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# 10

## Hungary since 1989

ANDRÁS BOZÓKI AND ESZTER SIMON

Located in East-Central Europe, Hungary has often found itself at a crossroads of political influences of greater powers as well as of different cultures. Although Hungary enjoyed independence for centuries in its early history, the experience of foreign domination over the last five centuries is one of the defining features of Hungarian public consciousness. Most notably, Hungary was under the control of the Ottoman Empire in the sixteenth and seventeenth century, the Habsburgs in the eighteenth, nineteenth and the beginning of the twentieth century, and the Soviet Union from 1945 until the regime change in 1989. Therefore, Hungarians had to master the techniques of survival under foreign domination.<sup>1</sup> They learned how to operate informally, under and within formal, rigid rules, which represented the interests of the dominant foreign power.

Nonetheless, during its twentieth-century history, Hungary made some genuine albeit short-lived attempts to achieve democracy. First, there was the brief liberal-democratic government of Count Mihály Károlyi in late 1918. A second attempt was made during the semi-democratic coalition government between 1945 and 1947. Finally, Hungary operated as a democracy for twelve remarkable days during the anti-totalitarian revolution of October 1956. The Hungarian revolution was internally successful but was crushed by the intervention of the Soviet Red Army. These shining moments of recent Hungarian history cannot hide the fact that throughout the twentieth century Hungary enjoyed democracy for one decade only, the 1990s.

### Pre-history

Nomadic Hungarian tribes settled in the Carpathian basin in 895. When founding the Christian state in 1000, King (Saint) Stephen (997–1038) did not only ensure the survival of his people in a Christian environment but also expressed a desire to belong to Western Europe as he chose Western Christianity over the authority of the Byzantine Empire and the Orthodox Church. With an iron hand, he transformed Hungary into a strong Christian feudal state.<sup>2</sup>

Hungary encountered the first major shock of foreign occupation when the Mongols (Tartars) invaded much of Europe in 1241–2. The Mongol forces left a ruined country behind them and a succession of weak kings followed. King Andrew II had to make concessions to the nobility in 1222 when he issued the Golden Bull, which gave Hungarian noblemen the right to resist the king if he acted against the law.

After the death of King Stephen's last descendant in 1301 and a short period of interregnum, the foreign Angevin dynasty consolidated their power. Of the Angevin kings, the reign of Louis I (1342–82) brought significant territorial expansion. In the post-Angevin period, King Matthias (1458–90) was the most notable ruler, the son of a war lord who had been fighting successfully against the increasingly threatening Ottoman Empire. Hungary experienced unprecedented prosperity during the reign of Matthias, and a vivid cultural life characterised his renaissance court.

In 1541 Hungary could no longer contain the expansion of the Ottoman Empire. As a result, the country was broken into three parts. The central areas fell under Turkish rule for 150 years, the Eastern areas (Transylvania) remained independent but at the price of being the vassal of the Ottoman Empire. Western Hungary was under Habsburg authority. In 1686, Christian forces led by the Habsburgs started to liberate the country from Turkish occupation, only to replace it with Habsburg domination.

In the Habsburg era, there were two major rebellions for independence. The Rákóczi War of Independence took place between 1703 and 1711. When the uprising was crushed, its leader Ferenc Rákóczi was forced to immigrate to Rodosto (in Turkey). The next major attempt at independence came in 1848 after two decades of reforms that were initiated by the Hungarian noblemen with the reluctant compliance of the Habsburgs in order to transform the backward and still largely medieval country into a modern prosperous nation. The revolutionary fervor that swept through Europe in 1848 did not leave Hungary untouched. Revolutionary demands were first accepted by the ruling Habsburgs and the first Hungarian government under the leadership of Lajos Batthyány was elected. Later the Habsburgs retracted the concessions, which resulted in a year of war. With the help of Russia, Austria crushed the Hungarian uprising in August 1849.

A wave of retaliation and authoritarian rule followed, to which Hungarians reacted with passive resistance. After a decade and a half, a series of internal and external problems forced a more conciliatory attitude on Austria, which culminated in the Great Compromise of 1867 that made Hungary an equal part of the Dual Monarchy with Austria. The era of Dualism brought liberal constitutionalism and economic prosperity until the outbreak of the First World War.<sup>3</sup>

The late 1910s and early 1920s were a period of turmoil. In the wake of defeat in 1918, the Austro-Hungarian Empire collapsed.<sup>4</sup> A short period of democratic governance took place under the leadership of Count Mihály Károlyi in

1918–19. After his resignation, Béla Kun and the Communist Party grabbed power for a few months. Finally, conservative–nationalist forces managed to solidify and hold on to power for the remainder of the interwar period.

As a defeated power in the First World War, Hungary lost two-thirds of its territory as a result of the Treaty of Trianon in 1920, which placed a large part of the ethnic Hungarian population outside the country's borders. The shock of territorial loss fueled nationalism as well as revanchism. In the interwar years this led Hungary to tighten relations with Hitler's Germany in the hope of regaining its lost territories.<sup>5</sup> Hitler's promise of returning the lost territories, threat of military occupation, and economic pressure made an unenthusiastic Hungarian government comply with the introduction of a series of restriction on the right of Jews from 1938 onwards. However, the Hungarian government withstood pressure to send Jews to concentration camps until March 1944 when Nazi Germany invaded its reluctant ally and took control of the country. A year later Hungary was liberated from Nazi rule as a result of a bitter fight between German and Soviet troops.

Large parts of the population treated liberation with reservations, since the country did not regain full independence: German occupation was simply replaced with Soviet domination. Thus, Hungary became an occupied country although it could hold free elections in the autumn of 1945 despite the presence of the Red Army. In vain did the centre-right Independent Smallholders' Party win the election with an absolute majority, because as a result of strong Soviet pressure all major parties were forced into a grand coalition with the communists, and the parliament was left with virtually no opposition.<sup>6</sup> The years 1945–7 can be characterized as semi-democracy at best, in which the country was forced to move slowly but surely towards a Stalinist type of dictatorship. The multi-party system was eliminated by 1948 as parties were banned, and opposition politicians were imprisoned, killed, or forced into emigration. In foreign policy, Hungary was not allowed to receive any funds from the Marshall Plan, which significantly contributed to the post-war economic reconstruction of Western Europe.

### The three epochs of communist rule

Between 1948 and 1989 the Hungarian political regime was a one-party dictatorship of the communists, and the country belonged to the Soviet bloc.<sup>7</sup> It is important to note that it was not the country but the *regime* that could be labelled “communist.” 10 percent of the population belonged to the communist party but the 90 percent of non-party members were seen as potential enemies of the regime. Every fourth Hungarian family had a member in jail in the early 1950s. The communist leader of the time, Mátyás Rákosi, who ruled the country until 1956, was proud to call himself the “best pupil” of Stalin.

Nevertheless, these decades were by no means uniform. One can differentiate between three epochs of communist rule in Hungary: totalitarianism,

post-totalitarianism, and regime disintegration. Between 1948 and 1962 the regime was a classic totalitarian regime:<sup>8</sup> totalitarian propaganda, the arbitrary powers of the secret police, and (until 1956) the personality cult of the communist leader created an communist terror, controlled and sometimes softened externally by the Moscow leadership, which was the real holder of power in the Soviet Empire. Communism was an international regime, in which nothing could happen against the will of the Moscow leadership. Following the death of Stalin, the toughest measures of terroristic rule were temporarily lifted in 1953–4, but re-Stalinization took place in 1955–6.

