

No Freedom Allowed: Consolidation of Power in Hungary through Centralization



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Centralization, decentralization in Hungary. How to best approach the subject? How best to describe a country, which at the moment has no other long-term goal other than the consolidation and retention of power for the governing Fidesz party?

While I have buried myself deep in already existing analyses, research, and data, my phone suddenly blew up from all the notifications – one of the largest Hungarian TV stations, Hír TV, under its new management reverted to being pro-government.

The situation of the media in Hungary had been dire to begin with, but this was essentially a *coup de grace* to independent TV broadcast. Similar takeovers have afflicted the print and online media scene, so that the governing party can impose its views on the population, having majority control over the media.

The state's tendency to try to exert influence not only in the media, but also in education, administration, business, and politics. Therefore, it is currently more crucial than ever to have a comprehensive overview of what is happening in each of these sectors in order to be able to come up with a set of recommendations to counter the current trends.

Governmental takeovers and oligarchs acquiring monopolies are, in fact, are actually a means of centralization, with the sole purpose of consolidating power. This is done in two ways: through centralization either to do away with independent decision making, or in order to reward oligarchs for their loyalty.

This, however, will cause a democratic deficit and a surge in corruption, also any dissenting voice will have fewer platforms on which to voice their critiques. How did Hungary get here?

BRIEF HISTORICAL OVERVIEW

In order to gain an overview of current developments, we must first understand how the current government came into power, what attitudes existed back then, and what drove public opinion during that time.

The financial crisis of 2008 hit Hungary hard. Despite the country being relatively better off during the fall of communism than the neighboring countries facing democratic changes, an apparent fatigue with democracy and free markets blossomed into disappointment by 2009.

It is therefore the social attitudes, rather than the financial hardship (which obviously contributed to the former) that had more prevalent effects on politics. Radicalism flourished with the emergence of Jobbik, a party often dubbed back then as neo-Nazi.

People with hitherto no opinion on economics and policies started voicing their views; and underlying tensions that were not polite to mention, such as racism, exploded to the surface. The illusion nurtured during communism that such tensions do not exist shattered along with the belief many people held that democracy, free market economics, and the European Union (EU) will bring about prosperity.

Back then people only speculated whether these attitudes existed or if they were just the fleeting products of heated family arguments, but now we have the numbers.

According to PEW Research¹, in 2009, 94% of Hungarians were dissatisfied with the financial situation. Even though at the time MSZP (Magyar Szocialista Párt), the Hungarian Socialist Party (a direct descendant

¹ Pew Research Center (2010) *Hungary Dissatisfied with Democracy, but Not Its Ideals*. Available [online]: <http://www.pewglobal.org/2010/04/07/hungary-dissatisfied-with-democracy-but-not-its-ideals/>

of the communist party that ruled Hungary before the democratic changes), was in power, a relatively free market economic system was in place in Hungary, and no considerable party openly advocated for changing this.

Therefore, despite the fact that a lot of people were dissatisfied with the ruling party and the term *communist* was flying about in response to the MSZP policies, according to the same PEW research, 72% of the population claimed that people were better off during communism than at the time, while 16% believed they were about the same. Even more people (77%) were dissatisfied with democracy itself. Both of these ratios recorded for Hungary were the highest among the surveyed countries (including Ukraine, Bulgaria, Lithuania, Slovakia, Russia, the Czech Republic, and Poland).

Relying further on the PEW's data², while approval of democracy in Hungary stood at 74% in 1991, it fell to 56% by 2009. Similarly, the approval of change to capitalism has lowered from 80% in 1991 to 46% in 2009. This represents the largest change among the countries in question.

Among young people, who might be deemed more democratic by default, a study by Új Nemzedék Központ found that in 2008 only 41% of the youth thought that democracy is better than any other system, 31% claimed all systems are similar, and 14% deemed dictatorships better³. The study was repeated, and by 2016

55% declared democracy is the best system, 25% remained indifferent, and only 8% preferred dictatorship.

Dissatisfaction was further exacerbated in Hungary by the events of 2006. When the socialist party, MSZP, secured governing positions and Prime Minister Ferenc Gyurcsány's address to the party was leaked, in which he stated that in order to win they had cheated, stolen, and lied⁴. This caused great turmoil, with long-lasting protests and riots in the streets, leading to the Prime Minister's abdication, but only in 2009, by which time the trust in the party and the system had plummeted.

