

Bálint Magyar

Autocracy in Action

Hungary under Orbán

Ever since Viktor Orbán came to power, Hungarian politics has resembled a football match where the captain of one team can change the rules at will, appoint the referees and even eject members of the opposing team from the game. Separation of powers has been abolished, equality before the law nullified. Orbán writes laws that are crafted with surgical precision for individual persons or groups – be they for friends or foes. Using intimidation and blackmail, Fidesz is pushing forward a change of elites and a redistribution of property. Castigation of scapegoats and systematic character assassination have become constitutive elements of economic policy.

I am not surprised by anything or anyone anymore – except by those who are surprised. Nothing has happened since the parliamentary elections of April 2010 that could not be anticipated by attentive observers of the first Fidesz government (1998-2002). Fidesz's objectives and means are the same; only the circumstances have changed. With its two-thirds majority in parliament, practically all institutional restrictions on the exercise of power have been eliminated. In addition to the party, where everything has long depended on Viktor Orbán, now the state has come under the control of a single person as well. Orbán is applying the same techniques he used to enforce subservience in the party to direct the whole of society. Since 2010, all of Hungary has felt the effects of what Fidesz as a party had already experienced.

In December 1999, **the cover of the weekly HVG** featured an image of seven men in suits and soft felt hats posing behind an eighth – the boss, also wearing a suit and soft felt hat and seated in an armchair. “Team spirit”, read the caption. We see a clique and make an association: Chicago in the 1930s. The man in the armchair is Viktor Orbán. He dominates the group, but the others also belong to the innermost circle of power; there was not only a boss but also a leadership circle. That was during the first Orbán government.

Since then, a decade has passed, and today only the boss remains. All the others members of Fidesz's former leadership in 1999 have been expelled from the

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innermost circles of power:¹ János Áder, Tamás Deutsch and József Szájer sit in the European Parliament; Zoltán Pokorni is Mayor of Budapest's District XII; László Kövér is Speaker of the National Assembly; István Stumpf is a judge on Hungary's Constitutional Court; and Attila Várhegyi runs a company close to Fidesz. To be sure, these places of exile are not as inhospitable as the labour camps where those who stood in the way of personal power ambitions were sent in previous decades. Those concerned cannot complain, nor do they.

Cover photo: HVG, 18 December 1999. Front row: Viktor Orbán. Second row left-to-right: József Szájer, Attila Várhegyi, Tamás Deutsch, Zoltán Pokorni, István Stumpf. Back row: left János Áder, right László Kövér.

János Áder (b. 1959), founding member of Fidesz; 1993–1997 Deputy Party Chairman; 1998–2002 Speaker of the National Assembly; 2002–2003 Party Chairman; 2002–2006 Parliamentary Faction Chairman; 2006–2009 Deputy Speaker of the National Assembly; 2009–2012 Member of the European Parliament.

Tamás Deutsch (b. 1966), founding member of Fidesz; 1990–2009 Member of the National Assembly; 1999–2002 Minister of Youth Affairs and Sports; since 2009 MEP.

László Kövér (b. 1959), founding member of Fidesz; 1998–2000 Minister of Civilian Intelligence Services; 2000–2001 Fidesz Party Chairman; since August 2010 Speaker of the National Assembly.

Zoltán Pokorni, Fidesz member since 1993; 1994–2006 Member of the National Assembly; 1997–1998 Parliamentary Faction Chairman; 1998–2001 Minister of Education; 2001–2002 Party Chairman; since 2006 Mayor of Budapest's District XII (Hegyvidék).

István Stumpf (b. 1957), former member of the MSzMP; 1989–1990 Vice-President of National Council of the Patriotic People's Front; 1998–2002 Minister of the Prime Minister's Office; since July 2010 Constitutional Court Judge.

József Szájer, founding member of Fidesz; 1994–2002 Parliamentary Faction Chairman, 1996–2003 Deputy Party Chairman, since 2004 MEP; 2011 Chairman of the committee to draft the new Hungarian constitution.

Attila Várhegyi, in the 1990s Mayor of Szolnok; General Secretary of Fidesz; Secretary of State for Culture; Chairman of Prestige Média Kft.

