

Things to look forward to in autumn

As the political scene moves on from a largely lethargic summer to a more active autumn, the political agenda will be dominated by issues linked to next year's election campaign. Some issues have a direct bearing on the election, such as the struggle of MSZP and E14 to come up with a workable model of uniting the left-wing opposition against Fidesz. Other, seemingly unrelated issues, such as the wage hikes for some segments of public employees and the government's decision to help the several hundred thousand citizens struggling with foreign currency denominated home loans, will of course also substantially affect the election.

This being the final winter before the 2014 elections, there is clearly some legitimate anticipation of excitement. At the forefront of everyone's attention right now is – or it seems was – of course the battle for the honour to lead the left in the election next spring. And the word choice – i.e. honour – is not in the least incidental, for at the moment there seems to be little in this position apart from honour. While much of the left is distraught by the cockfight between former PM Gordon Bajnai and MSZP chair Attila Mesterházy, the right-wing media is only angling for good seats to better enjoy the show.

Tearing themselves apart?

Yet for all the catcalls directed at the protagonists, this fight is not exclusively about clashing personal ambitions (those naturally play a role as well), but also about strategic choices. Both players, and especially their respective supporters in politics and media, must make difficult assessments as to the viability of a potential Bajnai or Mesterházy candidacy, as well as the future of their respective movements under four different scenarios: electoral success or failure under Bajnai or Mesterházy.

The point is that even the seemingly most important question, namely the unlikely electoral victory, is complicated by the consideration of how either E14, a new and fragile movement with virtually no social embeddedness, or MSZP, an old, well-organised but also widely rejected (especially among youth) party, would fare – or even survive – in a government led by the leader of the other party. This is undoubtedly a tough question.

A difficult compromise

While it certainly does not result in good press, the internecine fight need not necessarily wreck any chances the left might have. To be sure, the current impasse and the minimalistic agreement that the two parties have managed to dole out does not look very promising in

terms of offering a stark alternative to Viktor Orbán as the Hungarian leader. Pursuant to the agreement, MSZP and E14 will run separately and neither will officially designate a candidate for the premiership. To avoid losing votes, they will not run candidates in single member districts against one another. MSZP will have the right to field 75 candidates without E14 opposition, and the latter party will have a monopoly on the remaining 31 constituencies. The post-election PM candidate will be whichever party's list receives more votes, i.e. almost certainly Attila Mesterházy.

Running separately could resolve the dilemma of keeping anti-MSZP opposition votes in the fold, but it raises plenty of other problems, such as: Will MSZP voters vote for E14 candidates and vice versa? Will potential voters be mobilised without a clear personal alternative to Orbán? Will E14 definitely pass the threshold necessary to enter Parliament? Still, there are plenty of scenarios that could put the left back into play. For one, the current agreement is not set in stone. As things develop, the parties may decide that another arrangement is more suitable. Moreover, in light of voter preferences it is also conceivable that two separate lists might indeed net more votes than a united list that would seek to compel those culturally disinclined to support MSZP or Bajnai to nevertheless vote for it.

Don't forget the host

Even as the battle on the left may draw much of the media attention, the real game in town continues to be Fidesz' successful efforts at consolidating and potentially even expanding its lead. This is costing taxpayers and businesses already a lot, but look for the price tag to increase as the government is preparing to lavish more generous presents on the hopeful electorate. After years of disappointed promises, teachers and physicians are getting substantial raises, and with some luck for the governing party the optimism generated by the higher pay check may carry over into early next year. This follows on the heels of utility bills decreased by government fiat, the effects of which are going to be most pronounced during the winter, when heating costs tend to upset the fiscal stability of average and poor households (even as wealthy families, with larger homes to heat, benefit a lot more in practice, as is usually the case with Fidesz' upwardly redistributive policies).

Fidesz has worked very hard to get rid of the EU's excessive deficit procedure, and this is arguably its greatest policy success thus far. The real payoff could be the possibility of election spending, however. If early next year the government decided to amend the 2014 budget with some – or a lot, as the case may be – unplanned gifts from Fidesz, then it still would not have to face a renewal of the procedure in time for the election in April. It might of course elicit some derision from the opposition and Brussels, but neither would be off-putting to voters. Even though they distrust politicians in general – Fidesz' leaders largely not excepted – Hungarian voters are hardly immune to the charms of electoral presents.

Pay up

Fidesz' fiscal policies have depended to a significant degree on taking money from mostly foreign-owned large corporations – before, after and while blaming them for many of the ills Hungarian society has experienced – or forcing them to give to customers directly (i.e. decreased utility bills), with a note from the government. Collecting money through corporations this way had the added benefit of affecting citizens' pocketbooks only indirectly, either by raising the prices or decreasing the quality of services. Moreover, it appears thus far that Fidesz has chosen its targets wisely: few of those affected have chosen to suspend their services and leave Hungary (though since the price of withdrawal is high, the more relevant measure would be how many decided not to invest in Hungary in the first place, which we won't know).

Now another major coup is in process, once again afflicting the sector that has been tapped most often, namely banking. Despite some meagre efforts, one major class of voters that has suffered financially from Fidesz' policies, primarily by keeping the forint's value low, are those with foreign currency denominated mortgages. For three years, Fidesz has not given the hundreds of thousands suffering from vastly increased monthly instalments any genuine help apart from aggressive rhetoric. Now, with the election looming, Fidesz finally appears intent on addressing the woes of this group. The banks are hoping to pre-empt a debilitating blow by obsequiously presenting their own plan for helping those in the debt trap (and about time, too!), which the government may magnanimously accept.

Big money and foreigners

Or not. Fidesz has the banks not only money to thank for, but also owes some of its popularity to incessant anti-big corporation rhetoric, which resonates well with a public that feels exploited by foreign business. Viktor Orbán's choices are notoriously difficult to predict, but he might well feel that he would benefit from dictating terms to the banks rather than accepting their offer, which many ordinary citizens probably regard as a damage-minimising ploy in any case.

Either way, if Fidesz feels the slightest doubt about its re-election prospects, foreigners are in for a massive bashing. Fidesz often oscillates between a polarising rhetoric and the role of a national unifier with enough grandeur to be generous and forgiving to all – maybe even foreigners –, but when in doubt it always reverts to the former. For the moment, it has little reason to doubt, but Viktor Orbán has seen his political fortunes take an unexpected dive often enough – to wit, in the elections of 1994, 2002 and 2006 – to be wary of any notion of certainty. And unless he feels safe, his opponents, real and perceived, are in for a rough ride.