In the parliamentary elections of 2010, the landslide victory of the largest opposition party, self-proclaimed right-wing Fidesz, securing a two-third majority, which is the absolute majority necessary to implement any and all reforms the new government wanted.

Fidesz was in power before (between 1998 and 2002), when the Prime Minister and leader of the party was Viktor Orbán, who retains the same power ever since 2010. He and his party were hit hard by the defeat from the hands of MSZP in 2002, and currently, Orbán is working tirelessly to entrench his power and position ever further.

As the new government pledges, the constitution – which was essentially an updated version of the communist constitution – has been thrown out, a completely new one was voted in its place. This constituted the basis of the reforms the government could implement. In order to consolidate power, a lot of these measures were done with centralization in mind, serving the purpose of strengthening power and redistribution to oligarchs.

² Pew Research Center (2009) *End of Communism Cheered but Now with More Reservations*. Available [online]: <http://www.pewglobal.org/2009/11/02/end-of-communism-cheered-but-now-with-more-reservations/>

³ Új Nemzedék Központ (2016) *A Magyar Ifjúság Kutatás 2016: Az ifjúságkutatás első eredményei ezek a mai magyar fiatalok!* Available [online]: http://www.ujnemzedek.hu/sites/default/files/magyar_ifjusag_2016_a4_web.pdf [in Hungarian]

⁴ BBC News (2006) *Excerpts: Hungarian 'Lies' Speech*. Available [online]: <http://news.bbc.co.uk/2/hi/europe/5359546.stm>

WHAT IS CENTRALIZATION?

To understand the topic of centralization and decentralization it must be made clear what these terms mean. According to the online Oxford Dictionary, centralization is defined as "[t]he concentration of control of an activity or organization under a single authority", whereas decentralization is "[t]he transfer of authority from central to local government".

Interestingly, according to Google Ngram Viewer⁵, which searches for terms in the vast corpus of English sources on the search engine's database, the word centralization saw an upward trajectory in the 1820s, while decentralization as a term started to pick up around 1850. Both of the terms peaked in usage in 1974-83 and showed a decline in frequency of usage ever since.

The greater the number of areas that are centralized, the less likely any surprises may arise for the ruling party. On the one hand, the government wants to have control over certain areas in order to influence the people (for instance through education), but on the other hand it all boils to what people deem as the role of the government. If voters think that the state should have more control and manage a plethora of sectors, the government will act accordingly.

According to research conducted in 2018 by Policy Solutions⁶, out of 14 economic policy questions Hungarians answered 10 with economically left-leaning answers, demanding more state intervention. Despite the fact that the current government has imposed a flat tax system, two-thirds of Hungarians (70% of the Fidesz's voters) would like to see a pro-

⁵ See Ngram for centralization and decentralization use throughout the years: <https://tinyurl.com/y9f5qfba>

⁶ Policy Solutions (2018) *Szociáldemokrata értékek Magyarországon*. Available [online]: https://www.policysolutions.hu/hu/hirek/470/szocialdemokrata-ertekek_magyarorszagon [in Hungarian]

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gressive tax be implemented. Luxury wealth tax is supported by 87% of Hungarians. With these statistics in mind, it is not surprising that the government can rather easily expand its powers.

As it has already been mentioned, Fidesz is a self-proclaimed right-wing party, but as it appeals to predominantly economically left-oriented people the government policies are also not economically strictly right wing. Centralization, however, should not be a part of a conservative party's manifesto if the term *conservatism* is understood as it was by Edmund Burke. Moreover, in order for the state to capture certain areas and put them under its control, it is required to nationalize them, which certainly is against free market and economically right-wing principles.

Ironically, however, the current government attacks the EU due to it stripping away national autonomy from member states. The critique goes as far as opposing the European Union in so many cases and with regards



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to numerous values that the threat of launching Article 7 is looming ever so closely above Hungary. This phenomenon means that Hungary is content with centralization as long as it remains within its national borders, but when a higher authority wields this power it must be fought against, lest it weakens the position of the government.

