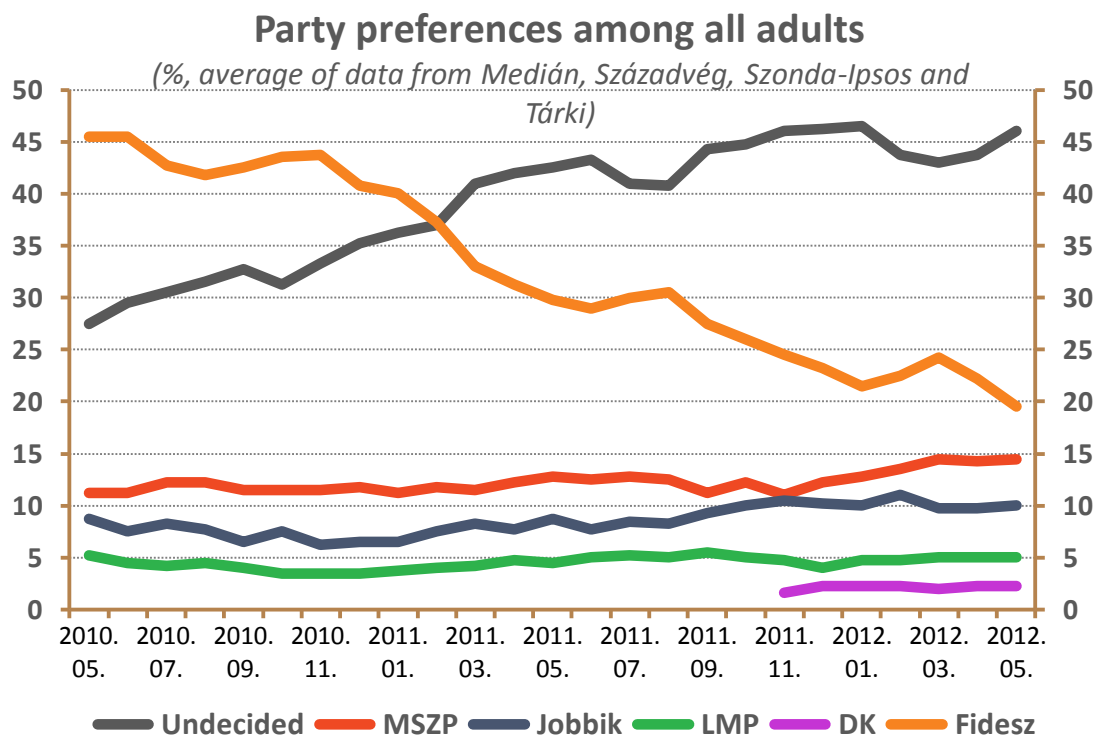


Could Viktor Orbán's Dream Come True?

As a consequence of the elections held in 2010, the Hungarian party system underwent significant changes reflected not only in the distribution of parliamentary seats, but also in a general rearrangement of power. The previous balance of forces on the left and right seemed to have vanished, as right-wing parties (Fidesz and Jobbik) took more than 70% of votes. Two leading parliamentary parties during the transitional period (the liberal SZDSZ and the centre-right MDF) dropped out of parliament altogether, while two new forces (Green LMP and ultranationalist Jobbik) debuted on the political landscape by mobilising young voters successfully at opposite ends of the political spectrum. Fidesz-KDNP alone garnered a two-thirds majority of seats. Shortly after the elections, it was a commonly held view that the new “imbalance of power”, hence the over-dominance of Fidesz and the downfall of the political left, would have long-lasting consequences for Hungarian politics. PM Viktor Orbán has projected fifteen to twenty years of governance in a “central political space”, rather than the customary shifts of power between left and right. In the elections, Fidesz had the support of roughly half of all voters, and during its first half-year the new government enjoyed strong public approval. This is not at all typical in a country where the majority of the population is notoriously pessimistic and mistrustful of politics and all political players.