What has happened inside Fidesz since 1999? What has happened in Hungary? Already ten years ago, following Fidesz's ascent to power, an octopus was spreading across Hungary.² It was distinct from the oligarchic organisation characteristic of the Socialists. It was also different from a classical mafia, which attempts to build relationships to politics from the bottom up. This new organisation spread its power from the

¹ During preparation of the English version of this article in April 2012, Pál Schmitt stepped down as President of Hungary and was succeeded by László Kövér (acting), who in turn was succeeded by János Áder.

² Bálint Magyar: Magyar polip – a szervezett felvilág, in: *Magyar Hírlap*, 21.2.2001, <www.magyarhirlap.hu/velemenymagyar_balint_magyar_polip__a_servezett_felvilag.html>.

highest echelon of the state, with the help of the state, but using coercive methods from the top down. The state was not an instrument of the mafia; it *was* the mafia. Public funds were dispensed without parliamentary oversight and spent to build private enterprises; public property was transferred to private ownership; the men in power used blackmail to tap into private wealth, and attended to their clientele from public coffers. Ten years ago, the institutions of liberal democracy were still in a position to constrain this octopus. The battle had not yet been decided; Hungary was not yet a dictatorship, but merely an Orange Republic.

The road to the degradation of the state led through the degradation of the party. First, Fidesz did away with its liberal wing, those MPs that had opposed the party's swing to the right. Not much later, the "disloyal" Tamás Wachsler had to disappear as well; failing to take note of changed realities, he had challenged Viktor Orbán for the party chairmanship. Fidesz was reorganised in the wake of its electoral defeat in 2002: Since then, direct candidates in electoral constituencies – the key figures of the local party elite – have been appointed by the party chairman personally. Also since 2002, Orbán has handpicked the names appearing on the candidate lists for parliamentary elections. The Fidesz candidates' dependence on Orbán was manifested symbolically ahead of the 2010 parliamentary elections: They were obliged to make a pilgrimage to his country estate and swear their allegiance to the "Godfather".

Finally, during the latest municipal elections in the autumn of 2010, Orbán replaced those old local Fidesz cadres which still enjoyed some independence with his vassals. It was no longer enough to be a loyal party member; in Fidesz, one had to be devoted to the party leader. Fidesz members know what happens when one questions Orbán's decisions or openly rebels against them. A slip of the tongue can end a party career. Those who are insubordinate are expelled, forever; there is no repose. Fidesz members were the first Hungarians to learn that "these guys mean business".

From Godfather to Autocrat

Its two-thirds parliamentary majority gave Fidesz an opportunity to dismantle liberal democracy. There are five types of obstacles to establishing an autocracy – organisational restraint, self-restraint, rationality, institutionalised forced consensus, and judicial review by the Constitutional Court. But how effective are they?

Organisational Restraint

In the 1990s, Fidesz was unable to maintain its position for long. At the start of the 1990s, it enjoyed a wide lead in polls over the other parties. But since it lacked strong local organisations, it suffered a devastating defeat in the 1994 elections. The Socialists, by contrast, were well connected throughout society, for example among public employees and in trade unions. At most, Fidesz could count on the Catholic Church, whose support actually did play an important role in Fidesz's 1998 election victory. Already in 2002, however, it became clear that this would not suffice. This led Fidesz to launch "citizens' circles" (*polgári körök*), and to collect signatures and addresses for plebiscites

and protests. Today, Fidesz makes use of numerous modern media to disseminate its regressive messages. Organisational restraint has thus been eliminated.

Self-restraint

Fidesz does not know self-restraint, and views the observance of unwritten laws as a sign of weakness. The party adheres to the principle of *winner takes all*. Why should a party in power accept restrictions and observe rules of etiquette that do not apply within the party, and which it did not accept when it was in opposition? Concentration of power is the party's central political principle, and thus it is driving Hungary into autocracy entirely according to plan.

Rationality

Hungary is not only beleaguered by an economic crisis. For more than a decade now, politics has no longer proceeded as a rational enterprise. The country is floundering in the trap of populism. This has much to do with the fact that while there are approximately eight million citizens eligible to vote in Hungary, 80 percent of income tax is paid by just one and a half million residents. The elections in 2002, 2006 and 2010 each turned on the question of what portion of taxpayer money the parties would promise to those who paid no taxes. Fidesz and the MSZP (Hungarian Socialist Party) made use of populist rhetoric in equal measure. In government, both have pursued a policy of cyclical give and take.

