
THEORETICAL FOUNDATIONS AND TECHNIQUES FOR MEASUREMENT
Department of Strategy and Project Management

Supervisor: József Papp, PhD

Copyright © Zoltán Felméry
The Involvement of the State and Private Companies in the Internal Security Sector (2000-2016)
Theoretical Foundations and Techniques for Measurement

PhD Thesis

ZOLTÁN FELMÉRY
Budapest, 2017
Table of contents

Index of diagrams ........................................................................................................................................... 5
Index of tables.................................................................................................................................................. 6
Acknowledgement .................................................................................................................................................. 8
1. Introduction.................................................................................................................................................... 10
  1.1. A few ideas about responsibilities concerning social tasks ................................................................. 10
  1.2. Security in focus. From prepolitical status to the political society ....................................................... 13
  1.3. Security in focus? Privatization in internal security .................................................................................. 21
  1.4. Conceptual clarification............................................................................................................................... 27
  1.5. The aim of the thesis, the reason of topic selection, methodology .......................................................... 34
2. The guardian-guarded relation and the coordination mechanisms describing the relationship .......... 41
  2.1. Coordination mechanisms ....................................................................................................................... 43
  2.2. Who can be a guardian? ........................................................................................................................... 49
  2.2.1. The guardian: the state. Dominant coordination: bureaucratic ............................................................. 49
  2.2.2. The guardian: private security company. Dominant coordination: market ............................................ 60
  2.2.3. The guardian: social movement. Dominant coordination: self-government .......................................... 63
  2.2.4. The guardian: violent organization. Dominant coordination: aggressive.......................................... 71
  2.2.5. The guardian: supporter. Dominant coordination: ethical ................................................................... 78
  2.3. Who needs to be guarded? ......................................................................................................................... 80
  2.4. The subject of the guarding activity .......................................................................................................... 85
3. Involvement in numbers............................................................................................................................... 90
  3.1. The indicator of involvement: expenditures ............................................................................................. 91
  3.1.1. Internal security government expenditures .......................................................................................... 91
  3.1.1.1. Internal security government expenditures (percentage of GDP) ....................................................... 92
  3.1.1.1.1. Arithmetical limitations .................................................................................................................... 96
  3.1.1.1.2. Limitations concerning the interpretation of government functions .................................................. 101
  3.1.1.1.3. Limitations concerning GDP ............................................................................................................. 105
  3.1.1.1.4. Limitations concerning the interpretation of the index ...................................................................... 110
  3.1.1.2. The absolute value of internal security government expenditures .................................................... 112
  3.1.2. Private internal security expenditures ................................................................................................ 120
  3.1.3. Impossible? Expenditure figures of self-governing-, ethical-, and aggressive coordination ....... 132
  3.2. The indicator of involvement: the number of contributors ....................................................................... 140
  3.2.1. The number of state employees who are directly involved in internal security activities .............. 141
  3.2.2. The number of private employees who are directly involved in internal security activities .......... 144
  3.2.3. Impossible? Self-governing-, ethical-, aggressive coordination and contributor figures ........... 150
4. The internal security system.......................................................................................................................... 165
5. The normative analysis of the coordination mechanisms in internal security ........................................... 173
Bibliography ...................................................................................................................................................... 180
The author’s publications concerning internal security.................................................................................. 194
Other publications of the author ...................................................................................................................... 195
## Index of diagrams

<table>
<thead>
<tr>
<th>Diagram</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The interpretation of internal security</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>Further constriction of the internal security concept</td>
<td>33</td>
</tr>
<tr>
<td>3</td>
<td>Examples of crime prevention and investigation</td>
<td>33</td>
</tr>
<tr>
<td>4</td>
<td>The guardian-guarded relations</td>
<td>84</td>
</tr>
<tr>
<td>5</td>
<td>The guardian-guarded relations and coordination mechanisms</td>
<td>85</td>
</tr>
<tr>
<td>6</td>
<td>The existence of guardians in internal security activities</td>
<td>89</td>
</tr>
<tr>
<td>7</td>
<td>The existence of guardeds in internal security activities</td>
<td>89</td>
</tr>
<tr>
<td>8</td>
<td>Internal security government expenditures and expenditure indexes (2004-2005)</td>
<td>98</td>
</tr>
<tr>
<td>9</td>
<td>Internal security government expenditures (in real terms) and expenditure indexes (2000-2014)</td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>Social- and old age protection government expenditures and GDP rates (2012)</td>
<td>102</td>
</tr>
<tr>
<td>11</td>
<td>Internal security- and public order government expenditures and expenditure indexes (2005-2012)</td>
<td>104</td>
</tr>
<tr>
<td>12</td>
<td>Internal security government expenditures in nominal and real terms (2000-2014)</td>
<td>114</td>
</tr>
<tr>
<td>13</td>
<td>Various social sector’s government expenditures in real terms (2000-2012)</td>
<td>115</td>
</tr>
<tr>
<td>14</td>
<td>The number of private security companies (2010-2015)</td>
<td>121</td>
</tr>
<tr>
<td>15</td>
<td>The number of private security companies by revenue and employees (2015)</td>
<td>124</td>
</tr>
<tr>
<td>16</td>
<td>Net revenue of private security companies by the field of activity (2010-2014)</td>
<td>127</td>
</tr>
<tr>
<td>17</td>
<td>The total net revenue of private security companies in nominal and real terms (2010-2014)</td>
<td>128</td>
</tr>
<tr>
<td>18</td>
<td>The number of employees in private security companies (2010-2015)</td>
<td>144</td>
</tr>
<tr>
<td>19</td>
<td>The visible number of employees in private security companies (2015)</td>
<td>147</td>
</tr>
<tr>
<td>20</td>
<td>The number of security guards who took part in the regulatory professional training (2016)</td>
<td>149</td>
</tr>
<tr>
<td>21</td>
<td>The visible and invisible number of employees at private security companies (2015/2016)</td>
<td>152</td>
</tr>
<tr>
<td>22</td>
<td>The certified number of civil guards (2013-2015)</td>
<td>153</td>
</tr>
<tr>
<td>23</td>
<td>The number of contributors involved in self-governing coordination (2013/2015)</td>
<td>155</td>
</tr>
<tr>
<td>24</td>
<td>The number of members in active and inactive internal extremist paramilitary groups (2015)</td>
<td>158</td>
</tr>
<tr>
<td>25</td>
<td>The – estimated – number of contributors involved in aggressive coordination (2016)</td>
<td>161</td>
</tr>
<tr>
<td>26</td>
<td>The number of registered- and the rate of undetected crimes (2008-2013)</td>
<td>163</td>
</tr>
<tr>
<td>27</td>
<td>The number of detected crimes and the presumed capacity limit (2008-2013)</td>
<td>163</td>
</tr>
<tr>
<td>28</td>
<td>The internal security system: subsystems, relations and coordination mechanisms</td>
<td>166</td>
</tr>
<tr>
<td>29</td>
<td>The extent of coordination mechanisms based on expenditures (2014/2015)</td>
<td>169</td>
</tr>
<tr>
<td>30</td>
<td>The extent of coordination mechanisms based on the number of contributors</td>
<td>170</td>
</tr>
</tbody>
</table>
Index of tables

Table 1  Private security companies: facts and figures  25
Table 2  Coordination mechanisms and main attributes  48
Table 3  Internal security government expenditures (2000-2014)  95
Table 4  Internal security government expenditures in real terms (2000-2014)  99
Table 5  Before and after: government expenditures and the financial crisis (2000-2012)  116
Table 6  Internal security government expenditures in nominal and real terms (2000-2014)  118
Table 7  The number of private security companies (2010-2015)  121
Table 8  The number of private security companies by the field of activity (2010-2015)  122
Table 9  Financial figures of private security companies (2010-2014)  126
Table 10  Financial figures of private security companies (2015)  131
Table 11  The number and revenue of catering businesses, commercial accommodations and retail stores (2014-2015)  139
Table 12  The number of state employees who are involved in internal security activities (2012/2015)  141
Table 13  The number of employees in the private security sector by the field of activity (2010-2015)  145
Table 14  The number of civil self-defense associations, members and completed hours of service (2009-2013)  151
Table 15  Internal extremist – paramilitary – groups  154
Table 16  Registered criminal acts by type of the act (2008-2013)  160
Table 17  The number and rate of detected and undetected criminal acts (2008-2013)  162
To all who share the following quote:

„Come freedom, give birth to order”
Attila József (1935): Levegőt
Acknowledgement

I am much obliged to all who contributed to the preparation of this thesis. Hereby I
would like to thank to: Ervin Belovics (Vice-Director General of the Office of
Prosecutor General, associate professor at Eötvös Lóránd and Pázmány Péter Univesities); Ákos Borai (legal advisor of Horizone Information and Security
Office); Géza Finszter (member of the Scientific Council of the Ministry of Interior,
professor at Eötvös Lóránd University, National University of Public Service and
University of Pécs); Miklós Ligeti (legal director of Transparency International in
Hungary); András Márton (PhD student at National University of Public Service);
Géza Meichl (economic director of Budapest Police Headquarters); Péter Mihályi
(professor at Corvinus University of Budapest and Pannon University); Ferenc
Német (chair of the Personal-, Property-protection and Private Investigaton
Professional Chamber); János Rainer M. (professor at Eötvös Lóránd University and
Eszterházy Károly College); Béla Sebesi (former associate professor at Corvinus
University of Budapest and Eötvös Lóránd University) and András Túrós (chair of
the Nationwide Civil Self-Defense Organization) the opportunity to take personal
interviews and receive the essential information. These interviews fundamentally
supported the author to provide a realistic representation of the topic.¹

Moreover I would like to take this opportunity and thank the support of Pallas
Athéné Domus Animae Foundation. The organization several times supported and
financed the author’s research activity. Some results are also published in this thesis.
In addition for their support I am grateful to Richárd Pertics (information director at
Opten Information Technology Kft.) and Rudolf Paksa (scientists at Hungarian
Academy of Sciences Institute of History) for their support. Their advice –
concerning data acquisition – were indispensabel.

I would like to express my appreciation to all my colleagues at National University
of Public Service Center for Strategic and Defense Studies and to Péter Tálás, the
director of the Center. The Center provided me working and writing opportunities,
estential security and freedom of thought. I would also like to thank the support to
the colleagues at Corvinus University of Budapest Department of Strategy and
Project Management and to Mihály Görög and Tibor Jelen, the heads of the

¹ The disclosed titles are not comprehensive. Only a few – for us important – professional titles are
listed.
department. All colleagues at the department contributed to the composition of the thesis with administrative and creative advice.

I am grateful to everybody who supported me in the preparation process. I am beholden to a lot of people. I would like to thank my formal and informal opponents, editors and anonym lectors of articles that I wrote in the past. The clear-sighted advice and suggestions contributed to the „polishing” of this dissertation.

Besides my family, it was two of my mentors whose professional and nonprofessional support meant a great deal to me. I am grateful to János Kornai, professor emeritus at Harvard University and Corvinus University of Budapest who – as an advisor – considered me worthy to receive his advice and stood by me during the topic-selection process. Furthermore I would like to thank my supervisor, József Papp the most, a docent at Corvinus University of Budapest, for the continous support, the inspiration, the authorisation of changing the topic and the willingness to write common publications.

The above mentioned supporters gave me only advice, it is only the author who bears responsibility for the failures and shortcomings found in the dissertation.

Last but not least I would like to thank the encouragement of my family who provided me with all the support one could ask for. I’ll try to live by the example set by them.
1. Introduction

1.1. A few ideas about responsibilities concerning social tasks

“In darkness all cities are black”
Jenő Rejtő (2015 [1938]): A fehér folt

There is active public and scientific discourse about involvement in the various fields of the society. The disputing parties fundamentally agree that in modern societies and mixed economic systems the various social transactions achieved by both the state and the market have legitimacy. It is unquestionable that the state has a monopoly on certain fields of societal functions: legislation, defense of private contracts, diplomacy, building communal infrastructure and national defense cannot be realized without exclusive state control and supervision. On the other hand, some functions cannot be executed only in cooperation with the private sector. There are social services aimed at the functioning and well-being of society like education, research, health, transmission of culture, employment, social security, environment- or even internal security protection that other coordination mechanisms have also an essential role to play in. Schools, hospitals, clinics, research centers, environmental organizations, profit-oriented firms, different – old age, life, health, accident – insurance possibilities, patronised cultural programs maintained by foundations and private corporations are all well-known examples of functions that exist without state intervention.

There is no debate about the fact that there are other coordination mechanisms which function besides the state. In addition, after the change of regime some of these have become more accentuated\(^2\) in Hungary. It follows that state/market/other involvement in social services is an inevitably part of the public discourse. In the bureaucratic coordination dominated authoritarian systems – for example in the socialist states of Central and Eastern Europe, like Hungary at the period of classical socialism – thoughts about non-state involvement were necessarily terminated, due to economic instructions planning, centralization and one-party political system. Following the strong emergence of market coordination in the socialist countries the public discourse on involvement and responsibility was reintroduced just like in the

\(^2\) To the above mentioned things we would like to add that there is no possibility to describe the socialist years as a period when state control was total.
capitalist states in which this notion became more and more relevant with the introduction of the welfare systems.

The discourse is not free from ideological debates. The author believes that we can agree that debates are not about questioning the collective existence of the various mechanisms, but rather about the extent of this existence. The extent of state involvement\(^3\) linked to the different social fields somebody prefers, is solely a question of values. A simplistic example of that is the following dichotomy: collectivists believe undeterred in large communal existence and control, while individualists are not persuaded by the necessity of reducing individual interest for communal purposes.\(^4\)

The statement that the state is not an exclusive actor in operating social services is equally true in connection with internal security. There are numerous evidence to support this idea, not only in Hungary: many people buy monthly tickets in guarded parkings, contract private security companies to protect their homes and employ private investigators to find missing people and assets. Apartments also employ guards to guarantee the security of tenants, security of prominents from upper class is defended by private forces, the assets of poor villages are defended by volunteer guards, the catering facilities are defended by maffia-like organizations, prisons are operated by for-profit private organizations and information technology private companies contribute to preventing terrorism\(^5\). Independently of the above mentioned things, the bulk of internal security services can not be separated from the state. The operation of law enforcement-, investigation and secret services, the maintenance of prison services, border protection and disaster prevention as well as the regulation of private and civil defense organizations are crucial tasks and responsibilities of the state.

There are ideological debates about involvement, not infrequently driven by political motives. In the past years wide public interest followed questions inseperable from internal security like: 1) should paramilitary organizations existing close to political

---

\(^3\) And of course inseparably of that: the extent of other actor’s involvement.

\(^4\) János Kornai drew my attention to the idea: to call the individual-public interest dichotomy a simplistic one is too permissive. Due to the fact that public interest in practice – as we know from Arrow impossibility theorem (Arrow, 1951) – does not exist. The example is still not expatriated from the text. The reason for this is the illustration capability of the statement. Independently of the scientific value, it illustrates us the ideologized positions in public opinion.

\(^5\) The author genuinely think about preventing terrorism and not about unauthorized monitoring of individuals (cf. Greenwald, 2014; Harding 2014).
parties be able to show forces in the countryside to promote the importance of internal security, 2) should private corporations equipped with surveillance technology be able to gather intelligence, in the name of national security interest, 3) is it acceptable that in the internal security sector there exists a turnstile (the leaders of state security organization and the owners and leaders of private security corporations replace each other) and 4) should leaders in the internal security state law enforcement system be able to establish and sustain professional connections with the owners of private security companies at all?\textsuperscript{6}

The author would not like to resolve the ideological deadlock with this dissertation and does not consider it a task to accommodate the divergent system of values. As an economist – using positive analysis and quasi-objective methods for measurement – the author primarily struggles to define and describe the internal security system and the operating coordination mechanisms. Especially in the light of the phenomenon that – as it will be examined and shown below – expenditure- and employment statistical indexes traditionally used for this purpose face several problems. We would not like to argue with the statement that the state has the primary responsibility in protecting internal security. At the same time we think – as the above listed examples point it out – that in the case of internal security the state, the market and other transmitting mechanisms equally have legitimacy. In the Central Eastern European region after the change of regime implemented privatization process became a reality for the internal security service providers in the early 90s and – regardless of the different political voices – we believe that the statement is still valid today.

Staying clear of ideological debates we consider it inevitable to express our normative standpoint at some questions along the thesis. The author believes that communicating the normative opinion is a part of research activity and does not want to escape from this task and responsibility. We would like to state that on the collectivism-individualism axis we are closer to the latter. In terms of our subjectum this means that in ensuring internal security the state is not considered the only prominent actor and the author does not think that in all security issues the state is competent alone. At the field of internal security we truly welcome the freedom of

\textsuperscript{6} Confirming the last two elements it is an interesting experience that visiting offices of private security companies you can often meet the phenomenon that a former police general is found everywhere.
society members to choose their provider. Except for certain security services (protection of the constitutional order and the rule of law, border protection, some investigative services) we welcome their ability to choose from whom they would like to buy security services: in some cases obligatory or optional choosing the state law enforcement agencies, otherwise choosing market and voluntary civil solutions. In addition we are advocates of the invisible – and not the unconditional – order. The author rejects any initiative of the state to encroach on the lives of citizens and restrict their human rights and fundamental freedoms for their own protection. At the same time we welcome any initiatives that can guarantee peaceful coexistence without any limitations. In the dissertation we draw attention to the formulated normative ideas in all cases.

1.2. Security in focus. From prepolitical status to the political society

„Bellum omnium contra omnes”
(The war of all against all)
Latin phrase

Since the demand of human coexistence in an organized manner appeared and enough power was concentrated to enable the emergence of the first city-states, a thinking and reflection process started about the functions and tasks of the „state”. At the same time during a significant part of the Antiquity and the Middle Ages thoughts proclaimed by the theoretics could be classified as state theories, moral- and religion philosophies and thoughts about concentration of power. In order to prove this statement there are a couple of examples: Plato wrote about the organizational structure of the ideal state, the characteristics of the existing legal system, the state involvement in ensuring justice and the goals of state and community (Plato, 1994 and 2008); Aristotle searched the ways of achieving greater societal happiness, the aims of „political science”, the virtues associated with state offices and – similarly to Plato – the extent of state’s involvement in ensuring justice (Aristotle, 1975 and 1994); Augustine and Thomas Aquinas theorized about people’s subordination to the will of God, the necessary peace for creating communities, the relationship between the religious and the secular state, the indispensability of laws and tasks in order to promote the interest of the state and common good (Augustine, 2005; Frivaldszky

7 Furthermore, in the absence of all this suffering from the maffia-like solutions and the aggressive coordination.
8 The subsection is based on Felméry (2015 a.).
2013); John Calvin and Martin Luther wrote about the importance of the separation of the religious and secular state; Luther complemented this with thoughts about unconditional respect of the state order and civic obedience (Calvin, 1995; Luther, 1962); Niccoló Machiavelli – a forerunner of utilitarianism – disserted about the highest possible concentration of power implemented by the ruler of the state (Machiavelli, 1991); Thomas More – the patron saint of statesmen – drew attention to the importance of operating a democratically organized state that is attentive to the interest of citizens (Morus, 1989); and additionally Erasmus of Rotterdam emphasized the legitimacy of the ruler’s activity according to the norms of the Gospels (Erasmus, 1987).  

The works listed above – almost without exceptions – deal with the ruler’s responsibility to defend the citizens against external threats. In the light of existing violent relations within communities it is surprising that the demand of ensuring internal security – as a part of the ruler’s responsibility – does not come up explicitly till the works of Hobbes and Locke. The reason of that could be as follows. These thoughts do not arise because of the lack of experiences concerning peaceful coexistence (in the absence of the existing institutions that enables security within the community). The conflict-free secular (not religious) life in everyday experiences was considered contrary to human nature. After all we know from Darwin that the struggle for survival is strongest between individuals of the same species (Darwin, 1973). This latter statement is present in Leviathan, the main work of Thomas Hobbes written in 1651. According to Hobbes the consequence of the continuous struggle for scarce resources is that individuals who desire the same things and are not able to enjoy them together, in order to obtain the scarce resources become enemies and try to subjugate and destroy each other. Individuals 1) motivated by the domination over others stocks and properties, 2) in order to protect their own and 3) in case of suffered belittlement can use violence as a solution. Due to the common frequency of the pursuit of rivalry, the distrust and the desire for glory, conflict is inseparable from human nature (Hobbes, 1970). The main ambition of „striving for goodness” – as the purpose of life – presented by ancient philosophers quite simply does not exist (Ludassy, 1996). The world’s inhumanity is the consequence of the inhumanity of mankind.

9 The paragraph is based on (Felméry, 2012).
Distrust as a source of violence requires special attention. Because none among the members of the community could feel secure (there is no public power that through the use of law enforcement organization can keep criminals at bay) "people are living in continuous state, that we call war of all against all". The permanent state of war prevails in the community. The existing conditions of this war are not characterized by the ongoing combat operations but "to these relating intentions". Because everyone lives in constant uncertainty (the violent criminal acts could not be prevented due to the lack of existing power) and is aware of the nature of people living in the same community, as a self-preservation reflex everyone has willingness – alone or in alliances – to the preventive use of violence. In the prepolitical order the necessity for self-preservation – without suffered violence – alone legitimizes violence. Everyone is aiming for protecting their own lives. Continuous existence of self-defense, constant threat of violence, the lack of social contact and animalistic human life are the principal characteristics of the prepolitical order (Hobbes, 1970, quotations: p. 108).

As proof to the above mentioned things a typical historical example – also used by Hobbes – is the history of medieval footpads making a living out of tolling, bullying and looting travellers. Holy Land pilgrims, mendicant monks organizing preaching journeys, secular intellectuals travelling among the large city universities, envoys sent by rulers to distant countries, tax- and church tithe collectors, young men travelling due to guild regulations, wandering artists, traders, travelling beggars (constantly on the road because of their livelihood) were potential targets of footpads. According to Pelbárt Temesvári, a franciscan monk and writer in this age – besides disase and old age – the perils of journey was the main cause of death. Enea Silvi Piccolomini – the later Pope Pius II. – mentioned the highwaymen among threats that courtier have to face. Bronislaw Geremek a Polish historian – and former Minister of Foreign Affairs – said that brigandage is "the act of despair ... [is the] child of poverty and overpopulation" (Temesvári, 1982; Piccolomini, 1980; Geremek, 1973; In: Petneki, 1994, quotation: p. 17). There are a lot of historical and literary examples of the medieval existence of brigands and bandits embittering a traveller’s life. The overrepresentation of theft and robbery in the Criminal Codes of

---

10 As a consequence of the – in the paragraph disclosed – several Hobbes-linked quotations, the – page numbers included – sources of the quotations can be found after the paragraph. In order to avoid fragmentation of the body text we used this solution a couple of times below.
the Hungarian kings László I. and Kálmán Könyves and even for medieval customs strict consequences of these criminal acts- (1000ev.hu), the fact that there was a bandit case in the Semmering pass established in 12th century and the execution of three bandit groups in one decade of the 17th century (Petneki, 1994) also provide historical examples for us. Moreover, fairy tales of Geoffrey Chaucher, ballads of Francois Villon, some stories of Boccaccio and Robert Merle are examples of literary works that are based on this theme (Villon-Faludy, 2010; Chaucher, 2008; Boccaccio, 1963; Merle, 2011).

However the most famous story is the story of Robin Hood who – according to narrations – became a hero and a legend from a fugitive in the 14th century. Robin Hood’s band was only one from the 400 square kilometers Sherwood forest living groups that include highwaymen, thieves, fugitives and poachers. The veracity of the story is questionable (National Geographic), however it is true that due to constant sense of threat, continuous taxation and robberies, the need of an internal security guaranteeing public power became a legitimate demand of travellers.

From the Hobbesian state of war occurs the recognition that „nothing can be unjust. ... Where there is no public power there is no law; where no law, no injustice.” Everyone has a right to everything, however this right can be enforced against them. In this situation the general rule of reason is that primarily peace must be sought. At the same time – if it is impossible to achieve peace – all means of war can be used. From this general rule two natural laws can be deduced that aim to the extension of life: 1) primarily mankind has to strive for peaceful coexistence, 2) in order to ensure peace – knowing that all members of the community equally feel it obligatory for themselves – everyone must give up a part of their rights and must be content with „so much freedom, that they authorize to others against themself”. In order to increase the likelihood of a longer and more carefree life and leave the state of war behind, self-limiting actions are necessary. In the absence of these, the permanent state of war can not be terminated. At this point we arrive to the demand for creating public power. The phenomenon when we give up some part of our rights and delegate them to other individuals/conventions is called a contract and compliance of contracts in the civil state is guaranteed by public power. As long as power is delegated to a chosen individual or a convention, public power can be created. A

11 In the opinion of the author: this statement slightly contradicts the previous thoughts.
power that is competent to protect the members of the community from external attacks and injustice caused one another. So „the great Leviathan ... that mortal god to which we owe, under the immortal God, our peace and defence” is born (Hobbes, 1970, quotations: p. 110, 112, 149). The phrase originally means a sea-serpent as a synonym for any kind of sea monsters in Hebrew. In the Old Testament it is also a symbolic epitome of the chaos before the creation and in the New Testament it represents the Antichrist (Wikipedia a.). In this regard, it is more then interesting that Hobbes chose the Leviathan as a symbol of order that changed the chaos.\(^\text{12}\)

As a consequence of this, the primary objective of the institutionalized state is the protection of its community. To reach that objective the necessary tools are chosen by the ruler who is authorized by power. The duties of the ruler include: 1) the creation of peaceful coexistence ensuring laws and 2) the use of punishment and reward in order to make human more cooperating. As we mentioned above, crime exists only where law equally exists: the criminal act in Hobbes’ phrasing is a crime that can be described as 1) the commit of an action prohibited by law or 2) the negligency of an action that is commanded by law. All crimes committed are equally an injustice against the state. Public authority is obliged to take actions against these criminal acts: ensuring the internal security of the community (Hobbes, 1970).

In the Hobbesian society the compliance with contracts is the only moral perfection. (Ludassy, 1996). John Locke fundamentally argues with this idea – due to the historic events that took place since the birth of the Leviathan – in Two Treatises of Government in 1688. This power became more centralized as a result of the reformation ordered by Henrik VIII, through theft of church property, strong centralization efforts and a harmony between the ruler and the aristocracy. However the strengthening was followed by the decline of central power due to continuous increase of tax revenues, absolutist ruler efforts and reduction of citizens’ dependence which caused alienation of the aristocracy (Nagy, 1999). The war with the Scots required financial support and the convened Parliament rebelled against the king. As a consequence of this the English Civil War started indicating the end of the Middle Ages and the army of Oliver Cromwell captured King Charles I. In addition

\(^{12}\) It is possible, that Hobbes with prophetic abilities previsioned something about the connection between the huge wrapped sea-serpent (this is the meaning of the word leviathan) and the size of modern states.
the Parliament – in an unprecedented way up to this point in history and shocking the European monarchs – ordered the beheading of the legitimate ruler. Locke’s work published in this period naturally contradicts Hobbes about unconditional obedience to the regulations made by public authority. According to Locke individuals are free and equal without exceptions, led by their minds and without their consent are not obliged to adapt to the regulations ordered by public authority. However in terms of our topic it is more important that Locke does not question that the purpose of state’s creation is the protection of the community and property either. On the other hand, he emphasizes that the normal state of the society is a struggle for peace and not continuous war. It is called the state of nature by him, where as a consequence of freedom and equality, peaceful coexistence is possible. State of nature is guaranteed by law of nature. The purpose of this law is the preservation of societal peace and freedom. It means "being free from restriction and aggression of others" (Locke, 1999, quotation: p. 77).

Locke equally admits that the state of nature described by him occasionally turns to the state of war. „Force without right upon a man’s person, makes a state of war”. Because of individuals not abiding the law, peaceful coexistence is disrupted and state of war evolves. In this state – in the absence of security ensuring public power – everyone is in danger. In the state of nature individuals have the executive and judicial power that is vital for protecting themselves and others. However, this is not suitable for the preservance of peace due to lawbreakers (Locke, 1999, quotation: p. 53). The inherently peaceful prepolitical state of nature in practice - that is free from tyranny - turns into a Hobbesian war. There is no authoritative public power that can prevent unlawful violence (Nagy, 1999).

Individuals leave the state of nature to prevent violence and hostilities. To protect peace and private property, natural society is turned into a political society with consensus of the people (Nagy, 1999). Individuals give up natural liberty and in order to achieve the benefits of political society voluntarily take the ties of this new state. For this purpose, individuals make a contract with one another at first, then with the representative of the public will. The basic objectives of this consensus-based political state are security of life, freedom and ownership of community members. The protection of executive power is assured by the ruler: in order to achieve peace, individuals necessarily resign from both the executive and the judicial
power. From that time, the legitimate ruler has the responsibility to control compliance with the law, thus protection of the community members. According to this consensus the only purpose of legislative power is protection. The purpose can never be the destruction of the citizens. The State „does not serve any other purposes than peace and security of people and the common good.” (Locke, 1999, quotation: p. 128).

The Hobbesian and Lockean thoughts of the prepolitical and political state of society were born under “lucky” circumstances and found fertile ground. Thoughts about public authority as the entity tasked with ensuring security appear simultaneously and thereafter13 in many writings. These include the following. Campanella – disillusioned from the operation of Signoria in Northern Italian city-states – wrote about the elimination of self-interest – therefore the elimination of fraud, theft and robbery – and the importance of communities (Campanella, 1959). According to Grotius individuals in the state of nature were independent from everyone and could take care solely of themselves. The appearance of property put an end to the state of nature. The pursuit for properties forced individuals into combat. The contract made to provide peaceful coexistence led to the birth of modern state (Kecskés, 1943). Montesquieu – arguing with Hobbes and similar to Locke – considered peace the number one law of nature. This means that the prepolitical state of nature is peaceful. However, when individuals began approaching each other, they created communities and lost the feeling of weakness. At this time war began between and within the communities. This state of war created laws in society (Montesquieu, 1962). Rousseau in similar fashion wrote that every individual is good by nature and that goodness is limited by social institutions. „Man is born free, and everywhere he is in chains.” General freedom arises from human nature and everyone gives it up only in their own interest. Law does not stem from violence, the basis of the public power is the social contract. According to the contract the community with their combined efforts protects the life and property of every member. At the same time, each member – cooperating with others – „only obeys themselves and remains free as before” (Rousseau, 1947, quotation: p. 18 and 28). According to Babeuf barbarity of violence must be prevented with social laws (Babeuf, 1950). Malthus said that the next catastrophe for humanity – besides wars and diseases – is a consequence of

13 The term „thereafter” refers to the birth of the Leviathan in 1651.
linear growth in food production and exponential growth of population, can be only belated by crime (Malthus, 1959). Stuart Mill wrote that government’s existence is a criterion of order. It means that „public silence is not disturbed by private aggression”. According to him: a nation that „left the wild state behind”, but due to the aggressiveness of passions and the lack of renunciation of personal struggles is not capable of „tolerating the constraints of public authority”, it is worthwhile to apply „authoritan tools in a significant way” (Mill, 1867). The „war of all against all” phenomenon is still used by Marx and Nietzsche: by the former towards analysing the relation between commodity producers and by Nietzsche as symbolizing the state as the institution of selfish individuals (Marx, 1955; Nietzsche, 2012).

On the basis of the above review we can conclude that in the prepolitical order aggression gives birth to „order”. The use of violence means existential threats to all individuals and the need of public authority, an actor capable of creating order, arises. Ensuring and creating peace and internal order of the community become important social tasks. Tasks that were entirely organized by public power at first. The move from anarchy to order is initially associated with unrestricted power. History illustrates that dictatorships are born from the lack of social stability and order. In order to prove this here are some examples: from the Spanish Civil War (characterized by mass killings) the Franco regime was born, after the October Revolution and a violent transition period the Soviet Union emerged, the economical and security instability influenced the Hitlerian Nazi State, the violent actions of the Hungarian Soviet Republic was followed by the – also violent – Horthy regime and the Lybian and Syrian civil wars supported the strengthening of the Islamic State. These regimes – even with their violent and terrifying manifestations – at the moment of their birth were capable of demonstrating the promise of internal order and security.\textsuperscript{14} In dictatorships the continuance of internal security – similar to other social tasks – is a privilige of the state (or the state party). Whereas in the history of humanity after the prepolitical state dictatorial social arrangements were typical, ensuring internal security is still considered a task of the state.

\textsuperscript{14} A great example of the insistence on order and the negligation of various political ideologies is the following: a significant part of the Hungarian Roma population in some villages accepted the march of the Hungarian Guard (a violent organization) in order to ensure internal security. The following idea may be behind the phenomenon: it does not matter who ensures security as long as it exists.
The road from absolutism to democracy in the field of social services can be connected with the appearance of private actors. This equally affects the interpretation of involvement in internal security.

1.3. Security in focus? Privatization in internal security

Privatization in the narrower sense is the transmission of state property to private actors with or without compensation. In a wider sense the concept is not only used for the transfer of property but also for transmission of social tasks to private actors. In this sense: in case of some social tasks (these include: educational-, health-, social protection-, infrastructure building-, environmental protection-, economical-, cultural-, religious-, leisure time-, internal and external defense tasks, services and responsibilities) privatization is the process of private actors taking the state’s responsibilities on these areas. In this respect, the examples listed in the subsection 1.1. can be considered as the results of the privatization process completed after – and before – the change of regime.

The practice of privatization as well as the theoretical and scientific foundation of it is different in case of the various social sectors. Privatization in education-, healthcare-, and economy sector is characterized by a number of practical solutions and professional literature. At the same time, in case of internal security these barely exist. Questions concerning the privatization of internal security are less present in both the public and the scientific discourse, probably due to the following two phenomena: 1) in ensuring security we continuously consider the state the key player and 2) in comparison with other social sectors, there were fewer property

15 In order to prove this: 1) in the library of the Corvinus University of Budapest there are 510 Hungarian language and 414 English language works, the titles of which include the term „privatization”; 2) using Google and searching for the term „privatization AND health” 11,9 million-, „privatization AND education” 11,2 million-, „privatization AND economy” 11 million results can be found. At the same time, due to the independence from our core research topic and the inaccurate estimates we set aside the adaptation of these results.

16 Independently, there are international sources dealing with existing privatization practices in security sectors. These sources are typically linked to anglo-saxon scientific institutes. We have also tried to present some important statements of these sources in the dissertation. However, the situation is different in connection with the use of coordination mechanisms for describing the internal security sector. As far as we can ascertain, no one has ever used this instrument for the description.

17 Furthermore, we consider the state the most important actor in managing our general interests (Lengyel, 2007).
transfer-related scandalous privatization actions. In case of security – and internal security\textsuperscript{18} – information about privatization is equally essential. With this knowledge 1) we are able to get closer to the realization that in case of this social sector there are tasks and services which are not carried out by the state; 2) we can get acquainted with services that are carried out solely by the state 3) we can get to know social areas where alternative actors appear and 4) we are able to receive information about the methodology of measurement techniques of involvement.

The creation of the scientific definition of private security basically goes back to the 70s. According to definitions formulated long ago and still partly used: private security is the aggregation of all security-related services provided by self-employed actors and established businesses in the internal security sector. The services are provided to a specified customer for a fee in order to handle various risks and for the purpose of protection of people, property and interests (Kakalik – Wildhorn, 1972; Government Printing Office, 1976; Green, 1981; all three In: Cunningham – Strauchs – Van Meter, 1990). In the United States the emergence of private actors in ensuring internal security can be demonstrated from the 60s-70s.\textsuperscript{19} The primary manifestation of this was the following. In response to the dramatically rising crime rate, everyone tried to protect their own safety more: more locks were mounted on the doors, guns were purchased, lights and alarms were installed to keep away burglars. Besides this self-reliance, professional private services appeared and established the market of defense activities provided by private security companies. In the 60s the amount of guns sold grew fivefold, and the number of employees at private security companies increased by 166 percent.\textsuperscript{20} The average American citizen was more and more afraid of going out alone at nights and in order to protect themselves, they changed habits.\textsuperscript{21} In addition citizens spent more and more on protection (Clotfelter, 1976).

In the United States personal contribution to self-defense has significant historical traditions (although not old-established through European eyes). The first settlers and

\textsuperscript{18} Subsection 1.4. deals with the conceptual overview of internal security.
\textsuperscript{19} The term „private police“ was first used in 1972 by Rand Corporation (Cunningham – Strauchs – Van Meter, 1990).
\textsuperscript{20} At the same time, the number of employees at the police increased by 48 percent and the general employment rate in the civil sector by 20 percent (Clotfelter, 1976).
\textsuperscript{21} According to opinion polls: 1) to the question of whether he/she is afraid of going out at night in 1968 31 percent, in 1975 45 percent answered „yes“ (Gallup, 1975; In: Clotfelter, 1978); 2) in Boston and in Chicago 60 percent of respondents said that it was necessary to change the habits because of protection (Clotfelter, 1978).
inhabitants of the colonies needed to organize self defense, which is widely portrayed in western films. In order to protect themselves, every colony recruited guards (so-called watchmen) from the citizens until the mid 1800s, when the state in major cities began to employ official police (Cunningham – Strauchs – Van Meter, 1990). Independently from the existence and acceptance of official police, choosing the state as the provider of protection services was not the only possibility. Besides state police, citizens have long used 1) individual actions (installing locks and alarms), 2) communal actions (collective community services for protection) and 3) services provided by private security companies (Post and Kingsbury, 1977; In: Cunningham – Strauchs – Van Meter, 1990). Therefore, in some anglo-saxon states the number of employees working at private security companies (registered by the designated state agency) exceeded the manpower of the official police force. The private/state guards’ ratio in the early 2000s in Australia and Canada was about twofold and in the United States about threefold. Moreover, the number of private security employees has been rising since the 90s in Canada (Swol, 1998; Prenzler – Sarre, 1998; Gerden, 1998; all three In: Cukier – Quigley – Susla, 2003). Due to the fact that private security is able to handle criminal cases more effectively that are located at the ends of the crime spectrum [from simple burglaries and robberies to more specialized criminal acts such as online crime] (cf. thestar.com).

In the above mentioned three countries, the reason for the significant presence of private actors – reflected in the number of employees – is 1) the privatization activity (outsourcing of certain defense tasks), 2) the creation of opportunities provided by legal deregulation and 3) the increasing special defense demands of private customers. Consequently, private security companies provide a wide range of activities. These services may extend from corporate investigation and technical intelligence services, property protection of individuals and corporations to the protection of public areas (Cukier – Quigley – Susla, 2003). We can deduce the strong presence of private security companies on the market of defense services – that is more common in anglo-saxon countries – from other sources as well. In the early 90s the U.S. government spent 200 billion dollars one year to buy goods and services, and nearly the half of this amount was linked to protection services. This

---

22 It is an interesting research result that American citizens expected not typically crime-related services from the police. It was shown in the first research that 80-90 percent of the needs required from police had not this origin (Gourle, 1954; In: Cunningham – Strauchs – Van Meter, 1990).
time in the country 2500 enterprises dealt with the production and trade of defense equipment (Cunningham – Strauchs – Van Meter, 1990). After September 11, 2001 the budget for surveillance skyrocketed, and majority of the spent amount went to private firms. In the case of the national security budget, this ratio was about 70 percent in the United States (Shorrock, 2013; In: Greenwald, 2014). The number of military and defense activity providing companies (PMC/PSC)\textsuperscript{23} – typically in the personal security- and security system services sector – is estimated to be about several hundred. These companies are present in more than 50 countries. In 2006 private military companies had the second largest contingent in Iraq after the Iraqi Armed Forces. The 118 PMCs employed 48 000 contractors and were exempt from complying the laws of Iraq by Paul Bremer, Chief of Iraq’s Coalition Provisional Authority. The salary of a PMC guard could be up to 30 000 USD per month. This time in Afghanistan the number of private enterprises was estimated to be around 90-140 with 18-25 000 employees (Karácsony, 2008). Probably the best known private military company is the Xe which used to be Blackwater but was renamed after various scandals. Since 2000, the company has received over $ 1 billion for guarding and security duties, and according to rumors it could have concluded 15 billion USD contracts with the US government to carry out intelligence services (Karácsony, 2011). Besides the presence of private security companies in the anglo-saxon world, PSCs are actively present in the European post-communist states as well. This is the result of 1) the ineffectiveness of actors performing public defense activities, 2) the specific consumer security needs that emerge in this region, and 3) the established political ties. In Poland 3000 PSCs are present and give job opportunities to more than 200 thousand employees. The key to their success lies in the availability of technology and access to critical resources - people and information (Wordliczek, 2015).

Looking at the data about the private security companies in Table 1, we can see that for some countries of the post-socialist bloc the presence of private security companies is particularly important (Table 1).

\textsuperscript{23} The „PMC” abbreviation means private military companies, while „PSC” private security companies. In the dissertation we deal with the latter. The customer of PSCs are the following organizations: in 64 percent governments, in 30 percent private organizations, in 3-3 percents NGOs and individuals (Karácsony, 2011).
### Table 1

**Private security companies: facts and figures**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Police forces</td>
<td>PSCs</td>
</tr>
<tr>
<td>Austria</td>
<td>1:380</td>
<td>1:523</td>
</tr>
<tr>
<td>Belgium</td>
<td>1:266</td>
<td>1:703</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1:155</td>
<td>1:132</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1:238</td>
<td>1:203</td>
</tr>
<tr>
<td>Denmark</td>
<td>1:503</td>
<td>1:1106</td>
</tr>
<tr>
<td>Estonia</td>
<td>1:412</td>
<td>1:289</td>
</tr>
<tr>
<td>Finland</td>
<td>1:701</td>
<td>1:889</td>
</tr>
<tr>
<td>France</td>
<td>1:271</td>
<td>1:437</td>
</tr>
<tr>
<td>Germany</td>
<td>1:326</td>
<td>1:484</td>
</tr>
<tr>
<td>Greece</td>
<td>1:428</td>
<td>1:376</td>
</tr>
<tr>
<td>Hungary</td>
<td>1:380</td>
<td>1:125</td>
</tr>
<tr>
<td>Italy</td>
<td>1:565</td>
<td>1:1260</td>
</tr>
<tr>
<td>Latvia</td>
<td>1:300</td>
<td>1:105</td>
</tr>
<tr>
<td>Poland</td>
<td>1:388</td>
<td>1:190</td>
</tr>
<tr>
<td>Portugal</td>
<td>1:228</td>
<td>1:275</td>
</tr>
<tr>
<td>Romania</td>
<td>1:1050</td>
<td>1:229</td>
</tr>
<tr>
<td>Spain</td>
<td>1:213</td>
<td>1:513</td>
</tr>
<tr>
<td>Sweden</td>
<td>1:522</td>
<td>1:467</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1:382</td>
<td>1:170</td>
</tr>
</tbody>
</table>

Remarks: the table shows some economical characteristics of 19 European police offices and PSCs. Employees of police offices in proportion of the population-, employees of PSCs in proportion of the population and in persons-, the number of PSCs in pieces-, the total revenue of the PSC sector in millions of euros are expressed. In case of Czech Republic the 2008 revenue data is shown in the table. The source of data in all cases: Confederation of European Security Services, 2011.

In Bulgaria, Czech Republic, Estonia, Latvia, Poland and Hungary the „number of employees working in the private defense sector/the number of population” rate is higher than the rate of police forces/ population. This means that in these countries PSCs employ more people than the professional state police forces. Moreover, based on the territory and population of these countries, the number of organizations and their annual revenue is significant. On the other hand, the Continental and Scandinavian countries in Europe – especially compared to their size and their economic development – maintain a small-scale private security sector. In the case of these countries – shown in the table – the number of employees in state police offices
exceeds the number of employees in the private sector. The number of employees working in the private security sector in Germany and France is only threefold the number of employees in Bulgaria and Czech Republic and only twofold the number of employees in Hungary. In addition, the presence of private defense services in the Scandinavian countries – based on both the number of organizations and employees – is perceptively smaller than in any other country of Europe (Confederation of European Security Services, 2011).

Not only the presence of private security companies but also the regulation of security service providers is different in Europe. According to the classification of Brion and Kaminski, countries can be divided into three groups. 1) The most restrictive states (these include Belgium, Spain and Luxemburg) with especially strict regulations limit the emergence of private security companies. They justify their decision with national security risks of foreign entrants and – somewhat paradoxically – the defense of the population. 2) The moderately restrictive states (these include: France, Netherlands and Italy) maintain strict regulations but implementation processes have some shortcomings. 3) In the least restrictive states (these include: Germany and the United Kingdom) the regulation is entrusted to the market and private sector entities (Brion and Kaminski, 2001; In: Cukier – Quigley – Susla, 2003). Where regulation allows, private security companies are able to do almost all services carried out by the police. Therefore, in almost all cases of the most important services provided by state police (for example: crime prevention; life and property protection; public order protection; traffic policing; investigative work; other tasks involving the use of coercive means) private companies may appear. The difference between state and private security services is not in the content of activities, but in engaged actors, applied procedures and tools, and the magnitude of control (Scott – McPherson, 1971; In: Cunningham – Strauchs – Van Meter, 1990).

In addition, internal security services can not be outsourced only to private security companies that are fundamentally interested in earning profit. Some services may be also transferred to the various organizations of the civil society. In case of those countries where the expansion of the private security industry is less typical, the role of civilian organizations in security services may be particularly emphasized. The law enforcement activities of the state can be complemented by the activity of these organizations. According to the French White Paper that reviews the national
security challenges of France and summerizes the open elements of the Defense Strategy: the worldwide appreciation of security interests is a consequence of greater direct vulnerability. In response to this vulnerability – besides the cooperation of state law enforcement and military services – today there is need for the presence of non-governmental security organizations. Involving civil defense capabilities in this activity may be particularly important in crisis management. Therefore, it is appropriate to build more powerful civil crisis management and protection capabilities (Republique Francaise, 2008 and 2013).

