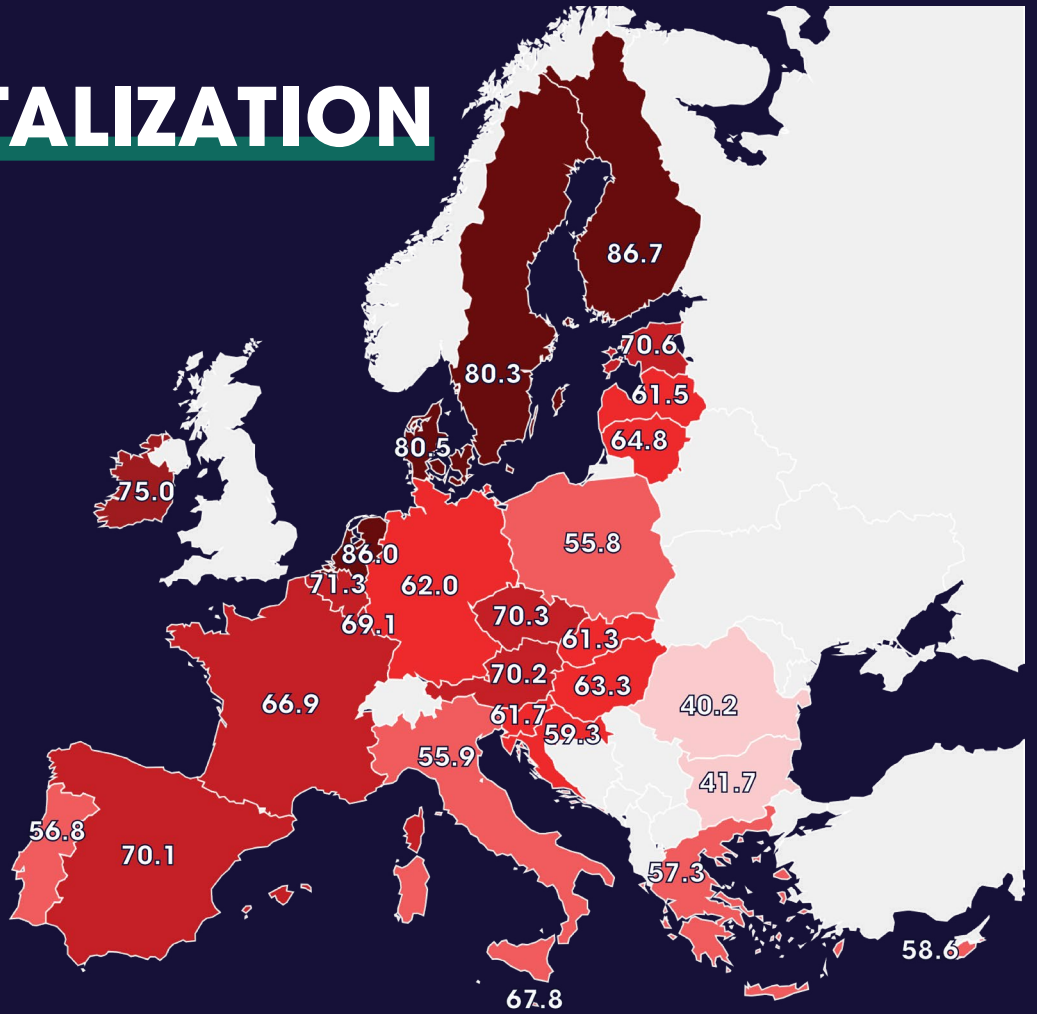55.9

41.7

56.8

70.1

57.3

67.8

58.6

Figure 7: Digitalization sub-index scores for EU countries, on a scale of 1 to 100 (darker shade indicates better position)
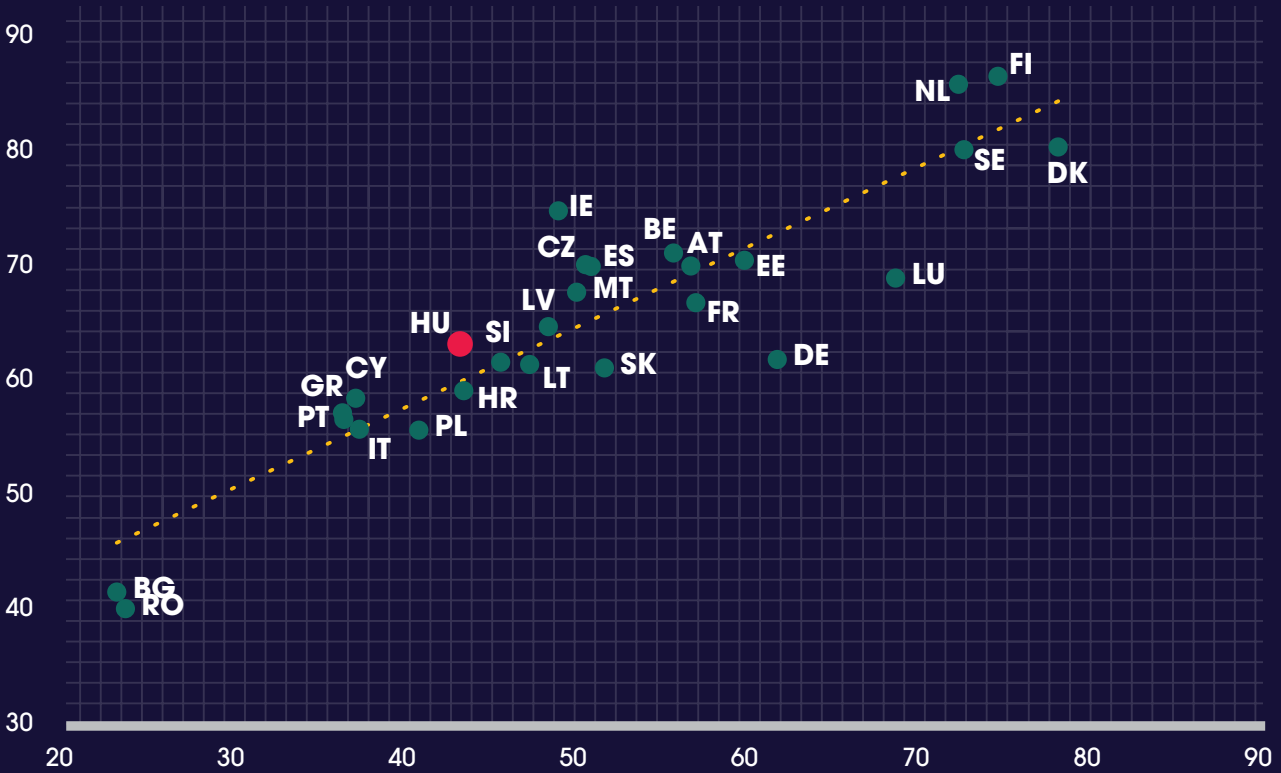

