FES BRIEFING

WHO'S WHO IN THE FIFTH ORBÁN GOVERNMENT

Old and new faces united by loyalty to the prime minister

May 2022



Since Fidesz interpreted the April 2022 election as a resounding reaffirmation of its policies by the Hungarian public, a major reshuffle of the Orbán cabinet seemed unlikely. After all, as in previous elections, Fidesz's campaign promise had been to carry on as before. And although that was not much of a policy programme, it did imply a promise that the people in charge would be largely the same. Yet, Orbán likes a reshuffle, both as a symbol of his immense power over the ruling party and sometimes also as an opportunity to explore new policy avenues, which are often tied to specific individuals who succeed in selling the prime minister on new ideas.

It is a sign of Orbán's increased confidence and strength that with Gergely Gulyás and János Lázár the cabinet features two talented young politicians who are considered by many as potential successors of the PM. Orbán has tended to push out figures who seem even remotely capable of challenging him for the leadership of Hungary's leading right-wing party. At this point, that threat is so reduced that political aptitude is no longer an impediment to high office.

As critics have pointed out, one problematic aspect of the continuity in the cabinet structure is the lack of dedicated health, education and environmental portfolios. The subordination of these areas is obvious and the fact that they have a vital influence on the quality of life of Hungarians is not reflected in the government's priorities as it is reflected in the cabinet structure. In fact, it was not even immediately clear who would be in charge of education, the responsibility for which was ultimately split between two ministries.

Let us take a look at the individuals who make up the fifth Orbán cabinet, the background of the ministers and the official and unofficial roles they are likely to fill in the next government.

THE INNERMOST CIRCLE

Antal Rogán retains his position as the minister in charge of the Prime Minister's Cabinet Office, and together with Gergely Gulyás, the minister in charge of the Prime Minister's Office, the two ministers who coordinated the vast powers directly concentrated in the PM's office effectively act as Orbán's chiefs-of-staff. In effect, although he wields considerable and expanding policy competences, too, Rogán's main responsibility is political messaging and control, to make sure that the public support behind Orbán's government remains solid and that Fidesz's control over the media, economics, culture etc. expands continuously. Gulyás is in charge of keeping the public administration in line and, as a skilful orator, he also handles the press conferences.

At 40 years, Gulyás remains the youngest member of the Orbán cabinet, and – along with Rogán – also its most influential, after the PM himself, of course. He has experienced a meteoric rise in Fidesz, since he only started working as a lawyer in 2008, became an MP in 2010, was selected to lead the Fidesz faction in parliament in 2017 and was appointed to his current cabinet portfolio in 2018, succeeding János Lázár. As the minister in charge of the Prime Minister's Office, he coordinates the work of the entire cabinet.

As the main coordinator of Fidesz's campaign machine, Rogán's (who had spent a while in the political desert in the early 2000s after implying that Viktor Orbán might not be Fidesz's leader in 2010 but then went on to lead the Fidesz faction in 2014 before being appointed as Orbán's chief-ofstaff in 2015) position of power is now unassailable. He is seen as having delivered two decisive electoral victories and as having vastly expanded and consolidated the ruling party's base of power since the party's anaemic - relatively speaking – election victory in 2014. Moreover, given his lack of personal popularity and the general perception that he could never serve as prime minister himself, he can wield enormous influence without seeming like a potential challenger to the PM, which strengthens his position in a system where all power emanates from Orbán. His own conspicuous and unexplained wealth, as well as his association with corrupt figures, have always made Rogán a suspicious figure. But now his newly acquired control over large segments of the intelligence services, including a super-intelligence centre that will have access to information held by the other services and will be effectively able to conduct surveillance of critical figures without any meaningful oversight, makes Rogán an intimidating figure. For the minister of propaganda, as he is colloquially known, everything is politics, and this may soon be reflected in the work of the already excessively politicised intelligence services.

THE STEADY HANDS

The three most established players in Orbán's cabinet are the Fidesz founding member and Minister of Finance, Mihály Varga; Foreign Minister Péter Szijjártó, who is too young to be a founding Fidesz member but has spent his entire adult life in Orbán's orbit; and Minister of the Interior Sándor Pintér, who will all continue in their respective offices. Varga is the only Fidesz politician of the first/founding generation who is still around as a cabinet member, over the decades the rest of his peers have disappeared from the cabinet. The soft-spoken Varga has already served as the finance minister in the first Orbán government, and he has been a minister in the post-2010 cabinets for over a decade now. He was never seen as a potential challenger of Orbán and has not even established himself as the dominant figure when it comes to economic policy - previously, he had to contend with György Matolcsy (now the president of the Hungarian National Bank), the creator of what became known as the "unorthodox economics", which initially defined the post-2010 economic policy. Now he has a new competitor in the person of Márton Nagy, a technocrat who takes over the Ministry for Economic Development. The responsibility for economic policies has been spread out over several portfolios, thus diluting responsibility and allowing for internal rivalry over the course of economic policy. As a result, while the Minister of Finance remains influential, he is clearly not in exclusive charge of Orbán's economic policies, and this is vital since the prime minister knows that economic stability is the linchpin of his popularity.

