

# Media Unfreedom, Hungarian Style: From “APO” to “KESMA”



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**T**he democratic transition in Central and Eastern Europe (CEE) at the very end of the 1980s and the beginning of the 1990s resulted in essential social changes. Although analysts may come to different conclusions as regards their nature, they do share a few common points. One of them is that after the fall of Communism, certainty has disappeared from the everyday life of ordinary people.

In the Hungarian “Goulash Communism” period of the 1970s and 1980s, you did not have the freedom of choice, but certainly you could feel secure in a limited environment. Now, freedom has arrived, possibilities have opened up, and you bear much more personal responsibility for your own fate – and you will not necessarily belong to the winners. However, if losers do not see real prospects to have a better future, they may tend to look back into the past. Why does it happen in one country, while another country manages to avoid it? Hundreds of factors should be considered to find the answer, but now the fact is that a considerable part – though it can be disputed if it is the majority – of the Hungarian population is looking back into the past.

*Looking back into the past* – what does it mean, more precisely? After the third consecutive election victory of Fidesz in 2018, resulting in a two-thirds majority in parliament, the hopes of an upcoming change has faded in the minds of those opposing this power. Many people have given up and they say there is no point in trying to influence politics any more. They retire to cultivate their own gardens, and this is exactly what Hungarian Communism – the Kadar era – was basically about: “do not bother about politics, enjoy what you can achieve in your private life”.

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This is fertile ground for, among other things, creating a media environment where governmental propaganda is predominant. Opposition media outlets still exist (which differentiates the current system from the communist one), but they play a marginal role and their future is permanently uncertain. Let us take a look at how this old-new media landscape was being created in Hungary in the last thirty years.

### **THE SINGLE-PARTY MODEL**

Before 1989, in the single-party system, the Hungarian Socialist Workers Party was more powerful than state institutions. Political decisions were made in the Party, and state institutions were only executive offices. This was true for the media as well. The Information Office of the Council of Ministers was a big, visible authority but the real power was in the hands of the Department of Agitation and Propaganda within the Party. This department was referred to as APO – a play on the word ‘apó’ (which is nearly identical to the abbreviation itself), which means ‘dad’ in Hungarian. The message was: Dad will take care of you, tell you what to read,



## HUNGARY WAS UNIQUE IN THE COMMUNIST BLOC NOT TO HAVE ANY CENSORSHIP OFFICE

watch, or listen to, so do not be bothered to think for yourself.

There existed no private television or radio channels at that time. The four daily newspapers with nationwide circulation were profiled and organized according to the needs of the ruling elite. The “leading” daily was *Nepszabadsag*, the central mouthpiece of the Party. *Magyar Hirlap* was the official newspaper of the government (not to be confused with the *Official Journal*, publishing new laws and various legal documents). Apart from these, there was *Nepszava* – published by the National Council of Trade Unions; and *Magyar Nemzet* – published by the Patriotic People’s Front, which was an umbrella organization of different organizations loyal to the communist system (churches, peace movements, etc.).

The news editors-in-chief of the state-run television, the state-run radio, and the aforementioned dailies, plus the editor-in-chief of the Hungarian News Agency MTI, regularly met every Monday morning in the office of the head of the APO, the “agitprop boss”, who briefed them about the current requirements concerning the coverage of various topics. Hungary was unique in the commu-

nist bloc not to have any censorship office. Instead, the editors-in-chief were well aware of the set expectations.

Equally familiar with the imposed limitations, as regards the published content, were the editors-in-chief of the leading dailies in each of the nineteen counties of the country. Each county had a “local” version of the Party’s centrally run newspaper. The main source of information for a relatively high proportion of the population living outside Budapest was – instead of the nationwide press – the “county version” of *Nepszabadsag*. Thanks to the organizing skills of APO, key messages of nationwide importance were published in all of these county papers at the same time, even in identical layout.

### TWO DECADES OF FREEDOM AFTER THE TRANSITION

Following the democratic transition, the media landscape in Hungary changed dramatically. Private investments created new outlets in the print media, with private television and radio channels also being created. Nevertheless, the 1990s witnessed several waves of the so-called *media war* in the country. This war basically fought for the control over the public media – first of all, over Hungarian Television, but also over Hungarian Radio and the national news agency MTI.

