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Absolute Power? Hungary Twenty Years after the Fall of Communism

In April 2010 Viktor Orbán acquired absolute power. The prime minister-elect spoke of an electoral revolution, and compared 2010 to 1956 and 1989. Twenty years after the fall of the Berlin Wall, he announced that the time had come to complete Hungary’s *regime change*. His party – the Fidesz Hungarian Civic Union and the Christian Democratic People’s Party (Fidesz-KDNP), commonly known simply as Fidesz – had just secured more than two-thirds of the seats in parliament. With this he acquired the power to rewrite the constitution. Within weeks the government announced that it would do precisely this. Large-scale personnel changes in the public sector followed over the summer, as ministries, independent regulators and the state-owned media had their senior management replaced by new government appointees. A parliamentary committee began to investigate violations of law by the state apparatus in the previous eight years. Changes to economic policy and Central Bank independence drew threats of legal action from the EU. When the Constitutional Court ruled a retroactive tax law unconstitutional, a constitutional amendment was passed to limit Court’s power of review. A new constitution was adopted on 18 April 2011. Never, in the history of the European Union, has an election in a member state resulted in political, legal, economic and administrative changes of this magnitude over such a short period of time. This is as close as governments come to absolute power in a liberal democracy.

The 2010 election brought about substantial change to Hungary’s party system. Four of the six parties that won seats in Hungary’s first post-communist election in 1990 were still represented in parliament in the run-up to the 2010 election (or even five, depending on how the Christian democratic KDNP is counted – more about this below); after the

election only two were left. Until the 2010 election only one new party had ever gained representation since 1990; in 2010 two new parties won seats at the same time. The story of party system development in Hungary during the first two decades after 1989 is one of the gradual transformation from a party system of three blocs and six parties to a two-bloc system that left only two parties still standing. In the 1990 election a broad three-party ‘Christian national’ bloc defeated both the socialist party and the liberal bloc. By the late-1990s the Christian national bloc was falling apart, and one of the two liberal parties (Fidesz) had taken over as the leading party on the right. The other liberal party, the Alliance of Free Democrats (SzDSz), had become the junior partner in a centre-left bloc led by the Hungarian Socialist Party (MSzP). By the 2010 election Hungary’s two-bloc contest had in effect been reduced to a two-party contest between Fidesz and MSzP.

The central question explored in this chapter is how Fidesz came to be in this extraordinary position of power in 2010. The two substantial sections of the chapter explore the long-term and short-term developments that led to what Prime Minister Orbán labelled the ‘two-thirds revolution’. The first section covers the development of the Hungarian party system in the first two decades after the collapse of communism, including the emergence of the party system in the late 1980s, the gradual shift from three-bloc to two-bloc competition in the 1990s, and the struggle the smaller parties in both blocs faced in terms of defining their relationship with their bigger partners. The second section turns to Hungary’s 2010 ‘earthquake’ election, and the more proximate causes of Fidesz’s triumph over MSzP after two failed attempts in 2002 and 2006, of the decline and fall of MDF and SzDSz, and of the rise of two new populist parties, which can be found by examining the electoral strategies of these six parties. Several institutional and structural factors combined with these to make for a ‘perfect storm’ in 2010: an electoral system that amplifies the effect of anti-incumbency voting, the economic crisis, the increased salience of corruption, and the somewhat more lukewarm support for political and economic changes over the last twenty years in Hungary compared to Poland, Slovakia and the Czech Republic.

The post-communist Hungarian party system: development, stabilisation and polarisation

For two decades after the fall of communism Hungary featured one of the most stable of the post-communist party systems, in terms of both parties and coalition-building (Bakke & Sitter 2005). However, by 2010 the mainstream political rhetoric had become more polarised and extreme than in any of the neighbouring states. Giovanni Sartori (1976) famously coined the term ‘polarised pluralism’ to capture the key characteristic of the post-war Italian party system: a large political centre that included Christian democrats, liberals and social democrats, flanked by communists on the left and neo-fascists on the right. By 2010 Hungary had acquired the first of characteristic of ‘polarised pluralism’, but not the second: its party system might be summed up as ‘polarised, but not plural’.

The development and stabilisation of the Hungarian party system involved a gradual reduction in the number of parties over two decades, combined with considerable polarisation in the second decade. The ex-communist MSzP established an early strong position on the left, and the ‘right’ consolidated in the shape of Fidesz-KDNP around the turn of the millennium. In contrast to Anthony Downs’ (1956) much-cited median voter theorem, the two biggest parties did not converge on the median voter in either broad left – right terms or terms of economic policy. Fidesz’s rise involved a clear shift toward the cultural right in the 1990s, consolidating the mainstream right and marginalising the extreme right. After its defeat in 2002, its electoral strategy involved strong opposition to the government rather than a return to the centre. Anti-communism and rhetoric about oligarchy and incomplete regime change returned to the political agenda, in sharp contrast to the declining role such questions played in other post-communist EU states.

The collapse of communism and the emergence of a three-bloc party system

The collapse of communism in Hungary in 1989 and the transition to multi-party democracy followed a pattern that differed from most of the neighbouring countries in that it was more gradual and more driven by three groups rather than a simple

communism vs. opposition dichotomy. In contrast to the ‘umbrella’ movements that were common elsewhere, the opposition in Hungary involved two distinct ‘milieus’ or ideological groups. The democratisation process had roots in comparatively strong opposition movements in the 1980s, a somewhat divided communist party, and gradual cautious liberalisation (Racz 1991; Bozóki, Körösényi & Schöpflin 1992; Schöpflin 1993). Limited competition was permitted in the 1985 election. The MDF was the first opposition to organise, in the autumn of 1987. Together with two parties that were revived from the immediate post-war era, the Christian Democratic People’s Party (KDNP) and the Independent Smallholders’ Party (FKgP), the MDF made up the ‘Christian national’ camp in 1989. The second part of the opposition was made up of the two liberal parties: Fidesz and SzDSz both formed early in 1988. By the time the communist party re-organised along social democratic lines under the new name MSzP in October 1989, Hungary’s party system was fully formed.