Re-Stalinization provoked resistance. First, it provoked a protest among intellectuals and students who formed a discussion circle. Later, they moved beyond this and organized peaceful mass demonstrations in October 1956, which led to the outbreak of the revolution on 23 October. This uprising is widely seen as the first anti-totalitarian (anti-communist but not necessarily anti-socialist) revolution in history. A reform oriented communist leader, Imre Nagy, took over as prime minister and he reorganized the cabinet on a coalition basis by inviting representatives of the Peasant Party, the Smallholders' Party, and the Social Democratic Party (mSZp) to join him. The new cabinet declared that Hungary was leaving the Warsaw Pact (the common military organization of the Soviet bloc) and planned to follow the example of Austrian neutrality. In the domain of internal politics, freedom of speech and press had been restored, and the self-established Workers' Councils took over the state-owned factories.<sup>9</sup> They advocated a kind of socialism that meant the ownership of producers over the means of production rather than the centralized ownership of the state by a small elite.

However, the democratic surge was short-lived. On 4 November, Soviet troops invaded Hungary, and entered for a few days into a bloody fight with younger people on the streets of Budapest. Imre Nagy and his revolutionary cabinet were removed from power and replaced with puppet of the Soviet Union, János Kádár.<sup>10</sup> In November–December 1956, 200,000 mostly young and educated people used the opportunity provided by the lack of border control and emigrated to the West. Imre Nagy and his fellow politicians were imprisoned, and were executed in June 1958.

While Kádár had cemented his power by means of terror, in the early 1960s he softened the harshness of his rule, when he declared that “those who are not against us are with us.” By accepting or even endorsing the neutrality of citizens, the regime moved away from classic totalitarianism to post-totalitarianism. Permanent political mobilization was replaced by political demobilization and neutralization. Forced political activity was replaced by recommended political passivity. Amnesty was granted to political prisoners, others received passports to travel abroad, and young people of non-working-class (“bourgeois”) background were again allowed to enter universities. In addition, cultural life became more colorful, non-Communist books were translated, and jazz and rock music were tolerated.

The post-totalitarian decades shaped Hungarian political culture in a significant way. People learned that collective resistance could not work so they had to find informal, individual, non-political ways of interest representation and survival. The regime that existed between 1962 and 1985 was similar to a classic authoritarian one, for it preferred the pacification and atomization of the society, maintaining the political monopoly of the communist party in exchange for higher living standards, decentralizing reforms in the economy, and relatively greater space for people in their private sphere:<sup>11</sup> it was the era of “Goulash communism.” The aim was to make people to forget the tragedy of 1956 by through more relaxed social and economic policies and a more tolerant cultural life. This made Kádár and his regime (“Kádárism”) relatively popular, as citizens welcomed de-politicization after years of aggressive Communist propaganda.<sup>12</sup>

However, “Goulash communism” became increasingly difficult to maintain after the second half of the 1970s. The comparatively acceptable living standards were financed by foreign loans in the 1960s and early 1970s, but led to high foreign debt. The aging communist leadership could not cope with external and internal challenges for long, and the first signs of dissent appeared both inside and outside the party. By the 1980s the compromise between the communists and the society to which economic development was a fundamental benefit came to an end. Between 1976 and 1996 production and living standards declined steadily in Hungary, provoking increasing public criticism and occasionally resistance.

The impact of Solidarity’s “self-limited revolution” in Poland<sup>13</sup>, and the rise of Mikhail Gorbachev to power in the Soviet Union, marked the end of the epoch of post-totalitarianism by the mid-1980s. The period between 1985 and 1989 witnessed the long erosion and disintegration of the communist regime. Civil society started to organize itself, critical intellectuals became active in discussion forums and organized new political associations and parties. At the same time, reform oriented lawyers and economists questioned the foundations of the regime. This process of disintegration can also be described positively as the start of the democratization process.

### **Democratization, 1987–90**

From 1990 onwards Hungary has enjoyed, for the first time in its history, a fully free, liberal democratic political regime, where elections were considered free and fair and there was a competitive multi-party system. The revolutionary changes of 1989 in Hungary can be characterized by elite-driven negotiations and non-violence. Touched by the shocking memory of 1956 when thousands of young people died in street fights, all political actors were concerned to avoid violence. Instead of trying to reform the communist state, which had proven impossible to regenerate, opposition groups aimed at organizing civil society. They were thus able to demonstrate their public support and become a

legitimate negotiating partner for the communist leadership. Organizing civil society proved to be a key factor for the success of the negotiated exit from communism. They wanted to achieve a revolutionary outcome without using traditional revolutionary means.

The Hungarian transition to democracy was characterized by non-violence and round table talks between the communist powerholders and the organizations of the emerging opposition. Agreement was possible among the elites by upholding the fiction of legality; legal security was put before justice. Upholding the procedural legal continuity, the negotiating parties – at least in relation to the principal laws – managed to avoid continuity with the dictatorship regarding their content. In order to avoid being divided and to unify their strength, the opposition parties decided to form an Opposition Round Table in March 1989. There were three parties to these talks: the Communist Party (MSZMP), the Opposition Round Table (EKA, with nine organizations), and the so-called Third Side (seven organizations), which were satellite organizations of the MSZMP and were invited by them to the talks. The real discussion took place between the MSZMP and EKA while the Third Side basically accepted their compromise.<sup>14</sup>

The trilateral National Round Table Talks occurred mostly in the summer of 1989 and resulted in the change of the Constitution and the declaration of the democratic Republic on 23 October 1989. The unresolved issues (Party organizations in workplaces, the paramilitary force of the Communist Party, the status of the president, and the accounting for communist wealth) were settled in a referendum on 26 November 1989. The transition came to an end in the March–April parliamentary elections (won by the centre-right MDF “Hungarian Democratic Forum,” whose leader, József Antall, became prime minister), and by the local elections of October 1990 (won largely by the biggest opposition party, the liberal SZDSZ (Free Democrats)). Analyzing the Hungarian case, we should also stress the importance of the split within the communist party between the reformers and the hardline representatives of the old guard, which greatly contributed to the success of peaceful transition.<sup>15</sup> No true hardliners were represented in the National Round Table Talks, since they had already been marginalized before the talks began.

Many realized only afterwards that informal structures of the old regime that were contrary to—or, at least, did not follow from—democratic principles persisted in the new regime. Since in Hungary it was not so much a *return* to democracy, but was the first time that democracy was being fully built, it was uncertain whether these informal practices could be seen only as the heritage of the communist regime, or whether they were deeper, more fundamental—that is, the heritage of previous centuries. Negotiated revolution meant an informal way out of state socialism, but did not necessarily mean a way out of previously learned practices of informality.<sup>16</sup>

Failed reforms might lead to revolutions while failed revolutions might lead to reforms. The latter happened in Hungary during the long interval of

1956–89. Opposition strategies of democratic transition were based on experience that had been rooted in the previous historical processes and events. The Hungarian constitutional revolution was also a result of such a learning process.<sup>17</sup>

Changes in Hungary cannot be understood without the influence and heritage of the earlier freedom fights of the societies in the region. International factors played a role in the success of democratization: internal pressure and external support for the Western democratic community – and, above all, the Gorbachev factor –<sup>18</sup> were highly significant. While in Poland a quite homogenous civil society that was organized into one “umbrella” organization (Solidarity) won over the state party, in Hungary divided opposition organizations which were even competing with each other to bring the regime down. In short, in Poland democracy existed before pluralism, while in Hungary pluralism came into being before democracy.

### Political values and visions of 1989

The most highly esteemed political value among the participants of the Round Table Talks was the idea of *freedom*, in both its liberal and democratic senses. On the one hand, liberal freedoms – the exercise of human rights and civil liberties – were advocated. In the ideal political community people could talk freely and openly both in private and public, the press was free, and the freedoms of assembly and party formation were guaranteed as inalienable rights of every citizen. At the time, freedom was understood in a *negative* rather than a positive sense,<sup>19</sup> as independence *from* the state (the Party, the police, the military, and the government as a whole). It was freedom *from* something – freedom from the intervention and paternalism of the state. The goal was individual freedom – that is, the opportunity for individuals to pursue their activities free of harassment, interference, and control. This concept of freedom was the cumulative outcome of two major sources of influence: the legacy of dissent that valued highly human rights and equal human dignity, and the dominant Western neoliberal ideology.

