

MÉRTÉK MEDIA MONITOR

MEDIA LANDSCAPE AFTER A LONG STORM

**The Hungarian
media politics
since 2010**



MERTEK BOOKLETS

Volume 25



MERTEK BOOKLETS
Volume 25

2021. DECEMBER

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Published by

Mérték Médiaelemző Műhely
Közhasznú Nonprofit Kft.
[Mertek Media Monitor
Nonprofit Ltd.]
H-1042 Budapest, Árpád út 90-92.

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The editing of the report was
finished at 7 of Dec 2021.



ISSN 2559-8937
ISBN 978-615-6406-05-7

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INTRODUCTION

This paper provides an overview of how the Hungarian media system has evolved since 2010. This long decade fundamentally changed the Hungarian public sphere by the construction of the illiberal state and the move away from the democratic values of the European Union.

It is particularly striking that the transformation of the media system occurred at several levels, yet the different steps were coordinated and mutually reinforcing. The basis for all this was the change in the regulatory environment, but this was quickly followed by further steps. The transformation of public service media into a propaganda machine, the upheaval of market power and the squeezing out of many foreign professional investors, as well as the making of journalistic work more difficult, have been observed step by step over the past period. Always a little hidden in the most analyses, but a very important development is the shrinking of local publicity and the struggle for survival of a few heroically struggling independent newsrooms.

In contrast to the regular Mérték Media Monitor's Soft Censorship reports, which analyse developments over the year, this study presents the process of change. Understanding the transformation of the media system in Hungary in the 2010s is important for those who experienced the process from the inside, as events were happening before their eyes, but it was not always clear how a particular step fit into the systemic transformation. But the study is just as important for European citizens who still do not understand how the dismantling of media freedom in a Member State of the European Union could have happened in front of the EU institutions.

The project was supported by the Human Rights Fund of the Embassy of the Kingdom of the Netherlands.



THE HUNGARIAN MEDIA MARKET

During the 2010s the Hungarian media market underwent a dramatic transformation. A significant proportion of the foreign investors withdrew from the Hungarian market, and their stakes in the local media were taken over by Hungarian investors. Typically they were replaced as owners by businesspersons with strong ties to the governing party in Hungary. Emblematic media brands disappeared completely from the market or they morphed into propaganda outlets without any professional credibility. In the meanwhile, the state has emerged as the largest advertiser in the media market and its advertising campaigns are disseminated almost exclusively through media companies with ties to the governing party. Independent media companies struggle to survive and increasingly depend on donations by sponsors and subscription fees to fund their operations. It would be fair to say that the decade of Fidesz's governance and Viktor Orbán's premiership has been a dark period for media freedom in Hungary.

Historical background

Just like the other countries in Central and Eastern Europe, Hungary regained press freedom at the very end of the 1980s. The transition was not realised without a hitch, and it took the parties until 1996 to agree on the details – that was when the first Media Act was adopted and the first commercial televisions were allowed to launch. It took another decade for the most important institutions of the democratic structure and the market economy to consolidate. Tabloid newspapers surged in popularity, as did commercial media in general. The economy was growing and advertisers were glad to spend, thereby increasing the media companies' advertising revenues.

At the same time, however, digital technologies were also gaining ground, and this resulted in a new type of challenge. That's when the basic arrangement that we still see today first began to take shape: Google forged ahead and, after its acquisition of the video sharing portal YouTube, it quickly became dominant across the entire internet. Facebook became available in Hungarian in 2008, and from then on its popularity among Hungarian users exploded.

2008 was also the year of the financial crisis, which resulted in a major restructuring of the domestic media market. Hungarian media was heavily hit by the crisis; advertising revenues started to decline. The revenue from advertising in print media was 37.3 billion HUF in 2012 (a 46% decline after 2008), in television it was 48.7 billion HUF (a 38% decline) and in online media it amounted to 33.6 billion HUF (a 67% increase after 2008). The data we have for the radio market does not allow for a proper comparison because of methodological changes, but the net balance of advertising revenues in the entire media market in the wake of the financial crisis is clearly negative.

The spread of digital platforms and the financial crisis were clearly global phenomena. Additionally, the political environment in Hungary has always had a major impact on the development of the media market. In April 2010 Viktor Orbán's government came into power and the regulatory framework has been changing ever since. The Media Act adopted in 2010 elicited intense international criticisms at the time but its real impact only became apparent years later. The Media Act created a new media system by providing room for political decision-making, the currently prevailing inscrutable and opaque modes of operation in the public media, and the wholesale transformation of the entire ownership structure.

Changes in ownership structure

The ownership structure of the Hungarian media system has transformed dramatically in the 2010s. The most important reason is that many foreign investors have withdrawn from the market and their place was taken by domestic investors. The majority of new owners in the market are political investors with strong ties to the ruling party.

- the Finnish Sanoma company has sold off its newspaper market portfolio, albeit not to government-friendly investors: The company (Central Media) continues to be a vital segment of the independent media in Hungary;
- the German Funke Gruppe has withdrawn from the Hungarian market, its county/regional newspapers have been transferred to the pro-government media empire;
- the Swedish Metro International SA sold its free daily newspaper, the *Metropol*, which is also a pro-government newspaper now;
- as a result of the merger between the Swiss Ringier and the German Axel Springer corporations, their Hungarian political newspapers ended up with government-friendly investors, and to this day this portfolio is an important piece of the pro-government media empire;
- the German television group, ProSiebenSat1 sold its Hungarian commercial television channel TV2 (the second most popular television channel in Hungary in terms of viewers) to a pro-government investor;
- the German telecommunications giant Deutsche Telekom sold the prestigious online newspaper *Origo* (one of the top two online news sites at the time), which has since been turned into a government propaganda mouthpiece.

These changes in media ownership were continuously tracked and reported in Mérték's annual *Soft Censorship* reports. Some media brands have disappeared completely over the years. The silencing of the two nationally broadcasting commercial radio stations, Class FM and Neo FM, was the result of decisions taken by the Media Council, which rescinded their frequency licenses. The most widely read political daily newspaper in Hungary, *Népszabadság*, was shut down in 2016, after Ringier sold the ownership rights of the newspaper to an Austrian businessman who was a frontman for pro-government interests.¹ The political weekly *Heti Válasz* closed after the 2018 election.

The ownership changes in the Hungarian market came in waves over the last decade. In the first years, between 2010 and 2014, the key figure behind the changes was Lajos Simicska. As an old friend and comrade of Viktor Orbán, Simicska played a decisive role in building Fidesz's economic hinterland. Simicska became a major economic player not only in the media but also in other sectors, especially the construction industry. He was often referred to as the first Hungarian oligarch. However, over time the relationship between Orbán and Simicska became fraught with conflict. By February 2015 their rift had become public and final.

After breaking with Orbán, Simicska used all of the media channels at his disposal to try to help one of the opposition parties (*Jobbik*), but he withdrew completely after the 2018 election. Orbán emerged victorious from the conflict between them.

Orbán learned a lesson from this experience and concluded that the pro-government media portfolio had to be diversified, there could not be any single player with sole control over a major slice of the Hungarian media market. As a result, after 2015 the role of investors with ties to Fidesz had to be increased in the media market, in order to counterbalance the shift in the stance of the Simicska media empire and because new players were needed in the market. Naturally, Orbán only allowed businesspersons who were unconditionally loyal to him near the media, but even with this focus he made sure that no one would wield the concentrated powers that Simicska had previously enjoyed.

This was when Lőrinc Mészáros emerged as the most significant player in the media market. It was not only Mészáros's media assets that grew spectacularly, but so did his stakes in other markets starting in the mid-2010s. He has clearly emerged as Viktor Orbán's foremost confidante, and in his case there was no reason to fear that he might turn on the prime minister one day. Mészáros was previously an ordinary gas-fitter in Orbán's home village, without any ambitions in either business or political life. He is a but an executioner of Orbán's will, which makes him far more manageable from the prime minister's perspective than Simicska had been. Hence, after 2015 Mészáros became the leading oligarch in Hungary, although other pro-government players also entered the media market alongside him. This period lasted a few years, but another major change occurred in 2018 as a new media holding was formed. Viktor Orbán's media policy trended towards centralisation once again, and the level of ownership concentration in the market reached unprecedented heights.

¹ Mérték Media Monitor (2016): A major step towards an authoritarian media regime in Hungary. <https://mertek.eu/en/2016/10/10/major-step-towards-authoritarian-media-regime-hungary/>

KESMA (Central European Press and Media Foundation)

Central and Eastern European Media Foundation (abbreviated as KESMA in Hungarian) was established in 2018. On 28 November almost all Fidesz-friendly media owners transferred the ownership rights of their media holdings to KESMA. Their companies joined the foundation, all of them without any type of compensation for the owners. The foundation itself had been created in August 2018 by a stock corporation that is owned exclusively by Gábor Liskay, the famous media figure loyal to Viktor Orbán. The foundation's board was made up of Fidesz MPs as well as the CEO of a Fidesz-friendly think-tank. Its mission is "to promote those activities of the print, radio, TV and online sections of the Hungarian mass media which serve to build values and strengthen Hungarian national consciousness."² A total of 476 media brands were merged into KESMA,³ and its creation has significantly increased the media ownership concentration in Hungary.

As in any other situation involving a merger of such value, the Hungarian competition authority would have been obliged to examine whether the merger substantially reduces competition in the relevant market, especially in terms of creating or reinforcing a dominant market position. At the same time, the Hungarian Media Act provides that the media authority needs to review how the merger affects media pluralism. The government however moved to relieve the competition and media authorities from the burden of having to decide this. A 2013 amendment of the Competition Act gives the government the authority to exempt certain mergers from the obligation of a review by the authorities if they are declared to be of "strategic national importance." On 5 December 2018, the government exercised this prerogative in the context of the new media merger. It issued a decree declaring that the consolidation into a single foundation of the pro-Fidesz media enterprises is of "national strategic importance" and thus exempt from reviews and approvals.

There have been no substantial new developments in the KESMA empire since, although some technical changes did take place. Back in 2019 Mediaworks was awarded so-called controlling rights over 29 KESMA-owned corporations,⁴ and hence since that year the consolidated financial report of Mediaworks provides an overview of the financial performance of the entire corporate group.

One stunning development in 2020 was that the previous top figure of the pro-government media empire, Gábor Liskay, turned over his rights as the founder of KESMA to an attorney, Tamás József Kertész. Kertész was previously unknown in the media world, although he did work as an attorney for Lőrinc Mészáros, the prime minister's close friend.⁵

² <https://cepmf.hu/>

³ Bátorfy, A. (2018): Data visualization: This is how the pro-government media empire owning 476 outlets was formed <https://english.atlatszo.hu/2018/11/30/data-visualization-this-is-how-the-pro-government-media-empire-owning-476-outlets-was-formed/>

⁴ Kovács, G. (2019): Vége, a fideszes média hivatalosan is birodalomká alakult [That's it, the Fidesz media has officially become an empire] https://hvg.hu/kkv/20190529_Vege_a_fideszes_media_hivatalosan_is_birodalomka_alakult

⁵ Sarkadi Nagy, M. (2020): Kertész József Tamás vette át Liskay Gábortól az orbánista médiholdingot alapító céget [József Tamás Kertész took over the company that founded the Orbánist media holding from Gábor Liskay] <https://blog.atlatszo.hu/2020/12/kertes-z-jozsef-tamas-vette-at-liskay-gabortol-az-orbanista-medi-aholdingot-alapito-ceget/>

The current structure of the media market

At this time, the players in the media market can be assigned to one of three larger groups. The first category is made up of pro-government media enterprises, companies with obvious ties to the governing party. The second group includes independent companies, in terms of their revenues these have no affiliation with either political side. The third category comprises a distinctly Hungarian phenomenon, namely the pseudo-independent media outlets. Although these appear independent, in reality they have strong ties to the ruling party either through the person of their owner or through their source of funding.

The media companies in the category of pro-government media can be rather easily and clearly identified. The media ownership relations in Hungary are rather transparent, it does not take extensive investigation to map the owners, and beneficial owners hiding behind offshore structures are rare in this segment. This category primarily includes the media brands within the KESMA holding, although there are also some media outlets with major market reach that are not part of KESMA but are nevertheless clearly pro-government.

- the newspapers owned by KESMA (e.g. all the county newspapers, Magyar Nemzet, Nemzeti Sport, Világgazdaság, Bors, Ripost, Metropol, Figyelő, Szabad Föld)
- the online news sites owned by KESMA (Origo, 888)
- the television channels and radio stations owned by KESMA (HírTV, Retro Rádió, KarcFM)
- the TV2 commercial television group
- the Rádió1 radio network
- the Index online news site
- the PestiTV channel and the Pesti Srácok online news site

The list of independent media companies is also readily identifiable, these are the media outlets whose owners have no connection to any political interest groups, while government advertising does not play a major role in their revenues. These companies try to stay above water under increasingly difficult market circumstances, and state advertising does not play a major role in their revenues. They are typically characterised by innovativeness and several of the media brands in this category base their financial strategies on donations by media consumers. The online television channel Partizán deserves a special mention: Ever since the appearance of Covid-19, it has produced political shows every day and has established itself as one of the most important arenas in political public discourse.

- RTL television group
- online news sites (24.hu, Telex, HVG Online, 444 etc.)
- investigative journalism projects (**Átlátszó**, Direkt36)
- print weeklies (HVG, Magyar Hang, Magyar Narancs, Jelen, **Élet és Irodalom**)
- Partizán (YouTube channel)
- Klub Rádió (online)

The category of media outlets that are most difficult to identify are those that are seen by the public as independent – and this sense of independence is also reflected in the newsroom’s own self-understanding – but in reality they cannot be regarded as independent because of their owner and/or the source of their funding.

