



Hungary Report

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Sustainable Governance
Indicators 2016

Executive Summary

Hungary has been governed by Victor Orbán and his Fidesz party since 2010. In the April 2014 parliamentary elections, the government succeeded in retaining its two-thirds majority despite receiving 600,000 fewer votes than in 2010. After the local elections in October 2014, however, popular support for the government declined substantially. Fidesz lost all by-elections and, in February 2015, its two-thirds majority in parliament. As a result, the Fidesz majority in parliament was no longer able to change the constitution without the support of the right-wing Jobbik party, the second strongest party in parliament. At the same time, the internal rifts within the Fidesz camp have grown. First, Lajos Simicska, an enigmatic Fidesz oligarch and media mogul, has distanced himself from Orbán. Second, the senior and the junior generations of Fidesz leaders have clashed. The older generation of leaders like László Kövér and Zoltán Pokorny have publicly attacked the younger generation for their pursuit of a lifestyle resembling that of the Hungarian aristocracy and the communist elite in which large hunting parties are held and luxurious houses and apartments maintained. Third, there has been an infight between János Lázár, the head of the powerful Prime Minister's Office, and Antal Rogán, the leader of the Fidesz party group in parliament.

The Orbán government has reacted to the dwindling popular support by launching a hate campaign against migrants and by presenting itself as the “protector of the country” in the refugee crisis. These campaigns have succeeded in rebuilding popular support for the government. As a response to the rifts within the Fidesz camp, there has been a reorganization at the top involving the replacement of several ministers since autumn 2015. In addition, Antal Rogán emerged from the infight with Lázár to head Orbán's personal political cabinet, taking on the second-highest position in government.

In the period under review, the quality of democracy in Hungary has continued to suffer from the government's extensive control over the media and judiciary and pervasive corruption. The biased electoral legislation has been left unchanged. The rifts within the Fidesz camp have somewhat increased media

pluralism, as the Simiczka media have started to criticize Orbán. At the same time, the government has limited access to public information by raising the fees for requiring documents. The emergency legislation adopted in the context of the EU refugee crisis has raised fears of an emerging “police state” (Scheppelle).

In terms of governance, the rifts within Fidesz have resulted in a number of changes in personnel which have further weakened the quality of staff. Policymaking has continued to suffer from over-centralization and the lack of interest in independent expertise. Overly hasty policymaking has led to incoherent and contradictory legal texts, making it extremely difficult for local and county administrations to carry out their tasks. Except for the strengthening of Orbán’s personal political cabinet in autumn 2015, no major institutional reforms were initiated.

Preoccupied with consolidating its position, the Orbán government has not engaged in major policy reforms in the period under review. It has not addressed the looming problems in health care and education. In tax policy, the extension of sector-specific taxes continued. GDP growth in 2015 was lower than in the previous year, but still relatively robust.

Citation:

Orbán, Viktor (2015) Europe has been betrayed, Speech on 30 October 2015, <http://www.kormany.hu/en/the-prime-minister/news/europe-has-been-betrayed>
<http://www.kormany.hu/en/the-prime-minister/news/europe-has-been-betrayed>

Key Challenges

The power of the Orbán government has drawn both on strong right-wing, anti-Western resentments among the population and the weakness of the political opposition. In both regards, little has changed during the period under review. The government’s hate campaign against migrants and its tough stance in the refugee crisis have been popular and have helped Fidesz regain popularity. The parliamentary opposition remains fragmented and ideologically diverse, and lacks both programmatic ideas and adequate political personnel to become a credible alternative. While the frequency of public protests against the Orbán government has increased since the 2014 elections, participants in these protests have distanced themselves from the parties of the democratic opposition. This political detachment has made it easier for right-wing forces to capitalize on the dissatisfaction with the Orbán

regime. As a result, the Jobbik party has emerged as the second strongest party in the polls. It has moved to the center with a “cuteness” (“cukiság”) campaign.

Challenges to the Orbán government’s regime are thus more likely to result from rifts within the ruling elite and from international developments. As corruption has become a systemic feature of the Orbán government, the cracks within the Fidesz camp have grown. The pervasive corruption has been both a strength and a weakness of the regime. On the one hand, it has created a clientele system with thousands of loyal supporters. On the other, it has exposed the parasitic character of the regime and has further aggravated the lack of expertise at the top.

The effects of the refugee crisis for Hungary’s international position are not yet clear. On the one hand, Hungary has become a kind of role model for some other East-Central European governments, most notably the newly elected Polish government. On the other, the tough stance of the Hungarian government has further reduced the respect for Hungary in most EU countries and the rest of the world. Prominent Hungarian politicians such as János Lázár and Péter Szijjártó have regularly used unorthodox and aggressive language, and the Hungarian parliament issued an Address to the European Leaders (Decision 36/2015, IX.22) on the refugee crisis stating that “The European Union is responsible for this situation” because of its “irresponsible politics.” The further deterioration of the relationship between the Hungarian government and major EU member states and representatives of leading EU institutions is likely to reinforce Hungary’s marginalization and isolation within the EU. Hungary will therefore face major challenges in negotiations over the EU budget and may, at some point, put its EU membership at risk.

Policy Performance

I. Economic Policies

Economy

Economic
Policy
Score: 3

Since 2013, the Hungarian economy has once again shown growth. The unexpected surge in growth in 2014 was largely due to one-time factors such as the low base in the previous year, strong EU-financed investment favored by the closing of the previous Multiannual Financial Framework and the extremely good showing of the agricultural sector. The growth in investment came to a halt in 2015, as EU-funded investment and corporate lending have declined. A relatively high country risk premium and an unstable regulatory and tax environment have hindered FDI. As a result, Hungary's medium-term economic prospects look worse than in most peer countries. In a Eurobarometer survey in spring 2015, 69% of Hungarians described the economic situation as bad.

Citation:

Vértes, András (2015) "The Hungarian Economy: On the Wrong Trajectory" *Südosteuropa*, Special Issue, Hungary's Path Toward an Illiberal System, Vol. 63, No. 2, 249-271
Eurobarometer 83, Spring 2015

Labor Markets

Labor Market
Policy
Score: 4

Recorded unemployment in Hungary has fallen and now stands substantially below the EU average. However, this has largely been achieved by controversial public-works programs and an increase in the number of Hungarians working abroad. The Orbán government's public-works program has annually provided about 200,000 unemployed people some prospect of employment. However, participants perform unskilled work under precarious conditions and for very modest remuneration, and few participants have succeeded in transitioning to a job within the regular labor market. The main beneficiaries of the program have been local mayors who are provided with access to cheap labor to perform communal work. The large number of Hungarians working abroad has reduced revenues from taxes and social insurance

contributions. Moreover, the increasing brain drain of educated and skilled people is creating shortages in quality labor in many fields. This has become a major obstacle to the acquisition of FDI and to economic development.

Taxes

Tax Policy
Score: 3

Hungary's tax system has become less equitable under the Orbán governments, as the tax burden has shifted from direct to indirect taxes. Moreover, social insurance contributions have remained high. The taxation of corporate income has been characterized by a high degree of differentiation and frequent changes. The extension of sector-specific taxes continued in 2015. The introduction of steeply progressive rates in the food inspection fee and the introduction of a tax on tobacco manufacturers and distributors led to conflicts with the European Commission. In response to the latter, the Hungarian government abolished the progressive design of the advertisement tax as of July 2015. The high and growing size of the shadow economy point to weaknesses in tax administration. In October 2015, state control over the tax authority NAV grew, raising fear about the political abuse of the authority's database.