1.4. Conceptual clarification

„Sine cura”
(Without concern)
Latin phrase

The word „security” comes from the latin term „securus”. The latter is formed from the phrase „sine cura” and means careless and relaxed. Security is the avoidance of threats to existence: 1) to the individual it is a state when the social factors exert their influence without interference and there is no criminological exposure; 2a) in case of internal conditions of the society it is a state when the social subsystems are stable, controlled and free of danger; 2b) in case of external conditions of the society it is a state when other states, alignments and organizations poses no threat to the society (Ürmösi, 2013). Security policy – the discipline dealing with security challenges of human societies – classifies the society threats according to their origin, size, scope, intensity, sector and dimension. 1) According to their origin a) regardless of human activity arising natural and b) careless/aware human intervention caused artificial; 2) according to their size a) global, b) continental, c) regional, d) sub-regional and e) local; 3) according to their scope a) internal and b) external; 4) according to their sector a) military, b) political, c) economic, d) social, and e) environmental threats can be identified. The broadly defined tasks of security policy are the following. In case of the military sector: the military defense of the state; in case of the political sector: the sovereignty of the state and the neutralization of threats aimed at the legitimacy of power; in case of the economic

24 It is remarkable – and at the conceptual clarification not ignorable – that interpretation problems can arise when threats are defined existence-threats. The fact whether an external environmental change is considered as a natural process or as a security endangering existence-threat to some extent is a question of self-identity (Tâlas-Gazdag, 2008).
sector: the security of the population’s livelihood and the protection against threats impending this livelihood--; in case of the social sector: the defense of culture, religion, national identity, customs and unwritten laws typical to the society--; and in case of the environmental sector: the protection of biological heritage, diversity and climate are the most important elements (Tálas – Gazdag, 2008; Gazdag, 2011). 5) According to their intensity a) challenges, b) risks, c) general threats, d) crises, e) conflicts and f) wars can be distinguished. In addition, 6) according to their dimension there is a) international- [conflict management between states and/or international organizations], b) public- [management of hazards threatening the internal order and social coexistence], c) social- [management of hazards threatening employment, pension, health and convergence], d) environmental- [management of environmental elements generated hazards], e) human- [management of threats in connection with drug and human trafficking, international migration and growth of population], f) energy- [management of hazards threatening the security of supply], g) technology- [management of hazards threatening the existing infrastructure], and h) a new type of [management of terrorism- and cyber-crime linked hazards] security (Tálas – Gazdag, 2008; Hegedűs 2009). 7) The above mentioned security dimensions can be interpreted at the level of individuals, groups, minorities, nations, states, regions, and the entire international system (Hegedűs, 2009). 8) Finally, states, citizen groups, private for-profit organizations, national and international foundations, religious organizations, environmental organizations and human rights organizations can contribute to ensuring security.

The various classifications listed above help us in the clear definition of our research area and research topic. During these we only discuss local size – political – threats that do not exceed the boundaries of the state and threaten the interal order and social coexistence of the society. We use a security interpretation that is relevant for all involved actors (Diagram 1). From now on in the thesis – rather simplistically – we will refer to this as internal security. At the same time, in order to delineate the research topic correctly, all elements connected to other security interpretations are excluded from the analysis.

Internal security – as a subset of security – equally embrace a widespread social task-system. It includes: 1) police and law enforcement services that ensure public order; 2) jurisdictional services; 3) penitentiary services that use coercive measures,
seclusions and has authority over immigration detentions; 4) disaster, civil and fire protections services; 5) counter terrorist and civilian intelligence services employing detection and intelligence; 6) border control services ensuring the stable border of the state; 7) administrative law enforcement services that provide naturalization, immigration and other refugee tasks; 8) tax and custom administration services connected to law enforcement; 9) prosecution services controlling investigation and monitoring investigative processes and 10) services providing the democratic functioning and stability of the state through the representation of people and the separation of power.

The aim of the thesis is to review opportunities in measuring the involvement of the state and private companies in the internal security sector. Due to this aim, internal security as a frame of interpretation needs to be more constricted. In the thesis, prevention and crime avertion as well as the preparation of criminal justice are considered as the object of analysis: in the context of internal security we deal with 1) police services that are manifested in the defense of public order and security and 2) prosecutorial services that are supervising investigations (Diagram 2). Accordingly, in the internal security sector we fundamentally focus on public security. In this case, we set aside the analysis of the above mentioned other items. The reason of the negligence of some areas – that are undoubtedly closely linked to public order – such as border control, tax and custom administration and intelligence are: 1) the limited availability of information and 2) the respect of the formal framework of the thesis. In our interpretation – the conceptually defined and constricted – internal security definition has only one aim: ensuring the internal order of social coexistence and protect the life and property of the community members. In conclusion: the avoidance of the Hobbesian state of war.

The concept of internal security used in the dissertation can not be equated with the concept of public order used by international statistics or legal science. Although we acknowledge that the above definition may include actions against the migration-induced threats, in the thesis – for many reasons – we ignore discussion of them. Firstly, these threats – as long as they are located beyond the country's borders – are considered external threats and therefore are not strictly related to internal protection services of the society. On the other hand, at the time of the preparation of the thesis the quantitative data of financial and human resources that are used for the protection are not fully available. Finally, the complexity of the organizational system that is engaged in the protection (police, armed forces, intelligence services, etc.) makes it difficult to evaluate the actual use of resources.

This is the reason why the phrase of „internal security” is consistently used in the thesis.

---

25 Although we acknowledge that the above definition may include actions against the migration-induced threats, in the thesis – for many reasons – we ignore discussion of them. Firstly, these threats – as long as they are located beyond the country's borders – are considered external threats and therefore are not strictly related to internal protection services of the society. On the other hand, at the time of the preparation of the thesis the quantitative data of financial and human resources that are used for the protection are not fully available. Finally, the complexity of the organizational system that is engaged in the protection (police, armed forces, intelligence services, etc.) makes it difficult to evaluate the actual use of resources.

26 This is the reason why the phrase of „internal security” is consistently used in the thesis.
differences between our own conceptual definition and the concept used by international statistics will be discussed in detail below. In addition, the differences between our own conceptual definition and the concept used by legal science are the following.\textsuperscript{27}

We do not pay special attention to the sharp distinction between order regulated by private and public law.\textsuperscript{28} Although we acknowledge and emphasize that ensuring these two types of order may require different internal security services, in the thesis we focus on the comparison possibilities (along the use of resources) and not on differences.\textsuperscript{29} We also deal with the differences between security provided by the state and private companies. However, in the thesis these differences are derived from the motivations behind the internal security transactions and not from the differences of legal order. According to legal science public order – the sum of the values need to be protected in society – is defined as a state affair by democratic states. In addition, private security appears only as an aid to public security. On the one hand, when security is provided by the public administration system, emphasis is placed on the authority of the activity (regulated by public law). On the other hand, when security is provided by the private sector, emphasis is placed on the nature of the market and obligations contained in private contracts (regulated by private law). We also describe these differences existing at the level of internal security transactions. However, our starting point is not the distinction between legal orders, but the relationship behind the transactions.

Crime prevention and crime avertion defined in the dissertation's definition of internal security includes also a wide range of activities (Diagram 3). This includes a number of special areas from the defense of constitutional order and the rule of law, to the personal and property guarding and the protection against drug trafficking. Among the displayed areas there are certainly some that are the privilege of the state (border control, investigation, prosecutonal services and defense of constitutional order). There are some that we first consider a state privilege, but when we think about it, they are not exclusively (highway patrol, settlement defense, protection

\textsuperscript{27} Géza Finszter called my attention to the importance of emphasizing these differences, who – when opposing the draft version of this writing – gave me a detailed insight into the conceptual apparatus of legal science.

\textsuperscript{28} Order regulated by private law focuses on the protection of individuals and market conditions, while order regulated by public law focuses on the relationship between individuals and community.

\textsuperscript{29} At the same time, we also draw attention indirectly to the distinction described in the text: in subsection 1.2 we present public order, while in subsection 1.3 we deal with private order.
against drug trafficking). In addition, there are some services in which the state and private companies are equal actors (defense of property, defense of life and personal safety, children and youth protection). Not to mention the fact that some services can also be associated with different actors and coordination mechanisms (victim protection, children and youth protection).

Thus it is clear that in a democratic, capitalist country ensuring internal security is not a state monopoly. In internal security independent actors are involved (in various combinations and to various extents). If this is true, there is a fundamental question: what is the extent of involvement of the single actors and coordination mechanisms in internal security? Answering the question as precisely as possible and describing the extent of involvement is a necessary scientific task. In particular, in view of the fact that the indicators (including, but not limited to, the number of staff and cost-based indicators) are not always applicable, or even with serious reservations.
Diagram 1: The interpretation of internal security

In the thesis we deal with the dark-colored elements. As restrictive conditions, these elements delimit the author’s interpretation of the internal security concept.
In the thesis we deal with the dark-colored elements. The internal security concept – illustrated on Diagram 1 – is restricted to crime prevention and averting services.

Elements listed in Diagram 3 certainly do not constitute a full classification. However they are able to demonstrate the complexity of crime prevention and averting services.
1.5. The aim of the thesis, the reason of topic selection, methodology

"If a man will begin with certainties he shall end in doubts; but if he will be content to begin with doubts, he shall end in certainties."
Francis Bacon (1605): The Advancement of Learning

The aim of the thesis is 1) to identify the actors and coordination mechanisms existing in the Hungarian internal security sector, 2) to measure the extent of their involvement and 3) to review and analyse the economic-statistical toolbox that is necessary for the measurement. The demand for the review concerning involvement in internal security sector, is particularly important in the case of two fundamental security creating mechanisms and actors: the law enforcement organization structure of the state operating among the laws of bureaucratic coordination and the private security sector operating among the laws of market coordination.

In order to achieve the above mentioned objectives, the thesis applies conceptual limitations. Subsection 1.4. cleared up the distinction between professional and geographical concepts of internal security. Besides this – due to the availability and manageable of the statistical figures – we equally limit the research in time periods: the involvement of the various actors in the Hungarian internal security sector will be examined between 2000 and 2016. Whereas examining some security-linked coordination mechanisms needs retrospection to the past (and past examples allow us more expressive illustration), in order to handle internal security in a systemic approach and review all of its subsystems, in the below chapters our theoretical overview is based sometimes on twentieth-century examples.

The questions 1) why is the author personally concerned with the measurement of involvement in social services and 2) why the security industry has been selected as the subject of our research, were answered in the introductory subsections above. However, we still owe the justification of public and scientific actuality. Public actuality perhaps needs less explanation: political and social changes around us have increased the value of the discourse of security. It is true that today almost everything is „securitized” (Mirenau, 2012) but challenging events – like 1) the effects of immigration on internal security; 2) the worsening of the security-perception of European societies; 3) the increased activity of self-defense groups and

---

4) the significant expansion of private security companies – all increase public interest and willingness to accept research results. A PhD thesis by definition has to exceed public interest and add value to the scientific community. Although in this regard the author is fundamentally biased, we hope that the thesis equally meets the scientific requirements.

The measurement solutions of involvement in internal security are only partly available due to the accessibility of economic statistical figures. At the same time, some of the data are still unknown. To know the extent of involvement would be appreciated from several aspects. However raising awareness about this fact has not happened yet. In order to achieve this 1) the theoretical review of internal security coordination mechanisms, 2) the analysis of available economic-statistics tools, and 3) the replacement of the missing data would be necessary. According to the author’s view, the mentioned innovative elements could be appreciated by the scientific community. In addition, the relevant knowledge of the extent of the various coordination mechanisms and actors can support us scientifically examining phenomena like 1) the expansion of private security companies, 2) trust in authority, 3) the „raison d’etre” of violent organizations and 4) the trade-off between order and freedom.

The methodological guidelines and principles of the thesis are as follows. The introductory chapter – in order to introduce the topic and raise attention – deals with general involvement in social tasks, the role of security in state-building, the „privilegization” of security by the state and the privatization. It contains a literature review – regarding the above mentioned topics – and the author’s reflection on this review [Chapter 1]. After that, the first part of the dissertation is concerned with the theoretical description of the internal security system. The system and the subsystems are described with the application of the logic model of János Kornai’s

---

34 In the thesis we consider organizations violent if the are: 1) paramilitary/extremist militant groups that by their own admission wish to take part in internal security activities (regardless of the legitimacy provided by law) and 2) organized criminal groups that in order to gain profit and collect protection money demonstrate violent behavior. Accordingly: with their own – typically violent – tools they try to enforce internal security transactions. Based on this, the set of violent organizations includes more members than the set of extremist militant hate groups (the latter is the subset of the former). Previously we called these groups violence organizations, but Géza Finszer – who did the opponency of the draft version of the thesis – emphatically drew our attention to the fact that violent organizations should not be called violence organizations. In this case this type of organizations can easily be confused with government organizations which have legal legitimacy to use force. The comment was gratefully acknowledged by us and therefore this type of organizations are called violent organizations in the dissertation.
coordination mechanisms (Kornai 1983 and 1993). In point of internal security we identify five coordination mechanisms (bureaucratic-, market-, self-governing-, ethical- and aggressive coordination) and try to develop a typology that considers internal security actors (state, private security companies, social movements, supporters and violent organizations; in summary: the guardians) along the coordination mechanisms. Besides the guardians we designate the actors to be defended (the state, social groups, enterprises and individuals; in summary: the guarded). In addition, based on the legal classification of objects protected by law, we complement our typology and attach the object of guarding activity to the guardians and the guarded. We systematically attempt to designate and describe 1) the guardians, 2) the guarded, 3) the coordination mechanisms that influence the relation between the actors and determine the regularity of the guarding activity, 4) the object of guarding activity and 5) an independent logic model referring to the internal security sector. The description of the internal security system is based on the beforementioned model, and justification for its use is based on assessments, literature, legal sources and interviews made with experts of the various sub-systems [Chapter 2]. In order to take into account information that can not be found in the literature, eleven semi-structured interviews were carried out with experts and leaders familiar with- and employed in the internal security system. Information gained from the interviews fundamentally contributed to the preparation of the logic model that describes the internal security system. In addition, we also gained valuable experience in relation to the extent of involvement. None of the interviewees asked for anonymity. The detailed documentation of the interviewees can be found in the acknowledgements. The questions were not uniform, we have formulated different questions for all interviewees. These questions concerned the internal security subsystem with that the interviewee was familiar with. The transcripts of the interviews and the list of these questions are not included in the thesis due to size limitations.

The second part of the thesis deals with the measurability of – through the theoretical review identified – coordination mechanisms. For this purpose we evaluate some traditional economic-statistical tools and elaborate on new solutions and estimations. Based on the various mechanisms, we examine internal security expenditures (expenditure and revenue statistics) and the number of employees and individuals –
together: contributors – working and concerned in internal security services (employment and contributor statistics). In the former case – when the extent of expenditures is considered the indicator of involvement – 1) besides the review of the state internal security expenditures (in nominal and real terms and as a percentage of the GDP), 2) we quantify the private security expenditure of Hungarian individuals and enterprises based on the security companies’ revenue data and 3) try to estimate expenditures that are allocated to protection money collected by violent organizations. Whereas the use of resources of social movements and supporters\textsuperscript{35} is not associable (the activities are not monetarised), examination of these can not be achieved through expenditure statistics. In this case we consider the number of employees and individuals working and concerned in internal security as the indicator of involvement. We quantify the number of contributors connecting to the various coordination mechanisms, as well as the number of contributors connecting to the subsystems of the internal security system. Moreover, we share some thoughts in connection with the statistical analysis of crime. To diagnose the extent of the different actors’ existence, we put to use publicly available statistical figures, data from the Act of Budget, publicly inaccessible databases of professional organizations and estimates concerning all the data mentioned previously [Chapter 3]. Thereafter, we summarize and consider future research opportunities [Chapter 4].

In chapter 1-4 we use positive analysis.\textsuperscript{36} The last chapter contains the author’s normative thoughts about coordination mechanisms operating in the internal security system and about appropriate and welcomed existence of the different guarding actors. In this regard, the last chapter is based on the values of the author and reflects subjective opinions. With this chapter we would like to stand up for the idea: a PhD thesis (based fundamentally on positive analysis) can also include normative statements, if the author draws the attention to them. On the other hand, we would like to convey the message that one can not dodge the responsibility of making a subjective statement about the topic and the author equally needs to tell something about himself and his standpoint. Besides the familiarization of scientifically verifiable statements, it is our undertaken goal that we would like to lay down those

\textsuperscript{35} The former actors are motivated by common interest, while the latter by altruistic conviction.

\textsuperscript{36} The statement should be so amended that in the introductory subsection, the general thoughts about involvement in social services may also contain normative ideas.
kind of mechanisms that we prefer in the configuration of internal security. Therefore, we wish to contribute to the transformation of the society’s image about the internal security system [Chapter 5].

The research activity of the thesis aims the description of the internal security system and the system operating coordination mechanisms. For this purpose, the following research questions concern us and from the statements of the thesis we wait answers to the below research questions:

RQ1: Which actors contribute to ensuring the security of the Hungarian society?

RQ2: What kind of regularities and patterns are typical to these actors? Based on the logic model of coordination mechanisms are we able to analyse the internal security system?

RQ3: How can we measure and evaluate the involvement of the contributing actors in internal security? The available economic statistical tools are appropriate for this purpose?

RQ3a: Based on the available expenditure statistics, are we able to conclude the extent of involvement? The expenditure data as the indicator of involvement are acceptable?

RQ3b: Based on the available employment – and other contributor-concerning – statistics, are we able to conclude the extent of involvement? Is the employment/contributor data as the indicator of involvement acceptable?

RQ3c: Does the Unified System of Criminal Statistics of Investigative Authorities and Public Prosecution contain sufficient information about capacity limitation and existence of the state in internal security (especially in investigation)?

RQ4: To what extent do the different actors contribute to ensuring internal security?

Our research activity is a descriptive one: it is oriented to describe the internal security system. You can see from the research questions above that it ultimately tries to measure the involvement of the security ensuring actors. Nevertheless, it does not deal with the examination of the reasons and the cause-effect relations. In this respect it is not considered as an explanatory research. In our opinion a descriptive
research may also have significant scientific value (it is suitable for justifying the author’s preparedness of research). In addition – and this is more important – research regarding cause-effect relations must be preceded by examinations concerning the involved actors and the extent of the involvement. For example the reason for the spread of private security companies can be examined only if we measure if this hypothetical spread is present in real life – using quasi-objective tools. For this, the direct daily experience is not sufficient for us. The purpose of the dissertation is not to research the causes but to present a toolkit for measuring the involvement and to determine the extent of presence of these companies.

Although in order to explore the possibilities of measurement our examination applies economic-statistical tools, it can not be qualified as a core quantitative research. We do not 1) apply primer quantitative measurements, 2) use econometric methods and multivariate data analysis and 3) examine relations between variables. In the thesis: economic statistics are simply used in a descriptive, quantifying and certifying manner. At the same time, the thesis can not be considered as a total qualitative research either: it does not apply action research, text-, narrative- or interview analysis. It is situated between quantitative and qualitative research activity. On the other hand, it is the combination of both. The purpose of the thesis is clear: we would like to characterize the internal security system defined prior.

The polemics on hypotheses in qualitative research is well-known. According to qualitative researchers the most important barrier in making hypotheses – if we take into account the requirements properly – is that, it impedes the creation of new theories and logic models due to the fact that it limits the openness and flexibility of thinking (Sántha, 2006). Moreover, in our case the omittance of the hypothesis is justified by the fact that with the thesis we argue against statements made prior to making observations. We consider it important that contrary to statements that occur in the public discourse without any quasi-objective measurement methods, any statement made in connection with internal security and social responsibility should be made with objective evidence in hand. It is the only way to mitigate the ideological debates and remain within the framework of positive analysis. Therefore, we do not formulate hypotheses concerning the actual extent of involvement.

37 On the other hand: the results of the research activity are based on interviews.
However, since the above research questions were not limited to the actual extent of involvement and the formulation of preliminary assumptions of the researcher traditionally can not be separated from a doctoral thesis (or only in a more justified case) regarding our research activity we formulate the following hypotheses:

H1: The state is not the only actor in internal security transactions. Furthermore, non-state actors also take part in internal security activities.

H2: Internal security transactions undertaken by the different actors can be described by common characteristics. The internal security system can be analyzed on the basis of the logical model of coordination mechanisms.

H3: We are able to measure the extent of involvement with the available statistical tools (with estimations and corrections if required).

H3a: Based on the available expenditure data – in case of mechanisms that are characterized by monetarised transactions – we can draw conclusions about the extent of involvement.

H3b: Based on the available contributor data we can draw conclusions about the extent of involvement.

H3c: In case of the analysis of the Unified System of Criminal Statistics of Investigative Authorities and Public Prosecution – by ascertaining the limits of capacity – we can draw conclusions about the extent of state involvement.

H4: The internal security involvement of the state and private companies is comparable by quantitative indicators.

In our research process we expect the verification of the above mentioned hypotheses, but we are willing to overrule our prior assumptions.
2. The guardian-guarded relation and the coordination mechanisms describing the relationship

„When we are operating in the jungle, we must also use the laws of the jungle.”

In case of internal security we tend to think that ensuring it is an obligation of the state solely. The statement – which was true in the socialist years – is not valid any more after the change of regime: public (internal) security – using the term of Géza Finszter – has become a product of society. The former unparalleled power that the police posessed has turned into part of a security system organized on a community basis, and in a wider sense, it has become part of a dynamically developing „security industry”. Private and social self defence came about in instances where professional coercive methods and physical force were not necessarily required. At the same time, in cases where it is required the role of the state in ensuring internal security is still not questionable despite the fact that there is definitely a change in the sector: a change that can be illustrated by the scientific conceptualization of the system. The public security system is now defined as „the sum of laws, government organizations, social movements, enterprises, as well as their tasks and functions, whose purpose is ensuring the whole society, the communities and the individuals against illegal human practices (Finszter, 2010, p. 150). Our common security is the result of joint efforts: individuals, communities, state organizations, for-profit companies, civilian movements and – paradoxically – violent organizations also contribute to it.

Therefore, internal security system – like every system – contains subsystems well distinct from one another. Between the subsystems there may or may not be a relation: the subsystems may be independent of each other, or they can be linked. The operations and functions of the whole system or the subsystems are known. In addition, the internal security system is a social system that consists of individuals with personal goals and interests. This must be taken into account at evaluation.

One of our purposes is the contribution to the description and understanding of internal security activity. Public security – as the result of the internal security

38 The subsection is based on Felméry (2015 b. and 2016 a.).
system – can be perceived as a kind of connection between the subsystems and their relations. The actors of this relation are the guardians and the guarded. The relationship between them can be characterized by the subject of the guarding activity. Therefore, our study primary focuses on the understanding of this relation. In our opinion the description of the internal security system and its subsystems can significantly contribute to this purpose. Furthermore, it is also essential for us in the identification of measurement anomalies and possible solutions. The toolkit of economics can help us to get to know the guarded-guarded relationship. The description of the relationship through coordination mechanisms (heralded by János Kornai) is a useful logical framework for understanding the actors (and the subsystems) involved in the activity and the relationships between them (thus the whole system).

Coordination mechanisms are social subsystems responsible for maintaining the whole social system (Kornai, 1993). We consider coordination mechanisms „the regulation of multi-interacting micro processes of two or more individuals or organizations“. These include not only the production and distribution of economic assets, but also the regulation of every social transformation and transaction process (Kornai, 1983, p. 667). If a relationship is formed between two social actors for any reason, the relationship needs to be coordinated and the coordination validated through mechanisms that can be described by universal laws. Coordination mechanisms regulate and coordinate the activity of the various actors get in contact with each other. Thus, each coordination mechanism is a combination of people's unique relationships and the allocation of resources between them (Kornai, 1993). Transactions in the internal security sector can be examined through the regulatory effect of coordination mechanisms.\textsuperscript{40}

\textsuperscript{39} In the dissertation the term „internal security” is used and not „law enforcement”. The reason for this is the following. We would like to avoid the consequences of the possible associations between „law enforcement” and „police” terms. Internal security is more than law enforcement managed and serviced by state organizations. Internal security – as we will see below – also consist of enterprises and civil movements.

\textsuperscript{40} In order to examine internal security we have chosen the guardian-guarded relation and the model of coordination mechanisms. As a consequence of this, henceforward we do not take into account the fact that internal security is also influenced by the law-abiding behavior of individuals. If individuals do not commit a crime, they are considered to be contributing to internal security. The culture of compliance existing in a country has an impact of security and stability.
2.1. Coordination mechanisms

“The classification is complete in the sense that the regulation of each micro-processes... are provided by some combination of the basic forms.”
János Kornai (1983): Bürokratikus és piaci koordináció

In the thesis we deal with five coordination mechanisms: we would like to analyse the bureaucratic-, the market-, the ethical-, the self-governing and the aggressive coordination. In order to do this, we need to summarize the key characteristics of each mechanism briefly. At bureaucratic coordination there is a hierarchy and a subordinate relation between the interconnected actors. The evolved vertical connection is stable and institutionalized, both actors acknowledge this connection. The vertical relationship is asymmetrical although there is mutual dependence among the actors and the dependency of the subordinate is more significant. The flow of information (that is mostly top-down oriented) occurs between the actors in form of instructions and reactions to those instructions. The main direction is top-down, in each case the superior instructs the subordinate. Obedience of the subordinate is essential; in case of its absence, legal sanctions enforce cooperation. Discipline and vulnerability to the superior are typical characteristics. The motivation of the subordinate’s action is the fulfilment of the superior’s instructions and thereby meeting the needs of the superior and avoiding sanctions. The transactions are not monetarised by default. However, in case of monetarised transactions the general subordinate relation is complemented by financial dependence. The subordinate/superior relations in reality constitute a multi-level hierarchy, the legitimacy of existence on certain levels of this hierarchy is the nomination by someone in a higher position. The subordinates do not have a choice in the matter. In dictatorships bureaucratic coordination is undoubtedly the dominant mechanism, however, it also has a pronounced role in autocracies and democratic (and capitalist) countries. It is strongly present in the state administration, in the armed forces and even in the management of big enterprises (Kornai 1983 and 1993).

---

41 János Kornai at first (Kornai, 1983) identified four coordination mechanisms. He analysed the bureaucratic, market, ethical and aggressive coordination. Later he omitted aggressive coordination, but included two new elements: the self-governing and the family coordination. From the text it is visible that – based on the above mentioned two tipologies – we apply a mixed method in the thesis, since in terms of our topic aggressive coordination is indispensable and family coordination is irrelevant.

42 At the same time, it is worth emphasizing: even in these systems there are other mechanisms.
Market coordination is a mechanism that regulates the co-ordinate relation between two equal actors. The two partners at market coordination are legally equal, the relationship is not characterized by subordination and interdependence prevails among the partners. The information flow occurs horizontally; the information exchange has a „give and take” nature and is accompanied by formal feedback. The most important information determining the relationship between partners is price, and the basic motivation for establishing a relationship is profit. During transactions the seller sells products or services to the buyer, the two partners conclude a voluntary contract. The conditions of the transaction are written in this contract. The transaction comes solely into existence, if both partners consider it useful. Therefore, partners should cooperate and also take into account the other’s interests. The terms of the contract can be modified during the transaction if both parties agree to it. In case of unilateral non-compliance, compliance can be enforced by legal means. Transactions are necessarily monetarised and are made at a price negotiated by the seller and the buyer except for the case of barter trading. The utility of both partners increase with the transaction made at these prices. As a result of the transaction the commodity and financial flows have opposite directions obviously (Kornai 1983 and 1993). Market coordination is really pronounced in democratic and capitalist regimes. It is present in each social sector, not only in case of transactions between individuals and private organizations, but also in the external contractual relations of the bureaucratically coordinated state administration. The education of the foundation schools, the supply of hospital equipment in healthcare, the production of weapons and their sales in the defense sector, as well as enterprises overseeing the distribution of tender funds are all characterized by the lawfulness of market coordination. At the same time, market coordination does not only exist in democratic circumstances. In authoritarian regimes and dictatorships the operation of the informal private sector and the relationships of the state party with private companies are both formed along the laws of market coordination. The well-known example of market coordination in dictatorships can be the Nazi Germany where there were numerous contracts between the state party and private companies. The significant part of the infrastructure of death camps – from the hermetically sealed Zyklon-B gas to the furnaces – were produced and transported to the camps by German companies under conditions specified in contracts.
In the case of ethical coordination – in contrast with bureaucratic coordination and similar to market coordination – there is an equal, coordinated relation between actors. Although transactions can be characterized by some subordination (the donor’s will is dominant), the maintenance of the relationship is not motivated by subordination or the demand for profit (in these cases we can talk about bureaucratic and market coordination). The development of the relationship is based on a mutual, altruistic help. The actors of the mechanism are the donor and the beneficiary; both roles can be played by individuals and organizations. The transactions are typically not monetarised. The only exception is financial donation. At the same time, in case of financial donation the presence of altruism is also a pre-condition. Information flows horizontally between the partners. The relationship mainly begins with a query, a request or a call for donation from the beneficiary or a voluntary act from the donor. In order for a transaction to take place it is necessary that 1) altruistic assistance becomes a moral norm and 2) the donor is motivated by some political and religious belief or solidarity. In the absence of these conditions, ethical coordination can not permanently be institutionalized (Kornai, 1983 and 1993). In this regard, the existence of ethical coordination politically is a „system-independent” phenomenon. Altruism is certainly present in dictatorial, autocratic and democratic systems. Many historical examples can be found of the phenomenon independently from the political system when doctors heal-, artists play- and people work for free, individuals and organizations give donations for a worthy and noble cause.

The actors involved in self governing coordination are peers, affiliated members in the same association. The members directly exercise their rights resulting from membership. They have a horizontal relationship and there is full access to information. There is no subordination, hierarchy in the membership. On the other hand, a clear case of self-governing coordination does not frequently prevail in practise above a certain size, in order to achive effective advocacy the participating partners establish vertical elements. In this mutated coordination (compared to the idealized case) members are still equal, coordination is still based on the regulations worked out by the membership, but members exercise their rights indirectly through an elected board of representatives. From this point on, we mean the latter under the conceptual definition of self-governing coordination. Based on the previous assertions vertical elements appear in self-governing coordination, but these
elements are fundamentally different from the subordination at bureaucratic coordination. The vertical elements here are inversely asymmetrical, subordination is not unilateral but bilateral. The main direction that prevails is bottom-up, the superior board is elected by the members. The members have the right to recall the superiors and the superior board is required to act only in matters that are voted by the membership (according to established rules). There is no need for individual compliance, but the superior board is required to represent the membership’s will. Communication is two-sided; the superiors try to convince the membership about their suggestions based on their competences. If they cannot, they have to comply with the decision. The motivation of creating self-government is the recognition of the common interests between the members. The establishment of self-government will take place if the interests of individual members and the collective community are the same. Self-governing coordination is seemingly equally present in democratic and authoritarian social structures. However, while in a democratic system the governing power, the interest representatives, the professional associations, the social organizations and the cooperatives are actually based on the principle of self-government, in dictatorial systems self-government only formally exists (Kornai, 1993). In these systems self-governing coordination in practice is dominated by bureaucratic coordination, the operation of it (and the the interest of citizens/membership) is top-down supervised and manipulated. In order to judge if a transaction is regulated by bureaucratic or self-governing coordination, we can use two methods. We can evaluate the possibility of choices (Kornai, 1993) or the possibility of exit (Hirschman, 1970). In the former case, it is worth considering whether there are any options to replace the supervision board while in the latter whether there are any options to leave the community voluntarily. If any of these question result in a negative answer, we can not talk about self-governing coordination.

Aggressive coordination takes place in the case of arbitrary acts of violence not sanctioned by law and morality. Consequently, a one-sided, asymmetrical, subordinate connection arises between the actors. The motivation of the relationship is the use of aggression in order to enforce a specific transaction. The typical flow of information is vertical, the communication happens in the form of top-down orders. The relationship between the actors is mostly non-permanent, typically occasional
and it is directed to carry out the given transaction. The transactions are not necessarily monetarised (Kornai, 1983). In the prepolitical order – as we have seen in subsection 1.2. – transactions between members of the community are typically coordinated by aggressive coordination. In the absence of public authority, transactions are dominantly influenced by the strength and power of actors who get in contact with each other. With the establishment of political societies aggressive coordination is significantly reduced, but have no illusions: it will never cease. Moreover, while in the case of dictatorships aggressive behaviour of non-state actors is strictly limited, according to genuine and public statistics: the number of crimes in dictatorships is remarkably low\(^{43}\), while in a democracy, aggressive coordination is equally present between private actors. The key characteristics of the above described coordination mechanisms are summarized in Table 2.

The above mentioned mechanisms in reality rarely exist in a clear cut way. In reality transactions are coordinated by a combination of the above mentioned mechanisms (Kornai, 1993). There are numerous examples from the field of internal security to illustrate this. A well-known example is the protection of real estates owned by individuals. State law enforcement is organized along the laws of bureaucratic coordination. On the one hand, police street patrols have the obligation and responsibility to prevent burglaries and robberies. At the same time, a bureaucratic mechanism is the legal order which determines the means owners can use during home defense. In our example, it is possible to install surveillance cameras, but they can not use an electric fence. If they do not trust in the efficiency of police street patrols, they can hire a private security company to install an appropriate alarm system and provide the protection. In this case, market coordination also appears in the security activity (besides the bureaucratic coordination). If their security perception is still not optimal, a „neighborhood surveillance service” can be created within the community in order to protect the real estates (on the bases of common interests). In this case, security activity is also affected by self-governing coordination. If burglars break into the apartment, then the home owner’s sovereign decision is what other means they do implement beyond what they have been granted by the legal system (now implemented under aggressive coordination) and bear the consequences. For example: in order to deter illegal entrances they can use

\(^{43}\) Do not misunderstand: in case of dictatorships there are also aggressive coordination. However, this is the privilege of – the bureaucratic coordination-linked – state actors.
prohibited physical force or not trusting the efficiency of the state police investigation they can try to retrieve their stolen property. However, in this case we are talking about aggressive coordination.

### Table 2
**Coordination mechanisms and main attributes**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Bureaucratic</th>
<th>Market</th>
<th>Ethical</th>
<th>Self-governing</th>
<th>Aggressive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship between actors</strong></td>
<td>Subordinate</td>
<td>Co-ordinate</td>
<td>Co-ordinate</td>
<td>Co-ordinate relation and/or</td>
<td>Subordinate relation</td>
</tr>
<tr>
<td></td>
<td>relation</td>
<td>relation</td>
<td>relation</td>
<td>subordinate relation</td>
<td></td>
</tr>
<tr>
<td><strong>Interdependence</strong></td>
<td>Asymmetrical</td>
<td>Symmetrical</td>
<td>Asymmetrical</td>
<td>Asymmetrical</td>
<td>Asymmetrical</td>
</tr>
<tr>
<td><strong>The direction of the transactions</strong></td>
<td>Vertical</td>
<td>Horizontal</td>
<td>Horizontal</td>
<td>Horizontal and/or vertical</td>
<td>Vertical</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In short-term permanent and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>institutionalized, but it can</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>be varied according to certain</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>rules</td>
<td></td>
</tr>
<tr>
<td><strong>Permanence of the connection</strong></td>
<td>Permanent</td>
<td>Mostly non-</td>
<td>Mostly non-</td>
<td>Mostly non-permanent, and not</td>
<td>Mostly non-permanent, not</td>
</tr>
<tr>
<td></td>
<td>and</td>
<td>permanent,</td>
<td>permanent,</td>
<td>institutionalized, but it can</td>
<td>necessarily institutionalized</td>
</tr>
<tr>
<td></td>
<td>institutionalized</td>
<td></td>
<td></td>
<td>be varied according to certain</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>rules</td>
<td></td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>Compliance</td>
<td>Maximizing</td>
<td>Altruistic belief</td>
<td>Recognized common interest</td>
<td>Use of force</td>
</tr>
<tr>
<td></td>
<td>of orders,</td>
<td>utility</td>
<td></td>
<td>between the members</td>
<td></td>
</tr>
<tr>
<td></td>
<td>fear of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>sanctions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>To the transaction necessary</strong></td>
<td>Order</td>
<td>Price</td>
<td>Declaration of</td>
<td>Vote</td>
<td>Order</td>
</tr>
<tr>
<td><strong>input/information</strong></td>
<td></td>
<td></td>
<td>necessity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dominant interest</strong></td>
<td>Individual</td>
<td>Common</td>
<td>Common</td>
<td>Individual</td>
<td>Individual</td>
</tr>
<tr>
<td><strong>Enforcement strategy</strong></td>
<td>Enforcement</td>
<td>Cooperation</td>
<td>Cooperation</td>
<td>Cooperation</td>
<td>Enforcement by physical</td>
</tr>
<tr>
<td></td>
<td>by legal</td>
<td></td>
<td></td>
<td></td>
<td>force</td>
</tr>
<tr>
<td></td>
<td>power</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Monetarized nature of transactions</strong></td>
<td>Not necessarily monetarised</td>
<td>Necessarily monetarised</td>
<td>Typically not monetarised</td>
<td>Typically not monetarised</td>
<td>Not necessarily monetarised</td>
</tr>
</tbody>
</table>

Remarks: the table contains the coordination mechanisms and the most important characteristics. The source of information: Kornai (1983 and 1993).

Another important comment on the coordination mechanisms is that there exists no coordination vacuum (Kornai, 1983). If there is demand for a social activity and for some reason a certain coordination mechanism is not able to create and regulate this activity, it will be provided by other mechanisms. If public security in a rural town is not protected by the state police (bureaucratic coordination fails) and the inhabitants do not have financial resources to hire private security companies (there is no market coordination), men living in this town may try to ensure night patrols (endorsing self-governing coordination). However, if the common patrolling does not work, it will occur that – in order to protect properties – some will use electric fences or ask the various aggressive marching groups for help (supporting aggressive coordination). The absence of coordination vacuum draws attention to one important recognition. If ensuring security is a demand of the society, the options (without any value judgement) are the following: 1) security services can be provided exclusively by the state or 2) a non state actor may appear in security services. It is not possible for the
state to be weak and at the same time not to create the frameworks of a legally-fitted security system. Due to the fact that internal security as a social task can not be enforced through ethical coordination alone\textsuperscript{44}, that leads directly to the birth of aggressive solutions.

2.2. Who can be a guardian?

\begin{quote}
\textit{People are not protected by walls, but walls are protected by people.}”
\end{quote}
Ancient military proverb

Examining the guardian-guarded relation we must first pay particular attention to the identity of the guardians. Without identifying the actors who are involved in internal security activity properly, it is not possible to identify the measuring solutions. The purpose of this subsection is this identification.\textsuperscript{45}

2.2.1. The guardian: the state. Dominant coordination: bureaucratic

\begin{quote}
\textit{I regard it as the chief duty of the State to protect the individual and give him the opportunity to develop into a creative personality.”}
\end{quote}
Albert Einstein (2002 [1935]): Hogyan látom a világot?

Undoubtedly one of the most prominent actors of internal security is the state (and its various sub-systems). Security activity in societies can be centralized, organized at local level, or realized as a combination of the two former methods. Due to the increase in social self-determination and engagement following a democratic change, today, in Europe – and also in Hungary\textsuperscript{46} – the combined solution prevails.\textsuperscript{47} With the spread of the „community policing” idea the purpose of state law enforcement became the implementation of a preventive public order strategy in co-operation with local communities. In order to put the strategy into effect it has become essential to develop the local solutions of internal security. The view that every internal security activity belongs to the centralized „state police” has ceased. After the change of regime municipalities received the responsibility of participating in law enforcement. Also, with the emergence of local security tasks the focus has changed from coercive methods to cooperation and the local security tasks have been integrated into internal

\textsuperscript{44} This statement is empirically verifiable (Kornai, 1983).
\textsuperscript{45} At the presentation of the guardians we try to illustrate our statements with historical facts. At the same time, we would like to draw attention to the fact that the presented historical examples are fractional. The next lines certainly can be completed with other examples.
\textsuperscript{46} In our opinion, the statement is also true in Hungary. Even if there are a couple of signs towards the growth of centralization.
\textsuperscript{47} We do not have to forget that security – due to its nature – requires some degree of centralization.
security, contributing to the spread of the „public security as a co-operative product” approach (Finszter, 2010). However, the nature of the activity and the performance and efficiency requirements "naturally" brought about further centralization solutions. In case of internal security, decentralization and greater cooperation with the public and centralization periods aimed towards greater efficiency has been rotating. Based on the evolution of the law enforcement organization system we will see below that the situation was similar in Hungary.

When identifying the actors in internal security activity, we should start from the definition of law enforcement administration: „in a modern state law enforcement is a public administration activity, it’s social purpose is to handle threats arising from unlawful human behavior. Law enforcement is an executive activity that embraces the prevention and interruption of threats arising from deliberate and unintended violations” (Finszter, 2012, p. 53). The basis of law enforcement are the tasks of the police, but law enforcement activity provided by the state is a broader concept than the simple aggregation of police services – as we can see from the definition above. Due to the fact that law enforcement activities can also be provided by other public authorities and state organizations. According to the conceptual clarification in subsection 1.4.: from this point we focus on tasks carried out by police and gendarmerie (as a historical example) during the evaluation of law enforcement activities.

In order to get to know the tasks carried out by police we can use the European Code of Police Ethics published by the Council of Europe. According to the Code the general tasks of an average European police office are: 1) the protection of law, the defense of public peace and order; 2) the protection of individual freedom and human rights; 3) the prevention and elimination of crime; 4) the investigation and 5) the support and service of civic community. In connection with the place of the police in society and state hierarchy, the same document states that a European police office in general has to 1) be socially accepted; 2) be under control by citizens; 3) have operational independence from other state organizations; 4) be accountable for its

---

48 As a consequence of the decentralization: 1) „police is a part of civil public administration, so it has to get rid of its militant attributes” and 2) police „will be decentralized, managed by the local government and controlled by civilians” (Finszter, 2012, p. 89)

49 For example the Directorate General for Criminal Affairs of the National Tax and Customs Administration of Hungary and the various intelligence services equally provide internal security services.
actions; 5) create clear responsibilities within its organization system; 6) employ people who are characterized by individual responsibility and accountability; 7) have connections with other government agencies, non-governmental organizations, local communities and their representatives; 8) have transparent activities and should provide necessary information to the society; 9) do everything in order to ensure the highest possible performance and integrity\(^{50}\) (European Commission, 2001).

The organized police activity in Hungary dates back to the dualism. Following the reconciliation, the protection of public safety was entitled to the state and to local governments. The police operated approximately with a total of 10-12 thousand people and it was structured into local and state police offices: urban police forces were basically under the supervision of local governments, while only priority cases were assigned to state controlled troops.\(^{51}\) The regulation of law enforcement – and police – activities were uniformed, however, the implementation of instructions may have differed from each other. Urban police offices were in the majority. Furthermore, night watchmen and firefighters also belonged to them. The service of the police offices were fairly complex. They had to provide protection of public order and they had to take actions against people who were accused of disruption, trespass and other crimes. They had to handle beggars, outcasts, alms collectors, peddlers, illegal gamblers and people banned from public areas. In addition, they had to take part in investigative work: crime detection, ID checks, and arrests were all among their responsibilities. From the 1880’s the tasks were supplemented with the management of criminal records and portraits. Moreover – in the absence of other political crimes – the detection and prevention of hostility against the King was also a police service (Parádi, 2010 a.).

Between the two world wars police continuously and exclusively dealt with the protection of public security in the cities. In reference to the attempt of the Hungarian Soviet Republic to seize power and as a consequence of the Treaty of Trianon\(^{52}\), the police force was put under the authority of the central government in 1921. During that period the number of police employment increased to 12-14 thousand. At the

---

\(^{50}\) Including: the prevention of corruption.

\(^{51}\) These included the defense activity of Budapest, the port of Fiume and the borders of the country (Parádi, 2010 a.).

\(^{52}\) As a consequence of the birth of the Little Entente Powers and the mandatory disarmament, in order to provide the security of the country it was necessary to form and develop an out-army organization. (Parádi, 2010 b.).
same time, with the increasing number of employees the number of tasks and services were also expanded. Police services – besides the previously listed tasks – were complemented with highway patrol, vigilancy, economic police (originally intended to ensuring the public benefits), drug-traffic control and water policing in the 20’s and 30’s. Moreover, political police department and the police armed forces were established at this time. The former meant the possibility of controlling the opposition political parties besides the prevention of threats against the political and social system, while the latter resulted in the militarization of the police. Furthermore, the power of police in criminal affairs also increased, and the instruments changed equally: instead of prevention, retaliation was set to be in the focus. Despite nationalization, the tasks related to the maintenance of the municipalities, the approval of shop-openings, the checking of opening hours and the operation of the notary offices continued to be police tasks. In order to accomplish these tasks, police activity was divided into four distinct areas: highway patrol, police administration, criminal justice and operational services (Parádi, 2010 b.).

After World War II, police – and the Ministry of Interior – have been completely reorganized. The strictly centralized state apparatus remained, the number of police increased by almost 37 thousand, the number of police stations were equally boosted and the administrative tasks were gradually increased. In the socialist system the state police practiced all police authorities. These included the protection of public order, the support of all branches of law enforcement activity, administrative police activity, criminal justice and executional services (Kozáry, 2010). It is a notable change that after the World War II the State Security Authority and as a consequence of the Hungarian Revolution in 1956 the Ministry of Interior Armed Forces were established in order to control the political opponents and to support the work of the police. The task of this organization was the support of procurement; implementation of relocations; supervision of penitentiaries; protection of crucial military and other facilities; defense of party and state leadership; protection of the political and cultural events; defense of rail, air and water transport; special consignments and disaster prevention. Additional tasks of the Ministry of Interior Armed Forces are not the same as the paramilitary Workers Militia. The former is an armed organization of the Ministry of Interior of the Revolutionary Workers’-Peasants’ Government of Hungary, the latter is the militia of the Hungarian Socialist Workers’ Party. Later, the Standby Regiment was established from the Ministry of Interior Armed Forces (Forró, 2011).

