

## **Interview with Kornélia Magyar and Péter Krekó about the past three years of the Fidesz government**

**Péter Krekó, research director of Political Capital, and Kornélia Magyar, director of the Progressive Institute, analyse the performance of the Fidesz government and reflect on the prospects for Fidesz and opposition parties in the 2014 election year.**

**What were Fidesz's strategic goals when it took over the government three years ago, and to what extent have they been realised?**

**Péter Krekó:** This government has been pursuing reactive politics in the last three years, especially in the economic domain. Although its followers would like to believe otherwise, the government has largely shaped its economic policies based on constraints imposed by the outside world. Had the European Commission agreed to deduct private pension fund payments from the country's budgetary deficit, for example, Fidesz would not have nationalised private individuals' pension schemes. Or, if the Commission had given the green light to the government's plan to run up a higher budget deficit in 2010, Fidesz may not have imposed crisis taxes in the retail, energy and telecommunications sectors. The government's narrative differs, of course; it sees its economic policies as following its own logic – namely that of shifting the tax burden onto previously over-privileged actors. But what we have seen so far really looks much more like a sequence of ad hoc decisions. This is true for other policy areas as well, with one notable exception, however. The overhaul of the political system was achieved on the basis of a neatly crafted strategy. Fidesz successfully weakened the system of checks and balances which hitherto exercised significant control over governmental and parliamentary decisions. The party occupied one independent institution after another, significantly modifying their roles and powers along the way. And, as we all know, Fidesz was also successful in imposing a new constitutional regime which reflects its vision and values, in addition to providing a powerful shield for its most important policies. This also shows that the government's moves basically served the interests of the ruling party, which is seeking to maintain its power after 2014.

**Kornélia Magyar:** It was interesting for me to re-read the programme Fidesz presented to voters before the 2010 elections. If you examine it carefully, you will see a lot of holes and vague formulations. We had already noted in 2010 that the lack of quantifiable electoral pledges would cause trouble in the foreseeable future. The programme contains merely a number of communication pillars – which we could more generously call strategic goals. The government has undoubtedly remained faithful to these. For instance, it can claim that it has kept its pledge to expand the scope of state intervention in the economy. However, if – as Péter rightly mentioned – you look under the surface, you will notice that the ruling party has indeed pursued a reactive strategy, most often responding to the given political situation and subsequently cloaking its reaction in the garb of the 2010 electoral programme. I nevertheless agree that the redrawing of the framework of the Hungarian *Rechtsstaat* was a different matter altogether. In this regard, I think it is important to note that, in my view, Fidesz transformed the constitutional system not only out of self-interest, but also because the party wanted to remain faithful to the concept of popular sovereignty. Fidesz's leaders truly believe that the legitimacy of political decisions can be derived solely from the voters who exercise their power during elections (and cede it to their representatives between them). This is why Fidesz endows the act of legislating with an absolutist logic according to which only the parliament (where the party enjoys a two-thirds majority) can make legitimate decisions. The role of the Constitutional Court as a balancing power has been curbed precisely because it is regarded as an obstacle to the exercise of popular sovereignty.

**PK:** Well, I must say that we did not hear similar argumentation from Fidesz when the party was in opposition. So why don't we turn the question around? Isn't this position rooted rather in the party's current interests? Doesn't it simply provide an ideological cloak for the will to (maintain) power? It is definitely a truism that, since its victory, Fidesz has stuck to this strongly populist definition of democratic politics (which subordinates democracy to the will of the majority). Here, I would only allude to the fact that there are other possible approaches, for instance ones that highlight the role of institutions capable of defending democracy against the tyranny of the majority. Setting this difficult (yet salient) question aside, I think we should also mention the other areas where the government can claim successes: social policy and cultural politics, two spheres where it has imposed its fundamentally conservative vision of society. Even more importantly, as Kornélia rightly mentioned, Fidesz has had some success in pursuing its goal of establishing an omnipotent (and in some regards unquestionably authoritarian) state, which should ideally provide remedies for all social ills (and can expect almost unconditional obedience from its citizens in return).

