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## **Mr Orbán and his critics**

Response to Ferenc Hörcher's piece „Conservative or Revolutionary”

by Eszter Babarczy

## Mr Orbán and his critics

First of all, I would like to thank the Danube Institute and my esteemed colleague and friend Ferenc Hörcher for providing me with the opportunity to contribute to this interesting debate. I have to declare from the outset less than complete neutrality: while prior to the 2010 elections I was not among the ranks of those vehemently campaigning against a potential two-thirds majority for Mr Orbán but rather regarded a supermajority as an opportunity to break through deadlock in certain policy areas, four years on I find myself deeply dissatisfied and disappointed.

1. Is Mr Orbán a conservative or a revolutionary? For the purposes of this debate I would define revolutionary politics as a) a promise to introduce radical change; b) based on a new ideology; c) the abolishment of former elites; and d) resulting in a radical redistribution of power and resources. I refer here to the work of UCLA historian Andrew C. Janos who characterised the political cycles of Hungarian history as recurring attempts by aspiring elites to grab the social-economic positions held by the previous elites, resulting in shocks to the social fabric but little actual change in the opportunities and freedoms attainable by members of society outside the elite. In other words, politics in Hungary had been played as a zero-sum game among elites. I would argue that Mr Orbán's politics fit into this pattern from the rhetoric of a 'polling booth revolution', through the various legal proceedings and verbal onslaughts against former 'traitorous' elites, and a propaganda campaign promising a new Hungary, to the attempted creation of a new middle class through a massive redistribution of power and resources.

2. My friend and colleague argues that the new constitution (Fundamental Law) can be regarded as an attempt to revive the legal traditions of Hungary and affirm historical continuity. While I agree that the language of the National Avowal contains references to the long history of Hungarian statehood and nationhood, I find it highly unlikely that it is a bona fide attempt to resurrect some kind of conservative view of legality and legitimacy. The history of Hungary has been rocked by revolutions and occupations for the last eight hundred years. The Hungarian political and historical consciousness is a patchwork of woe, dashed hopes, resentment and bitterness – a culture that survives to this day and is indeed reinforced by Mr Orbán’s rhetoric. Beyond this cultural element, however, there is little to establish continuity with, perhaps with the exception of a somewhat problematic commitment to a western European alliance. Hungary never had any British-type system of common law, although an oft-quoted document of 1514 that established the principle of the Sacred Crown invoked in the National Avowal did set out freedoms pertaining to the political class, the gentry, while at the same time withdrawing full legal rights from other members of the nation, namely foreigners, Lutherans and peasants. From the eighteenth century on positive law was written by the ruling elites of the time who often tended to conform to more powerful neighbours – less palatable examples include the 'Jewish laws' which mirrored the Nuremberg laws and were passed well before the German occupation of 1944. I would argue therefore that while the National Avowal does indeed affirm national sovereignty it has little to offer in terms of the rule of law.

3. As Ferenc points out, Mr Orbán was not responding to an overwhelming desire on the part of the population for a new constitution. He used it rather as a tool to reinterpret

his election victory as a 'polling booth revolution', thereby giving him a clean slate to reinvent Hungary.

Perhaps Mr Orbán's most important message – one often aired in different contexts and most recently presented as advice to Western leaders – is that extraordinary times call for extraordinary measures, which primarily means a concentration of power in the hands of the government. Orbán often uses the Hungarian word 'erő', power, force, strength or might. In this context, the Fundamental Law and its repeated use to thwart opposition, along with a firm grip over public media and the general centralisation of all branches of government are instruments to consolidate this power and make efficient government viable (at the expense of removing checks and balances). In 2010 Mr Orbán openly declared that Fidesz is not about seeking compromise. He also said in an informal address to close allies (the so-called Kötcsse speech) that he intended to build a political infrastructure for Fidesz – including media and economic structures – that would establish it as the ruling party for at least 15 years.