33 Although both carry out similar functions, the Ministry of Interior Armed Forces is not the same as the paramilitary Workers Militia. The former is an armed organization of the Ministry of Interior of the Revolutionary Workers’-Peasants’ Government of Hungary, the latter is the militia of the Hungarian Socialist Workers’ Party. Later, the Standby Regiment was established from the Ministry of Interior Armed Forces (Forró, 2011).
Armed Forces were the detection and supression of activities that aimed to overthrow the social order of the Hungarian People's Republic, the elimination of the reconnaissance activity of enemies and diversionary groups, as well as the management of mass movements that threaten the public's security and order (Forró, 2011).

After the regime change the police left the legacy of the political departments behind. At the same time, it still surprisingly resembles its former self. In consequence of the legacy of socialism the principle of self-government does not prevail in society by Western standards. A single state police operates and it can be still characterized by strong centralization. The absence of the establishment of municipal police could be justified by rational arguments. However, the position of police within the administration of public service is completely isolated. The subordination, the militaristic features and the existence of hierarchical relations are still typical, while the professional performance measurement system „gives primacy to constraints of outside disciplinary norms”. Police can be characterized by repressive power and broad authority. In addition, authoritarian methods are still available in the management. The law enforcement culture believes less in co-operation, but more in coercion (Finszter, 2010, p. 63).

Police activities can basically be put into four categories (cf. Finszter, 2010). 1) The goal of public security policing is to prevent and eliminate activities endangering public order. In order to ensure this, the most important tool is the maintenance of police patrols and their presence of the streets. The presence can be measured typically by the number of staff being on the streets, the potential size of deployable forces and responsive capability. 2) The goal of armed police forces is the pacification of crime, even by using physical force. The most useful tool of this activity is potential presence capability as well, that can be measured by the size of adequate deployable armed forces. 3) The main tool of the law enforcement administration is the control of activities related to official licensing and the conduct of procedures initiated for violations. The main tool of the process is the control of

54 Arguments that support this statement are the following: 1) the government sought to ensure equality with the maintenance of centrally organized police, because it was the only way to ensure uniform quality standards for all citizens (local police at poor settlements are highly inefficient); 2) protection against violations requires expertise and a central organization allows more effective professional work; 3) local governments – recognizing the difficulties – never tried to take over police duties. (Finszter, 2012).

55 Even if these relations are still unclear in a certain way– according to the author.
activities that require official permission and the conduction of infraction procedures. These can be measured by the number of official licenses, the number of infraction procedures and the size of penalties imposed (amercement, warning, prohibition, banning, etc.). 4) The goal of criminal police is the preparation of the criminal justice. The most important tool of it is the acquisition of information. The activity of criminal police can be measured by detection rates. In this regard, police really has a dual nature: on the one hand, it provides protection for public safety, but on the other it carries out the preparation of criminal justice. There are multiple auxiliary services that belong to our conceptual framework and police activities. These include coordination and support of domestic and international efforts against organized crime, the administration of criminal records and the monitoring of efficiency and transparency of police services.

Besides the police, gendarmerie is also an organization that ensures the guardian function of the state. Gendarmerie still exists in some Mediterranean (Italy, Spain, Portugal, Vatican) and Continental (Germany, Switzerland) countries (Wikipedia b.). In case of Hungary, it has a long and shameful past. Reviewing the above examples, there is no uniform practice in connection with the relation between police and gendarmerie institutions. In some countries gendarmerie is a public security organization besides the police, in other countries it is the only existing organization.

The predecessor of the Hungarian gendarmerie had French roots. The armed organization was established by the Austro-Hungarian Monarchy after the crush of the 1848 revolution. The organization was called into being in order to search for deserters, restrain the political opponents and prevent crime. It existed only till 1867, and gendarmerie – established in 1881 – was built up on its foundation. The law enforcement structure had a dual nature back then: in the cities police, in rural areas gendarmerie was the state’s armed force. Therefore, the area of gendarmerie operations did not cover the inner areas of the capital and the municipal towns.

---

56 As a consequence of the dual nature and the difficulties of reconciliation in some countries the different services are provided by separate organizations. At the same time all of the mentioned tasks are performed by one unified police in Hungary.

57 These services belong logically to police services in Hungary, but in practice are provided by „police-independent” organizations. The services belong to Counter Organized Crime Coordination Center and the Central Office for Administrative and Electronic Public Services and National Protective Service.

58 According to another source, almost twenty country in Europe has operated gendarmerie organizations. In South-America it was also customary to establish such organizations (Kaiser, 2010 a.).
After its foundation the organization had dual leadership: it reported to the Ministry of Defense in case of human resources and to the Ministry of Interior in case of professional matters (Csapő, 2010). Its significance and rapid expansion can be traced from employment tendencies [1914: 12 thousand people; 1921: 18 thousand people; 1944: 22 thousand people (Csapó, 2010, Kaiser 2010 b.)], and from statistics produced in 1926. According to this 90 330 square kms from the total of 93 010, and 5.8 million people of the total 8 million were under the jurisdiction of gendarmerie (Kaiser, 2010 b.).

The gendarmerie provided a wide range of services similar to the police. By the end of the 19th century the traditional task of gendarmes was to protect public order (in particular by patrolling activity) and investigate crimes committed. A variety of tasks related to the granting of licences (license and inspection of shops, pubs, markets, as well as fishing and hunting activity) was also a part of a gendarme’s duties. Moreover, they provided activities that today are not considered to be the tasks of police services. They provided: 1) excise and custom services (excise control, collection of consumption taxes) and 2) public health services (animal health control and the control of product quality). In addition, the gendarmerie took part in the guarding of social events, roadguarding, rail and water traffic control, disaster protection and necessary recovery processes. It was also a gendarmerie duty to protect the stability of the existing political system. In the beginning of the 1920’s the organization stood up against extremist political movements that threatened the standing social order (at first independently of their origin). In addition, it took part in fights against ethnicity- and labour movements, and supported the control of parliamentary elections (Kaiser 2010 a., b. and c.; Csapó, 2010).

Later the legal possibility was created. In case of endangerment of public safety, gendarmerie could have been deployed into action also in towns (Csapó, 2010).

These are the today’s so-called administrative duties.

Among other things it was the reason why a rather negative image evolved about the gendarmerie among the civil population - already before gendarmes’ activity in the Second World War.

This kind of defense activity provided by the gendarmerie is mostly considered as the „over-powerment” of the state. Due to this activity we tend to evaluate the gendarmes role negatively. In the author’s opinion this kind of activity of the gendarmes undoubtedly resulted civic self-determination restrictive elements. On the other hand it is worth noting that today there is no state that allows violent attempts concerning the overthrow of the stability of the existing social system (cf. Kaiser, 2010 b.). Against such behaviour, if it is necessary, police force is put into action today as well.
When describing the activities of the gendarmerie we have to mention the two-faced role of the Hungarian gendarmes in the Second World War. For one, after the front reached Hungary the organization played an active role in protecting the country. It took part 1) in the fight against the partisans, 2) in the monitoring activity of the airspace, 3) in recovery after bombing, 4) in rescuing crucial assets of the country to the west and 5) directly in battles. On the other hand, the gendarmerie played an active supporting role in political and racial persecutions. The gendarmerie – using the staff of ten gendarmerie districts and supplemented by police forces – carried out 1) the ghettotize activity of the jews and other distinct groups, 2) the physical guarding of ghettos, 3) the deportations, 4) the procurement of the deportees’ property and the transfer to the Treasury. It is a deterrent example of an activity when a state authority turns against its own citizens. As part of political prosecution, it became the duty of the gendarmes to accomplish actions against the Hungarian Social Democratic Party and the Hungarian Communist Party. The Hungarian gendarmerie was abolished after the Second World War partly due to these actions (Kaiser, 2010 b.).

One additional organization that provides internal security services is the independent (only to laws subordinate) **public prosecution**. At the same time, independence does not mean, that public prosecution is outside the mechanisms that regulate the state law enforcement organization structure. The services – regardless of the organizational autonomy – are influenced by mechanisms that are dominant to the operation of the state.

The history of public prosecution dates back to the 18th century. From this period onward there was a Director of the Royal Affairs and a Crown Prosecutor (as royal institutes with a private office) who represented and defended private and public interest of the Crown and the King. Additionally, prosecutor officers came into

---

63 During the description of the state law enforcement system we have the following principles. We consider it important to present all of the organizations (participating in guarding activity) that today exist or existed in the past. In Hungary gendarmerie belongs to the latter. The reason of mentioning today non-existing organizations is that they may be established in the future once again. The fact that today there is no Hungarian gendarmerie does not mean that any similar organization will not be established in the future (in connection with this issue there is political ambition). Our fundamental principle during the description of organizations and services is the following: 1) in case of organizations existing today we focus on the current tasks and services (the historical overview is not an exception, either), 2) in case of non-existing organizations we focus on the illustration of services provided in the past. It is important to mention, because – however not only gendarmerie can be accused of the contribution in the Holocaust – only at gendarmes are mentioned the „persecution-linked”services. This is the primary reason why the organization was disbanded.
existence, whose tasks were the representation of the municipality, the preparation and representation of prosecution and the monitoring of penitentiary affairs. In 1849 as „the guardian of the law” public prosecution was established. The establishment of this organization was influenced by France and based on the fundamental principle that the state has the right to take actions against people who violate law and legal order. Public prosecutors contributed in criminal, civil and disciplinary proceedings. Due to the historic transformations the function and power of public prosecution has significantly changed several times. Currently under the supervision of the Office of Prosecutor General operates 5 Prosecution Appeal Offices, 21 Prosecution Offices and 137 Local Offices (Mklu.hu). Today the principle is particularly true, that public prosecution – as a vindicating actor of the state’s punitive demand – 1) directs, supervises and provides the pre-charge investigation, 2) represents public prosecution in court proceedings, 3) controls and supervises the penitentiary affairs and 4) ensures compliance of the laws by taking action in cases when a) a state organization forgets to do a compulsory „legal-recovery behaviour” or b) immediate action is needed in order to resolve legal grievance (Act CLXIII. of 2011). All of the above mentioned tasks undoubtedly support internal security of the society. At the same time – based on the conceptual definition of the thesis – hereinafter we focus only on the prosecutorial investigative services.

According to the Law on Criminal Procedure prosecutorial investigative services can be divided into two distinct groups. Partly public prosecution supervises the independently investigative work of other investigating authorities (in general: the investigating services of the police and the National Tax and Customs Administration of Hungary). As part of this activity, the prosecutor 1) may order the completion of the investigation and the accusation, 2) may direct the investigative authority for further investigations, 3) may be present at investigative actions and look into the documents of the investigation, 4) may change the order of the investigative authority, 5) must evaluate the complaint that was raised against the investigative authority, 6) may reject the accusation and require the investigative

---

64 A few examples of changes are the following: during the dualism and the First World War the power of Royal Prosecution has expanded; after the First World War the procedural rules have been simplified; after the Second World War a new prosecutorial hierarchy has developed and the supervision of state organizations has evolved (Mklu.hu).

65 Investigative authorities carry out investigations alone, if: 1) they observed the crime themselves, 2) the accusation was made by them and 3) the prosecutor referred the investigation to them (Act XIX. of 1998).
authority to the termination of investigation, and 7) may take over the case. On the other hand, public prosecution can also conduct own investigations in order to assess the conditions of accusation (other investigative authorities can be included in these activities as well). Independent prosecutorial investigative activity takes place in case of crimes committed 1) by state organizations; 2) against specified official functionaries; 3) against jurisdiction; 4) against foreign public official functionaries or entities; 5) by/against people in possession of immunity. Moreover, public prosecution carries out investigation at 1) crimes like: bribery, corruption, racketeering; 2) crimes that cannot be forfeited according to international law and 3) crimes against humanity (Act XIX. of 1998). Therefore, public prosecution is responsible for the evolution of public safety and this responsibility is shared with the police (Finszter, 2010). Thus public prosecution is an actor in the internal security sector that the author also has to take into account.

Services concerning local public security are entitled to the municipal police. The fundamental task of the municipal police that is organized locally but financed even centrally, is the protection of local public safety and assets – even through the use of coercion (Act. CLXXXIX. of 2011). Municipal policing has two crucial areas: the maintenance of municipal guards and public safety surveillance. Municipal guards carry out the protection of local areas. These guards include: 1) rangers who protect the local nature reserve; 2) field guards, who protect the local farmlands; 3) fishery guards, who protect the local fishing areas; 4) forest guards, who protect lands that directly serve forestry activities and private forest roads (Act CXX. of 2012). The second priority of municipal police is public safety surveillance. The tasks of public safety surveillance offices are the control and protection of 1) legitimate use of public spaces, 2) public area activities (that are subjected to authorization), 3) municipal property, 4) compliance with freight traffic regulations, 5) parking passes and the compliance with parking regulations and 6) the proper use of public transport vehicles. Furthermore, public safety surveillance services include crime prevention (Act LXIII. of 1999). The above mentioned tasks are undoubtedly related to law enforcement but due to our definition of internal security (subsection 1.4.) some fall

---

66 Therefore municipal police is the part of the state law enforcement infrastructure. It is worth to emphasize (especially in light of the misunderstandings that are often seen): it is really not a centralized organization, but it does not belong to the civil or the private security sector.

67 The possibility of physical force prove tight police control and co-operation.
outside the scope of our analysis. In the following section, we try to focus only on those municipal police services that concern internal security services that are directly related to the prevention of the Hobbesian state of war.

Regardless of the fact, whether centralized or decentralized solutions are the ones that characterize the internal security activities of the state, it is dominantly regulated by the **bureaucratic coordination mechanism**. In case of both centralized and decentralized local solutions, the parameters of bureaucratic coordination listed in Table 2 are equally valid. It is a misunderstanding that decentralized solutions do not necessarily take place under bureaucratic coordination.\(^{68}\) Both central and local law enforcement organizations are funded by central and local administrations (so, ultimately by taxpayers), their governance and management are carried out through instructions, the connections are permanent, institutionalized and characterized by subordination.

The internal security activity of the state is dominantly regulated by bureaucratic coordination. The existence of bureaucratic coordination is natural in case of any kind of security services that can be characterized by risks that need state involvement. These include services associated with the deployment of armed forces. In response to the specific challenges implemented, armed force deployments are not possible to be carried out without unquestioned obedience, accepted hierarchy, clear instructions and the possibility of institutionalized legal solutions that sanction non-obedience. There are additional law enforcement services that require no armed force intervention but bureaucratic coordination – as a consequence of secrecy, sensitivity and privacy obligation. Finally, the administration of the organizational system, the services of which are influenced by the laws of bureaucratic coordination – and is a part of the machinery of government – can not withdraw itself from this form of regulation either.\(^{69}\)

---

\(^{68}\) At the same time it is also a misunderstanding that decentralized solutions are only typical to private and civil security. Through decentralized methods organized defense activity can be equally typical to the state.

\(^{69}\) Due to these phenomena, in the state internal security subsystem loyalty as a performance requirement is significant. However, when adherence to the instructions overwrites competence and in organizational system an „obligate-loyalty culture“ is developed, then serious risks are threatening. Our personal interview experiences show, that in the Hungarian internal security sector today loyalty comes before competence. This is supported by the fact, that in law enforcement management there are remarkable numerous former army and border control officers. These people worked and socialized at quasi-military organizations.
2.2.2. The guardian: private security company. Dominant coordination: market

“We simultaneously experience the demand for private security, and the phenomenon that private security as a market product is not affordable for everyone … It seems that safety goes hand in hand with money.”

György Lasz (2010 a.): Akinek vagyona, annak biztonsága?

Non state security that exists within “political” order dates back to ancient Rome. At the time of Roman Kingdom – in absence of state law enforcement services – laws granted the right to self-defense. It was allowed for roman citizens to take actions against offenses threatening their life and property (Zlinszky, 1997). After Rome became an empire and established institutions like the latifundia system and slavery, owners started to apply guards in order to protect their properties. In the medieval feudal system the prepolitical order – and the accompanying self-power based violence – in many ways returned, but there had been hardly any change in noble rights. Due to the possession of weapons and the presence of blood court, it was an aristocratic privilege to protect life and property. In order to fulfil their duties, nobles willingly bought the service of mercenaries (Gönczi, 1997; In: Christián, 2014). In case of absolute monarchies in the post-feudal society – due to the changes in social institutions and the start of world trade after the geographic discoveries – the demand and opportunity of property’s existence and security was not any more the privilege of the political and social elite. As a consequence of the increasing expansion of trade, more and more energy and resources were devoted to the protection of people and property (however, mostly still using own labor instead of purchasing professional security services). As typical examples of the emergence of private security at this time 1) British and Dutch East India Companies applied an independent security service, 2) first private banks employed personal guards in order to protect their values and 3) wealthy citizens employed bodyguards on their trips over the continent (Christián, 2014).

From the years of the dualism and from the economic growth at that time the emergence of private security was also noticeable in Hungary. The „settling” and the "indigenous" businesses increasingly used defense services. The trend was unbroken until the First World War. The two world wars in the first half of the 20th century

---

70 The „political” term is intentionally in quotation mark. The purpose of the slightly incorrect phrasing is the illustration of the dichotomy concerning the distinction between legal and illegal order.
intensified the need for external security and survival, while internal security and property protection was inevitably pushed into the background. Not to mention the fact that provision of internal security became a state task, the involvement of private security actors become partial. Under the socialist post-war decades state ownership was complete, therefore the protection of property was also a task of the state. The protection of citizens also belonged exclusively to the responsibility of the centralized state police. In the socialism the private security sector had no reason to exist. There was no private property that had to be protected. After the regime changed the conditions of the social system, economic trends and ownership allowed the reappearance of private security.\textsuperscript{71} 1) The emerging market economy conditions, 2) the economic freedom allowed Companies Act, 3) the changes in the ratio of private–state property, 4) the risen property of local governments that did not have defense capacity, 5) the encouragement of social self-organization by the state, 6) the intensified and concentrated private properties as a result of privatization, 7) the inadequacy of public resources and the unsustainability of state financing in internal security, 8) the overload of police, 9) the intensifying civil demand for security (as a consequence of increasing number of crimes or the perception of it) and 10) the skepticism concerning the effectiveness of official procedures were the most important elements\textsuperscript{72} that led to the establishment and rapid expansion of the private security services market (cf. Finszter, 2009; Borai, 2014; Christián, 2014). For private security service providers the possibility of contractual relations and profit became reality.\textsuperscript{73} Moreover – in line with international trends and amplified by the impact of the 2008/09 economic crisis – the privatization of defense activity came to the front.

\textsuperscript{71} However, in some areas of internal security the state still enjoyed the privilege. At the same time, in other areas non-state actors could appear. Private security providing companies and social movements come into existence.

\textsuperscript{72} If you consider the above mentioned elements (financing difficulties, financial imbalances, the need for security) existing or even intensifying in our society, it is worth reckoning with the growth of the private security sector.

\textsuperscript{73} The prerequisite of the emergence of private security providers is the legitimacy provided by law. It needs to be revealed that in democratic countries the monopoly of force given to the police is not also a monopoly of defense (Galántai, 2010). In Hungary according to article 5 of the Fundamental Law “everyone is entitled … to resolve unlawful attacks addressed against the person or property” (Constitution of Hungary, 2011) and the 21. and 22. § of the Criminal Code formulates the possibility of legitimate self-defense (Act C. of 2012). The protection on a contractual basis can be ensured by an external service provider.
Private security companies theoretically can be classified into two groups–already mentioned in subsection 1.3. Private military companies are characterized by military organizational structure and military services (training, logistical support, intelligence operations and explosive ordnance disposal tasks). Whereas overcapacity in peacetime can be avoided (which is typical at a traditional army) they are used by states and international organizations for active, intervening and out of border services (fight against drug cartels and terrorism, peacekeeping, supporting state military operations, etc.). On the other hand, private security companies in most cases are used within the territory of the country for crime prevention (personal and infrastructure protection, protection of critical infrastructure, event security, private investigation and business intelligence, property protection, cash transport, prison maintaining, etc.). Due to the fact that private military companies in Hungary are known only from the news, in the thesis when we mention companies that ensure public order, we think about private security companies. Therefore, private security involvement is considered a service that is based on the delegation of the state, local governments, private individuals or other organizations. Private security is “a preventive and law enforcement supporting service that mainly defends private owner and ownership, but through this activity it also protects public order and public spaces”. Furthermore, “the potential violence application of it is significantly limited.” Private security companies can use violence only to prevent unlawful direct attacks against property, life and physical safety (Lasz, 2010, p. 53). Those businesses and individuals that – under legal police supervision – carry out the above mentioned activities, are all members of the domestic private security sector.

There is no significant difference between the above mentioned general services of the private security companies and the services of the Hungarian private security sector. Due to the change in the ownership structure after 1989 and in the adaptation of customer needs 1) the necessary regulatory environment has been established and 2) the standard private security services have become widespread in Hungary as well. Accordingly, in the context of private security activities we can speak about 1)

---

74 The distinction between the two types is only theoretical because private military companies are able to provide the services of private security companies. However, these tasks can be also achieved in crisis zones by military companies (Christián, 2014).

75 The source of the above mentioned definitions is Schreier–Caparini (2005).

76 In order to get acquainted with changes in the regulatory environment it is suggested to review Borai (2014).
personal and property protection services (protection of life and physical safety, defense of real estates and personal effects, escort of shipments, cash transfer, event security); 2) security system design and installation services (design, installation, operation, supervision and maintenance of electronic or mechanical security systems that are used for observation, space surveillance, access control and intruder alarm); as well as 3) private detective services (information collection).

Moreover, the service-portfolio of private security companies includes activities like 1) legal representation of clients in defense issues; 2) debt management and debt recovery (supplemented by evaluation of properties that are under lien) and 3) defense activity supplementing operational services (Borai, 2014). These additional activities – because of the fact that these are far beyond the fundamental role of private security companies in internal security – fall outside the scope of the thesis.

The activities provided by private security companies are dominantly regulated by the market coordination mechanism. During the implementation of the mechanism the characteristics of market coordination listed in Table 2 are typical. In case of a market relationship, there is necessarily a seller and a buyer. Security is sold and bought. The conditions related to the purchase are fixed in contracts. The rights and obligations of the contracting partners are put into shape in unit will in these contracts. The participants are therefore characterized by equal relationships that are based on trust and contractual relations. The subject of the contract is one of the above listed protection activities. The contracts regulate the implementation of protection activities and co-operation exists until the completion of the contract. Therefore, we can not talk about institutionalized relations. Transactions by all means are monetarised, private security companies are motivated by money-making, the service is provided for financial reward. Independently of the fact, whether security is bought by a private individual or a legal entity.

2.2.3. The guardian: social movement. Dominant coordination: self-government

„Life is a deep interdependence. ”
Bhagwan Shree Rajneesh (1988): The Golden Future

Besides the use of internal security services provided by the state or private security companies, individuals and social movements can also strengthen their security with

---
77 The source of the above mentioned services is the Act CXXXIII of 2005.
78 With the specification of the guarded we deal below.
co-operation. Numerous examples can be found for defense activities based and organized on common interests (both in case of external and internal threats). Below, due to our conceptual distinction we describe the legitimacy of civil security cooperation through three examples: we deal with the defense activity of 1) civil self-defense organizations, 2) neighborhood watch associations and 3) self-defense initiatives of minorities.

In the absence of law enforcement services provided by the legitimate authority and in order to ensure security a variety of voluntary organizations were founded. In medieval cities that struggled for independence – as ancestors of today's local governments – communes were created in the 11th century. The purpose of communes was to protect their interests and safety. Therefore, cities were surrounded by walls and the city walls were continuously expanded, strengthened and guarded. Among other things, the professional and representative bodies of craftsmen, the guilds had the task to ensure security and – in case of external threats – protect the city wall. These were the first organized urban solutions for self-defense, independent from the state authority. As a matter of fact, we can consider them as the ancestors of civil self-defense organizations. The first historical document of institutionalized civil self-defense organizations in Hungary dates back to 1532, when the city of Sopron has made a muster list containing the details of the staff (Nationwide Civil Self-Defense Organization, 2011). The role of civil self-defense intensified – first but not last – during the Napoleonic war and the Hungarian French occupation, when at some parts of the country, initially alone, after together with the invading French units, this organization protected public safety and public order (Kriesch, 2011). As a result of this, civil self-defense organization was reorganized in 1808 and nationwide listed in 1809. From this list we get to know that at the beginning of the 19th century in Szeged 3087-, in Debrecen 1641-, in Sopron approximately 1500-, in Győr 1340-, in Nagyszombat 455- and in Ruszt 110 civil guards were in service (Sashegy Civil Self-Defense Organization). Thereafter, in the first half of the 1800s, the number of civil guards and the importance of the organizations were greatly decreased. The number of civil guards who entered the National Guard during the 1848 Revolution was 2000 in Budapest, 800 in Pozsony, 400 in Arad, 300 in Sopron, 200 in Győr, and 117 in Debrecen. This seems

79 The „commune” term comes from the latin word „communitas”, which means community.
particularly slight in the light of the fact that before the assimilation to the National Guard – due to the workload of regular forces – civil guards protected the free royal cities and – supplemented with mine guards – the mining towns (Simon, 1991). After the fall of the revolution, in the Bach era, the role of civil self-defense decreased more, that we are able to deduce from the absence of operational data. Before the First World War the Ministry of Interior issued a regulation about re-establishing the civil self-defense (Nationwide Civil Self-Defense Organization, 2011), but in the war – due to the drafts and the voluntary nature of civil self-defense – the organizations quickly broke off. Before their termination, self-defense organizations were typically under the control of the gendarmerie in most settlements (Miklós, 2015). Civil guards practically did not exist during the Soviet Republic of Hungary, the Horthy era and the World War II. After the world war, in order to protect settlement security, voluntary defense organizations (that had to co-operate with the police) theoretically could have been established (Nationwide Civil Self-Defense Organization, 2012). Any voluntary security solutions were severely restricted and controlled by the state law enforcement organizations. The change of regime – and the preceding processes – was accompanied by a dramatic increase in the number of crimes. As a consequence of the changing legal frameworks civil community responded to this fact with the emergence of natural self-defense. Due to the weakening state law enforcement and the opening borders new types of crimes and phenomena (human and drug trafficking, cigarette smuggling, migration) have appeared. By reason of these crimes there was a public security crisis in the country (or the perception of it). Responding to this crisis voluntary civil guards have proliferated. In order to control the evolving guards and to prevent „paramilitary-like” operation of them, it was necessary to create a national association. This association was the newly established civil self-defense organization. In the light of the above mentioned thoughts, the existing 223 civil guards joined to the Nationwide Civil Self-Defense Organization that controls territorial civil self-defense associations and organizations as a result of a long consultation process in 1994. The number of organizations operating under this control has continued to grow. According to 2010 statistics the number of these associations is 2154 and the number of total staff is 89760 (Nationwide Civil Self-Defense Organization, 2010).80

80 In order to get acquainted with the evolution of civil self-defense in Hungary see Bíró (2012). The
Nowadays civil self-defense organizations – co-operating with the law enforcement infrastructure of the state – provide important internal security services. They contribute to the protection of public order in various settlements mainly. In order to protect public safety and prevent crimes, their fundamental tasks include patrol- and signalman services\(^81\). Furthermore, these types of organizations contribute to 1) civil and disaster protection, 2) victim protection, 3) environment and nature protection, 4) protection of transport, 5) animal protection, 6) property protection\(^82\), 7) protection of people with disabilities, 8) protection of local events, 9) finding wanted objects and people, 10) maintenance of the rail transport’s order and 11) educational services (Act CLXV. of 2011).\(^83\) So they obviously contribute to internal security defined in subsection 1.4.

The Act CLXV. of 2011 – responding to the emerge of guard-like violent organizations (that are discussed in the next subsection) – significantly changed the regulations of civil self-defense. In contrast with the previous regulation\(^84\), the new issued act significantly narrowed the possibility of institutionalization of self-defense social movements and at the same time it created a monopoly position for the Nationwide Civil Self-Defense Organization and the member organizations. From that point any self-defense social movement has to meet two basic criterion: 1) it has to be a member of the Nationwide Civil Self-Defense Organization and 2) it has to establish a cooperation arrangement with the relevant body of the police. These are supplemented with the following requirements: education of civil guards is done by the police; civil guards and police officers often contribute to shared services; police officers are often present at the events of Nationwide Civil Self-Defense Organization; civil self-defense organizations are supported by police information. The above mentioned requirements resulted in strong state dependence. As a matter

---

\(^81\) The latter is provided at accidents and near educational institutions.

\(^82\) Concerning both the individuals and municipalities.

\(^83\) Therefore civil self-defense is not to be confused with the civil protection of the state. Civil self-defense is provided by civilians in order to protect internal security, while the civil protection of the state is provided by various state rescue organizations in order to protect civil society in disasters and wars. However, between the two types of services naturally exist duplications.

\(^84\) The previous regulation for social movements contained only the opportunity to provide self-defense activities in form of an association.
of fact, such situation has evolved that civil self-defense organizations became the civil organizations of the police.85

The tight control of the police can be actually justified by facts. Civil self-defense organizations do not have official power and in contrast with state law enforcement organizations, they can not apply coercive tools.86 At the same time, their services have to be provided with political neutrality and respect for human rights. In contrast with the various – illegally operating – paramilitary organizations, civil self-defense can not question constitutional values, establish armed forces, pursue crimes and carry out exclusionary behavior.87 However, civil guards are able to wear uniforms only if it significantly differs from the uniform used by state law enforcement organizations.88 The most important characteristics is the following: civil guards provide internal security on a voluntary basis, without any financial compensation.89

Another association that we need to talk about is the Neighborhood Watch Association established with the aim of ensuring the security of communities. This association aims at improving the public security of settlements by non-governmental civil cooperation. The purpose of the association – that is set up by / closely linked to the Nationwide Civil Self-Defense Organization and is supported by state authorities – is to draw the public’s attention to each other and thereby improve public safety in the cheapest possible way. In order to prevent and deter crimes, members of the Neighborhood Watch Association carry out quite ordinary activities: they pretend that a neighbor who is away for a long time still lives there (collecting the mails, mowing the grass, etc.), in case of attention raising noises rush to help

---

85 Stronger control associated with the monopoly situation, so far does not threaten the self-governance of civil self-defense organizations because the state does not have a voice at the election of representatives. According to legal frameworks, member associations are not limited when voting on their representatives.

86 However, in order to provide some public order services, these tools may be essential.

87 Organizations that commit the above offenses are dissolved. Therefore, the Brighter Future Association was recently dissolved in Hungary, that emphasized actions against „roma-criminality” (borrowing the term they used). In relation to this association the Court stated that at organized events it exceeded the legal opportunities of 1) the right of assembly, 2) the right of association and 3) the freedom of expression.

88 It is an interesting phenomenon that the uniform in the last time is more and more similar to the professional staff uniform. In our opinion it is also an indicator of the pursuit of the similarity to state law enforcement organizations (cf. Finszter, 2010). According to one – unnamed – interviewee: civil and municipal self-defense is not more than the congregation of militant civilians, who want to look like and act as police officers. (In many cases the staff includes former police officers. Some of them were dismissed from the office as a consequence of improper behavior.)

89 It is not affected by the fact that in order to cover their operating costs, the regional and national associations are financially supported by the state. Moreover – on the basis of cooperation agreements – they receive tools from the police free of charge.
their neighbours (not ignoring the power alarms), periodically ask the elderly people living next to them about unusual lately experience (for example: about actions that tried to take advantage of their credulity) or increasingly pay attention to unknown people around the playgrounds (note the licence numbers of suspicious cars parking there). According to news more than 50 thousand civilians already joined this association that has Canadian origin, was established in Hungary in the 90s and a few years ago desired to revive (Hirado.hu, 2015).\(^9\)

Through the co-operation of neighborhood watches – on the cheapest possible way and fundamentally avoiding the evolvement of a police state – public security of living communities can be effectively supported. Especially in the case of crimes committed against vulnerable groups (vulnerable to violence within the family, physical or mental disabled people, people living alone, elderly people, women and children). The above mentioned services can prevent crimes that in some areas of the country have appreciably increased in the recent years (Opsz.hu, 2013). Statistically and with common sense it is equally foreseeable that the presence of the association significantly reduces the likelihood of crime. Thieves and „average criminals” who threaten the residents, in order to reduce the risk of getting caught absolutely avoid the monitoring eyes (Interview with Sándor Kopácsi, 1998). Even if they do not belong to trained professionals but are voluntary ones who provide their service without any financial compensation.

In addition to the above mentioned thoughts, the **self-defense initiatives of minorities** can equally be examples of civil security cooperation.\(^9\) The different groups that are exposed to persecution – if the state power can not guarantee their safety – obviously try to protect themselves. In connection with the persecution of the Israelites in Hungary, the history of the Jewish voluntary companies is a well known example. As a consequence of the First World War antisemitic riots and atrocities followed, jewish-born soldiers returning from the war established a

\(^9\) The number cited by the source is significantly higher than it can be found in the official statistics. At the same time, the number of members is considered low by the Nationwide Civil Self-Defense Organization. In addition, the organization is unsatisfied with the territorial distribution of the members and the lack of full territorial coverage (Opsz.hu, 2013). One of the primary reasons of it might be the following. In our country – due to the known historical reasons – there are no appropriate practices of observation. Furthermore, respectable people for decades aimed at avoiding involvement in monitoring each other. This – especially in case of older age groups – may cause the phenomena that the association has difficulties in captivating individuals (cf. Horváth, 1998).

\(^9\) Even so, when according to the legal conditions referred above, today there is no opportunity for self-defense between self-dependent association frames.

---

68
volunteer unit that aimed at protecting people who were persecuted because of their origin. The unit – that at the beginning was named as Jewish volunteer companies (or Zionist volunteer companies) later officially as Volunteer Militia Companies – was looked at ambivalently by the Károlyi government. At the same time, as long as the independence of the companies was not restricted, it implemented defense actions with approximately 2000 volunteers (Révész, 2015). The companies that were financially supported by Jewish communities and used the weapons and military infrastructure of the state, appeared in 47 settlements where pogroms were reported previously (Memorial Museum of Hungarian Speaking Jewry).

Self-defense of religious and ethnic minorities was not the privilege of the twentieth century that was full of hostilities. In response to exclusionary behaviour the need for defense cooperation arose in the last few years. In response to the emergence of violent organizations, certain groups of the Hungarian roma minority established – based on their „ars poetica” – self-defense movements. The Roma Self-Defense Movement and the Roma Association in Pécs have also been established nowadays, are good examples for it (the latter was described by the press as the „roma-guard”). The co-operative attitude to state authorities and the peaceful mission of these organizations is doubtful. However, the existence of them draws attention to the fact that communities that feel vulnerable and threatened are willing and able to establish self-defense organizations in order to ensure their safety. If this cooperation is achieved without violence, the use of weapons, or antisocial exclusionary behaviour, than it can contribute to the strengthening of public security. This case, the terminology of civil self-defense is correct. On the other hand, if the activity of the movement persecutes other individuals (by national, ethnic, racial distinctions) and – even for presumptive self-defense – unpermitted violence is used, we talk about violent organizations. We will deal with the activities and dominant coordination mechanism of violent organizations in the following subsection.

92 Jewish communities supported the establishment and maintenance of the companies but deprecated their Zionist commitment.
93 That has undoubtedly eased but continue to exist.
94 We – in the absence of relevant information – do not undertake to assess whether the operation of these movements correspond to the Fundamental Law or not. However, it is true that some of these movements attracted the attention of the police (Hvg.hu, 2012). Moreover, respondents on online votes found their appearance frightening (bama.hu). This also proves, that there is a thin line dividing self-defense movements and violent organizations – in the absence of appropriate regulation.
The motivation of the membership at the above listed three organizations is the recognition of mutual interests. Beyond civil self-defense organizations, neighborhood watches and self-defense initiatives of minorities the author recognized that with active participation of community members the internal security of the community can be guaranteed to a greater extent. In their case we can not talk about constraints associated with bureaucratic coordination or financial profit associated with market coordination. Whereas in the background of the activities typically mutual interests – and not the altruistic belief\textsuperscript{95} – lie, civil self-defense activities are dominantly regulated by the \textbf{self-governing coordination mechanism}. Therefore, at civil self-defense activity the – in Table 2 listed – parameters of self-governing coordination are typical. Although in institutionalized civil defense movements (where the activity is provided by the presidency and other representatives) there is sub- and superordination, the general relation between actors is co-operative and co-ordinate. Generally, interdependence is symmetrical (all of the involved participants depend on each other), while in the institutionalized case interdependence is inversely asymmetrical (the presidency depends on the membership). In addition, the direction of the transactions is horizontal or vertical (bottom-up initiatives are equally allowed). In order to achieve mutual interests, participants can be characterized by cooperation. The above mentioned three initiatives/movements are excellent examples of civil organizations that are able and willing to undertake the cost of increased security\textsuperscript{96}.

\textsuperscript{95}The author readily admit that in case of these organizations (especially in case of self-defense associations) besides the mutual interests there are also present ethical elements. Through their activities altruistic belief and the will of helping others certainly play an important role. However, we suggest that the main motivation for the operation is not that. They provide activities because they have recognised that along joint efforts they can live in greater security.

\textsuperscript{96}In this case, the costs not only represent financial expenses.
2.2.4. The guardian: violent organization. Dominant coordination: aggressive

“Day laborers, tenantries, landless peasants waited without avail the compliance of – during the war made – government’s promises about relieving the absence of lands. Therefore, they tried to take control of their destiny alone.”
Mária Ormos (2000): Mussolini

It was mentioned in the introductory chapter of the thesis that violent organizations\(^{97}\) that disregard the rule of law\(^{98}\) sometimes paradoxically struggle to participate in ensuring internal security as well. The primary purpose of the different violent organizations is not the protection of public order. Instead, they try to gain financial and/or political profit. In order to gain uninterrupted profit, these organizations can also participate in ensuring public order. With their services they may contribute to the increase of the subjective perception of security among the members of society. This inevitably leads to ambivalent evaluation of them. On the one hand, actions committed in order to gain profit violate the existing legal order and thereby threaten internal security. On the other hand, their actions may contribute to the elimination of certain illegal acts when security by other alternatives can not be achieved. There are many different types of violent organizations. As a proof of the above mentioned thoughts, we are going to briefly review the contradictory role of the paramilitary guards linked to political parties in this subsection.\(^{99}\)

Violent organizations that are typically associated with various political parties\(^{100}\) – although there are essential differences in their organizational structure and implemented actions – hereinafter (in order to simplify) will be called as political paramilitary guards. The purpose of creating these guards is the demand for supporting political aims with violent tools by the application of intimidation and physical violence if necessary. At the same time, these organizations – besides the

\(^{97}\) Some violent organizations are civil movements also. The purpose of these movements was not classified into the general category of civil movements (and in this subsection we give them priority) is their violent toolbox. Therefore, their aggressive operation fundamentally differs from operation driven by self-governing coordination.

\(^{98}\) Which is also a fundamental element of internal security.

\(^{99}\) Besides the political paramilitary guards, it might be also worth to review the contradictory role of organized criminal groups in ensuring internal security. On the one hand actions of organized criminal groups equally threaten public order. On the other hand, in order to have continuous business they are interested in the maintenance of public order (provided by their violent guards). By way of example: where organized crime is interested in tourism, there tourists can not be harmed.

\(^{100}\) Even if they are independent from existing political parties, they would like to achieve political purposes.
enforcement of political purposes – in many cases have sought to accomplish the functions of police forces throughout history.

The history of Europe and Hungary is abound in the presence of political paramilitary forces. In connection with the phrase „paramilitary guard” mostly Germany between the two World Wars can be named as an example. Due to the 1) peace terms and conditions following the First World War, 2) indignation caused by collective guilt and 3) the demilitarisation of armed forces, irregular troops came to life (Németh, 2011 a.). At the same time, these troops were used to enforce political purposes. In Germany in the 1920s and ’30s there were a large number of initially illegally, later semi-legally and after the Nazi takeover legally operating paramilitary groups. The three best-known representatives of them are the Roter Frontkämpferbund that belonged to the Communist Party, the Strumabteilung and the Schutzstaffel101 that were organizations of the National Socialist German Workers' Party. In addition, a number of other groups existed, for example the social-democratic Reichsbanner, the nationalist Stahlhelm, the extreme nationalist Organization Consul, the anti-bolshevik Jungdeutscher Orden were all organizations that could be classified into the categories of paramilitary guards (Németh, 2011 b.). However, paramilitary troops were not only founded in the Weimar Republic. In Italy, Fascio di Combattimento and Partito Nazionale Fascista (evolved from the former) came into power articulating anti-bolshevik rhetoric and the demand for and capability of ensuring order. Moreover, these parties implemented disruptive actions against socialists and land seizure of rural peasants. In this activity they were supported by irregular armed forces, the so-called squadras. „Finally a power appeared – although it was quite bizarre and not very respectable – that undertook to carry out a dirty job, to that no one else was able and available” (Ormos, 2000, p. 160). In this regard, the seizure of power resulting in the "Marcia su Roma" [March to Rome] is also symbolic. The power demonstration and scaremongering by the fascist armed forces equally contributed to the „peaceful”102 government formation

---

101 After the Nazi takeover the scope of activities of the SS has been expanded and institutionalized. Although the service of it included the protection of party leaders, from that point on the organization could not be called a „simple” irregular troop. Thereafter it has became an unlimited power owning general and political police-, civilian and military intelligence- and regular military organization. Furthermore, the SS carried out guarding and liquidation tasks in concentration camps and defended Adolf Hitler and other nazi leaders (Wikipedia c.).

102 The „peaceful” phrase means: deterrence itself was enough to came into power. There was no need to siege Rome.
of Mussolini. In France between the two world wars, paramilitary troops that existed equally played a part in the establishment of an authoritarian political system with demonstrations and aggressive actions. The most important right-wing/extreme right-wing organizations and movements\textsuperscript{103} were the following: the less extreme Action Francaise, Jeunnes Patriotes\textsuperscript{104} and Croix de Feu; the fairly extreme Le Faisceau, Solidarité Francaise and Parti de la Republique Autoritaire; as well as the Parti Populaire also involved in collaboration (Boros, 2010). In England, the British Union of Fascists and later the British Union of Fascists and National Socialists both maintained irregular guards (Magyarics, 2010). In Romania, the Legion of Archangel Michael – the so-called Iron Guard – supported the political ambitions of Corneliu Zelea Codreanu (the leader of the “Everything for the Country” Party) and after his death General Antonescu. The Iron Guard was an organization (sometimes supported, sometimes persecuted by the King), that – using violent tools – offered the promise of communism-free order. Terrorist-like groups initially conspired in order to liquidate ministers, who were considered national traitors by them because of promoting the emancipation of the Jews. Following that, they murdered the prime minister, who banned the organization. Finally they participated in the mass slaughter occurred in the Jilava prison (Miskolczy, 2010). In Slovakia the Hlinka Guard named after the leader of the Slovenska Frudova Strana was an extremist fascist troop (and a tool of the political propaganda focusing on „power capability“), that attended in the 1) persecution of people who were considered as stamped enemy by the party (Hungarians, Czechs, communists, Jews), 2) intimidation of the population, 3) breaking of resistance and 4) enforcement of anti-semitic laws (G. Kovács – Kamenec, 1997). Both the Hlinka Guard and the Iron Guard played an active role in Holocaust.

Paramilitary troops not only have extreme-right fascist ideology naturally.\textsuperscript{105} In Portugal the Movimento Nacional-Sindicalista was a movement that rejected facism and did not want to indentify itself with anti-semitism and racism, but also professed

\textsuperscript{103} In case of these movements and parties evolved from them it is often typical that they originally had left-wing roots.

\textsuperscript{104}In case of these two French movements the phrase „political troop“ – used in the thesis for simplicity– is not absolutely correct. These two organizations – due to the fact that parliamentarism was rejected by them – specifically sought to avoid operation within the framework of political parties. The demonstrations and other actions of them was not aimed at promoting traditional political ambitions but seize power without parliamentary arrangements.

\textsuperscript{105}Not all of the organizations – identified above – are extreme-right formations.
authoritarian and nationalist ideology. The movement tried to enforce violent street events in order to achieve political goals using irregular groups (Szilágyi, 2010). In addition, the Russian Red Guard specifically carried out activities in order to overwhelm fascist ideas. At the 1905 Congress of the Russian Social-Democratic Worker’s Party – in contrast with Lenin, who preferred parliamentary work – Stalin suggested the establishment of fighting squads in order to achieve political objectives (Biró, 2003). Initially – as a result of the tsarist repression and secret police services – organizing fighting squads was difficult, but during the 1917 October Revolution, Red Guards already played an active part in violent events. Following that, in the Civil War these guards joined to the Red Army. After the socialist seizure of power, Lenin changed his mind and also considered the liquidation of political opponents important. However, they no longer had to rely on paramilitary organizations, because the political secret police was established (Bödök, 2015). One of the youngest western paramilitary organization that supported political interest with terrorist activities was the Irish Republican Army. It was also nationalist, but a left-wing organization. The organization that struggled for a united and unified Irish Republic with political and militant actions carried out numerous terrorist attacks against British soldiers, police officers, prison guards, members of the government, rival groups, railway stations, shops and civilians (Gregory, 2010).

