

Weekly Newsletter

News

Gyurcsány calls for government reshuffle, new economic policy

Ferenc Gyurcsány, leader of the Democratic Coalition party and a former Socialist prime minister, told a gathering of supporters on Tuesday that the economy was on the brink and only a government reshuffle and total revamp of economic policymaking would save the country from disaster.

Gyurcsány told a news conference, on the first stop of a campaign to build up his party's grassroots, that social conflict could result from the economic crisis.

“Now it is not a question of how to go forward but rather what will happen to spark a recognition [that policies should change],” he said.

Source: MTI

U.S. Ambassador to Hungary made a verbal complaint to Orbán

The government of Mr. Orbán has gotten mixed up in one of the most inconvenient – and virtually humiliating – diplomatic affairs of the past one and a half years, with the U.S. ambassador accredited to Budapest having to resort to the Hungarian daily *Népszava* to publish an article gainsaying the statements of the Hungarian government on the meeting between Ambassador Tsakopoulos Kounalakis and the Hungarian premier. Such a move is unusual in diplomatic affairs, and generally, diplomats have recourse to such means in the most serious cases only.

Eleni Tsakopoulos Kounalakis, the U.S. Ambassador accredited to Hungary told *Népszava* that when she had conducted negotiations with Viktor Orbán, she had made a verbal note emphasizing the U.S. government's concerns – reported the article published by the daily newspaper *Népszava* in its Saturday issue. “During that meeting I voiced concerns, inter alia, over the so called 'cardinal laws' that had been in preparation at the time, especially over those dealing with the independence of the judiciary, and electoral reform” – said Eleni Tsakopoulos Kounalakis over the telephone when asked by *Népszava*. According to the article, the ambassador added that they had also been discussing the strong and lively co-operation between the United States and Hungary. In response to the question whether that note served as a *démarche* (*a formal protest in diplomatic affairs*), the Ambassador answered positively, but added that “however, I did not hand over any written documents to the prime minister” – *Népszava* reported.

The Hungarian political weekly *Magyar Narancs* – with reference to diplomatic circles – formerly reported that, contrary to the statement made by Mr. Péter Szijjártó, the prime minister's spokesperson, there was a verbal note of protest (a *démarche*) at the meeting of PM Viktor Orbán and the ambassador at their meeting in October. *Magyar Narancs* also noted that not long after the Hungarian PM's meeting with Ms. Tsakopoulos Kounalakis, Mr. Gergely Pröhle, deputy state secretary at the Ministry of Foreign Affairs flew to Washington in order to conduct further negotiations. During this time, he met with deputy secretary of state Thomas O. Melia – and, according to the information of *Magyar Narancs*, Mr. Melia discussed at that meeting the puzzlement of Washington over the fact that the Hungarian government had tried to understate the U.S. Ambassador's diplomatic note. “Should the Hungarian government remain unaware of the importance of this *démarche*, then Washington is ready to repeat it in short order” – the political weekly newspaper wrote. On top of that Mr. Pröhle called the allegations made by *Magyar Narancs* “an enormous blunder” in an interview with the private radio channel Klubrádió. He also denied that he would have had an inconvenient discussion with Mr. Thomas O. Melia.

Fidesz MEP Tamás Deutsch's earlier strong statement concerning Mr. Thomas O. Melia can be accessed here: <http://www.freehungary.hu/archives-new/376-mep-tamas-deutsch-verbally-abused-one-of-the-officials-of-the-usa.html>

The issue is certainly not over yet, given that it is very unusual in diplomatic affairs that a U.S. ambassador has taken recourse to the media in order to refute allegations made by the host nation's foreign ministry. Diplomats – who represent the issuing nations' governments – resort to such steps only in the most serious cases. Based on these, Washington deemed the situation to be so serious as to warrant the use of such means.

The case also involves the creditworthiness of PM Viktor Orbán (dubbed into Hungarian by Mr. Péter Szijjártó) and the Hungarian MoFA (and Mr. Gergely Pröhle). As regards the explanation that the Hungarian premier as well as the present framers of Hungarian foreign policy did not understand diplomatic language and diplomatic gestures; It is better not to think about that being the case.