To the extent that Fidesz has transformed itself from a liberal to a right-wing party, it has replaced arguments with slogans. In the 1990s, Fidesz's distinguishing characteristic was that it wanted to impart nationalist attributes to liberal democracy and the market economy. It achieved only partial success through nationalist rhetoric, however. While Fidesz managed to create a right-wing collective movement, it lacked a structural majority. This was demonstrated by its electoral defeat in 2002. "Many is not enough", Orbán declared afterwards. Fidesz had the same experience in a 2003 plebiscite on dual citizenship for Hungarians living abroad. This was a struggle between national populism (Fidesz called for a vote in favour of dual citizenship) and social populism (the MSZP warned of the consequences for the social welfare system). The referendum to change the citizenship law failed due to insufficient participation.

Afterwards, Fidesz began to combine national and social populism in order to win over left-leaning voters who were nostalgic for the soft dictatorship of late socialism. This shift was not only evident from the party's slogan "We're doing worse than four years ago" in the 2006 election campaign, it was also discernible in their attire. Previously, the Fidesz leadership had dressed in elegant suits; now they wore purple striped shirts and jackets without a tie. It was now the masses – not the citizenry – whom they wanted to appeal to.

National and social populism have in common that they shift political responsibility onto others. The nation "long torn by ill fate"³ and the little man of the masses left to the whims of fate are united by a common grievance over their bitter lot. Critical reflection on history and a rational treatment of the future are systemati-

³ A quotation from the first stanza of the Hungarian national anthem – translator's note.

cally banned from Hungarian political culture. In their place have come self-pity and a search for scapegoats: communists, bankers, oligarchs, liberals, Jews, homosexuals, gypsies.

Fidesz has discovered what powerful leverage can be gained by casting blame on scapegoats. Orbán and his people – unlike Jobbik – are not xenophobes, racists or anti-Semites; they are opportunists. If xenophobia and anti-Semitism provide it a path to power, then Fidesz employs these means. In so doing, it has made presentable a whole palette of vulgar emotions. The promises of social populism are impossible to fulfil, but expectations were raised, and thus the search for scapegoats, stigmatisation and political persecution have become indispensable aspects of governance.

Institutionalised Forced Consensus

In Hungary, the most important institutional constraint on power is the two-thirds majority necessary for decisions of fundamental significance. Decisions on the foundations of the rule of law and liberal democracy should only be possible on the basis of a consensus between ruling and opposition parties.

This rule was necessarily ambivalent. On the one hand, it protected the institutions of liberal democracy, which was very important in view of Hungary's weak democratic political culture and the lack of common-law limitations. On the other hand, it frustrated important reforms, for instead of fostering a culture of consensus-building, it led to one of blackmail and obstruction.

The principle of a two-thirds majority was also frequently applied to civil service appointments in agencies not under the government's direct control. It often took years to find a compromise. And when one was reached, it was never Fidesz which had backed down; it was always the MSZP, which feared excessive influence on the part of liberals and had only a limited scope of action due to its oligarchic structure.

Thus it was often Fidesz that won major battles over appointments. Moreover, during its first term in government from 1998 until 2002 it declared bodies to be quorate as needed, even if they lacked the required number of members; when in opposition, however, it blocked such bodies. And in operative bodies, those members who had come into office with the help of Fidesz strictly toed the party line, while those appointed by the MSZP often ignored not only their official duties, but often distanced themselves from the MSZP. This difference led to Fidesz's domination of important institutions whose members actually had been appointed "by consensus".

This applies above all to the Public Prosecutor's Office and the Constitutional Court. The Public Prosecutor's Office has been under the influence of Fidesz since the resignation in 2000 – for reasons that remain unclear to this day – of well-respected Chief Prosecutor Kálmán Györgyi and the appointment by then-ruling Fidesz (with only a simple majority due to the resignation) of a successor – close Orbán confidante Péter Polt. Under Polt, the Public Prosecutor's Office became an active participant in Fidesz election campaigns with well-timed press releases and corresponding coverage in Fidesz-sympathetic daily *Magyar Nemzet*.

