# Freedom in the World 2016 - Hungary

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#### 2016 scores

Freedom Status: Free Aggregate Score: 79 Freedom Rating: 2.0 Political Rights: 2 Civil Liberties: 2

# Trend Arrow: ↓

Hungary received a downward trend arrow due to laws, policies, and practices that sharply curtailed the ability of refugees to seek asylum in the country, the ongoing deterioration of the media environment, and the effects of large-scale government corruption on commercial activity and competition.

#### **Quick Facts**

**Population**: 9,835,030 **Capital**: Budapest

**GDP/Capita**: \$13,902.70

Press Freedom Status: Partly Free

**Net Freedom Status:** Free

### **OVERVIEW**

Support for Prime Minister Viktor Orbán's Alliance of Young Democrats-Hungarian Civic Union (Fidesz) party declined steeply at the end of 2014 and in the first months of 2015. Together with its junior coalition partner, the Christian Democratic People's Party (KDNP), it lost two parliamentary by-elections in 2015, the first of which went to a leftist candidate and cost the coalition its two-thirds parliamentary supermajority. The second by-election went to the radical-nationalist Movement for a Better Hungary (Jobbik) party, whose popularity peaked in April but gradually

returned to about 15 percent. Fidesz's poll numbers recovered in August and September, apparently reflecting support for the government's tough stance on migration.

Roughly a million migrants and refugees streamed into the European Union (EU) in 2015, many of them fleeing conflict zones in the Middle East, South Asia, and Africa. Hungary became the main entry point for those reaching the EU's core via Greece and the Balkans. The Orbán government responded to the influx of asylum seekers by constructing a razor-wire fence along Hungary's southern border and adopting extensive new immigration and border-control regulations designed to deter new entries and ease the rejection of asylum applications. In December, the European Commission launched infringement procedures over Hungary's new asylum legislation, which appeared to breach EU standards.

Separately, in May, the government finalized its proposal to replace the controversial progressive advertising tax it had pushed through in 2014 with a flat tax rate of 5.3 percent. The original law was suspended by order of the European Commission in March, pending an investigation to assess whether it gave certain companies an unfair competitive advantage, in violation of EU rules.

#### POLITICAL RIGHTS AND CIVIL LIBERTIES

Political Rights: 32 / 40

A. Electoral Process: 9 / 12

Voters elect representatives every four years to a 199-seat, unicameral National Assembly under a mixed system of proportional and direct representation. The National Assembly elects both the president and the prime minister. The president's duties are mainly ceremonial, but he can influence appointments and return legislation for further consideration before signing it into law.

The Fidesz-KDNP coalition won the April 2014 parliamentary elections with 45 percent of the vote, capturing exactly two-thirds (133) of the seats. Unity – a new coalition of five leftist parties – won 38 seats. Jobbik took 23 seats, while the green-liberal Politics Can Be Different party won 5 seats.

Throughout the rancorous campaign, opposition parties criticized recent changes to electoral legislation, including rules that facilitated the creation of instant parties, splitting the antigovernment vote; alleged gerrymandering in the ruling coalition's favor; and the government's heavy influence over state television and radio. Most of these grievances were echoed by critical assessments from international transparency watchdogs and an Organization for Security and Cooperation in Europe (OSCE) election-monitoring delegation, which also pointed to strong government influence over media and advertising outlets and grossly unequal financial resources. Election monitors also suggested that the dual system for foreign voters, under which ethnic Hungarians who have been awarded citizenship but have never lived in the country can register and vote more easily than native Hungarian citizens living abroad, "undermine[s] the principle of equal suffrage."

Zoltán Kész, an independent candidate who drew support from left-wing parties, won with 43 percent of the vote in a February 2015 parliamentary by-election in Veszprém, a traditional Fidesz stronghold. The Fidesz candidate, Lajos Némedi, secured 34 percent. Fidesz-KDNP consequently lost the two-thirds parliamentary supermajority it had held since 2010.