On the other hand, freedom as a democratic value was identified with *popular sovereignty* – that is, the idea of a political community created by the will and consent of the people. However, this assumes the existence of an independent political community, which was not the case in Soviet-dominated, post-war Hungary. For more than four decades the physical presence of Soviet advisors and the Red Army influenced – even if not always determined – the political steps that the Hungarian communist leadership could take. Therefore, it was not by chance that the withdrawal of Soviet troops became an important demand as the prerequisite for building a democratic society.

Democracy was understood as a *representative* government, wherein people exercised their constitutional powers indirectly through their elected



representatives. Democracy was defined in terms of existing competition, participation, and civil liberties; among these, Hungarians emphasized the first and third and ignored the second. This was the consequence of an aversion from the forced, non-voluntary, demonstrative participation of the masses during communism. Since people were distrustful of political mobilization initiated at the top, the democratic opposition came to embrace a liberal, “non-participatory” democracy. They laid stress on getting rid of the paternalism of the state and independent political action instead of republican public behaviour based on active participation of citizens in public life.

One reason why regime change in Hungary was carried out so smoothly was the participants’ mutual insistence on peaceful means. *Non-violence* was highly valued and taken seriously by all sides: at times, non-violence was prized as highly as freedom. The participants’ commitment to non-violence, and their genuine desire to reach consensus through negotiations, is one of the important legacies of 1989.<sup>20</sup> The preference of the democratic opposition for non-violence was primarily based on their evolutionist strategy, but was also motivated by the awareness that ordinary people had no wish to repeat the revolution of 1956. The communists, still in power, also wished to get out of the crisis without resorting to violence. Non-violent conflict resolution was ensured by the then-still-living legacy of self-limiting political action. Even the so-called radical opposition was quite moderate in comparison.

The legacy of the Polish self-limiting revolution of 1980–1 was a real starting point for the negotiating process in Central Europe.<sup>21</sup> In Hungary, regime change based on an agreement between the powerholders and the opposition was a difficult and tedious process, which raised the value of consensus: *consensual* democracy came to be seen as the ideal form. The negotiators agreed that certain institutions of the transition, such as bills passed with a two-thirds majority, continue to exist after the transition, thereby allowing those institutions to become established as integral parts of the new democracy. Later this consensual behavior was heavily criticized by the radical right, which wanted tougher lustration laws and a more sweeping change in the power relations of the elite: lustration, or “decommunization,” became a marginal demand. Legislation on this issue, limited as it was, has not been approved by the Constitutional Court.

The ideal of consensus did not manifest itself only in the negotiations between the powerholders and the democratic opposition, but also characterized the internal dynamics of the EKA. Their achievement was that they successfully realized the dream of a united front. Although it can be described as internally divided and conflict-ridden, the EKA succeeded as a cooperative, consensus oriented body of the opposition. Beyond stressing their difference from the MSZMP, their identity was built around the value of consensus the institution of the veto right forced upon them. Civil society was often identified with democratic social movements that were fighting for “true democracy” against the existing institutions; until 1989, many activists and some theorists

believed that political parties and governmental institutions were inherently non-democratic,<sup>22</sup> and should be substituted by the unwritten, non-institutionalized, self-evident general consensus of civil society.

Even if it soon became clear that the old concept of a unified civil society belonged to the past myths of anti-totalitarian movements rather than to a future of any viable democracy, it was difficult to accept that democracy was about *conflicts* – that is, conflicting values and interests that are openly expressed and must be institutionally regulated. Conflicts are not dysfunctional in a democracy but are the very essence of it.<sup>23</sup> In the process of Round Table-type transitions, it was not easy to understand that the point was not to eliminate conflicts in the name of consensus, but to channel them through functioning democratic institutions. The participants of the Round-Table talks wanted to establish a moderate, smoothly functioning democratic regime. Thus, when political conflicts sharpened, they tended to condemn each other as the “enemies of democracy,” all convinced that only their interpretation of democracy was correct.

An important element of the political visions of the opposition was their insistence that Hungary must *return to Europe*. For a time, “Finlandization” served as a model for how Hungary might overcome its past, and the example of Austria’s development was repeatedly raised as well. Both examples suggested a neutral military status for Hungary. Only from 1990 did some politicians begin to raise the possibility of joining NATO, which started to gain public support after the August 1991 coup in Moscow and, more visibly, after the eruption of war in Yugoslavia.

The aspiration to join the EC also played an important role in Hungary’s return to Europe. From the beginning, the idea of membership in EC (later, EU) was more popular within Hungarian society than the proposal to join NATO, because of the former’s identification with the ideal of social welfare. However, the commitment to EU membership was not equally strong across the political spectrum. The Hungarian Left regarded “Europeanization” as a process – as a project of political and economic modernization. In this, the EU could easily serve as a reference point. On the other hand, the Right argued that the major common cultural heritage of Europe was Christianity, which Hungary had already shared. Consequently, “Europe” for them was not a program but a status that Hungary had automatically regained after the collapse of Communism.

Since 1989, the desire to return to Europe has gradually become a reality. Hungary joined the European Council in 1991, the Partnership for Peace in 1994, NATO in 1999, and the EU in 2004. Most recently, on 1 January 2008, Hungary became part of the Schengen zone within the EU.

This regime change created an unprecedented historical situation in Hungary in which the political elite could draft a new Constitution and create the institutional framework of democracy without bloodshed. Whatever our definition of “change” may be, it is beyond doubt that the changes of 1989–90

represent the dividing line between dictatorship and democracy. The old regime collapsed and the institutions created in the negotiations of 1989 prevailed. However, the tone-setting political and economic groups, mentalities, and practices, and the popular perception of regime change, evolved much more slowly.

### Political and electoral systems

Hungary is a parliamentary democracy where the parliament is the centre of democratic politics. The president's functions are largely ceremonial and (s)he is elected by the parliament. The unicameral parliament elects the prime minister but ministers are responsible to the prime minister directly, as members of his/her cabinet, and not to the parliament. The parliament elects the members of the Constitutional Court (for nine years), and the ombudsmen (for six years). Their independence, have that of the National Bank, is guaranteed constitutionally.<sup>24</sup>

The electoral system of Hungary is extremely complex due to the compromise reached at the Round Table negotiations. The 1989 "Act on Elections" established a three-level electoral system which combines single-member districts with regional and national party lists. The election consists of two rounds, and in ordinary circumstances is held in every four years.<sup>25</sup>

Of the 386 seats in the Parliamentary Assembly, 176 are filled through elections in single-member districts. Only the candidate who can collect the signatures of 750 eligible voters may compete in the elections. In the first round, a 50 percent voter turnout is required. If the required level of voter turnout is met without any of the candidates obtaining absolute majority, all the candidates who received at least 15 percent of the votes, but no less than three, advance to the second round. If the voter turnout does not reach the required 50 percent in the first round, all candidates regardless of the results may compete in the second round. In the second round there is a requirement of a 25 percent voter turnout and the candidate who receives a relative majority is elected. If the 25 percent limit is not met, the seat is filled through a by-election at a later time. In reality, the first round is rarely successful, and by-elections are seldom needed.

A maximum of 152 seats are distributed on the basis of regional party lists. In the first round of the elections voters also cast a vote for regional party lists and so in practice have two votes. The country is divided into twenty regional districts where the number of seats is between 4 and 28, depending on the size of the population of each district. Only those parties that are able to nominate candidates in at least one-quarter of the single-member districts in that region may put forward lists in a given region. If voter turnout reaches 50 percent, seats are distributed after the first round – otherwise the second round decides. However, in order to win seats on the regional list a party must win at least 5 percent of all votes countrywide.

