



Analysis

Conservative or Revolutionary?

Three Aspects of the Second Orbán-government (2010-2014)

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Intro: Who is “Mr Orbán”?¹

Viktor Orbán, the present Prime Minister of Hungary, is one of the best known figures of contemporary European politics, but it does not follow that his fame is a source of universal envy. For many, Orbán is public enemy number one, a view shared by many of his fellow politicians, public intellectuals, as well as the Western media. Orbán himself seems almost to enjoy the unprecedented attention he receives. (Or is his response to criticism merely a PR tactic designed to confound critics?). To be sure, politics is a field where conflict-avoidance is scarcely possible, but Orbán’s attitude is unique even among politicians. My own view is that one cannot really make sense of the Orbán-phenomenon without acknowledging the intensity of the attacks he has suffered during the 25 years he spent in politics, and the two terms he has served in the office of prime minister in a post-communist country. Quite plainly, political survival would not have been possible without a nature capable of accommodating itself to long-term conflicts and seemingly irreconcilable antagonisms. It is also important to remember that his second term followed a prolonged period of heated political and social tension including street demonstrations and police violence. It is partly the conclusions he drew from this experience that shaped his personal political strategy, including his readiness to directly confront critics at home and abroad.

My purpose here is not to paint a black and white portrait of the man and his record. Even if its author has his own (largely Aristotelian conservative) viewpoint, its purpose is to

1 A Polish language version of this essay is published in Poland, by the Sobieski Institute.

present a balanced and realistic picture of “Mr Orbán”’s achievements and failures during this second term as Hungary’s Prime Minister. Let the reader make sense of the story.

Why the two thirds majority? The polling booth revolution

The second Orbán-government, supported by the party alliance of Fidesz and Christian Democrats, took over the rule with a two thirds parliamentary majority in the spring of 2010. This degree of support is quite rare, not only in Hungary, but more widely in the democratic world. The explanation lies in a number of factors, but undoubtedly, the Hungarian election system in which the winner of the election is richly remunerated, played a significant part². The 52 percent on the party list was enough to ensure a two thirds majority in the House. But more importantly, the heated political climate since at least 2006 and the repeated corruption cases of the Gyurcsány-era³ made the landslide victory of Fidesz inevitable. The Opposition did not have to do *anything*: the socialists were doomed to lose since for three years (between 2006-2009) they refused to sack Gyurcsány, and the voters wanted to punish them for this and other reasons. On the other hand, their partners, the Free Democrats, could not even nominate themselves for the elections. Another centre-left party, the Hungarian Democratic Forum (MDF), an important participant in the transition process at the end of the 80s and early 90s, also found itself outside the Parliament. In this situation two new protest parties were able to make their entries: “Politics Can Be Different,” an alternative green party, and Jobbik, an

² To be sure, a new election law was passed by the 2/3 majority during this term, which means that the 2014 election will be the first occasion when it will be used. Critics of the government claim that the new rules can result in even more disproportionate representation.

³ Ferenc Gyurcsány (1961), socialist prime minister of Hungary between 2004 and 2009 as leader of a socialist-liberal coalition had to resign after his coalition partner left his government.

ultra right party that made the headlines all over the Western world as the result of its military-style marches.

But why exactly did this transformation of the political landscape occur? Earlier, after fierce campaigns, a kind of balance between the right and the left, between the governing parties and the opposition, emerged. A word of caution is necessary here; in the case of Hungary there are particular reasons for being careful about the use of political labels. Since 1994, when the liberals - previously among the most radical supporters of a real break with the communist past - went into coalition with the socialists, the virtual successors of the Communist Party, ideological orientations have become blurred. On the one hand, there are the socialists, who traditionally had the most extensive party organisation and human,- and infrastructural network, in coalition with the left-liberals, successors of the generation of intellectual oppositional figures usually associated with the "samizdat" publications and agitation of the 80s. On the other side Fidesz, first a protest party established by young lawyers, later turned into a right wing people's party with nationalist overtones, supported by remnants of the historical Christian Democratic Party (KDNP).