This is why the government tries to control a wide range of areas, which in many cases are to the liking of people. However, in a society based on individualism, self-reliance, and responsibility, local communities are better off having a larger say in their own affairs as they know what is best for themselves.

For those wanting self-control over state control the best option remains to self-organize, and build local communities based on sharing and self-help. To come together, and take initiative fixing issues even

on the micro scale, such as repairing a fence, or painting a school, to show that it is possible and more beneficial than waiting for some faraway central authority to take care of it.

MAIN AREAS OF CENTRALIZATION IN HUNGARY

So far, the Fidesz government managed to take control over the media and education. Nevertheless, centralization has also occurred in administration, business, and politics. The effects in each of these areas differ, which shall be discussed in the next section.

EDUCATION

Education is an important aspect for every state, it can foster intelligent students with a critical approach who will be valuable to the economy, or with the lack thereof will not criticize the government and can be indoctrinated easily.

After the democratic changes had been introduced, the core curriculum was broadened⁷ and teachers gained freedom to teach it as they wished, which led to the emergence of a number of different schools, widening the gap of knowledge among students.

The first Fidesz government introduced common standards and requirements, which a student should be able to know by the time they take the matura exam, which is taken after twelve years of education. This exam was created as a substitute to university entrance exams.

The core curriculum has changed again during Fidesz's regaining power in 2010, with the aim that every teacher in every school

⁷ For a summary of education reforms until today see Sándor, J. (2018) "Elmúlt nyolc év: Permanens reform és kudarc az oktatásban", [in:] Index.hu. Available [online]: https://index.hu/belfold/2018/valasztas/2018/04/05/oktatas_fidesz_orban_kormany_elmult_nyolc_ev_klik_pisa_reform_nat_beremeles/?token=94b-889d9e9852cc510b474424fa0f6c6 [in Hungarian]

should teach the same. Mandatory religion courses were introduced, with an option to choose ethics instead.

The textbook industry has been completely nationalized, creating a centralized monopoly. At first, the government mandated that starting from the school year of 2013-2014, schools have to order all textbooks from Kello, a non-profit distributor, owned by the state. As the Budapest Beacon reports, before, schools could buy books from a publisher of their own choosing⁸. Needless to say, many of the books failed to arrive on time, forcing teachers to make photocopies of the existing copies.

Afterwards, the government nationalized the publishers as well. The textbook industry was privatized in 1985, before the fall of communism, and until the centralization publishers could compete, obliged only to follow certain mandated standards.

Not long after distribution has been taken over, according to the Budapest Beacon, the largest publishers, Nemzedékek Tudása Tankönyvkiadót, and Apáczai Kiadó were acquired by the state as well, which created a state monopoly⁹. This greatly affected the quality of textbooks, and many have been criticized for poor standards and erroneous content, see, for instance, in Magyar Nemzet¹⁰.

⁸ Nagy, É. (2013) "130,000 Hungarian Students Missing 600,000 Textbooks", [in:] *Budapest Beacon*. Available [online]: <https://budapestbeacon.com/130000-hungarian-students-missing-600000-textbooks/>

⁹ Kovács, Z. (2013) "Fidesz to Nationalize Textbook Industry" [in:] *Budapest Beacon*. Available [online]: <https://budapestbeacon.com/fidesz-to-nationalize-textbook-industry/>

¹⁰ Kiss, A. (2017) "Mit hozott az államosított tankönyvpiac?" [in:] *Magyar Nemzet*. Available [online]: <https://mno.hu/hetvegimagazin/mit-hozott-az-allamosított-tankönyvpiac-1381377>

According to The Hungarian Free Press blog, not only the textbook industry was criticized, but the upkeep of schools as well, which since been taken over from the municipalities by a centralized institution KLIK¹¹. This has caused an instant problem for schools, which now lacked not only quality books, but, as the Budapest Beacon tells us, also such essentials as chalk and paper¹². After a couple of years of constant struggle, the centralized system had to be broken up into several smaller sections to enable better management of schools, according to a report published by Index¹³.

Government control has recently extended not only to basic, but also higher education as well. In order to find the reasons behind it, one has to examine the government's propaganda policy.

