

Weekly Newsletter

News

Fidesz politician would get former PM Gyurcsány shot

A Fidesz politician would get former PM Ferenc Gyurcsány shot by the radical right-wing György Budaházy – a video spreading on the Internet has revealed lately. On the video, Fidesz party politician Mária Stadler says to György Budaházy the following sentence: "if you were radical, then you would get a gun and shoot this fucking son of a bitch [*sic!*] Gyurcsány".

The video [voice and subtitles in Hungarian only] can be watched by clicking here: <http://www.youtube.com/watch?v=IzqC5RT5mkg>

In an announcement, Hungarian Socialist Party (MSZP) Chairman Attila Mesterházy called on Mária Stadler to leave Hungarian politics immediately because of her statements recorded on this video tape; what's more, he called on Antal Rogán, Fidesz caucus leader of the 5th district of Budapest, to expel Mária Stadler from the party. MSZP expects resolute and swift action from all the competent authorities, and expects them to take all the measures that are necessary in cases like this one involving instigation to commit homicide. If they do not do so, then the party will press charges against the Fidesz party politician. MSZP chairman Mr. Mesterházy later added on Klubrádió's program "Megbeszéljük" [*literally*: "We'll discuss it"] that since the authorities have initiated legal proceedings relating to statements that could be heard on the Magyar Sziget [*literally*: Hungarian Island], then they cannot just let this one pass. He reminded listeners that the Socialist had party proposed anti-hate speech legislation in the Parliament as early as two years ago; however, it did not gain support either from its former coalition partner, SZDSZ (Alliance of Free Democrats), or from the current ruling party Fidesz.

According to the Hungarian news portal stop.hu, György Budaházy – when questioned and reminded of the above-mentioned conversation recalled that [Mária] Stadler ran an association at the time, through which she paid money to pensioners to make phone calls and agitate on various TV programs. Their primary task was to defame the MSZP-led government, while their second most important task was to denigrate Budaházy and his associates. One time – right after a defamatory TV program –, Budaházy unexpectedly visited Ms Stadler in the 5th district Civic House, and questioned her that on what basis dared she use provocateurs against him. The video was recorded on this occasion.

While MSZP urged the immediate exclusion of Mária Stadler from the governing party Fidesz, the politician reiterated her statement in response to a question by a radical right-wing TV channel N1: "if you were radical, then you would get a gun and shoot this fucking son a bitch [*sic!*] Gyurcsány". Budaházy answered that they were not slayers. After she was repeatedly questioned about her conversation with György Budaházy, the Fidesz party politician claimed that "she had only glossed over the subject of why they do not make away with the former prime minister".

András Puskás, deputy vice-chairman of the 5th district Fidesz caucus wrote in a statement that was published by the Hungarian Press Agency [common Hungarian abbreviation: MTI] on Thursday that: "of course, we do not agree with anything recorded on this video tape, that's why there will be consequences. During our first group session in September we will look into the matter more closely". After that, however, the statement adds with irresponsible cynicism that "this video tape – disclosed from the circles of Jobbik – will obviously be very helpful to Ferenc Gyurcsány now, who is just waiting for the waiver of his immunity".

Meanwhile, Mr. Ferenc Gyurcsány also responded to the news on Facebook – he made a written note next to a picture depicting swans gently floating on water: "I think that swans should not be shot, either".

Latest Developments:

Mária Stadler sent a statement to MTI on Monday, claiming: “I have to make my apology and really beg Mr. Ferenc Gyurcsány's pardon for my high words. This is the condition for attaining personal forgiveness from God, and also to restore my peace of mind”. She wrote in connection with the infamous video tape: “three years ago, György Budaházy threatened me at an unexpected meeting attended by the three of us only – and organized by one of my disciples – that if I kept spreading rumours about him stating that he was a provocateur and an agent of MSZP, then there might be legal consequences. [...] I wanted to clarify Budaházy's role in the Hungarian political landscape. I asked him why he thought of himself as a radical right-wing political player; if he was truly radical, then why did he not shoot Gyurcsány, and why was he attacking Fidesz. He responded cleverly, because he knew that a video tape was recorded secretly. I became the victim of his provocation due to my naivety. The real target of my passion and emotional outburst in the midst of a heated debate was Budaházy only”. “Of course, I have never wished for the death of Mr. Ferenc Gyurcsány” – added Mária Stadler later in the statement.

