



HUNGARIAN POLITICS IN-DEPTH

EP ELECTION EDITION, 1-15 MAY 2014

TOP 5 NEWS OF THE LAST TWO WEEKS

1. ORBÁN STIRS HORNET'S NEST WITH CALL FOR HUNGARIAN AUTONOMY IN UKRAINE

2. CONFLICT OVER NORWAY FUND INTENSIFIES

3. FORMER SKINHEAD ELECTED AS PARLIAMENT VP:

4. FIVE WEEKS AFTER THE ELECTION, FINALLY A POLL

5. RUNAWAY ECONOMY

Analysis: JOBBIK IN TROUBLE OVER EASTERN TIES AND EXTREMISM

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TOP 5 NEWS OF THE LAST TWO WEEKS

I. ORBÁN STIRS HORNET'S NEST WITH CALL FOR HUNGARIAN AUTONOMY IN UKRAINE

Prime Minister Viktor Orbán may be the most skilful politician in his generation, but at least in his domestically disseminated rhetoric he is not known for sensitivity to international opinion. Generally, that's not a problem because statements in Hungarian receive little international attention and Fidesz has carefully calibrated its English language statements to be considerably more respectful. Orbán's inaugural speech upon his official re-election as prime minister by Parliament, however, upset the usually careful balancing act. Though it was a domestic speech that was bound to receive more attention than his run-of-the-mill statements, and in calling for autonomy for Hungarians in Ukraine, he picked an unusually thorny topic. Orbán's demand was very provocative at a time when Ukraine is falling apart at the seams and the concerned international community is trying to find ways to halt the process without becoming embroiled in an uncontrollable conflict with Russia, which is pulling the strings of the secessionist movement in eastern Ukraine. Despite Hungary's official commitment to NATO and EU, which the prime minister affirmed in his speech, Orbán's loyalties are suspect anyway after years of bashing the West and cosyng up to a variety of eastern powers, including Russia, with whom Orbán just concluded a massive nuclear energy deal. Apart from predictably upsetting the government in Kiev, Orbán's statement especially put a dent in Hungarian-Polish relations, which the Hungarian side likes to hold up as an example of a strong cross-national friendship, a rare and valuable resource at a time of Hungary's increasing international isolation. For historical reasons, Poland is far more wary of Russian machinations in the region than even the - very concerned - western powers (for historical reasons, we might have reasons to feel the same way) and is one of the staunchest supporters of Ukraine. Polish Prime Minister Donald Task criticised Orbán's statement in harsh terms. Now it remains to be seen whether Orbán will wish to calm the passions or double down to bolster his nationalist credentials. The timing of revelations

about Jobbik's potentially overly intense ties to Russia (see our analysis on page 7) suggests that he might be after the former.

2. CONFLICT OVER NORWAY FUND INTENSIFIES

We reported a few weeks ago that Minister of State for the Prime Minister's Office János Lázár has picked a fight with the Norwegian government over the latter's disbursement of subsidies to Hungarian NGOs which the government considers to be engaged in political activities and hostile to the governing party. The Norwegian government predictably rejected the implicit accusation of dabbling in Hungarian politics. Lázár followed up in early May, however, calling on the Norwegians to suspend payouts from its Civil Fund until the discord has been resolved to mutual satisfaction. The Norwegians complied, but not quite in the way the government had wished for: they suspended payouts from all portions of the Norway Fund except the one that the government finds objectionable, namely the Civil Fund that supports NGOs. Altogether, some 140 million euros are held up by the decision, which would go towards projects in various areas, including infrastructure development and environmentalism. Noting that this had nothing to do with Lázár's complaints about the Civil Fund, Norway justified its decision by the Hungarian government's unilateral changes in the institutional structure that handles award decisions and payouts. The European Commission, incidentally, had recently voiced similar concerns about the disbursement of EU funds. Norway's claim that its move was unrelated was obviously disingenuous, as the timing clearly indicated that this was a political message. Nevertheless, the governing party had such a reaction coming. Its attack on Norway displayed the usual lack of tact and tolerance for any viewpoints but those that most faithfully echo Fidesz' own. Moreover, it was also tactically unwise, for it appears to have underestimated the fact that Norway is not a 28-member supranational organisation that needs considerable time to reach major decisions, but a single actor that can react swiftly to unjustified attacks by Fidesz.