**KM:** I agree that in many respects the government follows the logic of power, but I also see a more-or-less coherent ideological framework behind its moves. The problem is that Fidesz relies upon heavily outdated political-philosophical ideals which have proved to be problematic or counterproductive – for example in the Weimar era.

**What has the government done in relation to welfare provisions and social services, e.g. pensions, health care, education? And what else can be expected?**

**KM:** The government has formulated rather vague plans in these areas as well. To give you an idea, let me quote the title of the Fidesz programme's chapter on health care: "It's time to save health care." The chapter then goes on to describe the damage inflicted on the health care system, and concludes by stating that all citizens need to be given access to appropriate health care. That's all Fidesz had to say about one of the most critical policy areas. So instead of scrutinising the programme, we need to analyse what the government actually did in a specific area. Staying with the health care issue, it is worth noting that the sector has basically been left untouched for strategic reasons. If there is one thing Viktor Orbán has learnt, it is that health care is a sector riven with conflict and that it is therefore easy to lose battles here. Another good example of the prime minister making important policy decisions based on strategic political motives are his policies on pensions. While previously Fidesz had somewhat neglected this electoral group, on a number of occasions in the 2010 election campaign Orbán asserted his respect for pensioners and his commitment to preserving their purchasing power. This strategic move was based on the conviction that this electoral group was absolutely necessary for maintaining power. The recent 10% cut in utility prices (imposed on private gas and electricity providers by the government) and the mentioned stalling of reforms in health care are both symptoms of the same power logic. This is a short-sighted political strategy, however, as Fidesz is now beginning to experience the same difficulty that has plagued the Socialist Party for years – the ageing of its voter base. This problem was exacerbated by the government's educational reform, which turned the younger generations (who previously had stood behind Orbán) against Fidesz. I do not know how they will be able to repair the damage caused by these moves.

**PK:** The issue Kornélia just raised – the alliance with pensioners – is very important. Viktor Orbán stated explicitly that an alliance between the active middle class and pensioners was needed. This highlights the core of the Fidesz strategy, which is bent on simultaneously favouring those with higher incomes and inactive citizens, amongst them pensioners. If we consider election formulas, the support of these two groups would be enough to ensure a Fidesz victory in 2014. Out of the 8 million voters, 3 million are pensioners in Hungary and – importantly – these are the most active in elections, as almost every second participant in the elections is a pensioner. Fidesz is still trailing the Socialist Party in this critical voter group, however. That's why I believe that Fidesz's priority in the period preceding the next elections will be to appeal to older voters. This is what the utility price cuts are really about, not to mention the government mantra on

preserving the real value of pension schemes (and some vague promises to raise pensions in the future). I see this as a problematic development marking a clear departure from Fidesz's earlier rhetoric, which contained a promise to push through comprehensive social and economic reforms benefiting those who are active on the labour market. Fidesz appears to have dropped this promise and turned towards pensioners to safeguard its political power.

**Has the government managed to persuade the majority of the population that the country is heading in the right direction? Which social groups stand by the ruling party and whom has it alienated in the past three years?**

**KM:** First of all, it is important to emphasise that support for Fidesz has plummeted in the past three years. There are only half as many voters who would back the party now as who voted for it in 2010. However, the opposition is so weak that it has not been able to attract those who have left Fidesz.

**PK:** Fidesz's core voting base – the more active, better-off and better-educated segment of the country's population – still stands behind the ruling party, mainly thanks to the introduction of the flat income tax and other measures which have benefited the upper middle class. Although this group is relatively small in terms of numbers, it is extremely influential politically thanks to its wealth and ability to steer public sentiment and opinion. So, despite the turn towards the inactive which we just mentioned, Fidesz is still very keen on preserving elite support. Fidesz's rhetoric disparaging poverty and the government's measures which have impacted the homeless and the very poor are intended to cater to this elite group.