Establishing paramilitary troops in Hungary also have a long tradition. Two definitely notable organizations are the Armed Party Service and Armed Nation Service established by the Arrow Cross Party. The paramilitary troop of the party – besides the fact that in the absence of regular forces (that was sent to the front) also provided law enforcement and defense services – fundamentally 1) protected Szálasi and other political leaders, 2) ensured the power of the Hungarian Nazis, 3) participated in the finding and liquidation of hostile ideological forces and 4) persecuted the designated people (Kovács, 2010). The communist takeover after the

106 As it was previously indicated: in the thesis we only mention political police and intelligence services.

107 There were antecedent paramilitary troops that implemented irregular actions in the streets. These include the Hungarian Association of National Defense (established in 1919), the Association of Awakening Hungarians and the Hungarian National Socialist Party (established in 1932). To receive more information about these organization see Paksa (2012). Here it is enough to mention: these organizations – typically for political purposes – also opposed the state's official law enforcement bodies. The dissolution of the Association of Awakening Hungarians formally occurred when unknown – but presumably to the organization belonging – militants on November 11, 1920 shot down a police officer. In addition, the Hungarian National Socialist Party – similar to the German SA – with its brown-shirted irregular troops regularly organized demonstrative marches (Paksa, 2012).
Second World War also produced its own paramilitary troop, the R. Guard. The guard that included enthusiastic amateurs did not have any legitimate authority, but provided law enforcement services. Following the defeat of the 1956 Revolution, the real establishment of paramilitary forces beyond the party was started with Soviet support. After the revolution these groups were simply called armed forces and there were 3944 in Budapest and 5907 in the countryside of them (Kajári, 1996; In: Horváth, 2011). In 1957 the group of the „most reliable“ forces evolved from these troops, the Workers' Militia. The Militia – although it was considered as state official force – was under the control of the Hungarian Socialist Workers' Party Central Committee. The counter-revolutionary force was responsible for protecting public order and removing restoration attempts. The Militia included 30 and 60 thousand people by the end of 1957 and 1960 (Horváth, 2011).

The above list can not be considered complete. Besides the mentioned troops, numerous other paramilitary organizations established in order to achieve political purposes could have been listed. In this regard, we do not seek completeness. Instead of further listing, hereinafter we focus on the presentation of the common characteristics. Characteristics that are important for us in connection with internal security. These organizations – although they have not always been in contact with existing political parties – designed their activities along political interests in all cases. Their profit was evident in seizing political power. In order to gain political power, they sought to create the semblance of force. They basically emphasized that they are effective alternatives when social tension (often caused by them as well) needed to be managed. In order to articulate political messages and present the skills

108 The Workers' Militia in a speech on January 14, 1957 was called the most reliable force by János Kádár (Kenédi, 2000; In: Horváth, 2011).
109 Besides the Workers' Militia – as a militant organization – it is worth mentioning the Young Guard operating under the control of the Hungarian Young Communist League. This organization – although sought military education – typically carried out event security services and was much smaller than other paramilitary troops.
110 Besides the „state-independent“ paramilitary troops – among other things – we could have described public authorities that were considered institutionalized public organizations in various dictatorial periods, but in practice functioned as political paramilitary forces. Apparently they were protecting the state, but since the state was the party itself, practically they protected the party. In Hungary after the Second World War the central organizations of the Ministry of Interior belonged to this category without exception. In order to illustrate this statement: 27 leaders of central organizations (from the total 31) could have been linked to the State Protection Authority (Horváth, 2011). We do not mention these organizations due to space and conceptual limitation of the thesis.
111 The following characteristics are certainly not correct in case of all organizations listed here. However, in general they are typical to paramilitary troops.
112 Therefore, calling them political paramilitary forces is not entirely correct. The simplification – used in the thesis – seeks to promote the structuring process.
required for ensuring internal security, most of them were characterized by 1) organized mass marches and military exercises, 2) uniforms and armbands, 3) group flags and flag initiations, 4) nazi-like salutations used at greetings, 5) hierarchical structure similar to armies, 6) armed actions, persecutions and liquidations, 7) the leadership of omnipotent leaders and 8) strong centralization and subordination. They considered themselves as an „order-protection” force. At the same time, they tried to appear as one of the state’s law enforcement organizations. Taking advantage of the consequences of various historical cataclysms and social fault-lines – initially with actions against the order, later providing power to ensure social security – they intended to play an active role in the internal security sector. In this regard, history has unfortunately proven their political aims sometimes. Do not have illusions: it is important to highlight that in failed states paramilitary troops were considered a force, that have the ability to ensure internal order (instead of state law enforcement forces) by a perceptible part of the society. On the other hand, an other perceptible part of the society solely allowed them to take part in internal security, because they were intimidated by and suffered from violent behavior.

Political paramilitary organizations that are similar to the above mentioned troops, are hard to be found today. This, however, does not mean that organizations involved in the defense of political interests of the various parties (even with physical force) do not exist. Besides the state police, the protection of the various political – often public – events is typically provided by private security companies. Moreover, it is not uncommon that the various parties also employ their own security personnel. In this case, the relation between the party and the protector (whether it is a private organization or an individual) takes place in accordance with market or ethical coordination. In the last years a few times occurred that the security provider enforced the payer’s political purposes by using physical violence in connection with Hungarian „headquarters-issues” and municipal events. Therefore it sought to maintain order along aggressive coordination. Nevertheless, these organizations are not considered violent organizations by us and therefore we do not deal with them.

113 When we talk about altruism.
114 We beware of naming certain cases. On the one hand, in some cases criminal prosecution is in progress and we want to avoid unfounded accusations. On the other hand, the thesis has scientific purposes and it is not part of investigative journalism.
115 Nevertheless, these organizations and activities must have accounted for activities of private security companies or civil initiatives depending on whether the activity is carried out for profit or not.
The above mentioned thoughts do not mean that there are no paramilitary organizations today proclaiming extremist political credos that have links to political parties. If we are looking for Hungarian examples to prove this statement, the Hungarian Guard Movement and the New Hungarian Guard Movement after its ban are known as extreme organizations closely related to paramilitary troops. The volunteers of the movements emphasize their ability to protect internal security. Furthermore, they carry out marches reminiscent of paramilitary troops and „well-being and public safety improving” walks. Moreover, their appearance is similar to military (they are equipped with uniforms, badges and flags), they are characterized by military hierarchical organizational structure and the members will enter their ranks with initiations. According to their „ars poetic”, they function as an unarmed National Guard that can provide the protection of Hungary (Wikipedia d.). At the same time they think that internal order consists of intimidation, exclusion and restriction of certain ethnic groups. Therefore, they are considered as violent organization by us.

The previous strong presence of paramilitary troops can fundamentally be explained by the theory of coordination vacuum that was already mentioned in subsection 2.1. briefly. According to this theory, in case a coordination mechanism is not able to carry out the regulation of a social service, it will inevitably be replaced by an alternative mechanism. In our case it means the following. Whereas during some historical periods – due to the absence of a stable government operation and as a consequence of unbridgeable social fault-lines – internal security was not carried out by bureaucratic, market, ethical or even self-governing coordinations, but members of the society still considered internal security indispensable, they preferred the solutions of violent organizations. Defense activity provided by political paramilitary forces is dominantly regulated by the aggressive coordination mechanism. Therefore, during this activity parameters of aggressive coordination listed in Table 2 are typical. The relation between the actors is characterized by super- and subordination; the transactions take place vertically and in accordance with instructions; interdependence is asymmetrical; the superordinated actors try to put

\[\text{aggressive coordination mechanism.}\]

\[\text{116 The Fundamental Law of Hungary does not allow to establish armed political movements.}\]
\[\text{117 It is also a problem that they question the ability of the state law enforcement authorities. Therefore, they ultimately question the sovereignty of the country. Moreover, besides the state structures that maintain sovereignty, they intend to establish parallel structures. This situation ultimately threatens with legitimacy risks and uncertainties.}\]
into effect individual interests and often use – even physical – violence in order to compel the transactions. Today – when stable states surround us – security is guaranteed by the state and private security companies and is typically materialized by bureaucratic and market coordination mechanisms. At the same time, the social opinion about violent organizations is fairly negative. The negative opinion is a result of their assumed goals, their toolkit that includes physical violence, their inability to compromise, their continuous struggles against each other and the past involvement of their idols in crimes committed against humanity. We – normatively – also condemn the activities of violent organizations and would like to emphasize that in case of internal security we prefer other coordination mechanisms instead of aggressive coordination. On the other hand, in order to achieve intellectual honesty required by positive analysis, we would like to state that after the emergence of political systems, aggressive coordination was outlawed, but did not disappear entirely. It would be illusory to believe that aggressive coordination 1) can be completely eliminated and 2) in case of the decline of other security ensuring mechanisms it won’t be resurrected again.

2.2.5. The guardian: supporter. Dominant coordination: ethical

„... human compassion and help exist in the midst of all awfulness”
Sándor Márai (1946): A nővér

In case of the former review we dealt with institutionalized solutions. At the same time, defense activity can equally be carried out by non-institutionalized solutions. Let us imagine the case of us walking down the street and witness a crime. For example: somebody attempts to steal an old lady's bag in front of our eyes. The old lady inevitably needs protection since she is unable to defend herself, but state law enforcement organizations, private security companies, civil self-defense movements and even paramilitary troops are not present to prevent the offense. Independently of this, the crime should not necessary happen. Altruistically, in absence of self-interest motivating the intervention, eyewitnesses of the crime may also take actions in order to protect the vulnerable women and her assets (even endangering their own safety). In this case, the motivation for protection is exclusively the

---

118 The statement is not entirely accurate: the previously discussed aggressive coordination can also be realized by the violence acts of individuals (and not only by violent organizations). In the former case we can not talk about institutionalized solutions.
119 In this case, direct self-interest can not be interpreted. On the other hand we can talk about indirect self-interest: cathcing perpetrators is important to all members of the society.
altruistic conviction and the implementation of the activity is dominantly regulated by ethical coordination. Therefore, at the activity of protective supporters the parameters of ethical coordination listed in Table 2 are typical. Between the actors there is a co-ordinate relation, the interdependence is one-sided and asymmetrical. The supporters decide at their own discretion, whether they would like to selflessly provide assistance to those in need. Any relation that evolves through this occurent assistance is non-institutionalized and non-permanent. It is highly unlikely that, if the old lady needs help again in the future, the same people will come to support (this of course can still occur, but in this case only accidentally). Although the enforcement strategy is cooperation, individuals have different interests. Victims are interested in the supporter’s protection, while supporters are motivated by altruism.

The border-line between defense activities regulated by ethical and self-governing coordination is often elusive: both altruism and the interest of the supporter are simultaneously present. At the same time, there is always a dominant motivation. In case of ethical coordination it is altruism, while in case of self-governing coordination self-interest fundamentally motivates security activity. In case of neighborhood watches – not doubting the simultaneously existing altruistic belief – self-interest motivates somebody to join to the community (members calculate on the fact that they will be supported). On the other hand, in case of ethical coordination we can not talk about any compensation. There are numerous examples of defense activities provided by ethical coordination. These examples prove the strong social embeddedness nature of this mechanism.

The above mentioned entities (state, private security companies, social movements, violent organizations, supporters) that are involved in internal security activities, hereinafter are uniformly called guardians.
2.3. Who needs to be guarded?

"Twenty of our teams worked in the Iraqi capital every day of the week. Approximately fifteen defended the same VIP diplomats, the others satisfied the passanger-transport needs of the Ministry of Foreign Affairs in a rotation system.”

Erik Prince (2015): Amerika szolgálatában

After the identification of the guardians, it is also expedient to review the identity of the guarded – the other actors in the relation. As an example of the phenomenon that a guardian also needs to be guarded, it is advisable to start the review with the state. In this case, within the concept of the state we mean state institutions, the organizational system „ impersonating” institutions (including the state-owned enterprises), internal public spaces, people and information that are necessary to the operation of the organizational system. The protection of the state can be primarily provided by itself. More precisely: by the above (at the review of the guardians) mentioned law enforcement organizational system of the state. For self-defense activity of the state – from intelligence services protecting secret information, through guards protecting state leaders, to police services guarding state institutions – numerous examples can be found. However, the protection of the state is typically not only done by itself. Private security companies equally participate in the protection of it.\(^\text{120}\) We can all remember the scandal that happened a few years ago, when army premises were guarded by a private company. In addition, private security companies are still involved in protecting a number of public institutions: museums, hospitals, subway stations and even courthouses and public prosecutors’ offices. Based on the stories of my interviewees\(^\text{121}\), there have also been examples in recent years: 1) the security guard of a County Police Department was also provided by a private company and 2) the ceremonial speech at the National Museum on 15 March was defended by more guards of specialized private forces than state law enforcement agencies. Besides the guarding of state infrastructure and events, private security companies actively take part in the transportation of money and other valuables, the intelligence services\(^\text{122}\) and the development of security infrastructure.

\(^\text{120}\) Between state authorities and private security companies there is an ongoing relationship.

\(^\text{121}\) The truth value of the stories could have not been checked by us. Nevertheless, we do not want to question their credibility.

\(^\text{122}\) In connection with intelligence services – commonly known as private investigation – there is a continuous relationship between state authorities and private companies. At the same time, the official recognition of this relationship – in order to maintain the appearance of a strong state and in the
In addition, the Nationwide Civil Self-Defense Organization (that has the monopoly of institutionalization of civil movements) and its local organizations also participate in the defense activity of the state. Besides street patrolling, the organization plays a significant part in protecting state and municipal events and property. It is a well known example that local government leaders – due to the scarcity of financial opportunities – try to ensure the security of local events with civil self-defense organizations that are free (distracting them from providing basic services) instead of the expensive private security companies. On the other hand, in the protection of the state supporters motivated by altruistic conviction and violent organizations motivated by the political/financial profit do not participate. The former group does not get in a situation where the members are able to protect the state. The latter group typically exerts the members’ activities against the insufficient functions of the government. Therefore, supporters can not-, while violent organizations do not want to take part in that kind of protection.

**Private enterprises** operating in the business sector are other entities which need to be protected. The protection of these enterprises is naturally assumed by the state. On the one hand, the state provides freedom of business through the establishment of laws and legal order. On the other hand, it tries to maintain the continuity of economic activity with crime prevention and law enforcement services. The state contributes to the maintenance of order that is indispensable to business activity through police public safety services. Moreover, through law enforcement administration (issuing official licenses, monitoring operation and preventing offenses) the state ensures the equality of competition. Furthermore, it prepares and enforces jurisdiction through police and prosecutorial investigation services. In case of the protection of private enterprises, private security companies are also crucial actors. 1) The establishment and safeguarding of the defense infrastructure in offices, industrial plants and service providing facilities, 2) the protection of various business events, 3) the defense of business secrets and 4) the obtainment of information

1) It is considered insufficient by them.
2) From Maslow’s hierarchy model of human needs (Maslow, 1954) we all know, that consumption – in order to meet the superordinate needs – is only realised when the subordinate needs – in our case: the need for physical security – have been already satisfied.
relating to the activity of business competitors are well-known examples of services purchased from the security industry. Furthermore, the protection of private enterprises can be equally provided by violent organizations. It is well-known, that – especially in certain industries – mafias also sell protection services. The more fortunate ones only on the screen, the less fortunate ones in real life meet the institution of protection money that is necessarily paid by restaurants and entertainment facilities. At the same time, we can not really talk about defense activities that are provided by social movements or supporters to businesses. Social movements – in order to ensure internal security – provide the protection of individuals and public spaces; therefore, the protection of business entities is not their task. Civil self-defense organizations fundamentally prevent – during patrolling detected and against individuals committed – crimes. The prevention and detection of economic crimes (occurred against business entities) is the task of the police. In addition, supporters do not witness offenses committed against business enterprises. Therefore, from altruistic conviction and civil common interest it is not possible to stand up against these phenomena.

Besides the state and private enterprises, the protection of different social groups is also required. Without a further specification the phrase „social group” at first may seem too general. At the same time, due to the presence of numerous guarded groups significantly different from each other and the demand for the classification’s simple manageability, the analysis will be performed at this level of aggregation. In terms of crime prevention, there are many social groups that need protection: children, young people, religious and ethnic minorities, elderly people, disabled people living alone, people with intellectual disabilities, victims of domestic violence, women, homeless people, sexual minorities and other subcultures (that represent a different point of view from the majority opinion and therefore bear a social stigma) can first come into mind. In addition, this concept includes all social groups that need to be protected. Paradoxically also those groups that feel threatened by the existence and activity of the above listed other groups are equally in need of protection. In case of the protection of the various social groups typically the state and social movements

125 Besides the fact that the traditional ways of getting protection money still exists (Sonline.hu), it is worth pointing out that – due to the adaptation capabilities of criminal organizations – today it has become difficult in many cases to distinguish the border-line between private security companies and violent organizations.
are involved. On the one hand, the state naturally participates in the protection of all social groups. For example: police increasingly pays attention to the prevention of juvenile delinquency and the protection of juveniles through patrols around schools within the framework of crime prevention activities. On the other hand, the basic purpose of civil movements is the protection of social groups listed above. In order to protect juveniles, the monitoring and warning services of civil self-defense organizations operating around educational institutions try to prevent crimes and road accidents. The protection of social groups can theoretically also be provided by violent organizations and private security companies. Although these sorts of defense activities of violent organizations are not common, in recent years we have seen several Hungarian examples of it. In response to crimes – presumptively – carried out by Roma people, in some areas of country guards have appeared in order to protect the population and they can be classified to the category of violent organizations (even if they triggered the sympathy of the majority of local people). In the light of this phenomenon – although it is obviously a matter of regulations – it can be excluded neither in theory nor in practice that social groups in need of protection are guarded by violent organizations. In theory it may also occur that the representatives of a social group make a contract with a private security company. However, because self-advocacy activities of these groups are not typical, this possibility exists only in theory (therefore we did not find any examples of it). Furthermore, supporters motivated by altruistic conviction can not achieve the protection of social groups.

In addition to the above listed entities, **individuals** also need to be protected. All previously identified guardians appear in case of the protection of individuals. The protection activity of the state – largely similar to the activity that was seen in case of business enterprises – is materialized in 1) ensuring public order and freedom of citizens, 2) preventing crimes and 3) preparing criminal justice (through investigative activity). The activities of private security companies related to individuals typically manifest in 1) the physical and technological protection of assets owned by private owners, 2) private investigation and 3) physical protection of individuals. Individuals can be equally protected by social movements. The members of the Neighborhood Watch Association maintained by the Nationwide Civil Self-Defense Organization pay particular attention to the protection of vulnerable individuals living in their
environment. Furthermore, supporters can also act as guardians in the protection of individuals, while violent organizations also carry out their defense activities in order to guard individuals.

The above mentioned entities (state, private enterprises, social groups, individuals) that are involved in internal security activities, hereinafter are uniformly called guarded. According to the thoughts above, it can be seen that guarded can not be simply classified based on the guardians. The relations between the guardians and the guarded are illustrated in Diagram 4.

![Diagram 4](image)

Diagram 4: The guardian-guarded relations

The guardian-guarded relations and the relation regulating coordination mechanisms are illustrated in Diagram 5.

---

126 On the diagram we illustrated the guardians and the guarded. In relation to the various guardians the dark blue-colored guarded can be interpreted (the dark blue shapes mark the existing relations). Social groups can only theoretically be protected by private security companies. Therefore, this connection is not illustrated on the diagram.
Diagram 5: The guardian-guarded relations and coordination mechanisms

2.4. The subject of the guarding activity

"Everyone has the right to life, liberty and security of person"

Following the identification of the guardians and the guarded, it is worth examining briefly the subject of the guarding activity. After answering the „Who should be a guardian?” and the „Who should be guarded?” questions, it is equally necessary to deal with the „What should be guarded?” question. When answering the latter, we fundamentally turn to the Universal Declaration of Human Rights issued by the United Nations (UN, 1948) and the valid Criminal Code of Hungary (Act C. of 2012). 127

One potential subject of the guarding activity 128 can be the protection of human dignity. Under human dignity we – non-exhaustively – mean such abstract concepts as freedom of thought, conscience and religion; freedom of assembly and

---

127 More specifically we focus on those elements of the two cited documents that fit the frameworks of the thesis defined at the conceptual clarification in subsection 1.4. The elements are not listed in order of their importance.
128 Using the appropriate legal term: protected legal subject. For the historical development and the conceptual understanding of protected legal subject see Busch (2006).
The protection of human dignity is always the responsibility of the state (other guardians are not involved in this activity). Besides human dignity, it is also necessary to protect human and sexual freedom. In this context – among other things – actions must be taken against kidnapping, human trafficking, forced labor, illegal restraint, sexual abuse, indecent exposure and coercion. In order to protect human freedom – paradoxically also taking into account violent organizations – all guardians can exert their activity. In addition, the subject of guarding activity can equally be the protection of constitutional order. Under this concept we mean defense actions carried out against conspiracy, destruction, rebellion, treason or espionage. The prevention of these including the use of physical force is an essential responsibility of the state. Additionally, private security companies and social movements are also able to participate in the protection of constitutional order (typically in prevention: the former through providing technical conditions, the latter through the maintenance of monitoring services). At the same time, violent organizations and supporters are mainly not involved in the protection of constitutional order. It is also necessary to protect the undisturbed operation of institutions and people that represent public power. It practically means the protection of organizations and representatives participating in the operation of the state. Although this is primarily a state responsibility as well, private security companies actively participate in this task.

Other guardians are not involved in this activity. It is also necessary to protect public order and public safety. Within this activity threats (for example: public dangers, terrorist acts or misuses of firearms and explosives) need to be handled. The protection of public order and public safety is primarily the task of the state and the civil self-defense organizations, but all guardians may participate in this activity. Similar to public order, all guardians may be involved in the protection of public peace. This includes defense activities and regulatory provisions against incitements, use of totalitarian symbols, scaremongering, insulting behaviour or disorderly

---

129 The list of subjects of guarding activity is not complete. During their presentation the author did not struggle for a complete classification, they are only mentioned in order to illustrate the concept.
130 In case of violent organizations it may also occur, that some above listed crimes are committed, while others are prevented simultaneously. Some organized criminal groups gain profit from prostitution, while they condemn and persecute youth pornography.
131 The presence of private security companies in this task may raise questions concerning sovereignty. It is possible to outsource and downsize the power that is necessary to enforce the will of the leadership only to a certain extent. This has to be taken into consideration when delegating state tasks to private security companies.
conduct. In contrast to the defense of public order and public peace, the **protection of administration order** and the **protection of transport** are the responsibility of the state and social movements. In the case of the former human trafficking, impairment of monuments, illegal gambling, epidemiological violation and illegal crossing of border-, while in the case of the latter dangerous driving, drunk driving and hit-and-runs are the most important activities that are necessary to be handled. Other guardians do not participate in these activities.\(^{132}\) The situation is similar in case of the **protection of public life**. The activity includes defense activities against corruption, bribery and buying influence. In addition, it is worth **protecting public trust**. Within the framework of this activity it is necessary to take actions against document-forging and -misuse, falsification of motor vehicle mileage data and manipulation of sport results, among other things. The protection of public trust is an exclusive duty of the state. Other guardians do not take part in this activity. Similar to public trust, it is solely the responsibility of the state to **protect business- and budget order**. Among these activities: offenses and crimes like violation of accounting order, bankruptcy crime and unauthorized financial activity (as crimes regarding business order) as well as benefits abuse and financial budget fraud (as crimes regarding budget order) need to be handled. The **protection of enterprise freedom** and the **protection of economic competition** are closely linked to the former mentioned two activities. All of these activities are exclusively provided by the state and include actions in order to ensure and protect fair conditions of competition, confidential business information and adequate information to competitors and consumers. Furthermore, the **protection of cash flow** is equally a sole responsibility of the state. The **protection of life, physical integrity and health** can also be the subject of guarding activity. All guards can have a role in these activities which include assault, manslaughter, endangering during employment as well as missed assistance and care obligations. The situation is the same in case of **property**\(^{133}\) and **information protection**. In case of the former actions should be taken against robbery, plunder, theft, extortion, vandalism, embezzlement and fraud,

\(^{132}\) At the same time, there is both a possibility and a demand in connection with other guardians’ involvement in this activity. An excellent example for this is the role of private security companies in transport security and highway patrol. According to some opinions, to seat state police officers behind speed controllers is a mistake and a waste of time. Carrying out this task would be easily and cheaply solved by the staff of private security companies.

\(^{133}\) Property protection also includes the defense of intellectual property. In this case, the purpose of this activity is to prevent crimes like copyright infringements or counterfeiting.
while in case of the latter activity defense services should be provided against illegal data acquisition and intrusion of information systems. It is necessary to mention two more guarding tasks. Under the **protection of environment and nature** we think about tasks like animal protection or the protection of waste management system and nuclear facilities narrowing the general concept of environmental protection. In addition, the **protection of children and families** means actions against endangering minors and domestic violence. In both activities the state, the social movements and the supporters may equally be guardians, while private security companies and violent organizations usually do not participate.

The existence of the guardians and the guarded in the various internal security activities is illustrated in Diagram 6 and 7.\(^\text{134}\)

---

\(^{134}\) The existence of the guarded in the various internal security activities is illustrated only in diagram 7. It is not mentioned in the text. The interpretation of the diagram is considered clear by us, therefore, in the main text we do not wish to add further comments to it.
Diagram 6: The existence of guardians in internal security activities

<table>
<thead>
<tr>
<th>SUBJECTS OF THE GUARDING ACTIVITY</th>
<th>State</th>
<th>Private security company</th>
<th>Social movement</th>
<th>Supporter</th>
<th>Violent organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection of human dignity</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protection of human and sexual freedom</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of the constitutional order</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of organization and representatives of public power</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of public order and public safety</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of public life</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of public table</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of public order</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of budget order</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protection of emergency public order and control capacities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of public order and emergency</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of health, physical integrity and health</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of property</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of children and family</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Protection of environment and nature</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Diagram 7: The existence of guarded in internal security activities

<table>
<thead>
<tr>
<th>SUBJECTS OF THE GUARDING ACTIVITY</th>
<th>State</th>
<th>Private enterprise</th>
<th>Social group</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection of human dignity</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of human and sexual freedom</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of the constitutional order</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protection of organization and representatives of public power</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protection of public order and public safety</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of public life</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of public table</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of public order</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of budget order</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Protection of emergency public order and control capacities</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of public order and emergency</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of health, physical integrity and health</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of property</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of children and family</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of environment and nature</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

89
3. Involvement in numbers

„There are three kinds of lies: lies, damned lies, and statistics”

Mark Twain (1906): Chapters from My Autobiography

It was discussed earlier what kind of actors and coordination mechanisms of the society are involved in ensuring internal security. On the other hand, we did not deal with the phenomenon of how the division of labour among the named actors is formed and how much each coordination mechanism weighs in the maintenance of internal security. This is our next task. In the absence of this, we are not able to answer questions fundamentally affecting internal security, like: is it really true, that 1) ensuring security is primarily done by the state; 2) the activity of private security companies only complements state efforts; 3) private security sector had a considerable expansion in the last period; 4) the activity of social movements regulating self-governing coordination and the activity of supporters regulating ethical coordination in internal security are peripheral and 5) violent organizations today have no longer a reason to exist? When answering the above mentioned questions, we need a quasi-objective measuring instrument. With that we can ascertain the extent of the various mechanisms at least on a rough estimate. Furthermore, based on the knowledge of the extents associated with the specific coordination mechanisms, we are able to draw conclusions about the presence of the various actors in the internal security sector. This ultimately means that – according to the undertaken goals of the thesis (subsection 1.5.) – we can define the mentioned actors’ contribution to internal security.

In Chapter 3, we will examine the disposable economic-statistical tools from a capability standpoint in order to fulfill the functions of the measuring instrument. Hereinafter, we would like to have a more detailed review about the expenditure and employment (contributor) statistics traditionally used for the evaluation of involvement.

\[135\] The author of the well-known quotation is not precisely known. Mark Twain attributed it to Benjamin Disraeli, the British Prime Minister. However, whereas in his works no trace of it was found, today we connect it to Mark Twain's name. The source of the quotation and its history: Wikipedia e.
3.1. The indicator of involvement: expenditures

„Costs do not exist to be calculated. Costs exist to be reduced.”
Taiichi Ohno\textsuperscript{136}

In order to quantify the presence of actors in internal security, it seems obvious to use expenditure statistics. The primary reason for this is that internal security government expenditures are relatively well quantifiable. We are able to approximately answer the question of how much various state organizations that ensure internal security spend on maintaining their activities. On the other hand – based on the available revenue data – we can try to estimate how much individuals and private enterprises spend on services provided by private security companies. Therefore, the extents of bureaucratic and market coordination are relatively well accessible and comparable through expenditure data.\textsuperscript{137} At the same time, the use of the term „relatively” in so far is euphemistic in that – as we will see it below – 1) estimates and simplifications are used in order to quantify the extents and 2) significant limitations are necessary to consider. However, in the absence of better instruments – even with contingent explanatory power – the use of expenditure data can contribute to achieving our previously assumed purposes. Even if expenditure data is not sufficient in order to quantify self-governing and ethical coordination.

3.1.1. Internal security government expenditures

„If we review the expenditure side of the government balance sheet, we get a real picture about the role of the state”
László Muraközy (2012): Államok kora

The examination of the following issues has long been on the agenda: 1) what is the actual extent of the presence of central power in a society (including the internal security sector) and 2) what kind of influence does it exert on the actions of individuals and other entities. The economic aspects of this topic – that can be examined from philosophical, legal, ethical, cultural, political, security and other perspectives – are equally remarkable. Due to the fact that people expect to be able to quantify the presence of the state in the social sectors from economics and economic-

\textsuperscript{136} The quote is linked to the inventor of the Toyota Production System. The source of the quotation is: gembapantarei.com.
\textsuperscript{137} The statement – when using appropriate estimates – is equally true for aggressive coordination.
The developed countries today are characterized by mixed economies in which social activities are carried out by simultaneous coordination mechanisms and bureaucratic coordination is present with other regulatory mechanisms (Kornai, 1983 and 1993). Therefore it would be essential to understand to what extent could the implementation of the various social activities be attributed exclusively to the state and/or to the contribution of other actors. If we had the necessary instruments at our disposal, it would be ascertainable to what extent are educational, health, social, police, defense or even cultural and recreational services attributed to the state. Moreover we would have the opportunity to ascertain the extent of the co-operating „non-state” mechanisms and actors (private enterprises, foundations, social movements, private initiatives, etc.). Without knowing the extent of government involvement the evaluation of the operation-quality is also not a simple task.

The internal security involvement of the state — is also approachable through the quantification of internal security government expenditures as discussed above in general. Theoretically 1) internal security expenditures in relation to GDP quantifying rates and 2) expenditures expressed in absolute terms are equally suitable to ascertain the extents and tendencies of state involvement.

3.1.1.1. Internal security government expenditures (percentage of GDP)

In case of the internal security government expenditure index (internal security expenditures/GDP), we may think that an appropriate measurement-instrument is available (both on the level of the single social sectors and aggregated) to evaluate the extents and tendencies of state’s involvement. Using the index we are theoretically able to ascertain how much expenditure is allocated to a social sector — in percentage of the GDP. In addition, we may think that knowing the extent of the consolidated general government expenditures allows us to ascertain state involvement. At the

---

138 When examining social sectors, we rely on the classification of functions of government statistics (Eurostat COFOG database). According to this classification, there are general public-; defense-; public order and safety-; economic-; environmental protection-; housing and community-; health-; recreation, culture, religion-; education- and social protection services and expenditures. To the sector overview see Eurostat (1996) and United Nations Statistics Division (1999). At the same time, we do use substantive amendments below in contrast to the available classification.

139 In order to prove the statement: two countries with equally impeccable education systems can greatly differ in who provides the educational services.

140 This rate is traditionally used for the evaluation of extents and tendencies concerning state involvement. The relation to GDP is used for international comparability.

141 The subsection is based on Felméry (2016 b.).
same time, the relation to GDP may result international comparability. Due to the above mentioned things and as a consequence of the evaluation needs regarding the amplified state involvement – arising after the 2008-2009 global economic crisis – the use of the index is fairly widespread. The index is used by statistical agencies (Eurostat, 2012; United Nations Statistics Division, 2014; UNESCO Institute for Statistics, 2013; KSH, 2014 a. and 2015); it is included in analyses and databases of supranational economic, financial, trade, health and environmental organizations (OECD, 2015; World Bank, 2013; WEF, 2015; FAO, 2013; ILO, 2014; WHO, 2009; IMF, 2010); economic forecasts, competitiveness reports and other social indexes apply it as an indicator (EBRD; IMD, 2014; Heritage Foundation, 2015; Kopint-Tárki, 2009; Századvég, 2012) and it continuously appears in various social science analyses and yearbooks (Stockholm International Peace Research Institute, 2011; The International Institute of Strategic Studies, 2014). The references of the index in international (Poullier–Hernandez, 2000; Tanzi–Schuknecht, 2000; Tiffen–Gittins, 2004; Tanzi, 2011) and Hungarian (Szamuely, 2004; Győrffy, 2006; Csaba, 2007; Csillag, 2009 and 2013; Juhász, 2010; Muraközy, 2010 and 2012; Pesuth, 2014) scientific publications also demonstrate the widespread use of it. Furthermore, some earlier allegations may need revision. Not to mention the countless newspaper articles which message is based on the data of this index. Politics also tries to draw the profit from the legitimation provided by science. Numerous examples can be found for various political actors trying to justify their actions/confirm their criticism using this indicator (regardless of country and political affiliations). Therefore, we can often meet the index in case of pros and cons debate concerning state involvement. Some participants of this debate say that the numerical value of the index – and therefore the extent of state involvement – is too low, while others consider it is even too high. Regardless of this type of evaluations the index value represents the common benchmark (at least in a discourse that tries to maintain the illusion of objectivity).

This subsection does not try to serve justice between the two sides. It also does not want to fully present the actual extent of the aggregated government expenditures. According to the purpose of the thesis it only describes the „evolution” of the

---

142 Some publications of the author are also no exceptions. Therefore, the author equally cannot remove himself from the critical attitude towards this index and the limitations given below. Furthermore, some earlier allegations may need revision.

143 For this purpose see Felméry (2015 c.).
internal security government expenditures (in this subsection in percentage of GDP, later in absolute terms).\textsuperscript{144} If the the index is able to properly illustrate state involvement in the internal security sector, it is an appropriate economic-statistical instrument for us to answer some of our research questions.

Internal security government expenditures are calculated as follows. We fully calculate with public order ensuring law enforcement expenditures responsible for public order. We also consider state dotations allocated to the Nationwide Civil Self-Defense Organization.\textsuperscript{145} In addition – by 40 percent of the total costs spent to this purpose – we also take the prosecutorial investigation expenditures into account.\textsuperscript{146} At the calculation of law enforcement expenditures we pay respect to organizations, that 1) provide public order ensuring services as a core task, or 2) in some way can be linked to these services (they provide supporting services). Accordingly, we take the national and regional law enforcement agencies and the educational and economic institutions into account. The source of each expenditure data is the value recorded in the actual Budget Act.\textsuperscript{147} In case of summing these expenditures up and dividing the aggregated value by the actual GDP data, we get the internal security government expenditure index (the index is a fraction: in the numerator the internal security expenditure, while in the denominator the GDP is included). The thesis intends to prove the author’s ideas using the Hungarian internal security expenditures and expenditure indexes between 2000 and 2014. Expenditures allocated to the above mentioned certain fields of internal security are illustrated in Table 3.

\textsuperscript{144} At the same time, we would like to emphasize that the critical remarks and burdens of the analysis (that are presented here as an example of the internal security sector) can be generalized: for all sectors of the society are relevant and worthy of reflection.
\textsuperscript{145} According to subsection 2.2.3. we are aware that activities of self-defense organizations are coordinated by the self-governing coordination. At the same time, state subsidies allocated to the activity of self-defense organizations need to be implicitly calculated as government expenditures.
\textsuperscript{146} The reason that prosecutorial expenditures are taken into account only by 40 percent is the following. Public prosecution – as explained in subsection 2.2.1. – enforces the state’s punitive demand: 1) directs, supervises and provides preliminary investigation; 2) represents public prosecution in court proceedings; 3) exercises overall supervision of penitentiary affairs and 4) ensures the compliance to laws by taking actions at cases when a) a public authority does not conduct a mandatory legal restoration or b) immediate action is needed in order to prevent legal violation. It is known that from the above listed four activities only the first, the prosecutorial investigate activity is important for us. The expenditure of this – in the absence of available accounts – is estimated by 40 percent of the total costs.
\textsuperscript{147} In case of law enforcement organizations: the expenditure data is the aggregation of central subsidies and own revenues. We – for simplicity – set aside from organizational acervation and overspending (in our experience, it results a deviation no more than 10 per cent). As an exception we calculate with the actual expenditure of some public security-related investments and sectoral target-tasks. Nevertheless, the author believes that these – slightly distorted – figures are suitable for meaningful conclusions.
Furthermore, the table also contains the aggregated expenditures and the indexes. We deal with the evaluation of expenditures in subsection 3.1.1.2. in detail. The subject of this subsection is the critical analysis of the internal security expenditures / GDP index (found in the last column of the table). We try to judge if the index is really suitable for evolving the state’s role in a sector of the society. However, in advance we would like to state that using the index as an indicator of involvement – due to the constraints that are explained below – is very problematic.

Table 3

<table>
<thead>
<tr>
<th>Years</th>
<th>Government expenditures (billion HUF)</th>
<th>GDP (billion HUF)</th>
<th>Expenditure / GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Law enforcement</td>
<td>Civil self-defense</td>
<td>Prosecutorial investigation</td>
</tr>
<tr>
<td>2000</td>
<td>130,997</td>
<td>n.a.</td>
<td>4,986</td>
</tr>
<tr>
<td>2001</td>
<td>156,387</td>
<td>n.a.</td>
<td>6,430</td>
</tr>
<tr>
<td>2002</td>
<td>187,946</td>
<td>n.a.</td>
<td>7,008</td>
</tr>
<tr>
<td>2003</td>
<td>186,058</td>
<td>n.a.</td>
<td>8,555</td>
</tr>
<tr>
<td>2004</td>
<td>194,515</td>
<td>0,350</td>
<td>11,346</td>
</tr>
<tr>
<td>2005</td>
<td>197,808</td>
<td>0,144</td>
<td>11,663</td>
</tr>
<tr>
<td>2006</td>
<td>213,539</td>
<td>0,174</td>
<td>12,206</td>
</tr>
<tr>
<td>2007</td>
<td>226,192</td>
<td>0,154</td>
<td>11,929</td>
</tr>
<tr>
<td>2008</td>
<td>274,706</td>
<td>0,289</td>
<td>12,641</td>
</tr>
<tr>
<td>2009</td>
<td>256,765</td>
<td>0,236</td>
<td>11,990</td>
</tr>
<tr>
<td>2010</td>
<td>270,772</td>
<td>0,716</td>
<td>11,803</td>
</tr>
<tr>
<td>2011</td>
<td>268,518</td>
<td>0,700</td>
<td>12,246</td>
</tr>
<tr>
<td>2012</td>
<td>280,132</td>
<td>0,700</td>
<td>15,040</td>
</tr>
<tr>
<td>2013</td>
<td>297,391</td>
<td>0,988</td>
<td>15,871</td>
</tr>
<tr>
<td>2014</td>
<td>311,488</td>
<td>1,264</td>
<td>15,241</td>
</tr>
</tbody>
</table>

Remarks: the table shows the internal security government expenditures, the GDP and the ratio of them between 2000 and 2014. The former two are expressed in billion Forints, the latter in percentage. The table does not include the private costs of civil self-defense organizations, it only illustrates the state dotation of this activity. Due to data availability these subsidies are shown only from 2004. The source of data: in case of expenditure data the actual Budget Act; in case of GDP KSH a.

For interpretation of expenditure values it is necessary to note that all costs of the considered institutions are taken into account. This means that we overestimate the expenditures actually allocated to internal security even significantly. The only reason for this improper behavior is the fact that there is no expenditure-structure available. A structure that distinguishes the various expenditure elements between basic (in this case: security-related) and other functional activities on a sectoral level. In the internal security sector – similar to other sectors – there are a very

---

148 In case of organizations that provide other services besides internal security activities, the overall institutional budget is taken into account due to the lack of publicly accessible distinguishable expenditures.

149 In case of local law enforcement authorities, basic or functional tasks/costs are substantiated in the financial data. At the same time, this will not be aggregated at the national level. This is a major problem when assessing the effectiveness of each organization. According to rumors, conversion of the cost structure has not been realized up to this day for this purpose. Even if the authorities would
high proportion of non-allocated costs (the registration of expenditures occurs only on the level of overall costs) and this fact makes it impossible to ascertain the actual expenditures relating to actual defense activities. Furthermore, the continuous reorganization of the internal security sector that followed the change of regime (establishment-, elimination-, re-establishment- and renaming of organizations and therefore the assignment of defense activities and expenditures between various budget chapters) does not support the consistent inventory of all security activities. The impact of the organizational changes cannot be filtered out. All in all, we make substantial simplifications. However, the obtained results – that need special reservations and caution – do not substantially limit the essence of our message.

The thesis identifies four limitations in relation to the internal security government expenditure index and the general, sector-independent index: it seeks to present limitations concerning 1) arithmetics caused by framing; 2) the numerator (the interpretation of government functions); 3) the denominator (the GDP) and 4) the interpretations of the index. The above limitations individually – and together exponentially – results in that the use of the index is less recommended for the evaluation of state involvement in internal security. Furthermore, assertions that are solely based on the numerical values of this index, should be treated with reservations in each case. At the same time, since the economic statistics have not produced a more appropriate indicator, we are not able to absolutely reject the use of the index. However, we should be aware of the limitations associated with the use of it and it is an intellectual duty to draw attention to these limitations. Moreover – as we will see below – we must strive to search and elaborate instruments that better express involvement.

3.1.1.1. Arithmetical limitations

If we intend to use the index in order to observe state involvement and take a look at the Expenditure/GDP rates in Table 3, we experience considerable stability. In the last fifteen years the average rate was 1.02 percentages with a standard deviation of 0.053 percentage points. This practically means that approximately a simplified 1 percent of GDP was spent every year by the state on guaranteeing internal security. From the constant expenditure ratio it can be theoretically concluded – in our

have listed these types of cost structures at a sectoral level, we are not sure that it would have been available to the general public.
personal opinion wrongly – that state presence in the internal security sector can practically be characterized by also a constant rate. Furthermore, this extent of presence – compared to other social sectors – may seem quite modest. For comparison: in 2012 besides the 1 percent allocated to internal security, to social affairs 17,1-, to general public services 9,0-, to economical affairs 6,2-, to health 5,3-, to education 4,8 % of the GDP was spent (Eurostat COFOG database). 