Citation:

Eurostat (2015a) How satisfied are people with their lives in the EU, 19 March 2015, <http://ec.europa.eu/eurostat/documents/2995521/6750366/3-19032015-CP-EN.pdf/bbf302b1-597d-4bf0-96c4-9876e49b5b9d>

Budgets

Budgetary
Policy
Score: 5

After exiting the European Commission's excessive deficit procedure in June 2013, Hungary has managed to keep the fiscal deficit below 3%. The Orbán government has been keen on escaping the strict fiscal EU oversight. However, fiscal adjustment has been accomplished by ad hoc measures rather than by structural reforms. Because of the direct and indirect costs of the refugee crisis and the fallout of the Volkswagen scandal, the 2015 budget had to be amended. Hungary is still far from meeting the debt ceiling of 50% of GDP anchored in the 2011 constitution. While it has ratified the EU's Fiscal Compact, it insists that its consolidation obligations will apply only after it achieves membership in the euro zone, which is not advocated by the current government.

Research and Innovation

R&I Policy
Score: 4

Hungary's research and innovation (R&I) sector is fairly advanced but chronically underfinanced. Under the Fidesz governments, the situation has worsened further, since public funding for universities and research has been drastically cut. With 1.4% of GDP, public spending on R&I in 2015 was below both the Hungarian (1.8%) and the EU target (3.0%). The Hungarian Academy of Sciences still suffers from the

effects of a radical and politically motivated reorganization performed under the second Orbán government. The European Institute of Technology and Innovation (EIT), which was established by the European Union in Budapest in March 2008, has not had much effect on R&D in Hungary to date, largely due to a lack of resources on the Hungarian side. The third Orbán government has transformed the National Innovation Office (Nemzeti Innovációs Hivatal, NIH) into a more comprehensive National Research, Development and Innovation Office (Nemzeti Kutatási, Fejlesztési és Innovációs Hivatal, NKFIH) under the direct control of a former Fidesz minister József Pálinkás.

Global Financial System

Stabilizing
Global
Financial
Markets
Score: 4

Despite its frequent attacks on the financial sector, the Orbán government has not shown much interest in enacting better regulations in this area. The merger of the National Bank of Hungary (NBH) with the State Authority for the Supervision of Financial Institutions (PSZÁF) in 2013 was motivated primarily by the goal of increasing the power and maneuvering room of the new NBH president, György Matolcsy, as the chief representative of Orbán's economic policy. In the period under review, several financial scandals and bankruptcies have destabilized the financial market. Moreover, the Orbán government's attempts at reaching a Hungarian dominance in the financial sector have produced uncertainty. The government purchased the Hungarian Foreign Trade Bank (MKB) and the Budapest Bank from foreign owners, but has not determined their final owners and financial profile yet. Because of its confrontational stance with the European Union, Hungary has not played a role in EU debates over international financial architecture reforms. Hungary did not join the efforts to introduce a European financial-transactions tax.

II. Social Policies

Education

Education
Policy
Score: 3

The third Orbán government has continued the strategy of full control of education parallel with the drastic budget cuts in this field. Municipalities have been deprived of their functions in primary and secondary education. In public education, the government has established the Klebelsberg Centre for the Maintenance of Institutions (Klebelsberg Intézményfenntartó Központ, KLIK) as a means of exercising political control of the school system. KLIK includes all schools throughout Hungary and is responsible for the entire scope of economic and professional management of all schools, including minor matters. As the employer of all teachers, KLIK has the authority to fire teachers deemed not sufficiently loyal to

the regime. KLIK has also been charged with surveying and appointing all school directors. In late August 2015, 225 school directors were replaced, a move prompting parent-organized public demonstrations in protest of the lack of professional expertise among the new directors who are Fidesz-loyalists. Some schools must operate without gas and/or electricity at times because KLIK has failed to pay bills consistently.

The trend toward centralization has also continued in higher education. The second Orbán government's installation of powerful chancellors drastically reduced universities' autonomy. With the radical transformation of the university system, the government established a new University of Public Service (Nemzeti Közzolgálati Egyetem, NKE) to educate loyal bureaucrats, military and police officers. In addition, the third Orbán government has introduced a series of legislative amendments that have weakened further universities' autonomy and strengthened the NKE's privileges. Whereas higher education overall has suffered massive cuts since 2010, huge sums of money has been transferred to NKE. As a rule, university courses are subject to monitoring by the Hungarian Accreditation Committee (Magyar Akkreditációs Bizottság). However, NKE was removed from this stipulation in March 2015. The presence of NKE's main building in the former traditional military academy (Ludovika) is highly symbolic.

Social Inclusion

Social
Inclusion
Policy
Score: 4

The basic social message of the third Orbán government is that it would fight for upward mobility of “hard working people” in Hungarian society, representing the interests of both the middle class and low-income earners. In fact, however, despite the recent rise in economic growth rates, both the impoverishment of people in the lower income deciles and the fragmentation and weakening of the middle classes have continued since the 2014 elections. The budget for 2015 has cut social spending by 5%. The poorest strata of the population, particularly the Roma, have become increasingly isolated and dependent on state support. The third Orbán government has provided some relief for the hundreds of thousands of individuals holding foreign-currency debt by shifting a portion of their debt burden to foreign banks. However, since this process has yet to be completed, many of those most affected have organized protests. The refugee crisis has restructured the public discourse in social policy. Although only 30% of Hungarians view the country's economic situation as “good,” the government's manipulative strategy has depicted migrants as the root of the country's economic woes even though most migrants have left Hungary. Many real problems of social inclusion remain unaddressed. The inclusion of Roma is a key problem here that requires local and sectoral measures embedded within an overall framework strategy that has yet to be developed.

Health

Health Policy
Score: 4

Since the 2014 elections, health care has become the most conflict-ridden policy field in Hungary. A continuing series of scandals in the field have made this a major Fidesz policy weakness subject to public protest. Health-care policymaking has suffered from the absence of a ministry tasked with addressing with health care issues and a limited health-care budget. While per capita health expenditure has risen since 2009, public spending for health is one of the lowest in OECD. No major organizational reforms have been adapted in the review period. The Orbán government has failed to tackle the widespread mismanagement and corruption in the health sector, the large debt burden held by hospitals, the discretionary refusal of services by medical staffers, and the increasing brain drain of doctors and nurses to other countries. In summer 2015, a series of scandals in the health sector surfaced, indicating that the worsening situation has become unacceptable for medical employees. By wearing black rather than the traditional white uniform, nurse Mária Sándor became an emblematic figure of mass protests. The Hungarian Chamber of Health Employees (Magyar Egészségügyi Szakdolgozói Kamara, HCHE) ordered an ethical investigation against her but dropped it after the mass protest wave. Eventually, the president of HCHE resigned. As a reaction to the miserable situation, State Secretary Gábor Zombor also resigned in August 2015. It took the government two months to appoint a new state secretary. Mária Sándor has recently formed a new interest organization, For the Hungarian Health Sector (a Magyar Egészségügyért).