**Doesn't such neoconservative rhetoric sit uneasily with measures that hark back to János Kádár's socialist regime?**

**PK:** It's definitely true that the government has introduced a series of measures which clearly build on the populist traditions of the Kádár era. The aim of these measures is to compensate the losers. Why? Because the government suffered its biggest loss in popularity during the first two years among those with low incomes. And here I would return to the significance of the utility price issue, as according to the latest polls this measure appears to have convinced a significant number of poorer citizens to return to Fidesz. Fidesz has managed to remain a highly successful catch-all party, one which can count on the votes of high- and low-income earners, active and inactive citizens.

**Why do members of the economic elite, as well as those with higher-than-average incomes, still back the government? Is it really true that the government has seduced them with the flat income tax?**

**KM:** This was indeed a successful reform from a political point of view. When you are left with 50,000-100,000 forints [250-350 euros] extra in your pocket every month, that's an important argument to support the government which introduced this tax break. My question is rather: Do members of the economic elite who suffer as employers under the government's economic policy still back the government? I am talking about the owners of companies with 20, 50, 100 employees. It looks to me as if these entrepreneurs have sunk into a state of apathy, not knowing whom to trust anymore.

**Because there have been no positive measures to help them in the past 3 years?**

**KM:** That's right. Their burdens have not decreased, while the economic environment has further deteriorated. The same reasons that deter international investors from investing in Hungary are also responsible for local entrepreneurs' bleak mood: high taxes impacting human labour and an unstable political environment representing a high risk to investment. Importantly, the perception of the population and that of economic actors have diverged. While the latter still feel that the country is heading in the wrong

direction, there was a shift in mood among the general public at the end of last year. Although many still see the future as grim, there is a sizable group of people who believe that their lives will improve in the next few months.

**PK:** The economic policy which pits Hungarian and foreign economic interests so sharply against one another is mistaken in my view. As Kornélia emphasised, Hungarian entrepreneurs do not feel better at present than their foreign counterparts – despite the government's boisterous claims that its economic policies help to defend them against the onslaught of foreign capital. However – and this is an important point – the Hungarian economic elite has not, despite the criticism emanating from its ranks, withdrawn its support from Fidesz. We have mentioned the introduction of the flat tax (which benefited this group on an individual level), as well as apathy, but I tend to think that there is also a more deep-seated psychological reason for this reluctance to oppose the government. Fidesz continues to be perceived as "the party of winners". The whole history of the party is about first-generation intellectuals from the countryside triumphantly overcoming the big city – a bit like the youngest sons in Hungarian folk tales. The leaders of Fidesz were incredibly successful in politics, and they were surrounded by a circle of highly influential and faithful entrepreneurs. I think this image and the promise behind it continue to be attractive for other members of the economic elite to this day.

**Besides the "party of winners" image, another explanation for the support emanating from the ranks of the economic elite might be the expansion of oligarchic ties and relationships in Hungary. If I was an entrepreneur, sooner or later I would recognise that my survival in the present regime is guaranteed by access to state tenders. Therefore, like it or not, I would try to placate representatives of the Hungarian state.**

**KM:** The general experience is that control over economic actors is much stronger now. I would not go as far as to claim that the state apparatuses have lists of people who cannot receive contracts through state tenders, but I do have to say that an acquaintance of mine could not sign a contract to perform research for a state institution because he or she had previously been connected with a person whom the current government mistrusts. This was enough to stop the contracting procedure based on a "review process".

**PK:** The oligarchic *modus operandi* is indeed an essential change. The latest report by Transparency International interprets the current process as "state capture" – that is, the occupation of public offices by private interests. There are more and more rumours in business circles about successful ventures being visited by unknown individuals asking them to hand over company shares.

**This is what in lay terms we call a "mafia government". How does an analyst approach this phenomenon?**

**PK:** It looks to me as though the economic circles supporting Fidesz were not interested in innovation, but rather in occupying the successful and profitable niches of the economy. This and the crisis taxes, besides having a disastrous effect on the targeted companies, could have severe consequences for the whole of the economy, as they may curb performance. After all, if those who perform well find themselves in danger, that stifles innovation.

**KM:** I have to say that this has already happened to some extent. The effects are already visible.

**PK:** I agree. And there is a very interesting contradiction here. The government's personal income tax policy is based on the assumption that we should not punish performance with higher taxes. However, the sectorial crisis taxes imposed on banks and on energy and telecommunications companies are based on a contradictory logic – namely, that those who are more successful should take on a bigger share of the burden of financing the state.