The practice of comparing certain expenditure indexes (both between and within social sectors) is considered a mistake by us because this comparison is burdened by an arithmetical limitation. In order to illustrate this limitation – using Diagram 8 – we compare the 2004 and 2005 values of the index. Between the two values – taking into account the average deviation – there is an appreciable decrease [0,98 percentage point; 0,93 percentage point] that – if we accept that the index can measure the extent of state involvement – informs us of the state’s retreat in internal security. At the same time – contrary to this – the nominal internal security expenditures were not reduced during this period. The situation was precisely the reverse: a slight increase was observable in the expenditures [206,2 billion Forints; 209,6 billion Forints]. Since the GDP (the denominator of the fraction) expanded more [7,3 percentage], than the nominal aggregated expenditure (the nominator of the fraction) [1,6 percentage], the total value of the fraction decreased during the reviewed period. In contrast to growing internal security government expenditures, we experienced a decrease in the involvement. Solely because of the fact that the inflexible expenditures were related to a rather volatile indicator (the GDP) in order to be able to make international comparisons. If we examined the expenditure index only, we would draw false conclusions about state involvement in internal security.

\[150\] Naturally there were also sectors where the ratio of general government expenditure to GDP was lower. For example: to environmental expenditures 0,7-, to defense expenditures 0,8-, to housing and communal expenditures 0,9 % was spent.
The 2000-2014 values of the „Expenditure / GDP” indexes show considerable consistency due to the phenomenon that the dynamics of expenditure growth were similar to the dynamics of GDP growth. The internal security aggregated expenditure and the GDP (at current prices) equally increased 2.4-fold during the examined period (Table 4). When inflation is filtered out, the expansion of both the expenditures and the GDP (in real terms) were about 25 percent. However, the constant index does not mean that during this period the involvement of the state in the internal security sector was constant. When the GDP is growing the constant rate of the „Expenditure / GDP” index in itself implies increased spending on internal security. As we can see in Table 3 and 4, internal security government expenditures have increased indeed, not only at current prices, but also in real terms. Besides the quasi-unchanged expenditure indexes – and therefore besides the wrong message of the constant involvement – the state spent 25 percent more on internal security in 2015, as it did in 2000 (in real terms). It may still be open to discussion whether this increase is large or small, but it is beyond dispute that it exists. In addition, the

---

151 The source of the diagram’s data is the same as indicated in the remarks of Table 3.
152 To prove this, it is enough to mention some of the changes that occured in the law enforcement organizational system during the examined period: 1) internal security sometimes had an independent ministerial representation, sometimes not; 2) some organizations have been eliminated (Dignitary Protection Service); 3) new organizations have been established (Counterterrorism Center) and 4) at the time of writing the thesis the existence and independence of some institutions are also in question (Directorate General for Personnel Development of Public Service, Ministry of Interior International Training Center). Meanwhile, these organisations have been integrated into the supervisory ministry. The above mentioned examples also illustrate the fact that in case of ongoing and continuous changes, the number of organizations providing internal security services is not a capable indicator of ascertaining the extent of bureaucratic coordination. The statement can be generalized at other coordination mechanisms. Therefore, in the thesis we do not deal with the number of organizations. It is considered an inappropriate explanatory variable by us.
increasing internal security expenditures means a growing state presence\textsuperscript{153} if we accept expenditures as the indicator of involvement.\textsuperscript{154}

\begin{table}[h]
\centering
\caption{Internal security government expenditure in real terms (2000-2014)}
\begin{tabular}{|c|c|c|c|c|c|}
\hline
\textbf{Years} & \begin{tabular}[c]{c} Cumulative inflation (\%) \\ (2000=100)\end{tabular} & \begin{tabular}[c]{c} Change of expenditures in nominal terms (\%) \\ (2000=100)\end{tabular} & \begin{tabular}[c]{c} Change of GDP in nominal terms (\%) \\ (2000=100)\end{tabular} & \begin{tabular}[c]{c} Change of expenditures in real terms (\%) \\ (2000=100)\end{tabular} & \begin{tabular}[c]{c} Internal security expenditures in real terms (billion HUF) \end{tabular} \\
\hline
2000 & 100,0 & 100,0 & 100,0 & 100,0 & 135,983 \\
2001 & 109,2 & 119,7 & 115,5 & 109,6 & 149,099 \\
2002 & 115,0 & 143,4 & 130,8 & 124,7 & 169,543 \\
2003 & 120,4 & 143,1 & 143,2 & 118,9 & 161,650 \\
2004 & 128,6 & 151,6 & 157,9 & 117,9 & 160,377 \\
2005 & 133,2 & 154,1 & 169,4 & 115,7 & 157,360 \\
2006 & 138,4 & 166,1 & 181,4 & 120,0 & 163,233 \\
2007 & 149,5 & 175,2 & 191,9 & 117,2 & 159,408 \\
2008 & 158,6 & 211,5 & 203,1 & 133,4 & 181,368 \\
2009 & 165,3 & 197,8 & 197,3 & 119,7 & 162,774 \\
2010 & 173,4 & 208,3 & 203,2 & 120,2 & 163,420 \\
2011 & 180,1 & 207,0 & 211,4 & 114,9 & 156,272 \\
2012 & 190,4 & 217,6 & 215,1 & 114,3 & 155,413 \\
2013 & 193,6 & 231,1 & 225,9 & 119,4 & 162,306 \\
2014 & 193,2 & 241,2 & 241,8 & 124,8 & 169,744 \\
\hline
\end{tabular}
\end{table}

Remarks: the table shows some changes/values of internal security expenditures and GDP between 2000 and 2014 in nominal and real terms. The changes are expressed in percentage, the values in billion Forints. Internal security expenditures in nominal terms are shown in Table 3. The source of data: in case of expenditure data the actual Budget Act; in case of GDP KSH a., in case of inflation KSH b.

There is no "stochastic" relationship between the internal security expenditure index and the internal security expenditures in real terms (Diagram 9). We can illustrate this with an example borrowed from statistics and slightly distorted conceptually: the phenomenon that is used for describing the deterministic relationship between the criteria simply does not exist.\textsuperscript{155} In our case, the two „criteria” (the internal security expenditures and the „Expenditure/GDP” index) are not independent of each other. The extent of expenditures naturally has an impact on the expenditure index (when the GDP is constant, the relation behaves as a function). On the other hand, the relation to the volatile GDP – similar to other indexes\textsuperscript{156} – makes our index unpredictable. Furthermore, it results that expenditures and expenditure indexes are sometimes a far cry from each other. In our examined period, it happened more than

\textsuperscript{153} At the same time, we would like to add the comment that – according to Table 3 – the increase occurred between 2000 and 2002. Although there was an increase in expenditures (in real terms) between 2002 and 2008, this period was followed by a similar decline. On the whole it results that the extent of real term expenditures in 2014 are quite the same as the extent in 2002.

\textsuperscript{154} In the dissertation we do not intend to question this statement.

\textsuperscript{155} According to this: the affiliation of one criterion clearly determines the likelihood of the affiliation of an other criterion.

\textsuperscript{156} The arithmetical problem detailed in the text is typical to all indexes that have the GDP in their denominator. For example it is equally true for the „Public debt/GDP” index used commonly today.

99
once that the internal security government expenditures (expressed in real terms) and the expenditure indexes moved just oppositely. In relation to the 2011-2012 period decreasing expenditures and increasing expenditure indexes-, while in relation to the 2013-2014 period increasing expenditures and decreasing expenditure indexes were seeable.

Diagram 9: Internal security government expenditures (in real terms) and expenditure indexes (2000-2014)\textsuperscript{157}

In order to ascertain state involvement in the internal security sector, the solely use of the internal security government expenditure index – as a consequence of the above mentioned arithmetical limitation – is not suggested. Government expenditures – as a general rule\textsuperscript{158} – are quite rigid in short term. In most cases, there are no conditions for a radical increase in expenditures from one year to another, while a significant cut always have a political price. On the other hand, GDP – that better resonates for changes in external environmental conditions – is less shock-resistance and therefore it can be characterized by extreme volatility even in short-term. It can be proved arithmetically that if the numerator of a fraction is quasi-robust, while the denominator is volatile, the value of the fraction shows strong fluctuations in a time line. Due to this fact, everyone who wants to apply the index needs to exercise caution and prudence. Especially those who use the index for examining the social involvement of the state which is typically characterized by long term stability.

\textsuperscript{157} The source of the diagram’s data are the same as indicated in the remarks of Table 4.

\textsuperscript{158} Independently of social sectors and time periods.
The above mentioned arithmetical problem is equally true in case of security expenditures. At the same time, security is such a special area that differs greatly from other areas, where in case of any affecting threats the government is easier willing to apply solutions that require an increase in expenditures. However in the absence of threats, depending on the periods characterized by recession and corrections they require, security expenditures can relatively easily become victim of expenditure cuts. In this regard, internal security expenditures are naturally more flexible than expenditures of other social sectors to a certain extent. The author believes that this flexibility can be seen in Diagram 9. Moreover, this flexibility can be detected in the similar dynamics of internal security expenditures and GDP that is illustrated in Table 3 as well. Ultimately, this is the cause of the constant „Expenditure/GDP” index. These do not contravene the remark set out above: between the constant expenditure index and the growing state involvement there is a contradiction that – among other things – is caused by the arithmetical limitation.

3.1.1.2. Limitations concerning the interpretation of government functions

As we would like to evaluate the practical usability of the internal security government expenditure index we also face further problems besides the above reviewed arithmetical limitations. If we solely would like to express the aggregated government expenditure/GDP index, we can avoid limitations concerning the interpretation of government functions. However, if we want to ascertain the expenditure indexes regarding the various social sectors, we can not ignore the following problem of interpretation.

The international statistical methodology quantifies government expenditures by the functions of government (as well as by the various activities of each function). For example: secondary education services in educational-, outpatient services in health-, family and child support services in social protection- and public lighting in housing and communal function of the government are included. On the other hand, interpretation-discussions can develop in the matter of which activity can be classified to certain functions. The well-known case of confrontation is the debate about pension expenditures that are fundamentally included in the social protection

---

159 In this case, the other limitations mentioned in subsection 3.1.1. are also true.
160 Including the internal security sector.
161 To review the classification of expenditures by other criteria see Benczes – Kutasi (2010).
function. Pension expenditures are significantly different from other social protection expenditures (unemployment-, widow and orphan-, incapacity and disability financial support, etc.): they constitute a mandatory payment after the previously paid contributions as implicit public debt.¹⁶² In this regard, pensions are not part of the discretionary expenditures. There is an enormous difference between social protection expenditures with or without pensions (Diagram 10). Therefore, social protection has a completely different meaning if elderly care is included in this function.

Interpretation problems exist in connection with all government functions. In this regard, they can be treated as generalized limitations. In the thesis we focus only on problems of interpretation that concern internal security / public order and safety.¹⁶³

![Diagram 10: Social- and old age protection government expenditures and GDP rates (2012)](image)

There is a difference between the concept of internal security (and its activities) used in the thesis and the function of „public order and safety” (and its activities) used in international statistical classification. The primary reason for this difference is the fact that we do not want to deal with all activities stemming from the public order

¹⁶² Technically not, but certainly so in all aspects of justice.
¹⁶³ The need to use a dash in itself is an indicator of the presence of interpretation problems.
¹⁶⁴ The diagram shows 1) the government expenditures spent on social protection, 2) the amount of cash and in-kind benefits spent on elderly protection and 3) the former amounts as a percentage of GDP. 2012 datas of Greece, Germany and Hungary are illustrated on the diagram. The expenditures in million euros-, the indexes in percentage are expressed. The source of data illustrated on the diagram: Eurostat COFOG database. Because the amount of cash and in-kind benefits are certainly more than the sum of pension expenditures (although presumably not too much): 1) results should be treated with reservations (using the terminology of pension expenditure in this regard is not entirely correct), but 2) the results are approximately correct.
function of COFOG classification as a consequence of our conceptual clarification. The reduction of some security activities – that were implemented by us – highlights the interpretation problem associated with internal security.

The „public order and safety” function of government that is applied by official statistics includes: 1) the maintenance of police and border control-, fire department-, court of justice- and penitentiary services and 2) the research and development aimed at strengthening the public order. It follows that in case of the quantification of public order expenditures, we equally consider expenditures on 1) the maintenance of law enforcement and border control, 2) the maintenance of state fire departments and the subsidization of volunteer ones, 3) the maintenance of civil and criminal courts and the financing of public defenders, 4) the maintenance of penitentiaries and 5) the public order R & D services. There is no doubt that all activities listed here contribute to a society's internal security significantly. At the same time, there is also no doubt that a lot of activities are „securitized and securatizable” and if we widen the concept too much it will lose meaning (cf. Mirenau, 2012). In order to increase the availability of quasi-objective information required by the various security challenges, appropriate and stronger disintegration is needed. The above mentioned classification fails this effort. On the one hand, it integrates too many social activities (from police to jurisdiction services). Therefore, in case of the evaluation of the whole function, it „mixes” expenditures that are generated by various security challenges. On the other hand, the relation of some social activities to this government function is also questionable. For example, the function „public order and safety” includes the expenditures of border control services that are meant for defense against external security challenges. At the same time it does not include the expenditures of civil protection that is definitely affected by internal security challenges. These expenditures – together with other military spendings – are classified into the defense function of the government. Moreover, despite the fact that the „public order and safety” function does not include the expenditures of civil protection, it contains the expenditures of fire departments. All of this mean that it would be worthwhile to re-think the content of the „public order and safety” function and the activities included. The conceptual clarification and the quantification of internal security expenditures (carried out in this thesis) promote this profile-cleaning and simplification process. Internal security – that is guaranteed to the members of
society and can be non exhaustably summed up as the defense of life, health, property, information and public order – includes only the guarding activity of the state (contrary to the „public order and safety” function). Therefore, knowing the internal security government expenditures (that are disclosed in Table 3) enables us to answer the question: how much does the direct state protection that is carried out against internal threats cost? The answer to this question is not available from the official statistics. It is illustrated in Diagram 11 that there is a significant difference between internal security calculated by us, and public order and safety expenditures, expressed on the basis of international methodology.

Diagram 11: Internal security- and public order government expenditures and expenditure indexes (2005-2012)

The question „Which activities belong to the various government functions?” at first seems to be one that only the technocrats have in mind. People who believe in the former statement are right, that the extent of aggregated expenditures – and the evaluation of those – is independent from the interpretation of government functions (and the relation between the functions and the various activities). At the same time, the relevance of thoughts in connection with this topic is legitimized by the following phenomenon: the political judgement of voters is significantly influenced by the fact

165 On the one hand, the diagram shows internal security- and public order and safety government expenditures between 2008 and 2012. The former is defined by us, the latter is based on international statistics. On the other hand, it shows their proportion to GDP. Expenditures in billion Forints-, expenditure indexes in percentage are expressed. The source of internal security expenditure data are the same as indicated in the remarks of Table 3, the source of public order and safety expenditure data is Eurostat COFOG database.
that in case of resource allocation what social activities are in focus of the
government. Depending on 1) values, 2) cultural and institutional determination and
3) other complex factors not listed here, voters prefer the promotion of different
social activities by political parties. Ultimately the government’s capability can
depend on the fact of the social areas that the leadership of a country prefers among
specific environmental conditions. For example, is it law enforcement or
environmental protection? The association of various social activities to government
functions and therefore the conversion of expenditure-structure have great political
significance. In addition, it can be both beneficial and dangerous like every activity
that has political significance. On the one hand, it may become an instrument of
voters’ manipulation. Therefore, attempts to reform that differ fundamentally from
the international expenditure-statistical classification should be handled carefully and
critically.\textsuperscript{166} On the other hand, it can be beneficial in order to understand certain
phenomena of society. The author considers that a certain extent of disintegration is
absolutely necessary. The disintegration makes those social phenomena discernible
that are easy to lose track behind aggregations and average numbers that include
numerous other activities. In this case with the quantification of the internal security
government expenditures, it becomes visible that state involvement in the internal
security sector has very much increased over the past two decades despite of a strong
emergence of other actors. The reason and consequence for this growth may be the
subject of future research since it is not possible to examine these reasons within the
framework of this thesis.

3.1.1.1.3. Limitations concerning GDP

In order to ensure international comparability, the denominator of the internal
security government expenditure index is the gross domestic product (GDP). The
GDP fundamentally measures economic performance. The roots of the GDP’s
elaboration date back to the 1930s. Kuznets, in order to better understand the global
economic crisis, prepared a comprehensive analysis for the request of the United
States’ Congress. This analysis basically entailed the national economic income of
the country (Kuznets, 1934). After the Second World War, the supranational
financial institutions, established at the Bretton Woods Conference in 1944,
considered the GDP – initially together with gross national product (GNP) – as an
\textsuperscript{166} The thesis also does not constitute an exception.
instrument that is able to objectively measure the national economic income (Wikipedia f.). Forecast and evaluation of the performance of national economies are absolutely unthinkable today without ascertaining the actual value of this indicator.

The GDP – that is known in public opinion as the aggregated financial value of products and services – is quantifiable in three ways: on the basis of 1) production [the aggregated value of output products and services reduced by the value of products and services that were used for production]; 2) income [the total sum of compensation of employees, net operating profit and depreciation of assets] and 3) expenditures [the sum of consumption, investment, government spending and net export] (Wikipedia f., Samuelson – Nordhaus, 2008). The quantification of GDP is based on the fact that there is equality between the produced new value, the resulted income and expenditures. Due to the fact that GDP is able to 1) express the overall performance (using a single scale free of accumulation) and 2) approximate the whole economy, it has become the basic instrument of the measurement of economic performance (Hüttl, 1997). In addition, it is most commonly used as a benchmark in case of the quantification of numerous indexes. At the same time, it is well-known that there are more and more critical opinions in connection with the use of GDP to measure and evaluate economic performance. These are not novelties (cf. Szentes, 2011), but they are at a peaking interest today. Several government leaders and international organizations have expressed their concerns and called for the elaboration of alternative measurement instruments. Among others, the French President Nicholas Sarkozy, the British Prime Minister David Cameron, the German Chancellor Angela Merkel, the UN Secretary-General Ban Ki-moon, the OECD Secretary-General Jose Angel Gurria and the European Commission President Jose Manuel Barroso also promoted alternative solutions (Telegraph, 2009; BBC, 2006; Taz, 2010; United Nations, 2012; OECD, 2011; Barroso, 2011). As a consequence of the fact that the internal security government expenditure index is influenced by the current value of GDP, when assessing the suitability of this index we can not

167 There is a well-known example for how the three ways of GDP’s quantification do not always lead to the same result. In this example Margaret Thatcher and the British statisticians play an important role. According to the narrative the GDP requests that the British Prime Minister addressed the British Statistical Office resulted in three different results. For the question „Which of the three is the real one?” Thatcher received an answer „All of them”. It is indeed not uncommon, that the GDP calculations slightly differ. In this case, the difference can be accounted for a change in inventories or it can be explained by the difference between production and income approach based on expert estimates (Origo, 2012).

168 Especially after the 2008-2009 crisis.
distance ourselves from the critical remarks concerning the quantification and the use of the GDP. Hereinafter, we would like to give a short review about these limitations using several sources.

Limitations concerning the GDP primarily mean problems regarding the quantification of wealth and development. The most important limitation against quantifying wealth effectively is that the GDP can be expressed only in values (it shows the changes in the values of production). As a consequence of this, it can measure development only in values. There is a well-known example for an anomaly derived from the above-mentioned facts: while the recovery process after disasters increases the value of the GDP, the welfare-increasing effect of it is questionable. In addition, increasing the number of the police force in response to the deteriorating public safety (and thus life quality) results in GDP growth, while reducing the number of the police force in response to the improving public safety (and improving life quality) results in GDP decrease (Palánkai, 2010). Not to mention that the increasing number of divorces and deaths through the resulting employment and services have a good impact on the GDP. Furthermore, it is an even more serious methodological problem that due to the „value-approach” the GDP can not display technological innovation.

The required change of attitude in the performance measurement (that can be summed up as a change from the measurement of production to the measurement of wealth) plays also an important role in the Stiglitz-Sen-Fitoussi report. According to the report, it is not necessary to oust the GDP, but due to the fact that this indicator does not deliver sufficient amount of information about the state of a national economy and society, measurement instruments should be complemented by additional criteria. In case of the measurement of economic performance: 1) structural changes of the economy should be more emphasized; 2) instead of the quantity of consumed products the quality of them should be placed in focus; 3) government services, which are important components of the quality of life, should be taken into account to a greater extent (instead of expenditure approach

---

169 The above mentioned dignitaries also expressed their negative comments in connection with the measurement capability of wealth and development.

170 János Kornai — drew my attention to this problem during a private conversation. To verify the statement I also borrowed an example from him. The spread of smartphones resulted from technological innovation has fundamentally changed the way we live. The fact that in 2017 more than 2.5 billion smartphones are in use and in 2015 the global revenue of phone distributors was approximately 270 billion dollars (Statista) can be shown in the production values. However, the fact that smartphones thanks to the innovations today are used for various services and have an impact on quality of life, obviously not.
output approach is equally needed); 4) priority should be given to the measurement of consumption and income instead of production and the measurement should be extended to non-market activities that have a significant impact on the quality of life; 5) the availability of assets and liabilities also need to be taken into account besides the measurement of income and consumption (prosperity can be also increased by depletion of the national wealth and growing debt); 6) beyond the quantification of income and wealth it is also necessary to know the distribution of them (we are not able to draw conclusions based on average values without the knowledge of distribution); 7) the currently non-measured services need to be measured; 8) much more attention should be given to the measurement of health, education, personal activities and environmental conditions of the society; 9) the political, social and sustainability aspects of quality of life should be also formulated and measured (Stiglitz – Sen – Fitoussi, 2009). Due to the fact that the GDP is not able to completely measure the above mentioned things, it does not deliver all-embracing information about the economy and the society. The GDP is a flow-type indicator: it is ascertained solely on the basis of flow variables (production, income, consumption). A flow variable is measured per unit of time. Stock variables (wealth, assets, capital stock) are the ones that are measured at one specific time, so are not taken into account in the calculation of the GDP. In addition, not only those stock variables are ignored that have a positive impact on performance, but the evaluation of the actual performance nuancing elements also remain in obscurity. In case of calculating the GDP, we do not pay attention to accruing debt and we do not differentiate growth based on own resources and loans. However, it would undoubtedly be necessary to properly evaluate performance.

Calculating the GDP also has its problems.\footnote{171 The list of calculation problems is certainly not comprehensive. The thesis does not primarily deal with the methodological assessment of the GDP. By presenting some limitations it seeks to prove that although we assess that using „internal security government expenditure index” expenditures are expressed in relation to an objective indicator (that is able to measure well-being), this may not be entirely true. Between calculation and performance measurement limitations overlaps may occur.} In case of certain – particularly agricultural – product and service groups – in the absence of adequate time series clarified by statistics – the problem of seasonality cause distortions. Moreover, there are also problems in connection with the evaluation of activities that are 1) non-product, 2) difficult to estimate and 3) carried out only in small quantities. Furthermore, in gray and black economy activities involved market operators that are
opposing the registration of exact outputs also complicate the calculative process of the GDP (Kupcsik, 1998). Further distortions may be caused by the fact that the evaluation of certain goods and services (that are not traded at visible markets) is difficult in the absence of prices. However, there is a possibility to make imputations (replacing missing data with substituted values) and in the absence of a substitute product to price the input elements (almost always on expenditure basis), but it is certainly associated with undervaluation due to the lack of profit accounting. In case of significant price increases within the same accounting period the timing of registration equally results in challenges. These are not easily be handled by constant price calculations. In this case econometric estimates that are based on properly correlating indexes (to the GDP) can also be misleading as a consequence of the high costs of multiple data collections that are used. Furthermore, at mid-year evaluation of the transactions, the different time of accounting can also cause irregularities (Hüttl, 1997). Not to mention the 1) conversion problems (that are resulted by the demand of assessment in the same currency) and 2) the incorrect data service in some countries (Szentes, 2013) that result in deranging comparison-reliability.

The elimination of the limitations listed above – even knowing the necessity of switching to a quality approach – is not an easy task. The measurement of quality is a huge challenge statistically. The quantification of certain qualitative factors is rather complicated and often can be solved only through estimates. In addition, perceptual differences – resulted by the different subjective judgements of quality of life – also raise questions about the establishment of consensus. Asset- and liability registrations – that are necessary to the integration of stock variables into measurement – are not or only partially available. Not to mention the distribution indicators. Last but not least, methodology changes of the GDP are basically associated with regulatory implications and significant cost commitments. On the one hand, basic treaties concerning the functioning of the European Union and the Economic and Monetary Union should be modified. All GDP data and indexes (that are based on GDP data) should be recalculated retroactively as well. On the other hand, someone would have to bear the cost of this conversion (Miklós, 2012).

The reform of GDP has started in theoretical thinking. Nothing proves this better than the existing displacement attempts by various national and international actors (United Nations, 2014). From the embryonic attempts it is already visible that social
welfare and development in the future will certainly not be summarized in one indicator. Presumably they will be described by complementary indicators. The connection between these indicators will be rather multiplicative instead of being additive. According to the previously cited report, the quantification of well-being will contain indicators and elements describing 1) conditions of material life- (income, consumption, wealth), 2) the health and educational systems-, 3) personal and work activities-, 4) political environment and governance-, 5) social relations-, 6) current and future state of the natural environment- and 7) physical and economic security/insecurity (Stiglitz – Sen – Fitoussi, 2009). At the same time, the various economic schools prefer various measurement indicators. As a result of this – and due to the global scientific competition – about 130 complex well-being measuring indexes were created at the beginning of the 2010s (Gáspár, 2013).

Today economic performance and development is continuously measured by the GDP. In addition, indexes are in most cases related to the GDP (an indicator that intends to express well-being) in order to accommodate for international comparisons. The situation is similar in case of the internal security government expenditure index. Whereas the GDP – as we have seen above – does not show the level of development, but only something similar measures (with considerable distortions), the limitations of it explicitly concern our index. We might have thought that the use of the GDP does not affect the internal security government expenditure index because of the uniform distortions. At the same time, whereas it in case of „stock-intensive” countries less-, while in case of „flow-intensive” countries more approaches real performance, the usability of the GDP as a reference point is questionable.

3.1.1.4. Limitations concerning the interpretation of the index

As long as the above mentioned limitations that are affecting the internal security government expenditure index are resolved, we could have the opportunity to form an image about state involvement that is closer to reality. Thereby, the extent of bureaucratic coordination (that is expressed in expenditures) would be known to us and examinations according to this topic would achieve their goals. On the other hand, our examinations would become irrelevant at least partially. This kind of

---

172 The multiplicative relationship between the indicators may eliminate indicator-fetishism.
173 Let us say that due to instruments that can be independent from the mentioned limitations.
disinterest solely would apply to the limitations of the index referred above. Limitations concerning the interpretation of the index – that independently from the internal security sector are generalizable and will be explained below¹⁷⁴ – are also relevant in our case.

In connection with the practical use of the internal security government expenditure index there is a problem that concerns the interpretation of it. The fact, whether state involvement is large or small, can not be evaluated solely in the light of the knowledge of the index (even if we talk about a hypothetical instrument that is better descriptive and based more on reality). States are on the „pre-state – full centralization” axis and are characterized by large differences in terms of their location in connection with internal security. In some states simply there is no order.¹⁷⁵ In others, security is guaranteed only by the state. At the same time, in most cases there are other order-ensuring actors and coordination mechanisms besides the state and its bureaucratic coordination.¹⁷⁶ As we have seen above, besides state – police, gendarmerie and prosecutorial – activities, private security companies, social movements, individual supporters and – paradoxically – violent organizations are equally able to contribute to ensuring internal security. Private security companies – along the laws of market coordination – provide personal and property protecting-, security system designing and operating-, detective-, debt management- and legal advocacy services. Social movements (for example: civil self-defense organizations, neighborhood watch associations and self-defense initiatives of minorities) have an important contribution to the safety of local communities along the laws of self-governing coordination. The altruistic activity of individual supporters based on ethical coordination often prevents crimes. Even paramilitary guards and organized criminal groups driven by different political and economic goals can contribute to the promotion of internal security in their own way.

¹⁷⁴ The reason that the interpretation problem is presented here is the following. When this index is used, we particularly tend to forget the limitations of interpretation. If we know the extent of state presence in the internal security sector, we tend to think that we know all the essential things about involvement. But – due to the limitations concerning interpretation – this is an illusion. 1) If we forget the limitations set out above and 2) accept the fact that knowing the value of the index makes us familiar with involvement, 3) we should be careful with the results due to the limitation of interpretation itself.

¹⁷⁵ In this case, the use of the concept of state is overly simplistic. According to international law, a geographical area is considered a state, when the population and the area is controlled by political power and this power is capable of sovereignty (cf. Pellet, 1992). The extent of the order is still in question.

¹⁷⁶ With this thesis we would like to raise attention to this statement.
To be able to evaluate state involvement in the internal security sector, it is also necessary to recognize the extent and quality of „non-state” security activity. The extent of state involvement and bureaucratic coordination do not reveal much about the whole "internal security portfolio" in itself. In particular in the light of the phenomenon that there is no coordination vacuum (Kornai, 1983). We are familiar with the process when a coordination mechanism is forced back and other mechanisms come into prominence. After the change of regime the totalitarian state that monitored its citizens and ensured public order took a step back and due to the opening of borders new types of crimes have appeared. These had an impact on the development of public safety both in practice and at the level of citizens' perceptions. The decline of state control was considered a major security threat among the citizens. Furthermore, as a consequence of it, private and civil security has gained ground quickly; hundreds of private security companies and self-defense associations were established. Therefore, internal security involvement of the state can not be evaluated solely in itself. Especially when there are no „quasi-objective” indexes at your disposal for evaluation. Not to mention the case of available indexes not complying with the criteria of objectivity due to the various limitations. It is easy to realize that it results a completely different quality of life to the society when internal order is ensured by social movements and not by violent organizations besides constant state involvement. There were several examples and memories in the 20th century that prove this statement.

So the question „To what extent is the state involved in the internal security sector?” is substantially simplistic. In case of the evaluation of the state’s presence, the fact that other mechanisms also have an impact on internal security can not be ignored.

3.1.1.2. The absolute value of internal security government expenditures

As long as we do not use the internal security expenditure index, but focus on the absolute value of expenditures: 1) we do not face arithmetical limitations and 2) we can distance ourselves from the limitations concerning the GDP. At the same time, the above mentioned other problems (limitations concerning the interpretation of

---

177 We would like to add that criminality has increased indeed, but there was no drastic extents that would have caused such a public panic. In democracies, crime rates are always higher than in authoritarian systems, where crime is the privilege of the elite.

178 This extent is often approached by the use of internal security government expenditure index.
government functions and limitations concerning the interpretation of the index) still exist.\textsuperscript{179} Moreover, we are not able to make international comparisons. Since the thesis deals solely with the evaluation of the Hungarian internal security sector, this does not cause substantive problem to us. Therefore, we use the absolute value of internal security expenditures hereinafter in order to draw conclusions about the extents and trends of coordination mechanisms in the internal security sector.

The internal security government expenditures (in nominal and real terms) are shown in Table 3 and 4 above. From the data we can see that in 2014 the amount of these expenditures was 327,993 billion HUFs in nominal terms and 169,744 billion HUFs in real terms.\textsuperscript{180} If – simplifying reality – we consider the government expenditures and the extent of bureaucratic coordination equal, we can try to describe the extent of bureaucratic coordination using the absolute value of expenditures (in nominal or in real terms).\textsuperscript{181} Above we stated that in the 2000-2014 period we have witnessed a growth in internal security government expenditures. We have laid down that the expenditures (in real terms) and the size of bureaucratic coordination increased by about a quarter. We do not like to question the veracity of our above mentioned statements, however, we are aware of the limitations. On the other hand, it is worth tracking down how the total increase was split among the individual years.

In case of examining the tendencies that are applied in the thesis, we are bewaring of using expenditures in nominal terms.\textsuperscript{182} Hereinafter, we focus on the real term calculated internal security expenditures.

It is clearly visible in Diagram 12 that the growth of internal security government expenditures calculated in real-terms can be entirely traced back to the beginning of the 2000s. Between 2000 and 2002 there was a robust growth in the expenditures of 25 percent. However, the expenditure values of 2002 and 2014 – due to continuous reductions and increases in this period – are practically the same. Between 2002 and

\textsuperscript{179} Therefore, we try to handle these problems with 1) the precise definition of the concept of internal security in subsection 1.4. and 2) the examination of every actor and coordination mechanisms involved in the internal security sector.
\textsuperscript{180} Compared to the year 2000.
\textsuperscript{181} Independently of the fact that we are using nominal- or real term-calculated expenditures, we obviously need to make sure that only data that are calculated the same way can be compared. In case of our estimations (illustrated below) we acutely pay attention to this guideline. In case of comparisons – applied in the thesis – we rely on nominal expenditure data. However, in case of trend’s illustrations we use real term data that exclude inflation.
\textsuperscript{182} At the same time, data – based on current price calculations –are also illustrated in the following tables.
2014 we can not talk about a constant state involvement in the internal security sector (since the relative standard deviation of internal security expenditures in real terms is 4.3 percent), but it can be stated that state involvement in 2014 is on the level of 2002.

Diagram 12: Internal security government expenditures in nominal and real terms (2000-2014)

At the same time, this statement – as it is shown in Diagram 13 – can be so generalized that the 2012 expenditures of other social sectors equally do not exceed the levels of the 2002 expenditures. The amount of expenditures in case of several other social sectors – similarly to internal security – has significantly expanded after the millenium but in the recent years they equal the level of the early 2000s. The internal security sector – together with environmental protection and recreation services – is significantly different from other social sectors. In these sectors the growth of expenditures (in real terms) after 2002 immediately stopped, while this growth continued in other sectors until the 2008-2009 financial and economic crisis. In case of internal security we can essentially talk about a reduction in expenditures from 2002 to 2007. In 2008 the amount of internal security government expenditures

---

183 The diagram shows 1) the internal security government expenditures in nominal and real terms and 2) the trends of expenditures between 2000 and 2014. Expenditures are expressed in billion Forints. In case of real term calculations expenditures are compared to the values of 2000. The source of internal security expenditure- and inflation data is the same as indicated in the remarks of Table 4.

184 In Diagram 13 we do not show expenditures of general public-, economic- and social protection services due to illustrational constraints. In case of these sectors it is also true that the real term calculated 2002 values are bigger than the 2012 values apart from linear expanding social expenditures. The sources of the diagram are the same as indicated in the remarks of Table 4 and Eurostat COFOG database.

185 It is worth pointing out that in this regard the internal security sector defined by us basically differs from the sector of public order and safety presented in subsection 3.1.1.1.2.
has radically increased at about 14 percent. After this we experienced a reduction. The statement saying that in the last 15 years the state spent the most on the sector before the financial crises is also true in case of internal security. The 2008 annual expenditures of all social sectors (calculated in real terms) – apart from national defense – are respectively above the levels of 2000 (Table 5).

Diagram 13: Various social sector’s government expenditures in real terms (2000-2012)

It is shown in Table 5 that internal security government expenditures undergone one of the most dynamic expansion in the 2000s in real terms. There was a 33.4 percent increase during this period. At the same time, after the crisis the sector has a slightly higher expenditure reduction than the average decline (14.3 percent decrease in case of a 10.7 percent average reduction). Due to these two tendencies, between 2000 and 2012 the growth rate of internal security government expenditures (in real terms) was completely average (14.3 percent increase in case of a 12.5 average growth rate) compared to other sectors.

186 The diagram shows government expenditures in real terms between 2000 and 2012 in various social sectors. Expenditures are expressed in billion Forints and are compared to the values of 2000. The source of internal security expenditure- and inflation data is the same as indicated in the remarks of Table 4. The source of expenditure data concerning other social sectors is Eurostat COFOG database.

187 It is worth mentioning that after the crisis there was only one social sector that has seen increased spending (calculated in real terms). It was the sector of recreation, culture and religion. At the same time, the increase in case of this sector was significant (more than 15 percent).
Table 5

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectors</td>
<td>In nominal terms (Billion HUF)</td>
<td>In real terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In real terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In real terms (Billion HUF)</td>
</tr>
<tr>
<td>Internal security</td>
<td>135.98</td>
<td>135.98</td>
<td>287.64</td>
<td>181.37</td>
<td>295.87</td>
<td>155.41</td>
</tr>
<tr>
<td>Public order and safety</td>
<td>263.48</td>
<td>263.48</td>
<td>541.26</td>
<td>341.29</td>
<td>551.07</td>
<td>289.46</td>
</tr>
<tr>
<td>Defense</td>
<td>152.81</td>
<td>152.81</td>
<td>237.07</td>
<td>149.49</td>
<td>230.04</td>
<td>120.84</td>
</tr>
<tr>
<td>General public services</td>
<td>1297.22</td>
<td>1297.22</td>
<td>2505.89</td>
<td>1580.08</td>
<td>2535.70</td>
<td>1331.93</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>843.05</td>
<td>843.05</td>
<td>1561.12</td>
<td>984.36</td>
<td>1745.10</td>
<td>916.65</td>
</tr>
<tr>
<td>Health</td>
<td>649.64</td>
<td>649.64</td>
<td>1302.01</td>
<td>820.98</td>
<td>1477.52</td>
<td>776.10</td>
</tr>
<tr>
<td>Education</td>
<td>684.73</td>
<td>684.73</td>
<td>1388.27</td>
<td>875.37</td>
<td>1344.97</td>
<td>706.47</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>85.42</td>
<td>85.42</td>
<td>176.55</td>
<td>111.33</td>
<td>198.97</td>
<td>104.52</td>
</tr>
<tr>
<td>Housing and community services</td>
<td>132.06</td>
<td>132.06</td>
<td>256.15</td>
<td>161.51</td>
<td>258.00</td>
<td>135.52</td>
</tr>
<tr>
<td>Recreation, culture, religion</td>
<td>190.24</td>
<td>190.24</td>
<td>381.65</td>
<td>240.64</td>
<td>527.71</td>
<td>277.19</td>
</tr>
<tr>
<td>Social protection</td>
<td>1953.01</td>
<td>1953.01</td>
<td>4722.52</td>
<td>2977.77</td>
<td>4789.51</td>
<td>2515.79</td>
</tr>
</tbody>
</table>

Remarks: the table on the one hand shows the various social sector’s government expenditures in nominal and real terms in 2000, 2008 and 2012. On the other hand, it shows the rate of 1) 2008 and 2000, 2) 2012 and 2000, 3) 2012 and 2008 expenditure values (expressed in real terms). Expenditures are expressed in billion Forints, rates are expressed in percentage. In case of real term calculations expenditures are compared to the values of 2000. The sources of internal security expenditure- and inflation data are the same as indicated in the remarks of Table 4. The source of expenditure data regarding other social sectors is Eurostat COFOG database.
The above presented internal security expenditures practically mean expenses allocated to the maintainance of the law enforcement system. Even if they include 1) state subsidies to civil self-defense organizations and 2) estimated investigation expenditures of public prosecution\textsuperscript{188} according to our conceptual framework. The subsidies of civil self-defense organizations and investigation expenditures of public prosecution are dwarfed by the expenditures of the law enforcement system (presented in Table 3). In the period between 2000-2014 the average state expenditure allocated to the former two activities were only 4.7 percent of the total expenditures. Nevertheless, when examining expenditure trends, it is worth reviewing the evolution of expenditures devoted to each area of the internal security sector briefly. Taking into account the period during 2000-2014, Table 6 shows that no cutbacks were issued in the sector, expenditures – calculated both in current and real prices – have increased in all three areas.\textsuperscript{189}

The change in law enforcement expenditures is similar to what we have stated before in connection with the trends of total expenditures, due to the fact that they make up a large part of the sector’s total expenditure. Law enforcement expenditures in real terms significantly expanded in the early 2000s (between 2000 and 2002 by 24.8 percent), slightly reduced between 2002 and 2007 (by 7.4 percent), sky-rocketed in 2008 (by 14.5 percent) and shrank again after the crisis (between 2008 and 2014 by 7.5 percent). During the examined period, overall expenditure has expanded by 23.1 percent. At the same time, due to the fact that the expansion took place in the early 2000s, expenditures in 2014 are equivalent to expenditures in 2002 (calculated in real terms).

\textsuperscript{188} We would like to add repeatedly that the presented expenditures do not include the expenses of municipal police. We were not able to calculate/estimate these in the absence of any access to unified data.

\textsuperscript{189} The statement seems to be evident at first sight taking into account such a long period. At the same time, if we review the evolution of defense expenditures over the past twenty years (where there were significant cutbacks), we have to admit that it is not.
The changes in expenditures that we have seen above (in case of the law enforcement system) are not entirely true in case of state subsidies afforded to civil self-defense organizations.\textsuperscript{190} Between 2004-2007 there was a decrease in expenditures (calculated in real terms). This decrease is not negligible, in three years the subsidies were reduced by almost two-thirds. Following this, in the period between 2007 and 2009 there was a small correction. In addition, we can undoubtedly talk about a shift in expenditures after the change of government in 2010. By this time a shift has occurred in the crime prevention role of the Nationwide Civil Self-Defense Organization and therefore in the state support of the organization.\textsuperscript{191} In 2010 state subsidies – compared to the previous year – almost tripled, and by 2014 increased more than 4.5-fold.\textsuperscript{192} Between 2000 and 2014– the amount of state subsidies in total increased 2.4-fold, due to the dynamic growth after 2010.\textsuperscript{193}

\textsuperscript{190} State subsidies allocated to civil self-defense organizations are examined from 2004. The reason for choosing this data was their accessibility.

\textsuperscript{191} The reason for the change in the assessment of these organizations was that local presence resulted in more effective crime prevention.

\textsuperscript{192} The financial support of civil self-defense organizations is much smaller than the amount of state law enforcement expenses. The amount of the total subsidies in 2015 was 1050 million Forints.

\begin{table}[h]
\centering
\begin{tabular}{|c|cc|cc|cc|cc|}
\hline
\textbf{Years} & \textbf{Law enforcement} & & \textbf{Civil self-defense} & & \textbf{Prosecutorial investigation} & & \\
 & \textbf{In nominal terms} & \textbf{In real terms} & \textbf{In nominal terms} & \textbf{In real terms} & \textbf{In nominal terms} & \textbf{In real terms} \\
 & (Billion HUF) & (Billion HUF) & (Billion HUF) & (Billion HUF) & (Billion HUF) & (Billion HUF) \\
\hline
2001 & 156,387 & 143,212 & n.d.a. & n.d.a. & 6,430 & 5,888 \\
2002 & 187,946 & 163,449 & n.d.a. & n.d.a. & 7,008 & 6,094 \\
2004 & 194,515 & 151,281 & 0,350 & 0,350 & 11,346 & 8,824 \\
2005 & 197,808 & 148,496 & 0,144 & 0,139 & 11,663 & 8,755 \\
2006 & 213,539 & 154,288 & 0,174 & 0,162 & 12,206 & 8,819 \\
2007 & 226,192 & 151,324 & 0,154 & 0,132 & 11,929 & 7,980 \\
2008 & 274,706 & 173,215 & 0,289 & 0,234 & 12,641 & 7,791 \\
2009 & 256,765 & 155,376 & 0,236 & 0,184 & 11,990 & 7,255 \\
2010 & 270,772 & 156,199 & 0,716 & 0,531 & 11,803 & 6,809 \\
2011 & 268,518 & 149,084 & 0,700 & 0,500 & 12,246 & 6,799 \\
2012 & 280,132 & 147,145 & 0,700 & 0,473 & 15,040 & 7,900 \\
2013 & 297,391 & 153,599 & 0,986 & 0,655 & 15,871 & 8,197 \\
2014 & 311,488 & 161,203 & 1,264 & 0,841 & 15,241 & 7,887 \\
\hline
\end{tabular}
\caption{Internal security government expenditures in nominal and real terms (2000-2014)}
\end{table}
The estimated investigation expenditures of public prosecution (in real terms) equally rose dramatically in the early 2000s. On the other hand, this rise – contrary to the law enforcement system – was not interrupted in 2002, it continued until 2004. In this period (between 2000 and 2004) expenditures increased by 77 percent. After a subsequent stagnant three-year period, there was a continuous slight decrease between 2007 and 2011. Expenditures in 2011 were equal to 77.1 percent of expenditures in 2006. After 2011 the downward trend was reversed and between 2011 and 2014 expenditures renewedly increased. In summary, there was a total of 58 percentage increase in these expenditures between 2000 and 2014. At the same time, 2014 expenditures were at the level of the pre-crisis years.

In 2014 the state spent 311,48 billion Forints on internal security. Hereinafter we consider this amount as the extent of bureaucratic coordination. At this point we are not able to answer the question whether this amount was too much or even too low. In our opinion this answer needs normative resolutions. Therefore, we return to it later in the last two chapter of the thesis.194 At this point we can state that the 311,48 billion Forints at current prices equals 161,2 billion Forints in real prices (compared to the year 2000). This amount can be found at the level of the 2002 expenditures. Since then the extent of bureaucratic coordination has not substantially expanded. We equally can not answer the question whether this stagnation is acceptable or not. This would require a detailed analysis dealing with internal security challenges occurred in the last 15 years. We do not volunteer to do this analysis.195 Instead, we aim to describe the internal security system theoretically and ascertain the role of the single subsystems through the extent of the various coordination mechanisms. We previously got acquainted with the extent of bureaucratic coordination and the

Talking to the chair of the Nationwide Civil Self-Defense Organization the author learnt that from this amount approximately 700 million went to the associations. One organization received 350–340 thousand Forints average (there are approximately 2000 organizations). From these subsidies they cover the operation-, the rent- and the utility costs and purchase the uniforms. 193 Besides the undoubtedly impressive growth rates, we would like to mention that in 2014 the organization received slightly more than 1 billion Forints at current prices. This amount – compared to the previous periods – is outstandingly high, but it is still questionable whether this amount is sufficient or fair. Another aspect should be added namely that the maintenance of civil self-defense organizations is not primarily the responsibility of the state. Civil self-defense organizations are coordinated by self-governing coordination and are based on common interest. 194 These chapters are dealing with the description of the internal security system and the normative evaluation of the single mechanisms of the system. 195 We might note that due to the emerging new internal security challenges we can not be happy with the static state of expenditures. On the other hand, the disappearance of some traditional security challenges compensate for this.
presence of state in the internal security system. In order to decide the proportion that
the state represents in this system, we must ascertain the extent of other mechanisms
involved in the system. Hereinafter we make an attempt to do this.

3.1.2. Private internal security expenditures

„... experiences particularly in the West shows
that in society between public and police a partnership is formed ..., and after the loss of hegemony of state property
the institutional forms of property protection also appear.”
László Korinek (1998): A privát biztonság

In order to ascertain the extent of market coordination and compare it to the
bureaucratic coordination we need to quantify the value of private security services
(in current prices) bought by both individuals and businesses. Using the publicly
available statistics, we are theoretically able to this. Based on the net annual
revenue data of companies that are engaged in security and investigation activities,
the value of market coordination can easily be approximated. The 80 sector of the
statistical classification of economic activities (published in Hungary by the Central
Statistical Office) includes companies that deal with security and investigation
activities (KSH, 2013). Expenditures afforded to private security services by
individuals and businesses implicitly match to the aggregation of 1) the revenue of
private security companies and 2) the value added tax of this activity. On the one
hand, in the subsection we would like to disclose theis revenue data. Furthermore, we
would like to review some of the key statistical and financial characteristics of the
private security sector and connecting anomalies. Diagram 14 shows that
nowadays in Hungary there are about 6 thousand enterprises that took up security
and investigation services in their scope of activities. This number is a little more
than 1 percent of the registered companies of Hungary (European Comission, 2014).

---

196 We have ascertained the 2014 value of bureaucratic coordination mechanism in current prices and in
order to be able to do comparisons, hereinafter we equally apply this method. At the same time, when
illustrating the dynamics of change we use expenditure data in real prices when it is possible.
197 The use of the term „theoretically” is motivated by the differences between reality and the results
of the available statistics.
198 Naturally solely in that case if we assume that all services are registered in the books. This is not
realistic. Therefore, the expenditure/revenue data presented in the subsection need to be considered as
lower estimates.
199 The only exception is the employment (contributor) data. With these we are dealing independently
in subsection 3.2.
It also can be shown on the diagram that the number of private security companies has noticeably declined since 2010. Mainly due to 1) the radical reduction in company founding (there was an about 60 percent decline between 2010 and 2015), 2) the significant increase of deletions (there was an about 100 percent increase between 2010 and 2015) and 3) the forced cancellation of enterprises that according to the official authorizations were unable to provide internal security services. In the analyzed period the downward trend was only slowed by the one-fifth decline of voluntary liquidations (Table 7).