Mr. Csaba Molnár, faction leader-elect of the Democratic Coalition (abbreviation: DK; led by former PM Mr. Ferenc Gyurcsány) addressed a written question to prime minister Viktor Orbán. Mr. Molnár enlisted the DK's questions to the PM in a transcript sent to speaker of the house Mr. László Kövér, with the following headline: “Why did the Government lie about the U.S. diplomatic note?” On the one hand, he also expected a reasonable answer to the question why Hungarian diplomacy as well as Orbán's spokesperson tried “to deny the fact” that the U.S. ambassador had protested in a verbal diplomatic note (in a *démarche*); but also to the question what the PM thinks, how strongly the future course of U.S.–Hungarian relations would be affected by the fact that “leading government politicians had been misleading the public for several days in connection with what had happened at the meeting of the ambassador and the prime minister”.

Mr. Molnár also wants to know whether the PM ordered Mr. Szijjártó and Mr. Pröhle “to make false allegations”, and whether he would fire the prime ministerial spokesperson as well as the deputy state secretary after having been “caught in a lie”. „If the PM does not fire these government officials who have been caught misleading the public, then can that be construed as if you were actually accusing the U.S. ambassador of intentionally making false allegations?” – asked Csaba Molnár in his sixth question.

Source: Népszava, Magyar Narancs, 168ora.hu

Who is responsible for the foreign currency denominated loan practice?

Excerpts from a related analysis published on HVG (weekly) internet portal

„It would not be good if people's foreign currency denominated indebtedness jumped. First, foreign currency denominated loans carry higher risks and are associated with higher costs, which is not reflected in lower interest rates. In case of these loans one needs to take into account the risk of variation in interest rates, and also the risk of a fluctuating exchange rate. For instance the devaluation of the Hungarian forint by 10% may typically increase the loan instalments by 5-6%. Secondly it is not our aim to aid the growth of foreign currency denominated debt, as this may risk the financing of the operation of the country” – wrote Ferenc Gyurcsány in December 2005 in a blog post on the government's official site (<https://kapcsolat.magyarorszag.hu/forum/posts/list/285/336.page#65624>) when discussing why he was worried about the growth in foreign currency denominated indebtedness. The then prime minister responded in this form to a letter from an economist who suggested that the amounts (loans) used for the state housing support policy – which placed a heavy burden on the national budget – should be converted to foreign currency denominated loans. Not only the former prime minister but the Hungarian National Bank (MNB), the Hungarian Financial Supervisory Authority (PSZÁF), various international financial institutions, including the International Monetary Fund (IMF), were calculating with the fact that the growth of foreign currency denominated loans, which started between 2003 and 2004, and then peaked just one year shy of the global financial crisis in 2009, carried enormous amounts of risks for both the public and the country as well. By October 2008 the country's foreign currency exposure reached 14,000 billion HUF, of which more than

5,000 billion HUF was owed by households.

„Many, many things are being purchased with loans and, in some cases, with foreign currency denominated loans, which is a risky thing to do as the foreign currency loan is pegged to the Hungarian Forint, and if our currency is strong, then it is easier to pay the instalments, but if our currency weakens, then the monthly instalment may grow by 8-10,000 HUF. This is true for properties but now for consumer goods as well. We are heavily in debt, but this was the decision of the Hungarian people and this should not be an issue for the government to manage. This comes from a sort of life strategy choice of Hungarian families (*to become indebted as implied*)” – said Viktor Orbán in an early news program on the Hungarian Television in April 2006.

<http://naptv.hu/naptv/naptv.visszanezo.page?nap=20060421>

The president of Fidesz, then in opposition, also saw the risks involved but still didn't think that the coalition government of the Socialists and the Liberal Democrats had any responsibility in the situation. Following the global financial crisis and of their re-election, Fidesz now thinks the opposite: the party which introduced the fixed exchange rate based debt pay-off scheme to the parliament, established a parliamentary sub-committee to investigate who was responsible for the growth of foreign currency denominated indebtedness. This committee – which is not an economic committee and does not contain any economists – was created alongside the constitutional committee which is working on legal issues and is led by Ferenc Papcsák. The members of MSZP look at this as if Fidesz prepared for a legal challenge, even though it did not think that Gyurcsány's government is in any way responsible 5 years ago.

