

COVID-19 in Hungary

Challenges and Opportunities for Progressives

By Dávid Dorosz, Krisztina Hegedűs, Dániel Prinz, Dániel Róna,
and László Sebián-Petrovski

Introduction

The COVID-19 pandemic hit Hungary at a unique moment in the evolution of the current political regime. Since coming to power in 2010, Prime Minister Viktor Orbán's government has sought to build a new political system that he calls "illiberal" democracy.¹ By the fall of 2019, the illiberal project was nearly complete in Hungary: The government and the governing party controlled all nominally independent institutions and the vast majority of even nominally independent media. This centralized power structure is complemented by an extensive system of graft and a new oligarchy.

But the October 2019 municipal elections posed a unique challenge to the government: While the government's side still received the majority of votes in national elections, opposition parties won elections in a number of larger cities and in the country's capital. In this sense, the COVID-19 pandemic hit the government at a vulnerable time. The government's public health and economic response was slow, and when the government did finally respond, it invested heavily in publicity rather than in effectively addressing the challenges facing Hungarians. Yet despite these failures, according to current polling data, the government's crisis management is still viewed positively by a slight majority. (see Figures 1 and 2)

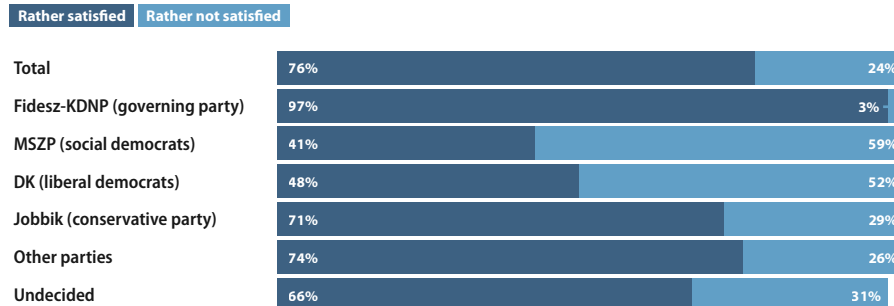
The recovery from COVID-19 in Hungary has played out within the post-2010 Hungarian illiberal democracy and against the backdrop of recent wins for progressives in local elections. This paper discusses the government's economic and social response to the pandemic and identifies opportunities for progressive alternatives in the short and long term.

FIGURE 1

Voters from the governing party in Hungary are very satisfied with the government's handling of the pandemic, while other voters are much less satisfied

Hungarian satisfaction with how parties have handled the pandemic

Question: "How satisfied are you with the way the government has handled the coronavirus situation so far?"



Permission granted by Népszava.

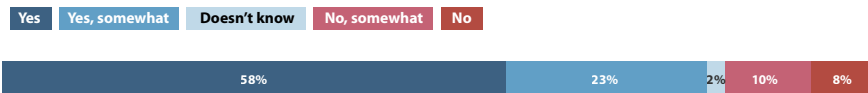
Source: Nagy B. György, "A remény rabjai a magyarok - felmérés a kormányról, az egészségügyről és a hitről" (Budapest: Publicus-Népszava, 2020), available at https://nepszava.hu/3072220_a-remeny-rabjai-a-magyarok-felmeres-a-kormanyrol-az-egeszsegugyrol-es-a-hitrol.

FIGURE 2

Most Hungarians feel confident that the government can handle the virus

Perceptions of the government's ability to handle COVID-19, March 2020

Question: "Are you confident that the government can handle the situation if the virus spreads further domestically?"



Permission granted by Népszava.

Source: Nagy B. György, "A remény rabjai a magyarok - felmérés a kormányról, az egészségügyről és a hitről" (Budapest: Publicus-Népszava, 2020), available at https://nepszava.hu/3072220_a-remeny-rabjai-a-magyarok-felmeres-a-kormanyrol-az-egeszsegugyrol-es-a-hitrol.

Hungary's illiberal turn since 2010

Since coming to power in 2010, Prime Minister Orbán has systematically changed Hungary's political system. As a result, in the past decade Hungary has turned from a functional democracy into a hybrid regime where free and fair political competition is limited. This democratic backsliding has been extensively illustrated by the drop in the country's ranking in international democracy (Freedom House gave Hungary's democracy 49 points out of 100 and categorized it as a transitional or hybrid regime;² among European Union member states, Hungary came last in the Global Freedom Status index³) and in the freedom of press reports (On the World Press Freedom Index, Hungary ranked 73rd in 2018 and 89th in 2020).⁴

These changes are motivated by the ever-growing concentration of power and are complemented by the rise of a new oligarchy, intimately connected with Orbán's inner circle. In our view, the erosion of the core functions of a democratic state—

rule of law, free speech, etc.—is inherently intertwined with the concentration of wealth in the hands of a small group of oligarchs and even the prime minister’s family. From this perspective, the story of Hungary’s past 10 years could be viewed as a classic case of state capture.