Families

Family Policy
Score: 4

Family policy has been a rhetorical focus for the Orbán governments, but has been understood in a very traditional manner. It has aimed at stabilizing traditional family models rather than at improving opportunities for women to combine parenting and employment. The second Orbán government introduced a new family-based tax allowance and extended the maximum period for parental leave from two to three years, thereby luring women away from the labor market. In 2014, the family tax allowance was changed to a so-called family contribution allowance, making it possible for families to use any remainder of the family tax allowance not utilized for decreasing the personal income tax to decrease their health or pension insurance contributions. Despite its pro-family rhetoric, the Orbán government cut family allowances by 4% in the budget for 2015. In the period under review, child starvation has become a major issue. Initially, all parliamentary parties agreed to establish September 26 as the day of the fight against child starvation and introduce the adoption of a new income support program. In November 2015, however, Fidesz eventually turned against the new program, arguing that the government had already done everything to prevent child starvation.

Pensions

Pension
Policy
Score: 4

Hungary introduced a three-pillar pension system along World Bank guidelines in 1997, featuring a strong mandatory second pillar. Upon coming to office, the second Orbán government abolished this second pillar and confiscated, “nationalized” assets. In order to improve the fiscal situation and the sustainability of the pension system, it also eliminated some early-retirement options. The elimination of the pension system’s second pillar and the limitations on early retirement strongly increased uncertainty regarding income in old age. The growing shadow economy and the increasing tendency to replace a share of wages with benefits not subject to social insurance contributions have reduced the pension claims of many future pensioners. While pensions have featured prominently in public debates, the Orbán government has not addressed the issue since the 2014 elections.

Integration

Integration
Policy
Score: 4

The refugee crisis has proven that Hungary is still primarily a transit country, with only a small number of migrants who want to stay in the country. The integration of ethnic Hungarians from neighboring countries – above all from Romania, Serbia and Ukraine – has gone fairly smoothly but has slowed down in the last years, since they have also gone to the West. By contrast, the integration of other migrants remains a controversial process. In the context of the refugee crisis, Prime Minister Orbán explicitly declared that Hungary belongs only to Hungarians. However, migration to Hungary is not the real problem; the massive brain drain of Hungarian youth who have left for Western Europe is the real problem. The government has launched a “Come home youngster” (Gyere haza fiatal) project with attractive financial conditions intended to attract and re-integrate Hungarian youth, but only about 20 people have indicated their intention to return to Hungary in the project’s first year.

Safe Living

Safe Living
Conditions
Score: 5

In Hungary, regular crime is largely kept within “normal” limits. By European standards, Budapest is a rather safe capital city, and the number of registered crimes in the country even dropped significantly in 2014 from approximately 378,000 to 330,000. However, there are strong security risks associated with violence perpetrated by extreme-right groups and confrontations between opposing political camps on the streets. The government’s attempts to prevent atrocities from being perpetrated against Roma, Jews and homosexuals, as well as to protect opposition demonstrators, have remained rather half-hearted. The government has tolerated the reorganization of the Hungarian Guard, the extreme-right wing paramilitary organization linked to the Jobbik party. The Hungarian Guard and other smaller extreme-right organizations have been active along the Hungarian-Serbian border during the refugee crisis.

Global Inequalities

Global Social
Policy
Score: 3

Hungary pays only relatively little policy attention to developing countries. The Orbán government adopted a strategy for international development cooperation and humanitarian aid for the period 2014-2020 in March 2014. This strategy was later transformed into a law that went into force in July 2015. Hungary's development cooperation focuses on countries which have strong trade links with Hungary (Serbia, Ukraine, but also China and India) or in which Hungary has been militarily involved (Afghanistan). While Hungary's net ODA increased from 0.1% to 0.13% of GNI from 2013 to 2015, it still falls short of the official EU and OECD targets.

Citation:

<http://www.oecd.org/hungary/hungarys-official-development-assistance.htm>

III. Environmental Policies

Environment

Environmenta
l Policy
Score: 6

As the 2011 constitution incorporated “green” values, the constitutional basis for environmental policy in Hungary is strong. Comprehensive environmental regulations are in place, and the European Union continues to serve as an important driver of policy action. However, environmental policy has suffered from the country's tight budgetary situation, the lack of a separate Ministry of Environment and a relatively low environmental awareness among the population. In the third Orbán government, environmental issues have largely been dealt with by a Ministry of Agriculture department led by a deputy state secretary. However, water management has rested with the Ministry of the Interior, and, the subnational environment authorities have become part of the newly created government offices at the county level. Zoltán Illés, the former state secretary for environment in the second Orbán government, has strongly criticized the third Orbán government for neglecting the protection of the environment and for downgrading its institutions. The government has failed to address pressing issues such as the ragweed allergy that has been a big problem for many Hungarians. President János Áder has participated in many international forums for propagating the environmental issues, but has refrained from criticizing the government.

Citation:

Antal, Attila, 2014: Strong Constitutional Basis, Weak Environmental Policy. Paper Prepared for the 3rd UNITAR-Yale Conference on Environmental Governance and Democracy, 5-7 September 2014, New Haven (http://www.academia.edu/8117004/Strong_Constitutional_Basis_Weak_Environmental_Policy_The_Case_of_Hungary)

Global Environmental Protection

Global
Environmenta
l Policy
Score: 5

Global environmental reforms have not been part of the official public discourse in Hungary, and the Orbán governments have engaged in free-riding behavior. The third Orbán government has stressed its commitment to international efforts and has publicly supported the European Union's environmental policy, but remains far from being a driving force. President János Áder has tried to find an international role for himself in global environmental policy, but has not launched any substantial initiatives.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 6

The far-reaching changes to Hungary's electoral law in the run-up to the April 2014 parliamentary elections included amendments to registration procedures. The combination of decreased registration requirements and generous public funding for candidates and party lists led to a surge in candidacies. A record-high 53 parties took part in the elections, 18 of which were able to form a national list. The governing Fidesz party actively promoted this associated fragmentation with the evident aim of confounding voters and weakening the opposition. The registration process suffered from a lack of transparency. Election commissions at both the central and constituency level largely failed to address cases of alleged signature fraud. In 2015, the controversial procedures remained unchanged.

Citation:

OSCE / ODIR, 2014: Hungary – Parliamentary Elections, 6 April 2014. Limited Election Observation Mission Final Report. Warsaw, 11-12.

Media Access
Score: 3

Access to the media has been uneven, as the Orbán government has exerted strong control over the public media and a large share of private-media organizations has been controlled by owners close to Fidesz. While a number of independent media outlets exist and young citizens can escape to internet-based media, most of the population, in particular the elderly, those among the lower social strata and people with limited knowledge in foreign languages have only limited access to balanced information. Moreover, in the campaign run-up to the 2014 parliamentary elections, Fidesz also controlled most of the campaign-advertisement space in public places. The “war of oligarchs” between Prime Minister Orbán and Lajos Simicska, an enigmatic media mogul, has increased media access for the political opposition, as the media owned by Simicska, most notably Hír TV and the newspapers Magyar Nemzet and Heti Válasz) have become more open to critical voices.