The debates about constitutional change in 1989-90 were organised around these three blocs: the ex-communists and the two opposition blocs. The compromise system agreed by the three blocs included an electoral system that saw 386 MPs elected by a mixed method. 176 MPs were to be elected in single-member constituencies, with a second round if no candidate polled more than 50 percent; up to 152 seats were to be distributed based on proportional list votes; and the remaining seats were distributed on a national basis. Over the next two decades this system generally worked in favour of the biggest parties, leaving the smaller parties to struggle to cross the five-percent electoral threshold.¹ This compromised lasted through the 1990s and 2000s; the MSzP-SzDSz government saw no need to use its more than two-thirds parliamentary majority between 1994 and 1998 that allowed it unilaterally to change the constitution.

¹ The electoral threshold negotiated in 1989 was 4 percent, but this was raised to 5 percent before the 1994 election.

Table 12.1. Hungarian governments 1990–2010. **Centre-left in bold**

Parliament	Prime minister	Party or coalition	Status
1990-1994	Józef Antall until Dec'93; Péter Boross	MDF/KDNP/FKgP	Majority
1994-1998	Gyula Horn	MSzP/SzDSz	Two-thirds majority
1998-2002	Viktor Orbán	Fidesz/MDF/FKgP	Majority
2002-2006	Péter Medgyessy until Sept'04; Ferenc Gyurcsány	MSzP/SzDSz	Majority
2006-2010	Ferenc Gyurcsány until March'09; Gordon Bajnai	MSzP/SzDSz (MSzP only from March'08); MSzP/SzDSz support	Majority (minority from March'08); Care-taker
2010-2014	Viktor Orbán	Fidesz-KNDP	Two-thirds majority

Party system development and the definition of left and right

Party system development in Hungary during the first decade after 1989 was primarily a question of deciding not only the meaning of ‘left’ and ‘right’, but also a matter of which parties would define the left and right in practice. On the left, the matter proved relatively straight-forward. No party emerged to challenge the MSzP, which swiftly positioned itself near the centre. After winning an absolute majority of the seats in the 1994 election the party offered the SzDSz a coalition, partly to ensure legitimacy for government policy and partly because the MSzP right wing correctly assessed that an alliance with the SzDSz would enable it to disarm its own left wing. Meanwhile, the two liberal parties had begun to drift apart, particularly after Orbán’s won the 1993 Fidesz leadership contest (Lomax 1999). Although they fought the 1994 election on a platform for a liberal coalition, their disappointing performance in the election opened the door to the centre-left coalition.

Despite a somewhat turbulent coalition government between 1994 and 1998, which included more radical economic reform and liberalisation than the previous conservative government had either sought or achieved, the MSzP and SzDSz agreed to fight the 1998 election on a platform of continued coalition. This helped bring about a key characteristic of Hungary’s ‘polarised non-pluralism’: enduring alliances on either side of the centre,

with a centre-left that was more pro-EU, more free-market oriented and more well-disposed to foreign capital than the parties on the centre-right. The SzDSz was best described as social liberals with a free-market liberal agenda; the MSzP as ‘third-way’ social democrats.

The struggle to define and dominate the right followed a far less predictable pattern. The 1990 election was a triumph for the Christian national right over its more market-oriented and cosmopolitan liberal rivals. Other than the broad range of ideological currents in the MDF, there was little to indicate that two of three parties in the first non-communist government would be gone as independent forces by the end of the decade. The key development on the Hungarian centre-right in the 1990s came not from the parties in the victorious 1990 coalition, but from Fidesz. When the latter turned toward the Christian national right under Orbán’s leadership, it set the stage for its take-over of the political right. As the three former governing Christian national parties all split over how to react to the 1994 election defeat, Fidesz moved into the space thus left open. Over the next decade, it attracted factions from all three parties. The divisions emerged gradually in each case, and over several stages.

The KDNP formally split in 1997, and one of its two factions arranged to run on the Fidesz ticket in 1998 (and thus won seven seats). After the rump-KDNP failed to win seats in either 1998 or 2002, the party re-united. It has since operated as a faction within Fidesz, although it continues to work as an independent organisation with its own party statutes. Both the left the FKgP and MDF also split several times, and saw some of their members join Fidesz. In the 2002 election 11 MPs who had left FKgP won seats as Fidesz representatives; in the 2006 election 11 ex-MDF representatives did the same. Although the rump-FKgP fielded candidates in 2002 and 2006, the party was effectively dead as a political force after its final split in the wake of a corruption scandal in 2001. The MDF fought the 2002 election on a joint list with Fidesz, but returned to fight both the 2006 and 2010 elections as an independent party.

Any account of the consolidation of the Hungarian political right under Orbán's leadership must thus include both Fidesz's strategy and the divisions that haunted the three Christian national parties. By 1998 Fidesz was the clear leader of the centre-right bloc.

