



HUNGARIAN POLITICS IN-DEPTH

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TOP 5 NEWS OF THE LAST TWO WEEKS

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Analysis: Already before official launch, Fidesz' campaign was in full swing

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TOP 5 NEWS OF THE LAST TWO WEEKS

I. SCANDAL OVER MSZP POLITICIAN'S LAVISH FOREIGN BANK ACCOUNT

On February 1 the leading pro-Fidesz daily, Magyar Nemzet reported ominously about an unnamed Socialist politician with a huge foreign bank account containing untaxed income. The next day the person was revealed to be Gábor Simon, the party's bland vice chair, who was uncomfortably also the senior party leader present at the time since Attila Mesterházy was travelling in the US. Simon may have been the quintessential second line player despite his high positions within the party, but overnight he became a celebrity, albeit a notorious one. The problem with the roughly 1 million USD worth of money was that Simon had not mentioned it in his asset declaration and he did not have a ready explanation for its origins. Though MSZP quickly disavowed Simon and forced him to resign all his positions, this is nevertheless very embarrassing for a party that is still struggling with the widespread perception that it is the most corrupt, despite having been out of power for 4 years and Fidesz generating plenty of scandals, too. What gives the scandal a further edge is that Simon's account was with a bank that had provided services for the 18th district in Budapest, where the politician was a local strongman. Already at the time, the local Fidesz organisation had alleged that these services were overpriced and suspected corruption, filing criminal charges. If Simon's funds are somehow proven to stem from misdeeds tied to the local party organisation, not to mention the national organisation, then it won't matter that the offence is a couple of years old, it would seriously undermine MSZP's chance at rehabilitating itself at the polls.

2. PAKS SIGNED AND SEALED, DELIVERY PENDING

Despite ongoing street demonstrations, Parliament has ratified the government's deal with the Russian energy giant Rosatom on the expansion of Hungary's nuclear reactor in Paks, with the votes of Fidesz and also supported by most Jobbik MPs. Even though LMP's



representatives protested up to the very last second - even using a siren - the majority held firm. The government potentially sought to avoid intense protests by keeping the vote secret up to the very last moment, and LMP's co-chair Bernadett Szél noted that its MPs had had to organise for the protest at the very last minute. In any case, though their action was obviously futile in thwarting the majority will, it did give the vote some more publicity than it otherwise might have received. President Áder signed the law noting that no constitutional grounds for a suspending veto were given. The president's office also noted that since an international treaty was underlying the law, a referendum on the issue was not possible. E14-PM wants the voters to decide on the question and has urged Áder to get behind the idea. Though the President rejects the idea of a referendum, it is supported by at least one prominent Fidesz politician, the State Secretary for Environment, Zoltán Illés, who has been a longstanding opponent of nuclear energy.

3. ALL MAJOR PARTIES' LISTS READY FOR THE ELECTION

All of the major parliamentary forces, that is Fidesz, Jobbik and the Alliance of MSZP, E14-PM and DK, have finalised their lists for the election in April, and there were minor surprises at best. Jobbik's list displays great continuity - especially considering the previous inexperience of its politicians - as 26 of the top 27 are already MPs. Assuming Jobbik has a similar result to its 2010 return, virtually all of its MPs should be experienced parliamentarians. All the leading figures have safe seats; only three recognisable faces in Jobbik have chosen not to run for parliament, but neither withdrawal was greeted with surprise. Fidesz' list is also primarily geared towards returning many of the major names into a Parliament that's been cut in half in terms of size. Though some of Fidesz' senior politicians will no longer be in Parliament (many in Fidesz' current outsize parliamentary faction have been promised other jobs to compensate for the reduction in the assembly's size), what is most striking about Fidesz' list is once again the glaring absence of women. After having fielded a mere 6 female candidates out of 106 persons running for single district seats, there is only a single woman in the top 30 on Fidesz' list (even the not exactly woman-friendly Jobbik has 4). As a ratio of all MPs, Hungary has the lowest number of women in the EU, and in fact among all developed countries save Japan. Whatever else it may bring, another huge



Fidesz victory would not exactly be a step forward for womankind. Despite allegations by Fidesz and Jobbik that its team is the same as it was previously, the joint list of the left-wing parties contains by far the most new names: 10 of the 25 on the list would be new or returning to Parliament. Especially MSZP's list is full of new names, while many former major figures are retiring from Parliament, led by former party chairs Ildikó Lendvai and László Kovács, both of whom were leading Socialists for years. They are joined by several MPs who represented MSZP over multiple terms, including some veterans who won key seats before 2010, such as the former mayors of Miskolc and Szombathely. With some other veterans going to Brussels, this clearly marks a changing of the guard; the numerous new names on the list are an expression of Attila Mesterházy's current dominance in the party.