Source: hvg.hu

Parliament passes amendment criminalizing “repeat” homeless offenders, tightening rules limiting convicts' speech rights

People caught in the state of living in public areas for the second time within six months will face a fine of up to 150,000 forints (EUR 473) or imprisonment as of December 1, under an amendment passed by parliament on Monday.

The bill, amending Hungary's act on minor offences, was initiated by deputies of the ruling Fidesz party in June. Proponents of the motion said at the time that though delinquents could be fined for “irregular use of public areas”, fines were not easy to collect from homeless people, therefore a fine in itself was not an effective tool for prevention.

The amended law also stipulates, however, that sanctions against homeless lifestyles should not be enforced unless homeless shelters are provided for those in need.

Parliament also adopted more stringent rules for imprisonment, under which convicts will not be allowed to give interviews or make media statements for money.

Under the latter bill, submitted by Justice Minister Tibor Navracsics, inmates will be obliged to work while serving their prison sentence. Those physically or mentally incapable of work, inmates of schooling age, the elderly, pregnant women or women taking care of young children will be exempted from that requirement.

Source: MTI

Fidesz candidate wins in Budapest's second district by-election

Fidesz candidate Zsolt Láng gained a dominant 52.6% of the vote in a parliamentary by-election in Budapest on last Sunday. Socialist candidate Katalin Lévai obtained 24.2%, LMP candidate Gergely Karácsony 15.6%, and Jobbik candidate Zoltán Bodor 6.5%.

Voter participation was as anticipated at 38.5%, but since it did not reach 50%, there will be a second round run-off in two weeks. Had participation reached 50%, Láng would have won the seat on Sunday outright.

Láng and Karácsony are already MPs, but got into parliament on party lists. If either were to win, they would give up their “list seat” (which does not require a by-election to fill if empty), but only LMP made it clear who would replace Karácsony in the event of his victory.

The election was important for all of the parties as a means of measuring attitudes toward the government and opposition, but considering that the seat in question has always been held by a party of the right, it was perhaps not as indicative as a seat more up for grabs would be.

Although both the Socialist and LMP candidates announced before the vote that they would step down in favor of the candidate with better result but Karácsony has since stated he still plans to participate in the run-off.

Fitch cuts rating outlook on Hungary to negative - Country one step closer to junk grade

Hungary is now the closest possible to junk grade at Fitch Ratings as the credit rating agency has revised the Outlooks on the country's Long-term foreign and local currency Issuer Default Ratings (IDR) to Negative from Stable and affirmed the ratings at 'BBB-' and 'BBB', respectively. Hungary is now a single step away from non-investment status with a negative outlook at all three major rating agencies (Fitch, S&P and Moody's). The downward revision of Hungary's outlooks by Fitch on Friday afternoon may be considered a positive move, since the rating agency has at least not downgraded the country. But we need to note that the market was expecting not Fitch but rather any of its two peers to make that move.

"The revision in Hungary's Outlook to Negative reflects a sharp deterioration in the external growth and financing environment facing Hungary's small, open and relatively heavily indebted economy," said Matteo Napolitano, Director in Fitch's Sovereign Group. "Moreover, various fiscal policy measures and the scheme to allow the repayment of household foreign currency mortgages at below market exchange rates have dented foreign investor confidence, on which medium-term growth prospects depend," he added in a statement.

Later Standard&Poor's Ratings Services announced that it placed its 'BBB-/A-3' foreign and local currency sovereign credit ratings on Hungary on CreditWatch with negative implications. At the same time, it placed the 'BBB-' long-term counterparty credit rating on the National Bank of Hungary (NBH) on CreditWatch with negative implications.