### Table 7

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of companies</th>
<th>Number of foundings</th>
<th>Number of deletions</th>
<th>Number of involuntary liquidations</th>
<th>Number of voluntary liquidations</th>
<th>Number of forced cancellations</th>
<th>Number of bankruptcies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>6596</td>
<td>789</td>
<td>484</td>
<td>376</td>
<td>252</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2011</td>
<td>6855</td>
<td>743</td>
<td>441</td>
<td>468</td>
<td>429</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>6843</td>
<td>429</td>
<td>540</td>
<td>555</td>
<td>491</td>
<td>88</td>
<td>2</td>
</tr>
<tr>
<td>2013</td>
<td>6660</td>
<td>357</td>
<td>624</td>
<td>334</td>
<td>97</td>
<td>267</td>
<td>1</td>
</tr>
<tr>
<td>2014</td>
<td>6418</td>
<td>380</td>
<td>752</td>
<td>437</td>
<td>52</td>
<td>608</td>
<td>1</td>
</tr>
<tr>
<td>2015</td>
<td>6002</td>
<td>336</td>
<td>978</td>
<td>201</td>
<td>56</td>
<td>688</td>
<td>0</td>
</tr>
</tbody>
</table>

Remarks: the table shows the number of private security companies between 2010 and 2015. The source of data: National Company Database.

The vast majority of private security companies provide personal protection services that require manpower more than technical support. At the same time, noticeably fewer companies deal with the establishment and operation of security systems that require engineering skills and technology. Private investigations that require special skills can also be represented by private security companies.

---

200 The diagram shows the number of private security companies between 2010 and 2015. The source of data is the National Company Database.

201 The statistical and financial data of private security companies are only available from 2010 in the National Company Database.

202 It is worth drawing attention to the phenomenon that in private security in 2015 twice as many companies were forced to be cancelled as founded.
training and competencies are carried out by even fewer companies. The former activity was provided by 74%, the latter by 21% and 5 percent of the sector’s companies in 2015 (Table 8). The table shows that the decrease in the number of companies least affected the field of personal protection. In their case the number of enterprises operating both in 2010 and 2015 is practically the same. In contrast, in case of companies providing security system services there is a 25 percent reduction and in case of companies dealing with private investigations there is a decline of more than 17 percent. The above mentioned available statistical data fundamentally show the narrowing state of the market.

<table>
<thead>
<tr>
<th>Years</th>
<th>Personal protection</th>
<th>Security system services</th>
<th>Investigation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4562</td>
<td>1692</td>
<td>341</td>
<td>6596</td>
</tr>
<tr>
<td>2011</td>
<td>4908</td>
<td>1603</td>
<td>343</td>
<td>6855</td>
</tr>
<tr>
<td>2012</td>
<td>4977</td>
<td>1521</td>
<td>344</td>
<td>6844</td>
</tr>
<tr>
<td>2013</td>
<td>4945</td>
<td>1386</td>
<td>328</td>
<td>6660</td>
</tr>
<tr>
<td>2014</td>
<td>4767</td>
<td>1338</td>
<td>312</td>
<td>6418</td>
</tr>
<tr>
<td>2015</td>
<td>4456</td>
<td>1263</td>
<td>282</td>
<td>6002</td>
</tr>
</tbody>
</table>

Remarks: the table shows the number of private security companies by the field of activity between 2010 and 2015. The source of data is the National Company Database. Attentive viewers may observe that the sum of the numbers of the three fields of activities is not completely equal with the total amount (the difference is exactly one unit). We have no information about the reason of this. We also have no information in which fields were companies classified that are providing multifarious activities.

At the same time, compared to reality, the available data significantly overestimate the size of the industry that manifests in the number of firms. The source of the data is the National Company Database. The data found in that database are certainly collected from the National Companies Registration and Information System and are aggregated by the field of activity. The total organizational numbers – based on the above mentioned method – are definitely misleading. We dare state that they do not have bowing acquaintance with reality, due to the fact that these numbers include companies that nowadays do not provide security services, although registered private security in their scope of activity. In the official statistics you can see the

---

203 The statement can be so generalized that the extents in the examined period (during the five years) were very similar.

204 If the activities are performed by legally distinct enterprises, classification is not a problem. However, we do not know how the classification works when different departments of a single firm perform different tasks.

205 Therefore, the number of companies is not a sufficient indicator of the extent of a coordination mechanism.
above mentioned figures, but it can be said with confidence that today in Hungary so many companies do not provide private security activities.

According to a survey done by the Hungarian Personal-, Property-protection and Private Investigaton Professional Chamber\textsuperscript{206} there are 717 companies that actually provided private security services in 2015 and had financial reports or data available. If we accept this figure as one closer to reality\textsuperscript{207} – we see that only 12 percent of officially registered private security companies are active.\textsuperscript{208} Reviewing the results of the survey it can also be concluded that this number equally includes companies that 1) maintain security directorates and therefore provide security services, but not as their core activity (security services are provided in order to defend the various core activities) and 2) provide additional – even security-related – activities besides the security services.\textsuperscript{209} IT and telecommunication companies can be examples of the former. In order to protect their infrastructure and services they have separate\textsuperscript{210} security apparatus. In addition, facility management companies can be examples to the latter. They provide security services but not as exclusive activities.

If we set aside companies whose core activity is not security-related\textsuperscript{211}, the remaining companies are typically micro and small enterprises (Diagram 15). 88.9 percent of registered businesses do not exceed the revenue of 500 million Forints and 65.4 percent of them do not employ more than 10 employees.\textsuperscript{212} Therefore – in

\textsuperscript{206} Hereinafter we refer to the Chamber with the acronym SZVMSZK.
\textsuperscript{207} We have no reason and – in the absence of a more appropriate indicator – no opportunity to question this statement.
\textsuperscript{208} At least in case of providing security.
\textsuperscript{209} This will actually generate problems when we would like to ascertain the total revenue of the private security sector. To the question why this is a serious problem, we will return below.
\textsuperscript{210} The security activity of them is more than the maintenance of a reception. Some of these companies are also included in the SZVMSZK database (that is based on the results of the survey presented above). Furthermore, we would like to draw attention to the following: in order to maintain internal safety staff of private companies are also used to provide security services. This is far more typical to Hungarian enterprises than infrastructure protection services mentioned in the main text. The activity of ensuring internal order is occasionally outsourced and private security companies are involved in this. In this case, official statistics include the activity. At the same time, in many cases companies do the security services by themselves. In this case, the activity is hidden from statistics. Therefore, there is far more security activities than we can think of, see or quantify.
\textsuperscript{211} Furthermore, we set aside the examination of internal security activity of public companies. They are ultimately owned by the state and the activity of them belongs to the framework of bureaucratic coordination. Therefore, extents illustrated above at state involvement need to be corrected (with the internal security activity of public companies). Although the correction is not carried out by us, we would definitely like to draw attention to this in the thesis.
\textsuperscript{212} The number of employees – as contributors in coordination mechanisms – will be independently analysed in subsection 3.2. It is mentioned here only for being able to typologize companies that are active in the private security sector. The figures have to be treated with reservation, because 26 percent of companies did not have employment data.
accordance with the international and domestic regulatory standards (Act XXXIV. of 2004) – two-thirds of them constitute as a micro-enterprise. Only 1.5 percent of companies have more than 3 billion Forints revenue that is necessary for being classified a small business\textsuperscript{213}, while none of them meets the turnover criterion of medium-sized enterprises (15 billion Forints). More than 10 people are employed only by 34.6 percent-, while more than 50 people are employed only by 7.2 percent of the firms. The ratio of enterprises that employ more than 250 people is only 1.6 percent.\textsuperscript{214} In summary, private security market – in contrast of that emerge in official statistics – is a considerably smaller market where 1) there is multi-actor competition 2) typically micro and small enterprises carry out their activities and 3) limitations caused by excessive market concentration appear solely conditionally.\textsuperscript{215}

![Diagram 15: The number of private security companies by revenue and employees (2015)](image)

In order to ascertain the value of market coordination instead of individual sales figures, the aggregate net revenue of the whole sector is relevant. On the one hand, aggregated net revenue data similarly to the number of enterprises can be found in the National Company Database. On the other hand, it can be generated – using the available SZVMSZK database – by summing the individual revenue data. It is assumed that in contrast with the difference that was shown in the number of

\textsuperscript{213} Most of these companies provide other facility management services besides private security activities.

\textsuperscript{214} In this case, there is a majority within this group of companies that are also engaged in complex facility management services.

\textsuperscript{215} Our statement applies only to the structure of the market. We do not say that in other aspects there is also a perfect competition.

\textsuperscript{216} The diagram shows the number of private security enterprises by revenue and employees in 2015. The source of data: SZVMSZK database. 42 companies did not have revenue-, 185 companies did not have employee data. The diagram obviously includes the distribution of companies that had the necessary data.
companies, there will be a smaller difference between the revenue data of the two sources, due to the fact that in this case official statistics only include those companies’ revenue data that are based on actual performance.

Before starting the analysis of the revenue data, we must comment the reliability of the available data. Due to the grey/black market presence of the private security sector this is inevitable. It is known that the demand and practice of tax evasion is a main characteristic of a well-defined field of private security companies that provide guarding activities. In the sector there are significant subcontracting chains owned at the end by foreign penniless owners that are there to accumulate debt only. Furthermore, there is extensive black market employment (often with the help of temporary work agencies).\footnote{217} In addition, not sufficiently paid contributions and value added taxes-, bought and accepted fictive bills- (in order to reduce tax base), imaginary time-recordings- and forgery of documents (associated with all these) are typical.\footnote{218} It is telling figure that 88 percent of tax investigations at private security companies done before 2012 have revealed irregularities (24.hu, 2014). Net revenue data set out below are based solely on values that are registered in the books. Therefore, we are going to meet values that according to the above-described possibility of fraud may substantially differ from reality. We are not able to ascertain the size of the difference.\footnote{219} At the same time, it can be certainly stated that values presented here should be treated as lower estimates besides drawing attention to this divergence. In reality, the total size of private security services is certainly greater than the values detected in the books. Some official financial data of private security services are as follows:

\begin{itemize}
\item The practice of illegal employment in Hungary is a general symptom. It is a telling example of this statement that according to the data of the National Tax and Customs Administration of Hungary in 2011 32.4 percent of taxpayers (1,457 million people) had equal or less personal income than the aggregated value of the minimum income. This is 199 thousand more than it was experienced in the year before (NAV, 2012). Such high proportion of minimum wage workers reveals the general and widespread practice of „envelope wages”. In the light of the magnitude of tax revenues to GDP and the tax wedge it is not surprising (Eurostat, 2014; OECD online).
\item It is noteworthy that many interviewees claimed that for „whitening the black market” the regulator does not show sufficient willingness. We do not undertake the task of exploring the reason for this in a scientific thesis. At the same time, we would like to draw investigative journalists’ attention to the question.
\item The size of black economy is generally 10-30 percent of the GDP (Lackó, 1995; Krekó –P. Kiss, 2007; Balog, 2015). In case of some industries the scale of hidden transactions may reach 80 percent of total transactions (Semjén et al., 2001, In: Krekó – P. Kiss, 2007). We beware of estimates concerning black activity of private security companies. This is partly due to the fact that the standard deviation of the extent of frauds in the various industries is huge. With the introduction and continuous expansion of online cash registers the difference will hopefully fall and for all industries converge to zero (however, there is no doubt that it won’t resolved). Moreover, the author does not have personal experiences concerning this topic.
\end{itemize}
security companies published as aggregated and in subsectoral breakdowns are shown in Table 9.

Table 9  
Financial figures of private security companies (2010-2014)  

<table>
<thead>
<tr>
<th>Years</th>
<th>Personal protection</th>
<th>Security system services</th>
<th>Investigation</th>
<th>Total</th>
<th>Balance Sheet Earnings</th>
<th>Receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In nominal terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
<td>In nominal terms (Billion HUF)</td>
</tr>
<tr>
<td>2010</td>
<td>214,29</td>
<td>55,27</td>
<td>11,58</td>
<td>281,14</td>
<td>0,565</td>
<td>55,123</td>
</tr>
<tr>
<td>2011</td>
<td>213,77</td>
<td>59,07</td>
<td>8,63</td>
<td>281,47</td>
<td>-0,553</td>
<td>59,615</td>
</tr>
<tr>
<td>2012</td>
<td>202,51</td>
<td>61,45</td>
<td>5,93</td>
<td>269,89</td>
<td>1,035</td>
<td>59,514</td>
</tr>
<tr>
<td>2013</td>
<td>208,27</td>
<td>63,45</td>
<td>4,89</td>
<td>276,61</td>
<td>3,010</td>
<td>61,919</td>
</tr>
<tr>
<td>2014</td>
<td>216,04</td>
<td>66,79</td>
<td>6,06</td>
<td>288,89</td>
<td>3,022</td>
<td>67,787</td>
</tr>
</tbody>
</table>

Remarks: the table shows the value of 1) the total net revenue-, 2) the total annual net profit- and 3) the total receivables (at the end of the year) of private security companies between 2010 and 2014. The values are expressed in billion Forints. The source of data expressed in nominal terms: National Company Database. In the case of real term calculations expenditures are compared to the values of 2000. The source of the inflation data is the same as indicated in the remarks of Table 4.

We primarily deal with the total net revenue of the sector. In this regard, it can be stated that the total revenue calculated at current prices was 279,6 billion Forints in average between 2010 and 2014. According to the latest data, the total net revenue was 288,9 billion Forints in 2014. To this amount the personal protection activities contribute the most not surprisingly due to the fact that we saw at the analysis of companies’ numbers. This activity constituted 75,4 percent of the average revenue. In addition, 21,9 percent of it was generated by the security system subsector, while the remaining 2,7 percent belonged to investigative services. Moreover, it is also noteworthy that between 2010 and 2014 the revenue of personal protection activities remained practically unchanged, while there was considerable volatility in case of the security system- and investigation services. The revenue of the security system subsector increased by 20,8 percent, while investigation saw a 47,7 percent reduction. All of this meant that the total revenue of the sector (in current prices) grew by 2,8 percent between 2010 and 2014 as a combined result of factors listed above (Diagram 16).
In contrast to the growth resulted from the nominal term calculations — we experience a decrease in expenditures expressed in real terms excluding the impact of inflation and comparing expenditure data to the values of 2000. The total sectoral revenue in real terms decreased by 7.8 percent. Due to the fact that the revenue of personal protection services and investigation activities shrunk by 7.3 and 53.1 percents, while the revenue of security system services increased by 8.4 percent (Diagram 17). Therefore, according to official statistics and based on real term calculations the private security sector’s overall revenue has considerably fallen over the past five years.

Two additional statements arise from the figures of Table 9. First, it seems surprising that the balance sheet earnings of the industry make 1.4 billion Forints with an average of 279.6 billion Forints of revenue. There are two – possible reasons for this phenomenon that exclude each other in extreme cases. On the one hand, the balance sheet earnings may be so low because of companies take out a significant part of the profit as dividends after taxation. We do not have any information about the average level of dividend payments in the industry. From that standpoint it is

---

220 The diagram shows the annual net revenue of private security companies by the field of activity between 2010 and 2014. Expenditures are expressed in billion Forints. The source of data: National Company Database.

221 The annual net profit is also expressed as the average of values between 2010-2014.

222 In reality probably the combination of the two – in the main text discussed – extreme cases is realized.
absolutely unfortunate that in this case only 0.5 percent of the total revenue will be earmarked to cover future investments. This phenomenon clearly demonstrates the trust-deficit of the owners in connection with the future of the industry.

On the other hand, it can equally happen that – independently of dividend payments – balance sheet earnings are so low because of the results recorded in the books (at least on paper). If that is the case, then it might be an extraordinary presence of fraud. In our opinion the 0.5 percent is far below the revenue-proportional profit expectations of the owners (although the statement varies by industries). Such a low return on revenue (if there is no substantial dividend withdrawal) witnesses a level of operational or financial costs that can not really be justified and may be very burdensome. Naturally, only if these are no fictious costs of invoices that are registered in books in order to reduce the tax base. In case of an environment characterized by such numbers only those companies maintain their activities that are able to make profit from alternative – perhaps the above mentioned – sources. A personal comment: from the two cases we suspect the latter. In this regard, the low

223 The Readers will certainly think that it would be more appropriate to compare the value of the balance sheet earnings to some other income categories (for example to earnings before interest and taxes, earnings before taxes or earnings after taxes) and not to the value of the revenues. It is obviously true but unfortunately – based on the available statistics – we only have revenue data.

224 The diagram shows the total net revenue of private security companies in nominal and real terms between 2010-2014. Revenues are expressed in billion Forints. The source of data: National Company Database. In case of real term calculations expenditures are compared to the values of 2010. The source of the inflation data is the same as indicated in the remarks of Table 4.
value of the balance sheet earnings represents a significant involvement of the industry in the black economy. The high proportion of receivables may equally refer to problems of transparency in management and financial activities. The continuously growing receivables valued at 60.8 billion Forints in average during the studied period represent 21.7 percent of the total revenue. We do not have any information about the distribution and composition of receivables\textsuperscript{225}, but such a high proportion indicates a high-risk industry environment.\textsuperscript{226}

Before drawing conclusions from the above figures (that concerns the extent of market coordination), the presented values should be compared to the revenue data of companies included in the SZVMSZK database. However, doing this does not take into account all the available private security providers found in the database as we mentioned before at the analysis of the number of companies. In fact, when summing up the available 717 revenue data of companies that carry out relevant security activities according to the Chamber, we find ourselves facing the following problem. We have to somehow manage the issues of what to do with companies that 1) in order to protect their core „non-security” – for example: information technology – activity also provide private security services but the revenue of them is not linked to security activity and 2) besides the reportable security activity carry out additional – for example: facility management – services that also have an effect on revenues. In the first case it is absolutely clear that we can not take into account the revenue of these companies arising from other non-security-related activities. We have to realize that although it is not the perfect solution if we completely ignore security activities carried out by them, simply because it is not an external service but provided by themselves.\textsuperscript{227} Hereinafter, we follow this path for simplicity. Theoretically it may occur that the value of these security services is registered and accounted on transfer prices by the largest companies. In order to gather these data it is necessary to visit each of these companies and ask about them, due to the fact that they otherwise are not registered. Therefore, the value of services registered on transfer prices is theoretically collectable. At the same time, due to the facts that 1) not everyone registers transfer prices and 2) the registered ones are often not willingly shared with

\textsuperscript{225} The presented values of receivables include not only the overdue ones. They mean the total stocks at the end of the year.

\textsuperscript{226} Just think about this for a second, every two from ten Forints revenue became questionable in an environment like this.

\textsuperscript{227} Therefore, the quantification of these services is also not a simple task.
others, this is an impossible task in practice. All this impels us to omit these companies.\textsuperscript{228} On the other hand, hereinafter we entirely calculate with the revenue of companies that provide additional services (e.g: facility management) besides security activities. We are perfectly aware that this is improper behavior\textsuperscript{229} because of these companies may do other non-security-related services like cleaning, catering, and technical services. However, because of 1) the number of these businesses do not exceed ten percent of the total number of the available companies\textsuperscript{230} and 2) we are unable to separate the security and other activity generated revenues\textsuperscript{231}, we consider it in its entirety below.

Financial data – based on the SZVMSZK database – are shown in Table 10. The table shows that in 2015 an average private security company had 284 million Forints in revenue, 1,6 million Forints in balance sheet earnings and 56 million Forints in equity. In addition, the total private security sector had 202,62 billion Forints in revenue, 1,16 billion Forints in balance sheet earnings and 39,738 billion Forints in equity.\textsuperscript{232} The first important finding for us is that the two-source revenue data of the sector are roughly similar (the total revenue of the sector according to the National Company Database is 288,89 billion Forints, while according to the SZVMSZK database is 202,62 billion Forints\textsuperscript{233}). This similarity is not affected by the fact that due to the corrections (applied in the latter case) the revenue decreased by about 30 percent. We believe that in this case it shows a more real image. Whereas in the latter case – due to the corrections done by the Chamber and us – the range of considered companies has narrowed to solely those that more likely carry out internal security activities, we consider the latter data (202,69 billion Forints) to be the total revenue of the sector. In this case, the balance sheet earnings are even less than the formerly published and offensively low numbers. The 2,9 percent value of the balance sheet earnings/equity

\textsuperscript{228} Thoughts formulated above in connection with state subsidiaries are also relevant when aggregating these revenue data.
\textsuperscript{229} In order to achieve intellectual honesty we would like to draw attention to this.
\textsuperscript{230} There is no doubt that these are companies that have the highest-revenue.
\textsuperscript{231} To be able to separate the revenues, we should visit these businesses and convince them to share the necessary information.
\textsuperscript{232} Hereinafter under the total industry data we mean the adjusted one.
\textsuperscript{233} Expenditures in both cases are expressed in nominal terms. We also should add that 2014 and 2015 data are compared to each other.
ratio amplifies the above mentioned thoughts made in connection with confidence issues and possible fraud.\textsuperscript{234}

Table 10

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Billion HUF)</th>
<th>Balance sheet earnings (Billion HUF)</th>
<th>Equity (Billion HUF)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>Total industry</td>
<td>Adjusted total industry</td>
</tr>
<tr>
<td>2015</td>
<td>0.284</td>
<td>190.6</td>
<td>202.6</td>
</tr>
</tbody>
</table>

Remarks: the table shows revenue-, balance sheet earnings- and equity data of private security companies in 2015. The data are expressed in billion Forints. After a database reduction (according to the above mentioned) a total of 712 company data were used for calculations. However, due to the fact that 42 companies did not have sufficient financial figures, 670 companies were used in case of average and total industry calculations. At the same time, the adjusted total industry data are based on 712 enterprise figures. In this case, the missing 42 data were replaced by the average ones. The source of data: SZVMSZK database.

The aggregated industry revenue data alone does not correspond to the extent of market coordination expressed by expenditures, due to the fact that not solely this net sum, but the gross (value added tax increased) amount was paid in 2015 by government organizations, individuals and businesses in order to receive the various private security services. When ascertaining the retail – gross – price of private security services, the 27 percent general value added tax is the standard.\textsuperscript{235} In this regard, the total value of private security services and market coordination is estimated about 257,32 billion Forints. If we remember the fact that the size of bureaucratic coordination was 311,48 billion Forints, we can easily say that the idea that internal security of our society is fundamentally provided by the state, is quite simply not true. Internal security transactions that are typically financed by private actors\textsuperscript{236} make up the four-fifths of state resources spent for this purpose. Moreover, if we take into account that expenditures linked to the private security services – as a result of the extensive practice of present frauds in the industry – constitute only as

\textsuperscript{234} In this instance, it also should be highlighted: we do not have available information on the extent and distribution of dividends.

\textsuperscript{235} According to the law on value added tax, the only exception to this rule is the internationally regulated purchase or free transfer of security products and services to central government organizations. This is a VAT-free activity (Act CXXVII of 2007).

\textsuperscript{236} It is necessary to add here the phrase "typically" because private security services can be also purchased by state organizations. In this case, these services are not financed by private but public funds. However, these public financed services – presumably – did not appear at the above mentioned quantification of bureaucratic coordination. Therefore we should not be afraid of drawing paralells.
lower estimates, it is also possible that the value of these services in reality exceed the state internal security expenditures.\footnote{Independently of that, in the thesis we consider the adjusted values valid and worthy of comparisons. Based on the values that are registered in the books and taking into account the above mentioned corrections, we equally do not undertake to estimate the effects of the black market.}

3.1.3. Impossible? Expenditure figures of self-governing-, ethical-, and aggressive coordination

"Measure what can be measured, and make measurable what cannot be measured."

Quote attributed to Galileo Galilei\footnote{The source of the quote: Rasinski-Griffith (2008), In: Wikiquote.}

In the previous two subsections, we quantified the extent of bureaucratic and market coordinations based on expenditures afforded on internal security activities. Due to the fact that these mechanisms typically coordinate monetarised transactions, we were able to estimate the extents after the collection and interpretation of the appropriate data. In order to compare the size of all subsystems of the entirely internal security system, we equally need to ascertain the extent of self-governing, ethical and aggressive coordination even if based on estimation. Whereas above we used expenditure data for the measurement of the subsystems to be able to do the comparisons below, it would also be necessary to ascertain the aggregate expenses of these three mechanisms.

Based on the laws governing these mechanisms (explained in subsection 2.1) our ability to achieve these goals is extremely limited. Due to the fact that – as it is shown in Table 2 that contains the characteristics of coordination mechanisms – 1) in case of self-governing and ethical coordination transactions are not monetarised and 2) in case of aggressive coordination activities a) are not monetarised or b) are partly illegal. As a conclusion, we should speak about the lack of the use of resources\footnote{In this case, we disregard time as one of the resources.} in the former two cases (Case 1. and 2.a.) and about the invisible use of resources in the latter case (Case 2.b.). The motivation for internal security activities implemented by social movements and coordinated by self-governing coordination is common interest, while the motivation for activities implemented by protective supporters and coordinated by ethical coordination is the altruistic behaviour. If we talk about a village guard organized by the community or a street crime hindered by the intervention of a passer-by, it is true that in both cases the guarded do not pay for the
protection and guardians provide their activity without any financial compensation.\textsuperscript{240} Therefore, expenditures can’t be linked to security activity in either case and non-existent expenditures can not be registered by the official statistics. Furthermore, non-existent expenditures can not also be sectorally aggregated by us. To summarize it, internal security transactions linked to these two coordination mechanisms simply can not be measured by using expenditure data.\textsuperscript{241}

The situation is different in the case of the aggressive coordination mechanism. This type of coordination regulates the activity of violent organizations as we have seen before. We listed above paramilitary troops and mafias as such organizations.\textsuperscript{242} Let's start with paramilitary armies. In Hungary today the operation of these irregular troops is extremely limited due to the applied regulative and intelligence tools. It is undoubted that in the recent past there were some organizations\textsuperscript{243} (Outlaw Army, Sixty-four Counties Youth Movement, Hunnia Movement, Conscience Group 88, Hungarian Guard Movement, Hungarian National Front, Hungarian Self-Defense Movement, Hungarian Arrows National Liberation Army, National Guard, Pax Hungarica Movement, New Hungarian Guard Movement, Defense Army of National Liberation Front, etc.\textsuperscript{244}), whose connection to political parties was/is questionable. In order to ascertain this connection with certainty, the solely scientific instruments are clearly not sufficient. At the same time, independently from the exact knowledge of political connections, it can be concluded that members of the above mentioned organizations carry out their activities voluntary, guided by commitment and without any financial compensation.\textsuperscript{245} These guards provide – according to their interpretation – internal security services based on altruism. Therefore, their

\textsuperscript{240} The sole result of their activity is the greater communal safety that they also enjoy as members of the community.

\textsuperscript{241} The question that „Is it possible to express them by the number of contributors who take part in the internal security activity?” will be examined in subsection 3.2.

\textsuperscript{242} We dealt with paramilitaries in more detail in subsection 2.2.4. Besides these two listed types of violent organizations, there are obviously more forms of entities whose activity is based on aggressive coordination and the enforcement of their goals. However, these are not discussed in the dissertation, due to the fact that only in case of these two types of violent organizations can we speak about some protection beyond aggression and enforcement.

\textsuperscript{243} Real and legal existence in some cases can be separated from each other.

\textsuperscript{244} The mentioned organizations often have no official English names. These names were translated by the author. To get acquainted with these organizations see Paksa (2012).

\textsuperscript{245} Exceptions to this statement could be the guards who provided security at some headquarters and events of political parties and political leaders in the last period. In some cases – presumably – they were not related to private security companies and may received compensation for their equally violent actions. Whereas the number of these actors and transactions is definitely low and we do not have substantive information about them, we no longer deal with these activities.
transactions are equally not monetarised. When in the recent years the various irregular guards regularly appeared among the Roma population of rural villages and required order using intimidation, they did not ask the general population for any financial compensation.\(^{246}\) As a conclusion of this, the above mentioned measurement problems – concerning non-monetarised transactions\(^ {247}\) – are also valid in this case.

It is also possible that a paramilitary army receives donation from a contributor political party. This was typical of the majority of the twentieth-century Hungarian irregular armies (mentioned in subsection 2.2.4.).\(^ {248}\) If the size of the donation and its use is publicly available, the extent of the coordination mechanism regarding this activity can be well ascertained. However, it is not typical that a party openly assumes a connection with a violent organization that occasionally implements exclusionary conduct. In consequence of this, the financial support asserted from ghost organizations is not traceable and public data is not available. Therefore, the extent of aggressive coordination will be hereinafter examined without the activities of political paramilitary organizations.\(^ {249}\) Ignoring these organizations, which include only several groups in Hungary, does not cause major problems, because these days their contribution to the extent of aggressive coordination is presumably partial.\(^ {250}\)

\(^{246}\) If we accept the hypothesis that these troops carried out their activities with the support of political formations, the future votes of order desiring people can be considered as indirect compensation.

\(^{247}\) The essence of the problem is the following: if the value of an internal security service can not be measured then the size of the service controlling coordination mechanism expressed through expenditure data can not be measured either.

\(^{248}\) The Arrow Cross Party linked Armed Party/Nation Service and the Hungarian Socialist Workers’ Party linked Workers’ Militia were equally „party-funded” organizations. However, we still do not have information about the size of the political financial support of them. There are several reasons for this. On the one hand, at that time parties had not been given state subsidies and therefore their financial operation were not required to be transparent. What ratio of the – from party dues and self economic activities arising – revenue of them was given to military troops is therefore not traceable. The Workers’ Militia was a party organization, however, it may occur that we should find the expenditure of it in the financial section of the Ministry of Interior. At that time, however, the state budget was also not public. We could draw estimates regarding the expenditures necessary to the maintenance of these organizations. The number of employees and their functions are well known (the Workers’ Militia for example can be imagined like a reserve army, there is no particular military technology, there are no armored vehicles, the armament is backward, but they have uniforms, housing and food-supply). At the same time, so far as we know, no one has undertaken such estimates.

\(^{249}\) The phrase „political paramilitary armies” – not very precisely – means irregular troops that have ideological and political interests.

\(^{250}\) We would like to draw the Reader’s attention to two things regarding the statement. The present possibility of ignoring these groups does not mean that 1) when a phenomenon – based on expenditures – is negligible, the political consequences of it are also negligible and 2) what today is negligible, it will be also negligible in the future. The involvement of violent organizations in internal security sector deserves to be tackled with its entirety.
absolutely do not commit a serious flaw, if hereinafter we only focus on organized criminal groups in order to meet the goals assumed in subsection 1.5.

From the widespread field of activities carried out by the various organized criminal groups (drug-, human- and arms trafficking; kidnapping; illegal gambling; smuggling; counterfeiting currency; illegal dumping of hazardous waste; car robberies; collecting protection money; copyright abuses; tax fraud, prostitution, etc.)\textsuperscript{251} we solely concentrate on the practice of collecting protection money. Due to the fact that in this case someone buys protection from these organizations and therefore actual internal security services are provided. There is no doubt that these transactions greatly differ from security services provided by the state and bought from the private security sector in terms of their origin and nature. At the same time, if a transaction regulated by aggressive coordination comes into existence and someone buys protection from the mafia (against the group to whom the money will be paid / against other similar groups / even against both\textsuperscript{252}) then it is possible and appropriate to quantify this transaction. These services are paradoxically also part of the internal security system due to the fact that the security of entities that are willing to buy safety from violent organizations is not provided by 1) state law enforcement organizations, 2) private security companies\textsuperscript{253} and 3) other internal defense mechanisms (self-governing and ethical coordination). The reason for this is an interesting research question that is beyond the scope of this thesis. However, since we are talking about an existing phenomenon, we could not ignore it in case of our quantification process.

The activity of organized criminal groups to collect protection money aims to earn profit. Every security transaction has revenue and an expenditure side: the guarded pay and the guardians are paid for the protection. As a consequence of this,

\textsuperscript{251} To the conceptualization of organized crime see Tóth – Gál – Kőhalmi (2015) and European Police Office (2013).
\textsuperscript{252} In case of protection money typically the latter prevails.
\textsuperscript{253} It was previously mentioned that the boundary between private security companies and violent organizations occasionally may be blurred. Imagine a case when an organized criminal group officially establishes a private security company but aggressively influences somebody to take its security services. Theoretically these services should be ranked as aggressive coordination. At the same time, if these transactions are registered in the books, officially they could be recognized as private security services. We could not resolve this anomaly in the dissertation, but we would like to draw attention to the phenomenon.
theoretically, you can ascertain the „profit-effect” of monetarised transactions. On the other hand, since this type of activity is illegal, even if they are both supporting the activity, transactions need to be hidden. The opacity naturally makes it difficult to quantify these sorts of transactions. Due to this fact we can only make estimations (associated with a large margin of error) that are close to the amount of protection money paid in Hungary.

The geographical position of Hungary makes the country a popular destination among criminal groups. The organized criminal groups consider the country both a transit-way to Western Europe and a coordination center. At the same time, Hungary is also considered to be a local profit-earning opportunity. Therefore, criminal groups have fundamental interests within the borders of the country. These groups – that in general 1) are established in the 1990s, 2) since 2007 have recurrently growing numbers and 3) maintain significant administrative and law enforcement connections – mostly make a living from counterfeiting currency, prostitution and drug trafficking. The revenue of organized criminal groups in Hungary is estimated up to 20 percent of the GDP (Michaletos, 2011). According to this source and based on the value of the GDP (KSH a.), in 2014 the realized revenue of the mafias may have reached 6500 billion Forints. The fact that the above mentioned amount is not an exaggeration, we can conclude from another research. According to some calculations, the sum of the revenue of domestic crime and ”illegal money” transferred home for money laundering was around 15 million dollars in the mid of the 1990s in Hungary (Kertész, 2001). If we use the recent exchange rate, it is more than 4000 billion Forints. Based on the fact that collecting protection money has become somewhat „unfashionable” these days, only a fraction of the amount may have come from it. At the same time, there is no doubt that a fraction of a thousand billion Forints sum is also quite significant and therefore the magnitude of this activity requires to be quantified. This quantification is carried out by the use of estimations due to the high latency.

A victimization survey, carried out by the United Nations Interregional Crime and Justice Research Institute in 2000, examined the involvement of Hungarian

254 Above, in Table 2, we did not consider all activities absolutely monetarised that are regulated by aggressive coordination. The reason for this is the following. Theoretically it may occur that the aggressor asks for some non-monetarised compensation in return for the protection instead of money. At the same time, this is less common.
businesses in paying protection money. According to the results of the survey from a randomly selected 517 companies 8 reported that they were asked for paying protection money. Businesses engaged in manufacturing, trade and service industries were equally part of companies that were called for payment (Kertész, 2011). We do not have any information about the fact whether they were only demanded or these businesses actually paid for the protection. The 1,5 percent rate of the survey certainly may be higher in reality considering the fact that a significant part of the companies that pay these amounts are also interested in invisibility and therefore do not talk about this very much.

According to other sources that interpret the above mentioned victimization survey that was recorded in 9 Central and Eastern European cities (Budapest, Bucharest, Kiev, Minsk, Moscow, Sofia, Tirana, Vilnius, Zagreb): 2 percent of the respondents were called to pay protection money in Budapest. This value is significantly lower than the average 8 percent rate. The call for payment realized in 47 percent of cases by a personal visit of the store, in 42 percent by meeting the owner in other places, in 27 percent by telephone communication and in 5 percent by alternative ways. 70 percent of the owners who were called for paying protection money did not report the case to the local police. The reason for this in most cases was the fact that owners considered the police as an organization that is inappropriate and one that they do not trust. Furthermore, they were afraid of revenge (Alvazzi del Frate, 2004). We unfortunately do not have any information about the fact

---

255 Moreover, 29 businessmen were blackmailed for money to keep quiet in return. However, we assume that this sort of silence did not go together with security services, we no longer deal with blackmailing.

256 The data collection has been done by telephone interviews.

257 The Criminological Research Institute of Lower Saxony equally examined the prevalence of protection money and asked 8500 business managers of catering units. Researchers have experienced that one third of Italian restaurants’ business managers immediately put the phone down when found out why they were called. In addition, the majority of the Turkish owners were only personally willing to answer the questions at a protected and safe place (Kertész, 2011). This phenomenon also shows low willingness to answer these sorts of sensitive questions.

258 On average, 46 percent of the respondents said that crime and insecurity hinder business activity. In Budapest this rate was only 31 percent (Alvazzi del Frate, 2004).

259 The difference between the 1,5 and the 2 percent certainly may arise from the – generous – rounding. Hereinafter we calculate with the 1,5 percent value.

260 Compared to Budapest only Bucharest had lower rates.

261 Based on the results of the survey 70 percent of Hungarian respondents were generally dissatisfied with the work of the police. Owners who reported the call to the police in 21 percent were satisfied and in 34 percent were dissatisfied with the work of the authorities. In addition, 43 percent of them were not willing to take part in the evaluation (Alvazzi del Frate, 2004).
whether owners who did not report the case to the police did finally pay or were somehow capable of avoiding payment.

We think that the average Hungarian 1.5-2 percent rate is disproportionately distributed between the different companies that are engaged in the various economic sectors. The earlier referred research of the Criminological Research Institute of Lower Saxony showed that catering units may have much greater involvement in this phenomenon. The research found that 34 percent of surveyed German hospitality business managers know about a case in which unknowns – referring to the entities behind them – demanded regular cash payments for protection. In addition, 21 percent of them stated that the owners themselves turned to organized criminal groups for protection, while 41 percent of the interviewees were aware of both practices (Kertész, 2001). According to research carried out in Italy in 1998, 70 percent of the shops in Reggio Calabria and 80 percent of the shops in Palermo and Catania experienced violent actions that were motivated by collecting protection money (Jamieson 2000, in Van Dijk, 2008). Moreover, based on research conducted in 1995 in 10 European developed countries, 7-15 percent of retail outlets reported that the phenomenon of protection money and extortion is quite common (Van Dijk – Terlouw, 1996; In: Van Dijk, 2008). The results of the above mentioned research due to the time elapsed and the changes occured in crime and law enforcement activities need to be treated with reservations but in the absence of recent studies are considered a benchmark by us.

Hereinafter, we strive to ascertain the size of protection money based on the above mentioned research results. It is assumed by us that 4 percent of catering businesses and retail stores-, while 2 percent of commercial accommodations actually pay protection money. In these industries the rate of called owners may be undoubtedly higher than the average we experienced in the above results. This rate may even reach 15 percent. At the same time, we assume that every fourth / eighth called unit is willing to pay for protection. On the whole this means that every twenty-fifth catering business / retails shop and every fiftieth commercial accommodation pays protection money to the mafia. We also assume that owners

---

262 The most important change in the prosecution of organized criminal groups is the – European Union membership required – greater commitment to the eradication of them.

263 We assume that the involvement rate of commercial accommodations in paying protection money is lower. The reason for this is the following. The vast majority of the revenue of this economic segment is produced by hotels and involvement in protection money is less typical to them.
who are willing to cooperate with violent organizations may pay ten percent of their revenues in return for the protection. Table 11 illustrates the number and revenue data of this economic segment. According to these: in one year 2116 catering units paid 4.21 billion Forints, 72 commercial accommodations paid 1.10 billion Forints and 5674 retails stores paid 37.09 billion Forints of protection money.264

Table 11

The number and revenue of catering businesses, commercial accommodations and retail stores (2014-2015)

<table>
<thead>
<tr>
<th>Years</th>
<th>Catering businesses</th>
<th>Commercial accommodations</th>
<th>Retail stores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (Pieces)</td>
<td>Revenue (Billion HUF)</td>
<td>Number (Pieces)</td>
</tr>
<tr>
<td>2014</td>
<td>53386</td>
<td>806,386</td>
<td>2344</td>
</tr>
<tr>
<td>2015</td>
<td>52906</td>
<td>1052,761</td>
<td>2403</td>
</tr>
</tbody>
</table>

Remarks: the table shows the number and revenue of catering businesses, commercial accommodations and retail stores in 2014 and 2015. The numbers are expressed in pieces, the revenues in billion Forints. In case of numbers values of December 2014 and June 2015-, in case of revenues the annual aggregated values are illustrated. The source of data: in case of numbers KSH c., d., e.; in case of revenues KSH f., g., h.

The above mentioned data are supplemented with the assumption that 0.4 percent of small and medium sized businesses265 that provide other services (and are operating in partnership forms266) may also be involved in the practice of paying protection money. Based on the 588263 pieces of businesses (KSH i.) and their 44634 billion Forints of revenue (KSH, 2014 b.) and subtracting the above mentioned economic segment (catering businesses + commercial accomodations + retails stores), calculating with a 0.4 percent payment rate and still assuming that 10 percent of the revenue is paid for protection: we can assume that 1564 additional business may be affected by 13,58 billion Forints of paid protection money. Summarizing the above mentioned calculations: 1.6 percent267 of registered Hungarian businesses pay a total of 55,98 billion Forints for this purpose.

Consequently, using expenditure data, the extent of aggressive coordination is estimated to be 55,98 billion Forints. Our estimation – due to the fact that 1) solely paramilitary armies and mafias were considered as violent organizations and 2) we

264 In the absence of a possibility to do so, in terms of revenue data we do not conduct any differentiation between the business units and therefore apply an essential simplification. It is assumed that the total revenue is equally distributed between all units within one category (catering, commercial and retail activity).

265 In this case, we do not deal with large companies. The only reason for this is the fact that – due to their economic weight and political relations – they are not targeted by criminal groups in general. At least not in the sense of protection money.

266 In this case, we do not take into account self-employed people, non-profit- and state organizations.

267 Therefore, we also achieve the 1.5-2 percent involvement rate that is identified by other research.
were only able to estimate the size of protection money on the basis of the available data – has a large margin of error and has to be treated with reservation. At the same time, we do not consider this estimation to be exaggerated, the activity of violent organizations and therefore the extent of aggressive coordination in real life may be certainly more significant.

We have seen before that in the examined period the extent of bureaucratic coordination was 311,48,-, while the extent of market coordination was 257,32 billion Forints. The estimated extent of aggressive coordination – not surprisingly – is noticeably smaller, but not at all negligible.

3.2. The indicator of involvement: the number of contributors

„It is often argued that employment statistics ... provide a misleading picture of the actual work situation.”
International Labour Office (2003):
International training compendium on labour statistics

In order to ascertain the extent of coordination mechanisms that exist in the internal security system, we can also rely on the number of contributors that are operating in the single subsystems. If we can ascertain the number of these contributors, we will be able to compare the size of the subsystems through the extent of their dominant coordination mechanisms. The number of contributors as indicators of the prevalency of coordination mechanisms draws a less accurate picture for us compared to expenditures\(^{268}\), however, it allows us to examine and compare non-monetarised transactions. There is the theoretical opportunity to use contributor data as indicators even if the internal security activity occurs independently of financial interest. Therefore, these data can equally be used in cases when there is no chance to quantify revenue and expenditures.

Hereinafter we try to ascertain the number of contributors who are involved in the operation of the above described subsystems (and coordination mechanisms) of the internal security system. Through the number of contributors we ascertain the extent of bureaucratic, market and aggressive coordination also described previously through expenditures. In addition, we equally try to quantify the extent of self-governing coordination that has been ignored so far, and share a few ideas about the possibility of the measurement of ethical coordination.

\(^{268}\) The problems – arising in connection with this – are discussed in more details below.
3.2.1. The number of state employees who are directly involved in internal security activities

“We do not exactly know how many police officer were in Hungary in 2012?”
Hvg.hu (2013): A BM és az ORFK sem tudja hány rendőr van Magyarországon

The state employment statistical data\textsuperscript{269} and the number of state employees who are directly and indirectly involved in internal security activities are shown in Table 12.\textsuperscript{270} The employment data are based on the Organizational and Operational Rules of the listed organizations. In the absence of these Rules, data of budget documents, public information requests and other press releases were taken into account.

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Total number of employees</th>
<th>Number of employees involved in internal security activities</th>
<th>Directly involved</th>
<th>Indirectly involved</th>
<th>Not involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Interior</td>
<td>504</td>
<td></td>
<td>66</td>
<td>161</td>
<td>277</td>
</tr>
<tr>
<td>Police</td>
<td>46489</td>
<td></td>
<td>36815</td>
<td>5874</td>
<td>3800</td>
</tr>
<tr>
<td>Directorate General for Personnel Development of Public Service</td>
<td>115</td>
<td></td>
<td>0</td>
<td>48</td>
<td>67</td>
</tr>
<tr>
<td>Ministry of Interior International Training Center</td>
<td>78</td>
<td></td>
<td>0</td>
<td>34</td>
<td>44</td>
</tr>
<tr>
<td>Coordination Centre against Organized Crime</td>
<td>42</td>
<td></td>
<td>27</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>National Defense Service</td>
<td>460</td>
<td></td>
<td>371</td>
<td>89</td>
<td>0</td>
</tr>
<tr>
<td>National Defense Service</td>
<td>ca. 800</td>
<td></td>
<td>ca. 500</td>
<td>ca. 300</td>
<td>0</td>
</tr>
<tr>
<td>Counterterrorism Center</td>
<td>4771</td>
<td></td>
<td>ca. 715</td>
<td>0</td>
<td>ca. 4056</td>
</tr>
<tr>
<td>Összesen:</td>
<td>53259</td>
<td></td>
<td>38494</td>
<td>6521</td>
<td>8244</td>
</tr>
</tbody>
</table>

Remarks: the table shows the number of state employees involved in internal security activities in 2015. We solely focus on the numbers of organizations the activities of which partially or totally fit to the conceptual framework of subsection 1.4. The employment data are based on the Organizational and Operational Rules of the listed organizations, if they are publicly available. In the absence of that, alternative sources are used. In case of the police the table includes the 2012 data of all national and county police stations and headquarters. In case of Public Prosecution the 2012 data are used also. The source of the employment data, in case of the Ministry of Interior BM (2014); in case of the Police Hvg.hu (2013); in case of the Directorate General for Personnel Development of Public Service KSZF (2015); in case of the Ministry of Interior International Training Center NOK (2015); in case of the Coordination Centre against Organized Crime SZBKK (2013); in case of the National Defense Service NVSZ (2014); in case of the Counterterrorism Center Wikipedia g. and in case of the Public Prosecution MKÚ (2012). The number of employees means the official number of the statuses. Employees who have simple labour contracts are not shown in the table.