In April, Lajos Rig of Jobbik won a by-election in Tapolca, which had also overwhelmingly supported Fidesz in 2014. Rig's victory marked the first time Jobbik had won a single-member district outright, as opposed to gaining seats through proportional representation.

# B. Political Pluralism and Participation: 15 / 16

After Fidesz's electoral victories in 2014, public support for the party declined significantly due to corruption allegations, political infighting, and an attempt to tax internet traffic, among other factors. With the political left plagued by infighting, Jobbik was the country's second-most popular party as of 2015. According to data released in April by the polling agency Medián, 18 percent of Jobbik supporters said they had voted for Fidesz the year before. However, the 2015 refugee crisis created an opportunity for Fidesz to reassert itself among anti-immigrant and Euroskeptic voters. The ruling party's popularity, which was at a two-year low of 24 percent in March 2015, bounced back to 34 percent by November, according to Medián. A large number of smaller parties compete in elections, but a party must take at least 5 percent of the national vote to win parliament seats by proportional representation.

Hungary's constitution guarantees the right of ethnic minorities to form self-governing bodies, and all 13 recognized minorities have done so. Minorities can also register to vote for special minority lists – with a preferential vote threshold – in parliamentary elections, but they are then excluded from the general party-list voting. None of the 13 minority lists won enough votes to secure a seat in 2014, meaning each is represented only by a nonvoting spokesperson. The Romany population in particular has long been underrepresented in political office.

# C. Functioning of Government: 8 / 12

Corruption remains a notable problem in Hungary, which ranked 50 out of 168 countries and territories surveyed in Transparency International's 2015 Corruption Perceptions Index. Using its supermajority, the Fidesz-led coalition has appointed allies to lead state agencies with anticorruption roles. The lack of an appropriate public-spending database presents an obstacle to the transparency of government finances.

Transparency International's Hungary chapter reports that a number of companies with close ties to the government are supported primarily by public funds. The board of Hungary's Public Procurement Authority has 19 members, 7 of whom are government appointees and 3 of whom are chosen by nominally independent public institutions led by allies of the prime minister. In July 2015, the procurement board banned former Orbán ally Lajos Simicska's construction firm Közgép from participating in public tenders for three years on the grounds that the company had included "false data" in one of its bids. Before a much-publicized rift between Simicska and Orbán came to a head in February 2015, Közgép had won billions of forints in state contracts.

In April, the European Commission suspended approximately \$2.6 billion in planned transfers to Hungarian economic development programs due to suspected corruption and irregularities in the awarding of tenders. Shortly afterward, public protests against corruption and the erosion of democratic freedoms were held in 50 towns and cities across Hungary. In June, two European Commission offices opened investigations into public contracts involving EU development funds awarded to Elios Innovatív at a time when the company was owned in part by Orbán's son-in-law, István Tiborcz. Neither investigation was complete at year's end.

Separately, in March, the Foreign Ministry withdrew 3.8 billion forints (\$14 million) from the Quaestor brokerage firm days before it went bankrupt; the firm's chief executive was thought to be close to Fidesz politicians. The ministry denied allegations that it acted on inside information, and Orbán explained that he had instructed ministries to withdraw public funds from brokerage firms after observing the failure in February of another company, Buda-Cash.

In 2014, the U.S. State Department issued travel bans against several Hungarians – including the head of the government tax authority – on the basis of corrupt activity. Details released in 2015 suggested that a Hungarian lobbyist was empowered to offer U.S. food producer Bunge a lower value-added tax (VAT) in exchange for the transfer of 2 billion forints (\$7 million) to a government-affiliated think tank. The investigation continued throughout 2015.

**Civil Liberties**: 47 / 60 (-3)

# D. Freedom of Expression and Belief: 13 / 16 (-1)

Hungary's constitution protects freedoms of speech and the press, but complex and extensive media legislation enacted under the Fidesz government is widely deemed to have undermined these guarantees. Since 2011, media outlets must register with the National Media and Infocommunications Authority (NMHH), which can revoke licenses for infractions. A Media Council under the NMHH can close outlets or impose fines of up to \$950,000 for failure to register or for airing content that incites hatred. Fidesz, with its parliamentary supermajority, controlled the initial appointments to the Media Council, whose members serve nine-year terms; it now requires some outside support for the approval of its nominees. The government has withdrawn most advertising from independent media since Fidesz took power in 2010.