A minimum of 58 seats is distributed on the basis of the national or compensation lists. National lists can be put forward by parties that have regional lists in at least seven counties. In addition, no party failing to meet the 5 percent threshold may receive seats through the national list. Seats are distributed on the basis of votes either do not result in winning a seat in single-member districts or that remain after the distribution of regional seats.

Up until 2006, successive governments always lost elections. A centre-right coalitions took office in 1990 (MDF, KDNP, FKGP) and in 1998 (Fidesz, MDF, FKGP), whereas in 1994 and 2002 the MSZP and SZDSZ formed left-liberal coalitions. In 2006, the MSZP–SZDSZ coalition was the first ruling coalition that managed to win re-election. The re-elected center-left government is also a record holder in other respects. Hungary's first-ever minority government came into being on 30 April 2008 when SZDSZ, the smaller governing party, decided to withdraw from the coalition. The country also saw the first successful vote of no-confidence when Gordon Bajnai replaced Ferenc Gyurcsány as prime minister on 14 April 2009. The Bajnai government regards itself as a caretaker, intending to stay in office until the elections scheduled for the spring of 2010. The election turnout of the voters has been generally low, for various reasons. First, the political culture reflects the pessimism that is characteristic of Hungarians. On the other hand, the high expectations of each incoming government, and the subsequent disappointment in their performance, may also contribute. Furthermore, the respect for parties is very low. This also has the consequence that about 40 percent of the voters are uncommitted between elections.

### Political parties

Political parties are the formative actors in the Hungarian political field. According to their origin we can speak of historical, successor, and new parties. “Historical parties” are those that existed prior to the communist regime: the Hungarian Smallholders' Party (FKGP) and the Christian Democratic People's Party (KDNP). By a “successor party” we mean the heirs of the Communist Party: the Hungarian Socialist Party (MSZP). “New parties” are those that emerged during or after the regime change –, the Hungarian Democratic Forum (MDF), the Free Democrats (SZDSZ), the Alliance of Young Democrats (Fidesz), and the Party of Hungarian Justice and Life (MIÉP). The major parties of Hungary may also be placed on left–right axis: MSZP is a centre-left party; SZDSZ is left-liberal; and Fidesz, that used to be a right-liberal party, is the main force in the centre-right today. The MDF and the KDNP share the right side political spectrum with Fidesz; MIÉP is on the extreme right (table 10.1).

Among the far-left parties, the Workers' Party (FKGP) represents the old Kádárist left, while the Communist Party (MSZP) is a mix of Kádárist and anti-capitalist anti-globalism. Both are minor parties outside parliament. The

**Table 10.1** Hungarian political parties and their ideological positions, 1990–2008

<i>Far left</i>	<i>Socialist</i>	<i>Liberal</i>	<i>Conservative</i>	<i>Far right</i>
Workers' Party	MSZP	SZDSZ	Fidesz	MIÉP
Communist Party	MSZDP		MDF FKGP KDNP	Jobbik

**Table 10.2** Prime Ministers and their cabinets, 1990–2004

Year	Prime Minister	Party
1990–3	József Antall	(MDF–FKGP–KDNP)
1993–4	Péter Boross	(MDF–KDNP)
1994–8	Gyula Horn	(MSZP–SZDSZ)
1998–2002	Viktor Orbán	(Fidesz–FKGP–MDF)
2002–4	Péter Medgyessy	(MSZP–SZDSZ)
2004–9	Ferenc Gyurcsány	(MSZP–SZDSZ; since 2008: MSZP minority government)
2009–10	Gordon Bajnai	(MSZP)

MSZP is a dominant player in the Hungarian left, which has been represented in parliament consistently since 1989 and has been the governing party for ten of those years. The Socialists elected four prime ministers (Gyula Horn, Péter Medgyessy, Ferenc Gyurcsány, and Gordon Bajnai), see table 10.2. Horn, Medgyessy, and Gyurcsány represented contradictory tendencies of old social democracy, Kádárist nostalgia, pro-privatization modernization and Blairist “Third Way” policies,<sup>26</sup> whereas Bajnai is a non-party member technocrat. The Hungarian Social Democratic Party (MSZDP) is an extra-parliamentary force led by a former communist minister who is a billionaire today, but the party plays no significant role in Hungarian politics. The Alliance of Free Democrats (SZDSZ) is a social-liberal parliamentary party, the heir of the democratic opposition of the 1980s, which recently adopted a more neoliberal economic stance. It used to be a big party, achieving 20–22 percent in the first two elections, but since 1998 it has been struggling to enter parliament by achieving 5–8 percent of the votes.

As for the political right, Fidesz is the leading force represented in parliament since 1990. At the time of regime change Fidesz was a small liberal party, only to become a centre-right conservative party by the mid-1990s. Fidesz produced one prime minister (Viktor Orbán) and engineered the election of two centre-right presidents (Ferenc Mádl and László Sólyom, see table 10.3). The Hungarian Democratic Forum (MDF) is a parliamentary party which used to be the biggest conservative force and the winner of the first election. It was the

**Table 10.3** Presidents, 1990–2010 (elected by parliament)

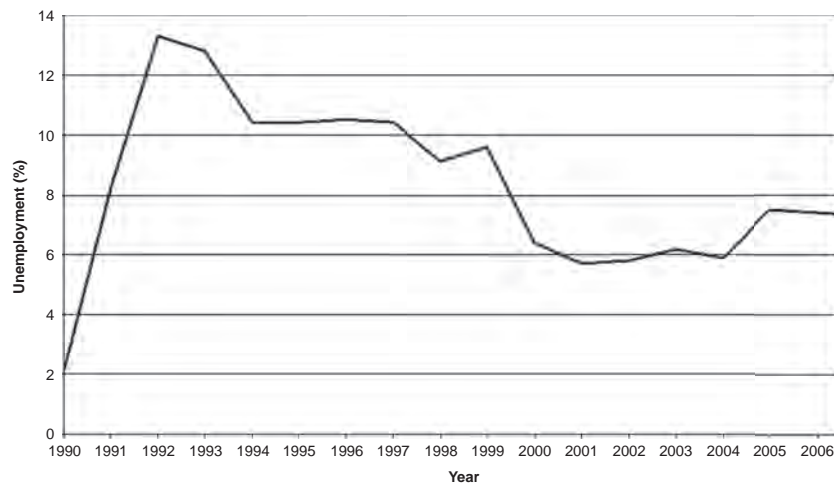
Year	President
1990–2000	Árpád Göncz
2000–5	Ferenc Mádl
2005–10	László Sólyom

largest leading member of the first governing coalition, producing two prime ministers (József Antall and Péter Boross). However, it lost significance after 1994 and is now a minor conservative-liberal party in opposition, increasingly supporting neo-conservative economic policies.

The Independent Smallholders' Party (FKGP) used to represent the countryside and, thus, agrarian interests. It was a medium-sized party and a member of two centre-right governments (1990–2 and 1998–2001). However, it failed to gain any representation in parliament in 2002 and has no impact on Hungarian politics today. The Christian Democratic People's Party (KDNP) is a Christian-socialist party and has been in parliament as a minor party since the first free elections. It combines culturally right-wing policies with an economically leftist agenda. On the far right, the Party of Hungarian Life and Justice (MIÉP) was created by the former MDF politician István Csurka in 1993. The party spent four years in parliament (1998–2002), formally in opposition but often voting together with the centre-right government. Since 2002, MIÉP has been outside parliament with no significant impact on politics, its agenda mainly taken over by Jobbik (For a Better Hungary), an extra-parliamentary party composed of younger, more militant extreme right supporters who speak for order and patriotic values with racist overtones. While the size of its support base has not yet been tested domestically, the general dissatisfaction with the left not only resulted in the overwhelming victory of Fidesz, but also brought about a third-place finish for Jobbik, which won 15 percent of the vote in the 2009 election for the European Parliament.