The ascertainment of the directly and indirectly involved numbers in internal security activity was both based on the official Rules. When we had the possibility, we filtered out numbers that are absolutely not involved in these sorts of activities, using

\textsuperscript{269} In case of the organizations and their number of employment, we are furthermore based on the conceptual accruals of subsection 1.4. Therefore, we only deal with organizations listed in Table 12. For example, we do not examine numbers regarding penitentiary and intelligence services. We are interested only in numbers that are directly and indirectly involved in guarding activities.

\textsuperscript{270} The table – in the absence of this information – does not contain the employment numbers of law enforcement educational institutions and the National University of Public Service.
the available organograms and department employment information. Whereas the Rules solely include employment statistics on the level of departments, the classification as “involved” was based on the activity of the whole department. In some cases, the applied Rules did not contain any employment data. Those departments that had missing data were simply ignored. During the involvement classification we were generous: if any "suspicion" arose about employees providing internal security services at least partially, they were all ranked into the involved categories. In this respect there certainly are fewer people involved in internal security activity in reality.

There were some problems and methodological issues when we tried to ascertain the employment numbers of the Police, the Public Prosecution and the Counterterrorist Center. In case of both the Police and the Public Prosecution we used data from 2012. The problems that arise in case of ascertaining the employment numbers of the Police are well-known. We tried to resolve these problems with the application of numbers that were told by the Minister of Interior in 2012 (the source of the speech is in the table). We considered these figures and this source the most credible. Data published in the table also include the transferred staff and the reservists. Employees who have a professional service contract were in all cases ranked into the „directly involved” category. 60 percent of the employees who have other contracts were ranked into the „indirectly involved” category, while the remaining 40 percent was ranked into the „not involved” category. With this method we probably contributed to the overestimation of the number of state employees in internal security. In case of the Public Prosecution we only had the 2012 employment data in total and did not have any information about its distribution on the level of organizations and departments. Not to mention

---

271 In the absence of job descriptions, we were not able to do examinations on the level of jobs.
272 Under the phrase „police” we mean all national and county police stations and headquarters.
273 For the compatibility anomaly of the various data sources see Hvg.hu (2013). In one of our personal interviews it was said that over the last decade sometimes even the ministers were not fully aware of the number of the police. In some cases they had to fight against the organizations in order to receive the required statistical data. By the way, the public information portion of the police’s website is not available when writing these lines.
274 Employees who do not have professional service contract were also ranked. The reason for the arbitrary ranking was that 1) in order to ensure the comparability we tried to filter out the numbers who are only providing functional services and 2) the source of the available employment statistics was not a unified Organizational and Operational Rules.
employment data associated with investigative services.\textsuperscript{275} Therefore, when ascertaining numbers associated with investigations, we took 15 percent of the total employment into account as estimation. Moreover, we did not even have overall information about the employment situation of the Counterterrorism Center.\textsuperscript{276} In this case, we had to rely on data that were mentioned in the press. In case of the National Defense Service, the Counterterrorism Center and the Coordination Centre against Organized Crime the total number of employees (including the functional staff) were ranked into the „directly involved” category.\textsuperscript{277} With this, the author also contributed to the overestimation.

Table 12 shows that 38494 people directly and 6521 people indirectly carry out internal security activities in the state internal security subsystem. State employees who provide this sort of activity are mainly employed by the police. At the same time, there are a few other organisations and employees who contribute to the guarding activity of the society as well. Both the directly and the indirectly involved employees are considered contributors to bureaucratic coordination. Therefore, we can lay down that 45015 contributors are involved in the bureaucratic coordination of the internal security system. The security activity of these employees is dominantly coordinated by the bureaucratic coordination mechanism. They carry out activities under clear organizational and personal subordination and legal coercive power. Their activity is based on the instruction of superiors and in the absence of completion they are affected by sanctions.

\textsuperscript{275} The statement that was written above in case of expenditures is also correct here; there are no statistics relating to investigation activities of Public Prosecution. Therefore, it is not available neither publicly nor in case of public requests.

\textsuperscript{276} This is certainly because the fact that the numbers are considered classified data (Act CXII. of 2011) according to the 27 § (1) of the Freedom of Information Act in order to prevent national security interest and/or prosecuting criminal offences. However, we do not think that the disclosure of the aggregate number would cause any threats.

\textsuperscript{277} In case of the Counterterrorism Center – in the absence of available numbers regarding the single departments – the ranking was arbitrary. Therefore, these numbers have to be totally treated with reservation. However this does not fundamentally affect our further conclusions. due to the joint consideration of the directly and indirectly involved numbers.
3.2.2. The number of private employees who are directly involved in internal security activities

In Hungary „the relative number of security guards to population is three times higher than the EU average”

György Lasz (2010 b.): Gondolatok … a magánbiztonsági szolgálatok kapcsán

The total number of people who are employed by private security companies can be found in the available statistics (National Company Database). The number of people employed in the industry between 2010 and 2015 are shown in Diagram 18. The decline of the number of companies (that was illustrated in Diagram 14) in case of employment numbers can be also detected. The reason of the significant decrease in employment numbers are the changes in legislation, the new registration requirements for businesses, the forced cancellation in the absence of the registration and other reasons not listed and examined further in the thesis.

Diagram 18: The number of employees at private security companies (2010-2015)

According to the official statistics, significant portions (82 percent in average) of employees provide personal protection services. These employees are the physical force in facility-, event- and property protection. To put it simply, they carry out the majority of the guarding services. In addition, 14 percent of employees provide security system services, while 4 percent of them are involved in private investigations (Table 13).

278 The diagram shows the number of employees at private security companies between 2010 and 2015. The source of data: National Company Database.

279 Of course, in this case personal protection activities equally occur but these are supplemented by security system services.
Table 13
The number of employees in the private security sector by the field of activity (2010-2015)

<table>
<thead>
<tr>
<th>Years</th>
<th>Personal security</th>
<th>Security system services</th>
<th>Investigation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>53812</td>
<td>11637</td>
<td>4229</td>
<td>69679</td>
</tr>
<tr>
<td>2011</td>
<td>67135</td>
<td>10812</td>
<td>4003</td>
<td>81951</td>
</tr>
<tr>
<td>2012</td>
<td>65541</td>
<td>9583</td>
<td>2744</td>
<td>77869</td>
</tr>
<tr>
<td>2013</td>
<td>29225</td>
<td>5263</td>
<td>785</td>
<td>35274</td>
</tr>
<tr>
<td>2014</td>
<td>26490</td>
<td>5135</td>
<td>573</td>
<td>32199</td>
</tr>
<tr>
<td>2015</td>
<td>34451</td>
<td>5324</td>
<td>1033</td>
<td>40808</td>
</tr>
</tbody>
</table>

Remarks: the table shows the number of employees in the private security sector by the field of activity between 2010 and 2015. The source of data: National Company Database. Attentive viewers may observe that the sum of the numbers of the three fields of activity is not completely equal with the total amount (the difference is exactly one unit). We have no information about the reason for this. We also have no information of the fields in which those companies were classified that are providing multiple activities.

According to this statistics, private security companies employed 40808 people in 2015. At the same time, these data (similar to what has been said above in case of expenditures) should not be accepted as the value of market coordination by themselves due to the following reasons. On the one hand, the earlier mentioned problem of statistics that contains private companies stand here as well, namely that statistics include employees of all businesses that are registered as private security companies regardless of whether these companies actually carry out real security activities or not. Presumably the above mentioned numbers to some extent include employees whose organization at this moment does not provide internal security services (this phenomenon hereinafter is called the „impact of activity”).

In addition, further limitations that affect the statistics equally arose. The above mentioned numbers include not only those employees who are involved in internal security services, but also those who carry out functional, supportive activities (this phenomenon hereinafter is called the „impact of functional support”). It is worth pointing out that in case of private companies we are not able to distinguish people that are directly and indirectly involved in security activities based solely on the available statistics in the absence of the necessary information.

The following is a more significant problem. The above published data do not include the number of employees who provide security services but work for companies whose official scope of activities do not contain security and investigation

---

280 When the various activities are provided by legally separated companies, the labelling is certainly not a problem. At the same time, about the fact of how labelling looks like when the various activities are provided by one company, we do not have information.

281 It may occur that they used to provide or were planning to provide these activities.
services (the company is not registered in the 80. sector of the statistical classification of economic activities). With high degree of certainty we can state that although there are a significant number of these workers, they are not included in the official statistics. For example, if the reception service that contains security tasks\(^\text{282}\) of a pharmaceutical business manufacturing unit is outsourced to a private security company, then the employee providing reception service appears in the statistics. At the same time, if the pharmaceutical business manufacturing unit (that is not registered as a security and investigation activities providing unit) in order to prevent thefts conducts checks that are carried out by their own workers, these workers are not included in the above numbers (this phenomenon hereinafter is called the „impact of insourcing”).

When overviewing the numbers employed in the private security sector, illegal employment can not be overlooked (this phenomenon hereinafter is called the „impact of illegal employment”). We previously wrote about typical fraud practices in the industry and we mentioned the presumably significant number of „black or grey” employees (especially the illegally/semi-legally employed security guards). In reality the total number of people who are employed by private security companies is certainly greater than the value present in the official statistics. It can be generally said that the available number of people, 40808 in reality is reduced by „the impact of activity” and the „impact of functional support”. At the same time, it is significantly increased by the „impact of illegal employment” and „the impact of insourcing”. Below, we seek to filter out the effects of three factors, the impact of activity, functional support and illegal employment, and therefore we try to realistically estimate the number of contributors in the market coordination mechanism. At the same time, we are not able to manage the „impact of insourcing”.\(^\text{283}\)

The „impact of activity” can be filtered out by using the above cited SZVMSZK database. The database – as we mentioned before – includes businesses that really provide internal security activities and are collected by the Personal-, Property-protection and Private Investigatgon Professional Chamber of Hungary. After our formerly mentioned reduction, the database contained 712 companies from which

\(^{282}\) In order prevent thefts the – for this purpose employed – guards need to take package inspections.

\(^{283}\) The estimation of the number of employees who are affected by the „impact of insourcing” may be an additional research task outside the scope of our thesis.
526 had employment data. These companies totally employed 14360 people (an average of 27.3 employees per company). In case of the remaining 185 companies that did not have employment data, we calculated with the average number and estimated 5078 employed people. In conclusion – based on the registration of the Chamber and partially estimated by us – 19438 people are totally employed in the sector (SZVMSZK database). This value is only 47.6 percent of the official, statistically registered number (Diagram 19).

Taking the „impact of activity” into account, the number of employees is reduced by 50 percent. At the same time, the reduced number still contains employees who are both directly and indirectly involved in internal security activities. Furthermore, these data include only the registered employees. Therefore the „impact of functional support” and the „impact of illegal employment” also occur in this case. For these two reasons the adjusted data can not be considered a final one.

In order to get a realistic figure we can not ignore filtering out employees providing supportive tasks and estimating the number of illegally employed workers. We have an assumption that the actual number of employees in the industry may be a few times higher than the official statistics included visible value. The implementation of the two impacts will be handled by the following method. The number of contributors in the market coordination mechanism of the internal security system

---

284 The diagram shows the visible (officially registered) number of employees at private security companies in 2015. The source of data: National Company Database and SZVMSZK database.
will be calculated via the number of security guards who took part in a regulatory professional training. From 1 January 2013 the condition of employment as a security guard is the completion of a regulatory training (68/2012 Regulation of Ministry of Interior). The number of people who registered and completed the training is shown in Diagram 20.

Diagram 20: The number of security guards who took part in the regulatory professional training (2016)

The diagram shows that 77193 candidates accomplished the training by 5 April 2016 that is compulsory for individuals to carry out internal security guarding services. We believe that the motivation for accomplishing the training is to maintain their current position or the obtainment of a future security guard position. It is assumed that 80 percent of candidates who accomplished the training belong to the first group. In this regard, we believe that according to our conservative estimation 61574 people worked in Hungary in 2016 as a security guard. This number is about

---

285 The diagram shows the number of security guards who took part in the regulatory professional training. The data are shown until 5 April 2016. The source of data: SZVMSZK newsletter.

286 The trainings and the ID cards of security guards are scheduled to be renewed every five years. Therefore, we believe that quasi-up-to-date information will be available in the future in connection with the number of private guards. It can be prevented that individuals who carry out the training but for some reason abandon the security guard jobs „inflate” these numbers. The persons who complete the training are stored by name. To view the list, see szakmaikamara.hu.

287 This assumption is supported by the fact that it is relatively easy to find a job as a security guard. During the preparation of this subsection of the thesis, on one of the most well-known job portals of Hungary there was 58 job advertisements that recruited personal security guards – searching for only the phrase „security guard” (Profession.hu).
3.2 times higher than the visible value based on the registrations to the Chamber.\textsuperscript{288} This signals that the significant presence of „black employment” in the industry and the contribution of the private security sector to the society’s internal security are also not negligible. At the same time, we can also conclude that the invisible number of employment at private security companies is bigger than the visible one (Diagram 21).

Based on the above listed figures 61574 contributors are involved in the market coordination mechanism of the internal security system. This number of employment contribute to the absolutely monetarised internal security transactions that are realized 1) in order to gain profit, 2) between co-ordinate organizational partners and 3) under conditions that are specified in contracts.\textsuperscript{289} The relationship between the partners is cooperative, long-term and can be characterized by symmetrical horizontal connections. These connections take place along the laws of the labour market and therefore are controlled and coordinated by market forces. The number of

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{diagram.png}
\caption{The visible and invisible number of employees at private security companies (2015/2016)}
\end{figure}

\textsuperscript{288} The number of the Chamber also includes employees who carry out functional activities. As a consequence of this fact, the rate may be even greater in reality.

\textsuperscript{289} The diagram shows the the total estimated (visible and invisible) number of employees at private security companies. The visible number is based on 2015-, the invisible number on 2016 data. In our opinion – due to the estimations – the different time of sources does not hinder the aggregation. The source of data: in case of the visible number SZVMSZK database; in case of the invisible number SZVMSZK newsletter.

\textsuperscript{290} Due to the prevalence of illegal employment, agreements are not always recorded in contracts. Independently of this fact, security transactions between the partners are carried out along the market coordination mechanism.
contributors involved in market coordination is sufficiently and significantly greater than the number of contributors engaged in bureaucratic coordination.

3.2.3. Impossible? Self-governing-, ethical-, aggressive coordination and contributor figures

“In the last four years civil self-defense associations have completed a total of 30 million hours of service.”
András Túrós (2015)³⁹¹

When we previously used expenditure data as the indicator of involvement, we were not able to ascertain the extent of non-monetarised transactions and coordinating mechanisms. Besides bureaucratic and market coordination, we were solely able to evaluate aggressive coordination and their transactions completed mostly for financial gain. If we use contributor/employment statistics, the before unquantified mechanisms may become accessible.

When ascertaining the extent of self-governing coordination mechanism that coordinates the internal security transactions of civil movements we calculate with the number of contributors at the Nationwide Civil Self-Defense Organization and the closely related Neighborhood Watch Association. The primary reason for this is the fact that in order to have the opportunity of control³⁹², the state’s regulators will favor these associations as the only presence of social self defense. According to the regulation, to citizens who are responsible for the safety of their environment and are willing to contribute to the maintenance of public security and order the Nationwide Civil Self-Defense Organization provides action opportunities (Act CLXV of 2011). We cannot state that there are no other civil groups besides the official civil self-defense organizations³⁹³ that are not considered violent organizations³⁹⁴ and at the same time provide worthwhile security activities. The municipal guards that are maintained periodically after crime offenses in order to ensure the safety of small villages and include a few male members of the community are typically such groups. At the same time, since these groups statistically don't exist due to a lack of

³⁹¹ The quote was said at a personal interview done with the chair of the Nationwide Civil Self-Defense Organization.
³⁹² The need for control is quite understandable to a certain extent.
³⁹³ In this case, we do not think about existence legitimated by the law. Therefore, in the text we use the phrase „group” instead of „organization”.
³⁹⁴ We independently deal with violent organizations below.
legitimacy, we can only suspect\textsuperscript{295} that they are only marginally present in some geographic areas. Therefore, they can not be the subject of our examination.

Table 14 shows the number of civil self-defense associations, members and completed hours of service. It is shown in the table that there was an approximately 10-20 percent decline in both the number of associations and members between 2009 and 2013 – in contrast to the former mentioned increase of state subsidies. Although in this period the number of completed hours is truly remarkable\textsuperscript{296}, the largest decline of 25 percent, can be pointed out from the Table.

\begin{table}
\begin{center}
\textbf{Table 14}
\textbf{The number of civil self-defense associations, members and completed hours of service (2009-2013)}
\begin{tabular}{|c|c|c|c|}
\hline
Years & The number of associations & The number of members & The number of completed hours of services (million hours) \\
\hline
2009 & 2114 & 89114 & n.a. \\
2010 & 2154 & 89760 & 9,000 \\
2011 & 2111 & 83784 & 8,363 \\
2012 & 2031 & 76916 & 8,243 \\
2013 & 1986 & 72590 & 6,838 \\
\hline
\end{tabular}
\end{center}
\textit{Remarks:} the table shows the number of civil self-defense associations, members and completed hours of service between 2009 and 2013. The 2013 number of members is the aggregation of members in the Nationwide Civil Self-Defense Organization (57432 people) and the Neighborhood Watch Association (15158 people). The source of data: Nationwide Civil Self-Defense Organization 2010 and 2014.
\end{table}

The number of contributors who are involved in the self-governing coordination mechanism is not equal to the number of members who are connected to civil self-defense associations. Basically, due to the fact that the number of members also includes the supportive tasks providing functional staff. Above, in case of all other coordination mechanisms we tried to filter this group out. Therefore, in this case we are not interested in the simple number of members either, but in the number of civil guards who are registered as professional guards and have a license. This is the set of members who are able to go out officially to the field and can be involved in the

\textsuperscript{295} At the same time, we cannot know for sure.
\textsuperscript{296} In the period between 2009 and 2013 more than a total of 30 million hours of service was completed by civil self-defense associations. Between 2011 and 2015 the number of hours of service was quite similar. This activity cost approximately 4 billion Forints for taxpayers (the value of the state subsidies). According to the personal interview of the author done with the chair of the Nationwide Civil Self-Defense Organization, this number is equivalent to the hours of service of 15 thousand police officers. If we accept this figure and calculate with the estimation that employing a police officer would cost an annual 5 million Forints of expenditure (taxes included) to the budget, than it is remarkable that the financing of this amount of hours of service in the case of state police would cost 75 billion Forints, while in the case of civil organizations only 4. In addition of course, it is still a question of how the different scope of activities allow such far fetched comparisons.
protection of internal security (as it was shown in subsection 2.2.3.). The number of licensed civil guards is shown in Diagram 22. In 2015 the total number of them was approximately 52000.\textsuperscript{297} On the basis of estimation 17000 guards of them were connected to law enforcement organizations\textsuperscript{298}, while 35000 of them were civilians without experience in law enforcement.

![Diagram 22: The certified number of civil guards (2013-2015)](image)

The certified number of civil guards should be complemented with the number of members connected to the Neighborhood Watch Association. Whereas 15158 people were members in the movement in 2013 (Nationwide Civil Self-Defense Organization, 2014)\textsuperscript{300}, the total number of contributors involved in self-governing coordination is 67158\textsuperscript{301} (Diagram 23). This value certainly needs to be treated with reservation. At the same time, in our opinion, it approximates well the number of contributors in case of the self-governing coordination mechanism. The relation

\textsuperscript{297} The source of this data: a personal interview with the chair of the Nationwide Civil Self-Defense Organization.

\textsuperscript{298} These contributors – in their working hours – are employees of the police, other law enforcement organizations and private security companies. As an example of the phenomenon, there are widespread personal connections between the various subsystems of the internal security system. In the thesis we primarily do not focus on personal connections. We are basically interested in connections between the existing subsystems and dominant mechanisms. We are going to deal with these issues in chapter 4.

\textsuperscript{299} The diagram shows the number of civil guards between 2013-2015 who have the mandate (and a certifying document) to be involved in internal security activities. The source of data: Nationwide Civil Self-Defense Organization (2014) and a personal interview with the chair of the Nationwide Civil Self-Defense Organization. The 2015 data is certainly an approximate value. At the same time, an exact figure is not publicly available at the preparation of this subsection.

\textsuperscript{300} Unfortunately, we do not have more up-to-date data. We also do not have information about the extent of the overlap between the number of members in the Nationwide Civil Self-Defense Organization and the Neighborhood Watch Association. According to the annual report of the former entity (Nationwide Civil Self-Defense Organization, 2014), we concluded that there are no duplications between the data published in the main text and we can simply add them up.

\textsuperscript{301} It is necessary to note that in case of the aggregation of the total number we used data from 2013 and 2015. In this regard the aggregated number is certainly fictitious but shows an accurate picture.
between these contributors is either co-ordinate or subordinate, the advocacy strategy is cooperation and the interdependence is asymmetrical. Internal security transactions are motivated by the common interest of members and the direction of transactions can be both horizontal and vertical.

![Diagram 23: The number of contributors involved in self-governing coordination (2013/2015)](image)

When we ascertain the extent of aggressive coordination mechanism we try to estimate the number of members of violent organizations. The number of contributors in case of paramilitary armies and organized criminal groups can also be estimated.

Nowadays, the paramilitary groups are partly driven out from the political space and left without political representation. Therefore, rather simplistically, all Hungarian extremist groups are examined. These groups and their most important characteristics are illustrated in Table 15. In the table those groups are outlined only that 1) have some institutionalized paramilitary organization according to them and 2) carried out/planned to carry out internal security transactions using these organizations. It is also necessary to have some information about them. The table

---

302 The diagram shows the number of contributors involved in self-governing coordination. In case of the number of members in the Neighborhood Watch Association we used data from 2013-, while in case of the number of civil guards we used data from 2015. In case of the former it is assumed that the published number has not decreased since 2013. Therefore, the aggregation of the two data is possible, in our opinion. The source of data: Nationwide Civil Self-Defense Organization (2014) and a personal interview with the chair of the Nationwide Civil Self-Defense Organization.

303 Some of the extremist groups analyzed in the dissertation are connected to political parties, while others are not. Therefore, the use of the phrase „political paramilitary groups” is too simplistic. Whereas organizations that 1) are motivated by political goals and 2) maintain paramilitary troops were previously called so, thus the phrase is still used by us in order to ensure coherence between the theoretical and the pragmatical part of the thesis.
contains the most important extremist groups we have listed in subsection 3.1.3. These hate groups and the information about them are monitored by the Athena Institute.

Table 15

<table>
<thead>
<tr>
<th>The name of the group</th>
<th>Year of foundation</th>
<th>Estimated number of participants</th>
<th>Risk classification</th>
<th>Ideology</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlaw Army</td>
<td>2008</td>
<td>60</td>
<td>5</td>
<td>racist extremism</td>
<td>active</td>
</tr>
<tr>
<td>Sixty-four Counties Youth Movement</td>
<td>2001</td>
<td>60</td>
<td>5</td>
<td>antisemitism</td>
<td>active</td>
</tr>
<tr>
<td>Carpathian Home Guardians Movement</td>
<td>2011</td>
<td>50</td>
<td>4</td>
<td>racist extremism</td>
<td>active</td>
</tr>
<tr>
<td>Hungarian Resurrection and Progress National Movement</td>
<td>2004</td>
<td>5</td>
<td>n.d.a.</td>
<td>neo-nazism</td>
<td>inactive</td>
</tr>
<tr>
<td>Hungarian Guard Movement</td>
<td>2007</td>
<td>700</td>
<td>4</td>
<td>racist extremism</td>
<td>inactive</td>
</tr>
<tr>
<td>Hungarian National Front</td>
<td>1989</td>
<td>30</td>
<td>4</td>
<td>neo-nazism</td>
<td>active</td>
</tr>
<tr>
<td>Hungarian National Guard</td>
<td>2010</td>
<td>100</td>
<td>4</td>
<td>racist extremism</td>
<td>active</td>
</tr>
<tr>
<td>Hungarian Arrows National Liberation Army</td>
<td>2007</td>
<td>17</td>
<td>6</td>
<td>antisemitism, racism</td>
<td>inactive</td>
</tr>
<tr>
<td>National Will Platform</td>
<td>2008</td>
<td>n.d.a.</td>
<td>3</td>
<td>racist extremism</td>
<td>inactive</td>
</tr>
<tr>
<td>NS Front</td>
<td>2009</td>
<td>n.d.a.</td>
<td>2</td>
<td>neo-nazism</td>
<td>inactive</td>
</tr>
<tr>
<td>Watcher Hungarian Guard</td>
<td>2008</td>
<td>40</td>
<td>4</td>
<td>racist extremism</td>
<td>inactive</td>
</tr>
<tr>
<td>Brighter Future Hungarian Self-defense</td>
<td>2010</td>
<td>150</td>
<td>4</td>
<td>racist extremism</td>
<td>active</td>
</tr>
<tr>
<td>New Hungarian Guard Movement</td>
<td>2009</td>
<td>200</td>
<td>4</td>
<td>racist extremism</td>
<td>active</td>
</tr>
<tr>
<td>Defense Army of National Liberation Front</td>
<td>2008</td>
<td>25</td>
<td>5</td>
<td>neo-nazism</td>
<td>inactive</td>
</tr>
</tbody>
</table>

Remarks: the table shows the most important characteristics of internal extremist paramilitary groups that have/had internal security activity. The source of data: Athena Institute.

The table shows that from the 14 Hungarian paramilitary extremist groups founded typically in the second half of the 2000s, 7 is considered to be still active. In connection with these groups, the number of members is between ten and a few hundred, while the risk classification is around 4 or 5. In the former case the verbal attack of the targets is typical with racist and antisemitic content, while unarmed physical abuses can occur in the latter. The suspected size of these groups is obviously a result of estimations. These extremist groups do not release any public information concerning their operation in order to protect their self-interests.

When we ascertained the total number of people connected to extremist groups, our calculation was based on the following guidelines. In case of our estimations we included those contributors who are engaged in active groups. The primary reason for this was the need to avoid duplication; we assumed that the membership of a

304 Meanwhile, the Hungarian National Front have been eliminated according to news reports.
305 For the classification of hate groups see Schafer-Navarro (2003).
306 In order to clarify the numbers we also asked some groups, but there were no responses.
group that become inactive, is likely to join an active troop again. For example, it is assumable that the members of the Hungarian Guard Movement at the termination of the group easily found a new home in the New Hungarian Guard Movement or in the Brighter Future Hungarian Self-defense. Focusing only on active membership, we wished to avoid taking the individual members repeatedly into account. The number of contributors in active and inactive extremist groups is shown in Diagram 24. From the diagram we can see that the total estimated number of active groups is about 650.

![Diagram 24: The number of members in active and inactive internal extremist paramilitary groups (2016)](image)

It is necessary to add two comments to the above number. 1) When we ascertained the number of members in extremist groups we took into account all active groups regardless of their importance. Among the active troops there are certainly some whose actual involvement in internal security, which exists beyond their commitment, is absolutely questionable. We equally took into account members of all groups that a) are considered as hate groups, b) are active and c) claimed that in order to protect internal security and provide actions, they maintain paramilitary units. The actual existence of their actions as well as their "seriousness" was not to be examined. 2) We would also like to note that the above released figure is not

---

307 We would have liked to avoid the trap of behaving too generously with a minority that has a very few members. Regardless of the partial presence, we did not consider it appropriate not filtering out the duplications.

308 The quasi-equality of the numbers at active and inactive groups supports our hypothesis that members of troops that become inactive often appear at other active extremist groups.

309 The diagram shows the total number of members in active and inactive internal extremist paramilitary groups in 2016. Source of data: the same as indicated in the remarks of Table 15.
necessary equal to the total number of active members in these troops. As a matter of fact, in case of violent organizations, there may also be functional staff providing „supportive tasks”. In this case we made no effort to filter out the functional numbers. In this regard, it is assumed that in a possible internal security transaction all members of the extremist groups may participate, which is a little far fetched. In our opinion this distortion – due to the relatively low numbers of paramilitary troops – does not cause substantial problems.

In order to ascertain the total number of contributors in violent organizations, the number of members in paramilitary troops should be complemented with the number of members in organized criminal groups that are involved in collecting protection money. Maybe it is needless to say that in this case, our figures are also based on estimations. Even the number of members in the most famous mafias is characterized by estimates that have an enormous margin of error. 310 In case of Hungary no one has ever tried to make such estimates earlier, as far as we can tell. We only know the fact that in 1998 127- and in 1999 76 organized criminal groups were active in Hungary (Kertész, 2001). 311 At the same time, we do not have any information about the number of members engaged in mafias (even from the end of the 90s). In order to estimate this data, it should be generated from the available data of Slovakia and Czech Republic. The fact that the numbers of active organized criminal groups in these two countries are similar to the number in Hungary allows us the above mentioned process. According to estimations from 2011 there were approximately 100 groups and 3000 members in the Czech Republic 312, and 50 groups and 700 members in Slovakia (Michaletos, 2011). Maybe we do not distort much if we calculate with similar numbers as we experienced in case of Czech Republic – based on the previously mentioned central role of Hungary in the European distribution and coordination of organized crime. With this process we certainly do not overestimate the number of members involved in the Hungarian organized crime activities. We are

310 Reportedly the Sicilian and American Cosa Nostrae have together approximately 3500 members. The Mexican mafia has 30000 members only in the United States. The Japanese Jakuza has 110000 members, while the Russian mafia has members between 100000-500000 (erdekesvilag.hu, 2013).
311 Unfortunately, we did not find any more recent, publicly available data regarding the number of the members that references police sources. In order to use the potentially available estimates for scientific purposes, we tried to make contact with the Coordination Centre against Organized Crime. However, our request remained unanswered. This was not the first law enforcement organization that failed to answer our query.
312 About a third of the existing 100 groups are integrated into the world of the international organized criminal groups (Michaletos, 2011).
sure that the majority of the 3000 people including staff of organized criminal groups are no longer in direct connection with collecting protection money. It is assumed that every third organization and every third member carries out this type of activities. Therefore, the number of members who are involved in collecting protection money is estimated to be about 1000 people. In order to achieve intellectual honesty, let us immediately add that our estimation should be treated with caution; from all estimated figures listed in the thesis, this is the one where the probability of error is the greatest.

As a conclusion of the above mentioned we can say that the extent of aggressive coordination mechanism, based on the total number of members engaged in paramilitary extremist- and organized criminal groups, is estimated to be about 1650 contributors (Diagram 25). Whereas we tried to be careful when calculating this estimate, the number of contributors may be an underestimated number. These contributors carry out internal security transactions along asymmetrical interdependence and subordinate relations. They are motivated by the physical force of the superior. The direction of the transactions is vertical, the advocacy strategy in all cases is the enforcement by physical force and the transactions are not necessarily monetarized.

With this statement we presume an equal distribution among the members. However, in reality the distribution is certainly not equal. There are bigger and smaller criminal groups, but we do not have any information about the distribution.

There are certainly other violent organizations that we do not examine in the thesis.

In case of mafias they are, while in case of paramilitary troops they are not.

The diagram shows the estimated number of contributors involved in aggressive coordination in 2016. The source of data: in case of the extremist groups is the same as indicated in the remarks of Table 14; in case of the organized criminal groups is own estimation.
Similar to what we have seen in case of expenditures, we are equally not able to ascertain the extent of the ethical coordination mechanism that is based on the number of contributor, since we do not know the number of protective supporters who prevent crimes from altruistic belief and thus provide internal security activities in the absence of any statistics. At the same time, the inability of measurement in the present should not mean the lack of ambition in the future. Due to the fact that the ethical coordination regulates and coordinates only non-monetarised transactions, the use of expenditure data as the indicator of involvement is certainly not feasible. However, we can have optimistic ideas regarding the use of the contributor data.

When a supporter intervenes during a crime and helps to prevent it, two conflicting alternatives can take place in respect of the registration. 1) It is possible that the authorities won’t be notified about the prevention of the crime (neither by the victim, nor by the supporter). There could be numerous reasons for this. For example it may occur that a) the fear from the crime perpetrator prevents them from doing it; b) although the crime could have been prevented, the crime perpetrator escaped; c) the administrative burden of accusation outweighs the possible restoration of the damage of property; or even d) they do not trust the investigative work of the authority. Whatever is the reason for the lack of notification, it follows that there is no opportunity for statistically following-up these prevented crimes and the realized internal security transactions. The undeclared transactions obviously won’t be registered and therefore the quasi-objective measurement of them equally can not be achieved. Moreover, in this case we are also not able to make accurate estimations. These transactions remain invisible to us. 2) It is also possible that the authorities will be informed about the prevention of the crime and thus about the internal security transaction of the supporter. In this case – regardless of the fact whether the perpetrator was apprehended/identified or was capable of leaving the scene of the crime – an investigation process starts to detect the crime and implement punitive measures. Simultaneously with the start of the investigation process, the crime is registered in the Unified System of Criminal Statistics of Investigative Authorities and Public Prosecution.\(^{317}\)

\(^{317}\) The Unified System of Criminal Statistics of Investigative Authorities and Public Prosecution hereinafter – with its abbreviation – is referred to as USCIAPP. In order to measure involvement, we deal with the use of some data category of the USCIAPP in subsection 3.3.
The registration in the USCIAPP gives us a theoretical opportunity to equally register the fact that a crime was prevented by the intervention of a protective supporter (it could have been registered that an internal security transaction was realized). After reviewing the data categories associated with the USCIAPP\textsuperscript{318}, it is clear that this still not happened.

The statistics that mainly focus on the circumstances of the crime (method, device, location, subject), the attribute of the procedure (investigating authorities, initiator of the process, procedural decision), the general characteristics of the perpetrator (gender, nationality, education, family status, recidivist status) and the general characteristics of the victim (gender, nationality, profession) does not contain data categories from which we can draw conclusions to internal security transactions done by protective supporters. However, similarly to the data content of code 10 in the 7th code dictionary of the USCIAPP (the initiator of the criminal proceedings\textsuperscript{319}), people/authorities that contribute to the prevention of a crime – as protective supporters – should be registered. This will certainly need an additional code dictionary. During the implementation of this, it would be clear that in case of a prevented crime 1) who was involved in the intervention (the victim, other individuals, official bodies, etc.) and 2) what happened with the perpetrator during the intervention (identified, arrested, escaped, etc.). Although the above mentioned data would not directly help the investigative and prosecutorial activities\textsuperscript{320}, these data in criminal context would be undoubtedly useful. Therefore, the statistical registration of them would be welcomed.\textsuperscript{321} Internal security transactions done by protective supporters would become – at least partly – measurable through the recording of these information. As a conclusion of this, we can receive an approximation about transactions that can be characterized by asymmetrical and co-ordinate relations that are motivated by altruistic belief and are mostly non-permanent and not institutionalized.

\textsuperscript{318} The USCIAPP is not publicly available. At the same time – due to a public information request – the code dictionary of the statistics is available on the internet (kimittud.atlatszo.hu, 2013). If we review this code dictionary we can get a full picture about the registered code categories of the statistics. The statistics include a total of 35 code dictionaries. In either case, the author fails to understand that the aggregated data of the statistics that was previously available why can not be publicly accessible for everyone who is interested in them.

\textsuperscript{319} The person/authority who/that detects the crime is registered as the initiator of the proceedings.

\textsuperscript{320} As a conclusion of this, it is understandable that these data categories are missing from the statistics that focuses on investigative and prosecutorial activities.

\textsuperscript{321} Especially in light of the fact that – as far as we know – in Hungary there are no other publicly available crime statistics.
3.3. The indicator of involvement: the statistical analysis of criminal acts

"The quality of law enforcement can be judged through actual cases. The numbers really say nothing. If a cartel is caught somewhere in the countryside, that is a sensational performance, regardless of the trends in the county law enforcement statistics."

Statement of an interviewee

Previously we referred to the official crime statistics (USCIAPP) when we examined the measuring opportunities of internal security transactions provided by protective supporters. Furthermore, we also stated that it does not contain the suitable data categories in this regard. At the same time, it is worth dealing with the question of whether this type of statistics in other respects can be used for ascertaining the extent of involvement or not.

The USCIAPP is a statistical register in which statistical data of crimes, categorized by offence, perpetrators and victims are recorded by the investigating and prosecutorial authorities (12/2011. Regulation of Ministry of Interior). In this respect it is only suitable for measuring the involvement of state and the extent of the bureaucratic coordination mechanism in theory. Therefore, it is not suitable for measuring the size of internal security transactions provided by private security companies, social movements, violent organizations and protective supporters, thus the extent of market-, self-governing-, aggressive- and ethical coordination mechanisms. The number of registered crimes that are most important from an internal security point of view are shown in Table 16.

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of acquisitory crimes</th>
<th>Number of crimes connected to homicides</th>
<th>Number of thefts</th>
<th>Number of robberies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>n.d.a.</td>
<td>14550</td>
<td>170127</td>
<td>3128</td>
<td>408409</td>
</tr>
<tr>
<td>2009</td>
<td>219179</td>
<td>14233</td>
<td>162945</td>
<td>3159</td>
<td>394034</td>
</tr>
<tr>
<td>2010</td>
<td>246825</td>
<td>15992</td>
<td>185161</td>
<td>3396</td>
<td>447186</td>
</tr>
<tr>
<td>2011</td>
<td>237814</td>
<td>15553</td>
<td>182073</td>
<td>3203</td>
<td>451371</td>
</tr>
<tr>
<td>2012</td>
<td>246474</td>
<td>15404</td>
<td>184896</td>
<td>3036</td>
<td>472236</td>
</tr>
<tr>
<td>2013</td>
<td>224454</td>
<td>14523</td>
<td>167657</td>
<td>2298</td>
<td>377829</td>
</tr>
</tbody>
</table>

Remarks: the table contains the number of registered criminal acts by the type of the act between 2008 and 2013. We would like to draw attention to the fact that the aggregation of the amounts of listed crimes is not equal to the total number of criminal offences due to the fact that: 1) the table does not contain all types of crime and 2) there may be overlaps between the listed types. The source of data: Prosecutor General’s Office (2014).
The table shows that in the recent period a significant decrease can be observed in the total number of registered crimes. In this regard, we would like to make two comments. First, there are regulatory and methodological elements behind the decrease of these figures. \footnote{The statement does not refute the increased efficiency of investigative work communicated by the state management of the internal security sector.} 1) Changes in the respective value of the Act on Misdemeanor Offense, Misdemeanor Procedure and Misdemeanor Registration Systems (Act II. of 2012) as well as 2) changes in the new Criminal Code of Hungary\footnote{In case of the appropriation of multiple documents, crime should be handled as a single criminal act from 2013 onwards.} that treat multiple thefts of official documents as one offence (Act C. of 2012) are equally good examples of this. Both of these changes have significantly reduced the number of crimes that are visible in the official statistics, however, nothing changed in reality. The need for the government to decrease the number of registrated crimes is shown in the law-making process. On the other hand, it appears in the expectations of the police. The consequence of this indicator fetishism is constant manipulation. Whereas leadership demands low levels of crime and police work is evaluated – among other things – on the basis of this statistics, they do everything in order to manipulate it. In 2010 a prosecutorial investigation examined the legality and professionalism of police data service. The investigation claimed that data manipulation is a serious threat to the credibility of the statistics (Nol.hu).\footnote{You can find techniques for forging the statistics at Nol.hu. We primarily do not deal with these techniques and therefore we omit the detailed description of them.} According to some of my interviewees, this urge is so strong that it may also occur in some cases that the police tries to persuade the victims not to report crimes officially\footnote{We were obviously unable to empirically examine the true nature of the statement.} and therefore keep the number of registered crimes as low as possible. Therefore we can conclude that the picture we can see in the USCIAPP is absolutely not objective and has to taken with a grain of salt.

In connection with Table 16 we have a more important comment. We would like to state that the total number of registered crime in itself is not suitable for ascertaining the extent of involvement in internal security even if we free ourselves from manipulations and imagine the utopia of distortion-free statistics. From the fact that in a society what is the total number of registered crimes – in connection with the
evaluation of state involvement – not much follows.\textsuperscript{326} We cannot draw conclusions from the level of crime in evaluating state involvement. Therefore, we focus less on the absolute numbers. Hereinafter, we are going to examine the detection rates that are inferred from this statistics. The number of detected and undetected crimes are shown in Table 17.

\begin{table}[h]
\centering
\caption{The number and rate of detected and undetected criminal acts (2008-2013)}
\begin{tabular}{|c|cccc|}
\hline
\textbf{Years} & \textbf{Number of registered crimes} & \textbf{Number of crimes when the perpetrator is unknown} & \textbf{“Unknown perpetrators/registered crimes” rate (percentage)} & \textbf{Number of detected crimes} \\
\hline
2008 & 408409 & 178285 & 43,7 & 230124 \\
2009 & 394034 & 182602 & 46,3 & 211432 \\
2010 & 447186 & 221194 & 49,5 & 225992 \\
2011 & 451371 & 245080 & 54,3 & 206291 \\
2012 & 472236 & 274143 & 58,1 & 198093 \\
2013 & 377829 & 177877 & 47,1 & 199952 \\
\hline
\end{tabular}
\begin{flushleft}
\textbf{Remarks:} The table shows the number and rate of detected and undetected crimes between 2008 and 2013. The perpetrator is unknown when in case of a crime a) it is not committed by the suspect in a verifiable manner, b) it is not proven that the crime is committed by the suspect, c) there is no way to determine the identity of the perpetrator. The source of data needed for calculations: Prosecutor General's Office (2014).
\end{flushleft}
\end{table}

Based on detection rates, we are already able to draw conclusions about the state’s internal security capacities. Although the USCIAPP mainly measures the level of crime, it also provides information about the police and prosecutorial capacities indirectly.\textsuperscript{327} The table shows that almost regardless of the total number of registered crimes, the annual rate of undetected crime is around 50 percent (the six year average is 49,8 percent). Comparing the appropriate data from 2008, 2009 and 2013, we can state that a reduction in the number of registered crimes can not be associated with a decrease in the rate of undetected crimes (Diagram 26).

\textsuperscript{326} The above mentioned statement needs to be modified, from the number of registered crimes we can deduce the effectiveness of official crime prevention activities naturally. At the same time, we recommend the use of other indicators, whereas it is equally influenced by other aspects and these are not easily separable.

\textsuperscript{327} As it was indicated in subsection 2.2.1, the detection is the responsibility of the police and public prosecution. Whereas significant part of the investigative action is within the authority of the police, from now on we attribute capacity limitations to the police rather simplistically.
Diagram 26: The number of registered- and the rate of undetected crimes (2008-2013)\textsuperscript{328}

This fact displays us a serious capacity limit. The topic of limited police capacity also arose during one of our personal interviews. Both the data and information illustrated in the table and received during our personal interviews reinforce the assumption that the number of those crimes that are detected a year by the police is somewhere between 200 and 250 thousand. In this case, it can certainly be stated that in recent years state law enforcement agencies were able to detect approximately 200-250 thousand crimes a year independently of the current structure of the organization system, the volatility of financing and the evolution of the total number of crimes (Diagram 27). We suggest that the capacity limit should be looking for somewhere in this interval.

Diagram 27: The number of detected crimes and the presumed capacity limit (2008-2013)\textsuperscript{329}

\textsuperscript{328} The diagram shows the number of registered crimes and the rate of undetected crimes in 2008, 2009 and 2013. Undetected crimes are expressed in percentage. The source of data is the same as indicated in the remarks of Table 17.
We do not intend to exactly ascertain the capacity limit.\textsuperscript{330} In order to achieve this goal, additional examinations would be obviously necessary. However, we would like to draw the attention to the fact that somewhere near the 200-250 thousand detected crimes there is a well perceptible capacity limit. This means, that the police in general is able to deliver such annual capacity in respect to detection work. In our dissertation we also do not want to examine the reason of this. We solely would like to point out that a significant part of the internal security transactions of the state\textsuperscript{331} can be well estimated through this capacity limit (using the available crime statistics). The value of the capacity limit can be considered the extent of government involvement in the internal security system.

The examination of police capacities seems less clearly defined as the analyses based on expenditure and the number of contributors.\textsuperscript{332} Moreover, due to the fact that crime statistics contains one field of state contribution, the investigative, only a part of internal security can be examined with this method. At the same time, the exact measurement of capacity limitation shows a more accurate picture about the involvement of state supposing there is no more manipulation of crime statistics.

At the same time, the main cause of our low attention and crude treatment of crime statistics are not the above mentioned statements. This is solely due to the fact that the USCIAPP is only applicable to the measurement of state involvement considering the limits stated above. Therefore, results based on crime statistics are not comparable to other mechanisms that equally play an important role in ensuring the internal security of our society. In our thesis we would like to argue for the existence of other mechanisms that are also present in the internal security sector besides state and bureaucratic coordination. Since the thesis deals with the whole internal security system – and not with one single subsystem – the information-content provided by crime statistics is not sufficient for answering the research questions that are formulated in subsection 1.5.