In the second half of the 1980s, public broadcasting institutions were strongly determined by, originally leftist, but increasingly reform-minded journalists open to the world trends, with growing liberal attitudes. The staff was confronted with the results of the first free elections in 1990, helping a coalition of conservative, nationalist parties to power. The new government (composed of the Hungarian Democratic Forum, the Christian Democratic People’s Party, and the Smallholders Party) declared war upon this “liberal media branch” and several high qual-



## FOLLOWING THE DEMOCRATIC TRANSITION, THE MEDIA LANDSCAPE IN HUNGARY CHANGED DRAMATICALLY

ity journalists were dismissed, with liberal and leftist voices being silenced in the public media. For the clarity of these changes, let us call the leftist, liberal journalists “Group A”, and conservative, nationalist journalists “Group B”. In this case, Group A was dismissed by Group B.

The 1994 elections brought sweeping success to the leftist opposition, which consisted of the Socialist Party (the successor of the Hungarian Socialist Workers Party from the previous system) and of a liberal party. These two formed a coalition. The political changes were also reflected in personal changes in the public media. Group B was dismissed largely by Group A.

Then, in 1998, Fidesz was the winner of the elections. Group A was dismissed by a refreshed version of Group B.

In the year 2002, the socialists and the liberals came back to power. The new version of Group B was dismissed by a younger generation of Group A.

This was the end of the period when every four years a changing of the guards, so to speak, took place in Hungary. In 2006, Fidesz could not return to power but the subsequent years were characterized by growing antagonisms, aggressive street demonstrations, and the fast decline of leftist power. For the first time in Hungarian history, the 2010 elections resulted in a two-thirds parliamentary majority for the Fidesz party.

In the media environment, it was the end of a period lasting for two decades when dominant voices in the public media were regularly disappearing and reappearing, depending on election results. Nonetheless, the Hungarian private media sector was flourishing and the existence of diversity in information sources was undisputed, irrespective of the color (or rather “political affiliation or party-composition”) of the government.

### NEW MEDIA LAW

Prime Minister Viktor Orbán, having gained a constitutional majority in 2010, right after the election victory, started to consolidate his power by weakening checks and balances – not only with regard to the constitutional regulation of the relationship between power branches, but also with a reformed media regulation. The new Media Act (Act 185 of 2010 on Media Services and Mass Media), having entered into force on January 1, 2011, was, in fact, the first important building block of a new system, which was later baptized by Orbán as “illiberal democracy”.

Laszlo Majtenyi, a professor of constitutional law and a former Hungarian ombudsman, had several objections to this law, including, among others:

- the undemocratic nature of the architecture of supervision as enacted;

- the Media Act's transgression of generally accepted liberal and democratic principles by extending the government's powers of oversight to the printed press and the new media, including online news publication in its entirety and a significant portion of blogs;
- the unprecedented scope of powers conferred, the nebulous definition of the legal grounds for imposing sanctions, and the threat of arbitrary application<sup>1</sup>.

Regarding the first objection, Mr. Majtenyi pointed out that the President of the National Media and Infocommunications Authority – with vastly augmented powers of supervision over the converged technological aspects of the media and content regulation – is since then to be appointed for a term of nine years (more than two parliamentary cycles) at the discretion of the prime minister, and may be appointed to the office more than once.

The director general of the Broadcast Support and Property Management Fund (MTVA), which has discretionary rights over the assets of public media and the allocation of various support funds, is appointed and recalled by the president. As Laszlo Majtenyi envisioned, the Media Act marked the end of the economic independence of certain public program providers, including Hungarian Radio, MTV (Hungarian Television), and Danube Television, whose entire assets were transferred to the Fund overseen by the president.

Thousands of journalists and programmers were reassigned to the same umbrella

<sup>1</sup> <http://ekint.org/en/media-and-press-freedom/2011-01-11/a-criticism-of-the-hungarian-act-on-media-services-and-mass-media-effective-january-1st-2011>



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organization. Public service media no longer create their own programs, but commission them from the Fund. News reporting is centralized. On the pretext of frugality, events deemed newsworthy are featured in programs created by the same single crew and then distributed among all the public channels.

The President of the Authority also presides over the Media Council, the body that passes the most important material decisions. Taking advantage of its two-thirds majority in parliament and the abolition of the former parity-based mechanism, the ruling Fidesz party has made sure that no one other than their own candidates are delegated to the Media Council.

Even though the ruling party and the opposition may delegate the equal number of candidates to the Board of Trustees of the Public Service Media Foundation (three each), the predominance of the ruling party is once again assured, since the Media Council is entitled to nominate the chairman and an additional member.

Without a proper tender procedure and by the unanimous vote of delegates exclusively from the ranks of the ruler party, it was this body that elected the general directors of public broadcasters, who must therefore be regarded as political appointees.