Is the spy-case a conceptual process?

According to the civil movement Hungarian Democratic Charter, signs are pointing more and more to the suspicion that the spy-case is a conceptual process. According to the Charter's declaration, passed to the daily newspaper Népszabadság, the secret service has seriously violated the law. The Hungarian Democratic Charter calls on the public to realize that in the so-called spy-case signs are pointing more and more to the suspicion that the spy-case is a conceptual process, just like in dictatorships. This week the son of the former leader of the Hungarian secret service, Lajos Galambos Jr. started a prosecution against two associates of the National Defense Service, because of official abuse and compelled interrogation. Galambos claims that he was forced illegally to give information to the ongoing process against his father. He was also forced to change his attorney. If the secret service blackmailed the son of the suspected, this in itself is breaking elementary norms of a constitutional state. Classifying the case top secret for such a long period of time, which is breaking operative law, is trespassing on norms of a constitutional state, too. The Charter's declaration passed to the daily newspaper Népszabadság underlines that the principles of the constitutional state are roughly offended by this process and that it induces the conclusion that it's all about a „stage play” with a verdict which has already been constructed in the government's mind. The declaration was made by the spokesmen of the Charter Tamás Bauer, László Marton and Iván Vitányi.

Sme: Orbán and his partners shall be prosecuted?

Both German, Slovakian and Czech daily papers were upset by the Hungarian government's intention to prosecute those responsible for the growth of public debt.

Mr Viktor Orbán is turning the state into a dictatorship, discusses Alex Rühle in his publication called „Long live China! Forget Europe” in the liberal Süddeutsche Zeitung. The author complains that all the while the Hungarian prime minister transforms the state, the EU is only witnessing what is going on, also in his opinion the Hungarian prime minister does not make a secret about the fact that he is determined „to transform the whole country”. The paper also notes the government measures created at breathtaking speed and says that the parliament authorizes legislation like a production line. The paper also reports about layoffs already made and the planned layoffs in the autumn in the public media and stresses that „in essence the government is choking the last standing independent media”. The author also mentions that currently there is a parliamentary sub-committee charged with the creation of a situation under which the previous socialist governments may be prosecuted for „political crime” resulting from the growth of public debt levels.

The left wing Berliner Zeitung also discusses this topic in its analysis „Settlement, Hungarian style”. Frank Herold stresses in the intro to the analysis that even though the Hungarian Parliament is on

holiday, Fidesz – even during these weeks – has not lost sight of its strategic priorities. It (Fidesz) does not only want to win against its political opponents during the election, it wants to „finish them off completely”. The paper also notes that Fidesz wants to prosecute the previous socialist prime ministers for the growth of public debt levels.

Péter Morvay in his commentary titled „Big debt, bad memory” in the Sme (Slovak liberal daily) states that challenging the growth of public debt levels only makes sense if it’s purpose is not to cover up Fidesz’s own mistakes and to bully the opposition parties. He points out that the whole question of Hungary’s state debt is a more difficult topic and responsibility does not only lie with the previous three socialist prime ministers. The new political elite inherited the debt problem from the regime pre 1989. It was the first social-liberal government which introduced austerity measures called „Bokros-csomag” when the country was close to bankruptcy. According to the Sme commentary Mr Orbán actually got into power the first time by criticizing these measures. However during its term he sensibly continued the politics, which were founded by these austerity measures, even while he actually called these measures „crimes against the nation”. The second time he got into power he started spending again and grew the state debt. It is thanks to the European Union and the IMF that he was made to stop. Today he converts necessity into virtue and acts as if he was the strongest advocate for reducing public debt. Mr Orbán tries to tamper with history by solely challenging his predecessors (ex-prime ministers). These predecessors certainly made bad decisions but then so did Orbán and his partners, hence they should also be prosecuted.