The move toward illiberal democracy and the concentration of power in Hungary is demonstrated by several events:

- The government’s introduction of a new electoral system in 2011, which represented a strong move toward majoritarian representation and gave an edge to Fidesz, the ruling party, over the opposition. The unfair system has been plagued by serious gerrymandering. For example, if the opposition receives 48 percent of the popular vote and the government 45 percent, it will probably result in the same number of seats. The opposition needs to have an even bigger advantage in order to gain a majority.
- The appointment of Fidesz politicians, former members of Parliament (MPs), and other friendly figures to institutions that are supposed to operate as checks and balances, including the president, the prosecutor general, the Constitutional Court, the National Office for the Judiciary, and the State Audit Office, among others.
- The extending of control over most of the country’s media. The extensive and well-financed public television and radio networks operate as mouthpieces of the government, and oligarchs closely associated with the government control most of the private networks and online and print outlets.
- The establishment of a new oligarchy financed through extensive graft, including from development funding from the EU.
- The use of extensive advertisement campaigns financed from public funds to support the government’s narrative, including campaigns against the EU, George Soros, nongovernmental organizations, and refugees. During the 2018 national election campaign, the government outspent the entire opposition by a margin of 10 to 1.

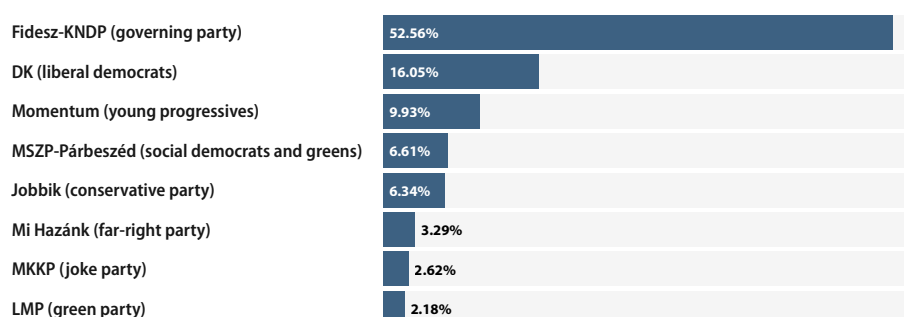
The government’s political base

The government’s popularity has fluctuated somewhat since 2010: It received 53 percent of the popular vote in 2010, 45 percent in 2014, and 49 percent in 2018. Yet due to changes in electoral law, the government has maintained its supermajority in parliament and has asserted tight control over the country. The ruling party currently controls about 50 percent of the popular vote versus 50 percent of the public, which supports the divided opposition. For example, in the May 2019 European Parliament election (which is a purely proportional election), Fidesz received 53 percent of the vote, while various opposition parties captured between 16 percent and 2 percent between seven different parties.⁵ (see Figure 3) Fidesz’s

lead is considerably smaller among Hungarian expats, although it is still the most popular party followed by Momentum Movement and the Democratic Coalition (DK). (see Figure 4 for the results of the 2019 European Parliament elections among people who cast their ballots at foreign missions) Thus, Fidesz's high popularity can be partly explained by its huge advantage in resources such as media and money—but it is the most popular party even among those who use websites as a primary source of information. (Online media outlets are much less controlled or influenced by the government than traditional media outlets, according to an independent media analysis group.⁶)

FIGURE 3
The governing party in Hungary, Fidesz, received a majority of votes last year

Results of the 2019 European Parliament elections in Hungary

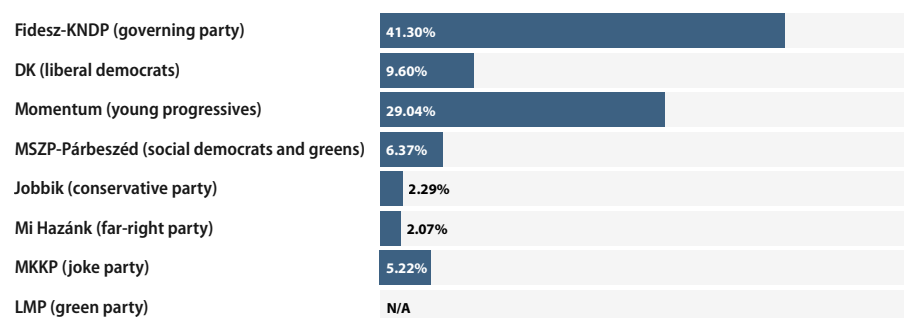


These data are publicly available in Hungary.

Source: Hungarian National Election Office, "Európai parlamenti képviselők választása 2019 - külképviselési szavazási adatok," available at https://www.valasztas.hu/kulkepviseleti-szavazas-eredmenye_ep2019 (last accessed December 2020).

FIGURE 4
Support for the progressive party in Hungary was much higher among those who cast their ballots at foreign missions

Results of the 2019 European Parliament elections in Hungary from those who voted abroad



These data are publicly available in Hungary.

Source: Hungarian National Election Office, "Európai parlamenti képviselők választása 2019 - külképviselési szavazási adatok," available at https://www.valasztas.hu/kulkepviseleti-szavazas-eredmenye_ep2019 (last accessed December 2020).

In the October 2019 municipal election, an opposition coalition was able to capture several major urban centers and Budapest; the countryside, however, is still dominated by Fidesz. These results put Fidesz into a somewhat vulnerable position (although it is still clearly more popular than the progressive opposition) and may serve as a springboard for future challenges, including in the 2022 general elections. Opposition parties will likely need to unify to build stronger support.