- the owner is clearly dependent on the government and the media outlet features government advertisement (in the case of the television channel ATV, for example, the owner leads an evangelical church that receives massive funding from the government – they thus have a vested financial interest in nurturing good ties to the government)
- state advertising makes up a significant slice of the advertising revenue (Inforádió, Népszava)

The number of pseudo-independent media brands is not that high, yet their impact is substantial since in their case the ties of the given media outlet to politics are less obvious to media consumers. It is not the case that these media outlets operate as government mouthpieces or that they disseminate mere pro-government propaganda. Instead, it is more typical for them to follow the government’s narrative on certain issues or to simply refrain from digging into issues that might prove embarrassing to the ruling party.

The role of the media ecosystem

The transformation of the Hungarian media system in the 2010s was not based merely on transforming the ownership relations in the market. At least as important was the underlying transformation of the entire media ecosystem. By media ecosystem we refer to those enterprises and sectors that are not focused on content production but nevertheless have a major impact on the operation of media companies. These include, for example, the advertising market or the companies active in disseminating media contents.

The wider public first got a major glimpse into the vital role of the media ecosystem when Index ceased to exist in its previously independent form. In the case of Index, there was no change in the ownership structure of the media outlet itself, but the formerly independent newsroom had nevertheless become entrapped by the summer of 2020 as a result of the changes in its ecosystem. The Indamedia Network holding, which plays a major role in operating Index, was acquired by a pro-government businessman, and it emerged subsequently that this holding performed services that were essential to operating the news site, such as for instance the ad sales and the operation of the newsroom’s IT system. Pro-government players thus managed to wrest control of the leading media outlet in its market segment and to effectively force the newsroom into resigning collectively while there was no change in the ownership of the publisher.

Other key players in the media system are the distribution companies. The 2010s saw major changes in this market segment, too. The previously French-owned Antenna Hungária broadcasting company was nationalised by the government in 2014, which meant that a vital broadcasting infrastructure was taken over by the state. Antenna Hungária operates the terrestrial digital platform for broadcasting, and in 2016 the news channel Euronews was removed from the basic package of

television stations available to viewers, thereby reducing the selection of news available to the segment of the public for which independent and non-partisan information would be most relevant. It is of course impossible to show that there is a direct causal link between the change in ownership and the change in the selection of television channels, but this case is illustrative of how the growing role of the state in the distribution market can be a strong instrument in dominating the public sphere.

The importance of the ecosystem is also readily identifiable in the market of print newspapers. The Hungarian Postal Services, which are also state-owned, play a vital role in newspaper distribution, which was in itself liable to insert political considerations in the business of distribution. Just how important this influence was became apparent in 2021, when the Hungarian Postal Services ceased the home delivery of daily newspapers. It is also striking how even printing itself in the print newspaper market was brought under increasing government control. The weekly Magyar Hang, a critical newspaper launched in 2018, has to be printed in Slovakia because the publisher could not find a single printing company in Hungary to work with them. When the coronavirus pandemic began, Magyar Hang once again tried to find a Hungarian printer due to the logistical difficulties it faced at the time, but every printer they consulted refused to give them a price quote, so the newspaper continues to be printed in Slovakia.⁶

It is also important to note the role of media agencies in the broader media ecosystem because in the past few years the state’s dominant role in the advertising market has exerted an impact on this segment of the media market, too. Among the commercially operating media agencies, the company which was awarded the contract to manage the state advertising portfolio has emerged as the leading player in the market, although the recipient of this contract has changed over the years. This is an indication of the vulnerability of a position when a company receives a large slice of the market as a result of a political gesture: Its decline may be just as precipitous as its rise had been. A market share won through genuine competition is far more stable than a position which owes to government intervention. At the same time, regardless of which media agency manages state advertising, the market distorting impact will definitely have a destructive impact on the competition in the media market.

State advertising spending

The primary instrument of distorting the media market in Hungary is state advertising spending.⁷ This means that the state (including the central government, the state-owned enterprises and the institutions funded by the state) spend their advertising budgets in ways that ensure that this money almost exclusively benefits media that are loyal to the ruling party.

⁶ Bányai-Ferenczi, R. (2020): Elutasították a Magyar Hang ajánlatkérését, amikor a koronavírus miatt magyarországi nyomdát próbált találni, ezért amíg még lehet, továbbra is Szlovákiában nyomtatják a magyar hetilapot [Magyar Hang’s requests for offers were rejected when it was looking for a printer in Hungary during the coronavirus pandemic, which is why they will continue to print the weekly in Slovakia as long as it remains possible]. <https://media1.hu/2020/03/20/elutasitottak-a-magyar-hang-ajanlatkereset-amikor-a-korona-virus-miatt-magyarorszag-nyomdat-probalt-talalni-ezert-amig-meg-lehet-tovabbra-is-szlovakiaiban-nyomtatjak-a-magyar-hetilapot/>

⁷ Bátorfy, A. – Urbán, Á. (2020) State advertising as an instrument of transformation of the media market in Hungary, *East European Politics*, 36:1, 44-65, DOI: [10.1080/21599165.2019.1662398](https://doi.org/10.1080/21599165.2019.1662398)

This phenomenon is not new at all. Previous research has shown that even before the Orbán government took power in 2010, it was typical for state advertising spending to benefit media outlets considered close to the government more than media outlets that were openly critical of whichever party was in power at the time.⁸ Nevertheless, the distortion of the market through state advertising was massively amplified after 2010. For one, state advertisers spent more money on advertising than ever before, especially because of the government's own active communication campaigns. Second, the previous practice, which meant that the state was more inclined to spend advertising money in media that were sympathetic to the government, became extreme: media outlets that are critical of the government receive no revenue from state advertising at all even as there are numerous media outlets in the market that have come to completely depend on revenues from state advertising.

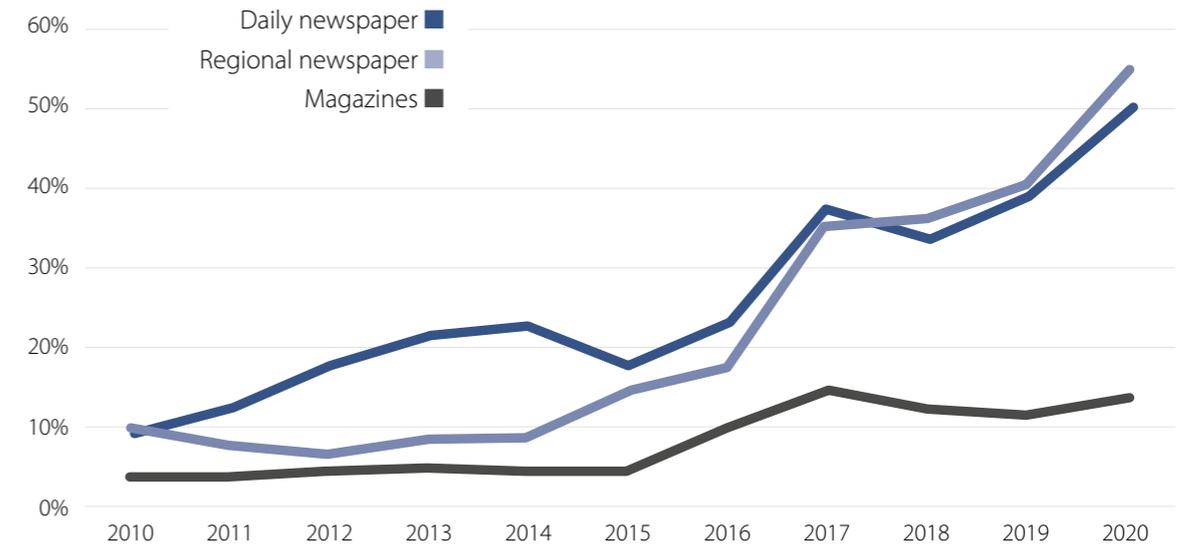
Another reason behind the surge in the role of state advertising was the creation in 2014 of the National Communications Office. The role of this institution is to coordinate the communication of state institutions, to organise the corresponding public procurement and to oversee their implementation. In practice, this meant that the communication spending of public institutions has become completely centralised. Previously, the leaders of public institutions that were not directly subordinated to the government had considered the government's priorities in designing their own communication, but they were still free to decide about the ads they bought based on which media channel they could use to most effectively reach their target audiences. These days, the corresponding decisions are all taken on a political basis, and nothing illustrates this better than the fact that the National Communications Office works as a unit of the Prime Minister's Cabinet Office.

The figures below present the market-distorting impact of state advertising.

Estimates concerning state advertising can be analysed based on the Kantar Media database, which contains so-called list price advertising revenues.⁹ This calculates advertising revenues of major media brands based on publicly available lists prices and actual advertising volumes. It is important to note, however, that the database does not extend to every media outlet, however, important political/news brands are missing (e.g., Hír TV and ATV). In the case of major campaigns, media corporations offer substantial discounts on the list prices. That is why the specific forint amounts mentioned below should not be considered as the relevant measures of the broader point we are making. Instead, the trends and the juxtaposition of the proportions are the most useful in capturing the underlying situation.

The first figure shows how the share of state advertising as a percentage of total advertising revenue has shaped up in three key segments of the print newspaper market. The lower the ratio, the smaller the role of the state; in other words, the segments where the share of state advertising is relatively low operate as competitive markets. A higher ratio, by contrast, indicates a substantial level of revenue from the state, which implies that the given segment is not characterised by market competition but by state influence.

Share of state advertising revenues (% of total advertising revenues) in print media segments



Source: own figure based on data from Kantar Media

The figure clearly shows that the share of state advertising has grown in the print newspaper sector. The only segment of the print newspaper market that can still be classified as operating under market conditions is the magazine segment, where the revenues predominantly come from commercial advertisers. The thematic outlook of most magazines is of course wholly independent of politics. Most outlets in this segment are consumer and hobby magazines.

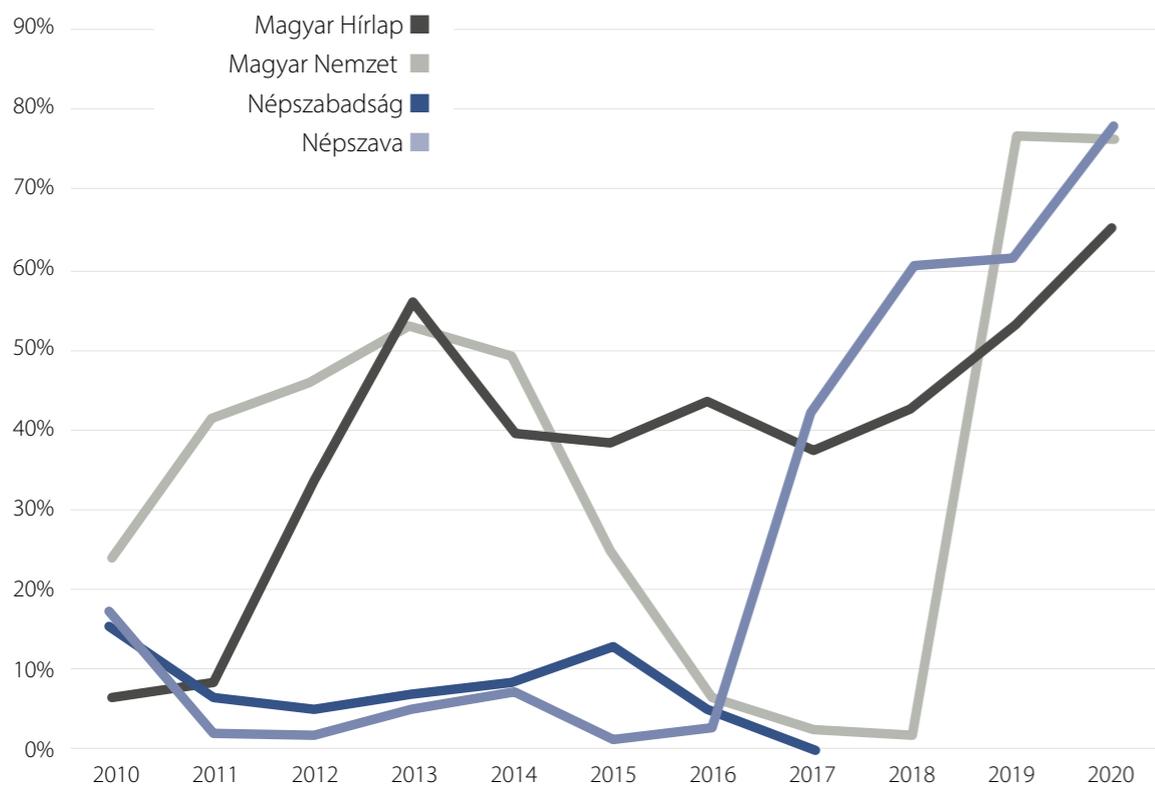
Daily newspapers, by contrast (be they national or regional), have essentially become completely dependent on state advertising revenue. Based on the data we can assert that if revenues from the state were to cease, the business model of these magazines would be in serious crisis, and the sustainability of their income would be in doubt.

An interesting picture emerges when we look at the market of political dailies. It is readily apparent how changes in the ownership structure or in the editorial line of the newsroom have influenced the level of revenue from state advertising. At the same time, it is also obvious that by 2020 political dailies in Hungary no longer operate on a competitive market basis; without money from the state, these newspapers would be unlikely to be able to operate viably.

⁸ <https://mertek.atlatszo.hu/allamihirdetese/>

⁹ We use nominal prices.

Share of state advertising revenues at major political dailies (% of total advertising revenues)



Source: own figure based on data from Kantar Media

Népszabadság was a traditionally left-wing newspaper, and the Hungarian Socialist Party owned a minority stake in the publisher. One of the most serious media market scandals in the past decade was when the publisher of Népszabadság was acquired by an investor with close ties to the ruling Fidesz party; the publisher quickly shuttered the newspaper in 2016. Three weeks later the entire publishing company was sold to Lőrinc Mészáros, the prime minister's financial frontman.¹⁰

The history of Magyar Nemzet is described in detail in the sources. Over the past decade, it has had phases in which it was government-friendly and others when it was critical of the government.¹¹ In fact, between April 2018 and February 2019 it ceased publishing altogether, and was only relaunched in 2019 as part of the KESMA portfolio.