It has been a long-standing strategy of Fidesz to use Carl Schmitt's idea (see FEE for further details)¹⁴ of identifying an enemy, against whom they can protect voters. Sometimes it is communists, sometimes neo-Nazis, and at times the European Union. With the height of the refugee crisis, it has been immigrants, but as the number of people wanting to enter Hungary waned, the fo-

¹¹ Christopher, A. (2016) "Hungary's Government Is Traumatizing Teachers, Students and Parents" [in:] *Hungarian Free Press* Available [online]: <http://hungarianfreepress.com/2016/02/08/hungarys-government-is-traumatizing-teachers-students-and-parents/>

¹² Budapest Beacon (2016) "Our Patience Has Run Out" Say Hungarian Teachers, Students and Parents Alike [in:] Available [online]: <https://budapestbeacon.com/our-patience-has-run-out-say-hungarian-teachers-students-and-parents-alike/>

¹³ Dull, Sz. (2016) "Indul az új oktatási rendszer: 59 darabra szedték a Kliket" [in:] Index.hu Available [online]: https://index.hu/belfold/2016/06/13/indul_az_uj_oktatasi_rendszer_59_darabra_szedtek_a_kliket/

¹⁴ Palmer, T. G. (2016) "Carl Schmitt: The Philosopher of Conflict Who Inspired Both the Left and the Right" [in:] *Foundation for Economic Education*. Available [online]: <https://fee.org/articles/carl-schmitt-the-philosopher-of-conflict-who-inspired-both-the-left-and-the-right/>

cus of government propaganda has turned to Hungarian-born billionaire and philanthropist, George Soros, who has been branded by governmental propaganda as someone who intends to undermine the government, destroy Hungarian culture, and settle in immigrants.

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George Soros helps fund a private university in Hungary, Central European University (CEU), which, according to the University's webpage, is one of the best in the region¹⁵, and which offers U.S. and Hungarian degrees. The Hungarian government has attacked the university, passing a law according to which CEU has to have an actual

¹⁵ CEU.edu (2017) "CEU Ranked Among Top 200 Universities in Europe by Times Higher Education". Available [online]: <https://www.ceu.edu/article/2017-06-21/ceu-ranked-among-top-200-universities-europe-times-higher-education>

campus in the United States in order to offer an American degree, otherwise, as a Reuters report suggests, it will have to be shut down¹⁶. The law was tailor made for CEU. Another criticism against the university was that it teaches gender studies – a course dubbed by the government as not a real science – and undermines Christian values.

Negotiations with the university regarding its degree are ongoing, despite CEU having complied with all regulations. In the meantime, the government has recently banned the teaching of gender studies, which has also been discussed in *The Telegraph*¹⁷, meddling in yet another way in educational affairs.

The government has also gained some control over the country's highest academic body, the Academy of Sciences, by mandating that their finances are not provided by the state budget, but by the Ministry for Innovation and Technology, which can indicate what the funds may be spent on, according to the news site 444¹⁸.

The aim of the reforms in primary and secondary schools has been to counter the declining results in the PISA test. Nevertheless, according to Compare your Country by

¹⁶ Dunai, M. (2018) "Soros University Says It Plans Stay in Hungary" [in:] Reuters. Available [online]: <https://www.reuters.com/article/us-hungary-soros-ceu/soros-university-says-it-plans-stay-in-hungary-idUSKBN1JM-1QA>

¹⁷ Day, M. (2018) "Viktor Orban Moves to Ban Gender Studies Courses at University in 'dangerous Precedent' for Hungary" [in:] *The Telegraph*. Available [online]: <https://www.telegraph.co.uk/news/2018/08/13/viktor-orban-moves-ban-gender-studies-courses-university-dangerous/>

¹⁸ 444.hu (2018) "Az MTA főtitkára szerint a kormány beavatkozása olyan hangulatot teremthet, hogy innen menekülni kell". Available [online]: <https://444.hu/2018/07/19/az-mta-fotitkara-szerint-a-kormany-beavatkozasa-olyan-hangulatot-teremthet-hogy-innen-menekulni-kell> [in Hungarian]

OECD, the ranking clearly shows that if anything, performance has shown a steeper decline¹⁹ in recent years.