There are several factors behind the popularity of Prime Minister Orbán and his ruling party, Fidesz. One of the most important factors is the economic vote. Since 2014, Hungary's economy has produced stable economic growth—around 4 percent in most years, the first period of sustained growth since the early 2000s. More importantly, before COVID-19 hit Hungary, most people perceived their economic situation to be better than (or at least as good as) the previous year. This growth has been partially fueled by the influx of significant EU funds as well as a favorable international environment. But the current crisis and its associated economic downturn will make it challenging for the government to maintain its popularity among those whose support is based on the economic security it provides.

As the largest party, Fidesz is popular among all strata of the society. Surprisingly enough, among all groups, the underclass is the most predictably pro-government: Approximately 70 percent of people with low levels of education, low-income workers, public workers, Romani citizens, and people living in small towns support the government. One possible reason for this is voter intimidation: Underprivileged citizens are the most exposed to intimidation. This does not necessarily mean violence or direct threats (e.g., the threat of losing a job) but rather that many towns are run by a loyalist mayor who sets the rules and norms for the public sphere, and that can influence voter's perceived choices. Another component is media bias: The reach of the government media is much bigger, in general, and is especially dominant in the countryside. Overall, small villages tend to be more conservative, traditionalist, and religious—not just in Hungary. Finally, the economic vote theory also applies to these voters: Before COVID-19 hit Hungary, only 30 percent of the underclass felt that their economic situation had deteriorated recently.

COVID-19 and recent developments

Since early March, the government has shifted gears. Using the fight against the virus as pretext and under the cover of the pandemic-focused public attention, Prime Minister Orbán has further concentrated power. For example, during the first two months following the onset of the crisis, the government has introduced new laws that:

- Allowed indefinite rule by decree on matters related to the virus broadly defined
- Further eroded the transparency of public spending
- Made the financial details of the Sino-Hungarian Budapest-Belgrade railway project—part of the Belt and Road Initiative—a state secret (the project will likely result in huge financial gains for Fidesz-friendly oligarchs)
- Reallocated tax revenues from local municipalities to the central government—a move that hurts municipalities run by newly elected opposition mayors
- Banned the previously allowed official change of gender
- Adopted a political declaration to reject the Istanbul Convention that combats violence against women
- Cut 2020 public funding for parties into half, which hurts opposition parties enormously
- Arrested some local opposition figures with the (false) charges of “fearmongering” and “posting fake news”⁷

This activism, however, may well have come to an end for the time being. In June, the parliament revoked the enabling act introduced when COVID-19 hit Hungary.

On the public health side, Hungary was relatively successful in handling the pandemic during the first wave of infections. The infection and death rates were under control, especially compared with other European countries. It was partly due to the fact that soon after the first positive cases were detected, the government shut down schools and imposed a lockdown on the whole country. Apart from essential services and workers, everyone else was urged to stay at home. However, the government seems less successful in handling the second wave of infections, which has been unfolding since the beginning of September. It was clear that the lockdown imposed during the spring hit the economy very harshly—and consequently, the government has concluded that imposing such strict restrictions cannot be the solution once again. Therefore, as of writing (late October 2020), there have not been strict restrictions imposed, and in line with that we have been seeing a drastic increase both in the number of new infections as well as deaths. The trajectory is similar in the other Visegrad 4 countries, although the situation in Poland and the Czech Republic is clearly worse at this point.

By the end of October 2020, there have been around 66 000 people diagnosed with the virus in Hungary, even though many believe this number to be higher. Hungary has a poor performance in terms of testing capacity: Among 48 European countries, Hungary is only at the 42th place in the ranking of number of tests per 1 million people.⁸ Given the sufficient technologies and infrastructures, Hungary has not managed to prepare for the second wave of the pandemic appropriately, and it's clearly alarming whether the health care system will be able to handle the worsening situation.

Progressive opportunities in national politics

Progressive leaders can do very little about many of the fundamental factors that allow the government to use its powers to consistently appeal to constituents. But there are plenty of other things they can do.

First, progressives should make it a priority to clearly communicate policies to the underclass and the countryside a priority. Most opposition MPs are from Budapest, and the party organizations are also concentrated in the capital. All too often, opposition messaging targets intellectuals, and even the language used is hard to comprehend for everyday Hungarians. Progressives should focus on reaching these populations as effectively as the government does to explain how the progressive agenda works.

Disengaged Hungarians are another neglected group. Opposition parties often aim to mobilize their core supporters by offering harsh criticism of Orbán's anti-democratic measures. But disinterested and disaffected people are not mobilized by messages about democratic institutions or by ideological and historical debates (or even by crying "dictatorship"). Instead, these voters care about the economy, health care, and other everyday issues. The progressive opposition should make these issues central to its agenda.

Finally, message discipline is not a strong suit of the opposition. Most opposition politicians change their message very often, and daily press releases and interviews fail to create a comprehensive narrative. Fidesz, on the other hand, offers a stable, comprehensive narrative which is reflected in most of its statements. As a result, most people are well aware what the intentions of Orbán are—but only a few know what the opposition stands for. Unifying around common themes and campaign ideas will be key to developing a progressive narrative that appeals to all Hungarians.