The former police chief turned businessman turned politician Pintér has always been the Minister of the Interior in every Orbán cabinet since 1998. Like Varga, Pintér is a quiet and non-flamboyant figure who is reputed to be a skilful technocrat with the ability to convince Viktor Orbán of his loyalty even though he is not a Fidesz member and abstains from partisan comments. He is reputed to be ruthless but competent, and the fact that public safety is considered stellar in Hungary is partly a reflection of his management. Still, Pintér lost important ground as part of the reshuffling of the responsibilities in the new cabinet, most conspicuously the control over large segments of the intelligence services, which have been transferred to Antal Rogán. While Pintér retains control over the National Defence Service (NVSZ), the organisation that uncovered the most damaging corruption scandal for Fidesz, the Völner-Schadl case that felled the deputy minister of Justice Pál Völner on the charges of bribery and criminal conspiracy, the previously ascendant NVSZ will be weakened, presumably in an effort to impede such investigations.

As a can-do man, Pintér will nevertheless remain a key player in the Orbán government, and he has augmented his portfolio with two of the most unpopular policy areas: healthcare and K-12 education (pre-school, primary and secondary education). The latter in particular has been rife with tension for months as the underpaid teachers have relentlessly called for updating the salary scheme that has been essentially unchanged since 2010. The teachers' unions are concerned that putting a law-and-order man in charge of education will lead to a repression of the expressions of their legitimate grievances, and they will probably see their fears affirmed after Pintér's stern pronouncement that he will not brook civil disobedience (which the teachers' unions contemplate) and that order is the key to a successful education.

Minister of Foreign Affairs and Trade Péter Szijjártó has always been in a position that either formally or informally involved acting as Orbán's personal spokesman, and informally that is still what he does as the leader of Hungary's foreign office. More than shaping foreign policy, Szijjártó's main job is to promote and defend Orbán abroad, and his deliberate use of incendiary rhetoric, constantly lashing out at critics and pushing partisan talking points, leaves little to no room for either diplomacy or decorum. Although along with Gulyás and Lázár he is theoretically one of the young guns who could conceivably hope to succeed Orbán as PM when the latter leaves office, he has never been considered a strong potential alternative to Orbán – which explains part of his unusual staying power in the cabinet of the latter.

THE NEW FACES – BUSINESSMEN AND TECHNOCRATS

Apart from the two returning figures (János Lázár and Tibor Navracsics), the exciting new face in the cabinet is the Minister for Economic Development, Márton Nagy, an experienced technocrat known for the depth of both his ambition and expertise. Nagy served a long stint at the Hungarian National Bank (from 2002 to 2020) where he was the vice president under the Orbán ally and the once-dominant figure in economic policy, György Matolcsy. However, the two clashed at one point for reasons unknown and Nagy was forced to resign. It was a recognition of his reputation as an outstanding expert that the prime minister "absorbed" him, first as a senior advisor and now elevated to a cabinet rank. Although a highly influential figure on economic policy, Nagy is now for the first time exposed as a political player in his own right, and he finds himself in a difficult position as economic responsibility is divided among several ministries and a highly active central bank. Given the known tensions between the major economic policy players and a looming crisis, Nagy has a substantial opportunity but also faces a major risk as someone who starts out precisely at a time when many expect economic indicators to take a turn for the worse.

With Kristóf Szalay-Bobrovniczky – husband to Alexandra Szentkirályi, who was a government spokeswoman and will continue to serve in the government – a new oligarch with

close ties to Antal Rogán enters the government, although unusually in a non-economic position. A captain of the reserves, Szalay-Bobrovniczky replaces the former military chief-of-staff and staunch NATO supporter Tibor Benkő at the helm of the Ministry of Defence. Szalay-Bobrovniczky owns a sprawling corporate empire, including many businesses that are tied to the government, such as the highly lucrative casino licences, which were recently awarded to him and another oligarch for a period of 35 years. He was also the head of the staunchly pro-government Századvég research institute, which has received many billions of forints in government funding. Szalay-Bobrovniczky is also the owner of a Czech company that recently signed a deal to supply training planes to the Hungarian military. At his confirmation hearing, the Defence Minister-designate said that he would focus on strengthening the Hungarian army by expanding the number of reservists and he also made clear that he sees Russia as the aggressor in the Ukrainian war.