Editorial bias and political pressure are problems at both public and private media outlets. In August 2015, a leaked memo revealed that the Media Service Support and Asset Management Fund (MTVA), which is supervised by the Media Council and is responsible for funding and content production for all public media, had instructed employees of Hungarian state television not to include footage of children in news pieces about migrants and refugees. When questioned, the MTVA cited a need to protect the children, but the memo was widely interpreted as a government effort to limit public sympathy for refugees.

Közgép owner Simicska controls a large conservative media empire that was considered pro-Fidesz until the mogul's relationship with Orbán began to sour in 2014. A few new Fidesz-friendly outlets were founded in 2015, but their initial reach was limited. Also in 2015, associates of the government and of Simicska asserted rival claims to the ownership of TV2, Hungary's second-largest commercial television station. A lawsuit on the matter was pending at year's end.

Politicians regularly file criminal defamation charges against journalists and bloggers. In 2015, cases were brought against 17 people who posted on Facebook about a suspicious property sale by the mayor of Siófok, and against the editor of a prominent blog who criticized xenophobic statements by a Budapest district mayor. The criminal code requires internet service providers to block content deemed illegal by a court order. Websites hosting illegal content are placed on a nonpublic "blacklist" operated by the NMHH. In 2014, the Constitutional Court ruled that website operators are responsible for user comments on blog posts or news commentary that may violate media laws

In July 2015, legislators voted to extend the maximum response time for public information requests from 15 to 30 days and allow government agencies to charge a fee for fulfilling such requests. Another provision of the hastily passed bill allows public bodies to keep certain data private for 10 years if they have been used in decision-making processes. Freedom of information advocates denounced the changes as an attempt to deter journalists and citizens from investigating potential government corruption. Nevertheless, President János Áder signed the bill into law.

The constitution guarantees religious freedom and provides for the separation of church and state. Adherents of all religions are generally free to worship. Religious communities have the same legal standing as recognized churches. However, a two-thirds parliamentary majority must approve the right of any religious community or church to receive tax and other benefits reserved for "accepted churches." Anti-Semitism remains a problem, particularly among far-right groups.

The state generally does not restrict academic freedom. However, a gradual overhaul of the public education system has raised concerns about excessive government influence on school curriculums, and legislation adopted in June 2014 has the potential to reduce the autonomy of universities. There are no significant constraints on freedom of private discussion in Hungary.

# E. Associational and Organizational Rights: 11 / 12

The constitution provides for freedoms of assembly and association, and the government generally respects these rights in practice.

State funding to nongovernmental organizations (NGOs) and other civil society groups is distributed through the National Cooperation Fund (NEA), whose nine-member council is dominated by government and parliamentary appointees. In 2014, the government appeared to retaliate against critical NGOs by launching a far-reaching investigation into the funding that several hundred of them had received via the Norway Grants, a charitable foundation supported primarily by the Norwegian government. In January 2015, a district court ruled that the National Bureau of Investigation's 2014 raid on the Ökotárs Foundation – one of the NGOs involved in the disbursal of Norway Grants funds in Hungary – had been illegitimate. The government finally agreed in December to conclude its investigations into the work of NGOs supported by Norway Grants in exchange for the release of development funds previously earmarked for Hungary. The government maintains that "not everything was in order" with the operations of NGOs funded by Norway Grants, and the Ökotárs Foundation will not be part of the management and distribution of Norway Grants money in the next funding cycle.

The government recognizes workers' rights to form associations, strike, and petition public authorities. Trade unions represent less than 30 percent of the workforce.

