



Consolidation watch

Consolidation is one of the buzzwords in Fidesz' current communication. While its precise meaning is unclear, the various pronouncements suggest that Fidesz wishes to move from a phase of major reforms and intense conflicts to a more relaxed period that allows for fixing some of the mistakes in the hastily crafted major laws adopted last year. The absence of highly controversial new legislation and the fact that credit talks with the IMF may finally commence may be indications that the notion of consolidation is genuine, though it is too early to judge. In either case, consolidation is not a major concession from Fidesz: with its vastly expanded powers, consolidating its current positions would be an ideal situation for the governing party. Whatever specific shape this process takes, the opposition has little incentive to co-operate.

The big mystery these days is whether Fidesz will indeed halt the uncanny pace of its reforms – and especially its most controversial aspects, those pertaining to democracy and the rule of law – or whether it will continue churning out new legislation at record speed. The prospect that Fidesz may lay back for a while and enjoy the spoils of its labour was held out by party spokespersons themselves.

A promise of consolidation

Most recently it was Deputy Prime Minister Tibor Navracsics who said that in the Hungarian public administration “2012 will be the year of consolidation and preparation, after the period of activism ended in 2011”. His remarks echoed several similar statements since Prime Minister Viktor Orbán introduced the notion of consolidation early in 2012. The inaugural address by the new president, János Áder, is also seen by some as indicating Fidesz' new course. Though the speech certainly meshes with the theme of consolidation, it was probably more of a reflection of Áder's own ideas rather than a note from Fidesz' new playbook. Regardless: In Fidesz' circles consolidation remains the buzzword of the day.

Is it here yet, though? To some degree the heated international conflicts that the government was embroiled in on account of previously adopted policies made it difficult to ascertain where recent legislative changes were leading. Since many of the current complaints by international organisations – particularly the European Commission and Venice Commission – pertain to laws adopted during the legislative frenzy last December, their continued dominance in international and some domestic reporting on Hungary certainly creates the impression that the government is still hyperactive, even though there are signs that the pace of change is finally slowing and Fidesz may indeed turn towards “consolidation”.

Behind the scenes

Of course the phase of consolidation is inherently as much defined by things not done – i.e. controversial acts – as it is by specific actions. And with respect to new legislation, things

have indeed been fairly quite over the past weeks. An even more important sign is the unexpected movement in the talks with the EU and the IMF. For months, Orbán claimed to be begging the IMF to begin the credit talks, and complained that the international institutions were dragging their heels to make recalcitrant Hungary toe the line. The surprising green light to negotiations has led many analysts to speculate that the government made secret concessions to the international players, maybe promising to scale back some of the more drastic changes pertaining to the judiciary and the central bank, for instance. After all, even Fidesz representatives have acknowledged that some of the hastily adopted reforms need revisions, thereby laying the rhetorical groundwork for enacting the changes required by the EU and/or IMF.

We only have indirect indicators as to whether the most recent development in the protracted back and forth between the Hungarian government and the EU/IMF duo is indeed more promising than previous phases of apparent accommodation. But the fact that the forint is rallying to highs unseen in many months, coupled with the images of Tamás Fellegi going to conduct actual credit talks, inspire hope that the process of consolidation will involve a stabilisation of Hungary's risky debt situation. Though some experts have recently cast doubt on the professional consensus that an IMF credit is needed, in light of the current exorbitant interest rates low interest financing would save the exchequer considerable money. The reduced cost of servicing the debt would be the first tangible benefit of "consolidation".

Refitting the steamroller

For the political opposition as well as for those non-partisan observers who are critical of the Orbán government's activities, both the lofty pronouncements and the temporary lull in controversial reforms are not necessarily a reliable indication that no more major changes will be enacted until 2014. The suspicion is that if Fidesz feels that further major changes are necessary to buttress its power, then this need will always trump whatever advantages a period of calm may yield.

Still, those advantages may be substantial. Fidesz probably recognised that constant all-round confrontation ultimately hurts its popular standing. In fact, in all probability the plan was right from the start to get the controversial legislation out of the way quickly and to then revert to a more peaceful style of governance. Though it retains a commanding lead among the shrinking base of likely voters, Fidesz' popularity has plummeted in the electorate at large. While economic hardships are the primary cause, Fidesz' reputation for showing no inhibition in the exercise of its constitutional power has also alienated some voters, especially since they see few benefits to counterbalance the aggressive style of governance.

Keeping the benefits

Moreover, at this point a phase of consolidation is a small concession from Fidesz, assuming that its statements are more than a mere rhetorical ploy. After all, what is being consolidated is a structure of government with massively expanded powers for the ruling party and a personnel selection which will ensure that Fidesz will retain significant influence

over the affairs of the state even if it were to lose the next election, which is still rather unlikely. Despite potential (probably minor) concessions to the international institutions, there is no indication that scaling back previous reforms will be a major part of consolidation.

Consolidation could fizzle out as soon as Fidesz runs into issues which it believes require unilateral action. Short of that, however, the opposition has an interest now in keeping divisive issues on the agenda, ensuring that Fidesz has no alternative but to bare its teeth.

No co-operation

Early on, when many of the key questions of the new constitutional order were decided, the opposition might have benefited from being involved in major decisions, and it is no accident that it was left out then. As the elections move closer and the opposition parties hustle for improving their relative standing among voters, they have no interest in giving Fidesz any legitimacy by co-operating with it.

In other words, even if the phase of consolidation were to involve some genuine reaching out, it is unlikely that the opposition will reciprocate by co-operating. Hence the best chance for a slight calm in the troubled water of Hungarian politics stems not from the government's presumed intentions but from the opposition's persistent inability to set the agenda.