### **To what extent will this economic double speak work within Europe?**

**KM:** This type of economy can function if there are enough entrepreneurs who either think it is not so bad to fish in muddy waters or that it is unwise to swim against the tide. But this is not a healthy system either. Capital inflow and investments are sharply on the decline already. I don't think this can work in the long run because Hungary is too small of a market to be self-sustaining.

**PK:** We have seen oligarchic systems that have managed to consolidate themselves and even grow, but I don't think that a Russian-type system can be maintained in a country that is as exposed to external influences as Hungary is. An oligarchic system can be sustained in the long run in the presence of two conditions: if there are enough natural resources to finance the system, or if it can count on the backing of a major international power. In the case of Hungary, neither of these is present.

### **How do you see the government's attempt at forging closer ties with Russia, China, Saudi Arabia and other countries? Is it true that investors from these countries are less interested in the predictability of the local economic policy regime and other factors that are high on European investors' agendas?**

**KM:** Let's make one thing clear: Arabian and Chinese money follows the same logic as French and American money: it wants to secure a return on investment. All investors calculate annual returns and they all look for stable, predictable legal environments. When an investor is confronted with a state that makes alluring promises and offers, but does not hesitate to impose heavy taxes whenever its coffers are empty, it is likely to look elsewhere to place its capital. So, while I would not contest the Hungarian government's efforts to strengthen ties with the Middle East and the Far East, I would also stress that it needs to ensure the presence of an appealing regulatory environment for investors from these regions in order to make Hungary really attractive.

**PK:** Germany also entertains very good economic relations with Russia as well as with Far Eastern countries out of pragmatic necessity. The difference between Viktor Orbán and Angela Merkel, however, is that the latter does not think her country's socioeconomic model should progressively converge with that of its Eastern trading partners. What's more, Viktor Orbán's diplomatic offensive has not yielded many results so far. The big projects that were promised are nowhere to be seen. MALÉV went bankrupt despite the promise of a Chinese investor jumping in to save it. The plan to construct a high-speed rail link between Ferihegy Airport and Budapest with Chinese money has also been taken off the drawing board. Although we do not have all the information in our hands, there is little evidence of Azerbaijan, Russia or Saudi Arabia making a strong appearance on the Hungarian state bond market, and Azerbaijan has just torpedoed the Nabucco pipeline, which was supposed to run through Hungary. There is risk involved in shifting the country's diplomatic and trade relationships from one moment to the next. If we find ourselves in a situation where Western partners no longer perceive Hungary as a reliable and predictable partner while would-be Eastern partners simply do not see enough attractive investment opportunities in Hungary, we may end up with serious problems. GDP data from the last three years appear to underpin the claim that the government's unorthodox economic policies are not producing the expected outcomes.

### **How has Hungarian society reacted to the country's new Eastern orientation? And what's the popular take on authoritarian tendencies that hark back to Kádár's late socialist Hungary?**

**KM:** Authoritarian politics and an Eastern orientation are not the same thing. In my view, the latter is of less interest to Hungarian citizens. They put it in the box of diplomacy – something which has never moved the masses.

### **What if the European Union freezes Hungary's development funds?**



**KM:** Well, I guess that would be a turning point. If the country's drift towards the European periphery reaches a stage where people recognise its consequences in their everyday lives, this will have disastrous political consequences. However, the opening towards the East will not shake the foundations of society on its own.