Four avenues present themselves to progressives at the national level:

- **Collaborate with NGOs to expand access to independent news everywhere.** Modeled on the award-winning NGO, “Print It Yourself!” (“Nyomtass Te is!”), progressives should prioritize expanding access to independent journalism across the country. The bottleneck is not the existence of high-quality reporting on government corruption or economic and social problems but the lack of access to that reporting. Creating a platform that expands access to independent news sources would solve this problem. Opposition parties should finance this platform jointly and allow independent NGOs to manage it.
- **Launch a campaign for free and fair public media.** The government’s takeover of widely accessible public media as a regime mouthpiece makes it more difficult for progressives to get their message across. Moreover, it is in the interest of all opposition parties to make public media free and fair. There are several opportunities to campaign for free and fair outlets because the operations of public media can be challenged legally and through activism.
- **Establish a local presence everywhere.** To grow support for progressive policies, opposition parties need to find creative ways to establish face-to-face presence everywhere. Now-French President Emmanuel Macron’s Grand Marche could serve as an example of a campaign that explicitly centered around learning citizen’s concerns while facilitating face-to-face interactions. The opposition party Momentum’s consultations and attempts at establishing action groups in different places to solve local problems are also good examples but need to be expanded and systematized.
- **Use municipal governments to make the case for progressive politics.** Municipal governments have the ability to implement progressive initiatives (such as the basic incomes initiatives implemented in several districts of Budapest) in order to show what the progressive opposition parties would do at the national level and to demonstrate their ability to govern.

It is worth questioning whether October 2019 is a turning point. The progressive fight in Budapest and the municipalities in the recent elections were the first time the opposition managed to stage a concerted challenge against Orbán. These elections made the weak spots of the political system and culture created by Orbán painfully apparent and resulted in flipping Budapest and 12 of the country’s 23 biggest cities back to the opposition. This was the first crack in the wall that has injected new energy into opposition forces, and could be used as a springboard for more progressive policies at the municipal level.

Although the aim of the new mayor of Budapest was to have a normal partnership with the government, the first electoral defeat for Orbán's party in nine years did not change the government's hostile attitude to the opposition. To prove the supposed incompetence of the opposition-led municipal governments, the government reduced municipal autonomy, cut local governments' funding, and used every opportunity to blame elected local leaders of the opposition for each and every issue. The government routinely mentions the opposition's responsibility and inability to solve problems to deflect blame from their own policy failures.

As the directly elected leader of the capital, Budapest Mayor Gergely Karácsony is effectively the leader of the opposition in the sense that he has by far the most media appearances, both in the independent media and the government-controlled outlets. Representing the people of Budapest, Karácsony has sought to negotiate with the government on key issues rather than simply oppose. For example, the capital has the most sport investments in the country, making it very important for Orbán's ambitions. But Karácsony has called for prioritizing the development of health care, public transport, and green areas first and said sports investments should come only after these are funded.

Four strategic priorities guide the progressive agenda in Budapest:

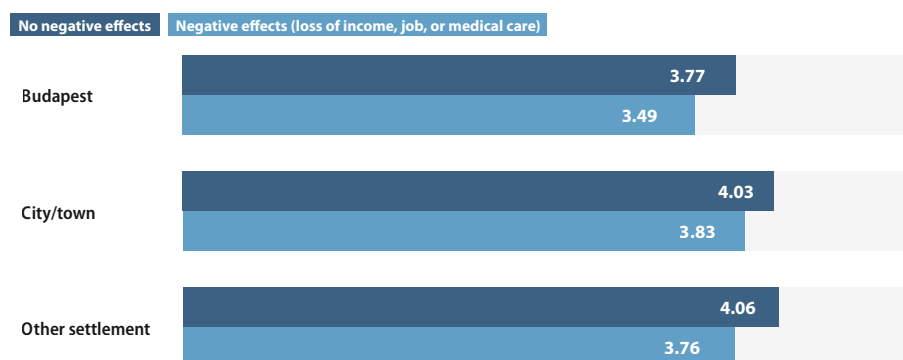
- **Implementing progressive policies locally.** The municipality of Budapest implements progressive policies locally and encourages districts of the city and other municipalities to do the same. There is a strong emphasis on involving NGOs in local decision-making and using participatory budgeting to better involve citizens in the process of deciding how public money is spent. To fight against social inequalities, the municipality offered rent allowance to those citizens who were negatively affected by the pandemic and renewed 70 flats to provide safe temporary placement for homeless people.
- **Staying ahead of the government.** During the pandemic, the municipality of Budapest was always one step ahead the government: Budapest closed theatres and cinemas before the government decided to; when there were not enough masks for citizens, Budapest ordered them from abroad; and the municipality not only urged the government to take up COVID-19 testing spots in the country but was also first in organizing those spots. (For people's opinion on how satisfied they were with the actions of the local government, see Figure 5)
- **Increasing the city's independence from the government.** Budapest's progressive leadership has taken steps to increase the city's economic independence from the state. The municipality places strong emphasis on lobbying European institutions in order to convince them to give direct access to funds from the European Green Deal to large cities such as Budapest at the forefront of climate protection.