Figure 8: Evolution of Digitalization sub-index between 2016 (horizontal axis) and 2022 (vertical axis) (trend line indicates growth rate)

Digitalization is one of the most influential and complex trends of the 21st century, with a profound impact on every aspect of our lives. As the Megatrend 2024 Index is published, the public discourse on digital transformation is shaped by the revolutionary advance of artificial intelligence and machine learning, its socio-economic impact and the opportunities and risks inherent in the process. The evolution of the ongoing fourth industrial revolution needs to be followed with great attention and Hungary needs to be prepared to adapt to new circumstances. To this end, we have captured digitalization trends through seven indicators: digital literacy and internet usage of the population. The Equilibrium Institute's policy proposals on digitalization are available by scanning the QR code.

5.1. RESULTS OF THE DIGITALIZATION SUB-INDEX

In 2022, Finland (2nd → 1st), the Netherlands (4th → 2nd) and Denmark (1st → 3rd) ranked first in the Digitalization sub-index. Not only in terms of positions, but also in terms of index points, Ireland recorded the biggest improvement (26.2 index points), moving up ten places (15th → 5th). Germany, on the other hand, has traditionally performed particularly poorly in this dimension, improving by only 0.5 index points since 2016. The main reason for Germany's poor performance is the particularly low share of e-banking users, those with basic or better digital skills and those who have completed an online course in the previous 12 months. Overall, there is a huge gap between the leaders and the runners-up, with Romania and Bulgaria at an unassailable disadvantage compared to Finland and the Netherlands.

> " Overall, there is a huge gap between the leaders and the runners-up, with Romania and Bulgaria at an unassailable disadvantage compared to Finland and the Netherlands. "

5.2. SUMMARY OF HUNGARY'S RESULTS ON THE DIGITALIZATION SUB-INDEX

Based on the previous Megatrend Index results, Hungary has made moderate but steady progress, but this progress has not been reflected in its position relative to other Member States. However, the 2024 Megatrend Index gives grounds for optimism, as Hungary has made spectacular progress, moving up five places to 15th place (20th → 15th). Starting from a rather low score in 2016 (43), Hungary has already moved up 20.3 index points to 2022 (63.3), surpassing not only the other 3 Visegrad countries (15) but also the average EU development rate (14.8).

In particular, Hungary has improved significantly in the share of households with broadband internet access (+12 percentage points), the share of people using a computer with internet access for work (+20 percentage points) and the share of people making some kind of online purchase

(+21 percentage points). **If Hungary wants to be among the leaders in the foreseeable future, it will need to improve its position on the digital literacy indicator, the proportion of people with basic or better digital skills.** This indicator currently stands at 59%, which, although above the EU average, was still only good enough for 15th place. The Czech Republic has also moved up five places in the ranking (13th → 7th), but the Czechs have achieved excellent results across all indicators, which suggests that progress is likely to be sustained.

"Hungary has already moved up 20.3 index points to 2022 (63.3), surpassing not only the other 3 Visegrad countries (15) but also the average EU development rate (14.8)."
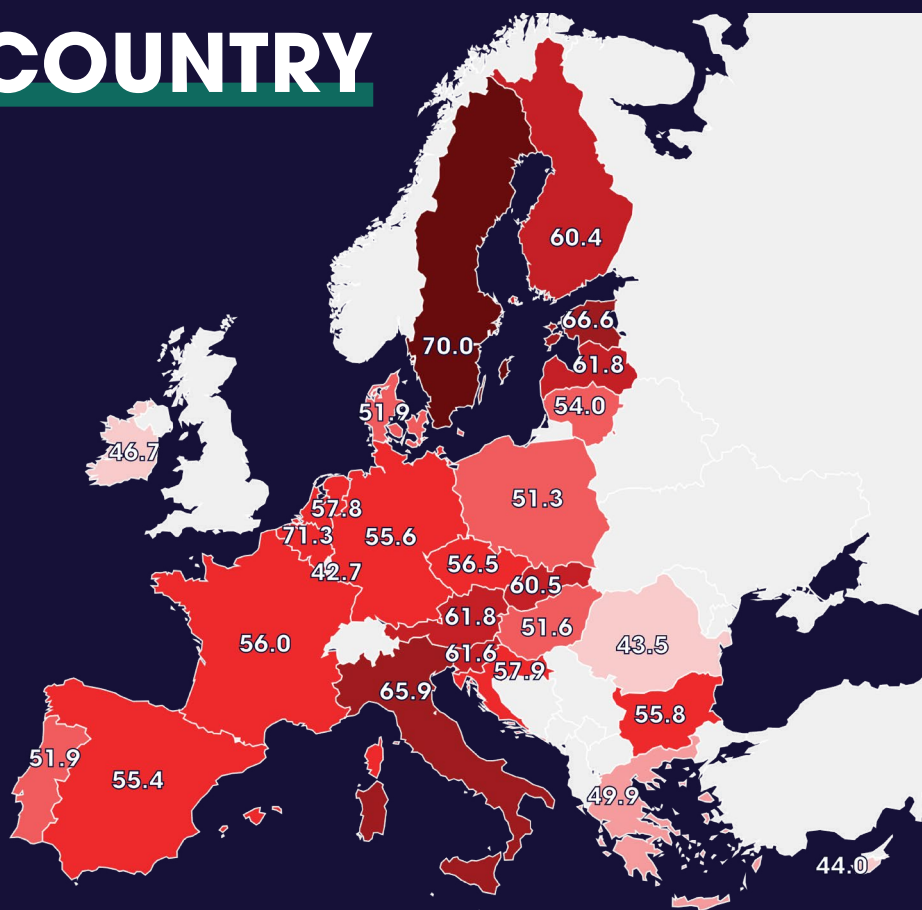
6. CLEAN COUNTRY