But what exactly does the two thirds landslide victory explain? No doubt, the events of 2006 seriously damaged the reputation of the Hungarian left. On that occasion ordinary citizens who were marking the 50th anniversary of the Hungarian Revolution were fired on by the police using gum bullets, allegedly on the orders of the Prime Minister. However, one needs to step back to achieve a broader perspective. This would suggest a more general cause: namely that in 2010 the electorate wanted to register negative judgement on the whole regime established at the roundtable talks of 1989-1990. Although the idea

of a new constitution was not advertised in the party programmes of Fidesz in 2010, the danger that a two thirds majority might mean a constitutional super-majority was widely advanced by the left and the opinion forming intellectuals. The fact that the electorate made possible that majority in spite of all the warnings that Orbán might redraw the Constitution shows that enough people were dissatisfied with the *status quo* and in particular, with the country's ruling elites, to permit the political transformation that occurred.

Although Orbán himself was also a member of that elite, he could style himself as a critic of the 1990 regime without taking on the charge of unconstitutionality. And he could benefit from the general dissatisfaction with the *status quo* relying on his own personal charisma and authority, based on his anti-communist and national interest credentials. He did not have to provide any reliable blueprint for the direction in which he would like to move the country. Yet even he must have been surprised by the realisation that in spite of all the hoots of derision from his critics he got the support he needed for a constitutional revision. It was at this very moment that he became convinced that the majority wanted real change, and that he alone was capable of delivering it. That being so he began to prepare the way for a radical shift – a quasi-revolutionary period of active constitutional reform. In a way, he found himself responding to a Catch-22 situation: he was pushed by the more radical voters – themselves excited by his oppositional rhetoric – to take on the mantle of the revolutionary leader, despite the fact that such a role does not exactly fit a conservative, right wing politician, especially when in government. In practice, his objectives were realised through a kind of “war of liberation” not only within the country, but against banks, global firms, European and World institutions outside the borders of its territory. At the same time he maintained a very rigid domestic house-keeping regime,

staying firmly within the limits of the national budget, an approach that was fraught with difficulties, but broadly acceptable to professional economic observers, and highly successful if viewed from the perspective of the inner workings of Hungarian economic life. This is one factor which explains the discrepancy between the external and internal political observers of the Hungarian political scene – a phenomenon quite rare in established democracies. However, so long as the nation state’s democratic institutions are functioning and Orbán enjoys majority support, it would be foolish to deny that in the short term at least the policy has been a success. How far it serves long term national interest is another, distinct question – which can only be settled with the passage of time and in view of further developments.

Back to Basics: The new Basic Law

Although the idea of a new Constitution was explicitly raised only after the first round of the election, it quickly came to dominate public discourse. It had been preceded by a rather curious experiment in political rhetoric. The System of National Cooperation (SNC), a kind of manifesto meant to express the unity of the nation, was one of the first visible gestures of the new government and it was intended to express its ideological stance. But it was misconceived in a surprising way: in fact, it rather resembled old-fashioned communist party propaganda, for example by the fact that public institutions were required to display the text of the SNC at a place where it could be easily seen by visitors.

To be sure, the much criticised short and - for the most part- secret process which led to the official acceptance of the new Constitution by the supermajority of the Parliament, was unexpectedly smooth and easy – even if it led to an unprecedented wave of

international resistance and to the vilification of the Hungarian government. One of the key issues of the debate about the new Basic Law (the choice of name in preference to the more conventional name of constitution is itself revealing) is the legitimacy of the process itself. Although the Opposition was originally invited to participate in the parliamentary process by which the Basic Law was established, it chose not to do so because it could find no way of profiting from responding positively. Had it done so it would have legitimised a process which it was much keener to criticise than to support. However, the main responsibility for the failure to achieve a measured, bi-partisan support for the new constitution must rest with the governing power: it should have offered real gestures, rather than token ones if it wanted to involve the opposition in a process that was bound to have profound and possibly long lasting consequences.

As is widely known, the text of the Basic Law had to be amended five times during the first two years of its existence. One would have expected a significant number of changes because of the need to respond to the practical difficulties faced by lawyers in interpreting the new law. But it is also the case that Fidesz used amendments as a kind of political tool: when Orbán found himself in conflict with political opponents he was apt to respond by taking the issue out of mainstream political debate and burying it deep in the Constitution. He is therefore vulnerable to the charge that constitutional imperatives were sacrificed to short term political needs. In short, his concept of constitutionalism turned out to be a weak and pragmatic one, and it was bound to harm the legitimacy of the new Constitution.