According to the „Új Szó” Slovakian Hungarian daily paper the summer season in Slovakian – Hungarian relations is over and it is not surprising that first the topic of dual citizenship was thrust into the spotlight. In the commentary titled „Citizenship reloaded” the author Mr András Nagy asks the question in relation to this: „Are those Slovakian Hungarians really better off in Slovakia once they get their Hungarian citizenship?” His answer is: „Unfortunately I don’t think so. One can say that now we cannot move backward and the citizenship is granted for us, why do the Slovaks bother anyway. So far nobody confuted the belief that actually the sole biggest winner of the dual citizenship topic will be the current governing party (Fidesz) and perhaps Jobbik (far right party) because those Hungarians living across the border having been granted Hungarian citizenship will deform the electorate. Even though the new Electoral Bill is not ready yet everybody seems to know that these new citizens will be granted voting rights.

According to the commentary entitled „Where to put Europe?” in the Euro –the leading Czech economic weekly – the current structure of the European Union is unsustainable and it needs changes. Jefim Fistejn points out that Europe is not in the middle of the action anymore. Fistejn states: „The old world took on the weight of such ambitions, that it simply cannot carry. Hungary was the EU president in the first half of this year, the country where currently a model is being built which is different to the traditional European ideas. The current government is nationalistically oriented, is focusing on economic protectionism and is building a strong state founded on extreme conservative values; this model may be the prototype of future political arrangements in Europe.”

Schmitt’s first year evaluation

According to Pál Schmitt, President of Hungary, the last year has been characterized by a legislative fever with some unavoidable mistakes where his duty was to examine the new laws from a constitutional perspective.

In his interview given to Magyar Televízió on the occasion of the one year anniversary of his inauguration Schmitt stated that he did not regret signing any laws but he had to think through carefully the special 98% tax on severance pay which he signed due to moral reasons.

Schmitt considered his status as special because there is a two-third governmental majority in the parliament which he should respect as well. He emphasized that he vowed to step up for the collective welfare of the whole nation this is why he goads the youth to live healthier, not to give up learning and speak elaborately. (*He did not mention spelling issues – the editor*).

In his view within Europe it is seen that the government uses its extraordinary powers modestly and

decently. He emphasized that the media freedom did not weaken after the adoption of the media law. On the other hand he added that he would appreciate it if the media left him alone because of one spelling mistake made in a restaurant's guest book. According to him he's got used to certain kind of attacks as a sportsman and politician but still he feels that the media's got a little carried away. He stressed that these attacks made him stronger and motivated him and his co-workers to execute their tasks faultlessly.

He added that it is in his future plans to found an award for those who exert to protect and cherish our language.

Vértes: the government gambles off the money and the trust

András Vértes, head of GKI (Economic Research Institute) says Hungary's poor performance is mostly the result of the government's wrong-headed economic policy. The nationalization of the private pension funds', the extremely high 'crisis taxes' and the uncalculated tax cuts have together led to the failure of the government's economic policy.

The consequences are clear: there are no investments in the most competitive sectors because of the crisis taxes, the credit market is frozen and the most affected companies try to pass their burden onto the consumers. Not even the small and medium enterprises can boost the domestic market. The people are highly indebted so the recovery cannot be built on their consumption, as the government had previously planned.

According to András Vértes the Orbán administration gambled off the money and the trust quickly, but not everything is lost. A strong shift in the attitude is needed in order to keep the budget deficit below 3% and to achieve real economic growth. First, they should start negotiation with international organizations, especially with the previously 'kicked out' IMF. The government should apply for a precautionary debt pact at IMF in order to strengthen the trust towards Hungary and to reduce the investors' risk. (The pact does not mean a compulsory use of the debt; it would be just an emergency tool.)

All the crisis taxes should be withdrawn. The special tax put on communication sector has to be abolished immediately as it also contravenes EU regulations. If that was done, the EU would finish the inquiry launched because of the Hungarian special taxes.

The special bank tax could be cut back at those banks which do not reduce their credit activity. The mostly foreign owned banks are not interested in increasing their credit activity, as their profit is gone on special taxes and on increasing reserves. The budget's revenue side should be sorted out first of all with the abolition of the flat income tax system and the launch of an estate tax. The expenses could be controlled if they did not try to end all the PPP projects and if they stopped the prestige projects.