Figure 9: Clean Country sub-index scores for EU countries, on a scale of 1 to 100 (darker shade indicates better position)
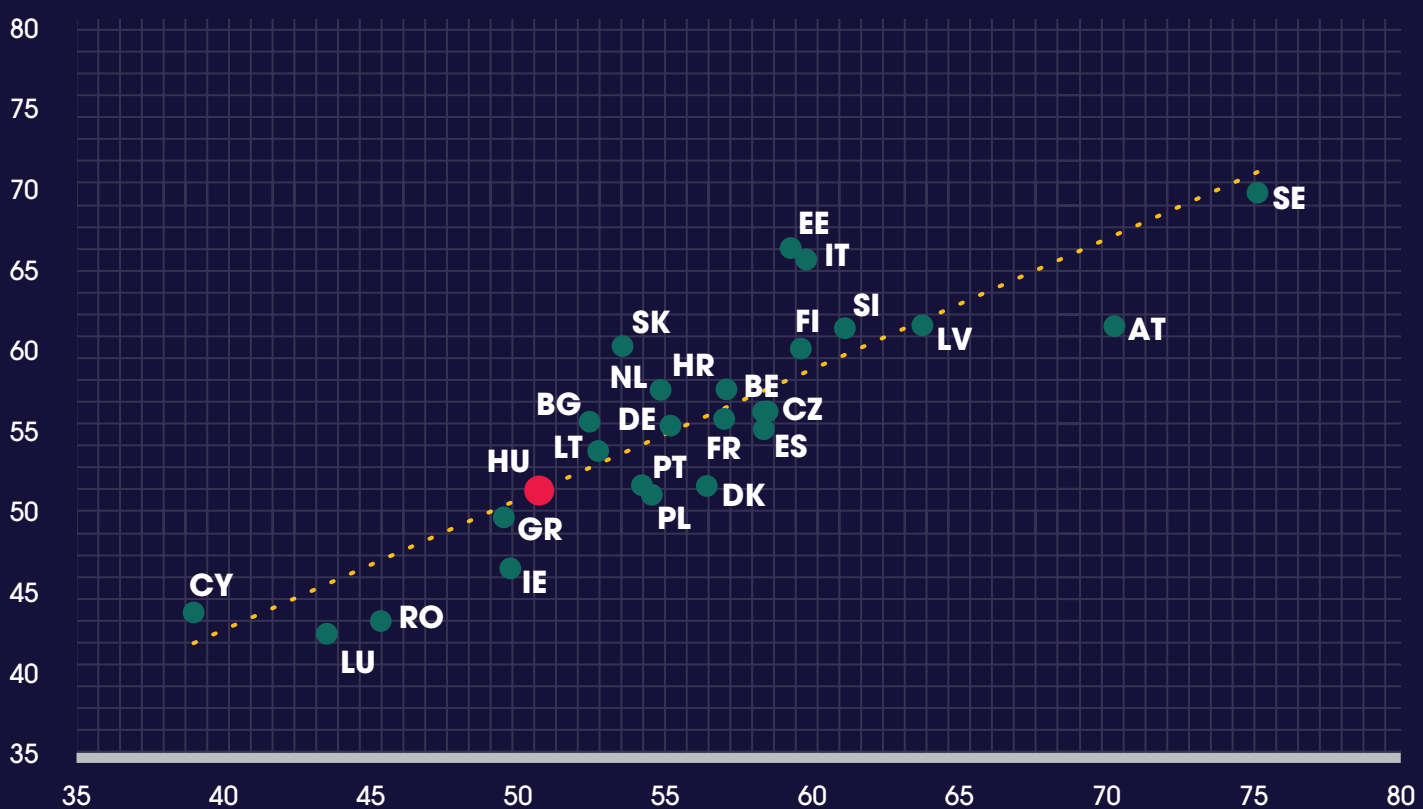

Figure 10: Evolution of the Clean Country sub-index between 2015 (horizontal axis) and 2020 (vertical axis)

One of the main challenges of the 21st century is to protect our natural environment and transform our lifestyles and economies in a sustainable way. As part of the global fight against the climate crisis, the European Union, and Hungary as a member of the EU, has committed to achieving full climate neutrality by 2050. However, a clean environment is a basic human need and an important measure of the development of communities, even beyond this target. In recent years, the Equilibrium Institute has developed a series of policy proposals on sustainability and the environment, which can be accessed by scanning the QR code.

Progress on the environment is measured by the Clean Country sub-index. The 11 indicators included in the sub-index are grouped into two dimensions: the first four are called "passive" indicators, while the second seven are called "active". The indicators in the first group measure the neutralization of pollution already emitted, while the second group includes variables that capture the prevention of emissions. **Passive indicators are weighted 1/3 and active indicators 2/3, as the role of active factors is considered more important in protecting the environment.**

▌ 6.1. THE RESULTS OF THE CLEAN COUNTRY SUB-INDEX

In the Clean Country sub-index rankings, Sweden (1st → 1st) came first, Estonia (7th → 2nd) second and Italy (5th → 3rd) third. Austria lost the most ground, losing its second place since 2012 (2nd → 5th). Slovakia made the biggest improvement over the period, moving up 13 places to the top (20th → 6th). The Netherlands and Bulgaria also made impressive improvements, both moving up five places. The Netherlands is in the lead for passive indicators (81.6 → 81.9) and Sweden for active indicators (80 → 81.9). Austria, Slovakia, Italy, Slovenia and Estonia are in the top ten for both dimensions, meaning that these countries are the most effective in neutralizing pollution while keeping their emissions low.

In previous years, one could find that it was much more difficult to make progress in the area of active ecological behavior than in the passive dimension, with double-digit index point changes typically observed in the passive dimension. In contrast, the most recent results show that EU Member States have improved in the active domains (1.3 index points on average) and worsened in the passive domains (2.2 index points on average). In other words, between 2015 and 2020, EU pollution actually decreased, while the mitigation of existing emissions slowed down.

The latest figures put Sweden first, Estonia second and Lithuania third in this dimension. **It is worth pointing out that Sweden has gained a huge lead over Estonia in recent years: 12.5 index points.**

In terms of active environmental indicators, Estonia (58.2 → 69.5), Italy (57.3 → 60.7) and Hungary (50.7 → 56.7) have made more significant progress. For **passive indicators**, only seven nations have made progress. **Slovakia stands out, improving by 20.4 index points compared to 2015 (43.9 → 64.3)**, mainly due to a significant increase in the share of municipal waste processed and household packaging waste recycled. As a result, Slovakia has moved up from 22nd to 6th place by 2020.