As for the substance of the constitutional text, one can say two things: on the one hand, it takes over without further comments about 80 percent of the paragraphs of the earlier 1989 Constitution (which had also undergone continual revision between 1989 and

2012). This means that the material law regarding the defence of fundamental rights, i.e. the rights of the individual against the power of the state was taken over from the old Constitution. In turn, this means that the Basic Law accepts the core jurisprudence of the earlier constitutional document, including the sections dealing with the established practice of the Constitutional Court (CC), an issue of central, political and constitutional significance. And yet the result of the procedure was an ever sharpening rivalry between the House and the CC on the matter of supremacy. The Court claimed that the House was seeking to limit its competence, which in certain cases was certainly true (for example in the House's attempt to exclude the possibility of an investigation into budget legislation in circumstances where budget limits had been exceeded). On the other hand, there were efforts on the part of the Court to try to control the constitution-making procedure itself. In this respect, its critics claimed that the CC's activity went beyond its power, while in a parliamentary democracy the parliament's sovereignty cannot be questioned. The more so, as the basic rights of the individual are not limited in the new text any more than in the earlier version. The CC consequently made itself vulnerable to the charge that it was in danger of entering the political arena as an independent political player – a situation explained in part by the fact that the court was being pushed in this direction by both the opposition and foreign critics (including the investigations and reports of the prestigious Venice Committee, the vice president of which was actually the president of the Hungarian Constitutional Court, Professor Péter Paczolay). Finally: the real novelty of the new Basic Law was a constitutional approach vastly different from Hungary's earlier written Constitution. This was the Stalinist one of 1949, rewritten at the roundtable talks and later by the supermajority of the Parliament – prior to which the country had a historical constitution, consisting of laws, decrees, and *consuetudo* resembling the unwritten British Constitution. According to the preamble of the new Basic Law it had the aim to return to

the earlier constitutional tradition, as the period between 1944 and 1990, when first Nazi Germany (1944-1945) and then the Soviet Union (1945-1990) took over the country, is regarded by it as unconstitutional.

The 1990 revision of the Stalinist Constitution of 1949 was founded on the assumption that this document was going to be only temporary – and therefore all references to values and matters of principle could be omitted. The result was a rather activist CC, presided over by the authoritative László Sólyom, the first and founding president of the Court⁴, who set about developing the idea of the so-called “invisible constitution”. This concept was intended to give a theoretical backbone to the practice of the Court by supplying the missing constitutional values and principles.

However, one of the chief aims of the new Basic Law was to get rid of this secondary constitutional layer, and to try to provide the necessary constitutional foundations by filling in the missing hierarchy of values. This was achieved by steps which required considerable courage on the part of those who framed the Basic Law. Its text explicitly states that the new legislation would restore at least the spirit of the Hungarian historical Constitution. “We honour the achievements of our historical constitution and we honour the Holy Crown, which embodies the constitutional continuity of Hungary’s statehood and the unity of the nation,” it states, adding: “We do not recognise the suspension of our historical constitution due to foreign occupations.”⁵ (National Avowal) And again: “The provisions of the Fundamental Law shall be interpreted in accordance with their

⁴ Between 1990-1998. Later President of the Republic of Hungary between 2005-2010. Interestingly, Sólyom was helped into this second position and then not prolonged by Fidesz.

⁵ The National Avowal,
<http://www.kormany.hu/download/4/c3/30000/THE%20FUNDAMENTAL%20LAW%20OF%20HUNGARY.pdf>

purposes, the National Avowal and the achievements of our historical constitution.” (Article R). Two things are to be taken into account when these references to the historical constitution in the preamble and main text of the Constitution are interpreted. One is a political factor: the loss of independence by foreign occupation mentioned above. Although Hungary is considered to have been on the losing side in the Second World war the fact is that the Nazi army had to invade the country in 1944 in order to force Hungary to move in the direction Hitler wanted, finally determining – with the shameful help of the Hungarian authorities – the death of hundreds of thousands of Hungarian Jews in death camps. After the Soviet takeover in 1945, the country remained under the political tutelage of the Communist regime, and this led to the first written, Stalinist Constitution in 1949. This remained in place until 1989, during which time earlier, age-old traditions of constitutionalism faded away.