#### *F. Rule of Law*: 10 / 16 (-1)

Judicial independence is a matter of concern. Of the 14 judges currently on the Constitutional Court, 11 were appointed by the Fidesz government. In March 2015, a group of Hungarian civil liberties watchdog organizations released a joint study of 23 high-profile Constitutional Court cases, 10 of which were adjudicated before Fidesz-appointed judges constituted a majority, and 13 after. The study found that before the majority, all cases had come out against the interests of the

government; after Fidesz appointees became dominant on the court, the government's interests won out in 10 of the 13 rulings.

Prisons are generally approaching European standards, though overcrowding, inadequate medical care, and poor sanitation remain problems. Inmates do not have access to independent medical staff to assess abuse allegations. In March 2015, the European Court of Human Rights ordered Hungary to pay €84,000 (\$89,000) in damages to six prison inmates who had been held in highly overcrowded and unsanitary conditions.

Hungary has taken a number of steps to improve monitoring of Romany legal rights and treatment, but Roma, who form Hungary's largest ethnic minority, still face widespread discrimination and poverty. Romany students continue to be segregated and improperly placed in schools for children with mental disabilities. A court ruling on a civil suit in September 2015 was the first against police accused of anti-Roma discrimination.

Discrimination on the basis of sexual orientation is banned under the Act on Equal Opportunity. However, LGBT (lesbian, gay, bisexual, transgender) people face harassment in practice, including from police and government officials.

Amendments to asylum legislation passed in June and July 2015 allowed the detention of migrants in temporary camps, sped up asylum assessments, and limited opportunities to appeal asylum decisions. The government then deemed Serbia, among others, a "safe third country" under the revised asylum law, allowing officials to reject most asylum applications from people who reached Hungary via Serbia without examining cases individually. In September, the parliament overwhelmingly voted to make illegal border-crossing punishable by up to three years in prison and expulsion from the country. More legislation adopted in September allowed Hungary's army to enforce border controls, restrict civil liberties, and employ "coercive weapons designed to cause bodily harm, although in a nonlethal way, unless it cannot be avoided." That month, Hungarian riot police used tear gas and water cannons against crowds of frustrated asylum seekers who had broken through a border gate.

Some government figures and the Jobbik party have engaged in xenophobic rhetoric in recent years. During the summer of 2015, the government erected Hungarian-language billboards warning migrants to obey "our laws" and not to take Hungarian jobs. In September, footage of a camera operator for the Jobbik-affiliated station N1TV kicking and tripping migrants spread across social media; she was fired shortly afterward.

### G. Personal Autonomy and Individual Rights: 13 / 16 (-1)

Hungarians enjoy freedom of travel and choice of residence, employment, and institution of higher education. Citizens have the right to own property and establish private businesses. Cronyism remains a serious concern, however. Critics of recent sectoral taxes see them as efforts by the state to drive out or take over foreign businesses. In December 2014, the parliament adopted a law forcing large or corporate-owned retailers to close on Sundays, while small or family-owned shops may remain open. The difficulties of Simicska-owned businesses and EU investigations into state contracting practices in 2015 further illustrated the extent to which business success depends on government connections.

Women possess the same legal rights as men, but they face employment discrimination and tend to be underrepresented in high-level business and government positions. Women hold only 20 of 199 seats in the National Assembly – the lowest percentage in Europe – and no cabinet posts. Government leaders show little interest in women's rights concerns. Magyar Telekom – the Hungarian unit of Deutsche Telekom and Hungary's biggest telecommunications company – ended its affiliation with Hungarian pop star Ákos Kovács in December 2015 after he made a series of sexist comments during a television interview. The government responded by canceling its mobile internet subscriptions with the company. The same weekend, parliament speaker László Kövér told ruling party lawmakers that "the highest level of self-fulfillment for our daughters should be to bear grandchildren for us," prompting a public outcry. The right to life from conception is protected under the 2011 constitution, but access to abortions remained largely unrestricted in 2015.

Same-sex couples can legally register their domestic partnerships. However, the constitution enshrines the concept of marriage as a union between a man and a woman.

Hungary is a transit point, source, and destination for trafficked persons, including women trafficked for prostitution. Roma and unaccompanied asylum seekers are particularly vulnerable.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z =Change from Previous Year