Weekly Briefing

Hungary Political briefing:

Outlook on Political Developments in 2018

Csaba Moldicz

In 2018, the Hungarian politics is to be determined by **the preparations for the 2018 parliamentary elections**. To understand the future of Hungarian politics, it is worth considering the achievements of the Hungarian government briefly. Until now, the Fidesz-KDNP has won in two consecutive elections periods, which have enhanced the stability of policies, and at the same time provided the Hungarian government with unprecedented opportunities to reshape economic and political institutions of the country – probably irreversibly. During the last eight years, Hungarian governments built their politics on the **trinity of the following principles**:

1.   The *pursuit of an interests-based policy* in the external relations has become a more and more characteristic feature of the Hungary foreign policy. The consequent pursuit of this principle led Hungary into trouble with the country's Western allies, and shifted the focus of this policy towards Russia, China etc. However, the contradiction seems to be that until now, Hungarian efforts to reap the benefits have been modest.

2.   The *consequent enforcement of the Hungarian national interests* in the economy set the country on collision course with the European Commission which as the 'guardian of the Treaties' had no choice but to apply the rules of the Single Market.

3.   Besides the *protection and support of the Hungarian firms,* Hungarian governments have consequently tried to *preserve and protect families as basic units of the society.* Conservative and traditional values have played a crucial role in taxation reforms, reshaping social and labor market policies. In many cases, the self-help principle has been enforced in the social policy, which in most of the cases finds the consent of the population.

According to our analysis, the Fidesz KDNP government won't change its course before and after the 2018 elections. Until now, most of the population have accepted more or less these three basic principles, that is probably one of the reasons why during the last eight years, there was no period,

when the popularity of the Fidesz-KDNP could be questioned by any other party seriously.

Over the last half year, the popularity of the governing party has become stronger – according to our former analysis and predictions, and at the same time opposition forces have struggled with finding definite answers to the challenges. Thus, for the time being it seems to be a stalemate for the oppositions parties, since they must form and revise their strategies how to react to the growing support of the governing party, **if they want to play a role in the 2018 parliamentary election.**

We predict the continuation of the present political trends in 2018, and do not anticipate a radical change in the trends. The latest political survey corroborates our predictions, it showed a strengthening Fidesz. According to the opinion poll of the 'Nézőpont' Research Institute, the political support of the governing parties (Fidesz-KDNP) grew among the adult populace between November and December 2017. Their support increased by 2 percentage points (from 35 to 36 percent) based on the survey in which 2.000 persons participated and were questioned between 1 and 18 December 2017. The largest opposition party, the Jobbik's popularity is clearly on decline, the support of the party only reached 8 percent, which is 1 percentage point lower than a month before. However, this slight decrease in support can be still viewed as sampling error. **At the same time, popularity of other opposition parties (MSZP, DK, Együtt, LMP) did not change at all, showing an impasse position.**

A very similar picture emerges if analyzing data collected among those who most likely will vote in 2018 parliamentary elections. The support of Fidesz-KDNP increased even at this data set, the change reached 3 percentage points, reaching 51 percent. The decline of the Jobbik's support can also be demonstrated by these data, since the decrease was 2 percentage points. As a result of the party's weakening, only 14 percent supported the Jobbik in December 2017. The closest follower of the Jobbik are DK (9 percent) and LMP

(9 percent). The MSZP would only receive 8 percent of the those who are willing to participate in the coming elections according to the poll.

In theory, these data point out 3 possible scenarios with 3 different outcomes in the elections, however the first scenario is the most likely to happen:

1.   **First scenario:** there are continued trends, and the governing parties win in the elections. **(Most likely)**

1.   **Second scenario:** one of the opposition forces triggers a land-slide move of support in the next months, and through political innovation it will succeed to reshape the political landscape of Hungary. This future scenario would require broad media coverage of the initiatives **(Less likely.)**

2.   **Third scenario:** a coalition of opposition parties can be formed in the next weeks. This future scenario would mean the opposition parties could manage their differences of opinion. Both scenarios seem to be very unlikely at this stage. **(Least likely.)**

The choice and acceptance of politicians will be crucial for the outcome of the Hungarian elections. The general rules of the Hungarian election system have always supported the winner parties in order to strengthen political stability of the country. Even in the case of a suddenly declining popular support, the government can pursue their policies, based on a clear parliamentary support. Thus, in this system voters mainly vote for parties and not for persons. There is only one exception, the nomination of the Primes Minister candidate can be a crucial step in the election campaign. The survey of the 'Századvég' Research Institute wanted to shed light on the question who are the most supported Primes minister candidates among the Hungarian citizens and that is why it is important in our analysis. The survey was carried out among 1.000 adults between 12 and 18 December 2017. Fort the time being, 52 percent would support Mr. Orban as Hungary's Primes Minister, while other candidates were backed by significantly less people. Mr. Karácsony was supported by 13 percent, Ms. Szél by 11 percent and Mr. Vona by 9 percent of the pollees. **As it could be seen, the Fidesz-**

KDNP popularity has a strong tailwind by the support of Mr. Orban as next Primes Minister.

The opposition is forced to come up with innovative ideas, the following 3 examples show situations which had to be solved by these parties. The Jobbik's attempts to (re)shape the public discourse failed, the billboard campaign, which advocated for the creation a union of wages ('Bérunió', i.e. wages levels of EU-member states can brought by the formation of 'wage-union' to the same level.) was a clear disappointment and it did not bring the desired effects. The other main opposition party, the MSZP hasn't appointed a Primer Minister candidate yet, which clearly shows **problems and uncertainty related to the party's 2018 parliamentary election campaign.** However, the biggest obstacle they face currently, is that they have to form a joint platform for the 2018 parliamentary elections – which is not likely at this stage – their support even in this – based on the 'Nézőpont' survey – wouldn't be sufficient to defeat the Fidesz-KDNP

According to our analysis, the Fidesz-KDNP wins the 2018 parliamentary elections most likely, the question is only whether the party can secure a simple majority or a two-third victory in 2018. This will be decided on how the government can balance between contradicting wishes and opportunities.

1.   Firstly, the strong political background the Fidesz enjoyed in the last eight years, was secured by the solid economic fundamentals. As long the population can benefit from sustained economic growth, rising incomes, low inflation, stable budget, and access to EU-transfers, there are no serious threats to the Fidesz government. However, there is one important aspect which must be taken by the strategists of the Fidesz into account: the clear support of the EU-membership among Hungarians and the younger generations which support freedoms given by the Single Market of the EU. Thus, the Fidesz has to balance between its core supporters with anti-EU-views and those supportive of the EU membership in the 2018 campaign.

2.   Secondly, different elements of the neorealist foreign policy are very popular among Hungarians, however, even in this case it can be stated, as long the population can benefit form economic growth, there are no serious threats to the government's policy. And this way, it must be also showed, what are the results of this policy. In other words, not only special relations to Russia, but also the Eastern Opening Policy can be questioned in the political debates of the 2018 elections.

3.   Thirdly, elements of the neo-mercantilist and protectionist policy are also very popular among Hungarian, protection of Hungarian firms, protection of the Hungarian labor market from migrants and protection of families can easily be 'sold' to the Hungarian audience, as long the competitiveness doesn't suffer from the policy.

To sum it up, the Hungarian government has to walk on a tightrope again in 2018, given the contradicting wishes of the voters and the opportunities provided in the present world economy and world politics.