



# HUNGARIAN POLITICS IN-DEPTH

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## TOP 5 NEWS OF THE LAST WEEKS

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1. NOT A WHOLE LOT OF CHANGE IN ORBÁN'S GOVERNMENT
2. ORBÁN'S CONSTITUTIONAL MAJORITY IS SAFE
3. SCANDAL SURROUNDING LEASE OF PUBLIC LANDS
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5. MSZP SEEKS TO FIND NEW DIRECTION AFTER DEFEAT

### **Analysis: ELECTION AFTERMATH LEAVES LEFT WITH STRATEGIC DILEMMAS**

The left has not even recovered from the stunning reality of finishing 18% behind Fidesz, its leaders already have to address the difficult issue of how to handle the stiffening competition for the limited left-wing electorate. Already on election night, the leaders of the left appeared divided. Now the parties are going their separate ways for the time being. ... (See more on page 7)



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## TOP 5 NEWS OF THE LAST WEEKS

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### I. NOT A WHOLE LOT OF CHANGE IN ORBÁN'S GOVERNMENT

As is customary, Viktor Orbán will use the opportunity provided by the election to reshuffle his cabinet. He rarely does so, which stems in part from his overall satisfaction with his ministers, and in part from his strong belief in stability. It seems that even the election won't trigger a major turnover, though, and Orbán's desire to convey constancy is so strong that he wishes to wait before implementing any restructuring until the EP election has been concluded. The most important change will be Foreign Minister János Mártonyi's departure from the cabinet. Minister of Public Administration and Justice Tibor Navracsics will succeed him (he had previously been offered the position before but declined). Navracsics in turn will be replaced by Hungary's current ambassador László Trócsányi, a scholar and former constitutional court judge. Of the two other ministers rumoured to be on the line for a demotion, Sándor Fazekas at agriculture and Csaba Hende at defence, the former is almost certain to stay and the latter is now also less likely to become just an ordinary MP. János Lázár will retain his position in charge of the Prime Minister's Office, but in a sign of his rising stature he will exercise this position as a minister rather than a “mere” state secretary. There is no major strategic change underlying the reshuffle. At 70, János Martonyi, the only person whose departure is certain, is fairly old, and his more western outlook has been at odds with that of the PM for a while now. As someone who is regarded as a moderate and has some experience moving in international circles, Navracsics seems like a good choice to replace Martonyi. Lázár's ascension marks another step in the continuous rise of a man who is considered - ahead of Antal Rogán - the most likely successor of Viktor Orbán, probably a long way down the road. But the fact that thus far most of the cabinet is likely to remain in place says more about Orbán and his plans for the next four years than the rather minor changes planned.



## **2. ORBÁN'S CONSTITUTIONAL MAJORITY IS SAFE**

Given that Fidesz' victory seemed certain, the most suspenseful question of election night was whether Fidesz would perform well enough to capture another constitutional supermajority in Parliament. For most of the night the projections fluctuated between 132-134 seats, that is between a figure one shy of the magic 133 needed and one in excess thereof. Ultimately, the pendulum stopped swinging at 133, just on target. But this included a district – ironically the 18th district of Budapest, where recently disgraced MSZP politician Gábor Simon was originally slated to be the left's candidate – in which the Fidesz candidate led by a mere 22 votes. Now, with the recount of the votes in the district and the addition of the voters who submitted a ballot abroad, the Fidesz candidate's lead has expanded to 60 votes. Hundred and ninety-seven voters in the district opted for Együtt 2014, a previously unheard of party whose only claim to fame is that its name is almost the same as that of Gordon Bajnai's organisation, which is part of the left-wing alliance. Apart from the Gábor Simon affair, which probably cost the left the 18th district, a uniquely Hungarian electoral quirk introduced by Fidesz also played a large role in the governing party's outsize parliamentary majority despite a massive drop in popular support. To compensate for votes cast for individual candidates who do not end up winning their single member district, the Hungarian system always distributed a few seats based on the votes a party's losing candidates had received (so-called compensation votes were worth roughly a third of a winning vote). But now Fidesz decided that not only losing votes are wasted in this system, but also those that are in excess of what a candidate needs to win. Hence there is now a winner's compensation that benefits a party if it wins districts by a wide margin, which was, unsurprisingly, typical only of Fidesz. The winner's compensation yielded Fidesz a net of seven seats as compared to the previous system, all of which are needed for a constitutional majority.