**PK:** I see things somewhat differently. Belonging to the West is not a question of foreign policy but of identity, in my view. It is commonplace, but Hungary is still on the track which our first king, Saint Stephen, determined at the turn of the first millennium. Despite a series of setbacks and interruptions, Hungary has always striven to be a part of Western Europe, and this wish is so strong that it will be extremely difficult to overwrite. If the opposition is looking for the government's weak spot, this might be it. Let's examine a bit more closely what the Eastern model idealised by Orbán means in practice. For example, what do welfare provisions look like in China? What if we worked like the Chinese, who cannot count on a pension and therefore place their savings in stocks which follow the rollercoaster of the international financial markets? We cannot talk about social security in China. This model might work there, but it would not work in Hungary, unless we intend to eradicate the welfare system completely – and, as far as I know, we do not. The country's Western orientation is a very strong – I would say inherent – element of the Hungarian psyche. At the same time, it is also true (just look at the latest data from the World Values Survey) that the value structure of Hungarian society is most similar to that of the Balkans, Ukraine and Bulgaria. This, however, does not signify a wish to belong to the East, but rather the persistent presence of traditions which we have not been able to overcome. You can see this contradiction in the workings of daily life.

**If this were true, it would mean that we are not confronting a new problem, but one that is at least 1,000 years old.**

**PK:** That's true to some extent, but I would also stress that we have witnessed a sort of backtracking in the past decade. While in both socioeconomic and political terms post-transition Hungary was a leader and model country in the region until the turn of the second millennium, today it is lagging behind, especially if you consider factors such as citizens' democratic commitment in addition to socioeconomic data.

**But isn't this rather an outcome of a major disappointment with the system that developed after 1989 on the basis of a Western model than a curse of the distant past?**

**PK:** Yes. As I said, the frustrations of the first decade following regime change largely contributed to the shift I am talking about. But allow me to qualify my own remarks: Despite the prevalence of negative tendencies, we should be careful not to overestimate their reach and impact. I do not see Hungarian society as irremediably authoritarian, and even less as having set out on an irreversibly fascist path. In this regard, it is also important to stress that in this country austerity measures were not introduced after the financial crisis hit, but already in 2006. This has obviously left a mark on Hungarian citizens' thinking, their level of tolerance and many other things. But, returning to the issue of historic and cultural heritage, let me highlight a paradox which plays a role in political life. The government's rhetoric of waging a "freedom struggle" against greedy capitalists and Eurocrats – which sharply contradicts our Western orientation – resonates profoundly with one of the possible (and lately quite popular) interpretations of Hungarian history. On this view, the country's success has always depended on its ability to rid itself of negative external influences – as highlighted by the struggles of our historical heroes (who have all been freedom fighters in this sense). This dual, conflictual character of the Hungarian "popular soul" finds an echo in everyday modern politics. Take for instance the incipient large-scale infrastructure development projects that will be funded to an overwhelming extent (80% in most cases) by EU structural funds. Although the roads and bridges which will be inaugurated by the government in the

election campaign will be financed by European taxpayers, they will be heralded as the fruits of Hungary's on-going freedom struggle.

**KM:** I see this identity issue as nuanced as well, so let me add that Viktor Orbán exhibited a deep understanding of the Hungarian popular soul when he declared that there are strong Balkan elements at work within us. I myself would say that our desire to belong to the West co-exists with a continuous yearning for the East. But, unlike Péter, I do not see this as an either-or issue. We have both the Balkans and Vienna constantly on our minds, and therefore I do not think that it would be good for the opposition to turn the country's Western orientation into its main campaign slogan. It's dangerous because while we like to build roads with EU funds, we also love to scold the European Union.

**Support for the government has decreased significantly since 2010. But the opposition has not been able to capture the imagination of those who are disillusioned with it, and is still very weak in terms of organisation and programme.**

**KM:** Polls indicate that Fidesz's popularity decreased steadily until the beginning of 2013. Since then, we seem to be witnessing the reverse tendency, which may indeed be linked to the cut in utility prices – a measure that struck a sensitive cord in our materialistic society. Nonetheless, we will have to wait a few months to see if the momentum benefiting the government will hold. In this regard, it is important to call attention to a more general aspect of the current political predicament. 2010 marks a critical turning point in Hungarian politics because the elections shook the foundations of the bipolar party structure which had dominated political life for the last two decades. Since 2010, we have been moving towards a predominant party system. What does this imply? In such a system, only one party is able to form a majority because the opposition is too fragmented and diverse to unite. I know that a simple reference to this trend foreshadows a gloomy picture for the near future, because I am implicitly saying that there will be no change of government in 2014. This is why I would also highlight the major turbulences on the opposition side, which are unlikely to recede and will probably bring about important changes in the future. I think that a major cataclysm still awaits the left: collapsing support for some actors, new players entering the scene, changes of roles, etc. This will be a longer process; examples from history show that just because there is a social group which lacks political representation this does not mean that the vacuum will automatically be filled by someone. This could easily take ten years. There is, however, one important centripetal force that could lead to the re-emergence of a single dominant player on the left. This is the new electoral system, which rewards cooperation between different forces. For now, however, we still have a very fragmented left-wing opposition.