3. FORMER SKINHEAD ELECTED AS PARLIAMENT VP

As the third largest group in Parliament, Jobbik was entitled to nominate a parliamentary vice president already four years ago. Back then, the far-right party avoided overt conflict by nominating a known moderate (that being a relative term in Jobbik) within the party, Zoltán Balczó. At least in this context, moderation was passé now, however (Jobbik probably felt that it had been plenty moderate recently, see our analysis below), and the nominee was Tamás Sneider, a prominent former member of the skinhead scene who had been convicted of assaulting a Roma. The left immediately objected, MSZP and its allies emphasising Sneider's association with groups known for their neo-Nazi outlook and LMP stressing that Sneider had been a convicted felon. Fidesz enjoyed the whole dispute, giving the opposition an ultimatum: either they would agree on a distribution of their allotment of honorary positions in the management of Parliament, including the persons nominated, or Fidesz would be "compelled" to gobble up all the positions. The schoolteacher approach proved effective in forging a quick compromise. The parties agreed on the distribution of titles among them but decided that it would be up to the full body to decide upon individual nominees. This was a better scenario for the left, for it wanted to vote against Sneider and force Fidesz to take a stance. Sneider was ultimately elected with votes from Fidesz and Jobbik, with Fidesz politicians arguing that they had no business questioning the legitimacy of MPs selected by the electorate. Amidst the Sneider debate, the pro-Fidesz daily Magyar Nemzet charged that MSZP Budapest chair and campaign manager Zsolt Molnár had also been a skinhead in his youth (though he denied the accusation, Molnár, who was simultaneously engaged in a bitter but unrelated public dispute with MSZP adviser Ron Werber, ultimately resigned). The revelation was extremely timely and, as intended, it took most of the heat off of Fidesz. An aspect that was missing from the reports, however, is that Sneider in his own personal statement on Jobbik's webpage was proud of his activities in the extremist scene, including the assault that got him convicted. Even if Molnár was ever a skinhead, there is no sign that he takes any pride in this today.

4. FIVE WEEKS AFTER THE ELECTION, FINALLY A POLL

For five long weeks after the election, Hungarian political analysts were left without public opinion polls measuring the evolution of the electorate's preferences since the national ballot on 6 April. This is an unenviable position for a political analyst to be in. In any case, now Medián is the first major polling institute to present its numbers, and as anticipated it shows a huge and expanded Fidesz lead.

Medián polls over the last three months

Date of publication	Fidesz		MSZP-EI4/PM-DK		Jobbik		LMP	
	Current	Change over previous poll	Current	Change over previous poll	Current	Change over previous poll	Current	Change over previous poll
March 6 ²	49 (36)	-3 (-3)	30 (23)	0 (+1)	18 (14)	+4 (+4)	3 (3)	0 (+1)
April 4	47 (36)	-2 (0)	23 (18)	-7 (-5)	21 (15)	+3 (+1)	3 (2)	0 (-1)
May 15	56 (39)	+9 (+3)	20 (17)	-3 (-1)	17 (14)	-4 (-1)	4 (4)	+1 (+2)

Of course the figures for the three parties of the former left Alliance are more complicated, as they are running separately now. By itself, MSZP stands at 14% among likely voters, EI4/PM at 4% and DK at 2%. In other words all parliamentary parties but Fidesz experienced a drop of 3-4% among likely voters, while the governing party has picked up 9% in that category. It bears pointing out that Medián was fairly accurate in the run-up to the election, that is it was dead on for Jobbik, and it slightly overestimated Fidesz and slightly underestimated the left Alliance. In all, these are good numbers for Fidesz, though rather standard in terms of the boost that parties receive from winning. Assuming that as usual Fidesz is actually a few points below the figures measured in surveys, it looks like the governing party is running slightly ahead of its results in early April. For the left, this is bad news, even though their overall numbers lag only slightly below their election haul. The problem is that the Socialists are too far behind Jobbik to call it a statistical tie. Furthermore, based on these figures, taking the five percent threshold is shaky for EI4/PM and unlikely for DK. If these numbers persist until next Sunday, then the outcome would be a disaster for the left, even if its total vote were to actually come close to that of 6 April.