Voting and
Registrations
Rights
Score: 3

Registration and voting procedures in the 2014 parliamentary elections were heavily tilted in favor of the governing Fidesz party. The single most important problem has been the unequal treatment of citizens living abroad without permanent residence in Hungary, most of them either ethnic

Hungarians in neighboring countries with dual citizenship or Hungarian citizens with permanent residence, but who were out of the country on election day. The first group, with its strong political affinity with the governing Fidesz party, not only benefited from less restrictive registration requirements, but was also allowed to vote by mail. By contrast, the second group was required to vote person at crowded diplomatic missions. As a result, participation rates in the 2014 parliamentary elections differed strongly between the two groups. Out of about 550,000 Hungarian citizens without permanent residence in Hungary, about 200,000 cast their ballot. By contrast, less than 30,000 of the roughly 600,000 Hungarians living temporarily abroad took part in the elections. In 2015, the controversial provisions remained unchanged.

Citation:

OSCE / ODIHR, 2014: Hungary – Parliamentary Elections, 6 April 2014. Limited Election Observation Mission Final Report. Warsaw, 5-6, 9-11.

Party Financing
Score: 3

A 2013 amendment of the law on party financing shifted funds toward individual candidates and smaller parties, thus contributing to the record-high number of candidates in the 2014 parliamentary elections. The fact that their financial activities were monitored only after the campaign facilitated fraud. The legal framework for campaign financing has lacked any limits on private donations, and has not required a dedicated bank account for campaign purposes. As no regulations on third-party campaigning have existed, parties have been able to circumvent existing restrictions on campaign spending by involving formally independent non-profit organizations. Among these organizations, the Fidesz-affiliated Civil Unity Forum (Civil Összefogás Fórum, CÖF) stood out, running an expensive campaign against several opposition leaders. Although it is obvious that many smaller – often fake – parties and/or individual candidates misused the campaign funds, there has been no serious investigation of these allegations which would have exposed the “parties” linkages with Fidesz.

Popular Decision-Making
Score: 6

In Hungary, citizens can initiate referendums, and there have been cases of successful initiatives for referendums at the national and local levels in the past. However, the new 2011 constitution limited the scope for popular decision-making by abolishing popular initiatives, expanding the set of issues exempt from referendums and raising the thresholds for referendum success to a 50% participation threshold. For the weak and fragmented opposition, referendums have become an important means of mobilizing support and expressing dissent. However, most initiatives, especially those on high-profile issues such as pensions or retail hours on Sundays, have been refused by the government-controlled National Election Committee (NVB), which enjoys considerable discretion in deciding whether issues are eligible for a referendum or not. Moreover, if somebody initiates a referendum, the NVB blocks all other initiatives on the same issue for several months. As a result, no

referendum was held in the period under review. At the same time, the government has continued its system of manipulative public opinion polls with a “National Consultation on Immigration and Terrorism.” In May 2015, the government sent out a questionnaire to all citizens, urging them to give their thoughts on the topic of immigration and refugees.

Access to Information

Media Freedom
Score: 3

The Orbán government pushed through highly controversial media laws in 2010/11. These laws have effectively involved a “media capture” by the state since they have strengthened government control over the media by vesting a Media Council (staffed entirely by Fidesz associates) with media-content oversight powers and the right to grant broadcasting licenses. In October 2014, the government established a National Communications Office (Nemzeti Kommunikációs Hivatal, NKH) in charge of overseeing all government media activities and advertisements. Because of tensions within the government, the NKH has remained passive until recently, and the announced fusion of the three public-media broadcasters – Hungarian TV (MTV), Duna TV and Hungarian Radio – has progressed slowly.

Citation:

Bajomi-Lázár, Péter (2013) “The Party Colonisation of Media: The Case of Hungary,” *East European Politics and Societies*, Vol. 27, No. 3, pp. 69-89

Media Pluralism
Score: 5

Media pluralism in Hungary has suffered both from increasing government control over the public media and a process of concentration of private-media ownership in the hands of companies close to Fidesz. Since the 2014 elections, however, rifts within the right-wing camp have increased media pluralism. The media owned by Lajos Simicska have started to criticize the government. The government has reacted by restricting Simicska media journalists’ access to government information. Moreover, Fidesz-financed “Habony enterprises” (Habony művek) advertisements have launched new media engines like *Lokál* (Local) weekly. This weekly is distributed everywhere by the mail service for free and has a circulation in excess of 500,000. This ostensibly “private” paper publishes very direct and aggressive government propaganda. Likewise, János Sánta, a tobacco magnate with close ties to Fidesz, invested into the relaunch of the pro-government news website and newspaper *Napi Gazdaság* under the name “Magyar Idők.” In addition, a close ally of Arpád Habony, the closest adviser to Orbán, has tried to take over TV2, the second largest commercial TV in Hungary. Independent media still exist (e.g., ATV, Klubrádió, and various print publications), but these work under very difficult financial and political circumstances. Furthermore, they reach only 10% to 15% of the overall population.

Citation:

Polyák, Gábor (2015) “The Hungarian Media System: Stopping Short or Re-Transformation?” *Südosteuropa*, Special Issue, Hungary’s Path Toward an Illiberal System, Vol. 63, No. 2, 272-318

Access to
Government
Information
Score: 4

While existing law provides for far-reaching access to government information, the government has frequently stretched the provisions of the law, making it difficult for the public and the media to obtain information, especially on issues relating to public procurement by referring to business secrets. The second Orbán government made enforcement of this access more difficult by shifting oversight responsibility from an independent data protection commissioner to a Data Protection Office (Adatvédelmi Hivatal) within the state administration, although this move was criticized by the European Commission. Under the third Orbán government, there has been a constant fight between the government and the democratic opposition over access to government data, often fought at the courts. Independent media organizations (websites such as hvg.hu and index.hu) have regularly published closed government information, and some organizations – notably Transparency International Hungary, the Society for Freedom Rights (TASZ) and the “Átlátszó” (Transparent) website – have worked intensively to demand government information. Providing day-to-day information on fake government deals (“mutyi-mondó”) has become a new feature of the opposition media. As a reaction, parliament amended the Act on Freedom in July 2015 (Act CXXIX of 2015), substantially raising the fees demanded for “the cost of processing” government documents.

Civil Rights and Political Liberties

Civil Rights
Score: 5

The Orbán governments have formally respected civil rights. However, the rule of law has suffered from the government’s politicization of the courts, its failure to protect Roma and other minorities from harassment and hate speech and its attempts to criminalize the (former) left-wing elite. In the context of the EU refugee crisis, the Orbán government adopted emergency legislation that has raised fears of an emerging “police state” (Scheppele) both inside and outside Hungary. The new acts (Acts CXL and CXLII of 2015) and a series of complementary government decisions (e.g., 256/2015 and 273/2015) have given police and the military the right to “use force” and “restrict personal liberty” if necessary to manage the inflow of refugees. The first drafts allowed the police to enter any house in Hungary without a warrant to search for refugees, a clause later removed due to harsh criticism. The refugee crisis has also drawn international attention to the existence of a special police force called TEK (Center Against Terrorism) which has been commanded by the former chief bodyguard of Orbán and is not subject to parliamentary authority.