\textsuperscript{329} The diagram shows the number of detected crimes and the presumed capacity limit between 2008 and 2013. The source of data is the same as indicated in the remarks of Table 17.
\textsuperscript{330} Unlike some of our interviewees, we do not wish to mark the size of the capacity limit with an exact number.
\textsuperscript{331} If internal security transactions are considered as guarding and protection activities of the society.
\textsuperscript{332} Although the statement is also true in general, in our case the reason for this may be the issue that capacity limitation in the dissertation was treated more superficially.
4. The internal security system

“Researchers who think in terms of the system paradigm are concerned with the system as a whole, and with the relations between the whole and its parts.”

János Kornai (1999): A rendszerparadigma

One of the most important characteristics of the system paradigm is that thinking in this paradigm leads to the recognition of relations between the individual subsystems of the whole system.333 We have seen above that the internal security system consists of five major subsystems. The subsystems can be named based on the actors providing security, the guardians (that were reviewed in subsection 2.2.). In this respect we can talk about internal security subsystems maintained by 1) the state, 2) private security companies, 3) social movements, 4) violent organizations, and 5) protective supporters. There is a dominant coordination mechanism for each subsystem that – as we could see in Table 2 – regulates and coordinates the ongoing internal security transactions. These transactions occur between the guardians and the guarded (who were reviewed in subsection 2.3.). In case of the state the bureaucratic-, in case of private security companies the market-, in case of social movements the self-governing-, in case of violent organizations the aggressive-, while in case of protective supporters the ethical coordination is the mechanism that mainly influences the evolution of the transactions. As we noted in subsection 2.4., internal security transactions can be characterized by the subject of the guarding activity as well. The subsystems, the relations among them and the dominant coordination mechanisms are shown in Diagram 28.

There may be relations between the different subsystems of the internal security system.334 The central subsystem is the state subsystem which has a connection with the private security-, the violent organization-, and the social movement subsystems. The relation between the state and the private security subsystems – according to

---

333 Therefore, „the system paradigm cannot be confined within any traditional partial discipline, (such as economics, sociology or political science). It has to be seen as a school of comprehensive, general social science.” (Kornai, 1999, p. 590).

334 When we define relations, it is important to note that relations mean connections between the subsystems and not connections between the people contributing in the various subsystems. We talk about a relation between two subsystems if there are internal security transactions that are influenced by both subsystems and their dominant coordination mechanisms. Examples of relations are shared in the main text. At the same time, we do not consider it a relation when there are people who are daytime police officers but at nights work as security guards in private night clubs.
footnote 7 – can be illustrated with the „general phenomenon”. The point of this is the following. If someone spends half an hour in a corridor of a private security company’s office, will probably meet somebody who is called General based on his police past. The reason of this is that the emerging private security companies filled their positions with former police officers\textsuperscript{335} in response to the new security challenges in the 90s, and in the last twenty years the “revolving door” continuously worked between these two subsystems.\textsuperscript{336} In our opinion the phenomenon is more than a simple transfer of labor; it has lead to a clear relation between these two subsystems. An excellent example of this is that the guarding activity of private security companies that take part in ensuring the security of state events is coordinated by both market and bureaucratic coordinations. Internal security activities are carried out along contractual arrangements but the selection of a security provider is done on the basis of the position in a broader hierarchy and social capital.

Diagram 28: The internal security system: subsystems, relations and coordination mechanisms

We may suspect that there are also relations between the state and the violent organizational subsystems. Even during the preparation of this thesis, there are

\textsuperscript{335} Typically besides employees, the owners also had police past and connections.

\textsuperscript{336} The key persons of the sector sometimes hold positions in the public management of the state police (or the supervising ministry) and sometimes in the leadership of the private security companies.
several prosecutions against former leaders of the Budapest Police Headquarters and the National Investigation Bureau. According to these prosecutions, there is a suspicion that these leaders cooperated with organized crime of the Hungarian entertainment sector in order to receive „salary supplements”. According to press reports, it is still unclear whether in response to police blackmailing or corruption but the club’s owner paid millions to the police to avoid investigations, made them carry out raids at his competitors and deliver incriminating information to him. If this suspicion is confirmed, we may believe that the violent organizational activity was assisted and supported by some part of the state subsystem.

Relations can also be identified between the state and the social movement subsystems. On the one hand, the state regulates to what extent social movements can contribute to ensuring internal security. The demand for the integration to the Nationwide Civil Self-Defense Organization and the obligation of concluding a cooperation agreement with the local police show that we are heading in this direction. Moreover, the state provides financial support, which is required to maintain the activity and information for selected organizations. Regulation and financial support practically mean that nowadays civil associations can not avoid state control and potential instructions.

In theory, we can also recognize relations between private security companies and violent organizations. We have previously mentioned that the boundary between private security companies and violent organizations can be easily blurred. It means that protection enforced with threats may manifest in contractual relations. Therefore, in these cases internal security transactions may appear „white” and seem to be regulated by market coordination for outside observers. However, they are regulated by aggressive coordination. It may also be the case that certain internal security transactions are carried out in the common „field” of the state, the private security companies and the violent organizations.

The subsystem of the protective supporters is separated from other subsystems. The reason for this is that although contributors of all other subsystems may occur as protective supporters, internal security transactions are in every case motivated by altruism and they can not be associated with other dominant mechanisms.
Based on what we discussed above, the internal security system can be properly analysed along the logical model of coordination mechanisms. [Ascertainments published in this subsection up to this point answer the 1. and 2. research questions of subsection 1.5. These research questions apply to the examination of the internal security system, the actor’s involvement in the system and the regularities concerning the activities of the actors. Based on the above mentioned statements, we can also state that H1 and H2 are confirmed.]

According to the above mentioned thoughts, more coordination mechanisms are involved in the internal security system. The assumption of ordinary people namely, that internal security solely comes from the guarding activity of the state subsystem is certainly not correct. The internal security of our society is collectively ensured by the actors we discussed and the coordination mechanisms regulating their activities. In this case, it would be useful to know to what extent is security – that is constantly evolving as a result of forces exerted by all types of coordination – provided by the single mechanisms?

In order to ascertain the extent of the various coordination mechanisms and the involvement of the various actors, expenditure statistics can be used from the available economic-statistical toolbox. We have the opportunity to use the expenditure data as the indicator of involvement when internal security transactions are monetarised (transactions can be associated with cash flows and revenue/expenditure data of transactions are quantifiable). This way the extent of bureaucratic, market and aggressive coordination and the involvement of state, private security companies and violent organizations are ascertainable due to the registered statistical data available and our estimations based on those. Examples to the former can be internal security government expenditures, and to the latter the revenues of private security companies and the collected protection money of violent organizations. The extent of these three mechanisms is shown in Diagram 29. At the same time, the extent of ethical and self-governing coordination can not be examined through expenditure data.
The extent of coordination mechanisms based on expenditures (2014/2015)


The diagram shows that society spends most financial resources in order to maintain the state law enforcement subsystem. Surprisingly Hungarians hardly spend less on security services that are provided by private companies. Furthermore, the protection bought from violent organizations is also significant. The above mentioned things are particularly surprising in the light of the fact that internal security government expenditures are surely over-, while the expenditures of private security services and protection money is presumably underestimated as we previously mentioned. Therefore, the difference may be smaller in reality than presented in the diagram.

[Ascertainment published in this subsection up to this point answers the 3.a. research question of subsection 1.5. This research question applies to the usage opportunity of the expenditure data as the indicator of involvement. Based on the above mentioned statements, we can also state that H3a is confirmed.]

In order to measure the presence of active actors and coordination mechanisms in the internal security sector, the application of employment/contributor statistics give us alternative opportunities. Whereas in this case we would like to ascertain the number of contributors in the various coordination mechanisms, the examination of non-monetarised transactions is also feasible. It is not necessary to be able to connect cash flows to the transactions and have revenue/expenditure data. At the same time, in this case less accurate data are available. As we have seen above, there are substantive contradictions between the statistically recorded numbers (if they exist)

---

The diagram shows the extent of coordination mechanisms based on expenditures in 2014/2015. In case of bureaucratic coordination data from 2014, while in case of market and aggressive coordinations data from 2015 are illustrated in the diagram. The source of data is the same as previously indicated in the main text.
and reality. In the thesis, we have tried to resolve these contradictions with the use of estimations. We tried to ascertain the number of contributors based on the official statistics and convert these values closer to reality with estimations. The number of contributors associated with the bureaucratic, the market, the self-governing and the aggressive coordination is shown in Diagram 29. In the absence of the required data, we did not undertake the quantification of the extent of ethical coordination; not even through estimations. However, the lack of these data does not mean that the ascertainment of the extent of ethical coordination would not be possible in case of systematic data collection.

![The extent of coordination mechanisms based on the number of contributors (2015/2016)](image)

Diagram 30: The extent of coordination mechanisms based on the number of contributors (2015/2016)³³⁸

The diagram shows that the self-governing and the market coordination seems to be the most significant based on the number of contributors. A greater number of contributors is involved in these two coordination mechanisms than in the state subsystem that is also clearly considerable and privileged in many ways. Furthermore, the calculation of state numbers was absolutely generous as we have seen above. Therefore, the difference between the figures shown in the diagram and the actual numbers may be much greater. Violent organizations (or at least their most important and carefully scrutinized groups) are partial in respect of the number of contributors. [Ascertainments published in this subsection up to this point answer us the

³³⁸ The diagram shows the extent of coordination mechanisms in 2015/2016 based on the number of contributors. In case of bureaucratic and self-governing coordination data from 2015, while in case of market and aggressive coordination data from 2016 are illustrated in the diagram. The source of data is the same as previously indicated in the main text.
3.b. research question of subsection 1.5. This research question applies to the usage opportunity of the number of contributors data as the indicator of involvement. On the basis of the above mentioned statements we can also state that the H3b. is confirmed.

Besides the examination of expenditure and employment/contributor statistics, the statistical analysis of crime also creates an opportunity to ascertain the extent of government involvement in the internal security sector. The levels of crime and capacity limits allow us to ascertain the annual maximum number of internal security transactions that are carried out by the state subsystem. When using crime statistics and calculating capacity limits we may come to know the maximum extent of state involvement. At the same time, crime statistics are not suitable tools for examining other subsystems. Since they are also unsuitable for comparative analysis, the use of this sort of statistics does not help us in formulating judgements regarding the whole internal security system. In addition, data published in the USCIAPP need to be treated with strong reservations due to the manipulation of the statistics. [Ascertainment published in this subsection up to this point answer the 3.c. research question of subsection 1.5. This research question applies to the usage opportunity of the USCIAPP system in order to measure state involvement. Based on the above mentioned statements we can also state that H3c. is confirmed.]

The use of certain elements of the economic-statistical toolbox allows us to ascertain involvement in the internal security sector. The extent of coordination mechanisms can be quasi-measured through data and estimations on expenditure and employment/contributor statistics. The exact extent of coordination mechanisms can not be ascertained but with the use of the approximate values we can deduce the role and importance of the internal security subsystems and induce further research questions.339 The extents – that were ascertained above – may represent a starting point to these. At the same time, there are statistical tools, such as the internal security government expenditure index (percentage of GDP) that is used in practice, but in our opinion, it is unsuitable for the measurement of state involvement due to the limitations published in the thesis.340 Although expenditure and employment/contributor statistics are suitable for approximations, they should be complemented with further estimations and can be distorted. In the thesis we have tried to draw attention to the most important ones. In addition, we tried to highlight

339 Some of these questions have already been „flashed” in subsection 1.5.
340 Or more permissive, it is only suitable when the limitations are completely realized.
that our ascertainments should be in all cases treated with reservation due to these distortions. [Ascertainments published in this subsection up to this point answer the 3. and 4. research questions of subsection 1.5. These research questions apply to the measurement opportunity of involvement and the extent of involvement of the various actors.]

For intellectual honesty what has been said above should be complemented with the following idea. The different internal security tasks carried out by the various subsystems can not be matched entirely with each other. The guarding and protection activities in many cases are similar, but in some cases show significant differences. On the one hand, public place control can be a good example of this. This type of activity is provided equally by the state, the private security companies, the social movements and the violent organizations. For a business owner – based on simple rationality – it is all the same whether the burglary of the store is avoided because of the street patrolling activity of 1) a police officer, 2) a civil guard, 3) a professional private guard or 4) the mafia. On the other hand, the prosecutorial activity (solely done by the state subsystem) can be a good example for dissimilarity. Whereas internal security of the society is formed by all activities of the subsystems (equally including the certain specific activities), in case of the measurement, the specific activities should not be filtered out from the „portfolios” of the single subsystems. The specific tasks equally belong to the internal security transactions of the subsystems and therefore they need to be measured and taken into account if possible.

Our research also proves that although the extent of involvement can be measured by quantitative indicators, the comparison on the level of the subsystems is limited and based on resource usage only. Some guarding activities are relevant in all subsystems, in case of these activities there is also opportunity to draw comparisons besides the quantitative measurement. However, other activities are only relevant in some subsystems and in case of that, only quantitative measurement has legitimacy. In case of these, there is no possibility to draw comparisons. [Based on the above mentioned statements, we can state that H4. is disproven.]

The extent of the various coordination mechanisms depends on the fact which indicator is used for the quantification. According to examinations based on

---

341 In terms of expenditures, it actually matters whether the intactness of the store is ensured by the police/self-defense organizations or in the absence of this the owner 1) needs to take private security services or 2) has to pay for the protection to the mafia.
expenditure and employment/contributor statistics, it can be claimed easily that the state and the private security subsystems equally have a significant part in ensuring internal security. In addition, the presence of social movements and violent organizations can not be neglected, either. In order to have a complete picture, some knowledge about the role of protective supporters would also be necessary. The further clarification of the now identified mechanisms and measured extents, the examination of the state capacity limit, the use of further indicators in the measuring process and the ascertainment of the various mechanisms along other criterias are also research tasks of the future.

5. The normative analysis of the coordination mechanisms in internal security

“(A) historical writing can not lack values entirely.”
Isaiah Berlin (1990 [1969]): Négy esszé a szabadságról

The foregoing analysis was a positive one.342 We have tried to objectively describe a social and economic phenomenon without the subjective interpretation of the author. In this context we have examined: 1) what kind of subsystems are included in the internal security system; 2) what are the most important actors in the single subsystems and 3) what kind of coordination mechanisms influence dominantly the internal security transactions carried out in the subsystems. Furthermore, we have tried to examine the fact that in what extent are the economical and criminal statistics suitable for the measurement of involvement.

In the final chapter of the thesis our normative thoughts will be presented concerning the internal security system. Therefore, in this part we strive less for impartiality, but for making value judgements and personal remarks. Making judgements in all cases is a „value-related” activity that can not be abstracted from the values of the author. The author’s credo regarding order and liberty was stated in subsection 1.1.343

Although we must refrain from repetition and detailed explanation, we would like to briefly summarize the above mentioned thoughts. We do not question the primacy344 of the state in internal security transactions but in case of internal security we also believe in freedom of choice. It means that we are committed to the legitimacy of alternative subsystems and coordination mechanisms besides the state and

342 A few ideas of subsection 1.1. are exceptions to this statement.
343 In addition, we mentioned why we consider it inevitable to publish normative ideas in a dissertation as well.
344 Even if this primacy was not necessarily verified by all of our indicators.
bureaucratic coordination. In case of security, we give individual liberty a priority and we think that the choice itself has an intrinsic value for the members of society. At the same time, we do not consider all mechanisms equal. We accept that each subsystem is somehow able to maintain order, but we have well-defined priorities about what kind of mechanisms should be dominant in the maintenance of internal security. In addition, we have no illusions, in globalized market economies all the above described mechanisms exist; only the extents are in question. Therefore – based on normative and logical statements – we wish to reason below for the above mentioned credo. At the same time, we wish to clarify that regarding the internal security system and the extent of the single subsystems which are the phenomena that are considered positive and negative by us.

Our normative thoughts are fundamentally based on reading experience. Hereinafter, we do not intend to offer a broad overview about the theories of liberty, we solely would like to focus on a few thoughts in connection with order, liberty and choice. Below we deal with liberty in a pragmatic manner; we examine this topic in the context of internal security. Primarily we would like to focus on how much freedom individuals have when they choose a protection provider. In this respect our examination belongs to the scope of political liberty. Sharing normative ideas and exceeding the neutrality of description we consider a basic task that can not be separated from social science research programs.

The examination of the relation and trade-off between liberty and order seems to be timeless and has long been on the agenda of philosophy, economics, sociology, and political science. We believe that – due to their inherent nature – the two concepts can not be fully reconciled. As a result of being mutually exclusive, both concepts can not be fully achieved at the same time. The irreconcilability is reflected in the

---

345 Our reading experience is basically writings about liberty, order and rule. The most important authors are István Bibó, Isaiah Berlin, James Buchanan and János Kornai. Detailed references – when they are necessary – are presented in the main text.

346 On the one hand, the thesis does not focus primarily on this. Furthermore, it would be unworthy to publish these theories in a few pages long final normative chapter. In order to review the theories of liberty see Bibó (1986).

347 „The hottest places in hell are reserved for those who in a period of moral crisis maintain their neutrality.” We also identify ourselves with the quotation that is originally attributed to Dante and repeatedly cited by John F. Kennedy and Martin Luther King. The source of this quotation can be found on quoteinvestigator.com.

348 Regardless of the irreconcilability status, we obviously need to strive for balancing. The approach, according to which negative liberty and positive social aims – like order – are mutually exclusive processes, is incorrect (Berlin, 1990).
difference between the interpretation of positive and negative liberty.\textsuperscript{349} We can speak about positive liberty, when social groups and individuals have as much power as it is necessary to enforce their will (Kornai, 1988). They are able to make decisions that affect them, alone. In fact, they are their own masters and their behaviour includes the possibility of positive emergence of their actions. They are free to do something. On the other hand, we can speak about negative liberty when social groups and individuals are free from intervention and foreign law does not affect their activities. They are free from something (Berlin, 1990; Bibó 1968).\textsuperscript{350} The positive liberty of individuals increases when the number of tools that support individuals to achieve their goals grow, while the increase of negative liberty can be detected when the right of the decisions is transferred from the state to the individuals and the bureaucratic barriers are abolished (Kornai, 1988). The fact that other alternative mechanisms (may) also ensure the protection of individuals besides the state is a very clear example of the expanding positive liberty in the internal security sector. In addition, the decline in paternalism in the period that followed the change of regime is an example of the increasing negative liberty.

In connection with positive and negative liberty concept, there is a well-known contradiction. The essence of this is the following. No one can be deprived of liberty, but at the same time no one can enjoy liberty exorbitantly and violating the liberty of others. Each individual is required to have a minimum space of liberty\textsuperscript{351}, but in order to protect the negative liberty of others this liberty of individuals is required to be limited (Berlin, 1990). Therefore, constraint is essential. All members of the society have to sacrifice some of their liberty in order to ultimately be able to enjoy the remaining part of it.

Ensuring the negative liberty required minimum space is a state task. The legitimacy of this task is even recognized by thinkers who solely believe in the night-watchman state and the minimizing of the state’s social involvement. This legitimacy provides special and significant role of the state subsystem in the whole internal security system. According to Hegel, police seems to be odious in the eyes of citizens because they realize the fact that in order to ensure their internal security they have to

\textsuperscript{349} In fact, the interpretation of positive and negative liberty was already touched upon by Kant (Bibó, 1986). Independently of this, in the dissertation we apply concepts that were used by Berlin and Bibó.

\textsuperscript{350} The intervention in other’s action is coercion, the ability to coerce is power (Bibó, 1986).

\textsuperscript{351} In the absence of this, we can talk about tyranny (Berlin, 1990).
give excessive authorization to the organization. It means that the police is partly
liberated from the rule of law. At the same time, it also means that citizens are
subjugated to the arbitrariness of the police and the omnipotent power (Hegel, 1983).
State involvement beyond the protection of negative liberty generates more
controversy. The essence of this debate is well presented in the difference between
perceptions of liberty of individualism and paternalism. People are considered
perfectly good and free by individualists, while only to some extent good and free by
paternalists. As a consequence of this, individualists consider state as an obstacle of
the incarnation of goodness and liberty, while paternalists consider it as a promoter
of these (cf. Berlin, 1990). Between the two extremes there is a path that we can take
and that leads to a compromise.\footnote{We are doing this on the basis of declared values, rather than convenience.}
We admit the importance of state in areas even
beyond the negative liberty, but we are also bewaring of supporting excessive
paternalism. The paradox that is seemingly obvious is one that we cannot resolve
either: on the one hand we consider the state as the primary entity that ensures
internal security but at the same time we are concerned about the state’s security
ensuring activity that constrains liberty.

In order to ensure the individual’s positive and negative liberty, constraints are
required. Self-limitations based on individual recognition and enforcements based
on state intervention are also required. Freedom of wolves represents the death of
sheep (Berlin, 1990). Negative social control mechanisms\footnote{Negative social control mechanisms mean coercive acts carried out by individuals and
communities (Finszter, 2010).} operated by the modern
state have the ability to implement the necessary constraints. The state, as the
legitimated user of physical force (Weber, 1989), has a special role in applying
coercion. Although the authorization of the compulsory use of coercion is motivated
by public interest, it inevitably generates questions. In footnote 4 we mentioned that
public interest quite simply does not exist according to the „impossibility theorem”
of Arrow (Arrow, 1951). To prove this idea we can also cite the „public choice
theory” of Buchanan and Tullock. It was proven in this theory that political actors are
self-interested and seek to maximize their own utility (Buchanan – Tullock, 1962).
Therefore, it is necessary to take into account that people who apply coercion have
their own interests and objectives. Coercion is present not only at the level of
organizations but also at the level of the managing individuals who are in control of
the power.\textsuperscript{354} People can be forced to do something typically invoking higher values. However, as we have seen above in case of the „impossibility theorem” and the „public choice theory” higher values, like public interest, are missing. Therefore, we agree with Berlin that if values are created by human actions then ultimately there is no higher value than the individual itself. In consequence of this, if the liberty of certain individuals occurs at the expense of the repression of others, the social order is immoral and unjust (Berlin, 1990). Liberty that is free from the intervention of the state is equally important.

We should be wary of both the uncontrolled market economy that only has a semblance of liberty and actually is exploitive, and the excessive state intervention that controls everything. In case of the different social sectors and the internal security sector as well. The political system can be described by the relation of autonomy and control; where autonomy is uncontrolled, anarchy develops, where control is unleashed dictatorships are born. Democratic systems are able to control these extremes (Finszter, 2012).

In our opinion we need an internal security system that ensures the opportunity of actions needed for positive freedom of individuals and does not restrict them to exert their rights. In addition, it guarantees the appropriate level of negative freedom as well. We need a system that does not want to influence the individuals in a paternalistic way, protect the people from the state itself, but at the same time equally protect them from one another. In this ideal system internal security transactions are carried out along the synthesis of the maintenance of internal order and the fulfilment of individual interests.\textsuperscript{355} The struggle for the balance is ultimately the key issue. For example, in order to protect itself, every state employs intelligence agents (less euphemistically spies). The question is not about the need for them but about what they report. If they collect information we are able to prevent terrorist acts with, no one questions their importance. At the same time, if they collect information required to maintain the political leadership that is considered unacceptable to us. The communist takeover also began with the detection of conspiracies. A smaller part of these was a real conspiracy, but the majority was the pretext of acquisition of power.

\textsuperscript{354} The non-existence of public interest and the self-interest of politics was highlighted to me by János Kornai during a personal talk with the following quotation: „Max Weber was a naive utopist”.

\textsuperscript{355} The maintenance of social order is equally in the interest of people in power. The adherence to the status quo – to a certain extent – is in the interest of most individuals and social groups (we would call this public interest if we believed in the existence of this concept).
The refusal of paternalism does not necessarily mean the denial of strengthening the involvement of state. In case of internal security greater state involvement is a well perceptible demand of citizens, which politicians fundamentally seek to meet. The greater role of state in the internal security sector can also be justified by economic rationality. More financial sources spent on the street patrolling activity of the police can be motivated by the recognition that applying a security guard in every commercial unit is a dreadful lavishment. By strengthening the state law enforcement infrastructure, the majority of these guards can be replaced. At the same time, the state subsystem can not be the only exclusive guardian. The internal security system should include other subsystems that are independent from the state, at least partially. In order to ensure their freedom, individuals should be given opportunities to take other mechanisms for the protection of life and property. They should be given freedom to organize their own protection, while the state must seek to limit coercion and violence as much as possible. There is a need for the administrative restriction of the operation of violent organizations and most importantly the prevention of the legitimacy of such groups.

In respect of the above mentioned thoughts, the following question naturally arises. How can the internal security system presented in the dissertation be evaluated and to what extent does this system ensure the balance between autonomy and control?

After the change of regime, the internal security monopoly of the state has been eliminated (except for certain activities) and the state forced back appreciably. New actors and mechanisms have appeared. Today, some of these mechanisms approach in respect of expenditures, and exceed in respect of the number of contributors the extent of bureaucratic coordination. If someone is not satisfied with how the state guarantees their security, there are a wide range of private security services available. This change significantly increased the freedom of individuals. The increase in the degree of freedom and the risks associated with it has naturally extracted social self-protection initiatives and the presence of various aggressor organizations in internal security. We should welcome the former that is based on individual freedom while pursuing the latter that is based on exclusionary and illegal behavior. At the same

We do not examine whether this phenomenon is motivated by political calculations or the desire to fulfil the citizens’ needs. Be tolerant: maybe both elements are relevant.
time, the demand for state control should also be – on an appropriate level – accepted.

The internal security system – and particularly the state subsystem – is able to provide positive liberty. We may agree with the fact that the internal security system can provide the security and freedom of individuals in general. To be able to decide whether this statement is true or not, we suggest answering the following simple questions. Are we brave enough to 1) sleep soundly at night or wake up several times to check whether our assets are undisturbed, 2) go for a walk after dark in the outskirts of big cities, 3) allow our children to go out alone with their friends at night, 4) leave our cars on the streets at night and 5) take out a mobile phone on public transport? We admit answering yes to the above questions. In addition, we think that other Hungarians may give the same answers. On the other hand, in respect to negative liberty the situation is not so clear. In this case there is a debate about public perception and the evaluation of state paternalism. The powerful centralization that took place in the recent years almost in all social spheres of the society and the repeatedly appearing supervisory needs of the state also had a noticeable impact on internal security. It is clear that we are also witnessing a strengthening of state involvement in this area. Based on the author’s opinion, at this time we do not have to be afraid too much, but we have to be vigilant.

\[357\text{ In order to understand that it is not a triviality, it would be worth asking these questions from the population of some Western European or American cities. I suspect that we would receive surprising results.}\]
Bibliography

1. 12/2011 (III. 30.) Regulation of Ministry of Interior,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100012.BM (Downloaded: 13/05/16)]
2. 68/2012. (XII.14.) Regulation of Ministry of Interior,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200068.BM (Downloaded: 05/05/16)]
   [http://24.hu/fn/penzugy/2014/06/27/durva-visszaelesek-az-orzo-vedo-cegeknel/ (Downloaded: 12/04/16)]
4. 1000ev.hu: László Király és Kálmán Király Dekrétomainak könyvei (The Legal Codes of King László and Kálmán),
   [http://www.1000ev.hu/index.php?a=2&k=1&f=314&param=314#tv314; http://www.1000ev.hu/index.php?a=2&k=1&f=404&s=0 (Downloaded: 11/05/16)]
5. Act XIX. of 1998 on Criminal Procedure,
   [http://net.jogtar.hu/jr/gen/getdoc2.cgi?docid=99800019.TV (Downloaded: 25/09/15)]
6. Act LXIII. of 1999 on Public Safety Surveillance,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0400034.TV (Downloaded: 12/10/15)]
7. Act XXXIV. of 2004 on Support of Small and Medium-sized Enterprises,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0400034.TV (Downloaded: 12/04/16)]
8. Act CXXXIII of 2005 on Regulation of Private Security and Private Detective Activity,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A12000112.TV (Downloaded: 02/05/16)]
9. Act CXXVII. of 2007 on Value Added Tax,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0500133.TV (Downloaded: 12/10/15)]
10. Act CXII. of 2011 on Informational Self-determination and Freedom of Information,
    [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100012.BM (Downloaded: 13/05/16)]
11. Act CXX of 2012 on Activity of People Who Provide Law Enforcement Services,
    [http://www.complex.hu/kzldat/t1200120.htm/t1200120.htm#kagy1 (Downloaded: 28/09/15)]
14. Aristotle (1975 [i.e. 384 – i.e. 322.]): Eudémoszi Etika (Eudemian Ethics), Gondolat, Budapest
15. Aristotle (1994 [i.e. 384 – i.e. 322.]): Politika (Politics), Gondolat, Budapest
22. Athena Institute: Gyűlöletcsoport térkép (The Map of Hate Groups), [http://athenaintezet.hu/terkep/ (Downloaded: 09/05/16)]
23. Augustine (2005 [354 – 430]): Isten városáról (The City of God), Kairosz, Budapest
27. BBC (2006): Make people happier, says Cameron [http://news.bbc.co.uk/2/hi/uk_news/politics/5003314.stm (Downloaded: 10/02/16)]
34. BM (2014): A Belügyminisztérium Szervezeti és Működési Szabályzata (Organizational and Operational Rules of the Ministry of Interior), [http://www.kormany.hu/download/5/b7/10000/WM%20SZMSZ%2020140905.pdf (Downloaded: 02/05/16)]
35. Boccaccio G. (1963 [1348-1353]): Dekameron (The Decameron), Európa Könyvkiadó, Budapest
37. Boros Zs. (2010): A francia szélsőjobb két világháború között (The French Extreme Right Between the Two World Wars), Rubicon, 2010/1, p. 54-63
40. Busch B. et al. (2006): Büntetőjog – Általános rész (Criminal Law – In General), HVG-Orac, Budapest
42. Campanella T. (1959 [1602]): A napváros (The City of the Sun), Gondolat, Budapest
44. Christián L. (2014): A magánbiztonság elméleti alapjai (Theoretical foundations of private security), Nemzeti Közsolgálati Egyetem, Budapest
   [http://www.coess.eu/_Uploads/dbsAttachedFiles/Private_Security_Services_in_Europe-CoESS_Facts_and_Figures_2011%281%29.pdf (Downloaded: 05/06/15)]
47. Constitution of Hungary,
   [http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV (Downloaded: 08/10/15)]
51. Csinkil L. (2013): Az újraelosztáshoz horgonyzott államházartartási hiány (Fiscal Deficit Anchored to Redistribution), Közgazdasági Szemle, LX/November, p. 1234-1258
54. Darwin C. (1973 [1859]): A fajok eredete: természetes kiválasztás útján, vagy a létért való küzdelemben előnyhöz jutott fajták fennmaradása (On the Origin of Species by Means of Natural Selection, or the Preservation of Favoured Races in the Struggle for Life), Magyar Helikon, Budapest
55. EBRD: Forecasts, macrodata, transition indicators
   [http://www.ebrd.com/what-we-do/economic-research-and-data/data/forecasts-macro-data-transition-indicators.html (Downloaded: 12/01/16)]
57. ENSZ (1948): Az Emberi Jogok Egyetemes Nyilatkozata (Universal Declaration of Human Rights),
59. Erdekesvilag.hu (2013): A világ tíz legnagyobb maffiája (The Ten Biggest Mafia In The World),
   [http://www.erdekesvilag.hu/a-vilag-10-legnagyobb-maffija/ (Downloaded: 10/05/16)]
60. European Commission (2001): European Code of Police Ethics,
   [http://polis.osce.org/library/1f/2687500/CoE-FRA-RPT-2687-EN-500 (Downloaded: 23/09/15)]


67. FAO (2013): FAO Statistical Yearbook, Food and Agriculture Organization of the United Nations, Rome


69. Felméry Z. (2015 a.): Középpontban a biztonság. A prepolitikai állapottól a politikai társadalomig (Security in Focus. From Pre-political State to Political Society), Nemzet és Biztonság, 2015/6, p. 136-142


183
75. Finszter G. (2010): A rendészet és a rendészeti igazgatás elmélete (Theory of Law Enforcement and Law Enforcement Administration), Rendőrtiszt Főiskola, Budapest
76. Finszter G. (2012): A rendészet és a rendészeti igazgatás elmélete (Theory of Law Enforcement and Law Enforcement Administration), Manuscript
83. Gembapantarei.com: Taiichi Ohno’s Three Lessons for the New Toyota President, [http://gembapantarei.com/2009/02/taiichi_ohnos_three_lessons_for_the_new_toyota_pre.html (Downloaded: 05/04/16)]
84. Greenwald G. (2014): A Snowden-ügy (No Place to Hide), HVG Kiadó, Budapest
86. Györgffy Dóra (2006): Globális kihívások és nemzetgazdasági alkalmazkodás (Global Challenges and National Economic Adjustment), Közgazdasági Szemle, LIII/June, p. 540-559
89. Hegel G. W. F. (1983): A jogfilozófia alapvonalai (Elements of the Philosophy of Right), Akadémia Kiadó, Budapest
113. Kimittud.atlatszo.hu (2013): ENyÚBS kódszótárak (Codes in Criminal Statistics), [http://kimittud.atlatszo.hu/request/enyubs-kodszotarak (Downloaded: 12/05/16)]


123. KSH a.: A bruttó hazai termék értéke és volumenindexei (Value and Volume Indices of the Gross Domestic Product), [https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qpt001.html (Downloaded: 10/01/16)]

124. KSH b.: A fogyasztóiár-index (The Consumer Price Index), [https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qsf001.html (Downloaded: 10/01/16)]

125. KSH c.: A vendéglátóhelyek száma (The Number of Catering Establishments), [https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_oga013.html (Downloaded: 28/04/16)]

126. KSH d.: A kereskedelmi szálláshelyek kapacitása (The Capacity of Commercial Accommodation), [https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_oga001.html (Downloaded: 28/04/16)]

127. KSH e.: A kiskereskedelmi üzletek számának alakulása (The Number of Retail Stores), [https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_okk012.html (Downloaded: 28/04/16)]

128. KSH f.: A vendéglátóhelyek eladási forgalma (Sales Turnover of Catering Establishments), [https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_oga008.html (Downloaded: 28/04/16)]

129. KSH g.: A kereskedelmi szálláshelyek bruttó árbevételei szállástípusonként (Gross Revenue of Commercial Accommodation by the Type of Accommodation), [http://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_oga007a.html?back=/stadat_ksz (Downloaded: 28/04/16)]

130. KSH h.: A kiskereskedelmi üzletek forgalma üzlettípusonként (The Turnover of Retail Stores by the Type of Business), [https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_okfa002a.html (Downloaded: 28/04/16)]

131. KSH i.: A regisztrált gazdasági szervezetek száma gazdálkodási forma szerint (Number of Registered Economic Organizations by Economic Form), [https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qvd010b.html (Downloaded: 2016.04.28.)]
132. KSH (2013): TEÁOR struktúra (TEÁOR Structure), [https://www.ksh.hu/docs/osztalyozasok/teaor/teaor_struktura_2013_11_04.pdf (Downloaded: 08/04/16)]

133. KSH (2014 a.): A kormányzati szektor bevételei és kiadásai, 2014. III. negyedév (Revenues and Expenditures of the Government Sector, III. Quarter of 2014), [https://www.ksh.hu/docs/hun/xftp/gyor/krm21409.pdf (Downloaded:: 2016.01.11)]

134. KSH (2014 b.): A kis- és középvállalkozások jellemzői (Characteristics of small and medium-sized enterprises), [https://www.ksh.hu/docs/hun/xftp/idoszaki/regiok/gyorkkv12.pdf (Downloaded: 29/04/16)]


136. KSZF (2015): Közszolgálati Személyzetfejlesztési Főigazgatóság Szervezeti és Működési Szabályzata (Organizational and Operational Rules of Directorate General for Personnel Development of Public Service), [http://rvki.hu/images/magunkrol/szmsz%20kszf%2020150330.pdf (Downloaded: 02/05/16)]


142. Lasz Gy. (2010 b.): Gondolatok a közterületi biztonság, a tömegrendezvények biztosítása, és a magánbiztonsági szolgálatok kapcsán (Thoughts on Public Security, Mass Events, and Private Security Services), Hadmérnök, 2010/2, p. 95-100

143. Lengyel Gy. (2007): A magyar gazdasági elit társadalmi összetétele a huszadik század végén (The Social Composition of the Hungarian Economic Elite at the End of the Twentieth Century), Akadémiai Kiadó, Budapest

144. Locke J. (1999 [1688]): Második értekezés a polgári kormányzatról (Two Treatises of Government), Polis Könyvkiadó, Kolozsvár


146. Luther M. (1962 [1520]: An den Christlichen Adel deutscher Nation (The Christian Nobility of the German Nation), Reclam Verlag

147. Machiavelli N. (1991 [1512]): A fejedelem (The Prince), Kossuth Könyvkiadó, Budapest

151. Márai S. (1946): A nővér (The Nurse), Révai, Budapest, p. 133
156. Mill S. (1867): A képviseleti kormány (Considerations on Representative Government), Emich Gusztáv, Pest
157. Montesquieu (1962 [1748]): A törvények szelleméről (The Spirit of the Laws), Akadémiai Kiadó, Budapest
163. Műszaki könyvtár: Az ügyészség története (The History of Public Prosecution), [http://www.mklu.hu/cgi-bin/index.pl?text=4 (Downloaded: 24/09/15)]
164. MKÜ (2012): 12/2012. (VI.8.) LÜ utasítás az ügyészség szervezetéről és működéséről (Decree of the Prosecutor General's Office on the Organisation and Operation of Public Prosecution), [http://mklu.hu/repository/mkudok3112.pdf (Downloaded: 02/05/16)]
165. Montesquieu (1748): A törvények szelleméről (The Spirit of the Laws), Akadémiai Kiadó, Budapest
167. National Geographic: Robin Hood legendája (The Legend of Robin Hood), [http://www.ng.hu/Civilizacio/2010/04/Robin_Hood_legenda (Downloaded: 09/05/15)]
170. Németh (2011 a.): Weimar arcai I. Ezer sebből vérző köztársaság (Weimar faces I. The Republic’s blood oozes from thousand wound), Rubicon, 2011/5, p. 4-13
172. National Company Database: Interaktív Grafikon (Interactive Chart) [http://www.nemzeticegtar.hu/interaktiv-grafikon (Downloaded: 07/04/16)]
178. NOK (2015): Nemzetközi Oktatási Központ Szervezeti és Működési Szabályzata (Organizational and Operational Rule of Ministry of Interior International Training Center, [http://www.nokitc.hu/nok/pdf/szmsz.pdf (Downloaded: 02/05/16)]
179. Nol.hu: Rutinszerűen hamisítja a statisztikát a rendőrség (Police Routinely Counterfeits the Statistics), [http://nol.hu/belfold/20110310-az_ugyeszseg_megelegelte_a_hamisitast-1006231 (Downloaded: 13/05/16)]
181. OECD (2011): Your Better Life Index, [http://www.oecd.org/social/yourbetterlifeindex.htm (Downloaded: 14/03/16)]
183. OECD online: Taxing Wages, Country Note for Hungary, [http://www.oecd.org/hungary/taxingwages-hungary.htm?utm_source=mandiner&utm_medium=link&utm_campaign=mandiner_201410 (Downloaded: 03/03/15)]
Opsz.hu (2013): Itt a SZEM 2.0. A polgárorség felfrissíti és újraindítja azt, amiben igazán jó (Here is SZEM 2.0. The Nationwide Civil Self-defense Organization Refreshes and Restarts the Program in Which the Organization is Really Good), [http://www.opsz.hu/szem/itt-a-szem-20-a-polgarorszag-felfrissiti-es-ujrainditsza-azt-amiben-igazan-jo (Downloaded: 25/11/15)]

Origo (2012): Mi ez a szám, amelytől annyit görcsölünk? (What is the number from which we are so confused?), [http://www.origo.hu/gazdasag/gazdasag-plusz/20120821-hogyan-szamitjak-a-gdpt-hogy-merik-a-feketegazdasagot.html (Downloaded: 09/02/16)]


Parádi J. (2010 a.): A polgári magyar állam rendőrsége 1867-1918 (The Police of the Bourgeois Hungarian State 1867-1918), Rubicon 2010/3, p. 4-13


Plato (1994 [i.e. 427 – i.e. 347]): Az Állam (The Republic), Gondolat, Budapest

Plato (2008 [i.e. 427 – i.e. 347]): Törvények (Laws), Atlantisz, Budapest


Profession.hu: „Vagyonőr” kulcsszavas keresés („Security Guard” keyword search), [https://www.profession.hu/allasok/1,0,0,vagyon%25C5%2591r%25251r%252541%252541 (Downloaded: 05/05/16.])


Quoteinvestigator.com: The Hottest Places in Hell are Reserved for Those Who in a Period of Moral Crisis Maintain Their Neutrality, [http://quoteinvestigator.com/2015/01/14/hottest/ (Downloaded: 17/05/16)]

Rejtő J. (2015 [1938]): A fehér folt (The White Spot), Csengőkert Kiadó, Budapest


205. Rousseau J.-J. (1947 [1762]): Társadalmi szerződés (The Social Contract, or Principles of Political Right), Phőnix-Oravetz, Budapest


207. Sántha K. (2006): Létezik-e hipotézis a kvalitatív kutatásban? (Is there a hypothesis in qualitative research?), Új Pedagógiai Szemle, 57/1, p. 3-11


212. Sonline.hu (2015): Újra Siófokon az enyingi romák, erősítést kért a polgármester (The Romas of Enying Are Once Again in Siofok, the Mayor Called for Reinforcement), [http://www.sonline.hu/somogy/kek-hirek-bulvar/ujra-siofokon-az-enyingi-romak-erositest-ker-a-polgarmester-599479 (Downloaded: 22/12/15)]

213. Statista: Statistics and facts about smartphones, [http://www.statista.com/topics/840/smartphones/ (Downloaded: 10/02/16)]


216. Szakmai kamara.hu: Sikeresen vizsgáztak (They have been successfully tested), [http://szakmaiakamara.hu/files/images/Orszagos/Kabinet/sikeresen_vizsgaztak_2016-01-25.pdf (Downloaded: 05/05/16)]


218. Századvég Gazdaságkutató (2012): Az új magyar adósságszabály értékelése (Evaluation of the New Hungarian Debt Regulation), [http://szazadveg.hu/ld/x5i0n3i039u3j0m6q8t1s4_SzazadvegEco_Muhelytanulmany_2012_Il_adossagszabalypdf (Downloaded: 12/01/16)]


222. Szentes T. (2013): Tények, adatok és mutatószámok felhasználásának anomálái (Anomalies of the use of facts, data and indicators), Köz-Gazdaság, VIII/1, p. 7-17


227. Taz (2010): Anderes Wachstum gesucht (Further growth is sought, [http://www.taz.de/1/archiv/?dig=2010/02/11/a0113 (Downloaded: 10/02/16)]


230. Thestar.com: Conservative government to study privatization of some police services, [http://www.thestar.com/news/canada/2014/11/19/conservative_government_to_study_privatization_of_some_police_services.html (Downloaded: 05/06/15)]


238. Úrmösi K. (2013): A biztonság, a biztonság fogalma (Security, the Concept of Security), Hadtudományi Szemle, 6/4, p. 147-154


242. WEF (2015): These countries spend the most on health, [https://agenda.weforum.org/2015/08/these-countries-spend-the-most-on-health/ (Downloaded: 11/01/16. )]

243. WHO (2009): Health expenditure, [http://www.who.int/whosis/whostat/EN_WHS09_Table7.pdf (Downloaded: 12/01/16)]

244. Wikipedia a.: Tengeri kígyó (Sea-serpent) , [http://hu.wikipedia.org/wiki/Tengeri_k%C3%ADgy%C3%B3 (Downloaded: 09/05/15)]

245. Wikipedia b.: Csendőrség (Gendarmerie), [https://hu.wikipedia.org/wiki/Csend%C5%91rs%C3%A9g (Downloaded: 23/09/15)]

246. Wikipedia c.: Schutzstaffel (Schutzstaffel), [https://hu.wikipedia.org/wiki/Schutzstaffel (Downloaded: 09/11/15)]

247. Wikipedia d.: Magyar Gárda (Hungarian Guard), [https://hu.wikipedia.org/wiki/Magyar_G%C3%A1rda (Downloaded: 16/11/15)]

248. Wikipedia e.: Lies, damned lies, statistics, [https://en.wikipedia.org/wiki/Lies,_damned_lies,_and_statistics (Downloaded: 10/03/16)]

249. Wikipedia f.: Gross Domestic Product, [https://en.wikipedia.org/wiki/Gross_domestic_product#Definition (Downloaded: 09/02/16)]

250. Wikipedia g.: Terorelhárítási Központ (Counterterrorism Center), [https://hu.wikipedia.org/wiki/Terorelh%C3%A1r%C3%B3t%C3%A9si_K%C3%B6zpont (Downloaded: 02/05/16)]

251. Wikiquotes: Galileo Galilei, [https://en.wikiquotes.org/wiki/Galileo_Galilei (Downloaded: 05/04/16)]


253. World Bank (2013): Health expenditure (% of GDP), [http://data.worldbank.org/indicator/SH.XPD.PUBL.ZS (Downloaded: 04/01/16)]

254. Zlinszky J. (1996): Állam és jog az ősi Rómában (State and Law in Ancient Rome), Akadémiai Kiadó, Budapest


Other publications of the author