Innovation is at the centre of Viktor Orbán's interest, and the transfer of this policy area from László Palkovics to the cabinet newcomer János Csák, who will lead the Culture and Innovation Ministry, expresses confidence in the abilities of the former entrepreneur who started as a top manager in the 1990s and became increasingly active in right-wing institutions in the 2000s, managing the then-pro-Fidesz weekly Heti Válasz and creating the Széll Kálmán Foundation, a forum for businesspersons with right-wing sympathies that had an influence on Fidesz. At one point, Csák was already rumoured to be on the short-list for the position of foreign minister, but ultimately he was sent to London as an ambassador (2011-2014). In addition to the policy areas included in the name of his ministry, Csák's sprawling portfolio also includes family affairs, higher education, vocational training and corporate development. A strong believer in strengthening ties with China, at his parliamentary hearing Csák firmly committed himself to the government's controversial plans to create a subsidiary of the Shanghai-based Fudan University in Budapest.

THE LOYALISTS

In her previous term, Minister of Justice Judit Varga primarily made herself useful by acting as a relentless presence in the media as a pro-government propagandist and proposing bills that expanded Fidesz's political control over the administration of justice. Dubiously, she also claimed to be both unaware and without competence to handle the surveillance of Hungarian civilians with the Pegasus software, which she said were approved by her then-deputy, Pál Völner, who subsequently was revealed to be a central character in the biggest actually investigated criminal conspiracy involving an active politician of the Orbán government. All the scandals around her did not damage Varga's prospects, who will carry on, and aside from being a reliable mouthpiece - also in the international media - she will remain a key player in Fidesz's efforts to subjugate what remains of the independent judicial system.

Another pillar of the Orbán system is Zsolt Semjén, the head of the Christian Democratic People's Party, Fidesz's small but vital satellite, which is part of Orbán's personal fiefdom. Although formally a deputy prime minister, Semjén is widely considered politically weightless, and his limited responsibilities – a minister without portfolio in charge of ecclesiastical affairs and the relationship with ethnic Hungarian communities outside the border – reflect this.

THE SECOND LINE PLAYERS

Although he stays on, one of the losers of the reshuffle is László Palkovics, who had burst onto the political scene in 2018 as a firebrand outsider who would remake innovation, successfully set out to subjugate Hungary's largest independent research network, the Academy of Sciences, and also played a key role in the privatisation of most of the higher education system into the hands of Fidesz-controlled foundations. While politically speaking he was successful in expanding Fidesz's power, his ambitious goals in the area of innovation did not appear to have yielded the desired results, and now a newcomer, János Csák, has been handed control over this area, which is vital in Orbán's vision for Hungary, as the prime minister sees the country's future as a potent mix of tradition and innovation. Unlike some of the other ministers without a political hinterland who were ousted, Palkovics has been allowed to stay on, but he is left with a considerably narrower ministerial portfolio than previously, signalling decreasing confidence in his abilities.

One of the least visible members of the previous Orbán cabinet, the Minister for Agriculture István Nagy has also been invited to stay on. Despite the key political role of the rural vote and the vital importance of agriculture, Nagy did not leave much of an imprint on Hungarian politics. In his confirmation hearing before the National Assembly's Agricultural Committee (where he sailed through with a vote of 10-1, even as the governing parties hold only eight seats on the Committee), Nagy said that the major challenge today was the impact of the war in Ukraine on the food supply, which would lead to changes in the agricultural sector, highlighting the role of self-sufficiency.

THE PRODIGAL SONS

The two most remarkable cabinet appointments were not a surprise, but only because they had been widely rumoured for a while now. Back at the cabinet table are János Lázár, who had served as Orbán's right-hand man in the cabinet as the minister in charge of the Prime Minister's Office for four years before being relegated to the backbenches in 2018, and Tibor Navracsics, who had been sent to Brussels as Orbán's European Commissioner and found himself caught between a growing anti-Brussels sentiment in his own party and a growing anti-Orbán sentiment in the EU. Both Lázár and Navracsics had made cautiously critical comments

about Fidesz's trajectory over the past years, but they tread a careful line that always avoided criticising Orbán personally, making clear at every opportunity that they were loyal to the PM.