If we look at the present political landscape, however, we see a shockingly different picture. In its first two years in government, Fidesz has lost more than half of its support (down to 19% in May 2012 from 46% in May 2010). Trust in politicians and public institutions is declining and approval of the government's performance is again

at a record low.¹ This has partly to do with the fact that the government has been sucked into a maelstrom of corruption accusations. Közgép, a company owned by Lajos Simicska – infamously labelled “the oligarch” based on the vast economic empire he controls and the close ties he entertains with Fidesz – has become the symbol of government corruption because of the unprecedented amount of public procurement money it has won during the last two years. While the left-wing opposition has not really been able to take advantage of Fidesz’s decline (during the same period, MSZP’s support has only risen to 15% from 11% in the overall population), the gulf between the left and the right seems to be less and less deep, and there are some indications that the former left-right division (MSZP-Fidesz) could again become the main cleavage of party politics.

The huge decline in voter confidence in Fidesz and the government is partly due to a backlash against Orbán’s populist “Freedom Fight” (targeted mainly against the IMF) and the government’s unorthodox economic policy line. Fidesz misunderstood the needs of Hungarian voters who expected a period of political stability – not a “revolution” and perpetual conflict with the outside world. While the price of the government’s symbolic “Freedom Fight” (eroded investor confidence and higher interest rates on Hungarian state bonds) remains partly hidden from voters, problems with the government’s domestic economic policy are more palpable. Although Fidesz promised to avoid increasing the tax burdens on citizens, consumers are feeling the pinch of the extra levies on the banking, telecommunications and energy sectors. The Fidesz government has introduced more than two dozen new taxes, some of which (e.g. higher VAT) can be felt directly by the voters. While Fidesz promised a quick recovery, one million new jobs in a country of 10 million, and an economic boost following the introduction of the flat tax, the economy is still stagnating – even as Hungary’s main export partner and investor, Germany, is again on the rise. These are clear indications that the government’s economic policy has been a failure, both politically and economically. And for highly “price-sensitive” Hungarian voters, this is reason enough to turn away from the government.

Indeed, the political outlook for the government in the second half of its term is far from bright. The deepening crisis in the euro zone, increasing external pressure, and the continuing need to plug holes in the budget (caused in part by mistakes such as delaying the IMF/EU loan agreement and introducing the flat tax) will force the government to implement further austerity measures. Whether there will be an agreement with the IMF or not, the government will be forced to maintain a politically painful course of fiscal discipline in the wake of six years of belt-tightening (the austerity cycle began in 2006 at the beginning of the second Gyurcsány government) accompanied by substantial “austerity fatigue” among the population. If we take into consideration Fidesz’s legendary stubbornness, inability to acknowledge political mistakes, and complete refusal to correct them, we can be fairly certain that its approval rating will not improve significantly in the near future.²

¹ The Orbán government’s political approval at present is not significantly better than that of the Gyurcsány government in 2008 after the leak of the infamous “Őszöd speech”, in which Gyurcsány admitted that his party (MSZP) had deliberately misled voters during the electoral campaign.

² The best example of this mentality is the flat tax: Even though it proved to be an extremely unpopular, expensive, and economically unsuccessful measure, the government is insisting on keeping it as key element of its economic unorthodoxy.

As both the government and the opposition are forming their strategies based on their prospects for 2014, it is instructive to explore possible future scenarios. Taken in isolation, the aforementioned tendencies and factors would suggest that Fidesz will almost surely lose the next elections. This is far from certain, however. The question the governing party and its leader are asking themselves is: How can they win the next elections in a situation where they have fewer voters than the left-wing opposition? It seems possible to answer this challenge without the need for a political correction – in at least two ways.