Chief Prosecutor Polt was of particular assistance to Fidesz following the change of government in 2002 when he dismissed all cases in which corruption could

potentially have been proved on the part of Fidesz. This was the case first and foremost for the investigations launched by State Secretary László Keller, who had been appointed Anti-Corruption Commissioner by the MSZP. Today, Fidesz has appointed its own Anti-Corruption Commissioner in the person of Gyula Budai, to whom the Chief Prosecutor – since 2010 again Péter Polt, following a four-year interruption – has given a free hand.

The Constitutional Court

Even the Constitutional Court has not been left unscathed by Fidesz's personnel policy. After 1989, many well-respected conservatives were initially elected as judges. Increasingly, however, judicial posts were occupied by loyal Fidesz party hacks, while Socialist candidates – most of whom lacked outstanding professional qualifications and were ideologically undistinguished – often rebelled against their party; liberal candidates seldom made it onto the Constitutional Court. Since sitting judges could be re-elected by parliament after completing their terms, many judges who had assumed office with the help of the MSZP conformed to Fidesz's expectations. A notable example is the ruling on a referendum to eliminate fees for medical visits and student tuition introduced by the government in 2008. While prominent jurists had declared the plebiscite unconstitutional, the Constitutional Court found it to be admissible, and the fees were rescinded.

Suspension of the Separation of Powers

The two-thirds majority which it won with 53 percent of votes made it possible for Fidesz to systematically dismantle the separation of powers. Now that the Godfather's absolute control of the party had been secured, the latter turned to introducing autocratic control of the state. Hungarian politics now resembles a football match where the captain of one team can change the rules at will, appoint the referees and even eject members of the opposing team from the game.

The Government

When filling ministerial posts, Orbán has selected three kinds of ministers so as to exercise absolute control over the government: former members of the Hungarian Socialist Workers' Party and those who can be connected to the former communist intelligence apparatus; political "lightweights"; and "friends and business partners". The first group can be blackmailed, the second can be dismissed at will, and the third already belong to the mafia-like structures anyway. The only exception is Minister of Administration and Justice Tibor Navracsics. In his second government, Orbán brought back many of his former ministers – although only those who have no backing in Fidesz. This enables Orbán to impose his will in the government and in the parliamentary faction at any time. Differences of opinion are quashed as soon as Orbán intervenes.

Parliament

With the help of handpicked MPs, Orbán can get any law passed in parliament. Orbán likes to talk about decisions that not he but parliament has made, but in these moments he can hardly conceal an ironic laugh. Each of his political statements can become an edict or a law. Parliament serves merely the function of putting the autocrat's decision on paper *ex post*. This has also eliminated equality before the law. Orbán crafts his laws with surgical precision; they are expressly tailored to individual persons or groups – be they friends or foes. It is not by chance that many laws are colloquially named after their beneficiaries. The “Lex Szász”, for example, is formulated so that the head of the Hungarian Financial Supervisory Authority (PSZÁF), Károly Szász, is not subject to a retroactive 98 percent tax imposed on redundancy payments for civil servants. A constitution-changing law forbidding police officers as well as members of the military and state security forces to hold political office for five years after leaving the service became known as “Lex Borkai”, because when Fidesz realised this would block the planned candidacy of party colleague Zsolt Borkai for the mayorship of Győr, the period was reduced to three years. A law banning certain forms of street advertising which came into force in January 2011 was dubbed “Lex Mahir”, because it was targeted at the leading enterprise in this sector – a competitor of advertising agency Mahir Magyar Hirdető, led by Fidesz loyalist Lajos Simicska. Finally, “Lex CBA” refers to the law on special progressive taxes for retailers, where the threshold for significantly higher contributions is defined so that the annual revenues of Hungarian supermarket chain CBA – which is said to be close to the party because of Fidesz election advertisements in their circulars, among other things – remain just below the threshold.

The President

But what about the president, who can send laws to the Constitutional Court for review or back to parliament for revision? In 2005 with votes from Fidesz, László Sólyom narrowly defeated the MSZP candidate. Although Sólyom had comported himself mostly in the spirit of Fidesz, he was too independent for Orbán. As new elections neared in 2010, the faction withdrew its backing for Sólyom's appointment. Orbán also blocked the candidacy of former Speaker of the National Assembly and Fidesz Faction Chairman János Áder, whom Orbán had caught trying to build his own power base within Fidesz. Orbán needed a president through whom all laws would pass “like a hot épée through butter”. Who would be better than an Olympic fencing champion, the general secretary of the Hungarian Olympic Committee since 1986? At the end of July 2010, Fidesz chose the enthusiastically amenable Pál Schmitt as president.