- **Creating international visibility.** The city increased its efforts to become more visible at international level, and the mayors of Warsaw, Prague, Bratislava, and Budapest signed the “Pact of Free Cities” against populist national governments in the Visegrad 4 (V4) region (Poland, Czech Republic, Slovakia, and Hungary are often being referred to as the V4 group given their geographic closeness to each other as well as the fact that they usually share the same views on European issues).

FIGURE 5

Hungarian respondents' satisfaction with the government response to the pandemic varies by where they live in Hungary

Satisfaction with local government responses to COVID-19 — average values on a scale of 1 to 5



Permission granted by Tarki Social Research Institute.

Source: Tarki Social Research Institute, “Economic and social consequences of the COVID-19 epidemic: distribution and opinion of the involved parties on the measures accompanying the epidemic” (Budapest: 2020), available at https://tarki.hu/sites/default/files/2020-07/-Covid_ENG_fin_FB.pdf.

COVID-19 and Hungary’s economy: Challenges and progressive responses

The exact size of the economic downturn resulting from the pandemic is hard to predict. The Hungarian government’s most recent prediction is that in 2020, the economy will contract between 7 and 9 percent of GDP.⁹ The European Commission predicts a 7 percent contraction in 2020, followed by 6.3 percent growth in 2021.¹⁰ The International Monetary Fund (IMF) has projected a 2.8 percent contraction in 2020, followed by 4.2 percent growth in 2021.¹¹ Crucially, the size of the economic downturn depends on the dynamics of the pandemic, the outside economic environment, and the government’s economic policy response.

Compared with the 2008 crisis, Hungary is facing the current crisis with low budget deficits and a better ability to implement appropriate economic and social policies from a budgetary point of view. The key challenge is that the government has built a case for work-based society over the past 10 years, making the country more unequal and implementing several key policies that are essentially regressive. The government’s economic and social policy framework is not well suited to deal with the current crisis.

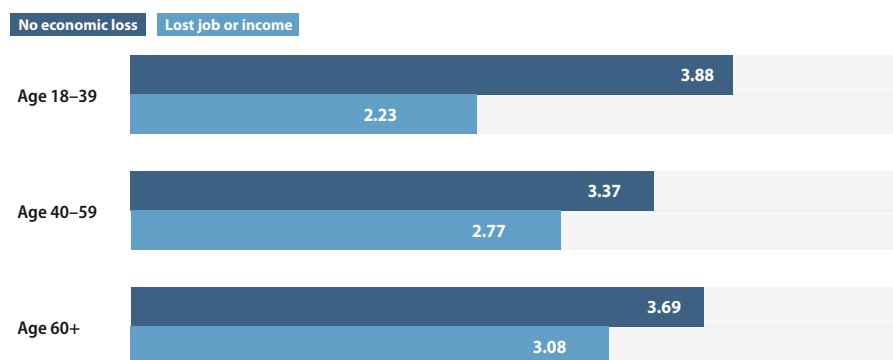
Evaluating the government's economic and social policy response

The government's economic and social policy response has been slow and insufficient in size, and it has failed to address job losses and social problems. Its budgetary resources are also poorly structured. Overall, the government's response fails to sufficiently cushion the economy and protect jobs and people, and it risks sustained and otherwise avoidable damage to Hungary's economy. (On how satisfied people were and are with the measures introduced by the government, see Figure 6)

FIGURE 6

Hungarian respondents' satisfaction with the government's response to the pandemic varies by age range

Satisfaction with economic measures — with average values on a scale of 1 to 5, by age segments



Permission granted by Tarki Social Research Institute.

Source: Tarki Social Research Institute, "Economic and social consequences of the COVID-19 epidemic: distribution and opinion of the involved parties on the measures accompanying the epidemic" (Budapest: 2020), available at https://tarki.hu/sites/default/files/2020-07/-Covid_ENG_fin_FB.pdf.

Hungary's government was slow in announcing its economic policy response relative to its regional counterparts. Hungary's main economic response package came one to three weeks after measures were announced in Austria, the Czech Republic, the Slovak Republic, and Poland. The total size of the response is still considerably smaller than those of other countries.

While other countries are financing large fiscal responses from substantial increases to their budget deficits, Hungary's government is proposing to fund its response largely from taxes and the reallocation of budgetary funds without much new spending. Most likely for political reasons, budget reallocations include substantial cuts of local government budgets and a 50 percent cut in state funds allocated to political parties. The latter measure represents just 3.4 million euros—0.2 percent of the costs of the government's plan—but puts opposition parties on the brink of bankruptcy.