5. RUNAWAY ECONOMY

Slightly too late to boost the governing party's parliamentary majority even further - but in time for the EP elections - the new GDP figures came out and they back the government's claim that its "unorthodox" policies have put Hungary on a growth path. According to the Central Statistical Office's (KSH) figures, Hungarian GDP has grown 3.4% as compared to the first quarter of 2013, far exceeding analysts' expectations of 2.7%. Industry and construction are faring particularly well, and the KSH points out that in addition to robust exports, domestic consumption is picking up as well. The Economic Research Institute (GKI) had been measuring growing consumer confidence for a while now, and it appears that this is manifesting itself in the GDP figures as well. For now, it seems that the government's bet to turn Hungary into a cheap manufacturing hub might pay off. Critics charge that a portion of this growth is due to election year public spending (especially the paying out of EU funds), which is unsustainable. Once the purse is closed, the growth rate will tumble, they assess. That remains to be seen. For now, however, the economy is doing better than at any time in the past eight years, which is highly fortunate in a year when Fidesz has to contest three major elections.



ANALYSIS: JOBBIK TORN OVER EASTERN TIES AND EXTREMISM

At the worst moment possible, just when it is on the verge of finishing second (i.e. the first among opposition parties) for the first time in a national election, Jobbik is embroiled in two scandals, a minor one concerning the most extremist wing of the far-right and a major one concerning its eastern ties. Both issues were bound to hurt Jobbik sooner or later, but the fact that they erupted into full-blown scandals at the same time, and just before an election to boot, is among the worst possible scenarios for the far-right party.

Let's start with the more minor scandal. At the constituent session of the new Parliament, extremist demonstrators organised by prominent former Jobbik MP Tamás Gaudi-Nagy (also known for defenestrating an EU flag in Parliament) attacked Fidesz MPs for allowing the sale of Hungarian land to foreigners. Things got particularly nasty when the political leader of the Hungarian minority in the Serbian region of Vojvodina ('Vajdaság' in Hungarian), István Pásztor, arrived as one of Fidesz' guests of honour. Pásztor is considered a sell-out in extremist circles, and some of his more fervent adherents followed up on Gaudi-Nagy's condemnation of Pásztor by spitting at the politician. When pressed whether he thought this appropriate, Gaudi-Nagy assessed that Pásztor ought to be relieved that he is not hanging from a lamppost.

Jobbik, which had for years continuously mocked the left's calls to distance itself from more egregious manifestations of extremism in its ranks, immediately issued a harsh denouncement of the demonstrators' actions. Relations between Jobbik and Gaudi-Nagy (who had risen to prominence for providing legal defence to demonstrators at the 23 October 2006 demonstrations, which ended in massive violence by both demonstrators and



the police) had soured already prior to the election. Apparently Jobbik wanted Gaudi-Nagy to return to Parliament, while the lawyer wanted to go to Brussels as an MEP.

For Jobbik, Gaudi-Nagy's actions raise the issue of how much damage the extremist base that the party has fostered can do to its own prospects as it tries to soften its image. Moreover, this question may also manifest itself as a party political challenge, if Jobbik secessionists try to capture the most extremist wing of the far-right party's base (there was one attempt thus far, by former MP Balázs Lénhardt; this has failed to take off, however). Ironically, Gaudi-Nagy was also rumoured to be opposed to Jobbik's Russophilia, and while there is little public information to back this claim up, the fact is that he opposed the government's Paks deal despite the party's rather enthusiastic support of it.

Jobbik's loud-voiced support of Russia (as well as its ringing endorsement of Islam as "the last hope of humanity") has always raised some eyebrows, but now the issue has erupted into a full-blown crisis. Béla Kovács, an MEP who is primarily known (by not many) for his dedication to Russia, for instance by vouching for the democratic nature of the Crimean secession referendum, stands accused of being a Russian spy. Apparently, his frequent visits to Moscow have led the Hungarian secret services to monitor him. According to pro-Fidesz daily Magyar Nemzet, the prosecutor's favourite newspaper to leak to, the authority's investigation has unearthed evidence that Kovács works for the Russian government. His Russian wife is allegedly a former KGB agent.