The Constitutional Court

The Constitutional Court has also been largely shut down. After an unpopular decision (the court overturned a law imposing a special tax on redundancy payments for civil servants due to technical deficiencies) Fidesz used a constitutional amendment to rescind the highest court's oversight authority over tax and financial legislation. Most significantly, in a constitutional amendment in July 2010, Fidesz abolished the previously required participation of the opposition in filling judicial vacancies. Since then, Orbán has packed the Constitutional Court with his candidates: in 2010 his former

cabinet secretary István Stumpf, in September 2011 Fidesz MP István Balsai as well as three others close to Fidesz. Moreover, in order to accelerate the shift in the balance of power, Fidesz lowered the mandatory retirement age for sitting judges, and in the new constitution which came into force on 1 January 2012 also expanded the number of Constitutional Court judges from eleven to fifteen. Finally, Orbán essentially gave a eulogy to the independent Constitutional Court when he declared that it was not necessary to wait for its ruling on the government's nationalisation of private pension funds, as this would not be retracted anyway, he said.⁴

But, critics would object, the Constitutional Court did indeed declare unconstitutional a law permitting the dismissal of civil servants without providing a reason. The ruling, however, was formulated so that it did not hurt Orbán and ensured the Constitutional Court's survival: Instead of protecting those affected by this unconstitutional practice, the judges permitted Fidesz to continue to apply it for another three months. After all, the purge might not yet have been complete.⁵

Other Institutions and Vertical Separation of Powers

In a similar manner, Fidesz also took control of the other independent institutions in the winter of 2010: The National Audit Office, the Competition Authority and the public media. The Budget Council, established by the Bajnai government to oversee state accounts and led by experienced economist György Kopits, was re-staffed by Orbán. The same fate threatens the central bank as well. Its council on monetary policy was previously staffed with Fidesz appointees, and on 1 January 2012 a law came into force providing for the bank's consolidation with the financial regulatory authority, thus enabling the government to appoint a new governor of the Hungarian National Bank. In addition, the prime minister can appoint a fourth deputy central bank governor, thereby increasing the government's influence.

Ultimately, Orbán eliminated the vertical separation of powers by restricting the autonomy of local administrations. Government authorities have thus appeared alongside the elected bodies of the 19 counties. The same thing has occurred at a deeper level as well; the centralisation was further advanced by the removal of schools and hospitals from the purview of the counties, and their placement under direct government control. The autonomy of universities was also curbed by this "cold nationalisation". The resemblance of the new power vertical to the communist council system is no accident.

Erosion of Fundamental Freedoms

Among democracy's essential features are the freedoms of speech, assembly and association, and an electoral law which is a fair compromise between representation and bundling the will of the electorate. Fidesz is curbing all of these rights, however, in order to prevent its ouster in the next election.

⁴ Nyugdíjpenztári átlépés: sok jogfenntartó nyilatkozat érvénytelen lehet, <http://hvg.hu/itthon/20110202_ervenytelen_jogfenntarto_nyilatkozat>.

⁵ The ruling can be found on <www.mkab.hu/index.php?id=1068_b_2010__ab_hatarozat>.

The new media law has transformed public media into state media, controlled and directed by Fidesz. De-politicisation and self-censorship have been forced upon the private media, as sanctions with economic consequences can be imposed on them based on ambiguous legislation. Television and radio broadcasters can lose their frequencies, or their applications for newly allocated frequencies can be denied. Completely separate from the possibilities afforded by the media law, Fidesz has sufficient influence on state and private advertisers to eliminate disagreeable media through economic pressure. Other means of voicing criticism have been curbed as well, for example by curtailing the right to strike.