**PK:** I have to say that I see a different trend. To me, it seems as though there is now a return to the bipolar party structure after three years of destabilising tendencies. It is possible that this movement is being generated by the approaching elections, but as far as I can see the lines of conflict between the left and right are still a lot deeper than those pitting right-wing parties against each other and left-wing parties against each other. We are heading towards some form of integration on the left, although the process is really slow and full of conflicts. In the meantime, it seems as though the huge tensions between Fidesz and Jobbik are on the decline. I see an ideological convergence on the right too, despite the persistent rivalry between these two parties.

**So Jobbik will not be able to position itself as the opposition to both the left-wing and right-wing electoral blocks?**

**KM:** The new electoral system also weakens Jobbik. The formation of antagonistic left-wing and right-wing electoral blocks does not benefit the party.

**PK:** The main and decisive question in the elections of 2014 will be whether Viktor Orbán should stay in power or not. This is a question to which every player has to answer with a

clear yes or no. This puts Jobbik and LMP in the most difficult situations, although the cyclical changes in government which have characterised the past twenty years (together with the negative record of left-wing governments) could also have strengthened protest movements which refuse to align themselves with either side. I myself expect to see the reinvigorated drive towards a bipolar structure weaken and fragment the smaller political players. This can only be forestalled if the economic crisis returns in force – something we still cannot rule out at this point in time. To return to the predicament of the left-wing opposition, I would note that its weakness (not to say paralysis) is best revealed when you consider that the second Orbán government has made mistakes which are in some cases similar, and in others even graver, than those which led to the demise of the first Orbán government (1998-2002). Despite this, the opposition parties have not been able to exploit these mistakes, as their reactions have been either weak or inadequate. The current government's politics are more aggressive, and its nationalist symbols and politics – which in my view were one of the main reasons for their demise – are more blatant. The corruption – which also contributed to the failure of the first Orbán government – has now reached incredible levels and proportions. Finally, the country's economic performance was way better in 2002 than it is now. Despite all this, however, support for the government is far from having collapsed. The right still has half again as many voters as the left: More than 30% of the total electorate supports it, while the left is still at around 20%. This is a huge gap. Of course, we must also note that the media environment and the political system have been pushed towards a hegemonic structure. It is a lot more difficult to articulate opinions and connect to voters as an opposition player. Still, the opposition cannot explain away its failures by referring to these detrimental tendencies. In my view, the conditions upon which a successful campaign could be built exist: Fidesz could be defeated. But the opposition players cannot formulate coherent messages or raise issues and arguments, and their persuasive power is largely deficient too. This is surprising because in the past the left has been politically more successful in opposition than in government. It appears to have lost this capacity. The lack of new faces is a thorny problem. All in all, it is surprising to see how little the face of the left has changed despite its huge defeat in the 2010 elections. If the left is unsuccessful in 2014, it will be due to a lack of renewal on the ideological-programmatic, personnel and organisational levels.

**KM:** The biggest challenge for the left now is whether it will be able to respond to the cuts in utility prices. If not, it will most certainly lose the next elections.

### **Are we facing another competition of populist forces in 2014?**

**KM:** Yes. That is unfortunately my prediction. And, as I mentioned, the utility price issue will remain salient. This does not mean that the opposition will necessarily have to enter into a "bidding game", although that is certainly one of the options. Opposition parties could also turn the issue on its head by using it to highlight social injustices. Many people were disturbed by the fact that the flat personal income tax hurt those with lower wages. I think that it may also occur to them that cutting utility prices across the board does not foster justice because the measure subsidises the owners of expensive swimming pools who consume more electricity than the average citizen. I myself am more disturbed by the Fourth Amendment to the Constitution (and other anomalies in the constitutional system), but am still convinced that this issue will not move the masses.