Table 12.2. Percentage of votes (list votes) and percentage of all the 386 seats

Party	1990		1994		1998		2002		2006		2010	
	Votes	seats										
MSzP	10.9	8.5	33.0	54.1	32.9	34.7	42.1	46.1	43.0	49.2	19.3	15.3
SzDSz	21.4	23.8	19.7	17.9	7.6	6.2	5.6	5.2	6.5	5.2	-	-
Fidesz	8.9	5.4	7.0	5.2	29.5	38.3	41.1	42.5	42.0	42.2	52.7	68.1
KDNP	6.5	5.4	7.0	5.7	2.3*	0.0*	3.9*	0.0*	*	*	*	*
MDF	24.7	42.7	11.7	9.8	2.8	4.4	**	6.2	5.0	2.8	2.7	0.0
FKgP	11.8	11.1	8.8	6.7	13.2	12.4	0.8	0.0	0.0	0.0	-	-
MIÉP	-	-	1.6	0.0	5.5	3.6	4.4	0.0	2.2	0.0	-	-
Jobbik	-	-	-	-	-	-	-	-	***	0.0	16.7	12.8
LMP	-	-	-	-	-	-	-	-	-	-	7.5	4.1
Others	15.8	2.8	11.2	0.6	6.3	0.3	2.1	0.0	1.1	0.0	1.1	0.3

* The KNDP split in 1997, had some MPs elected for Fidesz in 1998 and 2002, before re-uniting and running on a joint list with Fidesz in 2006 and 2010 (and operating effectively as a faction within Fidesz).

** MDF ran on a joint list with Fidesz in 2002; and thus won 24 seats.

*** Jobbik ran with MIÉP in the 'Third Way' alliance in 2006.

The reduction of the political space in the 1990s and early 2000s also involved the marginalisation of the extreme right. The Hungarian extreme right was born as a political force in its own right in 1993, when internal tensions within the MDF culminated in the expulsion of its right wing led by the writer István Csurka. MIÉP was the only successful new party in the 1990s, and although it failed to cross the electoral threshold in 1994 it went on to win 14 seats in 1998. In 2002 it fell below the electoral threshold, because of an increase in overall turnout rather than a drop in the total number of MIÉP votes (Enyedi 2006). By 2006, when it ran on a joint platform with the newly formed Jobbik – the Movement for a Better Hungary, MIÉP was a spent political force. Fidesz's positioning as a mainstream populist party on the right certainly contributed to MIÉP's marginalisation, but a weak organisation and a small and ageing membership were also important factors in the party's decline.

Its successor, Jobbik, developed into a far better organised party; first based on a youth movement and subsequently launching its own uniformed movement – the Hungarian Guard (banned in 2009 on the ground that its activities violated human rights law). From late 2006 the combination of Fidesz's re-orientation toward the centre-right, the government's unpopularity, and the increased public debate about 'Gypsy crime' opened a window of opportunity for Jobbik. The party's anti-Roma rhetoric provided an additional edge to the traditional nationalist focus on the plight of Hungarian minorities abroad. By the end of 2009 Jobbik had won a big breakthrough in EP elections and organised the Alliance of National Movements with the Italian Fiamma Tricolore, the Swedish National Democrats and the Belgian National Front. It was a party of predominantly young voters: polls indicated that about a third of its voters in 2010 were first-time voters. Where MIÉP-Jobbik had taken less than 120,000 votes in 2006, Jobbik attracted more than 850,000 four years later.

Party competition, populism and the strategy of polarization

As in all other post-communist states, party system development in Hungary included a considerable measure of trial and error. Several strategies and ideologies were adopted and tested; many failed. On the left the MSzP's strategy of centrist policy and economic reform in the 1990s, along with its coalition with SzDSz, effectively closed the space to new social democratic challengers. On the right a wider set of strategies were tested: pre-communist parties with niche target audiences were revived (KDNP and FKgP); a new populist catch-all type party was briefly successful (MDF in the early 1990s); and a traditional extreme right party even managed to secure election (MIÉP in 1998); before Fidesz' new populist strategy eventually paid off in 1998 and crowded out the rest of the political right. From 1998 onwards Fidesz and MSzP increasingly saw each other as main competitors. Both parties learned the lesson from the MSzP's defeat that year: economic reform and austerity measures do not make re-election likely. Subsequently the two parties fought each other not so much on economic policy as on valence questions related

to values, competence and corruption. Hungary's decade of polarised two-party competition had begun.

The gradual realignment between 1994 and 2006, from three blocs to two and from six parties to four, thus painted a somewhat misleading picture: from the mid-1990s onwards only the MSzP and Fidesz were consistently polling safely above the electoral threshold. The MDF and the SzDSz were cast largely in supporting roles. As junior partners they faced the dilemma of going it alone and running the danger of losing votes to the larger and more viable parties, or remaining in the bloc and being associated with the policies of larger partners (both MDF and SzDSz were more free-market than their respective partners). Both saw severe internal debates on this question, which contributed to their demise in 2009 and 2010.

By 2000 the core characteristic of Hungarian party competition was the increasingly polarised relationship between MSzP and Fidesz. This was as much about the liberal vs. Christian national (cultural) dimension of left-right competition as about socio-economic policy. The bitterly fought 2002 election saw the largest opposition party (MSzP) criticise the main government party (Fidesz) for incompetence, corruption, abuse of power and damage to democracy (Fowler 2002; Batory 2002); a pattern that was repeated when their roles were reversed four and eight years later (Batory 2010).

In the 2000s the MSzP (with its ally the SzDSz) adopted the more free-market and social liberal position, whereas Fidesz took up a stance based more on defence of national values and more critical of foreign capital (while the MDF staked out the free-market liberal territory, particularly in 2010); but this took second place to corruption, competence and identity. In 2006 Fidesz ran a campaign centred on the government's track record on unemployment, the increasing cost of living and medicines for the elderly; while the MSzP focused on Prime Minister Gyurcsány's popularity. In 2010 Fidesz went so far as to avoid any specific economic policy pledges after a brief mention of a policy option on pensions backfired when its costs were drawn into question;

whereas the MSzP emphasised its own track record in fiscal stabilisation and management of the economic crisis.