As in the 2023 Megatrend Index, the most dramatic drop in passive indicators – 19.1 index points – is found in Sweden, which also reflected in its ranking: it fell from 7th to 19th place. This is due to two main reasons: firstly, the share of household packaging and municipal waste recycled, and secondly, the share of materials recycled into the circular economy is particularly low in terms of GDP per purchasing power parity. **As Sweden is at the forefront concerning the active areas, their performance in the passive dimension has not yet pushed them off the top of the overall Clean Country sub-index.** In other words, Sweden keeps its emissions very low compared to other Member States but lags behind in terms of recycling.

> **Sweden keeps its emissions very low compared to other Member States but lags behind in terms of recycling.**

6.2. SUMMARY OF HUNGARY'S RESULTS ON THE CLEAN COUNTRY SUB-INDEX
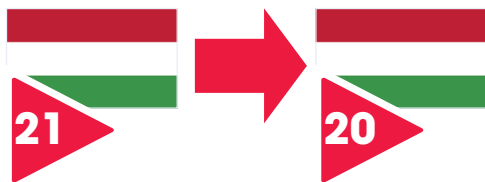
Hungary moved up one place to 20th place in the overall Clean Country sub-index over the period. This puts it in competition with countries such as Denmark (19th), Portugal (18th) and Lithuania (17th). Hungary has made progress on most indicators, and overall has improved, albeit slightly, above the EU average (+0.8 index points vs -0.1 index points).

Hungary has achieved mixed results in the active environment dimension. For example, **it is in the vanguard in keeping noise pollution low, while belongs to the midfield in terms of greenhouse gas emissions per capita.** However, Hungary's performance is particularly poor in the indicators on renewable energy and organic agriculture. Nevertheless, the country's performance over the period under review stood out among the Member States: the 6-index-point increase mentioned earlier resulted in an eight-place improvement (19. → 12.).

However, in the overall passive environmental dimension, as in most EU Member States, there was a deterioration (-9.5 index points), resulting in a drop of five places by 2020 (17. → 22.). Although Hungary's performance in the area of passive indicators is gradually improving, the country is still lagging behind the EU average.
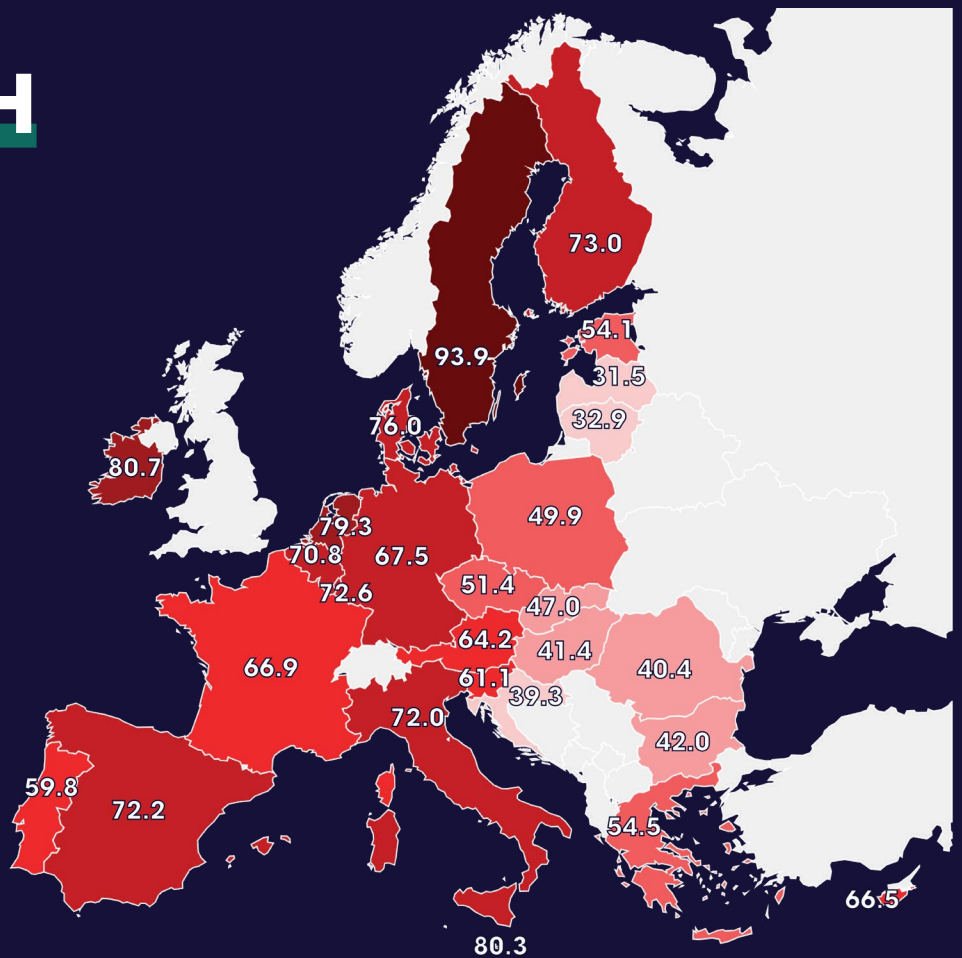
7. HEALTH