**PK:** I agree, and would only add that the opposition has already walked into a trap. When the Socialists promise even larger cuts in utility prices and Together 2014 promises an alternative programme of cuts, this only reinforces the government's message. Namely, that its economic and social policies are unquestionable, and hence successful.

### **So what are the messages that could help the opposition?**

**PK:** The opposition should explain why Orbán's system is unsustainable by pointing out that a country cannot cut its key diplomatic ties, chase away investors and undermine the basic conditions necessary for economic growth. I mean, for instance, that opposition



parties should have pointed out that the moratorium on utility prices will be in force until the autumn of 2014. Why, how interesting! Could this be because the last elections of the year – the municipal elections – will be held in the autumn? I mean this is such an obvious target – it is more than clear that energy prices will go up after the end of the moratorium. The opposition cannot allow itself the luxury of missing such opportunities, especially when you take into consideration that the government will increase welfare spending as much as it can in the coming period.

### **Which opposition parties are in the most difficult situation in to your opinion?**

**KM:** I guess it is the Socialist Party because it seems there is a ceiling which their support is unable to break through. The party's leader, Attila Mesterházy, has undeniably been successful in averting the party's collapse after 2010. But that is as much as he can show, and this will appear as a lesser achievement as the elections approach. I myself do not see how the party could increase its pool of supporters. The Together 2014-PM alliance will be judged differently because it is an experiment. Gordon Bajnai, who was under extreme pressure to return to Hungarian politics, will be able to claim that he tried his best if he is unable to become the left-wing opposition's common prime minister candidate.

**PK:** I think the Socialists and Gordon Bajnai are in a similarly difficult situation. The Socialist Party's main problem is that the majority of voters still believe it is the first to be blamed for the failures of the 2002-2010 period. It looks as though these negative feelings have eased a bit – polls show that rejection indicators for the Socialist Party are lower than in 2010 – but the limits of the party's mobilisation capacity are still clearly visible. Gordon Bajnai's challenge is somewhat similar. He is campaigning on a ticket which is very much like Barack Obama's 2008 message of ushering in a new era of hope. But voters have not forgotten that he was a member of Ferenc Gyurcsány's Socialist government (2006-2009) and that he introduced severe austerity policies during his own tenure (2009-2010). Again, there is an opening. Many voters acknowledge his record as a "crisis manager", but the task remains daunting nonetheless. Altogether, I would once again highlight the lack of renewal; it is difficult for the opposition to step up to a demand for total renewal when its faces do not differ significantly from those who have participated in former governments.

**KM:** I am not sure I agree with this. I do not know how, but Gordon Bajnai managed to leave politics in 2010 without the stigma of bearing responsibility for the failures of "the past 8 years".

### **But he was (at least partially) successfully stigmatised as an oligarch who wreaked havoc on the companies he had consolidated as an entrepreneur.**

**KM:** Well, in my opinion the political market has already set the price for that. I mean that Fidesz may be able to capitalise on it to entrench the loyalty of its existing voters, but it will not be able to attract new supporters with this rhetoric.

### **Turning to the Greens, what are the prospects for LMP and Dialogue for Hungary (PM)?**

**KM:** Well, the prospects for maintaining an independent green party in parliament are slim after the split inside the party. There is a terrible paradox here. Although it does seem easier to establish the Greens as an independent formation in the middle of the political spectrum (as András Schiffer believed), this strategy has been seriously undermined by the new electoral system. The only thing which may significantly increase the chances of LMP making it into parliament is if support for the Socialist Party surpasses support for the Together 2014-PM alliance to such an extent that it is able to impose its own prime minister candidate as the common candidate of the left. Such a scenario could easily result in the collapse of the Together 2014-PM alliance and allow LMP to survive by garnering centrist votes. If this does not happen – and I must say that

this will not depend on the party – LMP is most probably lost. I must also say that I do not see the potential of Dialogue for Hungary (PM) to form an independent political force because the party is indissociable from Together 2014, and its fate is therefore dependent on Gordon Bajnai.