The nation and national self-determination consistently played a large role in Fidesz campaigns in the 2000s, and by the end of the decade each side had even begun to question the other's commitment to democracy. In 2006 Orbán's party emulated Berlusconi's football chant-inspired slogan – 'Go Hungary!' – and the 2010 campaign featured large posters of the party leader in front of the national flag. All three campaigns involved the two major parties trading accusations of fascism and communism; and in 2010 each accused the other of causing the rise of Jobbik. Both emphasised the need to overcome divisions: Orbán promised to unite the Hungarian nation and complete the unfinished transition from communism that began in 1989; Gordon Bajnai spoke of the need to tear down the 'iron curtain' that divided left and right in Hungary. By the end of the election this seemed no more likely than it had after the 2002 or 2006 election.

The 2010 'earthquake election' election – a perfect storm?

In the literature on comparative European party systems, the term 'earthquake election' was first used widely to characterise the Danish 1973 election, and to a lesser extent the Norwegian election of the same year. These elections saw the emergence of new populist anti-tax parties that fundamentally changed the dynamics of party competition, as well as the rise of post-materialist socialist left parties. The label fits the Hungarian 2010 election too, since it saw two new parties win seats, neither of which fit into the established pattern of party competition. With two long-standing parties (MDF and SzDSz) falling below the threshold for representation at the same time and Fidesz gaining the all-important two-thirds majority in parliament, 2010 was Hungary's 'earthquake election'.

Like the Scandinavian earthquake elections in the 1970s, the Hungarian 2010 election result was the product of a series of different and more or less independent developments that coincided to produce a shock to both the party system and to public policy. Almost all

the factors that came together at single point to form a ‘perfect storm’ in Hungary in 2009 and 2010 can also be observed elsewhere in Europe. They include: Fidesz’s centre-right populist profile and professional electoral strategy (comparable to Berlusconi’s in Italy); the cost of incumbency borne by the MSzP in time of economic crisis (much like governing parties elsewhere in Europe); the cost to smaller coalition partners like SzDSz when they share the blame for government policy but cannot point to substantial policy triumphs of their own (a problem familiar to the Liberal Democrats in the UK); the rise of populist ‘anti-party’ parties on the new left and new populist far right (familiar to any student of Dutch, Swedish and Finnish politics). Factors that are more specific to the post-communist region and affected Hungary particularly strongly include: a particularly strong and persistent anti-incumbency effect (the Hungarian party electoral system exacerbated this); the persistent problem of corruption (increasingly salient in Hungary); and dissatisfaction with the economic and political transition (stronger in Hungary than in the rest of the Visegrad countries).

Fidesz and MSzP: Polarisation, mainstream populism and the anti-incumbency effect

The most remarkable aspect of the 2010 election was also the most widely predicted: Fidesz’s overwhelming victory. Yet this was not a smooth rise to power. Although Fidesz had become the leading party on the centre-right with the 1998 election, it suffered two closely fought defeats in the next elections. In 2002, after four years in government with the MDF and the FKgP, Fidesz came close to becoming the first governing party in Hungary to win re-election (Batory 2002; Fowler 2002). Four years later, when it fought the election as Fidesz-KDNP, its failure to defeat the MSzP – SzDSz government defied most predictions (Batroy & Sitter 2006). Nevertheless, by 2010 the polls were clear: Fidesz-KDNP was set to win an absolute majority, and the only question was whether it would also capture two-thirds of the seats. A populist electoral strategy, which focussed on the party leader rather than policy, accounts for some of the difference between 2006 and 2010.

Although Fidesz may be described as a party of the centre-right, and is a member of the European People's Party, it is more comparable to Silvio Berlusconi's Forza Italia or the Progress Party in Norway than to the Christian Democratic Union in Germany or Norway's Conservatives in terms policy and electoral strategy as well as leadership and organisation. By 2010, Orbán had been party leader for 17 years, despite presiding over two consecutive electoral defeats. The 2010 SEI election report described a party that "conceives of the 'nation' in cultural rather than civic terms, is rather more reserved about the market in general than the Socialists, and socially conservative" (Batory 2010: 3). The 2010 campaign continued the 2006 themes of criticising the MSzP government for its handling of the economy, but any references to specific campaign pledges other than a 'big tax-cut' had been dropped in favour of a general campaign for change. In 2006 economic issues dominated the campaign, in 2010 anti-communism and corruption took precedence.

The Socialists' defeat was the other side of the same coin. Like Fidesz, the party had changed its profile in the 1990s and achieved a dominant position on its side of the political spectrum. Somewhat paradoxically from a West European perspective, the MSzP adopted a more pro-market stance than its main centre-right competitor. The 1994-1998 MSzP-SzDSz government introduced radical economic reforms, and its defeat in 1998 therefore came as no surprise. By the time the coalition returned to power 2002 the lesson had been learned all too well: consistent and prudent economic policy became a lower priority than re-election. The coalition won re-election in 2006, but at the cost of credible economic policy.

Prime Minister Ferenc Gyurcsány's effort to reverse this policy after the 2006 election (he had taken over in 2004) backfired dramatically. The party leadership's effort to shift gear in economic policy took a dive when Gyurcsány's message to a meeting of Socialist MPs to the effect that the state of the economy was far worse than any party had admitted in the electoral campaign was leaked in the run-up to the October 2006 local elections. Fidesz seized on this as an admission that the MSzP had run a campaign based on lies, encouraged opposition voters to take politics 'to the street', organised protests,

questioned the legitimacy of the election result, and boycotted Gyurcsány's speeches in parliament. The governing parties suffered a heavy defeat, and from which they never recovered. The coalition collapsed in early 2008, over economic policy disagreements after losing a Fidesz-sponsored referendum against user-fees for health care services, but Gyurcsán continued as a minority government. After his resignation in March 2009, a MSzP care-taker government under Gordon Bajnai saw out the four-year electoral cycle, embarking on a program of economic reform that was hardly calculated to appeal to the electorate. By that stage the Socialists had lost all hope of re-election: in the June 2009 EP election MSzP polled a mere 17.4 percent.