Figure 11: Health sub-index scores in EU countries, on a scale of 1 to 100 (darker shade indicates better position)
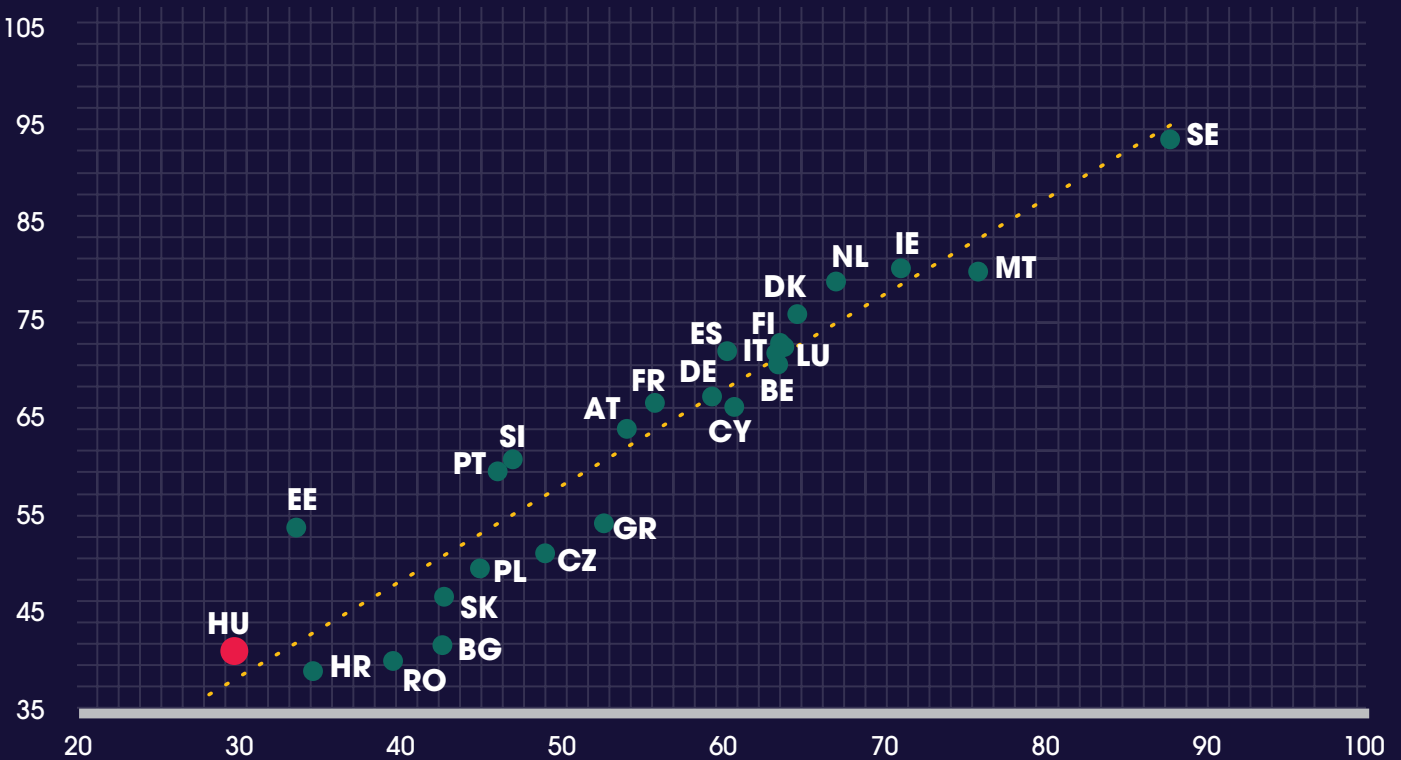

Figure 12: Evolution of the Health sub-index between 2015 (horizontal axis) and 2020 (vertical axis)

The state of health is perhaps the most important indicator of a society's well-being and a key determinant of a country's competitiveness. **The overall increase in the number of healthy life years, life expectancy at birth and the number of years spent in active employment illustrates the improving life expectancy of Europeans, but also the significant differences that still exist between countries.**

A total of five indicators were used to examine trends in health indicators. The Equilibrium Institute's policy proposals on the transformation of the Hungarian public health system are available by scanning the QR code.

7.1. RESULTS OF THE HEALTH SUB-INDEX

In terms of health data, Sweden is the clear leader in the ranking, maintaining its top position throughout the period. Ireland and **Malta** were in second and third place. Looking at the changes in the position of individual Member States, the best performers were the Estonians, who moved up six places to 20.6 index points (24th → 18th). **Of the 27 countries, only Bulgaria has seen its index score fall (-0.5),** mainly due to a significant increase in the proportion of people dying from preventable diseases, while the proportion of regular smokers and the per capita consumption of alcohol measured in pure alcohol rose slightly.

However, the biggest underachiever of the period was not Bulgaria (21st → 22nd), but Cyprus (10th → 13th) and the Czech Republic (16th → 19th). The last two places in the Health sub-index are held by Latvia and Lithuania.

The conclusions of the 2023 Megatrend Index are valid for 2024: many countries have made spectacular progress in the six years examined (2015-2020). On average, Member States increased their scores by 8.3 index points – with nine countries recording double-digit improvements.

7.2. SUMMARY OF HUNGARY'S RESULTS ON THE HEALTH SUB-INDEX

Although Hungary managed to make a significant improvement (+11.8 index points), we are still only 23rd in the European ranking. In 2020, Hungary was only able to leave Romania, Croatia, Lithuania and Latvia behind, and in the coming years, the narrow gap means that Romania and Croatia could easily overtake it.