When the partners at the roundtable talks of 1989 agreed on how to “democratize” the 1949 Constitution, albeit on a temporary basis, they did not make much effort to reflect on the country’s constitutional past. It is in light of these historical facts that one has to consider the new Basic Law’s efforts to reconnect to earlier national traditions: “We do not recognise the communist constitution of 1949, since it was the basis for tyrannical rule; therefore we proclaim it to be invalid.” And again: “We date the restoration of our country’s self-determination, lost on the nineteenth day of March 1944, from the second day of May 1990, when the first freely elected body of popular representation was formed.” (National Avowal)

The other factor to be taken into account is legal. The constitutional practice based on the 1989 arrangement was largely modelled on the German example as prescribed by the

Grundgesetz, itself the creation a rather delicate political situation. The president of the CC, László Sólyom had extensive experience of German Law, having worked and studied for years in East Germany. More importantly, he had the firm conviction that in a newly born democracy constitutional control might play a crucial role in maintaining democratic standards. In practice, however, politicians tried to use the Court for their own factional interests, with the Opposition often exploiting it to frustrate the legislative programme of the governing majority, a state of affairs that made the efficient dispatch of government business difficult to achieve. For a time the Court enjoyed unprecedented and unacknowledged political power through its ability to challenge the sovereignty of parliament by opposing laws passed by those with a democratic mandate to govern, a states of affairs which led to public disquiet. Instead of seeking to find a place for itself within the judicial system, the CC presented itself as a supercourt above not only the Parliament but also superior to all other courts and indeed to all institutions that might challenge or seek to control its rulings. The references to the historical constitution in the new Basic Law express the constitution drawers' effort to both keeping constitutional review and embedding the working of the Constitutional Court into the Hungarian legal tradition.

“War of liberation” against Europe and the Western media

To construct a new constitution requires exceptional concentration of political power. This explains the paradox that constitution drawing itself cannot always be kept within constitutional limits. The fact that the Orbán-government created a new constitution within a year, and had a legally unchallenged constitution by January 1 2012,

demonstrates the effectiveness of the two thirds majority.⁶ But as we shall see, Orbán had to pay the price for moving so straightforwardly and determinedly to accomplish his goals.

As I noted earlier, he achieved these by adopting the mantle of a revolutionary having satisfied himself that the electorate was thoroughly fed up with the deadlock of 1989-90 and that the public mood furnished an opportunity to refashion his country's legal framework. The scenario which he devised also enabled him to present himself as defender of Hungarian national sovereignty against the European superpower, embodied by Brussels, meaning both the Commission and the Parliament, and against global economic interests, embodied by the IMF and the global corporations operating within Hungary. This stratagem, which enabled him to present Brussels as the new Moscow was entirely credible because of his earlier oppositional background and clean record in the eyes of the voters fed up with the post-communist period. At same time the legitimacy of the European institutions were also very strongly challenged from other quarters of the continent in a time of global economic crisis which was quite clearly being exploited to concentrate more power in Brussels. This feeling was exceptionally strong in parts of Central Europe, where many people felt that old Europe had not proved generous enough in its dealings with the new member states. Such sentiments were very evident in the Czech Republic, where Klaus could capitalise on rather strong anti-Brussels feeling, as well as in Poland, one of the strongest supporters of Orbán in Europe.

⁶ Certainly I do not want to claim that the Constitution would be unchallenged. The point to be made is that though the new Basic Law remained illegitimate (due to the fact that the opposition was not gained to support it), there were very few who actually thought that it could be challenged legally. However, this fact does not mean that in case a new government can be formed after the spring 2014 elections there is no chance that some sort of a legal construction might not be tried to invalidate or to revise it.

In his famous debates in the European Parliament, Orbán was able to present himself as the underdog in a battle to preserve national sovereignty of his country, a message primarily directed not to those EMPs present but to the Hungarian electorate. This interpretation was only helped by Europe's strong anti-Christian and anti-nationalist political left which sought, quite obsessively, to present Orbán as an undemocratic petty tyrant who has not fully understood his lessons of the rule of law and representative democracy. Such criticism was bound to sound rather unconvincing in Hungary, where people remembered his historical speech in June 1989 at the reburial of the 1956 heroes on Hero Square, in which he was the first to publicly demand that the Russian invaders leave his country. In fact, the obstinacy with which the European left attacked Orbán did not simply suggest the impact of the post-communist elite in contemporary Europe, but can be interpreted as a sign that "Old Europe" did not yet fully appreciate the brutal nature of the Soviettype totalitarianism.