Citation:
 Amnesty International, Fenced Out (October 2015),
<https://www.amnesty.org/en/documents/eur27/2614/2015/en/>
 Scheppelle, Kim Lane (2015a) Orbán's police state, POLITICO, <http://www.politico.eu/article/orbans-police-state-hungary-serbia-border-migration-refugees/>
 Scheppelle, Kim Lane (2015b) Toward a police state? Hungarian Spectrum,
<http://hungarianspectrum.org/2015/09/05/toward-a-police-state/>

Political Liberties
 Score: 6

The Orbán government has shown little respect for political liberties. The Orbán government's police raid on the NGO Ökotárs in September 2014 remained an open wound in the period under review. On 20 October 2015, NAV, the national tax authority, closed the investigation in this case with the statement that there had been no violation of rules. However, there have been no official excuses for the year-long undue process against Ökotárs so far. The government has verbally attacked demonstrators and failed to protect them against right-wing attacks. In his "Signs of the Times" speech on 30 October 2015, Orbán explicitly defamed the political opposition as traitors to the Hungarian nation and Christian-European values, referring to them as agents of the "conspiracy" led by George Soros and supported by the United States. Similar to the previous version which had been annulled by the European Court of Human Rights in April 2014, new draft legislation on the registration of and public support for religious communities violated religious freedoms has been criticized for infringing upon the freedom of religion. Against this background, it is not surprising that, according to the World Justice Project's Open Government Index, only 31% of all Hungarians think that civil society organizations can freely express opinions against government policies and actions. For political parties, the percentage reaches a similarly low value of 48%.

<http://data.worldjusticeproject.org/opengov/#/groups/HUN>

Non-discrimination
 Score: 4

Hungary has a comprehensive anti-discrimination legal framework. In practice, however, anti-discrimination efforts have shown only limited success. Discrimination against women in the areas of employment, career and pay is exemplified by the small number of women in Hungarian politics (e.g., in parliament or in high-ranking government positions). The wage gap between men and women is 18.4% in Hungary versus the EU average of 16.3%. The failure is even greater regarding the Roma, since about half of all Roma children in Hungary still live in segregated communities and receive substandard education. In many cases, court rulings against segregation are not enforced. Other groups such as Jews or LGBTI people have suffered from discrimination as well. In the context of the refugee crisis, the government launched an all-out anti-Islam propaganda strategy that has been extended to all minority groups and political/civil organizations that have criticized government policy.

Rule of Law

Legal Certainty
Score: 3

As the Orbán government has taken a “trial and error” approach toward lawmaking, legal certainty has strongly suffered from chaotic, rapidly changing legislation that is, at times, even implemented retroactively. In the first half of 2015, 129 acts were passed or amended. The frequent, often surprising changes in the legal environment have provoked fierce criticism by business people and investors. When the government lost its two-thirds majority in parliament, at least the frequent changes of constitutional law and the instrumentalization of constitutional law for day-to-day politics came to an end.

Judicial Review
Score: 5

The independence of the Hungarian judiciary has drastically declined under the Orbán governments. While the lower courts still make in most cases independent decisions, the Constitutional Court and the Kúria (Curia, previously the Supreme Court) have increasingly come under government control and haven't often been criticized for making biased decisions. When Tünde Handó, the spouse of a leading Fidesz politician, served as president of the National Office for Judiciary, the politicization of appointments of judges for the lower courts increased. For instance, in summer 2015, all members of the Szombathely Court council resigned after the National Office had annulled an appointment to this court.

Appointment of
Justices
Score: 2

The new constitution left the rules for selecting members of the Constitutional Court untouched. Its justices are still elected by parliament with a two-thirds majority. However, given the strong Fidesz majority in parliament and the government's lack of self-restraint, this two-thirds threshold until recently failed to limit the government parties' control over the process. Fidesz used its two-thirds majority to appoint loyalists to the court. Parallel to the weakening of the remit of the Constitutional Court, the court was staffed with Fidesz loyalists, some of whom are not even specialists in constitutional law. Since Fidesz lost its two-thirds majority, no appointment of Constitutional Court justices has been on the agenda. In 2016, however, the terms of three judges will expire.

Corruption
Prevention
Score: 3

Corruption in Hungary became a major public issue in autumn 2014, when the U.S. government refused to issue visas for six high government officials, citing severe corruption as grounds for the decision. However, widespread corruption has been a systemic feature of the Orbán governments, with benefits and influence accruing through Fidesz's informal political-business networks. Members of the Fidesz elite have been involved in a number of corruption scandals, with many accumulating substantial wealth in a short period of time. The third Orbán government has introduced new challenges for the Fidesz regime. During the third Orbán government, firms owned by Lőrinc Mészáros (a native of Orbán's home village of Felcsút) have won many public

tenders, prompting allegations that he is simply a puppet behind the Orbán fortune. This suspicion has been supported by public outcries over the fact that Orbán's new son-in-law has become a multi-billionaire in a very short period of time. Corruption has become so pervasive that even some senior Fidesz figures have begun openly criticizing the Fidesz elite's fast-growing wealth.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 3

Political action often outpaces strategic planning in Hungary. As the Orbán governments have subordinated all political actions to the goal of consolidating their power, economic and fiscal priorities have frequently shifted, and not much effort has been invested in building institutional capacities for strategic planning. After the 2014 local elections, Orbán promised to elaborate a long-term development strategy for the country, but has failed to do so. Quite to the contrary, the government has made quick turns here and there and does not even claim to have a government program or any kind of road map for the current term.

Scholarly Advice
Score: 2

The political polarization in Hungary has resulted in deep conflicts between the government and non-governmental academic experts. The Orbán governments have shown no interest in seeking independent advice and have alienated some of those who initially sympathized with them intellectually. The third Orbán government largely relies on two lavishly sponsored major policy institutes, Századvég and Nézőpont. Whereas Századvég has traditionally focused on strategic aspects, Nézőpont has supported the government in everyday decision-making.

Interministerial Coordination

GO Expertise
Score: 7

The Orbán governments have steadily expanded both the competencies and the resources of the Miniszterelnökség, or Prime Minister's Office (PMO). Under the third Orbán government, the number of state secretaries and undersecretaries in the PMO has been further expanded, and now stands at about 30. Altogether, 624 persons are employed in the PMO. In line with developments in other ministries, the expertise and professionalism of the PMO has declined since the 2014 elections. Three research institutes with

about one hundred employees have supported the PMO: Veritas Institute (an institute of contemporary history), the Institute for Linguistic Strategy (sets language guidelines for the state and private Fidesz media) and Institute for National Strategy (deals with Hungarians in neighboring countries).

GO Gatekeeping
Score: 10

The dominance of the Prime Minister's Office over line ministries started already before Orbán regained power, but has further increased since. Under the Orbán governments, all important personal, political and policy decisions have been made by the prime minister and the small groups of his confidants. Until autumn 2015, this included first of all the two young ministers, Minister of the PMO János Lázár and Minister of Foreign Trade and Foreign Affairs Péter Szijjártó. With his appointment as head of the personal political cabinet of Orbán, Antal Rogán will control all government activities on behalf of the prime minister and will report to him daily. Rogán is a close ally of Árpád Habony, the closest adviser to Orbán, who has no official position and no public presence and is therefore not interviewed, made subject to oversight, or investigated. There are concerns that GO gatekeeping allows the leading right-wing elite to act without consideration for the administration more generally.