SzDSZ and MDF: The cost of coalition and liberalism

The story of the Alliance of Free Democrats is a near-perfect illustration of 'government-fatigue', or the danger that participation in government as a minority partner holds for small parties. Kaare Strøm (1990) famously based his theory of minority government on the argument that small parties may be better off lending external support to a minority government in return for policy concessions, rather than join a majority coalition and share the blame for policies they do not control. By 2009 the economically and socially liberal SzDSZ had participated in three centre-left coalitions with the MSzP, none of which had done much to restore the party's fortunes. To be sure, its participation in the 1994-1998 coalition (when the MSzP commanded a parliamentary majority on its own) helped ensure a market-liberal economic policy, and the 2002-2006 coalition did the party relatively little damage. Yet, like many small coalition parties that do not have a single issue on which they can demand demonstrable policy concessions (in sharp contrast to the agrarian parties in Scandinavia), the SzDSZ was left with little to show for its participation in government.

The serious problem for the SzDSZ came when the government's popularity collapsed in late 2006. Long-running internal debates about the party's role and strategy came to the fore. When, after the collapse of the Gyurcsán government in March 2009, the SzDSZ

decided to support Gordon Bajnai's caretaker government, several senior members quit the party. The SzDSz fell to a mere 2.2 percent in the EP elections that summer; and when he resigned party chairman Gabor Fodor cited remaining in the government coalition too long as his main regret. The election of Attila Retkes as his successor caused a division between the new leader and the parliamentary caucus, most of which continued to support Bajnai. Further resignations followed, and by March 2010 the party was in complete meltdown. It failed to collect enough signatures to field a national list in the election, and fielded a mere ten candidates in individual constituencies.

The MDF experiences similar problems and divisions linked to its coalition with Fidesz in 1998-2002 and to potential coalitions in subsequent elections. Such debates were an inevitable part of all election campaigns, particularly between the first and second round, when parties negotiate for each others' support for run-offs in single-member constituencies that were not filled in the first round. However, the MDF's dilemma also said much about the dynamics of competition between liberal free-market conservatives and the populist right in Central Europe (and increasingly across the whole EU). The MDF was originally based on cultural and national conservatism, but as Fidesz moved toward the cultural right MDF became more free-market-oriented (Palonen 2009). By mid-2002 Fidesz had effectively leapfrogged the MDF to the 'right' side of the party political spectrum.

Ibolya Dávid (MDF leader since 1999) response to Fidesz increasingly populist strategy was to take the party further in the free-market liberal direction, although this cost her considerable support. In 2006, she fought the election on an anti-populist platform, directed against both the MSzP and Fidesz. The MDF's crossing the five-percent threshold was widely seen as a vindication of her stance and strategy. Yet internal debate continued, and in March 2009 three MPs left and the party fell below the 10-MP threshold for qualification as a caucus. The choice of Lajos Bokros (finance minister in the centre-left 1994-1998 government and author of its economic reform package) to head the MDF's list in the 2009 EP election and be the party's candidate for prime minister in 2010 was testimony to the party's non-populist strategy as well as it clear

free-market profile. However, in the context of a broad popular backlash not only against the MSzP but also against the Bajnai government's economic reform and crisis measures, this was not a winning strategy.

LMP and Jobbik: the triumph of anti-party politics

For outside observers perhaps the biggest shock of the Hungarian 2010 election was that a far-right party with links to a uniformed movement took 16.7 percent of the vote and became Hungary's third largest party. The green LMP's success was both less extensive and less shocking, but to some extent it was a mirror image of Jobbik's success. Both the new parties were protest parties. Jobbik had long been an insignificant fringe party on the far right, but emerged as a strong nationalist challenger when it polled 14.8 percent in the 2009 EP elections and won three seats. LMP, Lehét Más a Politika – which full name translates as Politics can be Different, was established as a green alternative to a discredited political establishment, building on commitment to social justice and participatory politics. Its first national poll was the 2009 EP elections, when it took 2.6 percent. Both were 'anti-parties' in the sense that they eschewed the term 'party', criticised all the established parties for corruption and presented themselves as clean alternatives.

Jobbik's national breakthrough in the 2009 EP elections came on the back of a campaign that mobilised 'real' Hungarians against traitors, stood up for the nation (its slogan "Hungary for the Hungarians" was eventually ruled unconstitutional), and addressed "one of the underlying problems of Hungarian Society, the unresolved situation of the ever growing gypsy population" (cited in Batory, 2009: 7). Its success in the 2010 election involved the usual factors associated with the extreme right across Europe: disaffected voters, discredited mainstream parties, anti-establishment protest, economic recession, unemployment, cultural protectionism, immigration, ethnic minorities, and a populist organisation that capitalised on this (Taggart 1998; Norris 2005). In Hungary the anti-establishment backlash was exacerbated by corruption (popularly perceived as worst in

the MSzP, but affecting all the established parties); the global economic crisis, exceptionally high levels of unemployment in the north-east, and Jobbik's effort to associate crime with the governing parties, international capital and the Roma minority.

LMP was founded as a movement in October 2008, built around a broad network of environment NGOs that spanned much of the left – right spectrum both in cultural and socio-economic terms. Like Jobbik, it made the most of the antiestablishment backlash, picked up on an anti-globalisation and anti-capitalist trend, and won support from a disproportionate share of young (especially first-time) voters. However, it did this from the diametrically opposed ideology, partially filling the void left by the collapse of SzDSz among urban liberal voters. It came close to the Scandinavian left-green parties in its emphasis on participatory democracy, social justice and sustainable development, as well as soft Euroscepticism (Batory 2010). Its 2010 campaign emphasised the environment, tolerance and inclusion (i.e. of the Roma minority), and grass-roots participatory politics; and it was strongly critical of the political establishment, clientelism and corruption.