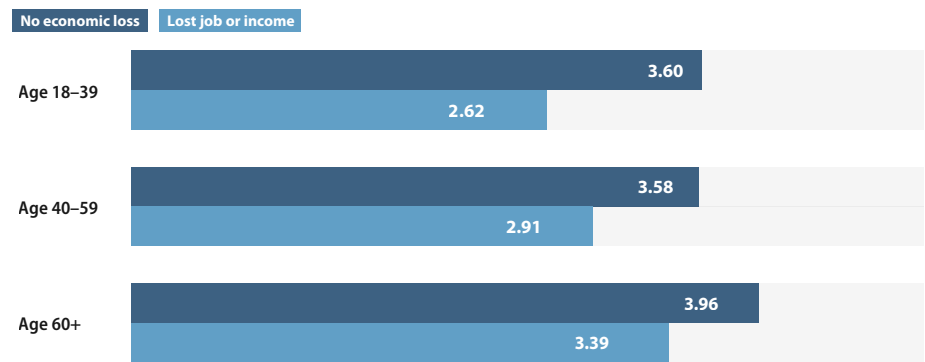
The government is doing much less to protect jobs than most of the region. Hungary's government passed "a special Hungarian version of *Kurzarbeit*"¹² that is limited to employers that reduce working hours by at least 15 percent but no more than 75 percent, compensates 70 percent of the lost working hours for

three months, and comes with a complex application procedure that runs the risk of funds being allocated in a nontransparent and inefficient way. Payments are capped at 315 euros.

The government has also not adopted any measures that would address the needs of the large number of Hungarians who face job loss. The three-month duration of unemployment insurance was already the shortest in the EU pre-crisis, and no extension has been announced. There have been no announcements of any substantial income support programs to support families in need either. The government has instead focused on a program work-based society: The idea is that people should not get government transfers unless they work. (On how satisfied people were with the medical care provided by the government, see Figure 7)

FIGURE 7
Older people in Hungary tend to be more satisfied with the state's health measures in response to COVID-19

Satisfaction with health measures — with average values on a scale of 1 to 5, by age segments



Permission granted by Tarki Social Research Institute.
Source: Tarki Social Research Institute, "Economic and social consequences of the COVID-19 epidemic: distribution and opinion of the involved parties on the measures accompanying the epidemic" (Budapest: 2020), available at https://tarki.hu/sites/default/files/2020-07/-Covid_ENG_fin_FB.pdf.

There is, however, a progressive alternative to the current policy, one defined by three strategic priorities that progressives should pursue: fast and determined action, social solidarity, and budget restructuring.

In the current situation, policymakers should not be searching for the perfect measures but instead should act fast. Inaction and even slow decisions are going to be costly, as economic linkages are constantly decaying. Measures that are not large enough will not be sufficient to cushion the economy.

The economic downturn is causing a social crisis which creates new challenges for social policy. Therefore, more progressive social policies are needed, including the widening and deepening of the safety net along with more progressive taxation. Failure to implement such social policies now will create economic damage in the longer term.

The government needs to relax its relatively strict budget policy to finance critical economic and social policy measures. A restructuring of the budget needs to rely on a combination of increased tax progressivity, reallocation of funds from less urgent needs, and, perhaps most importantly, the loosening of tight budget rules.

Economic policy

If employers let workers go and companies collapse, the costs of restarting them will be very high. Therefore, the government's goal should be preventing the collapse of otherwise sound companies and preventing mass layoffs. Key measures that the government should implement in this area include a broad wage guarantee program based on Germany's *Kurzarbeit*, opening credit lines and even transfers to small- and medium-sized enterprises (SMEs), replacing lost income with expanded unemployment insurance and other transfer programs, and strengthening active labor market policies

Social policy

The economic downturn is likely to create mass unemployment and even poverty. Workers are going to be furloughed and laid off. Since people are facing substantial fixed expenses such as rent, food, and mortgages, the government needs to implement programs to help people directly. Key measures that the government should implement in this area include increasing cash benefits for families, focusing help for the poorest areas, transfers to municipalities and NGOs earmarked for helping the most vulnerable groups, and introducing some form of guaranteed minimum income.

Budget restructuring and expansion

To implement the necessary economic and social policies, the government should restructure the budget, create progressive revenue sources, and, perhaps most importantly, use expansionary policies. At this time, the government has fiscal space to increase spending, even if it requires temporary increases in the budget deficit. Key measures that the government should implement in this area include reviewing spending items in the budget and reconsidering low-return expenditure items; introducing more progressive taxes; and financing increased spending from temporary deficits as necessary.

What can be done at the European level?

The Eurosceptic discourse of the Hungarian government is quite surprising in view of the substantial financial support arriving from the EU. Hungary has been allocated 25 billion euros from the European structural and investment funds between 2014 and 2020. With a national contribution of 4.63 billion euros, Hungary had a total budget of 29.63 billion euros to be invested in various areas, including infrastructure networks in transport and energy, SME competitiveness, employment measures, environmental protection measures, the low-carbon economy, research and innovation, as well as investments in social inclusion and education.

Still, the government is moving away from the widely recognized interpretation of democracy, rule of law, and respect for fundamental rights and finds itself on a collision course with the EU and many of its member states.

The ineffectiveness of EU action toward Hungary is all too apparent. The flaws of the institutional design of the EU, and the powers given to it by its member states, proved insufficient to deal with the rule of law crisis in Hungary. While the EU is founded on the principles of democracy, rule of law, and the respect of fundamental rights, it was given limited powers to address systemic threats to these values by a member state—so few that only one tool is available under the EU treaties to capture these systemic threats.