4. EMERGING MARKETS A DRAG ON FIDESZ

Even as the opposition has yet to launch an attack on Fidesz that could lead to a significant voter realignment, a potentially painful broadside has come from a wholly unexpected corner: Turkey's tumbling lira is dragging down other emerging markets, and pressure has been increasing on the forint, which is experiencing lows last seen when the spectre of default was pending two years ago (this time a default does not appear to be looming). Unlike the Turkish central bank, which has not yet surrendered to PM Erdogan's Fidesz-like assaults, the Hungarian National Bank will not change its policy of lower interest rates, its president, György Matolcsy, stated. If speculative pressures persist, the former finance minister and headstrong architect of Orbán's "unorthodox" economic policies may not be the most fortunate personnel selection to control interest rates. Fidesz' popularity is robust enough to withstand some drop in the forint, but another panic just before the elections might give many supporters a pause. Still, if Matolcsy's major problem is his obstinacy and unwillingness to compromise, his major advantage for the government is his loyalty. If push comes to shove, he will almost certainly act as the PM bids him to do, and Orbán is unlikely to let his re-election prospects be squandered by voters' jitters over international currency speculators.

5. GOVERNMENT IN OPEN DISPUTE WITH JEWISH COMMUNITY

For weeks the government has been in a simmering dispute with Mazsihisz, the umbrella organisation of Jewish religious communities. Mazsihisz took exception to both, the recent plans to erect a statue commemorating Hungary's occupation by German forces in 1944 – which the organisation considers an attempt to lay the entire blame for the subsequent deportations on the Germans, ignoring the eager involvement of the Hungarian authorities – as well as comments by Sándor Szakály, the head of the newly established Veritas Institute, a history research centre with a staff of 25 that the government set up to propagate its own interpretation of history. Szakály had labelled the first deportations from Hungary during WWII, which had resulted in the killing of tens of thousands, as “measures taken in the context of government policy concerning aliens” because many of those deported had been refugees. Though Mazsihisz' communication on the issue constantly wavers, its current position is that it will boycott the government's Holocaust memorial events unless the statue is abandoned (a previous insistence on Szakály's resignation has apparently been dropped). Though the conflict might attract some unwelcome international attention, it may well benefit Fidesz in the domestic context, where Mazsihisz is rather unpopular. As is apparent by the prolonged impasse, this is a dilemma for the government, for in an election year nurturing its own far-right base and reaching out to potential Jobbik voters may prove crucial.



ANALYSIS:

ALREADY BEFORE OFFICIAL LAUNCH, FIDESZ' CAMPAIGN WAS IN FULL SWING

Everyone anticipated that Fidesz would do all in its power to prevent a recurrence of 2002, when after what was generally considered an economically reasonably successful term and strong standing in the polls, Fidesz nevertheless went on to lose by a slim margin. While many, particularly on the left, attributed that defeat to Fidesz' aggressive tone, the party's strategists appeared to have drawn a different conclusion. Between the two rounds of the election, Fidesz' aggressiveness went into overdrive, which successfully mobilised its base and almost reversed the left's considerable lead in the first round, resulting a nearly tied election. This may explain Fidesz' confrontational style even as many are perplexed why the governing party would stick to tactics that voters "must" find off-putting.

This time Fidesz does not want to leave anything to chance. Several aspects of the election law are designed to favour the incumbent. There are the gerrymandered districts that concentrate left-wing voters and disperse Fidesz voters to help the latter win more seats. What may weigh even more heavily, however, are the limitations on the opposition's ability to campaign. For starters, the government has made the campaign period considerably briefer, limiting it to 50 days, while the previous legislation allowed campaigning in the entire period from the announcement of the election date until one day before balloting. Even at its shortest, this period was 79 days, but it usually lasted between 80-100. Of course, the 50 day restriction applies neither to private proxies nor government institutions, which were allowed to begin their campaigns against the left and for the government, respectively, well before the onset of the official campaign this past Saturday, the 15th.