Credit ratings in the region (external sovereign debt)						
	S&P		Fitch		Moody's	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Bulgaria	BBB	stable	BBB-	positive	Baa2	stable
Czech Republic	AA-	stable	A+	positive	A1	stable
Hungary	BBB-	negative	BBB-	negative	Baa3	negative
Poland	A-	stable	A-	stable	A2	stable
Romania	BB+	stable	BBB-	stable	Baa3	stable
Slovakia	A+	positive	A+	stable	A1	stable

Source: Portfolio.hu

11/11/2011

"Hungary is particularly exposed to any deterioration in the economic and financial conditions in the eurozone, owing to its open economy, mainly Western European-owned banking sector, relatively high levels of public and external debt and financing ratios, sizeable stock of portfolio investment (including a 40% non-resident share of domestically issued government debt) and Swiss Franc (CHF) mortgages debt," Fitch Ratings said.

Growth prospects have weakened sharply both in Hungary and in its main Western European trading partners in recent months. In October, Fitch revised its forecast for 2012 eurozone GDP growth down to 0.8% from 1.8% previously, and to 1.6% from 1.7% previously for 2011. Following a sharp weakening of growth prospects both in Hungary and its main Western European trading partners in recent months and the downward revision of its growth forecast for the eurozone (to 0.8% from 1.8% for 2012 and to 1.6% from 1.7% for 2011), Fitch presently expects Hungary's economy to grow by only 0.5% in 2012, down sharply from the agency's projection of 3.2% in June 2011. It noted that the country's "domestic demand is weighed down by fiscal tightening and

private-sector de-leveraging.

"The government appears committed to fiscal consolidation and through the course of 2011, has set out an array of measures in the Széll Kálmán plan in March, the Convergence Programme in April and the new measures announced in September. Despite some widening in the structural budget deficit in 2011, it will run a general government surplus in 2011 of around 3.5% of GDP, driven by large one-off factors such as the return of private pension assets to the public sector. Fitch forecasts that government debt will decline to around 76% of GDP at end-2011, from 80% at end-2010."

"For 2012, the government intends to reduce the structural budget deficit by over 2 percentage points of GDP to bring the headline deficit to 2.5% of GDP, thus taking Hungary out of the EU's Excessive Deficit Procedure (EDP)."

"However, the weak growth outlook, the uncertain costing and implementation of some measures and potential reform fatigue make this challenging. Fitch forecasts a 2012 budget deficit of 3.3% of GDP."

"Over the course of 2011 the Hungarian forint (HUF) has depreciated by 13%-14% against both the euro and the CHF, thus increasing further heavy public- and private-sector debt repayment burdens. The government's policies to tackle the large stock of CHF-denominated household debt (equivalent to 16% of GDP in mid-2011) may turn out to be fairly ineffective and have negative consequences. Credit constraints and a lack of sufficient savings will likely prevent the share of CHF loans that are repaid early at a preferential exchange rate from rising above 20%-25% of the total."

The National Economy Ministry has issued a statement practically the same time Fitch released its report, saying it does not share the rating agency's assessment of Hungary. It claims the deficit target of below 3.0% of GDP (2.5% officially) for 2012 is attainable, and that even the EU executive acknowledged that state debt will decline. (*What the EC said actually is that the debt will increase: "Given both the forecast deficit numbers and the exchange rate assumptions, gross public debt is expected to increase again to nearly 77% of GDP following a temporary drop in 2011 due to the takeover of the private pension assets," the EC said.*) The ministry also said that contrary to the concerns of the rating agency about the country's foreign currency exposure, the early repayment scheme not only means real help for families burdened by FX mortgages but also reduces the country's vulnerabilities and the exposure of the banking system to external shocks.

Source: *Portfolio.hu*

S&P places Hungarian ratings on CreditWatch

As Standard & Poor's lowers Hungary's already negative outlook rating, Népszabadság urges the government to call off the propaganda, while Magyar Nemzet believes that the decision disregards the efforts made by the government. "Enough of the propaganda" – writes Népszabadság in a front page editorial, reacting to a comment from the PM's spokesman, that Hungary 'needs no new loans' from the International Monetary Fund. "We are facing restrictions disguised as reshuffles on a more brutal, crueller scale than anything the IMF would have imposed," – argues the left wing daily, noting that investors hardly bought any of the government bonds auctioned on Monday, while the Forint was stuck around its all-time low (317) to the Euro. (6 week liquidity bonds sold badly because the market expected a rise in interest rates, but a 3 month bond auction was successful on Tuesday.)