A detailed report on the online news portal Index argues that "KGB Béla", as intra-party opponents allegedly refer to him, came out of nowhere to become a leading Jobbik figure and is primarily known in the Jobbik scene for his access to vast cash reserves of obscure origins. Apparently, Kovács was also the key player in Jobbik Chairman Gábor Vona's rapprochement with Russia. Index also claims that Kovács was practically the founder of the Alliance of European National Movements (AEMN), an organisation comprising several European extremist parties, including Jobbik, the British National Party and, until the end of 2011, the French Front National. Kovács currently serves as the president of this group and may be a key source of its funding. Unsurprisingly, the AEMN is also pro-Russian, as are many populist and far-right groups these days.



There is also a striking aspect about Béla Kovács's career in the EP. In a regular monitoring report on the activities of Hungarian MEPs, Policy Solutions noted already two years ago how surprising it was that a newcomer to the European Parliament who was not affiliated with any of the major mainstream groups in the EP was given two influential positions as the author of committee opinions, which both dealt with Russia. Generally, such responsibilities are given to members of the larger party families, and in the Hungarian delegation all but three went to Fidesz, while one went to the main opposition party MSZP and two went to Béla Kovács.

With the full backing of his party, Kovács faced the press to deny the charges and declared his willingness to waive parliamentary immunity and submit to a full investigation. Jobbik Vice Chair Zoltán Balczó - whom Kovács succeeded as an MEP - argued that the whole affair was instigated by the international powers who were scared by Jobbik's impressive election performance and wanted to make sure that MSZP remains the leading opposition party. This talking point was repeated verbatim by other Jobbik politicians.

As another Jobbik MP pointed out, Magyar Nemzet is in the habit of making allegations that receive considerable public attention and then issuing virtually unnoticed retractions long after the scandal has inflicted the damage. That is of course true, and though Kovács' intense Russian ties definitely raise legitimate concerns, it is entirely conceivable that the accusations will never be proven; that has been the course of most investigations against politicians accused of corruption, for example.

Still, Jobbik's panicked reaction is also an acknowledgment that the charges are potent indeed. Being pro-Russian is one thing, and with reference to the Russian leadership's staunch conservatism and nationalism, Jobbik was able to sell its Russia-friendliness to a far-right audience that is virulent in its condemnation of the Soviet occupation of Hungary. Few people would have thought this possible before it actually happened. But being Moscovian candidates would be quite another matter. While the hardcore Jobbik base might buy everything and disbelieve charges even if a Jobbik politician was caught red-handed while



taking Russian money, the less committed voters that Jobbik is courting right are likely to be put off.

The two scandals also reveal key flaws in Jobbik's strategy of perpetual expansion, which must sooner or later come at the expense of Fidesz. First, it cannot keep moving away from its extremists without losing support on the far-right. Moreover, its commitment to extremists are bound to occasionally embarrass the party and force it into painful rhetorical contortions, such as in the context of the Gaudi-Nagy affair, when the events at the rally organised by the latter were condemned in the harshest possible terms but the instigator himself was treated far more softly.

In terms of the eastern connection, the question is more pragmatic. If Jobbik extols Russian and Middle Eastern partners solely for ideological purposes, then it can simply back off when this becomes politically costly. If however it is financially vested in singing the praises of authoritarian regimes abroad - and Jobbik's lavish funds and sprawling media empire certainly raise questions as to the source of the money -, then it cannot delude itself into thinking that Fidesz won't know or that the governing party will hesitate to use this information to target Jobbik when the latter grows too muscular. Moreover, Jobbik is certifiably paranoid but it may also be right: other powers, too, might have such information about Jobbik, and decide to leak it at opportune moments. In any case, if Jobbik ends up behind MSZP next Sunday, then the political price of supporting Russia was high.

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