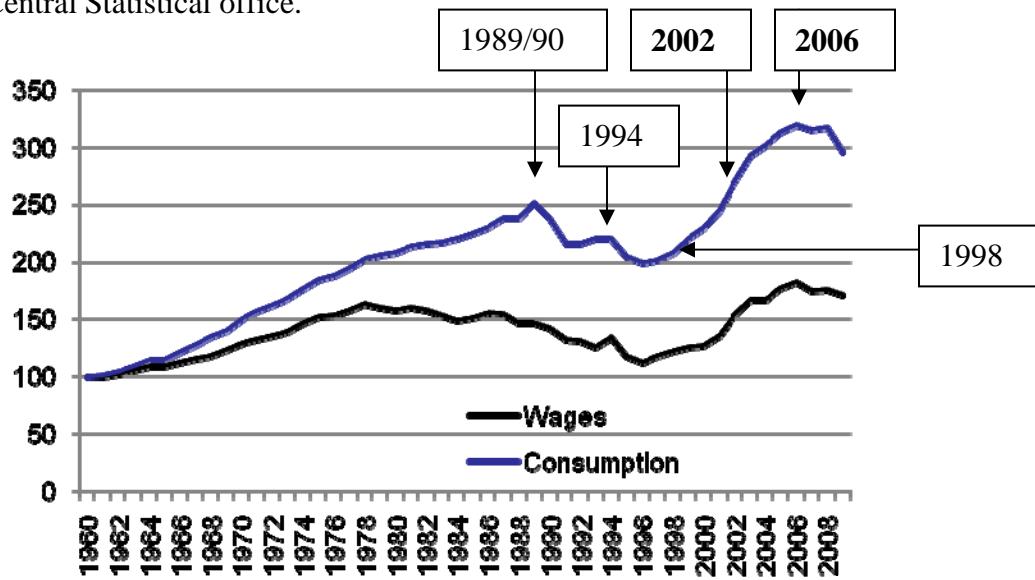
Why Hungary? Majoritarian institutions and comparative transition

The strategies adopted by the four established political parties and the two new challengers goes a long way towards explaining why it was the 2010 election that became Hungary's earthquake election. Either of the two smaller parties could have fallen below the electoral threshold four years earlier (the polls indicated as much), and Fidesz could well have won that election. In either case, the 2010 result would have seemed less dramatic and the party system change appeared less radical. However, three additional factors help explain why this dramatic election took place in Hungary rather than in one of the other countries discussed in this volume.

First, the Hungarian electoral system amplifies electoral trends because a large proportion of the seats in parliament are filled in single-member constituencies (without the additional proportional adjustment that is used in the German system). This effect is

relatively small when the two main parties run neck-and-neck and share these constituencies more or less equally between them, as was the case in 2002 and 2006 when wages and consumption had grown consistently during the government's four years in office (see Figure 12.1). However, as Table 1.2 shows, when the largest governing party suffered a serious decline in votes, the electoral system magnified the victor's gains in terms of seats dramatically. In 1990 the MDF won 43 percent of the seats with 25 percent of the votes; in 1994 the MSzP won 54 percent of the seats with only 33 percent of the vote; and in 1998 Fidesz took 38 percent of the seats with 30 percent of the votes. When Fidesz polled an unprecedented 53 percent of the votes in 2010 its reward was even more dramatic: it crossed the all-important two-thirds threshold with 68 percent of the seats. In short, the anti-incumbency effect *in terms of seats* is often stronger in Hungary than in the other Visegrad countries.

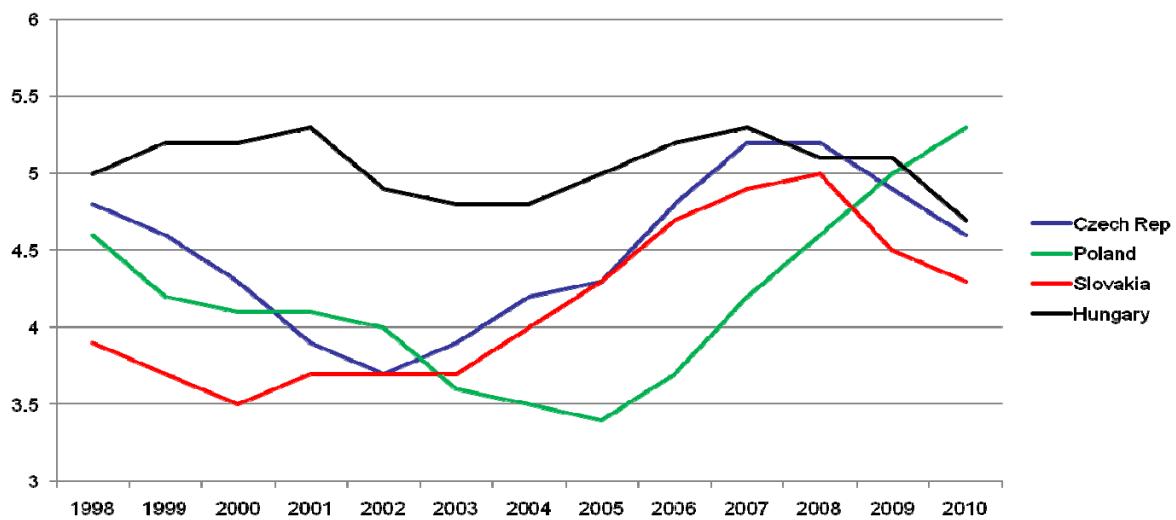
Figure 12.1. Wages and Consumption in Hungary, 1960=100. Source: KSH (Hungarian Central Statistical office).