One clear lesson of Mr Gyurcsány's years in government was that a prime minister with weak support within his own party and even less support among the voters has no chance of initiating serious reforms. Mr Gyurcsány was unable to competently deal with the 2006 street riots and aftermath, and then became unable to govern after he lost the 2008 referendum over the introduction of tuition fees in higher education and fees for visiting hospitals. The referendum was initiated by Fidesz and facilitated by the Constitutional Court's surprising decision to allow a popular vote on a budget issue. The pragmatic – some might say cynical -- nature of Fidesz's notion of power and political rights is revealed by the fact that in the new Fundamental Law they abolished both the

institution of referenda in matters that affect state finances in any way and curbed the authority of the Constitutional Court with regard to these issues (among several others). They also introduced a far more punitive tuition scheme – although without using the word tuition – later backing down however when the students took to the streets in protest.

4. I concur with Ferenc that behind the so-called unorthodox policies, there is a clear social-economic priority to establish a new middle class (Orbán has referred to this – for example in his speech at Chatham House - as 'original capital accumulation'). The flat income tax in my view is only part of this broad political project. 'Original capital accumulation' implies more than cutting taxes: the highly centralized nature of the government together with its ties with certain economic actors have created opportunities for some to acquire immense wealth often via lucrative government contracts. In Mr Orbán's view, the corrupt old guard of the socialist state, many of whom benefited from the privatisations during the first elected centre-right government, must be broken and replaced by a new economic elite. To some extent, the same applies to the cultural elite, although this is more of a side-effect, as allies of the government push for secure positions – a good example being the insertion of a publicly funded private body, the National Art Academy into the Fundamental Law. In symbolic terms, dividing Hungarians into 'good deserving Hungarians' and 'enemies of Hungarian sovereignty' – one implication of emphasising the continuity between the current Socialist party and the illegitimate Soviet-era in the National Avowal – justifies this reallocation of national resources.

5. Mr. Orbán has undoubtedly been successful in moving forward with this primary agenda whilst at the same time making concessions, when necessary, to international bodies, the markets (such as using the so-called Turkish card with the IMF) and Hungarian voters who would not necessarily prioritise the project of creating a new middle class. 'The war on utility costs' – a law reducing the price of household gas, electricity and garbage disposal – is very popular with voters and has become one of the main themes of the election campaign, completely outflanking the opposition. As Deputy Prime Minister Tibor Navracsics said recently, winning elections is always a priority and good government and good policies are not necessarily enough to remain in the good books with the electorate.

6. Mr Orbán has been far more successful than many economic analysts predicted when he launched his 'unorthodox' economic policies. Hungary is stable, there have been no hunger riots, and although most indicators (sovereign debt, growth rate, long term unemployment, the national currency) have not improved since 2009, the government has managed to reduce the deficit. It is still a matter of debate how much the nationalisation of second-tier pension funds helped the government keep the deficit down or what the long-term consequences of 'special' levies on the banking, retail and utility sectors among others will be. His main achievement, however, is not so much responsible public finances, he is after all about to enter into a long-term commitment on the Paks nuclear plant expansion with Russia involving a 10 billion euros loan that may require him to raise the limit on sovereign debt written into the Fundamental Law, or at least find a way around it. His main achievement rather is the consolidation and centralisation of power both in the hands of his government and in its economic powerbase while still being able to contain dissatisfaction, as he was able to boast at

Chatham House. Whether his new middle class can survive in the international markets remains to be seen but his emphasis on lowering interest rates and weakening the currency to help exports so far appears to have paid off.

7. I agree with my colleague that criticism directed at Mr Orbán is often misguided. While his strategy is to amass power and control at the expense of consensus-seeking or even respecting the constraints of the law, his main objective is not to abolish democracy or the rule of law. His goal, I believe, conforms to the blueprint identified by Andrew Janos -- to create a new elite that would support Fidesz and its allies behind the scenes. Yet, despite all the revolutionary rhetoric and fighting words, he seeks legitimacy in election victory. Pro-market and pro-democracy critics often fail to understand that he has no intention of transforming Hungary into a post-Soviet dictatorship with himself at the helm. Mr. Orbán prefers capitalism – especially in manufacturing and agriculture – to a state-run economy, and prefers democratic legitimacy to dictatorship backed by raw force. On the other hand, he is impatient with open debate and the democratic process, or too much independence on the part of economic actors. Hence he has created an environment that gives him maximum control and a way to efficiently and swiftly push forward with his own agenda. This agenda, in my opinion, resembles those of past Hungarian revolutionary elites with one crucial difference: it relies more on the carrot than the stick.

For the Chatham House speech see

<http://www.chathamhouse.org/events/view/194086>

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