For this reason, the key goal of the Hungarian opposition parties was to have this systemic threat recognized by EU institutions for many years. The European Parliament triggered the infamous Article 7 procedure under the Treaty on the European Union in 2018, but negotiations in the council to determine the existence of a clear risk of a serious breach of the values by Hungary remain inconclusive to date. In this regard, the expectations toward the incoming German presidency are therefore quite high. However, given the institutional design of the EU, the success of Article 7 is dubious.

It is not clear what the opposition should do about this tension. An overwhelming majority of Hungarian society supports EU-membership, and public trust toward EU institutions is generally higher than that of national institutions. And yet, Orbán's anti-EU rhetoric also perceived well by the electorate.

While the best way to leverage Europe domestically may be up for debate, there are still five clear policies that could be pursued by partners at the European level to help underwrite democracy in Hungary:

- **Ensure stringent and enforceable rule of law conditionality for the use of EU funds.** With negotiations underway on the seven-year budget of the union, the Multiannual Financial Framework, and a proposal on rule of law conditionality on the table, the opposition parties are in a good position to push for such a regulation through contacts with council and their respective political groups in the European Parliament.
- **Push for Hungary's membership in the European Public Prosecutor's Office (EPPO).** The task of the EPPO is to investigate and prosecute fraud against the EU budget and other crimes against the EU's financial interests, including fraud concerning EU funds of more than 10,000 euros. Given the lack of independence of the Hungarian public prosecutor and its consequent inaction in investigating and prosecuting the business circles of Fidesz for mismanaging and misappropriating EU

funds, having EU competence in Hungary in this regard would be of key importance. Applying pressure on the government to join EPPO and finding ways to link the use of EU funds to EPPO membership in EU legislation is a worthy cause to follow.

- **Direct EU funds for local governments.** The government allocates EU funds along pre-agreed objectives with the EU. Municipal governments led by opposition parties face a precarious situation with measures taken by the Hungarian government and budget cuts but no prospects of receiving EU funds. Therefore, it is crucial that parts of the EU funds allocated to Hungary are directly managed by the European Commission and made available for these municipal governments.
- **Reframe the debate on the state of the rule of law in Hungary.** Most of the debates in the EU focus on the state of the rule of law, but it is rarely debated why the state of the rule of law in a member state is so important for the proper functioning of the EU. In its ground-breaking ruling of June 24, 2019, on the Supreme Court of Poland, the Court of Justice of the European Union opened a new way for scrutinizing rule of law in a member state. The court said that under the EU treaties, all national courts are EU courts with the responsibility of ensuring the full application of EU law and of providing remedies sufficient to ensure effective judicial protection for individuals in the fields covered by EU law. In essence, it established that assessing the independence of the judiciary is a fair game for the EU and, more specifically, for the court itself. This should change how the state of the rule of law is viewed in Hungary.
- **Leverage the Conference on the Future of Europe.** The two-year conference would have been launched on May 9, 2020, but was postponed due to the pandemic. Preparations are underway, and the current European Commission is determined to kick-start it as soon as possible even though officials are still divided on which European leader should preside over the debates. The aim of this conference is to assess the current EU treaties and legislation and find the issues where reform is needed. While Hungarian opposition parties may have diverging political aims in what they hope to achieve during these two years, reforming the Article 7 procedure and expanding the scope of the Charter of Fundamental Rights of the EU seem to be a common denominator.

Other policy objectives would involve the EU's direct financial assistance to Hungarian media outlets suffering under the Fidesz regime as well as to political parties whose financial situation is more and more dependent on action taken by state authorities captured by Fidesz.

Besides the possible policy objectives, the main political goal for the opposition should be the expulsion of Fidesz from the European People's Party (EPP). For many years, the EPP willingly stood by the Hungarian government, protecting its destructive policies. Before the European Parliament elections, the EPP suspended Fidesz's

membership from the party, which many saw as electoral maneuvering. Since this suspension did not entail their suspension from the EPP group in the European Parliament. As a result, they were given important positions in the parliamentary committees in the new legislature. A decision on renewing the EPP's suspension has been postponed several times, and their status remains up in the air.¹³

Toward a new progressive narrative in Hungary

Progressive politics in Hungary faces a number of interrelated challenges. The government has established an illiberal regime that leaves few opportunities for its opposition. The progressive opposition is also fragmented and has access to very limited resources. Yet as the October 2019 municipal elections showed, it is possible for the opposition to win elections and gain political ground even under these difficult circumstances. Unsurprisingly, the government since then has been trying to make the opposition's work harder in a number of ways, but the COVID-19 pandemic has also created opportunities for progressives to push progressive policy ideas forward. Going forward, it will be crucial for progressives to establish more extensive cooperation and build a narrative that is robust enough to take on the government.