## Economic development

Long-term economic recession was already plaguing Hungary during the 1980s and the double need of a transition to a market economy and a necessity for seeking new markets after the collapse of the Community for Mutual Economic Assistance (CMEA) at the beginning of the 1990s only added to the crisis. Of these, the finding of new markets appears to have been easier, the EU emerging as Hungary's largest export market. While in 1989 only one-quarter of exports were directed toward the EC, in ten years the ratio had tripled to three-quarters. In the transition to a market economy, the EU's role was also significant in providing financial aid (PHARE, SAPARD, IPSA programs), setting clear



**Figure 10.1** Unemployment rate (percent of labor force without jobs), Hungary, 1990–2007

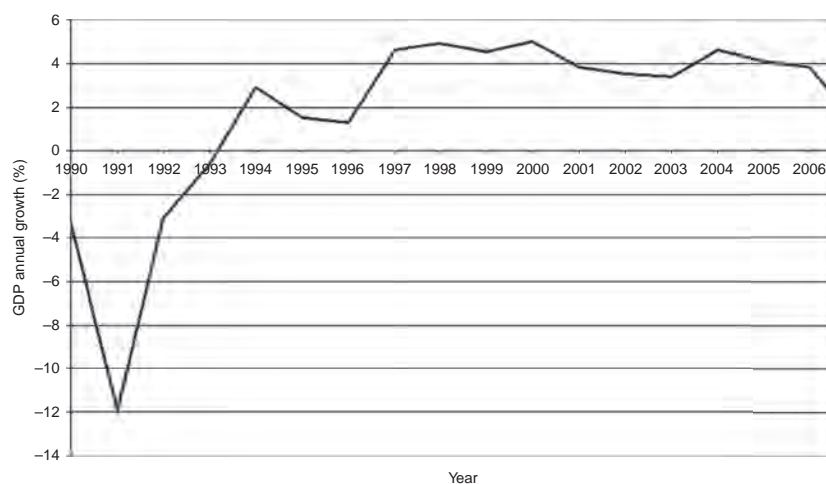
Source: György Csáki and Gábor Karsai (eds.), *Evolution of the Hungarian Economy 1848–2000: Hungary from Transition to Integration* (Boulder, Colo.: Social Science Monographs, 2001); CIA, *The World Factbook 2008*, at [www.cia.gov/library/publications/the-world-factbook](http://www.cia.gov/library/publications/the-world-factbook).

criteria for EU membership, and constantly tightening cooperation with Hungary.<sup>27</sup>

In the early 1990s, Hungary faced a choice between a quick but painful or a slow but, hopefully, less painful transition to a market economy. The first democratically elected government opted for the latter when it promised to create a social market economy. This meant that the government initiated no major reforms, despite serious economic problems such as skyrocketing inflation and unemployment, sliding living standards, negative economic growth rates, a thriving shadow economy, and large-scale smuggling. However, it could not avoid raising petrol prices so that they came closer to their market value, which shattered the public's illusion of a painless transition and resulted in the blocking of major roads by taxi drivers in protest (figure 10.1).

Major economic reforms were initiated by the Horn government in 1995. Austerity measures – the so-called “Bokros package” – were introduced in 1995: social welfare benefits were cut, tuition fees in higher education introduced, taxes raised, the range of free medical services narrowed, the Hungarian currency devalued by 9 percent, and an additional crawling-peg devaluation announced. While some of the social welfare payment cuts were later declared unconstitutional, the remaining changes were severe enough to bring favourable macroeconomic results, culminating in the declaration of the convertibility of the Hungarian currency (the forint) and the realization of a credit agreement with IMF and the acceptance into the OECD in 1996 (figure 10.2).<sup>28</sup>

The economy boomed until 2001 in spite of the Asian and Russian economic crises, but economic recession in the wake of 9/11 made itself felt in Hungary as well. In addition, the Orbán government abolished some of the reforms such as



**Figure 10.2** Annual GDP growth, Hungary, 1990–2007

Source: György Csáki and Gábor Karsai (eds.), *Evolution of the Hungarian Economy 1848–2000: Hungary from Transition to Integration* (Boulder, Colo.: Social Science Monographs, 2001); CIA, *The World Factbook 2008*, at [www.cia.gov/library/publications/the-world-factbook](http://www.cia.gov/library/publications/the-world-factbook).

tuition fees for higher education and, despite worsening macroeconomic figures, increased welfare spending and the minimum wage. On the positive side, the government started large-scale highway and real estate development.<sup>29</sup> Extensive welfare spending was continued by the Medgyessy government that delivered on its campaign promises and raised pensions and wages in the public sphere – in health care and education.<sup>30</sup>

As a consequence, plans to introduce the Euro in Hungary were publicly abandoned and an unpopular economic package was introduced in 2006. After fifteen years of procrastination, major reforms of the pension and health care systems were finally initiated. In 2006, the government decided to begin the privatization of the health care system, which the opposition sought to block through a referendum, but low participation prevented it from being valid. The following reforms brought growing health care costs for citizens, public confusion, and the plan for a health insurance scheme that was the result of political compromise between the coalition parties; a scheme that combines the private and state health insurance concepts and, potentially, their disadvantages.<sup>31</sup> The next referendum campaign was successful and required the government to revoke some of the reforms. However, the largest governing party, the MSZP, went further and backed off any kind of privatization of the health care system that had been advocated by its minor coalition partner (SZDSZ). Irrevocable differences over health care reform, Gyurcsány's loss of credibility with the public, and the taint of corruption finally made the MSZP–SZDSZ coalition untenable. Economic reforms petered out at a time when global recession made such changes imperative. Reforms were finally introduced by Bajnai's caretaker government, which enjoys a parliamentary majority with the outside support of



SZDSZ and which procured a substantial loan from the IMF and the EBRD. Reforms, including the revocation of the thirteen-month pension, the introduction of a property tax and incentives for companies to preserve jobs, have also been on the government's agenda.

Unquestionably, privatization was the greatest success story of the economic transition. The liquidation of state assets and the creation of private property were important elements of the process of replacing a centrally planned economy. It was also a response to Hungary's large public debt, which successive governments hoped to reduce by quick, market-based transition. The process of privatization gave the opportunity for FDI to enter the country. As a result, one-third of FDI entered through privatization. In eight years, most sectors of the economy had been entirely or largely privatized and by 2006, 85 percent of the GDP was produced by the private sector.<sup>32</sup> However, privatization also created several problems. Large multinational companies entered the country in the process, draining capital away from small and medium-sized companies (SMEs). The latter have as a consequence not only been short of capital but are also rather inefficient and small in number.

### Issues of corruption

Privatization and other state projects, especially highway construction tenders, were fertile fields for corruption. Corruption, links to organized crime, grey and black money, and creative accounting practices have also tainted the reputation of both the political elite and the parties.<sup>33</sup> The lack of adequate state funding – the hypocritically low limits of legally allowed campaign costs – and small party membership necessitate financial creativity and corrupt political practices. As a result, parties are usually found to operate correctly, but all of them are surrounded by a network of friendly client companies that, in exchange for preference in state tenders, willingly comply with party needs and spend some of their profits on party projects.

Scandals revealing the close ties between the political and economic elites surface from time to time. In 1996, the Tocsik affair originally erupted over the incredibly high premium money (about \$3 million) that the contracted lawyer, Marta Tocsik, received for negotiating advantageous deals for the State Privatization Company (APV Rt.). Tocsik's statement before a parliamentary committee revealed that local governments were required to kick back a part of their profit from the privatization of local government assets to governing parties.<sup>34</sup> More recently, a Socialist politician, János Zuschlag, was arrested after being accused of fraud relating to funds obtained from the Ministry of Sport and local government sources.