¹⁰ Polyák, G. – Urbán, Á. (2016): A major step towards an authoritarian media regime in Hungary. Mertek Media Monitor, 10 October. <https://mertek.eu/en/2016/10/10/major-step-towards-authoritarian-media-regime-hungary/>

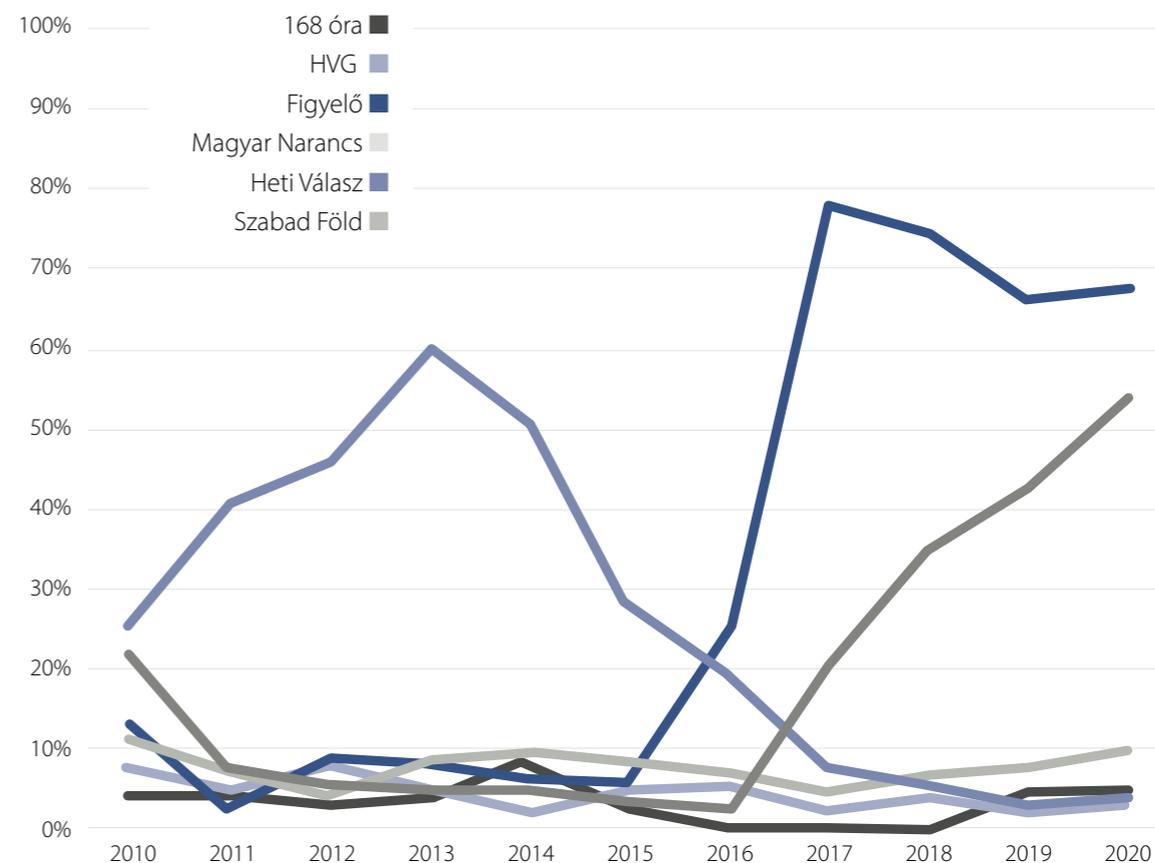
¹¹ Urbán, Á. (2018): Bleeding out the Simicska Empire. Mérték, 31 July. <https://mertek.eu/en/2018/07/31/bleeding-out-the-simicska-empire/>

There were no substantial changes at the publisher of the daily newspaper Magyar Hírlap in the last decade, but the owner has always been loyal to the prime minister, Viktor Orbán.

Situation of Népszava is the most surprising in this figure. The left-wing newspaper is considered as being affiliated with the opposition parties even though it is readily apparent that a large share of their income depends on state advertisers.

The market for political weeklies is slightly more diverse since it includes some independent players. At the same time, the relevant figures also show what a major role income from state advertising plays in the revenues of pro-government weeklies, which means that market competition has become massively imbalanced.

Share of state advertising revenues at major political weeklies (% of total advertising revenues)



Source: own figure based on data from Kantar Media

Heti Válasz ceased operating in the summer of 2018, and a small group of the journalists who were fired from the paper at the time launched their own online newspaper. Válasz Online has been operating successfully since then, the business model is based on crowdfunding.

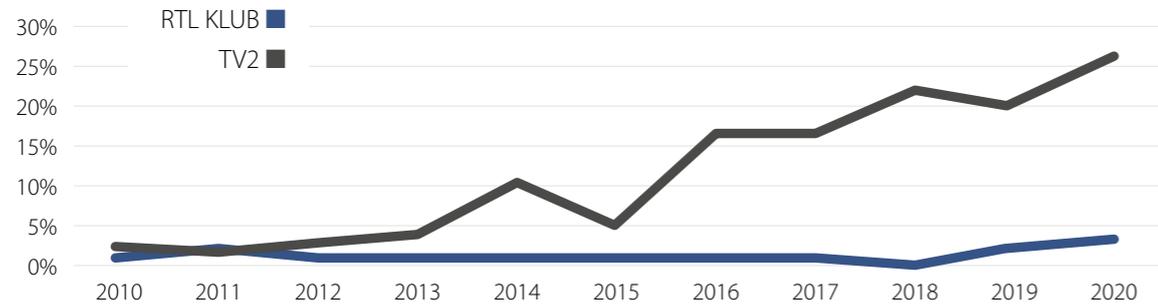
Figyelő and Szabad Föld were both acquired by pro-Fidesz investors, and in 2018 they were incorporated into the KESMA empire.



Magyar Narancs and HVG continue to operate as independent outlets, and 168 óra was acquired by a new owner in 2020. 168 óra's new owner has a connection to the governing party, but he denies any plans to turn it into a pro-Fidesz newspaper.¹²

The market distorting effect of state advertising is also clearly visible in the television market.

State advertising revenues at RTL Klub and TV2 (list prices)



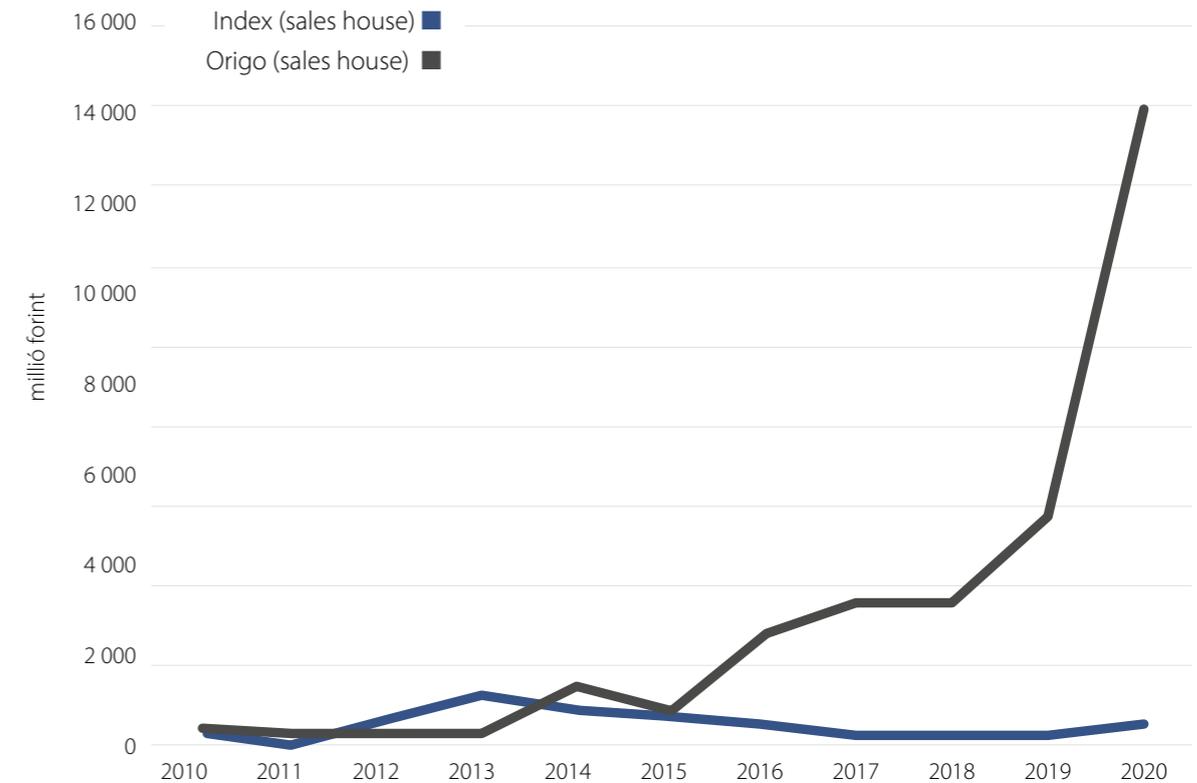
Source: own figure based on data from Kantar Media

The figure above presents the revenue from state advertising received by the two leading commercial television channels in Hungary, RTL Klub and TV2. RTL Klub is owned by foreign investors, it is part of the RTL Group. TV2 ended up being acquired by Hungarian owners at the end of 2013, when the company's own management bought the television channel. Subsequently, in the fall of 2015, the government commissioner Andrew Vajna bought the channel, and although Vajna has died since, TV2 continues to be owned by pro-government business interests.

In recent years TV2 has seen a significant expansion in its revenues from state advertising, even though it is still competing in a tight race with RTL Klub for viewership shares. Apart from political bias, there is no reasonable explanation for the fact that the state almost only exclusively advertises in one of the two leading commercial television channels despite the fact that the respective audience shares of both channels are roughly on par.

Finally, we compare the results of the two major news sites, Index and Origo, because these readily illustrate the market-distorting impact of state advertising in the online media market as well.

State advertising revenues at the Index sales house and the Origo sales house (list prices)



Source: own figure based on data from Kantar Media

In the case of the two news sites, we only have the relevant data for their respective sales houses. Furthermore, during the past decade, the names of the sales houses have changed, too – but the trends are nevertheless obvious. After Origo was taken over by a pro-government investor at the end of 2015, revenue from state advertising surged.

Index was an independent news portal in the last decade, until the mass resignation of the journalists in 2020. We expect that after its successful takeover of Index, the governing party will divide its advertising spending less unequally between the two major online news providers. Such a shift has not occurred thus far, but we need to add that even after the departure of the previous staff, Index remains more balanced in its coverage than Origo. Origo is unequivocally a propaganda outlet, it is one of the key instruments of the governing party's recurring character assassination campaigns.

¹² Stumpf, A. (2020): "Nem küldött senki" – az új sajtóbirodalmat építő Milkovics Pál Habonyról és cuki állatkákról [No one sent me" – Pál Milkovics, the engineer of the new media empire about Habony and cute animals]. Válasz Online, 9 October. <https://www.valaszonline.hu/2020/10/09/milkovics-pal-pesti-hirlap-168-ora-interju/>

Conclusion

State intervention has become extremely pronounced in the Hungarian media market. While before 2010 the market was mainly determined by global trends, this changed in 2010: the working of the public sphere in Hungary is increasingly determined by political rather than market forces.

It is of course hardly surprising that the peculiar Central and Eastern European historical backdrop is also making its impact felt in the media market, and that hence the state plays a greater role in the media here than in developed western democracies. However, even within a region thus characterised, the situation of media freedom in Hungary is especially problematic, and this is not independent of recent political developments, to wit the emergence of what is referred to as the model of illiberal democracy. Mérték has performed a comparative analysis of the media systems in Hungary, Czechia, Romania and Slovakia¹³ and the research clearly showed that among the countries compared, the state has the greatest impact on the media market in Hungary.

What is especially striking in Hungary is the high level of state advertising spending, which substantially distorts competition in the media market. Practically, this can be understood as a sort of operational subsidy extended to media that are close to the government, since some media enterprises that benefit from these subsidies have received significant slices of state advertising for a long time now, even while there is no discernible connection between market performance and the allocation of state advertising spending. This simultaneously also means that the media companies that do not receive money from state ad campaigns and are dependent on market revenue alone are at a competitive disadvantage in this market.

¹³ Mérték Media Monitor (2021): Four Shades of Censorship. State Intervention in the Central Eastern European Media Markets. https://mertek.eu/wp-content/uploads/2021/10/Mertek-fuzetek_19.pdf



REGULATION OF THE MEDIA AND THE PUBLIC AFTER 2010

Impact of the 2010 media laws

Legislation on media law started shortly after the elections, in the summer of 2010: on 22 July Parliament adopted the amendment to the old media law, Act I of 1996 on Radio and Television Broadcasting. This amendment abolished the former media authority, the National Radio and Television Board, and created the Media Council in October 2010. On 11 October, the members of the Media Council were elected, exclusively from Fidesz candidates. Annamária Szalay, who passed away in 2013, was elected chair of the nine-year board and was replaced by Mónika Karas. The first members of the Media Council were János Auer, Tamás Kollarik, András Koltay and Ágnes Vass.

The media laws adopted in 2010 - Act CLXXXV of 2010 on Media Services and Mass Communications (hereinafter Mttv.) and Act CIV of 2010 on Freedom of the Press and the Basic Rules of Media Content (hereinafter Smtv.) - have brought the issue of media freedom in Hungary to the centre of domestic and international debates.