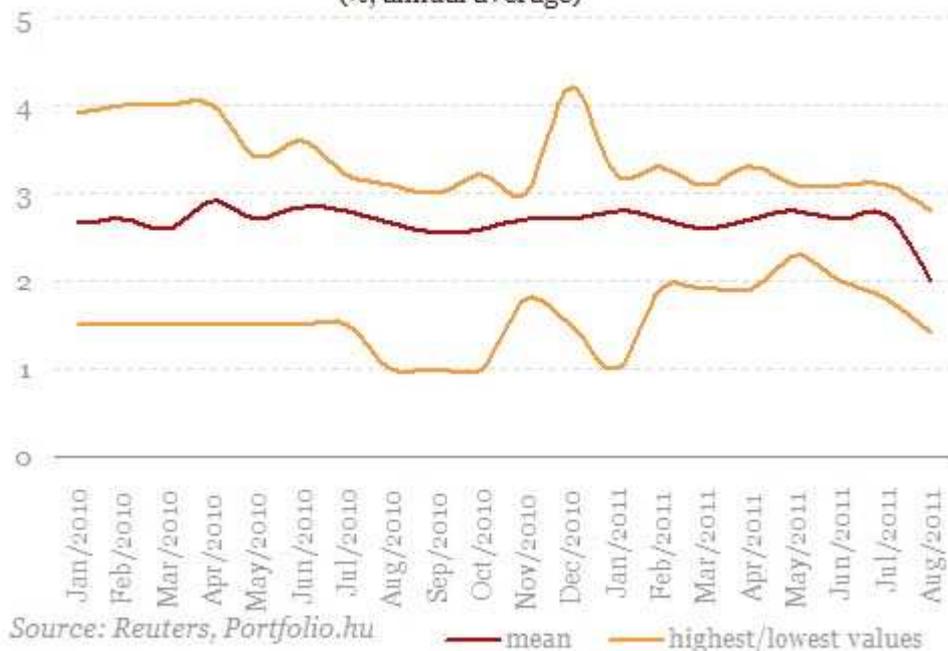
The Orbán administration sees these steps as demolishing their own achievements so it will not be an easy going reform.

András Vértes highlighted it is time to return to the sober economic policy. Populism leads nowhere.

Slowdown in Hungarian growth

The consensus estimate of analysts of Hungarian GDP growth has dropped to 2% for 2011 and to 2.4% for 2012, the latest Reuters poll shows. The market does not expect the central bank (NBH) to lower its 6.00% base rate in the near future.

Forecasts for Hungary's GDP growth in 2011
(%, annual average)



Hungary business confidence index hits 18-month low in August

The economic confidence index of Hungary's GKI Erste has dropped further in August, as the declining trend that has been going on for months has not changed. The index reached its lowest since February 2010, and while there was a minor improvement in the business confidence index, the consumer confidence gauge also dipped to its lowest since February last year.

The survey, conducted by GKI Erste with EU support, shows that the consumer confidence index rose to -40.7 points in August from -42 pts in July. April was the first month following a five-month continuous erosion when the index picked up, albeit within the margin of error, to -36.8 points. The index has been decreasing since then.

The GKI-Erste consumer confidence index came in at -11.3 points vs. -6.9 pts in July, while the overall economic confidence index adjusted for seasonal effects dropped further to -18.9 pts from -16 points in July. Lower readings were last seen in February 2010 in both.



Within the business sphere the expectations of every segment have worsened; a little in the industrial and construction segments, but a lot among commercial and services companies.

The industrial confidence index fell further; this deteriorating trend has prevailed for almost six months now. The evaluation of the past production levels worsened while it stagnated for the following periods, and the evaluation of orders also got worse. Self-produced inventories diminished.

The already very low value of the confidence index of construction has further decreased for the fourth month in a row, although the drop in August was smaller than in the preceding months. Thus, the assessment of the production level of the previous three months deteriorated markedly, while that of the stock of orders worsened slightly compared to July.