However, **there is a slight decline in regular alcohol consumption measured in pure alcohol** (11 liters to 10.7 liters) **and in the proportion of regular smokers** (30 per cent to 28 per cent). Hungary, however, have worsened in terms of preventable diseases, finishing 26th in 2020, ahead of only Romania.
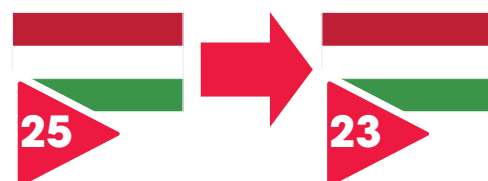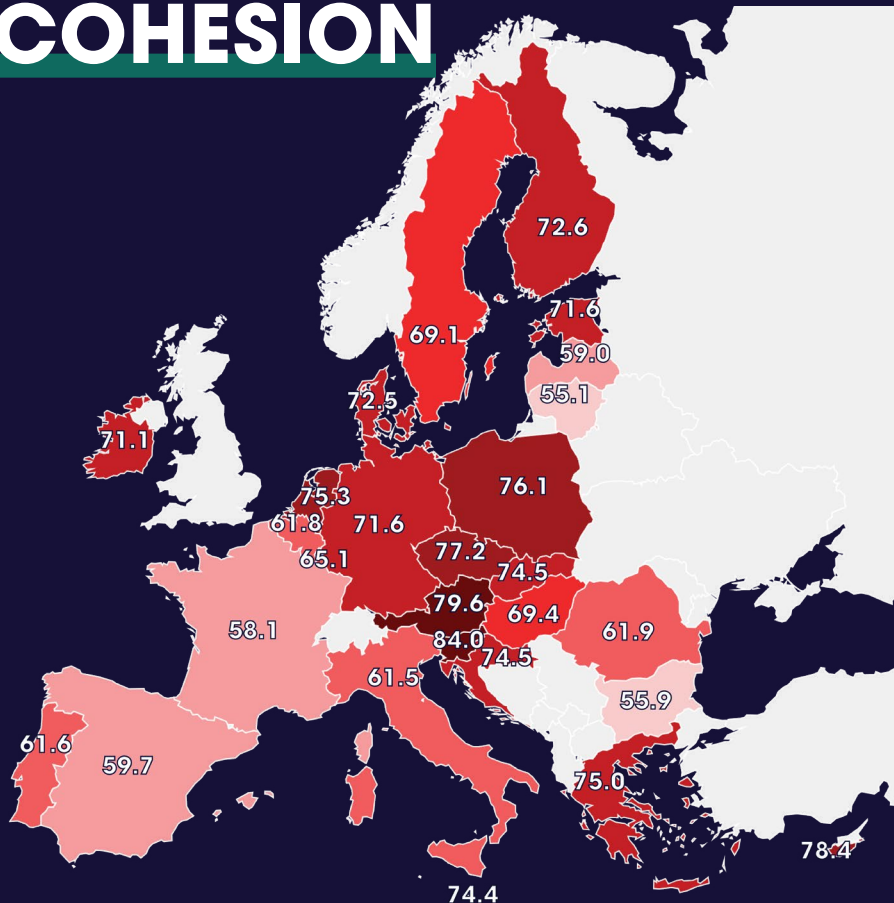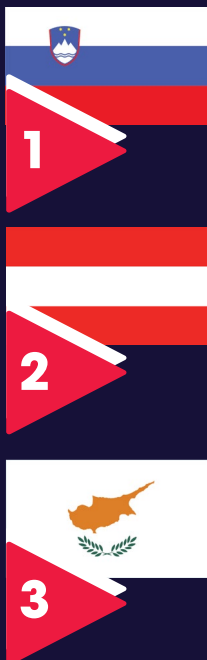
8. SOCIAL COHESION

Figure 13: Social Cohesion sub-index scores for EU countries, on a scale from 1 to 100 (darker shade indicates better position)
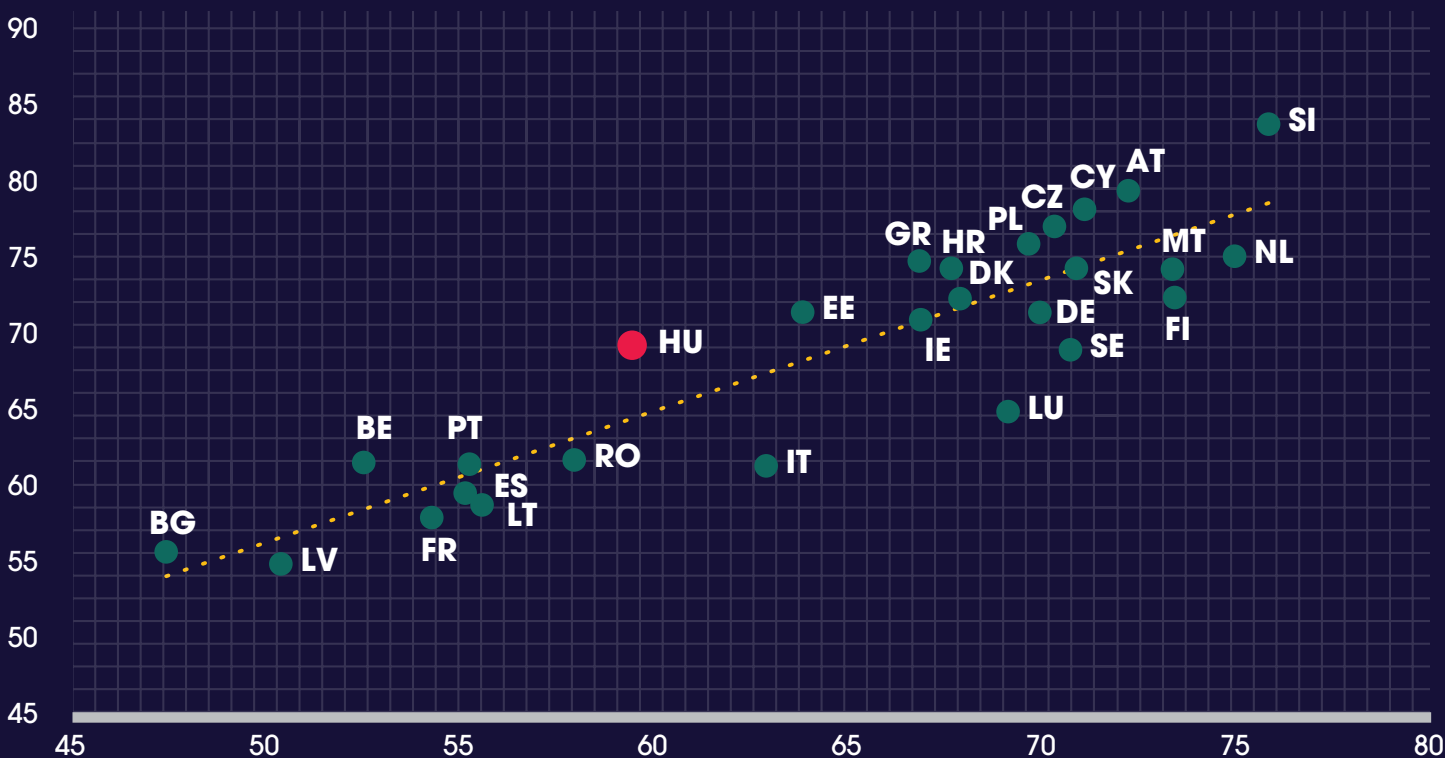

Figure 14: Evolution of the Social Cohesion sub-index between 2015 (horizontal axis) and 2020 (vertical axis)

One of the keys to a country's success is the ability of communities to thrive, to live in balance, to feel a sense of belonging, to work together and to act for common goals. A wealth of research shows that trust and community cohesion are a source of strength, a competitive advantage that affects people's everyday quality of life and economic performance. This is why the Equilibrium Institute sees it as a key factor that states must protect and promote. In the Megatrend Index, Social Cohesion is measured by eight indicators as one of the five key trends.