Line Ministries
Score: 9

Orbán has designed a new structure for line ministries in order to facilitate greater control from the center. The number of line ministries was reduced to eight in the second Orbán government, with portfolios for foreign trade and foreign affairs, defense, interior, justice, national economy, national development, human resources, and agriculture. Recently, Rogán has become the ninth minister. Line ministries have mostly acted as executive agencies following orders from above, and their activities have been subject to detailed oversight by the PMO. In practice, however, ministers have been unable to oversee their portfolios, horizontal coordination has grown increasingly impossible and the involvement of the PMO has led to delays. The ministries have often made decisions that could not be implemented and led to new decisions. The flood of decisions has led to disorientation at lower levels of state administration.

Cabinet
Committees
Score: 6

Given the dominant role of the PMO, cabinet committees have played a much less significant role than under previous governments. The main exception is the new Government Committee for National Development, which consists of the prime minister, the minister of PMO, the minister of national development (NFM), and the minister of national economy (NGM). It was established in July 2012 when the government realized that it had failed to spend EU transfers in a timely fashion. This committee has been attached to the PMO which has control over EU transfers. The Government Committee for National Security has played a major role in the refugee crisis. The Committee (which consists of the prime minister, the ministers of interior, defense and economy and is coordinated by the PMO minister who also has authority over the secret services) decided during its meetings held on 25 August 2015 and 16 October 2015 to build a fence along Hungary's southern borders to keep refugees out.

The Committee also coordinated Hungarian army activities with troops from other Visegrad countries.

Ministerial
Bureaucracy
Score: 5

Given the small number of ministries in Hungary, interministerial coordination has, to some extent, been replaced with intraministerial coordination, primarily within the Ministry of Human Resources (EMMI), the biggest superministry, employing 1,367 persons, followed by the Ministry of National Economy (NGM) with 1,102 persons. In addition to policy coordination by the PMO, there is some coordination by ministry officials, since senior ministry officials meet in order to prepare cabinet meetings. There is also a special Interministerial Coordination Committee for European Affairs (EKTB), a committee consisting of senior ministry officials tasked with coordinating EU-related issues that is also under the auspices of the PMO.

Informal
Coordination
Score: 9

The strong formal role of Prime Minister Orbán and his PMO is complemented by informal coordination mechanisms. There are about 150 top decision-makers within the Hungarian government that are appointed directly by the prime minister. Within this group, there are two circles of informality and confidence. First, Orbán regularly meets with the 20 to 30 people closest to him; many important decisions derive from these personal encounters. Second, Orbán occasionally brings together officials from his larger circle in order to give instructions. Many decisions originate from these meetings, which subsequently ripple informally through the system before any formal decision is made. These informal coordination mechanisms make rapid decision-making possible. Given the pivotal role of the prime minister, this system encourages anticipative obedience, but also creates a bottleneck in the implementation of decisions and precludes any genuinely efficient feedback.

Evidence-based Instruments

RIA Application
Score: 4

Hungary has a long history of RIA legislation since the first act on this issue was passed in 1987. However, RIA has suffered from sluggish implementation and has been applied only in some cases. The Orbán government amended the act on law-making that includes provisions on RIA (Act of CXXX of 2010). The new measure created the position of a deputy state secretary in the Ministry of Justice responsible for feasibility studies, and established the ECOSTAT Government Feasibility Center for assisting the preparation and implementation of impact studies. In practice, however, RIA has been almost exclusively applied in the environmental context and/or in cases where international obligations have demanded it.

Quality of RIA
Process
Score: 2

The quality of the RIA process in Hungary has always been poor. First, stakeholder participation is usually lacking. While rhetorically emphasized in many official documents, the very idea of consultation has been alien to the Orbán governments. Second, even if a comprehensive RIA is performed, its

results are rarely or only partially made available to political actors. A case in point is the limited information available on the Orbán government's own special website for RIA (hatasvizsgalat.kormany.hu). Third, evaluations are closed procedures, and are not really used for improving RIA overall.

Sustainability
Check
Score: 2

The Hungarian parliament passed a National Sustainability Strategy only in March 2013. This strategy is a long document that surveys relevant international documents and provides some Hungarian applications, with a detailed table of proposed tasks at the end. However, there is only a small paragraph related to RIA in the document, and the Sustainability Strategy and RIA processes have not yet been coordinated. Sustainability checks are not an integral part of RIA. Moreover, the set of indicators used for RIA is limited, and long-term thinking tends to be lacking.

Societal Consultation

Negotiating
Public Support
Score: 2

The Orbán governments have largely refrained from consulting with independent societal actors. Prime Minister Orbán has argued that the government's two-thirds majority has vested it with sufficient legitimacy to carry out profound changes without consulting stakeholders. The second Orbán government abolished the former tripartite National Interest Reconciliation Council (OÉT) and replaced it in October 2011 with a new National Economic and Social Council (NGTT), with more limited competencies. Unlike its predecessor, this body meets very rarely and cannot make any decisions, thus primarily serving the goal of showing the government's commitment to some sort of social dialogue. However, the austerity budget for 2015 created such a public uproar that the NGTT members demanded a special session about the budget in November 2014. As an alternative to consultation with societal actors, the Orbán government introduced a system of "national consultations" – essentially questionnaires sent to all households. In the period under review, questions focused on "immigration and terrorism" (May 2015) and on the internet (September 2015).

Policy Communication

Coherent
Communication
Score: 8

The PMO has sought to coordinate and control the government's communication. It has placed regular "success stories" in the government-controlled media, which are often based on a dubious interpretation of statistics and border on propaganda. Ministers have tended to follow the wording of the prime minister in their own statements. For that reason, the cabinet has often been derided as a "parrot chorus." Since the 2014 elections, however, the National Communications Office has been less and less successful in ensuring coordination and discipline. Ministries have provided

diverging information on many issues thereby exposing problems with coherency in government communication. These incoherencies have pretty much reflected the emerging cracks in the Fidesz camp.

Implementation

Government
Efficiency
Score: 5

The Orbán governments have been quite successful in consolidating political power, centralizing policymaking, and weakening the remaining checks and balances. At the same time, they have largely failed to meet broader goals such as fostering sustainable economic growth that exceeds the EU average, consolidating the budget and increasing employment in the private sector. The low degree of government efficiency has been illustrated by frequent policy changes in all policy fields and by the lack of coordination of policy fields. A central problem has been the implementation of new bills and regulations. Overhasty policymaking has led to incoherent and contradictory legal texts, causing extreme difficulties for local and county administrations.

Ministerial
Compliance
Score: 10

In the second Orbán government, the prime minister and his PMO closely monitored the activities of all ministries and ministers, and largely succeeded in disciplining them. The high level of ministerial compliance was made possible by Orbán's strong and uncontested position as party leader and prime minister, as well as the strong capacities of PMO. In the third Orbán government, ministerial compliance has diminished. The replacements for the purged Simicska followers have been loyal, but incompetent, so that their actions have been chaotic. The increasing disorder has led to the soft resistance of János Lázár, the head of the Prime Minister's Office, who indirectly but publicly criticized the official line, including Orbán and some ministers. The reshuffling of the cabinet in autumn 2015 aimed at demonstrating the power of the prime minister.