In trade the confidence index dropped a lot more than its rise in July. At a significantly worse assessment of their sales position and stock of orders, the evaluation of the level of stocks improved some.

Expectations of service companies have - after a near-stagnation state in the past half a year or so - deteriorated substantially. The assessment of the state of business, expectations concerning turnover and the number of employees all worsened.

The intentions of employment weakened considerably in the industry and services, while they improved slightly in construction and trade. The fear from unemployment of households eased moderately.

Intentions to change prices in industry and construction remained unchanged, while the proportion of those considering a price raise in services grew, and the inflation expectations of the population also increased. The assessment of the perspectives of the Hungarian economy deteriorated substantially in every segment, but improved a bit among consumers.

The value of the GKI consumer confidence index rose some in August, following its steady decline since November 2010 or, especially, since March of this year. Households assessed their future financial situation, saving capability and the possibility of purchasing high-value durables somewhat more favourably than in the previous month.

Source: Portfolio.hu

Hungary sovereign debt climbs HUF 160 billion in July

Although Hungary booked an extra HUF 286 billion in revenue on its forex-denominated debt thanks to forint exchange rate changes in January-July this year, the country's public debt rose HUF 160 billion to HUF 19.74 trillion in July due to a high budget deficit. Hungary's sovereign debt dropped sharply in June, from HUF 21.12 trillion to HUF 19.58 trillion, after the government raked in HUF 1.34 trillion from private pension funds.

Source: Napi.hu

Hungary's underpaid doctors go west

The Hungarian government is trying to tame the wave of medical doctors leaving the country by offering them money to stay, writes The Wall Street Journal. But as the application deadline approaches, few have expressed interest in the government scheme.

Under the program, Hungarian doctors can receive HUF 100,000 (\$530) net on top of their monthly salaries for a period of five years. This means the doubling of their wages during that time. In return, the program's participants have to make a commitment to practice medicine in Hungary for at least 10 years and to never accept any gratuity money from patients, a widespread practice in Hungary.

But it appears the initiative has fallen well short of the originally expected 600 professionals. Fewer than a hundred career-starting doctors have so far preferred some extra pay over the possibility of working abroad, according to Hungarian daily Nepszabadsag.

Career starters apparently don't want to make such commitments because they don't see that their livelihoods would be guaranteed once the five years on a double salary are over. A survey conducted by the association found that 74% of new medical graduates are planning to work abroad.

Doctors want to get a 100% increase in their salaries, which would take 200 billion forints in total. But the rise would still mean they'd be making less than the European average, they say. Hungary's medical residents now earn in the range of 80,000 forints to 100,000 forints net, while the average net salary in the country was 140,300 forints in June.

Source: Budapest Business Journal

Need for help - Matolcsy asks EBA opinion on foreign-currency loans

Minister of National Economy György Matolcsy asked for an opinion of the European Banking Authority (EBA) concerning difficulties in the Hungarian financial system resulting from foreign-currency indebtedness of the general public in Hungary. In a letter sent to EBA, the minister emphasised that the high proportion of foreign-currency debts caused serious problems to households in Hungary following the economic crisis and the appreciation of the Swiss franc. Matolcsy asked the opinion of EBA on what risks can result for debtors from the fact that most of the household debt in Hungary consists of foreign currency – mostly Swiss franc-denominated – mortgage debt; in what proportion this situation is a result of inadequate EU and local regulations; are there pre-crisis international cases when such a situation occurred and was handled more efficiently than in Hungary; and does the EBA agree with the Hungarian view that the risks of foreign-currency indebtedness should be decreased by macro-prudential and consumer protection regulations in Hungary as well as in the EU as a whole. The Ministry wants the EBA analyses to help the special working groups elaborating options for protecting peoples' homes and finding out the historic process leading to widespread foreign-currency indebtedness in Hungary.