Standard & Poor's have already decided that whatever happens, Hungary will be downgraded – believes Magyar Nemzet. Columnist Tamás Nánási remarks that the downgrade would cause huge damage to the country and to its citizens, including all those hostile to the present government. The cabinet's half-turn in recent weeks (a compromise with the banks – See BudaPost, November 7) was futile, Nánási believes, for it did not avert the danger of a downgrade. The credit rating agencies, he continues, intend to downgrade Hungary's sovereign debt "in order to force us back into the arms of the IMF." But going back there "would entail a price much higher than what we are forced to pay for following our own path," – Magyar Nemzet concludes.

Standard&Poor's Ratings Services on last Friday placed its 'BBB-/A-3' foreign and local currency sovereign credit ratings on Hungary on CreditWatch with negative implications. At the same time, it has placed the 'BBB-' long-term counterparty credit rating on the National Bank of Hungary (NBH) on CreditWatch with negative implications. A few hours before S&P, another rating agency, Fitch, revised the Outlooks on the country's Long-term foreign and local currency Issuer Default Ratings (IDR) to Negative from Stable and affirmed the ratings at 'BBB-' and 'BBB', respectively. Being placed on CreditWatch with negative implications is an even stronger negative message than the downward revision of the outlook. It may mean that Hungary has no chance of proving S&P wrong and a downgrade to junk grade is unavoidable.

Source: Portfolio.hu, Budapest.eu

This is what they say – Hungary in the international press

Hungary: Continue Paying Rates, Take Profit on HUF Shorts

A combination of the spillover effects from the eurozone and local macroeconomic imbalances pushed HUF close to its 2008-crisis low against EUR (316.0). The risk premium on Hungary's debt surged last week as both S&P and Fitch Ratings indicated—signaled by RGE—that they may cut Hungary's sovereign rating to non-investment grade in the coming weeks. The government has scrapped two Treasury bill auctions since late October as investors got nervous and bids fell short of the amount on offer.

<http://www.roubini.com/strategy/flash/166040.php>

Orbán and the wind from the east

FEW countries in the region arouse more concern than Hungary and few politicians arouse more controversy than its prime minister, Viktor Orbán. Critics see him as the harbinger of authoritarian rule, presiding over the imminent collapse of the economy. It is worth aiming off a little given that the critics are mostly (though not all) Mr Orbán's political rivals. Hungary's economic difficulties are serious (the combination of large foreign-currency debts and a weakening forint is especially alarming). It is more vulnerable to the chaos in the euro zone than any of the nearby countries. But to be fair, Hungary is no longer in the intensive-care ward as it was when the IMF bailed it out in 2008. Mr Orbán inherited a mess and has (thanks to some bruising, and in some cases questionable, measures) brought public finances under control.

<http://www.economist.com/blogs/easternapproaches/2011/11/hungarys-politics>

Forint Falls as Fears on Hungary Mount

Hungary's currency traded near record lows against the euro Monday as fears mounted that the country's sovereign debt rating could be downgraded to junk-bond status because of slowing growth and unorthodox government economic policies. Investors' wariness was apparent Monday morning in Budapest, where the state debt-management agency scrapped a sale of short-term bonds because of insufficient demand, after twice having to scale back longer-term debt offerings recently. Hungary, which had to be bailed out by the International Monetary Fund and the European Union after the global financial crisis hit in 2008, is again struggling to keep its economy stable. The forint hit a record low against the euro, trading at around 317 forint per euro. The currency also slid more than 2% against the dollar. The government of Prime Minister Viktor Orban isn't facing an immediate crisis. The country has ample foreign-exchange reserves and the government doesn't have major debt repayments due until next year.

http://online.wsj.com/article/SB10001424052970203503204577038220847514712.html?mod=WSJ_Europe_hpp_LEFTTopStories

Hungary: I don't like Mondays

Hungary is having a very bad Monday. Its equities are tanking, its bond yields are jumping, its currency is approaching dangerously weak levels and it has been forced to scrap a planned debt sale due to low demand. And all this after a Friday which saw Hungary's headline Bux index gain 4.4 per cent in what analysts told beyondbrics was a "rally based on nothing".