This narrative needs to be able to speak to broad swaths of the population and offer opportunities for progress at the municipal and European levels (where progressives are currently represented) in order to make progressives stronger at the national level. One such narrative—which could be supported by various forces in the fragmented opposition and also has the ability to speak to the Hungarian population—is the narrative of a new justice and fairness. Justice can incorporate anti-corruption with possible action at the municipal and European level and promised swift action at the national level when progressives come into power. But fairness can also motivate offering a fair deal to all Hungarians through progressive economic and social policies that can already be implemented at the municipal level. The word “justice” is very popular—albeit slightly idealist.

About the authors

Dávid Dorosz is the deputy mayor of Budapest for Climate and Development. Besides graduating with a J.D., he studied international relations and holds an MBA. He was a founding member of Hungary's first green party and served as a member of Parliament for four years (2010–2014). Later, Dorosz moved to the IT sector and started his own business. In 2019, as campaign chairman, he led Gergely Karácsony's winning campaign for mayor of Budapest.

Krisztina Hegedűs is an EU expert working for the delegation of the Democratic Coalition in the European Parliament since 2014. Her main field of expertise is fundamental rights, justice, and home affairs. Before joining the delegation, she worked in the Cabinet of Commissioner László Andor in the European Commission.

Dániel Prinz is an economic policy advisor for Momentum Movement in Hungary. An economist, he has worked at the National Bureau of Economic Research and as a consultant at the World Bank, and he is currently a contributing writer at Qubit.hu. He completed his undergraduate studies at Brown University and is finishing his Ph.D. at Harvard University.

Dániel Róna, Ph.D., is a political analyst. He is an assistant professor at Corvinus University of Budapest, Institute of Political Science. His research focus is on political sociology, public opinion polling, far-right parties, and xenophobic attitudes. He was a Fulbright Visiting Scholar at Berkeley, California in 2018. He has worked as a pollster and advisor for the Momentum Movement party since 2018 and worked for Gergely Karácsony at the 2019 Budapest local election. He is the founder of 21 Research Center, a think tank in Budapest.

László Sebián-Petrovski is a former staff member and undersecretary of state of leftist prime ministers between 2004 and 2010. Since 2014, he has been the party director of the Democratic Coalition party, responsible for finances, database, organizing fieldwork and campaign operations. He studied in the United States as a fellowship member of the German Marshall Fund. In 2019 became an MP of the parliamentary group of Democratic Coalition.

Acknowledgments

The authors thank Iván Hóka for his valuable help in their study.

Endnotes

- 1 The Budapest Beacon, "Full text of Viktor Orbán's speech at Băile Tușnad (Tusnádfürdő) of 26 July 2014," July 29, 2014, available at <https://budapestbeacon.com/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/>.
- 2 Freedom House, "Nations in Transit 2020: Hungary," available at <https://freedomhouse.org/country/hungary/nations-transit/2020> (last accessed December 2020).
- 3 Freedom House, "Global Freedom Status: Hungary," available at <https://freedomhouse.org/explore-the-map?type=fiw&year=2020> (last accessed December 2020).
- 4 Reporters Without Borders, "2020 World Press Freedom Index," available at <https://rsf.org/en/ranking/2020> (last accessed December 2020).
- 5 The Democratic Coalition received 16 percent; Momentum received 10 percent; the Hungarian Socialist Party - Dialogue for Hungary joint list received 7 percent; right-wing Jobbik received 6 percent; far-right Our Homeland received 3 percent; joke party Two-tailed Dog Party received 3 percent; and green party Politics Can Be Different received 2 percent.
- 6 Mérték Médiaelemző Műhely, "Fidesz-friendly media dominate everywhere," May 2, 2019, available at <https://mertek.eu/en/2019/05/02/fidesz-friendly-media-dominate-everywhere/>.
- 7 Akos Keller-Alant, "Hungarian police accused of abusing powers to arrest critics," Balkan Insight, May 13, 2020, available at <https://balkaninsight.com/2020/05/13/hungarian-police-accused-of-abusing-powers-to-arrest-critics/>; Andras Gergely and Veronika Gulvas, "Orban Uses Crisis Powers for Detentions Under 'Fake News' Law," Bloomberg, May 13, 2020, available at <https://www.bloomberg.com/news/articles/2020-05-13/orban-uses-crisis-powers-for-detentions-under-fake-news-law>.
- 8 Worldometer, "COVID-19 Coronavirus Pandemic," available at <https://www.worldometers.info/coronavirus/> (last accessed December 2020).
- 9 Zoltan Simon, "Hungary leaves 'red line' far behind as virus shreds budget plan," Bloomberg, August 24, 2020, available at <https://www.bloomberg.com/news/articles/2020-08-24/hungary-leaves-red-line-far-behind-as-virus-shreds-budget-plan>.
- 10 European Commission, "Economic forecast for Hungary," available at https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/hungary/economic-forecast-hungary_en (last accessed December 2020).
- 11 International Monetary Fund, "Hungary," available at <https://www.imf.org/en/Countries/HUN> (last accessed December 2020).
- 12 15 Leading Hungarian Economists, "Oban's risky bet in economic response to coronavirus," EU Observer, April 30, 2020, available at <https://euobserver.com/opinion/148201>.
- 13 Fanni Kasza, "EPP president Tusk confronts Fidesz again, wants to see party out," Hungary Today, December 3, 2020, available at <https://euobserver.com/opinion/148201>.