Source: MTI

Hungary to raise capital of airline Malev again

Hungary's government will raise the equity of loss-making airline Malev by 18.5 billion forints (\$97.5 million), national news agency MTI reported on Tuesday, citing national asset management company MNV, Malev's main owner. MNV will count 10 billion forints worth of loans it gave to Malev toward the capital hike, and will transfer another 8.5 billion forints to complete the increase. The move was necessary even after a recent 4.5 billion forint capital increase because the company

still had a 22.5 billion forint negative equity, MNV has said, adding that the increase would have to happen by Aug. 25. Hungary's attempts at privatising loss-making Malev have failed and last year the government bought back all but a 5 percent stake from a group of investors, including Russia's Vneshekonombank.

In Dec. 2010 European Union competition regulators opened an in-depth investigation into Malev saying it may have received illegal state aid.

Source: Reuters

Hungary population drops to 9.968m

Hungary's population totaled 9.968 million at the end of June 2011, dropping 18,000 from the end of 2010 as immigration offset part of the natural decrease, preliminary data from the Central Statistics Office (KSH) show. Deaths exceeded live births by 24,448 in the first half of this year but the population fell less: by 18,000 as international immigration offset part of the natural decline. The natural decline in 2010 exceeded the 2009 decline by more than 6,100. The number of live births fell 8% from a year earlier to 41,586 in H1 2011, while the number of deaths was up 1.6% yr/yr, totaling 66,034. Calculated per thousand people, live births fell to 8.4 from 9.1 a year earlier, while deaths rose 0.2 to 13.3. Marriages were unchanged at 2.9 per thousand people.

Comments

Fidesz and Jobbik: One and the same

The most abhorrent aspect of Mária Stadler's verbal assault against the former PM is that she means what she says. This is the ideology of the Fidesz. It is the mentality of Viktor Orbán. Ms Stadler would shoot Ferenc Gyurcsány. He was the man who, in the dying moments of our EU negotiations, managed to get one billion euros for development and who managed to rein in the budget deficit. He also launched a successful crisis management program, which was then continued by his successor, Gordon Bajnai. The fact that things could get so out of hand is evidence enough for the appalling behavior of the governing party in opposition. Orbán told the American ambassador: The socialists must be destroyed. The means of destruction can be manifold: political, verbal, financial and physical. It seems that it is the last option that Ms Stadler found the most appealing. Unfortunately, this is not the case of a delusional Fidesz member not thinking over what she said. It is far more serious, since the person Ms Stadler happened to be talking to, is none other than the leader and symbol of the 2006 October riots, György Budaházy. Yes, this is the man who tried to overthrow the democratically elected government. Just what on earth is a Fidesz member doing engaging in delusional conversations with a thug? The sad truth is that the Fidesz and the Jobbik are the two sides of the same coin. What else are we to think? Gábor Vona, leader of the right-extremist Jobbik, started his political career in one of Orbán's so-called civic-circles. Pál Schmitt, now president of the Republic, used to be a frequent speaker at Fidesz gatherings. András Bencsik, editor-in-chief of the right-extremist weekly 'Demokrata', and a Fidesz member himself, declared proudly that he had the uniforms made for the members of the Magyar Gárda. The weekly is Orbán's favorite magazine. The son of István Balsai, the father of the nullity law, happens to be the lawyer of the "peaceful demonstrators". Isn't that strange? It is hard not to notice that the Fidesz is implementing the program of the Jobbik. It is also hard not to take note of the fact that, ever since 2006, the Fidesz has been encouraging the enemies of democracy. The Stadler-Budaházy conversation proves that it was the ruling party and the Jobbik who were behind the 2006 October riots. Of course, the Fidesz being Fidesz, they said that the lunatic words of Ms Stadler were actually helpful to Ferenc Gyurcsány. There is an old political adage which says that good governance is an effective deterrent against extremism. So why is the situation getting worse in Hungary? Is it because of Orbán's bad policies? Why not hand out some money to the people? That would solve everything. But then, what happens to the budget and to our debt? As we can see, fighting off extremism is never easy, especially, as in

Orbán's case, when the extremism is your own creation. One thing is clear: for the words uttered by Ms Stadler, for the destruction of the country and for the dispossession of the people, the responsibility lies solely with the prime minister.