What changed? Well, ratings agency Fitch revised Hungary's rating outlook to negative on Friday night, reminding investors of the very real possibility that the big three ratings agencies will downgrade the country's debt to junk in the very near future.

<http://blogs.ft.com/beyond-brics/2011/11/14/hungary-i-dont-like-mondays/#axzz1dgjLL9O>

Hungarian News from the EU

Tabajdi: Europe will not leave the Hungarian democracy alone!

Members of the European Parliament (MEPs) ask the European Commission to audit Hungarian two-third laws. Seven MEPs called the Commission not just to monitor the adoption of two-third laws in Hungary but also to check it whether the Hungarian government respects basic democratic values of the European Union while constructing and adopting them. The written question was issued by MEP Alexander Alvaro (liberals, Germany), MEP Sophie in 't Veld (liberals, the Netherlands), MEP Rui Tavares (greens, Portugal), MEP Judith Sargentini (greens, the Netherlands), MEP Claude Moraes (socialists, United Kingdom), MEP Juan Fernano López Aguilar (chair of the European Parliament committee on Civil Liberties, Justice and Home Affairs – LIBE, socialists, Spain) and MEP Csaba Tabajdi (socialist, head of delegation, Hungary). The MEPs also asked the European Commission if it had finished the analysis on the new Hungarian constitution adopted in April 2011. The European Parliament also called the Commission on 5 July 2011 to examine the new Hungarian constitution substantially to make it clear if they are in accordance with the Common values, especially with the Charter of Fundamental Rights of the European Union. MEP Tabajdi, head of delegation of the Hungarian socialists said that the single fact that such a joint question was issued by MEPs, it still show the common interest in Hungarian political affairs in the Union. He also added that the Hungarian government-party Fidesz can't count on destructing Hungarian democracy out-of-the-way of the European Union.

PES Women starts a campaign against violence against women

PES Women, which is the Party of European Socialists' organization that promotes gender equality and women's representation both within and outside the party, dealt the issue violence against woman and decided to start a campaign on it jointly with the 'International Day for the Elimination of Violence against Women'. Hungarian socialist Member of European Parliament (MEP) Zita Gurmai, chair of the organization talked about the past activity and future challenges of group. On 25 and 26 November 2011 a two-day-long convention will be held on issues like handling the economical crisis, unemployment of the youth, future of European retirement system and the state of democracy overall. The convention, which is going to be held in Brussels, will be visited by several progressive politicians of Europe, non-governmental organizations, researchers and numerous experts. MEP Gurmai said that the participation of women should appear in each and every issue according to the so called 'gender mainstreaming'.

Comments

András Giró-Szász downgraded Fitch

“Credit rating agencies do not have the right to qualify countries, but only to deal with companies, and they do not perform well in that field either” – stated András Giró-Szász, government spokesman in an interview with the Hungarian Television, discussing how Fitch had downgraded Hungary’s credit rating. “And this is not the government’s or the government spokesman’s opinion. This was stated by the governor of the Bank of France” – he added.

But in fact this is the government’s and the spokesman’s opinion even if Giró -Szász tries to misinterpret the facts. Christian Noyer, governor of the Bank of France and board member of the European Central Bank criticized the credit rating agencies in May 2010 because they often signal too late, thus making problems even worse. He stated this after the agencies downgraded Ireland, Portugal and Spain. So Noyer did not dispute the legitimacy of the ‘downgrades’ but their timing: in his view this should have happened earlier. Noyer claimed that the credit rating agencies did not provide information to the market but confirmed the market’s confidence loss. Noyer did not mention that the credit rating agencies did not have the right to qualify countries for sure.