Both in its scope and the philosophy of its conception, the new media regulations transgress the boundaries of European constitutional democracy. The European legislative tradition is to respect the difference between the legal restrictions imposed on respective types of media. The deepest intervention has been deemed acceptable in the regulation of the electronic media (radio and television), initially because of the nature



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of frequency as a limited resource, and later citing the unmatched power of these media to shape public opinion. Since the press won the fight for the abolition of censorship in the 19<sup>th</sup> century, legal action has served as the only basic means to guard against rights violations committed in the print media. These days, the Internet is certainly the freest medium of all.

The Hungarian media law seeks to regulate communications in diverse media – online, print, and electronic – based on the same standardized criteria. Indeed, there has been no official explanation whatsoever for empowering the new Authority to monitor and severely sanction the printed press. It is equally difficult to grasp why the Authority should have the right to monitor and sanction news portals and blogs, provided that they also post-edit commercial advertising.

The new scheme of bidding for frequency allocations lacks transparency and does not rule out the possibility of arbitrary decisions. If the Media Council is dissatisfied with the bids – for instance, due to “considerations of media policy,” – it may choose not to announce a winner at all, or wait until it happens to receive a bid that is to its liking. It has the authority to scrutinize all radio, television, and other audio-visual content, and put it to the test of what the law calls “balanced nature.”

Moreover, the new professional “self-regulatory” bodies remain at the mercy of the new Authority in terms of discretionary powers, operation, and information.

Finally the grounds for imposing fines, which are so severe as to be fit to ruin a media enterprise, are vague and described in general legal terms, such as offense to any public interest, any majority or minority, constitutional law and order, and human dignity. On the suspicion that an individual right

has been violated, the Council may bring a process even if the subjects themselves have not objected to or even been aware of the alleged violation. Media enterprises found to be in repeated grave infringement of the new rules may be simply struck from the register by the Council, in a blatant infringement of the freedom of the press. All the while, the Media Act neglects to define what such a "grave infringement" consists of, other than the default on broadcasting fees.

### CONCENTRATED OWNERSHIP AND "LEADERSHIP"

The media law created by Fidesz reshaped the whole media playing field in Hungary, but beyond the legal environment, media ownership relations have also changed dramatically during the Fidesz government.

There has been a permanently ongoing verbal war between the government and the pro-government media on the one hand, and the media critical towards the government on the other, concerning the question of predominance. The pro-government narrative is that the opposition, leftist media is still predominant, while those critical of the government claim the opposite. In order to determine the truth, it would be highly misleading to only compare the number of media outlets. It is necessary to look deeper into the real scope of the different kinds of media outlets.

First of all, public broadcasting is under the total control of the government. In recent years, new, thematic channels have been launched by the public television. A well-orchestrated propaganda scheme is applied on all channels, e.g. even the television coverage of high-profile sports events is regularly intermitted by short news which – in accordance with governmental policy – usually consist of dramatic stories about the dangers of migration.

At the top of this media "management" is Antal Rogan, the propaganda minister in the prime minister's office, and a close ally of Viktor Orbán. He is the "agitprop boss" of the new times.

The audience of public broadcasting is not too high, but in this respect there is a big difference between Budapest (of 2 million inhabitants) and the rest of the country (8 million). The popularity of public broadcasting is usually stronger in smaller settlements – in certain geographic areas it is not even about dominance, but rather exclusiveness. People in many households do not watch practically anything else other than public television programs.

Noteworthy, outside Budapest, a certain proportion of the residents regularly read only the "local" (hence government-controlled) newspaper<sup>2</sup>. This category was mentioned in the overview of the communist media environment. Business circles close to Fidesz bought these leading papers in each and every county. The big new owner became Lorinc Meszaros, another good friend of Viktor Orbán. Originally, he was a plumber in the village where the prime minister was born. Now, he is one of the richest people in Hungary, the owner of a whole empire of companies. The county newspapers – being practically in one hand – are prepared day by day with a centralized working method: There is some local content, of course, but

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<sup>2</sup> There are no exact figures indicating the media consumption habits of the population. The number of sold dailies is generally very low everywhere in the country, and as such it covers only a limited percentage of the residents. But while in Budapest residents read different dailies with national circulation and the most popular daily is *Népszava*, critical towards the government, everywhere else in the country the pro-government local daily sells better than the dailies with national circulation. Moreover, in small towns and villages, where human relations are more personal, the importance of local "opinion leaders" is outstanding and the majority of these key figures of the local society read the local pro-government daily on a daily basis.