The government's efforts to incorporate education under a single authority, to tighten its control over what can and cannot be taught, and from what textbook, resulted in a drop in the overall quality of education in the country. The governing party can define what is going on in all levels of education, every state-run kindergarten, primary and middle school, and university. While knowledge is being centralized in schools, another wave of centralization sweeps over the media industry, to control the information acquired by the rest of the population.

Education is the most basic level where large-scale changes can be made in a society. No country can flourish without a strong educational system, and as it is very difficult not to be part of the state school system, reforms would be needed. Unfortunately, no such reforms appear to take place any time soon.

MEDIA

One of the most internationally recognized areas of centralization in Hungary is the media sector. Controlling the media is a key aspect of winning re-election and maintaining power. Already in 2010, the Fidesz government passed legislation regulating media content, and established the Media Authority to oversee and enforce the new laws. The government is the one responsible for appointing the key members of this body, drawing criticism, for instance from the Hungarian Helsinki Committee that it is thus not independent²⁰.

¹⁹ Available [online]: <http://www.compareyourcountry.org/pisa/country/hun?lg=en>

²⁰ Eötvös Károly Policy Institute (2012) "Media Regulation in Hungary", [in:] *Hungary Fact Sheet*, No. 6. Available [online]: <https://helsinki.hu/wp-content/uploads/Media-Regulation.pdf>

Fidesz has also tried to increase its control over the media by introducing a putative tax tailored at targeting independent media by focusing on advertising revenues. In the end, however, the pro-government media empire of Lajos Simicska, an influential Hungarian oligarch and a close friend

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of Prime Minister Viktor Orbán, also fell under purview. The new law affected his media conglomerate as well, forcing Simicska to split with his former ally and change his right-wing media empire into a critical voice of the opposition.

This move forced the government to create another media empire, which was done through newly made oligarchs, and media platforms. According to Index, local newspapers were acquired and restructured, and now they feature the same propaganda content, oftentimes even featuring the same images²¹.

²¹ Bohus, P. (2018) "Ilyen a vidéki sajtószabadság, ha azt Mészáros Lőrinc szabályozza" [in:] Index.hu. Available [online]: <https://index.hu/belfold/2018/valasztas/2018/04/07/ilyen-a-videki-sajtoszabadsag-ha-azt-meszaros-lorinc-szabalyozza/?to-ken=16425623ea73ce07d3736d8a667ecab4>

According to Direkt36, one of the first, but definitely not the last, large blows on media independence in Hungary has been the shutting down of *Népszabadság*²², the largest daily print national newspaper, back in 2016. The newspaper had been publishing since 1956. Initially, before the democratic changes, it served as the mouthpiece of the Communist Party, but later on it became an important part of the media scene, publishing left-wing opinions as well as independent voices and conducting investigative journalism.

The newspaper has been acquired by Austrian businessman Heinrich Pecina, who has since received a suspended prison sentence for embezzlement on a separate case, as reported by Portfolio²³. When *Népszabadság* published its investigative work on politicians spending more money than they should be able to, the media outlet was abruptly shut down without notifying the editors or staff. The reasoning behind it was that it operated at a loss. According to Reuters, the media company operating the newspaper was then sold to a Hungarian oligarch and a close friend of the prime minister, Lőrinc Mészáros²⁴. It is, however, clear that the oligarchic media serve political goals, rather than purely financial ones, and they are used as the government's mouthpiece.

Some other opposition newspapers are controlled through paid government advertisements (or rather, lack thereof), without which

media outlets cannot operate at a profit. This has happened in the case of the left-leaning *Népszava*. Although the newspaper is allowed to publish opinion pieces critical of the regime, no investigative articles have been appearing since the outlet is controlled through government advertisements, as reported by the Budapest Beacon²⁵.

In late 2017, a Hungarian online investigative portal, *atlatszo.hu*, published data on the situation of media in Hungary, revealing how much influence the pro-government outlets hold²⁶. According to the findings, 65% of the daily print national newspapers bought by readers were pro-government, including all regional newspapers. 90.5% of the weekly news magazines in circulation were also pro-government, as well as 37% of the average online readership. Within radio stations this ratio was 62%, and 55% for the audience of evening TV news programmes. 59% of the total reach of news media has been totaled by pro-government outlets.