Zsolt Gréczy, http://greczy.blog.hu/2011/08/19/fidesz_jobbik_egy_es_ugyanaz

State of „crap”

We are reorganizing the Christian Hungary founded by St. Stephen just as our ancestors did - Lajos Kósa said on Saturday. Unfortunately for the mayor of Debrecen a strikingly strong field took part in the field of “stand-up comedy” so his performance did not win the audience award of the August 20. celebrations.

László Kövér compared Ferenc Gyurcsány and his company's work to the destruction by the “wild Tatars”. Indeed, if the socialist politician and his team had resembled the fore-mentioned army we would have expected the prominent opposition to have been in a far worse physical condition in the legislative elections of last year, however they marched through the country as red-faced conquerors, and such a team could hardly have spent from a non-existent income the thirteenth monthly pension and salary funding.

Péter Harrach, Christian potentate, can stand on this podium too: division and ultra-liberal sabotage weaken Europe-he said. He did not spend time justifying what he said. However it would have been interesting listening to the report of the “sabotage of ultra-liberals”, even though in the majority of Europe, Fidesz's conservative allies have governed – for a long time.

It does not particularly strengthen the credibility of these rhetorical performances being in the spirit of Christian love that the majority of speakers complicated into a verbal fighting, they hit and beat the opposition with regard to the feast. For Kövér, the President of National Assembly, it was important to inform the readership of Fidelitas.hu on August 20.: “We consider St. Stephen as a country-builder in our history, in comparison to the neobolsevist - I mean the generation after Gyula Horn, the post communist, so-called left political generation – who carried out country destroyer activities. ”

It seems that the function of national days remained as nothing other than giving the politicians an opportunity to entertain the public with a none too clever explosion of rage.

Péter Pető; Népszabadság; August 22. 2011.

How Orbán Dismantles Hungarian Democracy

Triumph of the Brutal Populist

Hungary's Prime Minister is moving away from democracy, the rule of law and Europe. At a breathtaking pace, Viktor Orbán is cutting back the powers of control institutions, regulating the press, examining the feasibility of forced labour and labour camps – and the crisis-ridden EU is merely standing by.

Is Brussels so preoccupied with saving the Euro that meanwhile no other topics can even be addressed? Is the small and peripheral Hungary too unimportant for the agenda? Or is the EU simply weapon less to deal with brutal populists as the likes of Hungarian Prime Minister Viktor Orbán? The silence, with which Europe is observing Orbán's policies is, by all means, a cause for concern.

Since his Fidesz party – together with the conservative-nationalistic Christian democrats – won a two-thirds majority – Orbán has been making no secret of his determination to “reconstruct the entire country”. Since the very first day, he has been doing so at a breathtaking pace. The Budget Council was dissolved, the competences of the Constitutional Court and the National Bank cut back. Parliament was degraded to a voting machine that's been approving new laws like a conveyor belt.

Between January and June, Hungary held the EU presidency and was under the increased scrutiny of the European public. All sceptics who had been warning that afterwards Orbán would accelerate yet again were proven right: not even a week after Hungary getting rid of the presidency, 550 employees

of the state-owned media were fired. It is likely that, in the autumn, a further 400 are going to follow.

Unsurprisingly, so far it was mainly journalists critical towards Orbán, who had to go. Furthermore, the news programmes of the state-owned media are being concentrated in a single centralised editorial team. Its political editor-in-chief, Dániel Papp, is a man who earlier was a member of the far-right Jobbik party, and worked for the right-extremist Echo TV.

The few existing independent media are as good as being strangled. The last leftist and liberal newspapers can partly no longer pay their staff, because advertisements have mysteriously disappeared. In addition, under a new and dangerously hazy piece of legislation, Hungary's press is obliged to provide "balanced reporting". Overseeing and judging that is a media authority made up exclusively by Fidesz people. Its leader had already declared 10 years ago the 100% monopolisation of media opinion as the highest priority. All of that is enshrined in the new media law that the EU – after cosmetic adjustments – accepted.