## THE MEDIA LAW CREATED BY FIDESZ RESHAPED THE WHOLE MEDIA PLAYING FIELD IN HUNGARY

the national and international content is identical and produced in Budapest.

Business circles in the “moonbow” of Fidesz have acquired most of the private radio and television stations in the country. However, there are two big, nationwide private television channels with outstanding an audience: Bertelsmann-owned RTL Klub and TV2. So far so good – only the latter one is considered to belong to the Fidesz media empire at the present time.

As for printed political dailies with national circulation, after the unexpected and scandalous closing of liberal-leftist *Nepszabadsag* in October 2016, there still exists *Nepszava*, critical towards the government. The two other outlets are the pro-government *Magyar Nemzet* and *Magyar Hirlap*. But these newspapers altogether reach much less people than several tabloids, which are nearly exclusively in the pro-government hands.

When Fidesz tries to prove the predominance of the opposition media, it may find some arguments looking at the number of titles in online media. Alas, the truth is that even in this relatively independent area, the money of pro-government businesspersons

is more and more obviously influencing media content.

All in all, it is fair to state that a considerable part of the Hungarian public consumes nearly exclusively pro-governmental propaganda instead of independent news. Having said that, prevailing trends concerning the circulation of the printed media segment show that real predominance of pro-government propaganda is slowly but steadily diminishing, at least in the non-tabloid segment. The figures of circulation are visibly going down. Consequently, revenues resulting purely from selling the newspapers are more and more dramatically lagging behind the costs. In order to keep up the balance, papers need higher income from advertising.

In the Hungarian “illiberal” system, the government has an unusually large influence upon the advertising market, since everybody in business circles knows very well that being on good terms with the government has a real market value, especially if you would like to be the winner of public procurement tenders. Moreover, the biggest advertiser is the public sector itself, and public money spent on advertising goes mainly to government-friendly media. Lately, *Nepszava*, too, has had somewhat more revenues from state or government advertising.

In the first quarter of 2019, the figures of circulation of nearly all dailies were lower than one year earlier. The only exception was *Nepszava*, the sole nationwide daily, critical towards the government. Its circulation was 21,000 – somewhat higher than in the previous year, and nearly double that of the 2016 data. This phenomenon shows that many former readers of *Nepszabadsag*, which closed in 2016, have become readers of *Nepszava*.



# REAL PREDOMINANCE OF PRO- GOVERNMENT PROPAGANDA IS SLOWLY BUT STEADILY DIMINISHING, AT LEAST IN THE NON- TABLOID SEGMENT

In fact, one cannot compare this figure to the two nationwide pro-government dailies – *Magyar Nemzet* and *Magyar Hirlap*, since there exist no new audited circulation data from these two papers. The latest figures regarding *Magyar Hirlap* is available for 2014: the circulation in that year was 8,000, compared to 15,000 in the year 2010. Meanwhile, the circulation of *Magyar Nemzet* was 50,000 in 2010 and 13,000 in April 2018. Then it was closed and later reopened<sup>3</sup>.

<sup>3</sup> The closure and reopening of *Magyar Nemzet* was the consequence of the change of the ownership. The longtime owner of the paper had been Lajos Simicska, a close friend of Viktor Orbán and the key figure behind the financial empire supporting Fidesz, built up mainly after 2002. After the 2014 elections, the personal relationship between Mr. Orbán and Mr. Simicska deteriorated dramatically. The reasons are not totally clear. The media controlled by Mr. Simicska – not only *Magyar Nemzet* but also HiTV, a television news channel – became strongly critical of the government. After Viktor Orbán's repeated election victory in 2018, Mr. Simicska closed *Magyar Nemzet*, sold practically all of his assets, and retired. The new owner of the *Magyar Nemzet*

Nevertheless, circulation of the leading pro-government daily newspapers in the counties is clearly decreasing: the data from the first quarter of 2019 were lower by approximately 10–11% when compared to one year earlier.

On the market of the tabloid dailies, there is also a clearly visible decreasing tendency – still, on a much higher *niveau* than in the “more serious” segment. *Blikk* went down from 200,000 (2010) to 80,000 (2018) and *Bors* from 80–90,000 (2010) to 50,000 (2018)<sup>4</sup>.

## THE BIRTH OF KESMA

The building of the whole media architecture was finalized on December 5, 2018; a few days after nearly five hundred private Hungarian news outlets were simultaneously donated by their owners to a central holding company run by the people close to Prime Minister Viktor Orbán.