Second, although corruption has been a persistent problem in most formerly communist states, it had become a particularly salient issue in Hungary by the late 2000s. As Figure 12.2 shows, corruption is not perceived as remarkably worse in Hungary than in the other three Visegrad countries (note that a low score indicates high levels of corruption, e.g. the Nordic countries score between 8.5 and 9.3). However, unlike the other three states, where

the problem seems to have abated over the last decade (with a small relapse in the Czech and Slovak cases with the economic crisis), corruption is perceived as persistent *and worsening* problem in Hungary. Jobbik and LMP successfully made much of this in their 2009 and 2010 campaigns, as (somewhat more surprisingly) did Fidesz.

Figure 12.2. Transparency International, Corruption Perception Index.



Third, Hungarian votes take a somewhat dimmer view of the economic and political transition over the last two decades than their counterparts in Poland, The Czech Republic and Slovakia. Figures 12.3 and 12.4 suggest that twenty years after 1989 Hungarians were less inclined to judge the democratic transition a success (barely more than a quarter of those polled; more whereas more than two-thirds judged it a failure) compared to the three other countries (where the proportions are almost exactly the reverse); and less inclined to assess the situation in 2009 in favourable terms compared to the pre-1989 situation. The present chapter is not the place to dwell on the possible reasons for this (and the survey cited below is after all only a single snap-shot at a time when the Hungarian government was exceptionally unpopular), except to note that Hungary's version of communism was considerably less severe than in its northern neighbours in both political and economic terms (Schöpflin 1993).

Figure 12.3. CEU Center for Policy Studies, PASOS survey, Oktober 2009. Question: From the perspective of 20 years do you think that building democracy in our country was a success or a failure?

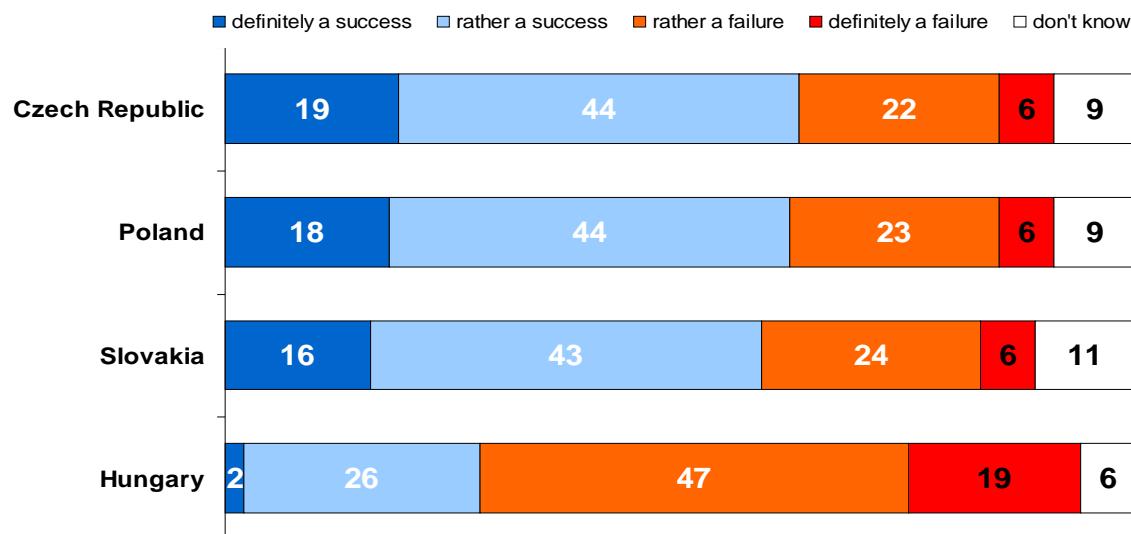
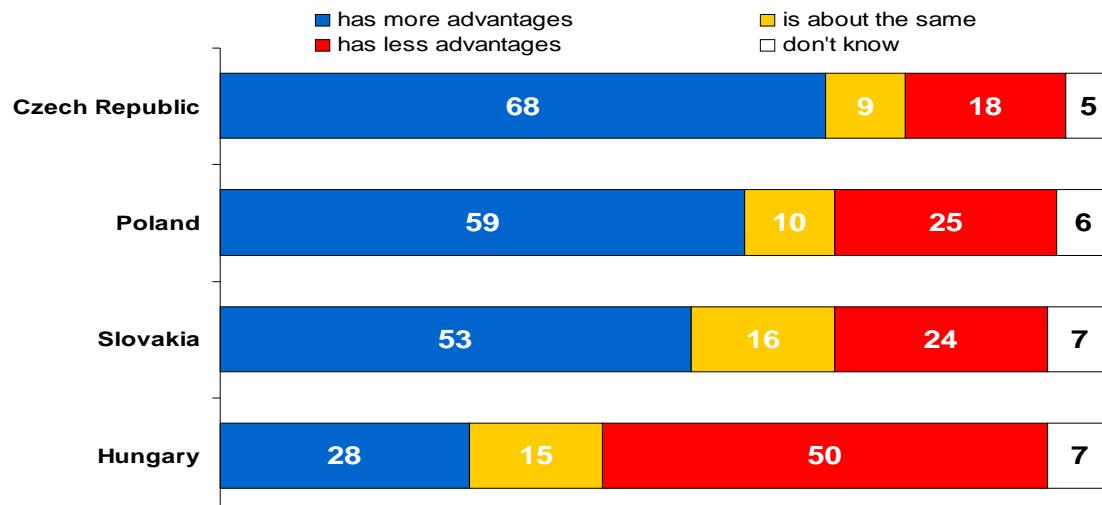


Figure 12.4. CEU Center for Policy Studies, PASOS survey, Oktober 2009. Question: If you compare the pre-1989 period with the present, do you think the current one has more advantages?