Since then, the situation took a change for the worse as after the governing party, Fidesz, won the April 2018 parliamentary elections for the third consecutive term. The Hungarian Free Press reports that a conservative magazine, *Heti Válsz*, shut down, unable to operate in the Hungarian media landscape²⁷.

²⁵ Novak, B. (2018) "Orbán Props Up "Opposition" Paper *Népszava* with State Advertising, Says 444.hu" [in:] Budapest Beacon. Available [online]: <https://budapestbeacon.com/orban-props-up-opposition-paper-nepszava-with-state-advertising-says-444-hu/>

²⁶ Bátorfy, A. (2017) "This Is How Government-Friendly News Outlets Dominate the Hungarian Media" [in:] *Atlatszo.hu*. Available [online]: <https://english.atlatszo.hu/2017/11/22/this-is-how-government-friendly-news-outlets-dominate-the-hungarian-media/>

²⁷ Christopher, A. (2018) "*Heti Válsz* — Another Opposition Publication Goes Out of Business" [in:] Hungarian Free Press. Available [online]: <http://hungarianfreepress.com/2018/06/06/heti-valasz-another-opposition-publication-goes-out-of-business/>

To further diminish the waning ranks of opposition media, according to the *Budapest Business Journal*, Lajos Simicska decided to sell his companies to Zsolt Nyerges, another friend of the prime minister. This included one of the largest news TV stations, Hír TV, which as soon as it changed ownership, reverted back to a pro-government stance²⁸.

“IT IS NOT SURPRISING THAT FREEDOM HOUSE LISTS HUNGARIAN MEDIA AS "PARTIALLY FREE" SINCE 2011

In light of all this, it is not surprising that Freedom House lists Hungarian media as "partially free" since 2011. In the latest 2017 report, the organization gave Hungary 44 points out of a 100 on media freedom (0 being the best, 100 the worst), a 4 point markdown since 2016²⁹. These results, however, were easily dismissed by the majoritarian government in Hungary – a government, which also has strict control over the media landscape in the country. When Freedom House identified Hungary as the least democratic country in the European Union, the government dismissed

²⁸ *Budapest Business Journal* (2018) "Hungary's Hír TV Turns Pro-Government Again" (2018) [in:] Available [online]: https://bbj.hu/news/hungarys-hir-tv-turns-pro-government-again_152999

²⁹ Legal environment received 13 out of 20 points, political environment 17 out of 4, and economic environment 15 out of 30. See Freedom House (2017) *Freedom of the Press 2017: Press Freedom's Dark Horizon*. Available [online]: <https://freedomhouse.org/report/freedom-press/2017/hungary>

the organization as being part of George Soros' coordinated attack on Hungary, as the Budapest Beacon reports³⁰.

Unless local communities start organizing small voluntary news outlets, based on objective reporting rather than propaganda, residents will not be able to get any reliable news.

“DECIDING ON HOW MUCH FUNDS RESPECTIVE LOCAL GOVERNMENTS GET IS AN IMPORTANT POWER IN THE HANDS OF THE CENTRAL GOVERNMENT

OTHER AREAS OF CENTRALIZATION: LOCAL GOVERNMENTS, LEGISLATIVE, AND NATIONALIZATION

Since 2010, the Fidesz government has restructured the local government system in Hungary. According to IPSA, local governments are given funds by the central government based on their activities, and they cannot have a deficit in their annual budget³¹. From a recent report by *Heti Világgazdaság*, it emerges that, for example, 2,000 local governments asked for a total of HUF 28 bn (app.

³⁰ Novak, B. (2018) "Kovács on Freedom House report: Soros!", [in:] *Budapest Beacon*. Available [online]: <https://budapestbeacon.com/kovacs-freedom-house-report-soros/>

³¹ See http://paperroom.ipso.org/papers/paper_36074.pdf



EUR 80,350,000) for repairs, and in the end 500 of them received the support worth HUF 5 bn (app. EUR 15,457,000)³².

Deciding on how much funds respective local governments get is an important power in the hands of the central government. It could serve as an incentive for the inhabitants of certain towns and villages to vote for a governing party's candidate in order for the municipality to receive sufficient, and much needed, funding.