Now we have to matters at hand here. The first is that the credit rating agencies took Noyer’s advice and they downgrade problematic countries in time, then András Giró -Szász should shut his mouth and react to their legitimate criticism. The second matter: if they did not take his advice and they downgrade problematic countries late, then András Giró -Szász should shut his mouth because he should have reacted to the market’s criticism much earlier. Otherwise, if it is already mentioned: What exactly is covered by Giró-Szász’s license?

http://orulunkvincent.blog.hu/2011/11/12/giro_szasz_andras_leminositette_a_fitch_et

Who cares?

I’m getting fed up with Hungarian intellectuals. I first had this strange feeling in 2007. It was the year when László Sólyom (then president) and Ferenc Kumin said the ‘radical wright’ phrase should be used instead of ‘neo-Nazi’ and ‘neo-fascist’. Sólyom warned the people who were worried about the rise of neo-fascist ideas that they were just playing on Holocaust survivors’ feelings for increasing their political power. Later he defended the use of the word ‘Gypsy’, although ‘Roma’ is politically correct. He stated politically correct talk was not for the defenseless people but for certain political parties.

Although as an intellectual I am also surrounded by definitions and phrases, I start to be fed up with these ideological scandals over definitions. I do not care about who can and who cannot be called (neo-)fascist. I absolutely do not care at what point we can say the constitutional state stopped existing. I bet the participants of these debates are not driven by scientific interest but explanation of their own situation and image. Sólyom is a good example. When he joined those debates over the real meaning of definitions, he just saved his own political activity and image that lacked definite steps against neo-fascism and racism.

In fact I am upset with the people who cover up with these debates when the real moves should be done.

Let’s go back to the definition analysis. It is pointless to deliberate over the borders of dictatorship and ‘authoritarian democracy’. There is not much time left when the constitutional state is under siege. This procrastination reminds me of the Fidesz-style approach which we saw at the passing of new laws. They do not care much about the exact drafting but they want to see the effectiveness on real life examples.

We should not just twirl our fingers. We should start organizing the opposition right now. We should look for the right leaders and right start-ups. We ought to find the right way. The right way which is so painfully remote from the present government.

http://www.vasarnapihitek.hu/szerintem/fidesz_mediatorveny_solyom_kalman_ertelmisege

The possible foundations of the New Republic

I’m discounting the possibility that Viktor Orbán will leave office before 2014 for the time being. Even though the euro-crisis brought about the fall of Papandreu and Berlusconi, I don’t think this

could be feasible in Hungary. Of course, everyone would like to see the back of the prime minister, but the hubris he would leave behind after his departure would be too much for a divided opposition to clean up. And this would surely play into Jobbik's hands. Clearly, the opposition is not yet in a state to take over the reins of government as it is lacking the means that are necessary to run the country. Just to give an example: the opposition has less than one and a half months to stop the new constitution from taking effect; otherwise the soldiers of Mr. Orbán, who had been put into positions of great national importance, will make the country ungovernable. We already have to think about the foundations of the New Republic. We need a new party financing legislation, one that is transparent, gives more funds to the parties, but penalizes every abuse. The new constitution should not differentiate between good and bad Hungarians. We need to restore faith in our education, and a fair balance should be made between private and state investment in healthcare and higher education. We need to restore our pension system that has been plundered by the government. We have to make clear that, in a democracy, racism and walking down the street dressed up as Hitler will not be tolerated. The new Hungary will have to make sure that it will provide for the needy, and that no one is left behind. We need a workable cooperation between the state, local authorities and the market. We have to state it clearly: the banks are not our enemies; they are institutions for our savings and enterprises. We have to put an end to the atmosphere of intimidation and fear and strive for a total moral renewal. We have to rebuild our ties with the international community. It is now evident that Viktor Orbán is swimming against the current, his words ring hollow. His regime may still be standing, but it is not long before the whole edifice will come crashing down. So let's think about the future.

http://greczy.blog.hu/2011/11/12/az_uj_koztarsasag_lehetseges_alapjai