Monitoring
Ministries
Score: 10

The Prime Minister's Office has successfully monitored line ministries in all stages of the policy process, enforcing obedience to the political will of the central leadership. As all core executive figures have been Fidesz party stalwarts, control has functioned largely through party discipline. Those who have failed to keep discipline, even in comparatively insignificant matters, have lost their positions. The existing civil-service legislation has made it easy to dismiss public employees without justification.

Monitoring
Agencies,
Bureaucracies
Score: 10

The third Orbán government has closely controlled the appointment and activities of the heads and core executives of all state agencies at the national level. Simicska followers have been removed from state agencies, and some of them, such as the president of NAV, Ildikó Vida, or the former minister Lászlóné Németh, have been among the most professional pro-government experts. This political purge is still going on at the highest and middle levels of government and public administration. The centralization of state

administration in county-level government offices has also extended the government's control over all subnational agencies, since they have been concentrated in these county offices. As in the case of line ministries, the government adopted a hands-on approach and closely monitored the agencies' implementation activities.

Task Funding
Score: 2

The second Orbán government merged small local authorities and shifted a portion of subnational self-governments' former competencies to the central government administration. However, the transfer of competencies from the subnational to the national level has gone hand in hand with an even stronger reduction in subnational governments' revenue sources. As a result, the latter have fewer resources for the remaining tasks than before. The third Orbán government continued the populist policy of imposing caps on energy prices and the costs of other services for households. By limiting the profits of public-sector service providers, this policy has deprived local authorities of much-needed revenues.

Constitutional
Discretion
Score: 3

Hungary has undergone a far-reaching reform of local government. The government has established new tiers of state administration at the county and district level that were given some of the functions previously exercised by local and other subnational self-governments. This stripping of competencies has been especially severe in the case of the city of Budapest, a traditional liberal stronghold which has since lost its special role in national politics. On the one hand, the reform lifted a significant burden from smaller units, as it professionalized services in deconcentrated state bodies. On the other hand, the general shift of competences did not at all improve self-governments' performance flexibility in those areas remaining under their control. As a result, both the formal powers of subnational self-governments and their capacities to make full use of these powers have declined. Local Fidesz strongholds like Debrecen seem to have enjoyed special treatment in the process of allocating EU funds.

Vörös, Imre (2015) "Hungary's Constitutional Evolution During the Last 25 years", *Südosteuropa, Special Issue, Hungary's Path Toward an Illiberal System*, Vol. 63, No. 2, 173-200

National
Standards
Score: 3

In Hungary, the quality of subnational public services has suffered as a result of the reorganization of subnational governments. The state administration's new subnational tiers lack experience in providing services. Preoccupied with getting started, they have not paid much attention to service quality. The provision of those public services that have been left with subnational self-governments has in turn suffered from self-governments' lack of financial resources and administrative capacities. The central government has exercised strong control, but has not focused on quality issues. As a result, national standards have increasingly been undermined, especially in the fields of health care, education and social services.

Adaptability

Domestic
Adaptability
Score: 4

The Orbán governments have paid little attention to the adaption of domestic government structures to international and supranational developments. In public, Prime Minister Orbán has stressed Hungarian independence, and has argued that his government is waging a freedom fight for national sovereignty against the European Union, the IMF, and most recently the US government. Major institutional reforms have even reduced the fit of domestic government structures with international and supranational developments. The radical reduction in the number of ministries, for instance, has created huge problems with regard to EU affairs, as the ministries' organization no longer matches that of other EU countries or the structure of the European Union's Council of Ministers. Nonetheless, the administration ensures more or less that the *acquis* is implemented. The EU funds absorption rate is acceptable.

International
Coordination
Score: 3

The Orbán governments have been self-centered and inward-looking. They have little interest and limited capacity to engage in collective global efforts. Orbán has often acted unpredictably and has engaged in double-talk in international encounters; thus, he has become isolated within the international community, especially in the value-based EU. The government's capacity for international coordination has also suffered from the government's hostility toward independent experts and its frequent changes in personnel. After the change of leadership in the Ministry of Foreign Trade and Foreign Affairs, almost no foreign-policy expert has remained in place. There is, however, some coordination within the Visegrád-4 framework, especially prior to EU summits and other EU Council meetings. In the EU refugee crisis, the group took a united stand against the more liberal German and Swedish approaches. This unity has been favored by the recent change in government in Poland.

Organizational Reform

Self-monitoring
Score: 9

In Hungary, there is no regular formal monitoring of the institutional arrangements of governing. However, there is strong and rather comprehensive oversight of the working of the state apparatus from the top down, and the government has been quick to change any institutional arrangements it has deemed to be ineffective. The Orbán governments underperform with regard to coherent policy planning, but react quickly to failures in individual cases. Public policy has often been very volatile, changing according to the government's current needs.

Institutional
Reform
Score: 2

Following the three 2014 elections, János Lázár, the minister of PMO announced a "radical" reform of government, including the transfer of some ministries to the countryside. With the exception of the changes made in fall 2015 to strengthen Orbán's personal political cabinet, nothing has happened.

By and large, the Orbán governments' institutional reforms have tended to weaken rather than improve the government's strategic capacity. The over-centralization of decision-making resulting from these steps has created bottlenecks at the top, facilitated political patronage, and led to the adoption of ideological decisions that have often proven ineffective in achieving their stated objectives.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 4

Policy knowledge among the Hungarian public is rather weak. Reasons include political apathy, the biased and spin-filled information policies of the government, and the lack of transparency characterizing policymaking. Frustration with politics is palpable across much of society and is manifest in low voter turnouts and an apathic civil society. The media on both sides of the political spectrum have concentrated on scandals rather than analyze issues, and have focused their reporting on persons rather than on policies. Still, the existing independent policy institutes – Policy Agenda, Political Capital and Policy Solutions – have provided detailed policy knowledge for the public at large, as have many professional NGOs.

Legislative Actors' Resources

Parliamentary
Resources
Score: 5

In principle, members of parliament are provided some funds for professional advice. However, since resources are apportioned according to the share of seats in parliament, the democratic opposition parties receive only a small amount of money. Moreover, these resources have not been sufficient to keep up with the Orbán governments' hectic style of policymaking, with its unprecedentedly high number of legislative decisions. For the small and ideologically fragmented opposition, it has thus been rather difficult to monitor the Orbán government's legislative activity. However, activities on the part of the Fidesz majority in parliament and its committees which preclude effective debate and monitoring constitute the key obstacle to effective parliamentary work.

Obtaining
Documents
Score: 5

Traditionally, parliamentary committees in Hungary enjoyed far-reaching access to government documents. However, the new standing orders of the Hungarian parliament, as adopted under the 2012 Act on Parliament, do not regulate the access of parliamentary committees to public documents. In practice, the Orbán governments have used its parliamentary majority to

restrict access to public documents, even for discussion within parliamentary committees. The denial of documents on issues of public procurement and/or European transfers, both prominent issues, has been justified by appealing to the private-business interests involved. The government denied access to documents regarding public tenders for landed property, but in October 2015, a court demanded they be made available to the public. In 2015, there also was a significant controversy over obtaining documents in the committee tasked with overseeing the secret services. The documents in question contained secret service information regarding potential terrorist among the inflow of refugees. In general, the opposition wanted to discuss the crisis legislation in autumn 2015 and the government pushed – as usual – for rapid, ad hoc legislation and refused to engage in discussions based on research and documentation.