A direct instrument for cementing Fidesz's power is a change in the electoral law. The amended electoral law for local elections reveals the technique of retaining power: concentration of votes instead of proportional representation. The electoral reform should bring this to parliamentary elections as well: The number of MPs is to be reduced to 199; for direct mandates in single-member constituencies, a simple majority in the first round should suffice instead of the hitherto necessary absolute majority which often required a second round. Still in 2009, Fidesz strictly rejected a reduction in the size of parliament because the electoral reform under consideration at the time envisioned proportional allocation of votes into mandates. In view of the structure of the Hungarian party system, Fidesz alone will benefit from the strengthening of large parties through the planned electoral law. Even if Orbán's party were to suffer a significant erosion of support, the planned electoral law will enable Fidesz to remain in power.

Intimidation and a Change of Elites

If an autocratic government wants to cement its power, it must make the citizens amenable to this, or at least persuade them not to challenge it. This requires intimidation, which works best when the people are existentially at the mercy of the state. While Hungary today can afford greater consumption than in socialist times, the people face substantially greater insecurity. If in the 1980s there were only a few hundred thousand telephone connections, today – including mobile telephones – there are more than ten million; the number of cars has shot up to three million; many young people get their own flat far sooner and can study; each year, some half a million Hungarians take a summer holiday on the Adriatic. All this, however, is accompanied by mass unemployment, which in some families is already appearing in a second generation. As a result of the economic crisis, a broad section of the population today is hopelessly indebted. Many small and medium-sized enterprises have gone bankrupt. Today, people have something to lose: consumption. If someone loses his or her job, or if state or local contracts dry up, the consequences can be disastrous. This affords great power to the ruling party.

There can be no doubt that Fidesz exercises this power as well. Already during the 1998–2002 period, it violated the implicit social contract stemming from the late phase of the socialist dictatorship: It broke the promise not to intervene into the private sphere of the citizenry in exchange for power, and it broke the rule not to persecute political adversaries. For this reason, the opposition was able to mobilise against Fidesz in 2002, and inflict an unexpected electoral defeat. But since a change of power in the

next election is not foreseeable, many people today are far more existentially dependent on not antagonising Orbán.

This is fatal, particularly in state agencies. In the last 20 years, it has not been possible to draw a universally accepted dividing line between political posts and non-political career professionals. Rather, with each change of government, deeper and deeper sections of ministries and central as well as regional agencies have been filled with new political appointees. The practice of granting appointments as a political reward has destroyed rational administration.

Fidesz has now taken this to the extreme. Not only are people dismissed from their posts, but it is further ensured that they will not be granted any other senior position in the state apparatus. In this way, the entire administrative elite are to be purged, so that only Fidesz loyalists remain in the civil service. The law on the dismissal of officials without special reasons made possible the comprehensive replacement of personnel. It was even reported that blacklists were circulating bearing the names of people who should be denied future employment at state agencies. In the case of the experts dismissed from the Budget Council, the minister issued an internal directive to ensure they would not be employed by the Ministry of Finance. These methods fuel anxiety and ensure subservience – as does the creation of a new “national elite” for policy and administration.

For several years now, new blood has been recruited for Fidesz-controlled institutions, e.g. for the Public Prosecutor’s Office, almost exclusively from among graduates of Pázmány Péter Catholic University. Now, Fidesz has an opportunity to achieve the goal of creating and systematically cultivating an elite loyal to it. The government wants to create a new National University of Civil Service by splitting off the Faculty of Public Administration from Corvinus University and merging it with the Police College and Miklós Zrínyi National Defense University. The spirit of the new cadre school is evident already from the site designated for it: the Ludovica Academy, an erstwhile officer cadets training institute and military academy.⁶

The scientific and cultural elite are to be replaced as well. During the first Fidesz government, it could only re-staff individual posts. But already after its victory in the 2006 local elections, Fidesz began systematically to fill posts – that of theatre director, for example – with its own people. Now it can place its people in key positions elsewhere in the cultural sphere as well.

A notable example is support for Hungarian film. The hitherto normal public tenders may have been flawed, but at least the bodies were composed of experts; decisions are now made by a government representative. It cannot be long until the Fidesz courtier-directors deliver the first historical films in which they sing the praises of Hungary’s national greatness. The campaign against philosophers Gábor György, György Geréby, Ágnes Heller, Mihály Vajda and Sándor Radnóti has followed the same line of attack. Not only are they vilified, but they are also alleged to have misappropriated funds. If the government does not direct these actions itself, it certainly tolerates them. The campaign is aimed exclusively at philosophers who are considered “liberal”. Visual artists have been targeted as well. They are not persecuted as “liberal”, however; here, the rallying cry is “non-figurative” (a type of abstract art). An example is the removal of

⁶ The relocation of the departments of the Hungarian Museum of Natural History housed there has already been arranged.

the monument by László Rajk commemorating the 1956 Hungarian Revolution in the city of Veszprém.