▌ 8.1. RESULTS OF THE SOCIAL COHESION SUB-INDEX

In terms of the social cohesion sub-index, the top three are **Slovenia (1. → 1.), Austria (5. → 2.) and Cyprus (6. → 3.).** The latter ranking may seem surprising, but the results in these indicators speak for themselves: suicides per 100 000 inhabitants are among the lowest (3.5), while divorces per 100 marriages (29.4), robberies per 100 000 inhabitants (8.8) and childbirth per 1 000 inhabitants among women under 20 (6.8) are very low.

In 23 of the Member States, there was an improvement over the period. Only Italy, Luxembourg, Finland and Sweden saw a slight decline in their performance, which was reflected in their position in the EU ranking. It is worth pointing out that there are **no Nordic countries in the topflight**: Finland is 11th, Denmark 12th and Sweden 17th. Indeed, only Denmark has moved up one place in this group, while Finland have dropped eight places and Sweden nine.

Looking at the overall picture, the field is split: a third of the countries have fallen significantly behind in terms of the Social Cohesion sub-index. Greece (16th → 7th), Belgium (26th → 20th), Poland (11th → 5th) and the Czech Republic (9th → 4th) have made the biggest improvements.

▌ 8.2. SUMMARY OF HUNGARY'S RESULTS ON THE SOCIAL COHESION SUB-INDEX

Hungary has made progress above the EU average between 2015 and 2020, improving 10 index points in six years, which is three places higher than the EU average (19th → 16th). With 69.4 points, Hungary will be able to compete mainly with Finland and Germany in the coming years. However, the fact that the Visegrad countries are well ahead of us in this dimension somewhat clouds the picture.

Suicide rates and the proportion of young people not in employment or education are also quite high, but both indicators have improved. Childbearing among women under 20 has increased. Income gaps within the country are not outstanding, divorce rates are low and the proportion of children (aged 0-14) in households with all adults not in employment is decreasing. In addition, **the number of robberies per 100,000 inhabitants is the second lowest in Hungary – only Slovakia has fewer.**
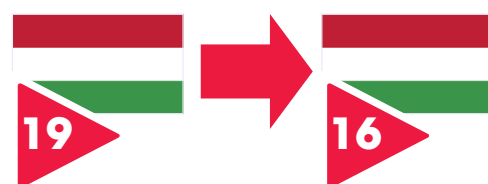
9. METHODOLOGY

The methodology of the Megatrend Index is based on the standardization of the indicators included on a 100-degree scale. While for some indicators a high value is considered favorable and for others a low value, the polarity of the scales was also standardized before the calculations were carried out. Standardization was performed using the following formulae:

If the higher value is better

$$x = \frac{(x - Min(x))}{(Max(x) - Min(x))} \times 100$$

If the lower value is better

$$x = \frac{(x - Max(x))}{(Min(x) - Max(x))} \times 100$$

The scores for each sub-index were the (weighted) average of the indicators, while the overall Megatrend Index scores were the average of the sub-indexes. In our index, we used only long time series databases or databases updated at most every three years. Eurostat and OECD public time series were used as sources.

Our fourth report, 2024, is based on the latest data available in each area. **The Megatrend Index will continue to be based on the most recent data in the coming years.**

10. INDICATORS

Sub-index	Indicator
Smart Country	At most lower secondary educational attainment
Smart Country	General government expenditure - primary and secondary education
Smart Country	General government expenditure - education
Smart Country	The proportion of teachers aged 55 and over in the teaching force in public education
Smart Country	Ratio of pupils per teacher in public education
Smart Country	Adult participation in learning
Smart Country	PISA: underachievement in science
Smart Country	PISA: underachievement in reading
Smart Country	PISA: underachievement in maths
Smart Country	Tertiary educational attainment, age group 25-34
Smart Country	Early leavers from education and training
Digitalization	Broadband and connectivity - households
Digitalization	Proportion of the population with basic or higher digital skills
Digitalization	Use of computers and the internet by employees
Digitalization	Individuals using the internet for doing an online course
Digitalization	Individuals - internet use
Digitalization	Internet purchases by individuals
Digitalization	Proportion of the population using some form of electronic banking