Certainly Orbán's plan would not have succeeded to the same extent had he not prepared the right sort of media coverage. This involved pushing through a new law on media regulation, heavily attacked by European authorities and the Western media. This was not as difficult as it might seem to outside observers: since 1990 in Hungary the ruling parties had been able to exercise a large degree of control over the public media, and not much effort was required to ensure favourable coverage as journalists have learnt to exercise self-censure since the pre-1989 Communist regime and the audience was always and remained until now quite sceptical about the lip service paid to media neutrality. Add to this the fact that during its eight years in opposition Fidesz developed a network of independent, but sympathetic media outlets. With this support Orbán could open up the

political rhetoric of warfare against European institutions, the Western media and global firms without any risks of losing grounds on home soil.

Although the Orbán message had a somewhat populist ring to it even in Hungary, Fidesz succeeded in convincing a sufficient number of voters of the basic correctness of its anti-Communist message to maintain a lead in all opinion polls throughout its term of office. This was achieved against a European and worldwide media headwind. A further element in the party's ability to maintain support during a global economic crisis when the Greek and the Italian governments were forced to resign by as a result of external pressures to be found in the "unorthodox" economic policy of its creator, György Matolcsy, Minister of National Economy.

The unorthodox economic measures

Prior to the second Orbán administration, Hungary's reputation for economic management was poor. This was largely due to the failure to bring in sweeping reforms to restructure the economy after the collapse of the Kádár⁷-regime. At a time when expectations of a better economic future were running high the scope for change was highly restricted by strong public opposition to anything which smacked of austerity. Austerity measures were regarded as a basic communist technique and with good reason - Kádár had used them to balance the national budget or to punish his political opposition - as part of his policy of fridge-socialism.⁸

⁷ János Kádár was "First Secretary of the Hungarian Socialist Workers' Party" since 1956.

⁸ This was the term used to describe Kádár's policy to liberate certain parts of the centralised economy to let people establish small scale private enterprises and to raise consumer habits as a price to be paid for their apolitical attitudes after 1956.

In 1990 the economy was also characterised by an exceptionally high proportion of foreign debt, the result of Kádár's reliance on foreign loans. Unlike Poland there was no attempt by any post 1990 Hungarian governments to use shock therapy to bring about fundamental structural changes, with the government trusting to privatisation to achieve economic progress. However, a botched and compromised privatisation programme which was stained by elements of commercial blackmailing, corruption and political leverage did not bring the expected benefits. In practice, privatisation amounted largely to the foreign purchase of the profitable parts of state-owned companies with other parts being allowed to wither and die. Another symptom of corruption was the transfer of political influence into privatising state property and through that building up a politically defined halo of commercial influence. After 2002, the Hungarian government sought to escape from its mounting budgetary difficulties by once again taking foreign debt. When the international economic crisis broke out in 2007 and 2008, it consequently found the Hungarian economy in a weak position to weather the storm, and the country listed as among those likely to seek direct financial help from Europe and the IMF if it wished to avoid state bankruptcy. The socialist-liberal coalition negotiated loans from the IMF on far from attractive terms. In other words, when in 2010 Orbán took the government over, it had hardly any elbow-room. This factor and his landslide election success led him to embark on an unorthodox economic path, the main features of which are described below.

1. *Nationalizing the private pension systems.* It was an earlier left-liberal government that had introduced an obligatory two-pillar pension system. It had kept the old one, inherited from the pre-1990 system, for the elderly generation, introducing a new, private system, which was obligatory for the younger generations to join.

There were two factors which made it possible for the government to make the far from conventional move of taking over these private funds. One was the obvious fact that the compulsory nature of these funds delegitimized them in the eyes of Orbán's supporters. There was also the unquestioned fact that these institutions were centres of corruption, as politics and finance closely coalesced, making it obvious that some of the owners of these firms had close political affiliations and interests. These factors, along with the unacceptably high maintenance costs of the managements of the private schemes, and the low returns provided to their customers, explain why they were generally unpopular with the public. The government could easily get hold of their assets, paying out the individual members, but taking over the whole capital, a measure which went some way to balancing the state budget.