The pretext for having a tight-fisted approach in the financing of municipalities was that by the end of 2010 the local governments had accumulated HUF 1,154 bn in future commitments. The government has consolidated the debt accumulated during the years 2002-2008. It is also reflected in the 38% drop in the amount allocated to local governments from the central budget, while in 2010, HUF 3,900 bn (app. EUR 12,039 bn) had been given to them, while in 2014, this amount was HUF 2,400 bn (app. EUR 7.4 bn).

Another change implemented by Fidesz to further extend the power of the central government and to weaken the system of checks and balances was constituted by the reforms of the Constitutional Court, which have limited its authority to review laws on the central budget, according to the Human Rights Watch³³. Moreover, as the Hungarian Helsinki Committee reports, since the reform, the majority party is the one to appoint justices without the need to receive

³² hvg.hu (2018) 28 milliárdnyi támogatást kértek az önkormányzatok, 5 milliárdot osztottak szét közöttük. Available [online]: http://hvg.hu/gazdasag/20180811_28_milliardnyi_tamogatast_kertek_az_onkormanyzatok_5_milliardot_osztottak_szet_kozottuk [in Hungarian]

³³ hrw.org (2013) *Wrong Direction on Rights*. Available [online]: <https://www.hrw.org/report/2013/05/16/wrong-direction-rights/assessing-impact-hungarys-new-constitution-and-laws>



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the approval of the opposition³⁴. This results in a complete and unchecked control over the central budget for the governing party.

Centralization has also been present in the business sector, through nationalization. According to the Budapest Business Journal, the government nationalized utility companies, such as gas and electricity companies, to create central agencies³⁵. According to a Reuters report, it also emerged that the government aimed to have at least 50% of the banking sector in Hungarian hands³⁶.

³⁴ Hungarian Helsinki Committee (2015) *Hungary's Government Has Taken Control of the Constitutional Court*. Available [online]: <https://www.helsinki.hu/en/hungarys-government-has-taken-control-of-the-constitutional-court/>

³⁵ Keszthely, Ch. (2014) "Hungary's Government to Continue Nationalization" [in:] *Budapest Business Journal*. Available [online]: https://bbj.hu/politics/hungarys-government-to-continue-nationalization_81981

³⁶ Than, K. (2014) "UPDATE 1-Hungary's Orban Sees Two-Thirds of Banks in Domestic Hands" [in:] Reuters. Available [online]: <https://www.reuters.com/article/hungary-banks-idUSL6N0T41RF20141114>

A strong centralized political will, with complete control over legislation, is free to shape the business sector, giving awards to those loyal to the government. This is evidenced by the infamous case of the tobacco shops in Hungary, when the government passed legislation which mandated that only specially licensed shops can sell tobacco. The government then gave a large portion of the licenses to friends and cronies of Fidesz, according to the Financial Times³⁷.

The current government also awards public procurement bids to its cronies, creating wealthy oligarchs. According to Hungarian Spectrum, Lőrinc Mészáros³⁸, a close friend of Prime Minister Viktor Orbán, is on his way to become the world's richest person by 2024 if his wealth continues to increase in the way it has been, Portfolio speculates³⁹.

The government's efforts to exercise power in a variety of areas and to award businesses to its friends is reflected in the growing corruption in the country. According to Transparency International's Corruption Perception Index, Hungary scores 45 out of a 100 in 2017 – 10 points worse than in 2012, making it the second most corrupt country in the European Union (with Bulgaria coming last)⁴⁰.

³⁷ *Financial Times* (2013) *Hungary's Tobacco Scandal*. Available [online]: <https://www.ft.com/content/a0a593f8-d878-3d28-bc01-f6a11aef353a>

³⁸ *Hungarian Spectrum* (2018) "The Spectacular Business Career Of Lőrinc Mészáros". Available [online]: <http://hungarianspectrum.org/2018/01/21/the-spectacular-business-career-of-lorinc-meszaros/>

³⁹ Portfolio.hu (2018) *PM Ally Mészáros Already 2nd Richest Person in Hungary*. Available [online]: <http://www.portfolio.hu/en/economy/pm-ally-meszaros-already-2nd-richest-person-in-hungary.36196.html>

⁴⁰ Transparency International (2018) "Is Hungary's Assault on the Rule of Law Fuelling Corruption?". Available [online]: https://www.transparency.org/news/feature/is_hungarys_assault_on_the_rule_of_law_fuelling_corruption

The centralization in Hungary is aimed at gaining control – not only to further exercise power, but also to have the unchecked ability to reward loyal oligarchs.