Not only does the polarization of economic interests along party lines hinder the development of the economy, national interests are likely to suffer as well. It was not by chance that when, in 2007, the usually bickering parties almost unanimously approved more lenient measures for the privatization of strategic

industries, concerns were raised that that protection of interests of the political–economic oligarchy was taking precedent over the country’s more general interests.<sup>35</sup> In the wake of the Zuschlag scandal, Prime Minister Gyurcsány vowed to make party financing transparent, launched a referendum campaign, and proposed a new party-financing law was passed. It became clear, however, that there was no political will to implement a more transparent regulation. Similar efforts to cut down on such practices in the heavily corrupt traffic police and health care system have already been made; they have proved successful in the former case but with regard to the health care system the results are yet to be seen.

Hungarian investigative journalism does a good job in revealing some outrageous cases of corruption but the political and economic elites are increasingly immune to the scandals. Ideally, scandals should be healthy signs of democratic accountability, but they are meaningless in Hungary because the relevant authorities do not follow up the leads. It is not by chance that Hungary is sometimes ironically described as “a country without consequences” – i.e. there is a lack of political accountability that demoralizes both the public and those who are expected to defend public interests.

## Education

Fee-paying in higher education has been one of the most politicized areas of education policy, which is curious in the light of the sweeping changes that have taken place in the field of education since 1989. The Education Law of 1993 started the transformation of a centrally planned and financed education system into one of the least-centralized systems in the EU. The role of the state was limited to the definition of learning aims and the skills that students needed to acquire at a certain age and accreditation of the framework curricula that broke these aims down by content and subject field. Schools are free to choose among these framework curricula and adapt them to their local needs.

However, the results of liberalization have been mixed. On the one hand, it saw a broadening of educational choice by the appearance of private and faith-based schools. On the other hand, the traditional structure of schooling – eight-year primary and four-year secondary education – was supplemented with schools working with 4–8 or 6–6 models, which limited students’ choice, because the different curricula made it extremely difficult for students to move from a school working with one model to a school working in the other. Moreover, selection of students has been moved back from age 14 to age 10, discriminating against students maturing later. Similarly, while liberalization saw an expansion of choice in textbooks, this often happened to the detriment to textbook quality. Such problems were dealt with by increasing attention to quality control in the second half of the 1990s.

The second half of the 1990s also revealed decreasing student performance in international comparison, which resulted in a change from content-based

learning to skills acquisition after 2000. EU directives after 2000 stressed competitiveness, lifelong learning, and the harmonization of education systems. The last of these resulted in the most comprehensive change in higher education, namely the replacement of the traditional four–five year undergraduate education with the Bologna criteria of three-year BA and two-year MA programs.

As for the financing of education, despite the fact that the state was channeling increasing proportions of the GDP into education, the general economic depression of the early 1990s saw a decrease in the funds in real terms. Demographic changes also led to a sizable shrinkage in the number of school-age children, which led to the closing of schools and growing unemployment amongst teachers. Today, schools are being closed or merged to enhance financial efficacy and reduce burdens on the state and local government budgets. Schools are responsible for head quotas for student–, the state provides a fixed amount of funding for each student–, which make up about 65–70 percent of the financial support for public schools, and the local governments are supposed to provide the rest of the money. The state provides both the head quotas and the supplementary amount for faith-based schools. While higher education has seen some expansion, the number of state-financed places at public universities is shrinking and with the introduction of fees even these students will be required to pay for a part of their education.

### Gender issues

Concerning gender, there is a wide gap between what the dynamics of education would predict and actual reality. Women make up the majority of students at higher education institutions, but they are still not well represented in important leading and managerial positions. The problems are similar in the area of politics, which is by and large a men's profession despite the fact that in the late 1990s several parties made some room for women on their party lists. In November 2007, the government introduced a bill whereby in national and European elections women should have every second place on party lists. Support was high, but the bill failed to pass because almost half of the MPs abstained during the voting.

Women earn lower wages in similar positions to men, and there appears to be a hidden discrimination against women. Discrimination against the middle-aged hit men and women alike, but companies avoid employing young women who do not yet have children or have young children. Although women on maternity leave are legally protected against being fired, in practice this provides little protection: they are often fired after the end of the protection period or upon their return are relegated to unfulfilling positions which they decide to leave voluntarily.

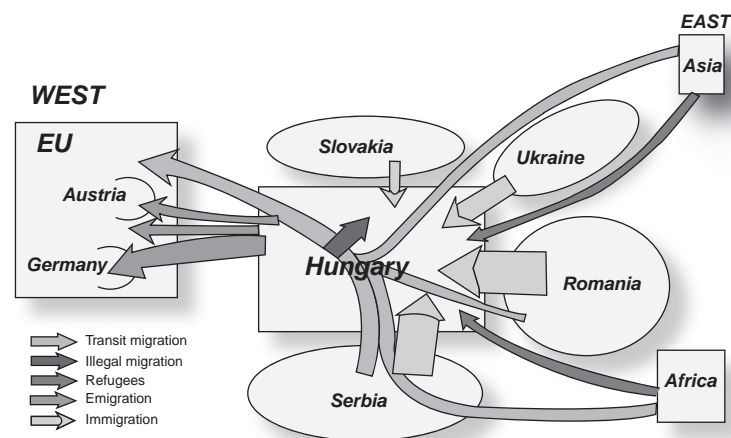
These developments are the result of market forces, but allow much of the duality of communism toward gender issues to survive. Communism had

elevated women to equal status and required them to become a part of the workforce. The state provided day care for children but women still had to shoulder domestic chores. Today women are free theoretically to choose if they wish to work, but since two incomes are needed to provide for a family, this choice is rather restricted. Moreover, they are not spared domestic duties, since even most middle-class families cannot afford to employ domestic help.

### Migrants, minorities, and interethnic relations

Discrimination against minorities is, in general, not an acute problem, largely due to the fact that although the Hungarian minority law recognizes thirteen historic and ethnic minorities, these make up a very small proportion of the population. While Hungary was targeted by several waves of migration after 1989 such events did not substantially change the size of these minorities, for two reasons. First, the largest number of immigrants arrived from Romania between 1988 and 1991 and most of these were of ethnic Hungarian origin. Second, while a more substantial number of refugees – about 62,000 – arrived in 1991 and 1992 from the FRY as a result of the war in the Balkans, they did not remain in Hungary. Some sat out the war and then returned home, others soon left for Western Europe.

Similar to refugees from the FRY, many refugees and migrants who arrive in Hungary treat it as a transit country and not the final destination of their journey. Illegal migration and human trafficking has since 1996 created additional problems and cause the major headache for Western Europe, while the feared exodus of Hungarians after accession to the EU did not happen. Those Hungarians who decided to leave for the West have primarily targeted Austria and Germany but



**Figure 10.3** Hungary and East-West migration, 1990–2007

Source: Zoltán Dövényi, at [foldrajz.ttk.pte.hu/magyarorszag/letoltes/keletnyugat.ppt](http://foldrajz.ttk.pte.hu/magyarorszag/letoltes/keletnyugat.ppt).