## **3. SCANDAL SURROUNDING LEASE OF PUBLIC LANDS**

The government's reform of the rules on the lease of public lands elicited strong outcries from the entire opposition and many NGOs. The public outcry was exacerbated by the distribution of public lands to wealthy entrepreneurs – many of whom are close to the



governing party - rather than the small landholders Fidesz had promised to support. The issue now came to head concerning a successful bio farm in the village of Kishantos. As NGOs and opposition politicians stress, the Kishantos bio farm is a model of modern environmentally sound agricultural production. It is internationally recognised, adheres to the highest international standards of bio production, is financially viable and reinvests money in education on bio farming. Nevertheless, when it applied to retain the use of its lands it lost to investors who have no such experience. Now, over massive protests (Greenpeace, for example, spoke of barbarism), the new lessees used a security service to destroy the planted seeds that the operators of the farm estimated would have yielded a harvest worth up to 140 million forints. The Kishantos bio farm operators were especially upset since their legal action concerning the lease is still pending. At least part of the profits from the harvest would have accrued to the new owners, provided that their claim prevails in court. Kishantos has emerged as the most symbolically charged venue for highlighting the iniquities of the new lease system for publicly owned arable land. But despite the obvious ethical questionability of the official actions, the issue is not likely to hurt Fidesz in the long run. No corrupt or unethical practice has seriously jeopardised Fidesz' popular standing thus far. Kishantos touches on a very sensitive issue in Hungary - land - but even the scandal surrounding the land reform failed to turn many voters off the governing party.

#### **4. NORWAY FUND JOINS VAST RANKS OF FIDESZ' ENEMIES**

Fidesz has always been eyeing foreign supporters of the Hungarian NGO sphere suspiciously. It was often particularly miffed at George Soros' Open Society Foundations, which finance many organisations pursuing activities that the governing party perceives as covert anti-Fidesz efforts. It is true that many of these organisations are heavily critical of the government, though in most cases it would be hard to show that this is not fundamentally rooted in genuine public policy commitments that predate Fidesz' entry into government in 2010. Publicly attacking the Norway NGO Fund, János Lázár has now identified a new threat of foreign political influence. In a letter to the Norwegian government, Lázár took exception to the Fund's financing of the Ökotárs ecological foundation, which Lázár claims is connected "to LMP by a thousand threads". LMP and Ökotárs immediately denied Lázár's accusations

about their political ties. Vidar Helgesen, the Norwegian minister responsible for EEA and EU affairs replied to Mr Lázár on the 24<sup>th</sup> of April. In his letter he stated that “(...) the Government of Norway has not been engaged in supporting, financially or otherwise, any party political activities in Hungary”. The minister also underlined that “these are rather surprising accusations” and are not valid.

Though Lázár’s credibility has taken quite a few hits over the past few years, we are not in a position to assess the veracity of this particular claim. In any case, Lázár’s charge that Norway seeks to promote “one-party rule in Hungary” by way of supporting LMP implies that the Norwegians are not only foreign manipulators but inferior in intelligence to boot. A comment suggesting that anyone would want to establish a foreign-sponsored dictatorship by supporting a Green party that stands at 5% might have been intended as humorous, but given the government’s sustained efforts to silence any criticism in the NGO sphere, it sounds menacing instead. There is no way for anyone to seriously believe that Norway has any desire to subvert Hungarian democracy, nor that it would use LMP if it harboured such any such desire. It is more likely that in light of its victory, Fidesz is continuing on the road of trying to stomp out any sign of criticism.

## **5. MSZP SEEKS TO FIND NEW DIRECTION AFTER DEFEAT**

Attila Mesterházy’s terse statement on election night laid the blame for the left’s defeat squarely on Fidesz’ manipulations. Since then, a more self-critical tone has emerged among the Socialists. On the left, MSZP’s politicians have most openly addressed their own party’s failure. Specifically, several stated that MSZP should have engaged Jobbik more, an assessment that we share in light of surveys showing that a fairly large share of voters critical of the government turned towards the far-right. A debate has also cropped up in MSZP on whether the party should adopt stronger positions on law and order issues, which are of great concern for many Jobbik voters. This has quickly raised objections on MSZP’s liberal wing. Translating a theoretical commitment to law and order into actual policies might prove controversial, which would be significant in a party that is not necessarily known for intense internal policy debates (MSZP tends to have more internal debates than is typical for Hungarian parties, but it usually focuses on leadership issues rather than policy). The



emerging divisions have also lead to a rougher tone, with former spokesman Zsolt Török blasting the liberal intelligentsia for forcing MSZP into positions that have cost it the support of the countryside. Several recently – in some cases involuntarily - retired party elders criticised chairman and PM candidate Attila Mesterházy. The latter criticisms were more in line with MSZP's traditional internal debates in that they did not object to particular policy positions but complained more obscurely about the lack of leadership, which seems just another way of saying that MSZP's leader lacks charisma.



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# ANALYSIS: ELECTION AFTERMATH LEAVES LEFT WITH STRATEGIC DILEMMAS

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The left has not even recovered from the stunning reality of finishing 18% behind Fidesz, its leaders already have to address the difficult issue of how to handle the stiffening competition for the limited left-wing electorate. Differing assessments of why the left ended up so far behind Fidesz divided MSZP's Attila Mesterházy, E14-PM's Gordon Bajnai and DK's Ferenc Gyurcsány already on election night. Now the parties are going their separate ways for the time being. MSZP Chairman Attila Mesterházy described the process in harsh terms as "vivisection", arguing that it distracted the left from dealing with the campaign for the European Parliament.