The two laws underwent a few amendments in 2010 and 2014, which did not make any conceptual changes and did not affect the essential points, and with which the Fidesz majority met the very moderate objections of the European Commission (2011), the [Constitutional Court](#)¹(2012) and the [Council of Europe](#)²(2013). Having regained - albeit temporarily - a two-thirds majority in the 2014 elections, Fidesz [completed the restructuring of the public media](#)³, merging the formally independent public media providers in a system that had been highly centralised since 2010, while at the same time handing over all power to MTVA. Despite the Venice Commission's [comprehensive criticism of](#)⁴ Hungarian media regulation

¹ Polyák G. (2012) Lépésenkészlet – Javaslatok és elvárások a médiatörvény módosításához

<https://mertek.eu/2012/05/02/lepeskenyszer-javaslatok-es-elvarasok-a-mediatorveny-modositasahoz/>

² Polyák G. and others (2016) Letter to the Council of Europe;

https://mertek.eu/wp-content/uploads/2016/12/letter_hungarian_ngos_media_ce_2013.pdf

³ Polyák G. (2014) Közzolgálati légvárak; <https://mertek.eu/2014/11/28/kozzolgatali-legvarak/>

⁴ Polyák G. (2015) Rajtunk a világ szeme... <https://mertek.eu/2015/07/08/rajtunk-a-vilag-szeme-a-sajtoszabadsag-magyarorszag-helyzetenek-kulfoldi-ertekeleseit/>

in 2015, which essentially found all aspects of the media laws incompatible with freedom of the press, the Hungarian legislator did not consider a further amendment necessary. In February 2015, Fidesz lost its two-thirds majority and with it the possibility to shape the media laws as it saw fit, and media regulation was taken off the legislative agenda.

The new two-thirds majority won in the 2018 elections was mostly used by the governing parties to fine-tune the regulation of frequency tenders and media concentration, and to bring the media law into line with other legislation that discriminates against homosexuality. A key change is that the limits to market concentration in the radio market have been effectively removed. While until 2019, a single operator could acquire up to 12 local or 4 local and 2 regional radio stations, since August 2019 it can now operate up to 19 local or 4 regional and 7 local radio stations. This means that there is no obstacle for an operator to obtain national coverage as a network of local radio stations.

In December 2019, after the Fidesz faction had blocked the nomination process a few months earlier, the National Assembly once again elected only Fidesz candidates to the Media Council, this time until December 2028. László Budai, Ágnes Hankiss, László Meszleny and Károly Szadai, who died after his election in 2021, were elected as members of the Media Council. In October 2021, one year before the expiry of her mandate, Mónika Karas resigned from the presidency of the NMHH and the Media Council, allowing Fidesz to elect a new president for another 9 years before the 2022 elections.

Based on the Digital Switchover Act adopted in 2007 - with the joint support of MSZP and Fidesz - the digital switchover was completed on 31 October 2013, two years behind the deadline set in the Act. Antenna Hungária, the operator of the digital terrestrial television platform, was bought back by the Hungarian state from the former French investor in May 2014. This also means that the composition of the digital terrestrial television packages depends on the unregulated and uncontrolled decisions of a state-owned company. This was the reason why the newly created channels of the TV2 Group, which belonged to Andy Vajna, were included in MindigTV's free package in 2016, and at the same time Antenna Hungária removed Euronews from the package. In 2021, the majority ownership of Antenna Hungária will be transferred to 4iG Nyrt - the transaction is still pending at the time of closing the manuscript - and thus, even after a possible change of government, [Fidesz-affiliated business circles](#)⁵ will decide on the digital terrestrial capacity (as well as the entire government telecom infrastructure).

⁵ Kellert-Alán Á. (2019) A csendes magyar: bemutatjuk a Mészáros Lőrinc „agyát”, a birodalom ügyintézőjét; <https://magyarnarancs.hu/belpol/a-csendes-magyar-115951>

The importance of media laws in 2014 is summarised in the [following points](#):

- “Without the media laws, there would be no Media Services and Asset Management Fund (MTVA) and public service broadcasting would not have reached the low point it has reached in recent years. It is clear that the operation of public service media, especially television, has lost very little of its quality, credibility and audience, but what it could have lost, it has lost. Servilism, dilettantism, wastefulness, programming failures - no one has ever managed to perform so badly with so much money. In reality, the apparent independence of public media services only makes the operation of the all-powerful MTVA, whose head can be appointed and removed at will by the President of the Media Council, and over whose operation there is no social control, more confusing and opaque⁶.
- Without media laws, there would be no centralised news service, which seriously undermines the diversity of information in the media system as a whole. The news centre has been an important tool in the transformation of public service institutions into a propaganda machine, while it has made competition in the news agency market impossible through free news services and has been very effective in promoting government messages in the commercial media.
- Without media laws, it would not be possible to access basic information on the functioning of the media system without an endless series of lawsuits, from the way media service fees are calculated and, in the case of national radio and television, the extent to which fees are reduced, to the reasons for using radio frequencies for public service purposes and the broadcasting contracts of public service media providers, to the principles of allocating public funds to support public service media. The closed nature of the Media Council and the MTVA is the main cause of the lack of transparency. No one can see into the operation of these institutions, either from the outside or from the inside, who could restrict Fidesz in the implementation of its political will.
- Without media laws, the print and online press would still not be under the control of the media authorities, and the adoption of co-regulation would not have forced it to publicly legitimise media law provisions that would have at least limited its operations to an uncertain framework, in order to avoid the threat of fines. The real purpose and result of the regulation of media content, the prospect of fines running into tens of millions of euros for newspapers and news portals, is to keep journalists, editors and, above all, media owners in a state of permanent uncertainty. Fidesz was well aware that the media law, several sections of the new Civil Code, the tightening of criminal law adopted within days because of the faked Baja election video, or even the attack on freedom of information, could have the desired effect as an unrealised threat in the state of journalism and the media market in Hungary. Where every third journalist admits to having withheld or distorted information in order to avoid negative consequences, where these journalists lose their jobs and face total existential insecurity, where industry players say in public professional forums that commercial advertisers faithfully follow state advertising, exposing the not (sufficiently) friendly media to constant economic risk, restrictive regulation will have its effect even without the application of actual sanctions.”

⁶ Lehóczki Zs., Mong A., Nagy K., Navratil Sz., Polyák G., Urbán Á., Uszkiewicz E. (2014) Foglyul ejtett média – Médiapolitikai írások; <https://mertek.eu/2014/07/15/foglyul-ejtett-media-mediapolitikai-irasok-3/>

These findings have proved to be timeless. If you are interested in a detailed analysis of Hungarian media regulation, we still recommend our study published in 2014.⁷

How the Media Council works

Frequency applications

The problems of the Media Council's operation, biased and opaque decision-making were first highlighted by the case of the Klubrádió Budapest frequency. In December 2010, the Media Council annulled the public service tender for the Budapest 92.9 MHz frequency already won by Klubrádió, and in December 2010 it also declared a previously unknown bidder, Autórádió Kft., the winner of the Budapest 95.3 MHz tender against Klubrádió. Both cases were the subject of years of litigation, which finally ended with the Media Council dropping the 95.3 MHz case and the 92.9 MHz case being awarded to Klubrádió by the court. It was in the court proceedings for the Budapest 95.3 MHz frequency that the Media Council argued that Klubrádió's bid was invalid due to the lack of signature of the blank backing sheets. Klubrádió was allowed to start broadcasting on Budapest 92.9 MHz as a community media service provider on 14 February 2014. This entitlement expired in February 2021, as a result of which Klubrádió is currently only available online.

While Klubrádió had lost its entire rural network by 2013, the Media Council's tendering practices had some big winners. These varied, as can be well documented, according to the individuals and economic groups close to the government. Until 2015, Chain Bridge Radio won every frequency tender for which it submitted a valid bid. Lánchíd Rádió was part of the media empire of Lajos Simicska, who until 2015 controlled essentially the entire Fidesz media empire. In 2014, the radio had a [network covering most of Transdanubia](#)⁸. As the media law in principle limited the number of frequencies that could be acquired, the main legal instrument for expansion was the so-called "coverage expansion". As a result, for example, the Budapest, Balatonfüred, Székesfehérvár, Zalaegerszeg and Keszthely broadcasts were formally on the same frequency, using only one of the four local media rights available. In addition, [public interest data](#)⁹ obtained by Mérték revealed that at the same time that Klubrádió was being held to account by the Media Council for not signing the blank backs of its tender, and therefore declaring the tenders of other bidders invalid, Lánchíd Radio had not signed a single back of its tender, yet all its tenders were won. Lánchíd Rádió has not won any tender since 2015, after Lajos Simicska turned against Prime Minister Viktor Orbán.

In 2016, the role of Chain Bridge Radio was taken over by Karc FM, which is now owned by KESMA. It started operating on the Budapest 105.9 MHz frequency. In 2018, Karc FM acquired the former rural frequencies of Lánchíd Rádió, formally by creating a radio network with them. Since then, Karc FM has been winning radio frequency contests continuously. In the summer of 2021, Karc FM's programme was already broadcast on 27 local frequencies, which means that it can be heard practically anywhere in the country. Another interesting aspect of Karc FM's suc-

cess is that it has won every tender it has entered. In total, there were six tenders in which Karc FM was one of the other bidders, typically a broadcaster of a religious radio station, and Karc FM won all of them. In each of these cases, the Media Council has chosen to adjust the subjective scoring of the programme evaluation to make Karc FM the winner. Typically, Karc FM scored the maximum 8 points for this aspect, the other candidates scoring 0 points.

Until the media policy turnaround in 2015 - the Simicska-Orbán conflict - Fidesz had no need for a music radio network, as Class FM, owned by Lajos Simicska, had a monopoly on the national radio market. After 2015, however, it had to acquire new positions in the music radio market. Although Class FM changed ownership in May 2016 and its original seven-year media broadcasting licence expired in November 2016, it was not yet certain that the Fidesz monopoly on the national radio market would be restored in 2016. The first and most successful means of doing so was the roll-out of the Radio 1 network. Rádió 1 won the media broadcasting licence in February 2016 and started operating in June 2016 as a media service of Radio Plus Kft., then owned by Andy Vajna. In the tender for the Budapest frequency of Rádió 1, the Media Council still clearly excluded network operation [in the call for tenders](#)¹⁰, i.e. it did not support an existing network or an operator wishing to expand to obtain a Budapest licence. However, shortly after Andy Vajna received the radio, he saw no problem with the networking of the frequency and the corresponding modification of the radio's public service contract. After Andy Vajna's death in 2019, Radio Plus Ltd. was taken over by Zoltán Schmidt, who had previously appeared around the business interests of Lőrinc Mészáros.

Rádió 1 is still not merged into KESMA, but it is still clearly the interest of business circles linked to Fidesz. By the end of 2017, it was already broadcasting on 31 frequencies, making it the second most listened to radio station nationwide, behind the public service Petőfi Rádió. After the launch of the national Retro Rádió in December 2017, Rádió 1's audience ranking was for a while in third or fourth place nationally, but today it has overtaken Petőfi Rádió and is again in [second place](#)¹¹. In 2021, the central media service provider of the Rádió 1 network, Budapest Rádió 1, has been awarded a new frequency. While the former [Budapest 96.4 MHz has a](#)¹² reach of 1.6 million listeners, the newly acquired [Budapest 89.5 MHz has a reach](#)¹³ of nearly 3.5 million listeners. The larger reception area will also allow some of the network's suburban members, previously operating on their own frequency, to be switched off.

After 2018, two new players appeared on the market of music radio networks: Gong FM, now owned by KESMA, and Best FM, also linked to Fidesz business circles. These two radio stations are also winning frequencies one after the other, and based on the coverage areas, it seems that they will not be in competition with each other for the time being.

Supporting the expansion of religious radio stations with religious themes has been a well-documented element of the Media Council's frequency tendering practice since 2010. The Catholic Radio Maria and the Reformed Radio Europe

⁷ Gábor Polyák - Krisztina Nagy: Hungarian Media Law, Mertek Booklet Vol 1, <https://mertek.eu/wp-content/uploads/2017/04/MertekFuzetek1.pdf>

⁸ Nagy K. (2016) Frekvenciaosztogatás; https://mediakutato.hu/cikk/2016_03_osz_tel/10_frekvenciaosztogatas.pdf

⁹ Nagy K. és Polyák G. (2015) A médiaszabályozás leghatós oldala; <https://mertek.atlatszo.hu/a-mediaszabalyozas-leghatso-oldala/>

¹⁰ A Nemzeti Média- és Hírközlési Hatóság Médiatanácsának Pályázati Felhívása (2015) https://nmhh.hu/dokumentum/167595/Budapest964PF_2.pdf

¹¹ Budapesti és országos napi rádióhallgatottság (2020. november – 2021. január) https://nmhh.hu/cikk/218365/Budapesti_es_orzagos_napi_radiohallgatottsag_2020_november_2021_január

¹² A Nemzeti Média- és Hírközlési Hatóság Médiatanácsának Pályázati Felhívása (2015) https://nmhh.hu/dokumentum/167595/Budapest964PF_2.pdf

¹³ A Nemzeti Média- és Hírközlési Hatóság Médiatanácsának Pályázati Felhívása (2015) Budapest 89,5 MHz; https://nmhh.hu/dokumentum/216617/budapest_89_5_mhz_palyazati_felhivas.pdf

were already the main winners in [2010-2011](#)¹⁴. Catholic Radio started its network expansion in [2012](#)¹⁵, until then only on medium wave frequencies. The Hungarian Catholic Radio was established by the Hungarian Catholic Bishops' Conference in 2004 and currently broadcasts [on 25 local frequencies](#)¹⁶. It is expanding partly through networking and partly by extending its coverage. In the period under review, eight cases of coverage expansion and four cases of networking were carried out. Mária Rádió is the Hungarian media service provider of the worldwide operating foundation Mária Rádió. It started broadcasting in Budapest in 2006 and is currently available on 20 frequencies, mainly in the northern part of Transdanubia. Owned by two Reformed church districts, Europa Rádió currently covers five settlements in Northern Hungary and is also broadcast in parts of Transcarpathia.

Media merger control

Section 171 of the Media Act provides that the Competition Council is obliged to obtain the opinion of the Media Council when examining mergers between undertakings or groups of undertakings in which members of at least two groups of undertakings have editorial responsibility and whose primary purpose is to provide media content to the public via an electronic communications network or a printed press outlet. In addition to the above provision, the law also stipulates that the Media Council's opinion is binding on the Office of Economic Competition. According to the Act, the Media Council may not refuse to give its consent if the post-merger level of independent sources of opinion also ensures the right to pluralism of information in the relevant market for the provision of media content.