2. *Cutting links with the IMF.* In the first weeks of the government's rule it became clear that Europe, the IMF – partly motivated by the bad press of the Orbán-government – had no intention of renegotiating the terms of its loans to Hungary. In these circumstances Orbán plainly believed he had no other choice but to break the short leash on which his country was being held, and to push his own rebelling economic policies forward. However, when Europe's economic storm drastically worsened in 2011 Orbán made another brave tactical move: he invited the IMF back to the negotiating table. For more than a year he kept negotiation hopes alive, encouraging the markets to conclude that sooner or later Hungary would enjoy the benefit of the IMF safety net. And then came a further brave move: when it became clear that the IMF, again presumably partly motivated by political motives, was not prepared to make meaningful concessions – in fact, on the contrary, it wanted to

punish Hungary for what it regarded as Orbán's headstrong policies, perhaps as a way of setting an example to other European states - he decided to break once again with the IMF. The manoeuvre was meant to demonstrate that Hungary has enough self-confidence in its own economic and financial strength to follow its own course - and though it must have been a risky step, it worked. Further more, the government could pay back the full amount of IMF debts incurred by its predecessors, which further strengthened its position in the eyes of the financial markets and the European authorities which paid it back by letting Hungary out of the excessive deficit procedure (see below, number 5).

3. *Taxing Banks and other spheres of the economy.* To achieve its economic goals, however, further government steps were needed, particularly measures to increase state revenue. One of the ways chosen to boost government receipts was the imposition of taxes on banks, insurance companies and other high income earners, most of them foreign owned companies. In doing this, again from the beginning it was clear that Orbán had a large measure of public support. This was partly due to public anger at the role played by the banks in the crisis. Public sentiment was also influenced by the recollection that the banks had been heavily subsidized during earlier reforms of the financial system. In this situation Orbán devised a narrative which presented the global firms as seeking to strangle national economies, while presenting his own policies as being akin to a programme of national liberation. Interwoven into the text of the populist tale was a message which was intended to evoke a positive response from Orbán's more intellectual supporters. This was to the effect that in times of crisis the whole of the community should be prepared to make sacrifices and that this must certainly

include the financial sector as well, which should in the future be required to conform to higher standards of responsibility than it had displayed in the recent past. And to be sure, Orbán's example was copied by a number of Western governments during this period, although proportionately Hungary's financial sector was hit harder in terms of tax increases than was the case in other countries. Thanks to its majority and the media support, however, its measures faced little real public opposition even if influential financial institutions must have played their role in keeping anti-Orbán rhetoric alive in the European press.

4. *Introducing the flat tax.* Flat tax as the means to encourage economic growth is of course a measure open to all sorts of criticism. Those who argue that the tax was unjust in that it favoured the rich have a point: it did nothing directly to help the poor. Like policies introduced during the first Orbán administration it was based on the assumption that through promoting the interests of the middle classes, the so called "polgárok" (the equivalent of the German *Bürger*) it could build up trust and thereby facilitate in fact the workings of the internal market as well. And to be sure the measure seems to work - by introducing the flat tax combined with family tax measures the government aligned new groups of supporters behind his policies and helped stabilise the economy; the measure may also have stimulated internal market demand.

5. *Lifting the excessive deficit procedure against Hungary.* Hungary's poor reputation with Brussels decision-makers had much to do with the long-term policy of providing dishonest data, emerging from the reports of the Hungarian Treasury

and its repeated failure to live to its promises, especially in relation to the deficit in the first decade of the new century. Ferenc Gyurcsány,⁹ Prime Minister of Hungary between 2004 and 2009, admitted as much in a famous speech before his parliamentary faction after he won his second round in 2006 leaked out before the local government elections in the autumn of the same year. Gyurcsány confessed to cheat in any possible ways with government numbers. The European label of financial unreliability of the Hungarian Government meant that Orbán was in a very bad starting position when he took office and commenced negotiations with the EU with the aim of obtaining some freedom in the scale of the national budget deficit. Indeed, he found himself in the invidious situation of having his entreaties turned down flat before he had begun to implement the economic policies described above in this paper. In the long run, the fact that he was later able to repay external debts without the help of the EU and despite a hostile international political environment only served to bolster his reputation and prestige in the eyes of the markets. Orbán's political profile was now becoming clearly defined: although a radical, even revolutionary, when it came to constitutional issues, he made a virtue of being extremely careful when spending the public's money and keeping promises to the international financial partners.