The first solution is “administrative”, i.e. to implement further legal measures aimed at restricting the opposition’s room to manoeuvre. During the last two years, Fidesz has completely transformed the political institutional system in a way that serves its own political interests (including media regulation, a new constitution, interference in the judiciary and the Constitutional Court, and so on) by appointing party loyalists to key positions and weakening the system of checks and balances. But even this may not be enough in light of new developments. Within the ranks of Fidesz, there is a growing perception of waning public trust (manifested in rising numbers of undecided voters), and confidence in another Fidesz victory in 2014 is declining accordingly. The party leadership is therefore making efforts to improve its prospects by focusing on two critical areas where its reform push has not yet been accomplished: the new election system and the issue of party financing. After passing an electoral law containing elements that openly benefit Fidesz (the “compensation of the winner” rule, gerrymandering of electoral districts), an electoral procedure law will be passed this year. Fidesz plans to introduce mandatory voter registration ahead of the elections, hoping that its advantage in mobilisation (based on semi-legal voter databases) will help get out the vote among its supporters. Moreover, Viktor Orbán recently recommended suspending state funding for political parties, which would severely impact the opposition. The PM’s intention is clearly to “spread” the corruption allegations directed at Fidesz to other parties as well: With legal funding sources cut back significantly, opposition parties will be forced to set their sights on alternatives, exposing them to attacks by the government-controlled media. Possible corruption scandals over funds from foreign organisations and companies – even if fully legal – would perfectly fit Fidesz’s communication strategy, which exploits the opposition of “foreign” vs. “patriotic” as general categories for describing political forces and programmes. This attempt to cut back on party funding will most probably be complemented by restrictions on legitimate campaigning tools – another measure aimed at keeping undecided voters away from the ballot box.

The second solution is to find a potential coalition partner. In theory, the high proportion of undecided voters (almost 50%) and growing levels of discontent in society would provide fertile ground for the emergence of new political parties, but thus far none of the new movement-like organisations (e.g. the One Million and Solidarity movements) has been able to consolidate its position in the political spectrum. Furthermore, these forces are strongly opposed to the government, and Fidesz is unlikely to support possible political rivals (be they to its right or left) even if such a possibility arises. (Viktor Orbán apparently still adheres to the “one camp, one flag” strategy – allegedly imported from Germany’s CSU party.)

Turning to current parliamentary parties, one must not overlook the vast division between left and right. In the Hungarian political landscape, this cleavage runs much

deeper than the conflicts and rivalries on either side. Therefore, entering a coalition with left-wing forces would be political suicide for Fidesz (similar to the fate of formerly anti-communist liberal SZDSZ when it formed a coalition with the Socialists in 1994). This means that the only possible coalition partner on the horizon for Fidesz is Jobbik, the ultranationalist party. Given that Jobbik is a strong mid-sized party (it can count on 10% support in the overall population and close to 20% among active voters), a possible role for it in forming the next government cannot be ruled out. While the ideological distance between Fidesz and Jobbik should not be underestimated, efforts on the part of Fidesz to redefine Jobbik as an acceptable political force are already visible,³ and inside Jobbik there are politicians who would favour a coalition with Fidesz. Other factors undercut the probability of such a coalition, however. Jobbik's blatantly anti-Semitic rhetoric – including the resurrection of historical blood libels against Jews – has made the political gulf between Fidesz and Jobbik much deeper, at least temporarily. Nevertheless, we can establish that in Hungary even new political forces such as Jobbik (or LMP, or even future political forces) could be forced to integrate – against their will – into a bipolar political framework as a result of strong structural (most importantly, the new electoral system pushed through by Fidesz) and cultural **(the historical antagonism between the left and the right)** constraints

As the next elections are still two years away, it is difficult to assess the future balance of power between left and right. Fidesz is still transforming the national political landscape, and the international political and economic environment remains extremely unpredictable. All we can safely say is that Viktor Orbán will have a hard time carrying out his vision of retaining power for even one more political cycle (until 2018).

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³ Viktor Orbán, for instance, referred to Jobbik as his ally in the fight against Brussels in the parliament in March 6 2012.