**Table 10.4** Size of historic and ethnic minorities in Hungary, 2001 census data

Rann	Minority	Minority membership	% of total population
1	Roma	190,046	1.88
2	German	62,233	0.62
3	Slovak	17,692	0.18
4	Croatian	15,620	0.15
5	Romanian	7,995	0.08
6	Ukrainian	4,070	0.04
7	Serbian	3,816	0.04
8	Slovenian	3,040	0.03
9	Polish	2,962	0.03
10	Greek	2,509	0.02
11	Bulgarian	1,358	0.01
12	Ruthenian	1,098	0.01
13	Armenian	620	0.01

Source: [ec.europa.eu/education/policies/lang/languages/langmin/euromosaic/hu\\_en.pdf](http://ec.europa.eu/education/policies/lang/languages/langmin/euromosaic/hu_en.pdf).

their number is rather small, since Hungarians in general do not move easily even within their own country, and least of all abroad (figure 10.3).<sup>36</sup>

Despite their small number, the thirteen recognized national and ethnic minorities enjoy extensive rights.<sup>37</sup> One aspect of minority relations has, however, been, unresolved since 1994, when the Constitutional Court declared that minorities must win representation in parliament. Differences among parties, irreconcilable demands from the minorities, democratic dilemmas (2 votes for minority members at elections versus 1 vote for the general population), and the fact that the thirteen minority representatives may bring down any government, have hindered the realization of minority representation in parliament (table 10.4).<sup>38</sup>

In spite of generally good interethnic relations, this issue is still on the political agenda because of the problematic situation of the Roma minority and the large number of Hungarians living in neighbouring countries. The number of the Roma population is estimated to be at least double if not triple of the official figures. Transition hit the Roma especially hard: the industries where most of them worked collapsed first and many of them lived in small villages where unemployment was also generally high. One out of every four Roma is registered as unemployed and even if they are employed, available jobs are often temporary or seasonal. The general level of education among the Roma is also very low. The consequences are inadequate sanitary conditions, housing problems, and difficulty in breaking out of the situation. The problem is further aggravated by migration and, thus, the concentration of the Roma in the poorest regions of the country.<sup>39</sup>

An equally pressing matter is discrimination toward the Roma in every area of life, most prominently in employment, education, and the perceptions of the police.<sup>40</sup> To improve the situation, the government initiated several programs

in the second half of the 1990s. In 1997, the “medium-term package of measures to improve the living conditions and social position of the Roma in Hungary” was accepted. It aimed at improving the conditions of the Roma while maintaining their cultural and linguistic heritage. The participation of (Roma) civil organizations and cooperation with the Roma community are essential parts of the program. In addition, the government joined into the effort of nine countries in the region to further the inclusion of the Roma in the 2005–15 period and accepted the corresponding action plan in 2004.<sup>41</sup>

To overcome the lack of parliamentary representation, parliamentary parties and the Roma community established close ties: for example, the MSZP has a Roma organization and in 2002 Fidesz offered one of the Roma organizations, Lungo Drom, two places on the party’s national list. Fidesz has also delegated one representative of Roma origin to the European Parliament who, by lobbying for the opportunity for, and then submitting a report on, the situation of Roma women to the European Parliament introduced the problem at that forum.

Interethnic relations are also important because of the large Hungarian communities living in neighbouring countries, particularly in Romania, Serbia, and Slovakia. The most conservative estimates put the total number of Hungarians living in neighbouring countries at above 2.5 million – more than a quarter of the population of Hungary. As a result, policies toward Hungarian minorities abroad are as much a domestic as a foreign policy concern, and attitudes and actions toward them strongly correlate with the degree of nationalism exhibited by the parties. Although parties of all shades agree in providing support for ethnic Hungarians abroad, not surprisingly parties on the right are not only more nationalistic but treat the advancement of such Hungarians as an important part of their identity. This leads them to pursue more confrontational policies toward the neighbouring countries (table 10.5).

József Antall, the prime minister of the first democratically elected, centre-right government, caused quite a stir both abroad and in certain circles at home when he stated that he wished to be the prime minister of 15 million

**Table 10.5** Hungarian minorities in neighbouring countries, 2001 census data

Minority	Population	Data year
Romania	1,447,544	2002
Slovakia	520,528	2001
Serbia	295,370	2001
Ukraine	155,600	2001
Austria	90,000	2001
Croatia	16,505	2001
Slovenia	6,500	2002
Total	2,532,047	

Source: Government Office for Hungarian Minorities Abroad, at [www.hhrf.org/htmh/en](http://www.hhrf.org/htmh/en).

Hungarians – a number that included the Hungarians outside Hungary. Moreover, the government's move away from a centrist policy line and its insistence on a minority protection clause stalled the conclusion of the basic Treaty with Romania. The Basic Treaty with Romania and Slovakia was finally signed by Gyula Horn's Socialist-led cabinet: Horn believed that the cause of Hungarians abroad would be best served by developing cordial relations with the countries where they lived.

The centre-right Fidesz government followed in office from 1998. Domestically, it wished to reserve membership in the nation only for those who shared its ideological views and by 2002 had made some alarmingly rightist statements. The four years between 1998 and 2002 also saw a short-term nationalistic revival when István Csurka's extreme right and revisionist party, MIÉP, won 14 mandates in parliament.

At the same time, the government institutionalized the protection of Hungarian minorities abroad and legally defined their status in a Status Law. The Status Law aimed at granting extensive rights – passport and citizenship – to Hungarians outside the borders. This caused vehement protest among the foreign governments concerned and the EU also expressed a negative opinion about it. Finally a watered-down version of the plan was accepted, granting only cultural and economic benefits to Hungarians abroad. Peter Medgyessy's Socialist government modified the law further, abolishing those parts that neighbouring governments objected to most. In December 2004 a binding referendum was held about dual citizenship for ethnic Hungarians abroad, although more people voted for dual citizenship than against it, participation was too low to make the results valid.

## Religion

Transition to democracy brought not only liberal minority policies but also of and discouraged under communism, but practice was not impossible. The changes in 1989 brought a short-lived increase in religious fervour. But by 2001, only 58 percent of the people declared themselves to be "believers" and only 15 percent of them attended church regularly. Most belonged to the Catholic Church, but the Reformed and Lutheran Churches also had a small following –. 78 percent of the population identified with the Catholic, 15 percent with the Reformed, and 3 percent with the Lutheran Church, 1 percent of the population declared itself to belong to the fourth historical religion, Judaism. There is also a substantial Greek Catholic community (15 percent) and the rest of the population are either unaffiliated or belong to other Christian groups, Orthodox, Buddhist, or Islamic communities.

The appearance of religious freedom has seen a dramatic increase in the number of registered churches. To be registered, a religious body has to provide 100 signatures of its followers and any local court may then register the church, as a result there are about 150 registered churches in Hungary. Religious education is not part of the school curriculum, but students are allowed to register for

extracurricular religious courses that members of the various churches teach in schools. All churches are given the right to engage in extracurricular educational activities but the bulk of the task is carried out by the historic Churches.

Although historically the Hungarian state had close ties to Catholicism, there is no state religion in Hungary. Religious denominations are legally equal even if several factors undermine this in practice. The media law gave airtime on the public services-state channels to historical Churches, but not others. Amongst both the general population and government circles an attitude of suspicion prevails concerning the smaller newly established religions.

Relations with the Catholic Church are directed by the 1997 State Treaty with the Vatican. Critics claimed that the treaty discriminates positively in favor of the Catholic Church, but the conditions stipulated in the Treaty also apply to other denominations. Thus, the state has agreed to return most property confiscated under communism. The state also ensures financial support of Church-run schools and universities, museums, and Church-owned social services. It allows for citizens to donate 1 percent of their income to Churches and receive tax exemption. In addition, the state also devotes additional funds from tax revenues to religious bodies. Not everyone is satisfied with such extensive state support; of political parties, the Free Democrats question the scheme, believing that Churches should detract the cost of their operations from among their members. This is, however, difficult to achieve not only because of customary practice but also because the culture of making donations is absent in Hungary.