The Media Council has so far issued an expert opinion in five cases, in one case it terminated the expert procedure on the grounds of lack of competence, and in one case it issued a preliminary expert opinion - not provided for by the law:

- In 2011, the Media Council refused to grant regulatory clearance to an application to clear a merger between Axel Springer and Ringier.¹⁷ This was because of a retroactive provision of the Media Act in a case that was already pending before the Competition Authority at the time of the adoption of the Media Act. The parties have withdrawn their application to the GVH in the light of the Authority's opinion.¹⁸
- Also in 2011, the Media Council issued a regulatory opinion on the merger between M-RTL Zrt. and the IKO group.¹⁹ In the case, M-RTL intended to acquire a 100% direct stake in the media service provider of the channels Cool TV, Sorozat+, Reflektor TV, Prizma TV, Film+ and Film+2, IKO Romania, and in the media service provider of Muzsika TV, IKO Televisions. The concentration has been cleared by the Media Council.

¹⁴ Nagy K. (2012) A Médiatanács frekvencia-pályázattási gyakorlata;

<https://mertek.eu/2012/02/22/a-mediatanacs-frekvencia-palyaztatasi-gyakorlata/>

¹⁵ Nagy K. (2013) A Médiatanács frekvenciapályázattási gyakorlata (2. jelentés)

<https://mertek.eu/2013/01/08/a-mediatanacs-frekvenciapalyaztatasi-gyakorlata-2-jelentes/>

¹⁶ Media1.hu (2021) Bővül a Magyar Katolikus Rádió vételkörzete;

<https://media1.hu/2021/01/18/bovul-a-magyar-katolikus-radio-vetelkorzete/>

¹⁷ Case number MP-1671-13/2011. Available at:

http://mertek.eu/sites/default/files/files/nmhh_szakhatosagi_allasfoglalas.pdf

For a detailed analysis see. Mihály Gálik - Artemon Vogl.

¹⁸ Cf. Mttv. § 216 (5); and the order of the Competition Council Vj-42-307/2010.

¹⁹ MT Decision No 1309/2011 (X. 5.); for the reasoning, see the Annex to Competition Council Decision Vj/066-301/2011.

- In 2014, the Media Council granted regulatory clearance to the acquisition of part of the Axel Springer and Ringier portfolio by VCP Capital Partners in the form of a simplified decision without stating reasons.²⁰ The transaction resulted in the creation of Mediaworks Hungary Zrt, whose activities include, in addition to newspaper publishing, the printing activities of the former Ringier Nyomda and the distribution of newspapers, also taken over from Ringier.
- Also in the form of a simplified decision without any justification, the Media Council granted regulatory approval to Mediaworks' acquisition of Pannon Lapok Társasága Kiadói Kft, owned by the German Funke Mediengruppe, to acquire five county newspapers, local free information and advertising newspapers, some magazines and additional printing and distribution capacity, in addition to the existing eight. As a result of the merger, Mediaworks now owns a total of 13 county newspapers.²¹
- The Media Council found that it lacked competence in the 2017 procedure to authorise the acquisition of control over the Opimus Group.²² As a result of the merger, the Mediaworks portfolio was transferred to a company jointly controlled by Lőrinc Mészáros and Konzum Management, also owned by Mészáros. The parties to the merger, as well as the GVH, concluded that the procedure should be subject to the opinion of the Media Council. However, the Media Council did not see any reason to issue an expert opinion.
- In 2016, the Media Council prevented Magyar RTL Zrt. from acquiring control rights in Centrál Digitális Média Kft., which operates the news portal 24.hu. The reasoning of the decision in this case does not address the methodological issues raised in international practice, it is superficial and self-repetitive.²³
- In 2017, the authority issued a so-called preliminary regulatory consent allowing AVALUE Investment Ltd., owned by Andy Vajna, to acquire Lapcom Publishing, thereby acquiring two county newspapers and the tabloid Bors. The reasons for the decision were not disclosed by the Media Council.²⁴

In total, the Media Council issued reasoned opinions in only three of the seven cases, of which it granted regulatory clearance for the merger in one case. The most important feature of the technical content of the opinions is that they are unsubstantiated and inconsistent. At the same time, their importance for media policy is enormous, as these decisions were the basis for the closure of Népszabadság and the unprecedented concentration of pro-Fidesz media companies in Europe.

Advertising tax

The special tax on advertising came into force in July 2014 and covered not only electronic, print and online press products, but also public advertising and advertising on the internet. The rate of the special tax initially increased progressively: 0 per cent for the part of net advertising revenue below HUF 0.5 billion, 1 per cent for the part above this amount but below HUF 5 billion, rising by 10 per cent

²⁰ Media Council Decision No 477/2014 (29.V.29.), see Competition Council Decision No Vj/06/2014.

²¹ Media Council Decision 999/2016 (VIII.1.), see Competition Council Decision Vj/58/2016.

²² See Competition Council Decision Vj/26/2017.

²³ Gálik Mihály – Polyák Gábor: Az RTL – CDM összefonódási kérelem elutasítása, Fundamentum 2017/1-2. 55-66.

²⁴ Decision No 893/2017 (VII. 25.) of the Media Council.

per HUF 5 billion band, and by 40 per cent (50 per cent from 2015) for the part above HUF 20 billion. The tax has imposed a significant administrative burden on businesses. In 2014 and 2015, the special tax was seen as a serious market distorting state intervention, especially in the television market, as only one national commercial channel, the market leader RTL Klub, was seriously affected. The other national broadcaster, TV2, which had just changed ownership in the same period, was largely exempted from paying the tax due to a provision of the law. TV2, which had been operating at a loss for years, was allowed to reduce its tax base by 50% of its accumulated losses, while RTL Klub, which had been making a profit for years, was not allowed to do so, as a result of a specific amendment to the law. As a consequence, RTL Klub paid 80 percent of the total advertising tax when the first advance tax payment was made in August 2014.

In 2016, the European Commission classified the advertising tax as prohibited state aid because of its progressive nature and the possibility to deduct losses. As a result of this - and presumably the political and economic negotiations that took place in the background - in May 2015 the Parliament voted in favour of an amendment to the tax rate of 5.3% for all tax rates above HUF 100 million. This means that large companies, especially RTL, have benefited, while the tax burden has increased for smaller companies, many of which are Hungarian-owned.

The Commission's decision was annulled by the General Court of the European Union in 2019 and confirmed by the European Court of Justice in 2021. According to the General Court and the [Court of Justice](#)²⁵, the Commission has not demonstrated that the progressive nature of the tax measure in question and the partial deductibility of the losses carried forward had the effect of conferring a selective advantage on certain undertakings or the production of certain goods. In its judgment, the Court of Justice completely disregarded the specific market situation in which the legal provisions were adopted and the market distorting effect they had.

[In 2020, the Court of Justice](#)²⁶ ruled that another aspect of the advertising tax was contrary to European law, following an action by Google. The Court ruled that a regulatory solution allowing the tax authorities to impose successive default fines of up to several million euros over a period of a few days on service providers established in another Member State, if the service provider has not complied with its obligation to notify the Hungarian tax authorities, was unlawful.

The Act on Advertising Tax was amended again in 2019, resulting in a zero rate of advertising tax for the period 1 July 2019 to 31 December 2022.

In 2015, the legislator has also imposed strict limits on the operation of media agencies, which were previously unregulated and unproblematic. This has both increased the administrative burden for media agencies and affected their revenues. Previously, media agencies received a so-called bonus from the media, but this source of income has been eliminated by the regulation. At the same time, the law stipulates that advertisers must pay a uniform 15% of the media spend to the media agency, thus making media planning a fixed-price service.²⁷

The National Communications Office, which started its work at the end of 2014, is responsible for coordinating the communication of budgetary bodies and public institutions, managing the related public procurement procedures and monitor-

²⁵ [Bíróági ítélet \(2021\) https://curia.europa.eu/juris/document/document.jsf?text=&docid=238902&pageId=dex=0&doclang=hu&mode=lst&dir=&occ=first&part=1&cid=2385873](https://curia.europa.eu/juris/document/document.jsf?text=&docid=238902&pageId=dex=0&doclang=hu&mode=lst&dir=&occ=first&part=1&cid=2385873)

²⁶ [Bíróági ítélet \(2020\) https://curia.europa.eu/juris/document/document.jsf?text=&docid=223981&pageId=dex=0&doclang=hu&mode=lst&dir=&occ=first&part=1&cid=2392773](https://curia.europa.eu/juris/document/document.jsf?text=&docid=223981&pageId=dex=0&doclang=hu&mode=lst&dir=&occ=first&part=1&cid=2392773)

²⁷ [Kreatív.hu Megszűnik a médiaügynökségi bónusz \(2016.06.09.\) https://article-editor.kreativ.hu/cikk/megszavaztak-a-bonuszrendszer-eltorleset](https://article-editor.kreativ.hu/cikk/megszavaztak-a-bonuszrendszer-eltorleset)

ing their implementation. The importance of the Office became apparent to the wider public in August 2015, when three media agencies won a HUF 25 billion public procurement contract to handle communications for the entire public sector. Two of the three agencies have personal links to the governing party.²⁸

Legal assessment of political propaganda

In recent years, in addition to the legal solutions that have helped to transform the media system, Mérték has paid particular attention to legal provisions that could at least partially set a framework for the dissemination of government propaganda. Political campaign messages are subject to strict legal requirements. The legislation is differentiated according to the medium carrying the message and does not relate to the content of the message but to the structural and financing issues of the message's delivery. The most stringent rules apply to political advertising on television - and radio. Such advertising may only be published during election campaign periods and in the context of referendums already ordered. In fact, even during the campaign period, the use of television advertising is very limited. The Fundamental Law itself stipulates that political advertising in media services may only be published without remuneration (Article IX of the Fundamental Law).

Based on the relevant provision of the Media Act, it is clear that political messages that do not come from a political party but from the government are also considered political advertising and can be included in the above strict conditions. According to the Media Law, political advertising is a programme which appears or is published in a similar manner to advertising, for the purpose of promoting or encouraging the promotion of a party, political movement or government, or for the purpose of promoting their name, aims, activities, slogans or emblems. The law does not specify which messages are intended to promote or encourage support for the government, but the common meaning of the words is that they include messages that present the achievements of the government or elements of the government's policy agenda.

If a government message has a specific content that can be used by citizens, showing the opportunities available to them or the specific risks they face, it is considered a communication of public interest under the law. A communication in the public interest is a communication from an organisation or person performing a public or municipal function, or from an institution maintained or managed by the State, which is published without remuneration and which conveys specific information of public interest with a view to attracting the attention of viewers or listeners, and does not constitute political advertising (Mttv. § 203.27). The explanation of certain elements of the concept, in particular 'specific information of public interest', is also missing in this case. The emphasis on the public interest nature of the information certainly means that the message does not serve the particular political interests of a political organisation or the government, but is presented to society as a whole or to a specific section of society with content that affects its own decision-making competence and its own living conditions. The emphasis on the fact that the information is specific implies that the message reveals a situation in which decisions and actions can be taken, and that the recipients of the message are themselves capable of taking them.

²⁸ Rényi, P. D.: Köztük oszt ki az állam 25 milliárdot kommunikációs mintára. 444.hu (2015.08.07) <http://444.hu/2015/08/07/ok-harman-osztoznak-az-allami-cegek-25-milliardjan/>; Rényi, P. D.: 12 milliárdot takarít be jövőre a kommunikációs tenderek nagy varázslója. 444.hu (2015.10.13) <http://444.hu/2015/10/13/young-v3>

In addition to the differences in content, an important difference between political advertising and public interest announcements is that the media service provider may not charge for the latter (Section 32 (5) of the Media Act). It is obvious that publishing government messages as public interest announcements is a more efficient way of using public funds. In fact, it seems appropriate for the government to present its own messages as a communication of public interest even if the message otherwise has a political content. One would expect that any legal disputes over the legal classification of a government message would be about the distinction between political advertising and a communication of public interest. If the government's aim is merely to increase its own popularity through messages on television or radio, then the obvious means of doing so is to abuse the uncertain boundaries between the concepts of political advertising and communication of public interest. Disguised as a communication of public interest, it can also be a cheap and effective way of conveying certain political messages.

On this basis, Mérték has made four referrals to the Media Council:

- In September 2015, we complained that the communication campaign "Hungarian reforms work!" included short spots of the same title in television media services. The spots were broadcast by Duna Médiaszolgáltató Zrt's television media services as social advertising and also as advertisements in the advertising blocks. TV2 broadcast the spots as advertising. Although the Authority found that these spots could not be published as advertising, it refused to classify them as political advertising. It concluded that the messages examined were "necessarily linked to a political subject (since the subsidies and opportunities which are the subject of the information are necessarily the results of the objectives adopted by the Parliament of each party, including the governing parties), but that there is no element in the programmes, in terms of their content or visual presentation, which would suggest an intention to publish in order to promote or support the government, its objectives, activities, slogans or emblems". Therefore, the Media Council did not classify the government messages as political advertising (Decision of the Media Council of the National Media and Infocommunications Authority No. 160/2016 (9.II.)).
- The "Did you know?" campaign took place during the campaign period for the national referendum of 2 October 2016, when political advertising can otherwise be legally published, under the conditions described above, and in particular free of charge. With regard to the messages appearing during that campaign, the National Electoral Committee stated that they contained "the political opinion of the Government on the subject of the national referendum initiated by the Government and scheduled for 2 October 2016" and that they served to "influence the will of voters and to facilitate their decision-making" (Decision No 53/2016 of the National Electoral Committee). This interpretation was also followed by the Curia in its final judgment. Both the National Election Committee and the Court clearly held that these messages constitute political advertising and that their express purpose is for the Government to "express its political opinion through them, to influence or attempt to influence the will of the electorate". Despite the fact that this interpretation unquestionably classified the messages in question as political advertising, the Media Council, in a short reply letter without giving reasons, merely stated that 'the content of the communications did not give rise to any suspicion of infringement' and therefore did not initiate the administrative procedure.