The Civil Összefogás Fórum (Civilian Alliance Forum, CÖF) is Hungary's version of an American Superpac, that is a private organisation that does not directly campaign for a candidate but may attack its opponents. It is thus a perfect instrument for a negative campaign, and despite the obvious connections of several leading personages to Fidesz – notable CÖF rally participants are for example Hungarian Guard co-founder András Bencsik and far-right journalist Zsolt Bayer, both of whom are close to Viktor Orbán (the latter is also a member of Fidesz) – the governing party disclaims any connections to the nominally non-governmental organisation. CÖF has gone from organising fairly successful pro-government demonstrations to attacking the opposition with posters and booklets lambasting Orbán's challengers, especially Ferenc Gyurcsány, whom it proclaimed to be the leader of the left-wing alliance. Since it is not a political party and does not field candidates in the election, CÖF is not necessarily subject to the prohibition on campaigning outside the official designated campaign period.

As the anti-corruption portal Atlatzo.hu notes, this does not necessarily imply that the practice is legal, since the law (adopted by Fidesz) states that a “campaign instrument is any type of instrument suitable for influencing voter intent or seeking to exert such an influence.” In practice, it is clear that CÖF is involved in the election outside the campaign period, for its actions are obviously intended to influence voters. Fidesz has never espoused literal interpretations of the law, however, and has often approached even the statutes it had itself adopted quite liberally. As an extension of Fidesz, CÖF will likewise be exempt from potential legal consequences.

The negative campaign is also supported by the public media, which have been decidedly government-friendly over the past years and do not shrink from smearing the opposition. The opposition has been subjected to ridicule, distortions and insinuations. One example was the report on internet memes mocking the left-wing alliance, highly unusual in that public service news does not tend to reflect on the internet. In another typical instance, an elderly man who had already last year attended a pro-Fidesz/anti-opposition rally was presented as an MSZP-supporter who had enough of the Socialists on account of the Simon affair (see above). Concerning the anti-Paks demonstrations, the public media thought it important to point out that one of the organisers is openly gay (a government official,



Gergely Pröhle, also emphasised this in an interview), which hardly seems material to the issue of Paks.

But the most important role of the public media in the campaign is indirect. The government has namely significantly curtailed the opposition's access to large swathes of the public by limiting campaign advertisements to public media. Initially, it sought to do so by instituting an outright ban on campaign advertisements on private television (the two main commercial TV channels have far higher viewer ratings than public television), but in response to international criticism it went about the ban more ingeniously. The requirement now is that ads must be broadcast for free. As expected, no commercial television has registered to broadcast political ads by the deadline provided, which constitutes an effectuation of the previously rescinded ban by other means.

In the public media, political ads will be presented in dedicated half hour blocks, ensuring that anyone not very keen on spending his TV/radio time consuming political ads will tune in elsewhere. Even where the law gave the public media institutions leeway, they have sought to tilt the playing field further. Thus they have decided to distribute air time for ads evenly between various public outlets, opting to provide the minimum possible air time on the most watched channels and more than the minimum on the less popular ones.

The public media have also chosen to continue to run ads by government institutions (the law would have allowed them to opt out during the campaign period.) Using taxpayer funds, state institutions have been relentlessly touting the government's success in every form possible, in ads made to recall Fidesz' own logo and symbols. Thus effectively these have also served as campaign communications long before the onset of the official campaign.

In the meanwhile, the Budapest city council has barred campaign posters from a variety of public spaces, again limiting the opposition's ability to campaign in a crucial municipality (the left has never won an election without sweeping all but 4 of Budapest's electoral districts). The government had already previously banned advertising posters on utility poles. While in early January Minister of Justice Tibor Navracsics opined in response to an opposition inquiry that this ban did not apply to political posters, the government shortly thereafter



amended the relevant executive decree to emphatically place campaign posters under the scope of the regulation.

Even viewed individually, these rules lack rational grounds and appear unfair. Taken together, however, they delimit the free and informed choice of citizens to such a degree that they severely impair the democratic character of Hungary's political system. The vote in April will be more of a plebiscite than an election, wherein voters will decide whether to keep the government or not. Those that decide the government should go will have to gather information for themselves in the limited fora the government has left for the opposition to present itself, or else choose randomly.

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