Fidesz is waging its cultureless *Kulturkampf* not only with the demagogical question of why taxpayers should pay for something the masses do not understand. Indeed, artists are branded as cheats and thieves. The Anti-Corruption Commissioner, Gyula Budai (in communist times a military prosecutor), has already tasked “experts” with determining whether the “value” of philosophical texts and artworks created with the help of state support is commensurate with the funds paid out.

Redistribution of Property – Offers One Cannot Refuse

In the privatisation of the 1990s, the former cadres of the Hungarian Workers’ Party had a clear head start. They could cash in their political capital for economic capital. Erstwhile state property either came into their possession or was sold to foreign concerns. Fidesz is the party of the losers in this contest. Since today there is hardly any state property left to distribute, it must seek a redistribution of private property. But this is almost impossible using legal means.

During the 1998–2002 period, there were still a few state-owned enterprises that businesspeople with little capital but good contacts to Fidesz could acquire cheaply, since they had received long-term state loans. An example was the privatisation of the company that had the monopoly for leasing state-owned real estate to foreign embassies. Another way to make small enterprises grow was to block foreign competitors from the market through special legislative regulations, and then to award a huge state contract to the Hungarian bidder. In this manner, for example, the company Vegyész – which had good contacts to Fidesz – received huge contracts to build motorways without there having been a public tender.

Today, there is no state property left to distribute, and the other way is very laborious. For this reason, the technique of the “friendly takeover” has now replaced the practices of crowding companies out and of building one’s own companies with the help of the state. The extent of the change of ownership is not yet clear, but the methods are already obvious. When it is apparent that the ruling party can issue decrees and enact legislation at will, that the Public Prosecutor’s Office, the police and the tax authorities are loyal to the government, and that state contracts are awarded according to political criteria, then an enterprise can make takeover offers that one cannot refuse. Politically motivated selective interest on the part of state agencies guarantees the requisite powers of persuasion to seal the deal.

The specifics can differ greatly. Carrots can be used as well. Someone willing to sell shares in an enterprise can secure a promise, for example, that he will be able to draw even more profit from his remaining shares because the enterprise will be awarded very lucrative state contracts. The stick is shown to the person who would like to refuse an offer. If he acquiesces, the Public Prosecutor’s Office and the tax authorities are kept at bay. The selection of whom to prosecute for corruption and whom not to prosecute may seem arbitrary, especially since the business practices of the two groups do not differ. But they reflect a differentiation between the “unruly” and the “cooperative” with exact precision. Even those unwilling to participate in this form of “national cooperation”, however, sense that “these guys mean business”. So

much so, in fact, that many a Hungarian magnate may yet turn up in a Khodorkovsky nightmare.

Macroeconomics à la Fidesz

Fidesz justifies its economic policy with a political vision to create a new “national” ownership and middle class, encompassing all true Hungarians from tycoons to small entrepreneurs. It would be wrong to dismiss this as sheer rhetoric, and thus it can indeed be meant cynically. But the personal gain of the Orbán clique blends in harmoniously with Fidesz’s social vision: Everyone gets what he deserves.

The MSZP government’s economic policy was marked by a continual oscillation between indiscriminate allocation of resources and extreme austerity measures. The benefits were not intended to target any special group, but rather all of them to the extent possible. Nor were the cuts directed at specific groups, but rather as much as possible at institutions.

Fidesz has subordinated economic management to power politics, and thus it is characterised by an ideologically and morally grounded duality of targeted allowances and tribute payments. The allowances, for example, such as tax credits and the Széchenyi Plan to support small and medium-sized enterprises, should be a “healthy” means of propagating the nation or strengthening the Christian middle class. Cuts made to fill holes in the budget were presented by Fidesz as financial penalties. Economic policy thus became one mode in a struggle between the “good” forces of the nation and the “evil” forces which seek to destroy the nation. A special tax was levied on banks earning extra profits, telecommunications companies and electric utilities, multinationals who shift their profits abroad, and “hamburger producers” selling unhealthy food. These moves enjoy broad support in Hungary, as Fidesz understands how to shape mass insecurity and frustration into emotions.