Plans for forced labour and labour camps

Also, Klubrádió the last station that dares to publish critical and substantial reports is fighting for survival. All state-owned institutions withdrew their advertising assignments, now the media authority is reassigning the frequency. Of course, Klubrádió can also apply – after all, Hungary is a democratic country. Except that the frequency now costs double the amount.

By the way, there is one more requirement. The Authority wishes itself an entertainment radio. This means that 60% of air time must be dedicated to popular music, and a further quarter to local news and light-hearted features. In other words, Klubrádió would be left with only 15% with which to do what it has been earning ever increasing attention for: publishing self-researched, independent stories, and addressing politically relevant topics.

God knows, there is no shortage of the latter: in order to combat unemployment, the government plans to introduce forced labour, and labour camps. Those registered unemployed for more than 90 days may be sent to construction sites for unskilled labour, under police supervision. According to the daily *Népszabadság*, workers will be housed in containers on the spot. The sites may be up to 6 hours away from their place of residence.

Parliament has furthermore ruled that from previously 350, now it is only 14 religious groupings that enjoy state recognition. All others must reapply to Parliament. However, the recognised churches receive the double amount of state support from tax revenues, and do not need to provide accounts for these.

Most recently, a special parliamentary committee has paved the way for the preceding socialist governments being brought to trial for the "political crime" of state debt. The committee added: if legislation in force were to be insufficient to punish of the politicians – it's no less than three previous prime ministers, Péter Medgyessy, Ferenc Gyurcsány and Gordon Bajnai, who are concerned – the necessary laws should be changed retroactively, as soon as possible.

If one were to ask Orbán's followers, whether labour camps were the right tool to combat unemployment, whether a Parliamentary decision defining what a religious community was were running against the freedom of religion, and whether retroactive penal laws were violating fundamental principles of the rule of law – they would probably just shrug their shoulders.

On the one hand, under a rhetorical reference to the voters and the historic mission of saving the Hungarian nation, the government has long vaccinated itself against any kind of external criticism. When Thomas O. Melia, deputy secretary of state of the US State Department criticised Orbán's style of government, Péter Szíjjártó, Orbán's Spokesman replied by stating that "nobody is in a position to criticise the Hungarian Government that has won a mandate from the voters to rebuild the country".

On the other, Orbán has been insinuating consistently that the western project of democracy was an expiring model, so it was high time to give a slap to those talking-shop democrats: "We've handed out a couple of bops to them, and gave some bashes on their faces, too" as Orbán (reacting to a question as to European criticism to his policies) is cited by the Journalist Ádám Majorosy in his

blog “Stargarten”, one of the best German-speaking sources on the situation in Hungary. Highly interesting was the speech that Orbán has just held in the Transsylvanian village of Tusnádfürdő, where the community of the right-conservative Hungarians of Romania is organising an annual Summer Academy. Orbán’s intervention could be summarised by one sentence: the West is bankrupt, “the framework of values in which we were living our lives, is losing its significance”.

Individual solutions

The debt crisis was so suffocating that it would lead to collapse, so that Hungary should distance itself from the sinking ship as fast as possible. Which was no loss, as one had already found their own solutions, such as the new Media Law. He would bet that – after the News of the World scandal – the UK was soon to adopt a new Media Law that would “be startlingly similar to ours”.

The idea that Hungary should distance itself from Europe would only do good to the Hungarian Nation (evoked 49 times in the speech), as the country had passed the last 100 years “in an unnatural state”. In his catalogue of “unnatural” events, he puts the humiliating treaty of Trianon, the Second World War, the Communist Regime and the economic downturn after 1990 in one and the same line, just as he likes to compare directives from Brussels to Soviet oppression.

Thanks to him and his Government, Hungary was on a new path, Central Europe would grow to become a new powerhouse, Hungary would continue its revolution.

Where that one would end – nobody knows for certain. But as – a couple of weeks ago – the Chinese Prime Minister Wen Jiabao came to visit, Orbán complimented the „fantastically successful policies” of the Chinese communists. He also boasted that his country provided foreign investors with the most stable political system in Europe.

<http://www.sueddeutsche.de/kultur/demontage-der-ungarischen-demokratie-der-brutalpopulist-macht-die-eu-schweigt-1.1126940>