- In the same letter, the authority gave the same response to a third submission by the Mérték Media Analysis Workshop, in which the complainant wrote "We told Brussels: 98% NO to forced resettlement." (98% in favour of Brussels to 'vote against Brussels'), which challenged the classification of the television spots of the communication campaign as social advertising. This campaign promoted the result of an otherwise invalid referendum on the compulsory admission of refugees. According to the submission, no public interest objective could be identified in this case either, which would have made the spot an advertisement with a social purpose. The Media Council dismissed the proceedings without giving reasons (Decision of the Media Council No 34/2017 (I. 17.)).
- In March 2019, we turned to the Media Council regarding the communication campaign "You have the right to know what Brussels is up to", which attacked European Commission President Jean-Claude Juncker. We argued again that the content of the communication fulfils the category of political advertising, while it clearly does not meet the criteria of social advertising, public service announcements or advertising. No reply to this submission was received.

These decisions also show that the Media Council always finds an interpretation of the law that is in line with the government's interests in matters of importance to the government.

Market distortion and European competition rules

While it is true that the European Union has limited room for manoeuvre in the media, it has effective instruments at its disposal to counter economic interventions such as those that characterise Fidesz's media policy.

The European Commission is imposing strict conditions on the funding of public service media to prevent market distortions of public money. In our joint complaint with Klubrádió and then MEP Benedek Jávor, we complained that the funding of Hungarian public service media did not comply with European rules on state aid. The Commission has been working on the complaint since 2016, but so far it has failed to reject or approve it.

The Commission's Communication on state aid rules for public service media lists at length the data on the management of public service media that must be accessible and verifiable in all cases. According to the Commission, public service media management is transparent if there is a clear separation between public service and non-public service activities and if the revenues and costs associated with these activities are shown separately. This requires that all programmes are classified as public service or non-public service, and that a clear definition of what constitutes public service is provided. In our submission [we explained²⁹](#) that Hungarian legislation and practice does not meet these requirements at all.

The Hungarian media market is an obvious example of how the placement of state advertising can also be a serious market distortion. Under EU law, state advertising can constitute "state aid". If such aid confers an economic advantage on the recipient undertaking which it would not have obtained under normal market

²⁹ Mérték Médiaelemző Műhely (2018) Az állami média finanszírozása – tiltott állami támogatás? <https://mertek.atlatszo.hu/az-allami-media-finanszirozasa-tiltott-allami-tamogatas/>

conditions and puts it in a more favourable position than its competitors, it constitutes prohibited state aid. It follows that the allocation of State-funded advertising between different media cannot be independent of the type and size of the audience reached by the media concerned. Mérték's second submission argues that the practice of granting certain media a share of public advertising that is disproportionate to the performance of the channels concerned is incompatible with the State aid rules. In our submission to the European Commission in 2019, [we³⁰](#) provided detailed data on the discriminatory and market-distorting nature of state advertising in Hungary. We prepared this submission together with Klubrádió and Benedek Jávor.

So it is not true that nothing can be done at European level to improve the media situation in Hungary. The European Commission has the tool in its hands, it is now up to the Commission to decide when and how to use it.

Despite domestic and international criticism and initiatives, the media regulatory situation has steadily deteriorated after 2010. Both at the level of legislation and at the level of jurisprudence, there is a continuous abuse of power that hampers media freedom. Although the European institutions have done nothing for media freedom in Hungary, apart from recent and previous reports, we conclude with a summary of the Council of Europe Commissioner for Human Rights' [memorandum³¹](#) published in 2021:

"The combined effects of a politically controlled media regulatory authority and sustained and distorting state intervention in the media market have eroded the conditions for media pluralism and the freedom of expression in Hungary. While independent voices can still be heard and media consumer surveys in 2020 cautiously suggest a renewed public appreciation for independent and professional journalism, such voices have been systematically crowded out. Free political debate and the free exchange of diverse opinions, which are the prerequisites for democratic societies to thrive, have been severely curtailed, particularly outside the capital. The situation is exacerbated by sustained smear campaigns against human rights defenders and independent voices, which are designed to stifle civil society and send a clear and chilling message that there will be prompt retaliation against any form of criticism against the government. Moreover, the government has consistently failed to recognise the importance of the role of independent institutions, whether regulatory authorities or the judiciary. By repeatedly disregarding the judgments of national and international courts, the government has demonstrated that it has no intention of adhering to the rule of law, which is crucial for the functioning of democracy and, indeed, the unencumbered exercise of freedom of expression."

³⁰ Kardos D. és Urbán Á. (2019) Az állami reklámköltés mint tiltott állami támogatás <https://mertek.eu/2019/01/22/az-allami-reklamkoltes-mint-tiltott-allami-tamogatás/>

³¹ Memorandum on freedom of expression and media freedom in Hungary (2021) <https://rm.coe.int/memorandum-on-freedom-of-expression-and-media-freedom-in-hungary/1680a1e67e>



THE WAY PUBLIC SERVICE MEDIA OPERATE IN HUNGARY

The operations of the Hungarian public service media have been traditionally the subject of intense controversy. The institution has never had the same prestige as public media in developed western democracies tend to enjoy. The operations of the public television services in Hungary have only occasionally and rather exceptionally adhered to the principle of the BBC's Code of Ethical Policy. After the entry into effect of the Media Act of 1996, the former state television and radio network was transformed into a public service media network, similarly to the other regions of the country. Even though in theory the legal status of the newly-minted public media institutions conformed to democratic standards, in actual practice the evolution of the public service media did not follow the same trajectory that was typical of western European countries. When commercial television services were launched, a large portion of viewers switched to the new channels, and the viewership figures of public service television plummeted. Public service radios, by contrast, managed to retain a major portion of their listeners.

In the period up to 2010, it was often alleged that the public service media were loyal to whoever was in power at a given time. Although this manifested itself in greater or lesser degrees of bias towards the government, it never involved the uncritical propaganda the likes of which the public media that came into being as a result of the Media Act of 2010 continues to disseminate. The lower intensity of the bias in the public service media's political coverage prior to 2010 owed in part to the alternation in governmental power, and in part to the fact that the media authority which emerged as a result of the first media act adopted after the regime transition was balanced and followed the law. One of the first measures adopted by the new government that entered into power in 2010 was to transform the public service media, as well as to implement a total takeover of the media authority and of the public service media. The media environment that has come into being as a result of these actions and the media landscape it gave rise to continue to serve the interests of the Orbán regime.

Opaque organisational structure

The institutional background of the public media system was changed significantly with the media laws of 2010¹, and the result is a centralised system. Previously distinct public service media providers were merged into the Media Service Support and Asset Management Fund (hereinafter MTVA). The law states that this Fund exercises the ownership rights and responsibilities of public service media assets, and – among other things – it is also in charge of producing or supporting the production of public service broadcasting items. At the head of the Fund is a CEO who can be appointed and recalled by the president of the Media Council without providing reasons for the dismissal, and whose work is not subject to review by any public body. The political dependence is rendered obvious by the fact that the Media Council's president was elected by the governing parties for nine years. At that time public media services were provided by four closely held corporations, but public media service providers have no production capacities of their own, so their latitude is limited to ordering shows from the MTVA. These four private limited companies were Magyar Televízió Zrt. (Hungarian Television), Duna Televízió Zrt. (Duna Television), Magyar Rádió Zrt. (Hungarian Radio), and the Magyar Távirati Iroda Zrt. (Hungarian News Agency).

An amendment to the law was adopted by the Hungarian National Assembly in December 2014, primarily aimed at the transformation of the institutional framework of public media services. As a result of this amendment, Duna Media Service Nonprofit Ltd. (hereinafter Duna) was established as the legal successor of the prior companies. Duna became the provider of all public service television, radio and online content services, as well as public service news agent's activities from July 2015.

While the operations of the Duna are subject to the outside review of several public bodies specified in the media law (Board of Public Service Foundation, Public Service Fiscal Council, Public Service Council) the MTVA is subject to the review of a single organisation: the Media Council. Media Council members were delegated by the ruling party, so there is no independent control over the MTVA.

So, according to the media law Duna is the public service media provider and it is more or less appropriately subject to external control mechanisms, but in reality, the oversight is merely a façade since it has no resources for the actual performance of these functions. And then there is the MTVA, which disposes taxpayer funds without being subject to any meaningful outside control and no one has a clue of where and how it spends the money.

The European Commission has been reviewing a complaint on the subject filed by former MEP Benedek Jávor, along with a market player, Klubrádió, and the media watchdog NGO Mérték Media Monitor, since 2016. The European Commission attaches strict conditions to public service media funding in order to forestall the market-distorting use of public funds. In our complaint, we highlighted the fact that the funding of the Hungarian “public service” media no longer complies with the European regulations on state aid. In our view, neither the required transparency nor the independent control is met.²

¹ Act CIV of 2010 on the Freedom of the Press and the Fundamental Rules on Media Content; Act CLXXXV of 2010 on Media Services and Mass Media
² <https://mertek.eu/en/2020/09/07/ec-complaints/>

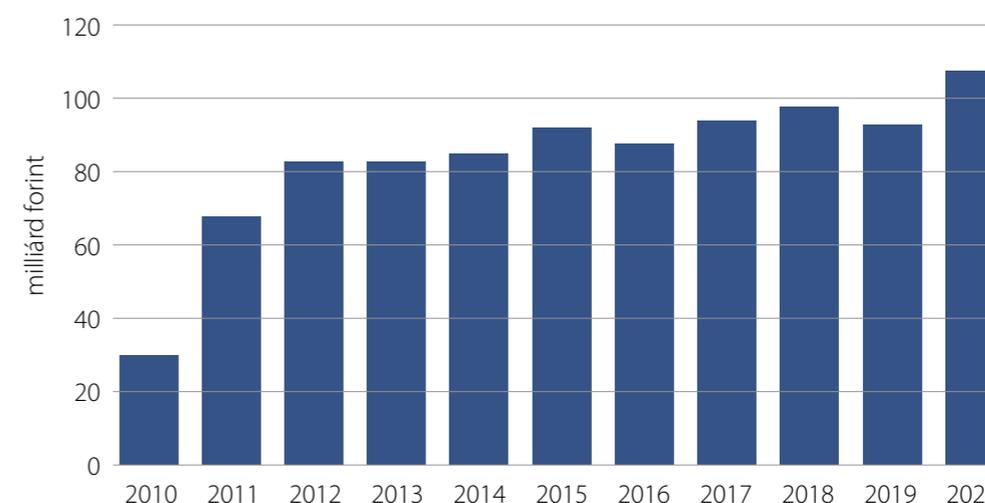
The spending of the MTVA is not transparent, although since 2019 at least an annual report has been published on the website.³ In any case, it is unclear how much the MTVA has spent on certain public service purposes. In addition, the MTVA publishes contracts over 5 million HUF, but it should be added that this is a poor quality scanned pdf in a non-searchable format.⁴

The intensity and pervasiveness of the dissatisfaction with the public media became apparent at the end of 2018, when thousands spited the cold winter weather in December to go to the MTVA's headquarters in the outskirts of Budapest, with several opposition MPs entering the building and squatting there for a day to protest.⁵ The dissatisfaction was directed at the entirety of the public media system, but for most people the wasteful financial management of the public media and the obvious propaganda is far more palpable than the problems stemming from the opaque operations of the organisation. Be that as it may, what became apparent at the time was that the public service media are an emblematic institution of the Orbán regime, and one of the institutions that should never be allowed to continue operating in this way if there were a change in government in Hungary.

Public service media funding

As the above show, the costs of content production and procurement are part of the MTVA's budget. The total funding for public service media has expanded considerably over the last decade, but commercial income plays a negligible role in their revenues, the vast majority of their operations are funded by the central budget. In the absence of a licence fee in Hungary, the level of governmental funding for the MTVA is set by the annually adopted budget act.

MTVA's revenue



Source: https://nmhh.hu/tart/index/232/Koltsegvetes_koltsegvetesi_beszamolo
MTVA Annual Report (2020)

The amount of the funds extended to public service media have grown dispro-

³ https://mtva.hu/wp-content/uploads/sites/17/2021/06/MTVA-2020_%C3%A9vi_besz%C3%A1molo-%C3%B3_k%C3%B6zz%C3%A9t%C3%A9s.pdf

⁴ https://mtva.hu/wp-content/uploads/sites/17/2021/08/2021_m%C3%A1jus_MTVA_5millio_feletti_szerzodesek_egysegzes_szerkezetben_2_resz.pdf

⁵ Bock, P. (2018): Hungarian protesters and opposition MPs rally at state TV building. Euronews, 17 December. <https://www.euronews.com/2018/12/17/hungarian-protesters-and-opposition-mps-rally-at-state-tv-building>

portionately in the 2010s. Part of the overall picture is that this period also included the launching of new services, especially the news channel M1 and the sports television channel M4 Sports in 2015.

Currently there are a total of six public television channels and four national radio stations in the market.

The following TV channels are available:

- M1: news channel (news, talks)
- M2/Petőfi TV: M2 is a children channel and Petőfi TV broadcasts a programme for young people in the evening, with lots of music
- M4 Sport: sports channel
- M5: cultural channel, also broadcast many educational programmes during the epidemic
- Duna: the “main channel” of public service media, with entertainment content, films, daily news
- Duna World/M4+: Duna World is primarily aimed at Hungarians living abroad and to a large extent repeats the programming of other channels. On weekends, sports events are broadcast in the afternoon and evening, and this channel is called M4+.

Radio stations:

- Kossuth Radio: news, public affairs, politics, culture
- Petőfi Radio: popular music
- Bartók Radio: classical music
- Dankó Radio: Hungarian folklore, world music

In addition to radio and television services, online services are available, too, of course. Among these, the news site of the public service media (hirado.hu) and its streaming site (mediaklikk.hu) – where the programmes that were previously broadcast can be streamed online – stand out.

The prestige of public service media in Hungary is rather low, the commercial television channels that entered the media market in the 90s quickly drew large segments of what were previously the captive audiences of the public television channels. On average, public service media tend to be more popular with the elderly, the generations who were socialized during the period when those were the only media outlets available. These established audiences continue to follow the shows that have been around for a long time.

