



# Weekly Briefing

**Hungary Political briefing:**  
**The Third Victory in a Row - Political Consistency Matters**  
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The Fidesz-KDNP recorded a land-slide victory in the Hungarian parliamentary election April 8th; this convincing victory was the third one in a row. How shocking this victory of the Fidesz came to the opposition parties shows, that

- the party leader of the Jobbik (Mr. Vona),
- the entire leadership of the MSZP,
- the co-president of the LMP (Mr. Hadházy)

resigned from their posts after the results became public. The prime minister candidate of the Együtt (Mr. Szigetvári) announced that he will retreat from politics.

Based on not final data, a two-third victory seems to be achieved by the Fidesz, which came as a surprise to many analysts, who were misled by the optimism of the opposition forces in the last days. The confusion around the data let analysts conclude that they cannot rely on data anymore and despite the figures, something unexpected would happen, as it did a few weeks ago in Hódmezővásárhely where the independent candidate surprisingly defeated the Fidesz candidate. Gábor Török, who is the most influential and most known political analyst of Hungary, hinted one day before the election that he didn't have the data to rely his prediction on, but his sense tells a surprise result of the voting. It was a surprise, but clearly one with opposite outcome.

### **Our earlier forecasts:**

Our earlier predictions on the outcome of the voting came true. In our earlier analyses, we showed three plausible scenarios of the parliamentary elections April 2018.

1. Two months before the election, we concluded that cooperation of the opposition parties was almost impossible. In our analysis one month before the

election, we evaluated the cooperation and coalition of the opposition parties growing but still minimal.

Later, although the willingness to cooperation scenario grew over the following weeks, full cooperation could not be achieved. In particular, results in Budapest showed the importance of full cooperation since its absence was the main factor behind lost constituencies in Budapest. If the opposition forces agreed on an election cooperation, with one exception all constituencies could have been won by the opposition in Budapest. How much cooperation would have mattered, show, that votes for the Fidesz-KDNP were overtaken by around 100.000 votes for the opposition parties, but the voting power of the votes could not be fully used because of lack of centralization in the opposition camp.

2. Several times, we evaluated the chances of a land-slide victory of the opposition parties through 'political innovation' minimal. That also came true, because corruption remained the only real topic of the opposition parties, they used in their campaign. Very much of the campaign news was concentrated on whether there would form a cooperation or not. At the same time, it must be underlined, that even though the opposition parties could have agreed on cooperation and new mobilizing topics, it would have caused problems to reach the public - in particular the one in villages, towns and cities in the country side - since traditional and modern media are being mainly dominated by business circles close to Fidesz. This is an aspect highlighted by report of the Organization for Security and Co-operation (OSCE) in Europe. The report stressed the close cooperation between state and the ruling party, which might have contributed to the land-slide victory of the Fidesz-KDNP, according to the OSCE.

3. Over the last months, in our prediction we maintained that the victory of the Fidesz-KDNP is the most likely scenario. This prediction proved true. Based on the preliminary data, the Fidesz won 134 seats, the Jobbik 25; the MSZP-PM 20, the DK 9, the LMP 8, and the Együtt 1 seat in the 200 seats parliament.

[There is one representative of the German minority in the parliament, but he happens to be the supporter of the Fidesz.]

If looking at the regional distributions of votes, it is clear that the governing party can attribute its victory to its dominance in the country-side. Even in the poorest regions of Hungary (North-East Hungary) that were supposed to be strongholds of the Jobbik, were dominated by Fidesz. From all country constituencies, only one in Szeged could be won by a MSZP-PM candidate, one in Pécs by an independent candidate and one in county Fejér by a Jobbik candidate.

When it comes to legitimacy questions, it must be underlined this victory is not only the third in a row, but this time the Fidesz received the most votes, and this time the voter turn-out quote was very high, around 70 percent. These elements together ensure a very high legitimacy of the new government. During the day of the election, as data on high voter turn-out were pouring in, most analyses evaluated that as positive for the opposition parties. But as it turned out, the Fidesz was able mobilize its voters efficiently.

### **Prospects:**

Even though it was very difficult to predict the outcome of the election, it is less complicated to see its possible effects on the opposition parties. These parties will become weaker, since their public support will decline as it usually happens to the defeated parties after election. There are four important opposition forces which get weaker significantly.

1. The Jobbik: The resignation of the Jobbik's party leader signal a new, very likely a more radical period of the party. Even though the phrase right extremist party is used in English texts, over the last two years the Jobbik started to show a more "citizen" friendly face to the public. This softening image was heavily criticized by party's right wing. And immediately after the resignation of the party leader, Mr. Toroczkai, the deputy party leader signaled in one Facebook post that only if the party leader leaves his position in effect, the party

can be renewed. The deputy leader belongs to more radical wing of the party, he several times showed his disagreement on the mainstream of the party.

2. The MSZP-PM: After choosing Mr. Karácsony as prime minister candidate, the public support of the party slightly improved, that must have been the triggering point what saved the party from a total collapse. That is very unsure what will happen in the near future, whether this cooperation can be maintained or the it will bring the MSZP to the edge of the abyss.

3. The LMP: The LMP was one of the opposition forces that clearly impeded deepening cooperation among the opposition forces. According to the resigning co-president, Mr. Hadházy, the party's former leader (Mr. Schiffer) threatened the candidates with court trails if they stepped down. He maintained that was one of the reasons why the LMP didn't cooperate with other opposition parties. Since then the former leader denied these allegations.

4. It is also very likely that the Együtt will disappear from the Hungarian politics.

As a result of this clearing process in the Hungarian politics, less key political players are to be seen in a two years' time. After the forming the new parliament and the new government; the Fidesz will very likely push main projects forward.

1. The approval of the Soros package. Background: this February, the Fidesz-government issued a white paper ('Stop Soros') on measures against illegal migration. (The proposal contains the mandatory registration of organizations advocating for mass migration and being financed by foreign donors. The package requires public reports from the organizations on their activities and they are supposed to pay fees that will be spent on the protection of the border fences.)

2. Economic policy. The Hungarian economy policy has been successful in achieving good macro-economic indicators over the last year. There is no reason to alter the successful policy. Public debt will be kept low under the 3 percent

threshold required by the European Union. It is very likely that over the next 4 years, the government has to focus more on public health and education.

3. It is very likely that anti EU approach will prevail in the rhetoric. The government received a very strong argument with its two-third majority and high voter turn-out in the election in the debates with the European Commission, but disputes with the EU, United Nations won't disappear from the daily agenda, however, Hungary is not seriously threatened by being expelled from the EU since this decision must be made unanimously and Hungary can count on Poland's support in whose case the article was already triggered. The real change might come from diminishing EU-transfers after 2020.

4. The Central Bank of Hungary will continue its former policy aiming at boosting the economy by enhancing liquidity in the Hungarian credit markets. In our understanding the tight public budget policy will be linked to ultra-liberal monetary policy in the coming years.

By and large, it can be argued that consistency is to be expected in the coming years: both in domestic politics, economic policy, and external relations of the country, however, the media landscape will change further, consequently opposition forces will have weaker presence in the media. This week, the owner of the newspaper, Magyar Nemzet announced the newspaper ceases to exist from this Wednesday. The Hír-TV (tv-channel) and the Heti Válasz (newspaper) that are linked to Mr. Simicska, the owner of the Magyar Nemzet, are seeking investors at this stage, but their future is also uncertain.