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RECOMMENDATIONS

It is not an easy task for any one person to fight centralization. However, it is by no means impossible. In order for the Hungarian education system to foster critical thinking, independence and initiative, a lot has to change.

In the meantime, children either brave the state-run education, or, if their parents can afford the astronomical prices, move to private education. There is, however, a third, more affordable way, which is certainly much better than the indoctrinated public education aimed at teaching centrally planned curricula. Homeschooling might be a viable option for those who value their children's mental well-being as well the need to focus on practical skills rather

than theory. Homeschooling is often done in small groups to help foster their skills and interests. However, there is a great need to liberalize education, to give control back to municipalities, to privatize, to foster competition among teaching methods, and textbooks, and to focus on the students rather than ideologies.

As for countering the growing influence of the government-controlled media, the answer lies in local communities. People are interested in their surroundings and large media outlets are not going to concern themselves with local news, as this would simply not be feasible. Self-organized news networks made up of volunteer journalist might also help provide an alternative to government propaganda. With widening internet access as well as volunteer printing efforts (the Nyomtas te is movement), as some Hungarians had to resolve to⁴¹ – not unlike when distributing banned material during communism – news can spread through local communities. It is easy to set up blogs and Facebook pages, to sit down with neighbors, or to simply call friends. Those who speak English could translate an article, others could share the small minority of objective reports in the news.

The solution to government control over towns and villages, administration, business, and politics also lies in localism. Grassroots and self-helping communities should be organized, so they can help solve issues locally, by means of crowdfunding or from their own pockets. Fixing roofs of schools, cutting grass, these activities may seem petty, but they build communities, teach self-reliance and independence. This could plant the seed of long-needed change in Hungary. Unfortunately, there are no plans for decentralization on the horizon,

⁴¹ See <http://nyomtassteis.hu/a-kezdemenyvezesrol/>

and the opposition's efforts are easily dismissed by the supermajority of the government.

CONCLUSIONS

Since Fidesz began its rule in 2010, the party has been bent on consolidating its power. It has been done very effectively by extending control over key areas. The government realized that creating a dependence, by stripping people of alternatives, initiative, and incentive in order to win elections over and over again can be achieved through the concentration of power in a central authority.

To achieve this, the government needed administrative changes, such as the weakening of checks and balances, the opposition, and the constitutional courts. It also required a new framework, which was provided in the form of the new Constitution.

Educational reforms centralized the schooling system, so the state could exercise tight control over what students learn, who they get their textbooks from, and who manages schools. Although the centralized authority had to be broken into several sections as it has been unsustainable, still, education needs to be liberalized much further, to enable competition between different methods of teaching, textbooks, and to some extent curricula.

The situation of the media has shown a steep decline ever since the government took power in 2010. First, authority was laced above the free media to regulate content, then insubordination has been dealt with by punitive taxation. The government was forced to create its own media empire from scratch, and it started a hostile takeover of the local and national media, shutting down opposing voices. The latest elections saw further erosion of media freedom. Currently, the Fidesz government controls

the overpowering majority in the press market. Hungary has been stripped of its free status, and for years running media freedom is listed as partially free.

Self-organized local media outlets could pose an alternative to governmental propaganda, which is issuing forth from the majority of the media.

Furthermore, Fidesz enjoys rewarding its local friends and oligarchs for their loyalty to the party and central government. In order to do so, it needs control over businesses as well, so through political will the right people could acquire them. This tendency leads to a growing amount of corruption in Hungary.

In conclusion, the government has been expanding its power over the key areas of education, the media, businesses, local governments, among others. It has been a pragmatic, rather than an ideological move, as it does not fit into the conservative values Fidesz claims to hold. Local communities, however, are a glimmer of hope against centralized power in Hungary. •



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