**Does this mean that the conflict within the Green movement led to the formulation of two unworkable solutions – one being the treacherous independent path of LMP, the other the unequal alliance-building of PM?**

**KM:** I guess so, but to be fair it would have been difficult to come up with a better solution at this point in time. If I had been a leader of PM, I would have tried to stay within LMP a bit longer in order to take back the party from András Schiffer. I would have seen this as a more sensible option because they could then have negotiated with Gordon Bajnai from a stronger position.

**PK:** It has to be taken into consideration that this is not Western Europe. Except for in the Czech Republic, green formations have not been able to establish themselves as a serious force in the region. This has a very simple reason: The post-materialist value system on which green parties in the West are built is missing in these countries, and this is especially true for Hungary. The success of LMP in 2010 was therefore not based on the spread of post-materialist values in society; rather, it was thanks to the fact that the party seized the opportunity to play the role of the “least bad guys” in politics. Such a position has the potential to attract 5-10% of votes in the Hungarian political system. This explanation is underpinned by surveys which showed that even LMP voters are not so ecologically conscious. Dialogue for Hungary was right when it recognised that in Hungary there is very little support for a narrow type of environmentalism, and therefore I guess LMP is more or less condemned to death. In a country where poverty and homelessness are acute problems, the environment cannot become a make-or-break issue. Instead, Greens here should emphasise other ideological pillars of green politics, namely social justice and solidarity.

**To sum up, you believe that the country is likely to remain on the course charted by the Fidesz express train. You have already alluded to the actors who will not derail this train, but what are the factors which could persuade Hungarians to choose a different track? Is it the freezing of EU funds or an economic crisis which one of you has already mentioned?**

**KM:** It is already clear that the country’s negative image and the threat of “foreign intervention” do not erode Fidesz’s voter base; to the contrary, they present an opportunity to reinforce it. In the state of psychosis which characterises this base, the more you feel threatened, the more likely you are to defend the pack. The rhetoric of Hungary’s government pursuing a freedom struggle is a ploy to strengthen such feelings. This is why I see the debates in the European Parliament, the warnings by European Commissioners, the articles that appear in foreign newspapers and the worried open letters addressed to Viktor Orbán as useless. The only language the Fidesz government understands is the language of power and money. Yet even now, when the value of investments flowing into Hungary has diminished, the government remains deaf to the voices of those calling for change.

**PK:** I would also highlight the contraction of the Hungarian economy and the country’s bad reputation as the main risk factor. We do not know what direction the crisis within the euro zone will take, but we already know that Europe’s economic difficulties not only trickle through our porous borders but also make themselves felt more acutely in Hungary. In an extreme situation, these could lead to the collapse of the Hungarian government. The other risk factor is corruption, which now has really become a systemic problem. I would again quote Transparency International so as not to rely solely on rumours and personal experience. As I mentioned, the organisation’s report talks of “state capture”. The implications of such statements – which focus attention on oligarchic ties – have only partially infiltrated the public imagination, so this presents an

opportunity for the opposition. From the point of view of economic and diplomatic ties, the Hungarian government has manoeuvred itself into a vacuum. I do not agree with those who claim that the government is secretly planning an EU exit. I think that it is keen on avoiding not only that but also the suspension of development funds (that's why the government did everything it could to suspend the excessive deficit procedure), because this would severely damage the interests of the economic lobby groups which stand behind the government. Why exit the EU when you can enjoy all the benefits of being an EU member while pursuing your freedom struggle?

**Do you believe European leaders will put up with this?**

**PK:** This is a serious trial for the government – the question is how far against the economic and political consensus forged in the region after 1989 it will be allowed to go. At the same time, however, this is also a very important trial for the European Union. If the EU is unable to steer Hungarian politics in a different direction (I am thinking notably of the constitutional framework), then this would mean that the EU has ceased to exist as a political entity.

**The interview was conducted by Kristóf Szombati and Flóra Hevesi.**