Hungary twenty years after the fall of communism: Polarised non-pluralism.

The 2010 election changed the Hungarian political landscape in three substantial ways. First, after twenty years the process of party system development effectively left only two of the original six parties still standing – the MSzP and Fidesz. The competition to shape ‘left’ and ‘right’ in Hungarian politics thus reached a bi-polar state, which looked quite stable one year into the 2010-2014 parliamentary term. However, big questions marks are attached to the prospects of the two new parties, as well as to the two smaller parties’ efforts to regroup after electoral ‘death’. Second, the Fidesz-KDNP government immediately embarked substantial changes to economic policy. Efforts to re-negotiate budget deficit targets with the IMF and EU in the summer of 2010 failed, but the government introduced major changes to taxation, competition and industrial policy in the autumn. Third, unlike the last government (1994-98) that controlled a two-thirds majority in parliament, the new government made it clear that it would use its power to effect major constitutional change, undoing parts of the compromise of 1989 upon which the political system had rested for twenty years.

In terms of party system development and change, the election confirmed and completed the pattern of polarised two-bloc competition. Fidesz showed no sign of moving to a more centrist strategy in the aftermath of the parliamentary election; nor did MSzP. However, a debate on future strategy got underway when Gyurcsány launched a new faction (the MSzP is unusual in that its bylaws allow for the establishment of party factions) and hinted that he might establish a new party if the MSzP fails to undertake serious reform. The medium-term question is which political party would benefit most if and when Fidesz experienced the backlash that most governing parties sooner or later face. Given the considerable unpopularity of MSzP, could another party emerge as the strongest opposition to Fidesz? Jobbik cast itself in this role, vying for the position in 2014 as the only party untainted by government. The question is whether Jobbik has mobilised to its full potential, in the near-ideal conditions of polarised and de-legitimised politics, or whether it can attract future disgruntled Fidesz voters. LMP is a broader and more divided party with some way to go before it can present a clear and consistent governing alternative to Fidesz. Although it struggles to position itself clearly with reference to government and opposition, it embarked on a process of institutionalisation in 2011. Both MDF and SzDSz took time out in to re-organise, with a view to a return to the political scene. However, a year after the election, the SzDSz remained all but defunct. Although it recast itself as a more participatory grassroots movement, led by a five-member Governing Committee, it all but disappeared from the news. With Ibolya Dávid’s resignation as party leader after the election, the future path for MDF opened wide up. In March 2011 it elected a new leader, Zsolt Makay, and changed its name to the Democratic Community of Welfare and Freedom (JESz). Whereas the polarised competition between the two main parties thus seems a safe bet, questions about Jobbik’s potential and the possibility of a stronger centre remain open. Unlike 2009-10, there will be no general rehearsal in the form of an EP election: the 2014 EP election will come two months after the general election.

The second substantial dimension of change in 2011 was economic and industrial policy. Commentators sympathetic to the government characterise the Bajnai government's crisis measures as superficial, blame the outgoing government for false accounting, and suggest that the new government is merely reversing the damage done by eight years abuse of power by ex-communist oligarchs and tax-exempt foreign business and praise its plans for a 16-percent flat income tax. Those more impressed by the Bajnai government's fiscal stabilisation programme and sceptical of Fidesz's strategy point to the government's break with the IMF and EU over its budget deficit (an agreement with the EU was later reached), and its short-term raiding of the coffers of the banks, electricity companies, telecom operators and supermarket chains, most of which are foreign owned. The European Central Bank criticised the bank tax for being designed to raise general revenue rather than to ensure fiscal stability. The Financial Times, which in April welcomed Orbán's victory and the power the two-thirds majority conferred upon him, used the term 'maverick' to describe him three months later. The failure of the government's talks with IMF in June 2010 over renewal of the €20bn credit facility negotiated in 2008 came in the context of sharp EU and IMF criticism of the special levy ('crisis tax') on banks announced earlier the same month. A law capping public sector pay (and thus reducing the Central Bank governor's pay by 80 percent) drew criticism from the European Commission for infringing Central Bank independence, and threatened legal action. In October the government announced that it was redirecting payments to private pensions to the government budget for the next 14 months, prompting an investigation by the European Commission. To the extent that the latter represents a move from taxing big business to measures that hit the middle classes, it might undermine support among Fidesz core constituency. As the year 2010 was coming to a close, the question was whether the government's economic and industrial policy strategy would be sustainable beyond the short term.

Third, and finally, Fidesz announced that it would have a new constitution in place in 2011, possibly by the Hungarian national holiday, March 15th 2011. Several Fidesz politicians have suggested that the new constitution start with the first sentence of the national anthem. June 4th, the day the Treaty of Trianon (which reduced Hungary roughly to its current borders after the dissolution of the Austro-Hungarian Empire) was signed in 1920, was declared a day of national unity. The government began a series of constitutional changes within weeks of taking office, including changing the nominations for the Constitutional Court and amending laws on elections, local authorities, the media, and citizenship for ethnic Hungarians abroad. Changes to electoral laws included replacement of the members of the National Election Commission, increasing the number of signatures needed for candidates in local elections, and reducing the size of the national parliament by half; other changes to public administration included a law that permitted the dismissal of state employees without explanation. The first time the Constitutional Court struck down a law passed by the new government (in October it ruled on a 98-percent tax on severance pay above a certain threshold), the government responded with a constitutional amendment that limits the Court's power of constitutional review. In short, when Viktor Orbán spoke of 'system change' on election night April 11th 2010, and of completing the revolutions started in 1956 and 1989, few commentators

appreciated the extent of the changes – both constitutional and policy-wise – that would be in place less than a year later.

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