Lázár, considered a workaholic and excellent organiser, will be in charge of the Construction and Investments Ministry, a heavily policy-centred area. He had previously spoken a lot about his desire to oust foreign retailers from Hungary, criticising the government's decision to abandon the sectoral taxes that had been tailored to penalise foreign-owned retail chains; although that policy area is not within his new remit, domestic construction industry players hope that his openly protectionist streak will benefit them against foreign competitors. Lázár is unusual in Fidesz in his commitment to making actual policy changes rather than focusing merely on policies that boost the party's political control, but he combines this interest with a fierce commitment to the political vision of Orbánism, that is he also supports the policies that have eroded democracy and the rule of law in Hungary. And despite working in politics his entire life (he was Fidesz's leader in parliament between 2010 and 2012, and then worked in the PM's office until 2018), he has also gotten very wealthy in the process. Like Gergely Gulyás, he is also young enough to potentially be a contender to lead Fidesz if Viktor Orbán ever withdraws from politics.

After stints as Fidesz's leader in parliament (2006-2010), Minister of Justice (2010-2014), Foreign Minister (2014), and European Commissioner (2014-2019), Tibor Navracsics returns to the cabinet as a minister without portfolio with responsibility for regional development and EU relations. It is the latter, in particular, that counts - the general perception is that his ties to Brussels are supposed to grease the way towards easier consultations with the European Commission. The latter is vital because the government needs the funds from the EU budget, which the EC is withholding pending the outcome of the dispute with the Orbán government over corruption and the rule of law. As an intermediary who is loyal to Orbán but also speaks "Brusselese", Navracsics could be a pivotal player and this explains his comeback as a cabinet member. Some also count him among the potential Orbán successors because of his intellectual acumen, but his standing within the party is weak.

THE NEW CABINET: THIN ON POLICY DETAILS

The old and new ministers have already introduced themselves, but as is customary under Fidesz, little has been revealed about their plans for the next term. Fidesz's position is that its political success justifies its policies, and that the mandate the party received was not for a specific set of policies but for the management expertise that Viktor Orbán and his team bring to the table. One of the most glaring aspects of the cabinet is the confusing and sometimes overlapping distribution of competences between the various ministries. Although Orbán often casts himself as a visionary, that vision is mostly limited to political control and the traditional culture war areas; outside that, the Orbán government has actually very little in the way of a vision.

The governing party politicians seem well aware that the looming crisis will limit their room for manoeuvre, and most of them highlighted that adjusting to inflation and the problems stemming from the war in Ukraine will shape their policies. At the same time, even as the crisis and its expected impact figure heavily in the rhetoric of the government party politicians, crisis management has been a relentless presence in the government propaganda, starting with the alleged crisis inherited from the centre-left government in 2010, followed by the Refugee Crisis of 2015/2016, the Covid-19 pandemic in 2020-2021, all the way to the currently looming multidimensional crisis. The government has often used the reference to these crises as a pretext for arrogating itself further powers, even when it did substantially little to address the underlying crisis, especially with respect to the Covid-19 pandemic.

The situation is no different this time. In parallel with the induction of the fifth Orbán cabinet, the governing majority in the National Assembly amended the Hungarian constitution, the Fundamental Law, to introduce a new wartime emergency, which the government immediately invoked. Although the government cited the turbulence wrought by the war in neighbouring Ukraine – which has thus far not led to a declaration of such an emergency law situation in any other EU country, including those that share a border with Ukraine politically speaking it was necessary because the Covid-19 pandemic emergency was scheduled to expire at the end of May and the government wants both a legal basis for governing by decree and a political justification for controversial steps it plans to take. The latter will be especially sensitive if they end up including austerity measures to tame the budget deficit, which has surged massively due to Fidesz's pre-election spending spree. Viktor Orbán explained in a video that the "war and the Brussels sanctions lead to major turbulence and drastic price increases", which is why the government needs extra powers. As often, Orbán's rhetoric blamed the EU as a contributor to the problems facing Hungary, neglecting to mention either Putin's role in the war or the fact that "Brussels sanctions" had been adopted with the support of his government.

Thus, the governance of permanent crisis management and the increasingly centralised exercise of powers – including systemic abuses thereof – will continue. Given the experience of the past 12 years, there is little reason to expect much in the way of policy innovation from this cabinet, but a key question is who will emerge as the dominant shaper of economic policy in the near future, and whether they will be able to soften its impact on the Hungarian public.

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