In coordinated announcements, media owners declared the transfer of news websites, newspapers, television channels, and radio stations to the Central European Press and Media Foundation (abbreviated in Hungarian as KESMA), a group founded a few months earlier. The chairman of the foundation is a former lawmaker from Mr. Orbán's party. Its two other board members are the prime minister's personal lawyer and the head of a research group that strongly supports Viktor Orbán. Most of the owners, pro-government business moguls, said they would receive no compensation for the properties. As a kind of enthronement of this settlement, the prime minister signed

brand reopened the paper, with a clear pro-government affiliation.

<sup>4</sup> See: [https://hvg.hu/kkv/20190509\\_Menekulnek\\_az\\_olvasok\\_a\\_NERkozelve\\_valt\\_megyei\\_lapoktol](https://hvg.hu/kkv/20190509_Menekulnek_az_olvasok_a_NERkozelve_valt_megyei_lapoktol); and [https://hvg.hu/gazdasag/20190208\\_Hiaba\\_jonnek\\_al-lami\\_hirdetesek\\_egyre\\_tobb\\_olvaso\\_partol\\_el\\_a\\_ko-rmany\\_kedvenc\\_ujsgajaitol](https://hvg.hu/gazdasag/20190208_Hiaba_jonnek_al-lami_hirdetesek_egyre_tobb_olvaso_partol_el_a_ko-rmany_kedvenc_ujsgajaitol)

a decree stating this move to be of “national strategic importance”, thus ensuring that no concern can be raised on the basis of competition law.

Freedom House determined that the deal had placed most leading private Hungarian outlets under the control of a single, state-friendly entity, in a move that is unprecedented within the European Union. *The New York Times* quoted Zselyke Csaky, the research director for Europe and Eurasia at Freedom House, saying it was a change mainly about symbolism. The Hungarian media is now “beginning to resemble state media under Communism because of the level of control and consolidation”<sup>5</sup>, she added. As regards the possible reasons behind this move, Dániel Szalay, a journalist covering media matters for various Hungarian publications, was quoted by the International Press Institute, stating the decentralized media model that they tried in the past few years “was leaking too much money”.

*“Some of the people running pro-government media companies put their own personal interests above the central political will, and sometimes even publicly quarreled with one other. Despite winning the elections in April, Orbán was disappointed with them”<sup>6</sup>.*

Mr. Szalay’s assessment of the deal was that after eight years of legal maneuvering and many small steps toward building a centralized propaganda machine, Hungary’s government has put all its cards on the table and created a media behemoth of an unheard of size. And, to pave the way, the government has exempted its creation from almost all legal scrutiny and competition rules. The

<sup>5</sup> <https://www.nytimes.com/2018/11/29/world/europe/hungary-orban-media.html>

<sup>6</sup> <https://ipi.media/one-hungarian-media-monster-to-rule-them-all/>



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swiftness and cynicism of the operation took most people by surprise. In just a few days in late November and early December 2018, the entire Hungarian media landscape was turned on its head.

## CONCLUSIONS

While authoritarian regimes are characterized by, among other things, by strict control over the media, in democracies the independence of media is basically guaranteed. In democracies, too, there exists a certain kind of political control over the public media, in the sense that it is the task of a multi-party mechanism to ensure the factual, impartial, and balanced reporting in public media. Governing political forces are always in a more or less privileged position to influence media, compared to opposition, but in a well-established democracy it cannot hurt the integrity and stable financing of public media.

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During recent years, however, Viktor Orbán's government, having built an "illiberal" and increasingly authoritarian system, started with the fundamental changes in the field of the media only a few months after Fidesz's first big election victory. The adoption of the new Media Law presented the framework for the total governmental control over public broadcasting. It was followed by extending "government-friendly" ownership in the private media sector during the subsequent years. The whole process was finalized at the end of 2018 when hundreds of private media outlets were massed into one single foundation, which serves as the working framework of coordinating governmental propaganda activities outside the public sphere.

The fall of Communism resulted, among others, in the birth of a colorful private media world, which makes it more difficult to exert political control over the media than in the previous system. Times have also brought about fundamental changes in in-

formation technology. Flourishing online media – and, lately, social media – make it even more difficult to exert political control over the media landscape. Total control was always impossible. In Communism, a kind of "last-resort" manifestation of this phenomenon was listening to Radio Free Europe.

Currently, also in Hungary, there are many more "last resorts" available, as the Internet gives endless possibilities to enjoy free media. But it is a question of penetration as well: many people still watch public television, listen to public radio, or read "the" local newspaper – and these sources in Hungary are exclusively governmental propaganda units. APO may have disappeared, but the APO of our times, KESMA, seems to be equally efficient in brainwashing average citizens.



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