Summoning
Ministers
Score: 5

The standing orders of the Hungarian parliament stipulate that ministers have to report personally to the parliamentary committee(s) concerned with their issue area at least once a year. However, they do not guarantee parliamentary committees the right to summon ministers for other hearings as well. Departing from the previous practice, committees have rarely invited ministers under the Orbán governments. Although the number of ministries has declined and ministers have covered larger policy areas, individual ministers have not been summoned more often. Since Fidesz lost its two-thirds parliamentary majority in autumn 2015, however, ministers have appeared more often in parliamentary committees.

Summoning
Experts
Score: 9

According to the standing orders of the Hungarian parliament, all parliamentary factions can invite experts, and the sessions of the committees are open to the public. In practice, however, Fidesz's overwhelming majority and the hectic pace of legislation have reduced the involvement of experts to a mere formality. The real policy discussions, if any, usually take place not in the parliamentary committees but in the media or at conferences organized by opposition expert groups or NGOs.

Task Area
Congruence
Score: 4

The reduction in the number of ministries (to a total of nine) has not been accompanied by a reduction in the number of parliamentary committees (17 since May 2014). The result has been a strong mismatch between the task areas of ministries and committees. The fact that ministries have been covered by several committees, sometimes with large overlaps, has complicated the monitoring of ministries. Moreover, the real decision-making center, the PMO, is not covered by any parliamentary committee at all.

Audit Office
Score: 6

According to the law, the Hungarian State Audit Office is accountable only to the parliament. However, the second Orbán government used its parliamentary majority to take control of this body. It appointed a former Fidesz legislator as head of the institution, and also replaced the vice president and other top officials. Nevertheless, the audit office has acted relatively independently, and

Ombuds Office
Score: 7

has monitored the government's activities rather professionally in some detail.

Hungary has an Ombudsman of Basic Human Rights, elected by parliament. Since the abolishment of "actio popularis" (a provision giving all citizens the right to access the Constitutional Court), the ombudsman has been an important gatekeeper between the population and the Constitutional Court. Unlike its much-respected predecessor, the acting ombudsman, László Székely, has not served as a major check on the government and has not become an important public figure.

Media

Media Reporting
Score: 4

The sharp polarization of political life in Hungary has facilitated a replacement of in-depth analysis by a preoccupation with scandals, whether real or alleged. There is relatively little in-depth analysis of government decisions and the performance of the government in the government-controlled media, or in those outlets close to Fidesz. Aside from the influences of camp bias and a weak coverage of international affairs, however, some of the print publications close to the parliamentary opposition have kept up a relatively intensive coverage of government actions. As a reaction to the government's attempts at controlling the media, social media and Internet editions of established print publications have gained in importance. The independent policy institutes and some expert based NGOs have regularly published policy analyses that have been widely discussed in the opposition media. The establishment of the government's National Communications Office has raised concerns about a further decline in the quality of media reporting. At the same time, the rifts in the Fidesz camp with the Simicska affair have ultimately led to a greater degree of media pluralism.

Parties and Interest Associations

Intra-party
Democracy
Score: 4

Hungary's former party system collapsed during the 2010 elections. Since then, Fidesz has been the dominant party, competing with a fragmented left and an increasingly strong extreme right. This situation was consolidated during the 2014 elections, which left seven parties in the parliament: Fidesz (133 MPs, 66.83%), three parties of the left (MSZP, DK and Együtt-PM: 38 MPs in total, 19.10%), Jobbik (23 MPs, 11.56%) and the LMP (5 MPs, 2.51%). The three leftist parties ran during the 2014 election as an alliance (Unity), but maintained separate groups in the parliament: the Hungarian Socialist Party (MSZP, with 30 MPs), Democratic Coalition (DK, with 4 MPs) and Együtt-PM (Together-PM, 4 MPs). In October 2015, the four biggest Hungarian public opinion research institutes (Medián, Ipsos, Századvég and Nézőpont) reported about 41%-44% for Fidesz, 22%-26% for Jobbik, 15%-17% for MSZP, 6%-8% for DK, 3%-6% for LMP, 1%-3% for Együtt and 0%

for Dialogue for Hungary (PM) among those having a party option. PM has attracted the young, Westernized and left-green politicians but so far they have not been able to attract public support for their democracy innovations. Notwithstanding its formally democratic procedures, Fidesz is completely controlled by the party leadership and this situation has worsened after the most recent government reshuffle yielding an even smaller group with greater control. Prime Minister Orbán decides on core personnel, candidacies and positions within the party. In the case of Jobbik, an extreme rightist party, the core party leadership is dominant, even though there is no focal person equivalent to Orbán. The three leftist parties that emerged from the split of the MSZP are democratically organized, but DK is dominated by the former PM Gyurcsány. The LMP has stagnated at a relatively low level, but it shows a reasonable degree of intra-party democracy.

Citation:

Ágh, Attila (2015) "The Transformation of the Hungarian Party System: From the Democratic Chaos to the Electoral Autocracy", *Südosteuropa, Special Issue, Hungary's Path Toward an Illiberal System*, Vol. 63, No. 2, pp. 201-222

Association
Competence
(Business)
Score: 4

The analytical capacity of economic-interest associations in Hungary varies. The main domestic business associations have proved generally loyal to the government. They have confined themselves to criticizing policy details and have largely refrained from formulating policy alternatives. This applies to the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara), the reorganized Hungarian Agrarian Chamber and the Confederation of Hungarian Employers and Industrialists (GYOSZ). However, the third Orbán government has been strongly criticized by the Hungarian European Business Council (HEBC) in its annual reports (the latest issued on 19 October 2015). Representing Hungary's 50 most important export companies since 1998, HEBC has outlined an alternative economic and social program. The National Association of Entrepreneurs and Employers (VOSZ) has also become rather critical of the government's incompetency and lack of predictability with economic policy. The trade unions have also adopted a critical position toward the third Orbán government. Their capacity to formulate relevant policies has benefited from the merger of three of Hungary's six trade-union federations as the new Hungarian Trade Union Confederation (MASZ) but their policymaking capacity and public role remains weak.

Association
Competence
(Others)
Score: 3

The analytical capacity of non-economic interest associations has suffered from the government's control of the sector. The National Civil Fund (NCA), a body in charge of monitoring and supporting civic organizations and NGOs, was taken over by the Orbán government and transformed into the National Cooperation Fund (NEA). As this new body has financed only associations loyal to the government, independent associations have struggled with a lack

of funding. However, among these associations are some very important NGOs with substantial policy expertise. The vitality of this sector is documented by its engagement for refugees. Tens of thousands of citizens have participated in these actions. Migration Aid, a volunteer civic initiative, has helped refugees arriving to Hungary reach their assigned refugee camps or travel onwards.

Citation:

TÁRKI (2015), Szabó, Andrea and Márton Gerő, Politikai tükör (Political Mirror), MTA-TK, http://www.socio.mta.hu/uploads/files/2015/poltukor_online.pdf

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