Category	Indicator
Clean Country	Population connected to at least secondary waste water treatment
Clean Country	Recycling rate of municipal waste
Clean Country	Recycling rate of packaging waste
Clean Country	Population living in households considering that they suffer from noise
Clean Country	Generation of municipal waste per capita
Clean Country	Share of renewable energy in gross final energy consumption
Clean Country	Circular material use rate
Clean Country	Share of electricity from renewable sources
Clean Country	Consumption of inorganic fertilizers
Clean Country	Net greenhouse gas emissions
Clean Country	Organic crop area
Health	Healthy life years at 65
Health	Share of people with good or very good perceived health
Health	Alcohol, recorded per capita consumption (in liters of pure alcohol)
Health	Smoking prevalence
Health	Number of deaths from preventable diseases in the population under 75 years of age per 100 000 inhabitants
Social Cohesion	Annual number of suicides per 100 000 inhabitants
Social Cohesion	Young people neither in employment nor in education and training
Social Cohesion	Gini coefficient of equivalised disposable income
Social Cohesion	Number of divorces per 100 marriages
Social Cohesion	Proportion of children (aged 0-17) living with a single parent
Social Cohesion	Fertility rates (births per 1000) for 15-19 year olds
Social Cohesion	Children (0-14) in households with all adults not in employment (jobless) (%)
Social Cohesion	Recorded robberies
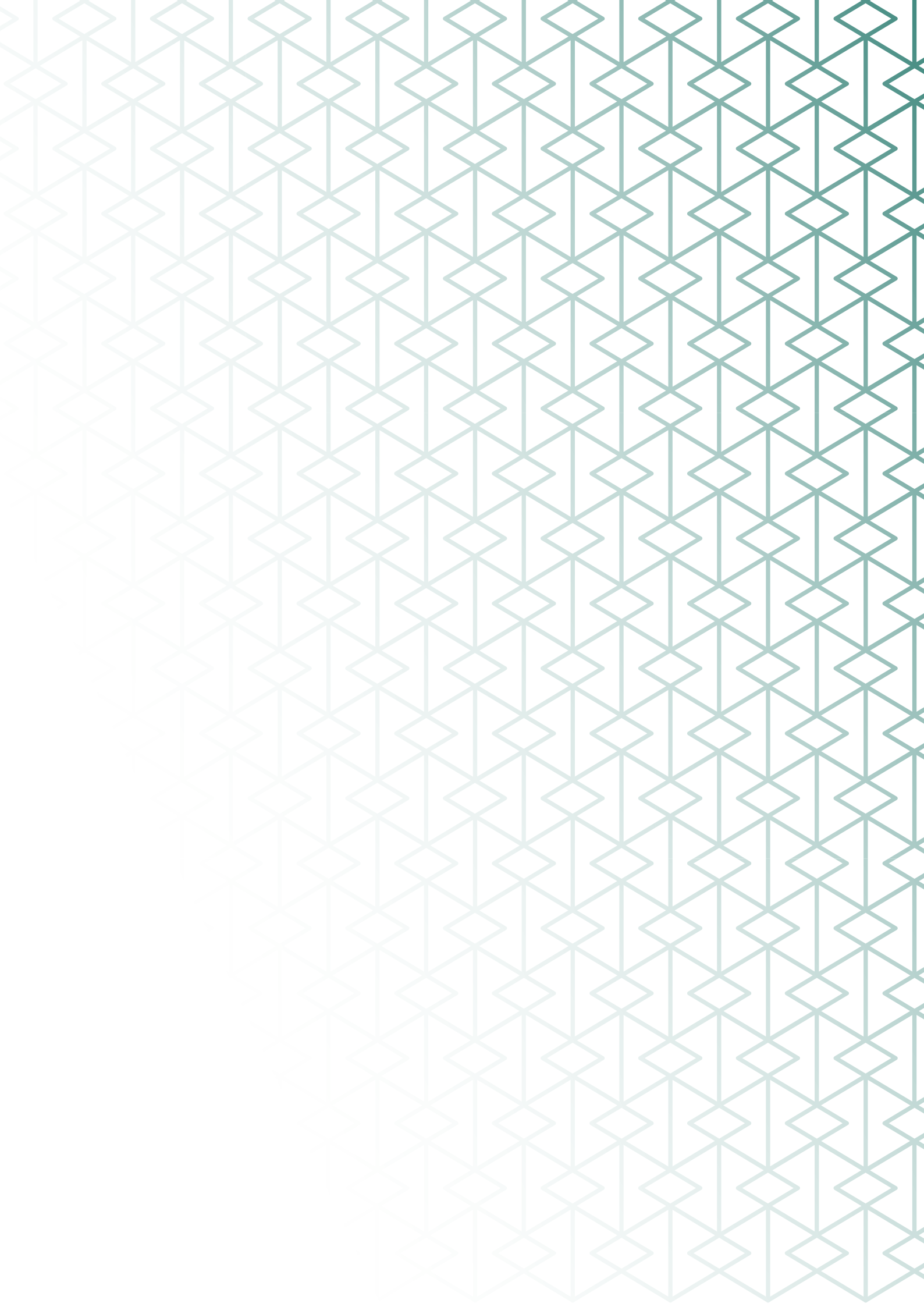
ABOUT US

The Equilibrium Institute is Hungary's largest independent, future-oriented policy think tank.

In line with the vision of Hungary's future presented in our publication entitled Hungary 2030, the Equilibrium Institute works on creating a smart and environmentally cleaner nation rooted in a strong community. To this end, we write widely appealing and practical policy proposals that serve the development of our country, and we discuss these jointly with the best domestic and international experts.

Our goal is to ensure that the current and future political, economic, and cultural decision-makers learn about our recommendations, come to agree with them and implement them.

The staff members of the Equilibrium Institute and the members of its Advisory Board are renowned experts in Hungary who are considered to be among the best researchers and analysts in their respective fields. The work of the Institute is helped by more than 30 experts, including economists, sociologists, political scientists, lawyers, urbanists, and climate researchers.

OUR EXPERTS

TAMÁS BOROS

Executive director and co-founder

Tamás Boros is the executive director and co-founder of the Equilibrium Institute. He was the co-founder and co-owner of Policy Solutions, a consultancy and research institute. He is a recurring guest on a variety of political talk shows and often comments about public affairs for leading international media. He previously worked for the European Commission and the Hungarian Ministry of Foreign Affairs as an expert on communication and EU affairs. His research focuses on Hungarian and EU political communication and populism.

GÁBOR FILIPPOV

Director of Research

Gábor Filippov is the director of research at the Equilibrium Institute. Previously he worked as an expert advisor in the Hungarian National Assembly and then as a political analyst and senior analyst at the Hungarian Progressive Institute. His analyses and op-eds have been published by numerous domestic and international media outlets, and he is frequently invited to talk about politics on television and radio shows. His research focuses on the European and the Hungarian far-right, on the histories of anti-Semitism and Islamophobia and their present-day manifestations, as well as the workings of contemporary authoritarian regimes.

ÁKOS KOZÁK

Director of Business Relations and co-founder

Ákos Kozák is the director of business relations and co-founder of the Equilibrium Institute. Previously, he served as the director of the GfK Hungária Market Research Institute for nearly 30 years. He is the former president of the Hungarian Marketing Association. Formerly, he was also a lecturer at the Budapest Business School and is currently an academic research fellow at the Cyber Economics Research Centre. He is the author or co-author of numerous academic studies on market research. He is the 2008 recipient of the Gábor Klauzál Award (the most prestigious Hungarian state award in the area of trade). He is an expert in futures research and consumer studies and holds a PhD in the sociology of consumption.

BERTRAM MAREK

Analyst

Bertram Marek is an analyst at the Equilibrium Institute. He holds a BA in Political Science from ELTE, an MA in Communication and Media Studies from BME and an MSc in Political Psychology from the University of Kent. He is currently pursuing his PhD at ELTE PPK. His research focuses on the relationship between nostalgia and system criticism. Previously, he worked as a junior analyst at NielsenIQ. He is a fellow of the Friedrich Ebert Stiftung.

DÓRA CSERNUS

Director for Climate and Environmental Policies

Dóra Csernus is the director for climate end environmental policies at the Equilibrium Institute. As an expert in environmental issues, she has worked for the Ministry of Environment and Water, the Office of the Parliamentary Commissioner for Future Generations and the Ministry of Public Administration and Justice, representing the Hungarian position in different EU, UN, and OECD fora. She later worked as Director for International Policy Development at Klímapolitika Research and Consultancy Ltd, and as an independent expert in climate and environmental issues. Her main focus is on climate policy, air-quality control and water policy.

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