6. *Cutting the costs of household services.* At a relatively late moment in his second term of office Orbán introduced perhaps one of his most popular measures: he

⁹ Ferenc Gyurcsány's speech in May 2006, given after the election win of 2006, confessing that the government had to cheat with its numbers (Gyurcsány claimed: „We have obviously lied throughout the past one and a half-two years. It was perfectly clear that what we were saying was not true”, and „Divine providence, the abundance of cash in the world economy, and hundreds of tricks, which you obviously don't need to know about, have helped us to survive this”), was famously leaked out in September, 2006 - presumably by members of his party -, leading to a government crisis, which he survived, but which his political side had to pay for in the form of the two third majority of the opposition in 2010.

decided to cut the costs of household services, including electricity, water use, gas and other public services. These are relatively quite high in Hungary by European standards and most of the providers are again foreign owned. This initiative therefore again corresponded to the image that he wished to create for himself: that of a leader who wished to liberate his people from oppression and to stand up bravely for the country's national interest. This initiative was indeed not merely a rhetorical matter: there has been a general reduction of about 10 per cent or more in most services, which had a surprisingly favourable impact on inflation levels, as well. And although the Orbán-government has occasionally threatened to nationalise the utility companies, he has generally achieved his goals through negotiations – although always relying on the monopoly of political power owned by the Government and its two third parliamentary majority. Unable to produce either an effective critique of this left-leaning policy or a credible alternative to it, the leftist opposition has been out manoeuvred on its own field, i.e. in social policy. To be sure we do not yet see the long term effects of the measure but obviously the Government ran for short term economic survival, and keeping its own camp of supporters – and it proved to be successful on these two fronts.

Conclusions

My aim has been to provide a balanced account of three aspects of the second Orbán-government's key policies: introducing a new Constitution, waging a “war of liberation” against the European left and the global companies, and establishing a stable budget during a world financial crisis. In my view, “Mr. Orbán” is far from being the sort of cartoon picture of a provincial racist and simple minded populist xenophobe that is painted by his

adversaries in the Western press. His talent to sharpen conflicts with adversaries, while intimately connected with the wounds he has collected during his four earlier years in power, eight years in opposition, and 25 years in the forefront of Hungarian politics, has enabled him to achieve important political goals: to keep the national economy in balance and most of his supporters together behind his government. His personal humiliation on a number of occasions and his experience of late- and post-Communist Hungarian politics have also left their mark on his political profile – which is not to justify all of his policy initiatives. Many outsiders evidently find it difficult to make sense of many of Orbán’s manoeuvres; these, however make perfect sense once one grasps the pressures to which he was subjected, the experiences he has collected, the inter-play of national and international political forces during the four years he spent in power, starting out from the unpromising economic conditions which existed when he was returned to office for a second term in 2010 and finishing with the heated attacks against his policies in the European Parliament and the Western press in general.

As I have indicated, many of the criticism made of particular Orbán measures plainly have merit. Despite the flaws to which these point, the larger picture shows the Orbán-government as one which succeeded in escaping economic collapse, paid back the earlier government’s recent loans, regained economic freedom from the IMF, consolidated its reputation in the eyes of Brussels over the budget, and laid the foundations of economic growth. Certainly the historical judgement over this performance will depend heavily on the decision of the electorate in the 2014 election. The Government’s performance and effective political propaganda machine, along with changes in the electoral system, and a rather loyal supporting camp (partly explained by the total disaster of the performance of the opposition) do make victory quite likely, and in fact the opposition has made so many

mistakes that their victory would cause far more surprise among political analysts than the survival of the Government. Foreign experts may consequently be given fresh cause to reassess Orbán and his record in 2014. But a win in 2014 might also bring Orbán himself to reassess his policies and introduce a new style of politics as the final winner of the first generation of politicians in post-1990 free Hungary.¹⁰

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¹⁰ I am grateful for polishing the English of this text to John O 'Sullivan, Gerald Frost and Kálmán Pócza for encouraging me to publish it with the Danube Institute.