There are no regularly published data about the annually aggregated viewership shares of the public service television channels, but what we do know is that the six state-owned channels reached a total share of 10.3% in 2020.⁶ In the radio market, the Kossuth and Petőfi public service stations continue to remain popular, with both boasting over 1 million listeners in the final quarter of 2020.⁷ The online public media services do not have many visitors, however, hirado.hu (1,342,932

⁶ Based on page 100 of the MTVA's 2020. annual report: https://mtva.hu/wp-content/uploads/sites/17/2021/06/MTVA-2020_%C3%A9vi_besz%C3%A1mol%C3%B3_k%C3%B6zz%C3%A9tteni.pdf
⁷ Quarterly review of radio audience measurements, 2020 Q4 https://nmhh.hu/dokumentum/217810/NMHH_negyedevés_attekinto_202010202012_IA_v1.pdf

real users in December 2020) lags far behind the most popular news sites, while mediaklikk.hu has half as many visitors.⁸ On the whole, the public service media cannot be considered really successful in Hungary, but given the entirety of their portfolio they are major players in Hungary.

The role of the news agency in Hungary

The function and financial system of the national news agency (MTI) was also changed, it became integrated to the public service media system by January 1, 2011. This occurred in parallel with the centralization process of the public service media. MTI's responsibilities were expanded to produce news programs for other public media service providers.

Before 2011 MTI was just an ordinary news agency that provided news to other media outlets based on a contract. Since 2011 funds for the national news agency have been provided by the MTVA, the commercial revenues were not relevant any more. MTI's fees were abolished, it offered its news services free to all media providers. It destroyed the news agency market in Hungary. There was no one in the market who could compete with free services and, one by one, MTI's commercial competitors went out of business leaving the state-owned provider as a monopolist in the market.

As a result of this situation, the independent newsrooms in Hungary have no choice but to use the news provided by MTI, even though the work of the agency often fails to meet even the most basic professional standards.⁹ The political bias in the operations of the state-owned news agency is readily apparent in the way the so-called MTI National Press Service (MTI OS) operates. The Press Service typically publishes the press releases of political parties and other social organisations, and this is how the statements can reach newsrooms, for example. In other words, this is not content produced by the MTI itself, the news agency is but a transmission channel which helps such public statements reach the broader public. In the 2010s, however, it has become standard practice for the MTI to fail to publicly disseminate statements by opposition parties and politicians, and in fact any kind of statement may be refused if it includes content that is inconvenient for the government. One memorable case occurred in 2018, when MTI made clear that it would not publish statements that featured the name of the prime minister's son-in-law, István Tiborcz, whose name often came up in the context of public contracts that were alleged to involve corruption. The statements at the time tended to focus specifically on the fact that OLAF, the EU's anti-fraud unit, launched an investigation against Tiborcz.¹⁰

⁸ <https://dkt.hu/>

⁹ Telex (2021): Az MTI az ellenzéki előválasztás eredményeiről egészen estig nem adott hírt, de beszámolt egy golfvilágrekordról, egy indonéz tigrisről és a facélia virágzásáról. [MTI failed to report about the results of the opposition primary until late in the evening, even as it reported about a golf world record, the Indonesian tiger and the blossoming of phacelias]. <https://telex.hu/belfold/2021/10/17/mti-kozmedia-elovalasztas-masodik-fordulo-eredmenyek>

¹⁰ 444.hu (2018): Az MTI nem hozza le a közleményeket, melyekben szerepel Tiborcz István neve. [MTI does not publish statements that feature the name of István Tiborcz]. <https://444.hu/2018/01/15/az-mti-nem-hozza-le-a-kozlemenyeket-melyekben-szerepel-tiborcz-istvan-neve>

But there are many other examples to illustrate the biased operations of MTI. The first major scandal in this context occurred in 2015, when the news agency's correspondent in Brussels asked the Hungarian prime minister Viktor Orbán questions at a press conference that had not been cleared in advance and was then fired shortly thereafter.¹¹ Another major furor was caused by an article published in Politico, which looked at the operations of the public media, and MTI specifically, based on leaked e-mails written in 2019: the leaked correspondence showed that the journalists had to ask for special permission in the case of reports that focused on Greta Thunberg or European politics. It also emerged that the news agency was barred from publishing statements released by civil and human rights organisations such as Amnesty International or Human Rights Watch.¹²

The public service media also provide a special news service that has a major impact on the Hungarian public sphere, and this service, too, is based on news provided by MTI. MTVA started producing entire news blocks for commercial radios at a low price. Given that news services take up a significant portion of the production costs in radio, many commercial radios availed themselves of this opportunity and now broadcast news blocks produced by the MTVA based on news written by the MTI. In practice, this means that the news blocks are recorded at hourly intervals at the MTVA and are then sent out to all contractual partners. Thus, the radios involved do not need to hire their own news editors. As a result, the various local radios broadcast the same news block throughout the day, thereby granting space to government propaganda.

The public service media as a propaganda factory

The operation of the public service media has been the subject of criticism in Hungary for a long time. The MTVA has not been in the crossfire of criticisms because of its non-transparent and wasteful operation, however, since the latter are only intelligible to a narrow professional audience. For the average person, the propaganda mode is the most striking problem with respect to the public service media. There are regular summaries about the biggest lies published by the public media, and popular memes in social media frequently allude to the news show of the public service television channel M1. It is no coincidence either that colloquially the media outlets in question are often referred to as “state media” rather than the previously used “public service” media. According to the media law, officially speaking these media are still public service media, but in reality their news shows are increasingly reminiscent of the communist period. It is not only loyalty to the ruling party that is standard practice now, but in terms of foreign policy coverage the reporting of the public service media is marked by a loyalty towards the narratives pushed by the Kremlin and relentless criticisms of western democracies.

The situation is definitely better today as compared to the period of the communist regime in that there is actual competition in the media market now, while the impact of the public service media on public discourse is far weaker than it was back then. Nevertheless, it is a substantial problem that a discernible portion of

¹¹ Eurologus (2016): Közmédia helyett kormánymédia van Magyarországon. [What we have here in Hungary is government media rather than public media.] https://index.hu/kulfold/eurologus/2016/05/02/nem_tehettem_fol_tobb_kerdest_orban_viktornak/

¹² Politico (2010): Human rights and Greta on Hungarian state media watch list. <https://www.politico.eu/article/hungarian-state-media-not-free-to-report-on-greta-thunberg-human-rights/>

viewers/listeners – especially in the elderly generations – rely on the public service media as their primary source of news. In their case, the access to information is violated, while the political competition, too, is damaged by the fact that the public service media serve the ruling party's communication goals.

The propagandistic mode in which the institution operates, along with the concomitant censorship, is readily illustrated by a leaked sound recording.

Ahead of European Parliament elections in Hungary in 2019 Balazs Bende, a senior MTVA editor gave instructions to the journalists and editors about the editorial guidelines. The audio recording was leaked to Radio Free Europe/Radio Liberty and the whole story was published on its website. Referring to the election campaign Bende says, „I'm sure no one will be surprised to hear that it is not the opposition's list that enjoys the support of this institution” and of course it is not compatible with the media law. He also has a clear message to the editors when he says, „Whoever is in charge must produce content according to the appropriate narrative, method, and direction, mostly about migrants and Brussels.” The censorship is clearly reflected in his words when he says that „If anyone is not prepared to work under these conditions, he is free to file his resignation immediately”.¹³

The audio recording was, of course, widely circulated, with all the independent news portals covering the issue. However, it says a lot about the situation in Hungary that there was not an overwhelming outcry, and on social media, too, users mostly commented that there was nothing surprising about the incident. Such an audio recording has not been made public before, but its content should not really have come as a surprise to anyone. The public service media have been quite obviously working as propaganda for many years, and it was obvious to everyone that the systematic distortion of the news could only be a command from above.

The bias of the public service media was identified by the OSCE in its investigation of the 2018 parliamentary elections: „In its editorial coverage, M1 showed bias in favour of the ruling coalition and the government, which received around 61 per cent of the news coverage. On average, 96 per cent of it was positive in tone, while 82 per cent of the coverage devoted to the opposition was negative. This is at odds with OSCE commitments and international standards on fair access to the public broadcaster's programmes and undermined the public's corresponding right to receive media output”.¹⁴

The impact of the public service television on the public sphere is not limited to the news shows classically understood. One-minute news summaries, which are disseminated on the M4 Sports channel, have become fairly common, and they are featured during the breaks of popular sports events, for example. Through these the propaganda disseminated by the public service media can also reach viewers who are not otherwise intensely interested in politics but care about major football matches or the Olympic Games, for example. These one-minute news summaries are highly biased, they are clearly tools in the service of government propaganda.¹⁵

¹³ Keller-Alant, Á. (2020): Twisting the Truth? How Editors Manipulate News Coverage At Hungary's State Broadcaster. <https://www.rferl.org/a/twisting-the-truth-how-editors-manipulate-news-coverage-at-hungary-s-state-broadcaster/30949003.html>

¹⁴ OSCE Office for Democratic Institutions and Human Rights: Hungary - Parliamentary Elections 8 April 2018, ODIHR Limited Election Observation Mission, Final Report <https://www.osce.org/files/f/documents/0/9/385959.pdf>

¹⁵ Rényi, P. D. (2018): A közmédia ismét képes a legprimitívebb módon végig migránszni az év sportünnepe. [The public media is once again capable of pushing the migration issue in the most primitive way possible throughout the biggest sports celebration of the year.] 444.hu, 2 July. <https://444.hu/2018/07/02/a-kozmedia-ismet-kepes-a-legprimitivebb-modon-vegig-migranszni-az-ev-sportunnepet>

Another telling feature of the Hungarian situation is that the well-known outlets of Russian state propaganda, such as for example RT (previously Russia Today) and Sputnik are not present in the Hungarian market with their own news services. The reason is not that the Kremlin has no interest in influencing Hungarian public opinion but that the dissemination of Russian propaganda is already being performed by the Hungarian public service media – at no cost to the Russian party. It is of course difficult to prove the direct ties between the Russian propaganda factories and the Hungarian public service media; the extreme similarities between them are often only revealed by the nature of their news coverage. One of the rare instances when a direct link became public was when opposition MPs successfully sued the MTVA for information showing that in December 2017 Russia Today had produced three interviews in the building of the Hungarian public service media.¹⁶

The reservoir of examples that illustrate how the public service media in Hungary work as propaganda machines is sheer inexhaustible. The prime minister gives weekly interviews to Kossuth Rádió, where he talks to servile reporters who only ask him questions that serve as set-ups for Orbán presenting the things he wants to discuss. As a matter of fact, a content analysis of the public service media news in any randomly selected week would yield a long list of lies and distortions.¹⁷ The collection of illustrative examples below are some of those scandals in the past decades that led to the most intense public reactions.

- In 2011, Daniel Cohn-Bendit, a Green Party MEP and a critic of the Orbán government gave a press conference in Budapest. The public media news show manipulated the presentation of what had transpired at the press conference by editing the video to present a completely false picture. The news show made it seem like the politician stood up and left in response to a question by one of its reporters asking Cohn-Bendit about paedophilia, whereas in reality Cohn-Bendit responded to the question and left only half an hour after this question was asked, when he ended the press conference to catch his scheduled flight.¹⁸
- Another major scandal was an event in 2011, when a report on an unrelated topic blurred out the face of the then-president of the Hungarian Supreme Court, Zoltán Lomnici, in a manner that is typically done in the case of criminals to protect their right to privacy. In the report in question, however, the decision to blur Lomnici out was entirely devoid of a rational cause; the real reason was that Lomnici had been “blacklisted” at the public television for a while then, and thus some editor had probably sought to comply with this requirement by blurring out the face of the judge who was deemed politically inconvenient at the time because of some Supreme Court decisions that discomfited the government (ironically, Lomnici was no opponent of Fidesz by any measure).¹⁹

¹⁶ Rádi, A. (2018): Pert vesztett az MTVA, kiderült, hogy háromszor forgatott a Putyin-tévé a közmédia székházában. [The MTVA lost a lawsuit and it is now a matter of public record that the Putin television channel was allowed to produce shows at the Hungarian public media headquarters on three occasions]. atlatzo.hu, 10 October. <https://blog.atlatzo.hu/2018/10/pert-vesztett-az-mtva-kiderult-hogy-haromszor-fogatott-a-putyin-teve-a-kozmedia-szekhazaban/>

¹⁷ Mérték Media Monitor regularly publishes content analysis concerning specific news shows as part of its Szűrőpróba [random sampling] series. <https://mertek.eu/tag/szuroproba/>

¹⁸ Kustánczi, N. (2011): Hamisított tudósítással trükközött az MTV? [Did the Hungarian Television (MTV) try to slip the viewers a falsified report?] 24.hu, 8 April. <https://www.24.hu/belfold/2011/04/08/hamisított-tudósítással-trukkozott-az-mtv/>

¹⁹ Thüringer, B. (2011): Kiretusálták Lomnicit a Híradóban. [Lomnici's face was blurred out in the public media news show Híradó]. Index, 6 December. <https://index.hu/kultur/media/2011/12/06/bunozokent-kezeltek-lomnicit-a-hiradoban/?rnd=116>