That is somewhat of an exaggeration, as in fact relations between the party leaders have remained remarkably civil. Even as Attila Mesterházy was subject to some staunch intra-party criticism - particularly from the party's now mostly retired old guard -, neither Bajnai nor Gyurcsány have piled on, nor did the MSZP chairman himself try to lay the blame on his erstwhile allies. But the fact that there was no attempt to form a joint parliamentary faction and that all parties treated running separately for the EP as self-evident speaks volumes.

This was of course predictable. Many observers felt that the left alliance was doomed to end up in disarray. In fact, while defeat was particularly liable to trigger discord on account of all the blame to go around, it seems likely that success too would have ended up in sustained bickering, over cabinet posts and high level appointments, the course of the new government, how to handle Fidesz and Jobbik, etc. On the right, critics treat dissension on



the left as further evidence that the public was wise in not trusting the opposition to take over.

Even as they are genuinely aligned in terms of their interest to oust Orbán, apart from this common goal - which has now been delayed by at least another four years - the strategic interests of the left-wing parties differ. MSZP wishes to find the way back to its former self as a 40%+ party and Fidesz' sole opponent. For MSZP, whatever benefits the small left-wing parties may yield now - e.g. E14-PM's ability to draw young and centrist voters or DK's ability to bring out Ferenc Gyurcsány's fan base - in the long run they fill functions that MSZP feels it must learn to meet alone. There is, moreover, a significant risk that if either small party manages to pick up significant strength, then that surge will mostly or in large part come at the expense of the Socialists. As a party with a stable voter base of ca. 20%, a national organisational presence, activists and considerable resources, MSZP enjoys a significant edge over its left-wing rivals. Still, it does lack in projecting dynamism and is clearly struggling with finding a new direction.

For Bajnai's E14-PM and Gyurcsány's DK the EP election is the first opportunity to measure their appeal as separate political entities. Neither has run in an election before and they both contend that the poll numbers do not reflect their real level of support. E14-PM is running with a significant handicap, however, in that many of its leaders - in particular PM's young Greens - have lost credibility because they entered into an alliance with MSZP and DK. Given the party's calls for a new left, this might be hard to live down. Though we don't know how much support it actually enjoys, DK's position should be somewhat more stable, as Ferenc Gyurcsány has a fairly active and reliable base, which is more likely to weather disappointment. At the same time, E14-PM does have a larger reservoir of potential voters, as youth in particular are more open to it, and Bajnai is less rejected by large segments of the electorate than Gyurcsány. Yet whether the lukewarm support for Bajnai can be translated into actual votes is far from certain.

The strategic issue for these parties in the immediate future is survival, but in the long-term that won't be enough. The electoral system will always pressure the left into an alliance, and neither Bajnai nor Gyurcsány are likely to be content with winning a few seats every four



years on an MSZP-led ticket with an MSZP candidate for prime minister. Both of them are in politics to become game changers, and if that prospect fades, the allure of politics will likely fade as well. The second tier politicians in their respective parties could carry on the torch, of course, but that would make either organisation essentially something wholly novel and different from what they are now.

The EP election is an ideal test for the rivals on the left. As the only purely proportional election, it allows all parties to show their potential reach without compromising the overall haul of the left. Furthermore, since it is closer to the national election, it also provides an unusual peek into the perennially elusive issue of "what if?" - in this case what if the left parties had run separately for the national legislature. Sure, there will be differences between the two elections, most notably in turnout (fewer people will vote in May) and maybe in terms of the logic voters apply to a proportional vote. But two national ballots in such close proximity are rare, and six weeks won't likely produce a massive shift in popular mood. This is as close to an applied national-level political science experiment as we are ever going to see in Hungary.

The crucial question of the EP election is not the overall performance of the left, however. Even if the left-wing parties are on the whole more successful than they were on April 6, Fidesz is likely to finish well ahead and the feeling of elation on the left could be significantly tempered if Jobbik ends up finishing second. The real question is what the results say about the internal distribution of popular support among the left-wing parties.

While failing to take the five percent threshold is not necessarily an immediate death sentence for E14-PM and DK, not even getting near this mark will raise huge doubts as to the long-term viability of either project. For fairly new organisations trying to gain a foothold in the party system, every election is a test of evolutionary fitness. Failing whatever the threshold of expectations is for a given ballot could set off a vicious cycle of declining belief in the prospects of the party which in turn engenders dropping support. For better or worse, expectations are notoriously slippery targets, and they are often retrospectively defined by pundits and spin doctors. In early 2013, five percent would have been considered a weak result for Gordon Bajnai's party. Now it would be considered a success.



The EP election gives the parties on the left a temporary opportunity to become their own players without the necessity of factoring in strategic considerations about the performance of the left overall or the pressure to be "team players". This grace period will end come autumn. In the municipal election, the more cardinal test by far, the success of the left will depend once again on its ability to pool its base to elect mayors and win majorities in municipal districts. Running separately then will leave many municipalities that the left could win in the hands of Fidesz, and may cede some to Jobbik. No matter how evidently the leaders of the left treat their separate ways now, the question of together or separately, which has defined the left since E14-PM and DK (and LMP, of course) were established, will quickly re-emerge as a perennially nagging concern.

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