The relationship of politics and religion shows a division along party lines. If the Free Democrats are critical toward the state financing of churches, the right maintains close ties to the traditional churches, especially the Catholic Church. Originally the Catholic Church aligned itself with the Christian Democrats, but when they ceased to become an important force in politics Churches switched their allegiance to the largest conservative party, Fidesz. Church involvement in politics is apparent through participation in collecting signatures for referenda or in support of the policy positions of the political right in church sermons.<sup>42</sup>

## Conclusions

By all international standards, Hungary can be regarded as a consolidated democracy. In the first two decades after the regime change, there was no need for early elections, which substantially contributed to political stability. Hungary is also a country where governments are generally known to lose elections, which could be seen as a healthy sign of a functioning democracy. In the long run, the future of Hungary is closely tied to the EU. Frequent exchange programs and study-abroad programs speed up the process of intercultural learning, dialog and mutual understanding among university students and young and middle-aged professionals. However, as of 2009 Hungary is still in a sober mood of post-accession trauma. Politicians and opinion-makers still need to realize that the EU



in itself is not the solution for Hungary but can be a framework for several solutions. People learned under the old regime that solutions come from outside and that they could not significantly contribute to their own fate. This passive role of the onlooker may be an obstacle to internal innovation.

Moreover, formal political stability has its costs. The choice for voters is increasingly limited, political parties lose elections but they do not disappear or flexibly transform themselves to satisfy their potential voters' needs. Even if parties are widely discredited, they simply do not vanish; rather, they seem to stay "forever." Voters at elections base their voting decision on the negative strategy of choosing the least bad alternative, which reflects the low and steadily declining reputation of the whole political elite. The inflexibility of the political regime in offering opportunities for new parties, the unwillingness of existing parties to ease the entry regulations for newcomers, and the deeply divided constituencies are all obstacles to further structural reform<sup>43</sup> and may be a recipe for the unexpected eruption of popular political protest.

Current Hungarian democracy reminds one of a "partyocracy," where democracy is largely reduced to the activities of political parties.<sup>44</sup> Due to the relative weakness of independent civil society (social movements, watchdog groups, NGOs, think tanks, trade unions, and the media), almost all democratic channels are subjects of increasing influence from, if not occupation by, the political parties. Even if people are sick of "partyocracy," they are still not strong enough to organize themselves collectively. The political regime has changed to a democracy but the political culture of passive individualism, which was characteristic feature of the post-1956 decades, seems to survive. This passive-negative, distrustful popular attitude to institutions, and the "colonization" of democracy by the dominant political parties, negatively influence the quality of democracy in Hungary.

### Timeline 1989-2008

**1989**

**March**

Formation of Opposition Round Table

**June–September**

National Round Table talks

**October 23**

Proclamation of the third Hungarian Republic

**1990**

**March–April**

First free elections: centre-right MDF election victory

**September–October**

First free local elections

**October**

Taxi-drivers' blockade

**1994**

Return to power of communist successor party (MSZP)

**1995**

Introduction of economic austerity package

**1998**

Election victory of centre-right Fidesz

**1999**

NATO membership

**2002**

Election victory of centre-left MSZP

**2004**

EU membership

**2006**

Governing party re-elected for the first time

<b>September–October 2008</b>	Violent clashes on streets between anti-government protesters and police First minority government (MSZP)
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### Fact sheet

<b>Area</b>	93,030 km <sup>2a</sup>
<b>Population</b> (July 2008 estimate)	9,930,915 <sup>b</sup>
<b>Major cities<sup>c</sup></b>	
Budapest (2007)	1,696,128
Debrecen	204,124
Miskolc	172,637
Szeged	164,883
<b>Below the poverty line</b> (2007)	15.9% of population <sup>d</sup>
<b>Unemployment rate</b> (2007 estimate)	7.3% <sup>e</sup>
<b>GDP per capita</b> (2007 estimate)	\$19,000 <sup>f</sup>
<b>Higher education</b> (2001)	9.4% of population <sup>g</sup>
<b>Literacy rate</b> (2003 estimate)	0.6% of population <sup>h</sup>

#### Notes:

<sup>a</sup> Including % of minorities over 10% of population.

<sup>a</sup> CIA, *The World Fact Book 2008*, at [www.cia.gov/library/publications/the-world-fact-book/](http://www.cia.gov/library/publications/the-world-fact-book/) [accessed: on September 13, 2008].

<sup>b</sup> CIA, *The World Fact Book 2008*.

<sup>c</sup> Hungary [City Population: Cities, Towns, Countries and Provinces, Statistics and Maps] 2007, available at: [www.citypopulation.de/Hungary.html#Stadt\\_gross](http://www.citypopulation.de/Hungary.html#Stadt_gross) [accessed on 24 July 2007].

<sup>d</sup> UNDP, *Human Development Report 2007/2008*, at [http://hdr.undp.org/en/media/HDR\\_20072008\\_EN\\_Complete.pdf](http://hdr.undp.org/en/media/HDR_20072008_EN_Complete.pdf) [accessed on 13 September 2008].

<sup>e</sup> CIA, *The World Fact Book 2008*.

<sup>f</sup> CIA, *The World Fact Book 2008*.

<sup>g</sup> Census data 2001, at [www.nepszamlalas.hu/hun/kotetek/18/tables/load1\\_24.html](http://www.nepszamlalas.hu/hun/kotetek/18/tables/load1_24.html) [accessed on 25 July, 2007].

<sup>h</sup> UNDP, *Human Development Report 2007/2008*.

#### Sources:

### Parties in the Hungarian parliament

Party	Reputies
Hungarian Socialist Party (MSZP)	189
The Alliance of Young Democrats (Fidesz)	141
Christian Democratic People's Party (KDNP)	23
Alliance of Free Democrats (SZDSZ)	20
Hungarian Democratic Forum (MDF)	11
Independent	1

Source: "Magyar Országgyűlés," at: [www.parlament.hu](http://www.parlament.hu) [accessed on 24 July 2007].

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 Overview of important political parties
 

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EKA	<i>Ellenzéki Kerekasztal</i> /Opposition Round Table
Fidesz	<i>Fiatal Demokraták Szövetsége</i> /Alliance of Young Democrats
FKGP	<i>Független Kisgazdapárt</i> /Independent Smallholders' Party
Jobbik	<i>Jobbik Magyarországért</i> /Movement For a Better Hungary
KDNP	<i>Kereszténydemokrata Néppárt</i> /Christian Democratic People's Party
MIÉP	<i>Magyar Igazság és Élet Pártja</i> /Party of Hungarian Justice and Life
MSZDP	<i>Magyar Szociáldemokrata Párt</i> /Hungarian Social Democratic Party
MSZP	<i>Magyar Szocialista Párt</i> /Hungarian Socialist Party
NKA	<i>Nemzeti Kerekasztal-tárgyalások</i> /National Round Table Talks
SZDSZ	<i>Szabad Demokraták Szövetsége</i> /Alliance of Free Democrats

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### Short biography of Árpád Göncz

Árpád Göncz (1922–) was the first president of the third Hungarian Republic. He served two terms as president between 1990 and 2000. While his activist approach to the office during his first term generated a few political controversies (e.g. exceeding his constitutional powers as commander-in-chief, he ordered the military to avoid intervention during the taxi-drivers' blockade in the fall of 1990), by triggering some Supreme Court decisions, it also helped clarify constitutional ambiguities about the division of competencies between the various government institutions of the newly established democratic regime. Despite losing the constitutional battle, he remained active in politics, taking advantage of his most powerful constitutional tool, the right to speak out-effectively on political questions in the media or parliament.

In 1990, Göncz was elected by the support of Conservative and Liberal fractions in parliament, while in 1995 he was re-elected by the support of Socialist and Liberal fractions. In his second term he became much less active in shaping internal politics and focused mostly on fulfilling his ceremonial duties. His popularity as a politician remained high throughout his terms and his conduct in office also won general respect and popularity for the presidency.

Due to his activity in the 1956 revolution Göncz spent five years in prison in 1958–63. In the 1980s, he was known as an author and literary translator of the works of numerous British and American authors. In 1988–90 he served as Chairman of the Hungarian Pen Club. In 1988, he was a funding member of the Alliance of Free Democrats. His daughter, Kinga Göncz, served as minister of social affairs (2004–6), and was Hungary's first female foreign minister of Hungary (in 2006–9).

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