The same policy impacts the opposite segment of society as well. Those from whom nothing can be taken are given less. “Above”, the “foreign” elite are to be suppressed; “below”, the “non-nation-building” poor are squeezed: Unemployment benefits are now paid for just 90 days and not almost a year, as was previously the case. And they only amount to half the minimum wage. Finally, recipients of unemployment benefits – regardless of their education – can be used for any type of municipal work. Economic policy is blended into a regulatory worldview.

When funds are to be withdrawn from the civil service or state-supported institutions, then a government representative is sent in ahead of time. All resistance to corporate interests is dispelled with the threat of a “comprehensive investigation of suspicious financial matters”. This occurred, for example, one day before the government announced cuts in expenditures for university education in an amount equivalent to EUR 140 million. If funds withdrawn from public institutions are insufficient, Fidesz plunders private savings as well. The nationalisation of private pension funds was explained with the argument that “They lost our money speculating on the stock market.”

The more the measures run counter to the spirit of a free market economy and the principle of property rights, the more Fidesz criminalises the affected institu-

tions. Castigation of scapegoats and systematic character assassination have become constitutive elements of Hungarian economic policy.

Autocracy and Autarky

Autocracies do not accept that the economy has its own laws, which do not follow the logic of political dictates. Thus, economic autarky goes best with political autocracy. Even in large isolated countries, however, attempts to direct the economy with brute political force have enjoyed only very limited success – consider “Socialism in One Country”. Small Hungary, however, is dependent on its integration into the global market. By closing the borders, the communist regime could not prevent citizens from voting with their feet on the merits of the system. An EU member state, Hungary has no means at its disposal to prevent enterprises and citizens from withdrawing capital or relocating savings in response to political interference in the economy.

Fidesz is always inventing new campaigns to straitjacket the economy. But despite its two-thirds parliamentary majority, it comes up against its first limitations here. Orbán may be able to enforce subservience among civil servants, but neither with commands nor supplications can he control the markets. Orbán believes himself to be a national freedom fighter in a struggle against the globalised economy. But his power does not extend to the global market and its institutions. With laws, he cannot overcome the “laws” of the global economy. In addition, Orbán’s attempts to lead Hungary into a political autarky have met with resistance in the EU.

Criticism from Brussels of the media law has died down, however. It does not help Hungary that it is a member of the EU, as Brussels will not impose sanctions against the Orbán regime. The much-lauded European system of values is not worth much if there is no common legal order that can be imposed in a conflict situation. And even if Orbán cannot thwart the laws of the globalised world, the decisive force for overcoming autocracy must still come from within.

Instead of a Happy Ending

While it is Fidesz that has transformed Hungary into an autocracy, the previous socio-liberal government bears responsibility as well. The MSZP lacked the courage to implement radical reforms, and bears blame for the expansion of corruption; the SZDSZ stoked unrealistic expectations. As a result, popular support for both plummeted. Practically speaking, the SZDSZ has even disbanded, but the MSZP is not a very good opposition party either. A large portion of its leadership is personally tainted, and the party has no idea what a new beginning could look like. When it accuses Fidesz of having broken its election promises, this is nothing but the old social populism. And its call for an “anti-fascist struggle” is not taken seriously by anyone anymore. While the new party *Lehet Más a politika* (Politics Can Be Different, LMP) – unlike the MSZP – is not burdened by the past, it is incapable of seizing this opportunity. It lacks a coherent political agenda, and its leadership is too inexperienced. Directionless, it drifts back and forth between Scylla und Charybdis: sometimes part of the anti-fascist united front, then once again Fidesz’s courtier opposition.

All those voters in Hungary today who think only in liberal terms thus lack a political force that could represent them. The emergence of a new liberal party requires not only a critical mass of dissatisfaction; it requires a new mentality – a break with populism. But above all it requires new charismatic and professionally competent politicians. It is too early to tell whether the increasingly better-organised mass protests will produce such individuals. The only thing that is clear is that the old leadership is finished. How would it look if Mercurio, after being murdered, were to return in the next act?

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