- In early 2012, the government celebrated the adoption of the new constitution it had adopted, the Fundamental Law, in the prestigious building of the Budapest Opera House. During the time of the official celebration there was a protest against the event, which featured several thousand demonstrators. Hungarian public service television chose to report about the protest in a rather peculiar manner: the reporter positioned himself in an empty section of the street before the opera, which had been cordoned off by the police, thus making it seem like there were no protesters at all.²⁰ The picture of the reporter standing in the empty street section quickly became a popular meme, and years later it still crops up from time to time in social media as a mocking illustration of how the propaganda in the Hungarian public service media work.
- Occasionally, the public service media are confronted with developments that the government's own communication machine has not had the time to prepare for in advance, and in such instances the public service media, too, are on halt. It stands to reason that they are waiting for instructions from above on how to present the given news, what kind of narrative framework they can embed it in. An illustrative example was when Fidesz lost its two-thirds majority in parliament in 2015 after suffering a defeat in a by-election. At that point, the public service television news only presented the result of the pivotal by-election at the very end of the news show, briefly alluding to it in the last news segment.²¹
- A recurring phenomenon is that the public media presents economic processes in an extremely simplified manner, sometimes even distorting the underlying data. It may happen that figures are presented in a misleading way (e.g. the lower value in a chart is presented in a higher bar),²² and there was also an instance when inflation statistics were presented as if the given value was the rate of the pensions increase set by the government.²³
- A common method deployed by government propaganda is the manipulation of images. A prominent example was the coverage in early 2016 of the notorious case of sexual violence at the New Year's celebration in Cologne. The underlying case was shocking on its own, but M1 compounded the impact on the viewers by showing images from a case that had occurred years earlier in Cairo, when a Dutch television reporter was sexually assaulted in Tahrir Square.²⁴

²⁰ Szabó, Z. (2012): Nem találta a tüntetést az MTV. [MTV couldn't find the demonstration]. Comment:com, 3 January. https://comment.blog.hu/2012/01/03/nem_talalta_a_tuntetest_az_mtv

²¹ Medvegy, G. (2015): 29 percet kellett várni a kétharmad bukására. [It took 29 minutes for the news to get to Fidesz's loss of its two-thirds majority]. 24.hu, 24 February. <https://www.24.hu/belfold/2015/02/24/29-percet-kellett-varni-a-ketharmad-bukasara/>

²² Botos, T. (2015): Úgy elemez a gazdasági adatokat az M1, ahogy senki más nem merné. [M1 analyses economic data in a way that no one else would dare to]. 444.hu, 4 June. <https://444.hu/2015/06/04/ugy-elemez-gazdasagi-adatokat-az-m1-ahogy-senki-mas-nem-merne/>

²³ Kasnyik, M. (2015): Béla ismét brillírozott: elmagyarázza, mit jelent az, hogy 1,6 százalék az infláció. [Béla has outdone himself once again: He explains what 1.6% inflation means]. 444.hu, 24 June. <https://444.hu/2015/06/24/bela-ujra-brillirozott-elmagyarazza-mit-jelent-az-hogy-1-6-szazalek-az-inflacio/>

²⁴ Sixx (2016): A hírhamisító MTVA ismét hírt hamisított. [The news-forging MTVA has forged news again]. Comment:com, 12 January. <https://comment.blog.hu/2016/01/12/a-hirhamisito-mtva-ismet-hirt-hamisitott>

- Relentless propaganda against George Soros has characterised public service media for years, one could pick any number of examples to present this focus. One example that stands out, however, was the decision by the news channel M1 to use the website of the Iranian despot, the Supreme Leader of the Islamic Republic of Iran, Ali Khamenei, for an attack on Soros.²⁵
- Another major controversy was caused by a case in 2018 when M1 interviewed a Hungarian woman in Sweden about the allegedly horrendous state of public safety in Stockholm. It later emerged that the woman had never actually lived in Stockholm, that she had lied about many key aspects of her biography and that she had been convicted of a felony in Sweden.²⁶ An interesting additional aspect of this particular case is that proceedings were launched against the journalist, András Dezső, who had uncovered the facts about the interview and the interview subject. That lawsuit is still pending.
- In addition to Soros, “Brussels” is also a constant target of attacks in the public service media, especially in the context of immigration.²⁷ This began of course when the government’s communication placed immigration at the centre of its communication. An interesting trick from a communications perspective is that the government’s central communication machinery never attacked the European Union – which continues to be highly popular with the Hungarian public – but targeted “Brussels” instead. Less informed television viewers be unaware that Brussels is the capital of the European Union.
- In 2018, an attack was committed in the German city of Münster, when a small bus was used to drive over pedestrians, several of whom died. The offender turned out to be a German man who struggled with psychological problems, but the Hungarian public service media immediately began presenting the event as an attack by immigrants and as an act of terrorism.²⁸
- A recurring element in the coverage of the public service media is a strong anti-refugee attitude; at some points the extreme bias in the reporting ended up yielding comic elements. Thus, for example, M1 shared an article on a satirical German website, Noktara, that the German city of Essen (as in *eating*) would be renamed Fasten (*fasting*), and this was presented as something that had actually happened.²⁹
- It was also before the 2018 election that M1 featured a report claiming that average people in Germany live in fear of migrants and that there are neighbourhoods where Germans have been completely crowded out. Yet those interviewed in the report turned out to be local activists of the far-right anti-immigration party AfD rather than average citizens – the appearance was that the M1 reporters had knowingly cooperated with the far-right party to present a distorted picture of the views of the German public.³⁰
- Another frequently recurring problem in the public media is that opposition politicians are not even invited to speak in their shows, which only present the government’s narratives and views. When in 2019 the recently elected opposition-nominated mayor of Budapest, Gergely Karácsony, said in an interview that he had been in office for a 100 days already without being invited for an interview, the way the public service media operate once again became a topic of public controversy. Then, presumably in an effort to take this issue off the public agenda, the M1 news channel invited the green party politician for an interview. The reporter ended up questioning Karácsony at length why he had not come to the interview on a bicycle (it was January and a freezing -1 degree Celsius outside), and would also not let up asking Karácsony where he had parked his car. Ultimately, the interview descended into parody on account of its transparently hostile bias and was widely discussed in the opposition discourse for days.³¹

Although the list presented here is rather lengthy, it is still but a superficial glimpse into the mass of propaganda churned out by the public service media channels in Hungary every day. A major portion of the lies is not documented, there is simply no newsroom or NGO that has sufficient capacity to continuously track the public service news shows.

The lies that are uncovered spread fairly quickly through the social media, providing comic relief to those who recognise propaganda for what it is. The underlying reports often become the source of derisive humour, frequently spreading as memes. At the same time, many are also aware that lot of news consumers perceive propaganda as the actual reality, which renders these techniques sufficiently effective from the purpose of their creators. Due to a lack of media literacy, many consumers uncritically believe the lies and this contributes massively to the polarisation of public life in Hungary.

²⁵ Sarkadi, Zs. (2017): Új szint: a magyar közmédia az Iráni Iszlám Köztársaság despotájára hivatkozva állítja azt, hogy Soros György GONOSZ. [And there’s a new low: Now the Hungarian public media cite the despot of the Islamic Republic of Iran to claim that George Soros is EVIL.] 444.hu, 24 May. <https://444.hu/2017/05/24/uj-szint-a-magyar-kozmedia-az-irani-iszlam-koztarsasag-despotajara-hivatkozva-allitja-azt-hogy-soros-gyorgy-gonosz>

²⁶ Dezső, A. (2018): Elítélték Svédországban azt a nőt, aki a közmédia szerint a „romló közbiztonság” miatt jött haza. [The woman whom the public media had presented as having returned to Hungary from Sweden because of the “deteriorating public safety” has a criminal conviction in Sweden.] Index, 12 March. <https://index.hu/belfold/2018/valasztas/2018/03/12/elitelték-svedorszagban-azt-a-not-aki-azt-allitja-hogy-a-romlo-kozbiztonsag-miatt-jott-haza/>

²⁷ Bakró-Nagy, F. (2018): A Soros-terv: Brüsszeli migrációs bevándorló migránsok betelepítése Brüsszélből. [The Soros Plan: Settling Brussels migration-driven immigrant migrants from Brussels by Brussels], Index, 13 October. <https://index.hu/video/2018/10/13/hirado-mtva-migacio-migrans-soros-gyorgy-brusszel/>

²⁸ Urfi, P. (2018): Pszichés problémákkal küzdő férfi gázolt Münsterben. [The man who killed several people by deliberately hitting them with his small bus was struggling with psychological problems], 444.hu, 7 April. <https://444.hu/2018/04/07/psziches-problemakkal-kuzdo-nemet-ferfi-gazolt-munsterben>

²⁹ Herczeg, M. (2018): A köztévének egy német vicccoldal álhírével sikerült bemutatnia, hogy Németország iszlamizálódik. [The public television has managed to show that Germany is in the throes of Islamisation by using an article from a satirical website as evidence], 444.hu, 20 May. <https://444.hu/2018/05/20/a-koztevenek-egy-nemet-vicccoldal-alhirevel-sikerult-bemutatnia-hogy-nemetorszag-iszlamizalodik>

³⁰ Bakó, B. (2018): Valójában AfD-s politikusok a migránsoktól rettegő „átlagnémetek” a magyar köztévé riportjában. [The “average” Germans fretting about immigration presented by the Hungarian public television were in fact AfD politicians], Azonnali, 11 August. <https://azonnali.hu/cikk/20180811-afd-s-politikusok-a-migransoktol-rettego-atlagnemetek-a-kozteve-riportjaban>

³¹ Mázsár, T (2020): Sokáig emlékezetes interjú adott Karácsony Gergely a köztévében. [The interview that Gergely Karácsony gave to the public television channel will be remembered for a long time], 24.hu, 21 January. <https://24.hu/belfold/2020/01/21/interju-karacsony-gergely-kozteve/>



CHARACTERISTICS OF LOCAL MEDIA MARKETS

Changes in local media markets are much less documented than developments in the national market. Rather, we have only a mosaic of knowledge about what is happening locally, and of course much depends on the size of the market (size of the settlement), the political situation and the development of the region. However, it is important to see that local markets have similar characteristics to national markets. There is a strong presence of political pressure, propaganda and in many cases professionalism is seriously compromised. At the same time, there is a need to present local issues objectively, and in recent years projects have been launched to try to control local political and economic elites.

Political and market environment

The viability of local media markets is much worse than the national market. The so-called economies of scale do not apply, simply because the potential audience is much smaller and, by definition, the advertising revenue is also much smaller. So if there were purely market conditions without any political pressure, it would still be very difficult to run a financially sustainable local media in Hungary.

Unfortunately, however, political pressure is present, so much so that it is often manifested in obvious and unrestrained propaganda. This is particularly striking in cases where national and local political power are in the same hands, so that there is no control to make political actors wary. In Hungary in the 2010s, this was obviously the case in the municipalities led by the Fidesz party. There are countless examples of local newspapers in such cases clearly representing the very centralised government communication and becoming the mouthpiece of local

politicians. An example of this was when the Budapest 5th district paper essentially became a paper building the brand of the pro-government politician Antal Rogán.¹ The same could be observed in Csepel, where even in the gastro section of the local paper you could find recipes by Szilárd Németh, a pro-government politician.²

The situation is made more difficult by the fact that local or regional media, which are supposed to be commercial, are also typically owned by investors close to Fidesz. All the county newspapers are now part of the Central European Press and Media Foundation, which was set up by the ruling party in no secret attempt to centralise its media empire. In the case of local radio stations, independent players have essentially disappeared over the past decade, with the Media Council's frequency tender decisions regularly putting pro-government players in a position.³

It is therefore easy for a rural news consumer who does not use the internet to fall into the trap of pro-government propaganda. If you turn on the public television news from time to time, listen to your local radio station and maybe buy the county paper, you are essentially hearing the same thing. That is why it is particularly important that the local media should reinforce this propaganda or, on the contrary, mitigate the one-sidedness of the news.

Independent media projects for the local public

Maintaining independent local media is much more difficult than doing the same on a national scale. On the one hand, the small market size mentioned above makes such a project much more difficult to run, and on the other hand, the personal sacrifice on the part of the journalist is greater. Exposing corruption in one's own locality inevitably brings one into conflict with the local political and economic elite, which can easily lead to conflict situations in the journalist's personal network. In a politically polarised country, it is therefore a particular sacrifice to manage a local independent media project.

However, there are examples of independent journalism workshops that have been operating in Hungary for years and can already be considered sustainable. The oldest such newsroom is nyugat.hu, which operates in Szombathely, a town near the Austrian border. One should also mention Szabad Pécs and Debreciner, which are independent news portals in Pécs and Debrecen respectively, and whose factual material is often published in the national press. The history of the two portals has in common that their founders used to work at the county newspaper, but when Lőrinc Mészáros, a friend and business partner of the prime minister, acquired Mediaworks publishing house in 2016, including the county newspapers, a purge began at these newspapers. Unfortunately, only in two cities did

¹ Haszán, Z. (2014): A Belváros kedvenc civil egyesülete adja ki Rogán családi lapját [The Downtown's favourite NGO publishes Rogán's family newspaper] 444.hu, 31 March. <https://444.hu/2014/03/31/a-belvaros-kedvenc-civil-egyesulete-adja-ki-rogan-csaladi-lapjat/>

² Hvg.hu (2018): A választásokig dupla számmal és Németh Szilárd receptjeivel jelentkezik a Csepeli Hírmondó. [Csepeli Hírmondó has a double issue and Szilárd Németh's recipes until the elections] 12 February. https://hvg.hu/itthon/20180212_A_valasztasokig_dupla_szamossal_es_Nemeth_Szilard_receptjeivel_jelentkezik_a_Csepeli_Hirmondo

³ Mérték (2021) Four Shades of Censorship: Legal Guarantees and Practical Shortcomings of Independence of the Media Authorities in the Czech Republic, Hungary, Romania and Slovakia.

the fired journalists start new projects, and it is probably no coincidence that in Hungary it is only two big cities. Pécs and Debrecen are both university cities, and there are urban citizens who could be considered the target audience for such a newspaper.

It is worth mentioning projects that have been launched by a national media outlet to bring rural issues to the wider public. A good example is the Kis-Magyarország column of the political weekly Magyar Narancs, which deals specifically with local issues, or the similar series of the investigative portal Átlátszó, A helység kalapácsa. Particularly noteworthy is the 2021 coalition, which was launched with the participation of several media and specifically aims to give more visibility to key local issues. Launched with the participation of Partizán, Átlátszó, G7, Magyar Hang, Mércé and Szabad Pécs, the project (Helyközi Járat) will highlight and disseminate the issues of rural Hungary to a wider audience than ever before.⁴

Another innovative initiative is the Nyomtassteis movement, which aims to distribute content rather than produce it. The idea was inspired by the fact that in rural areas, especially in smaller towns, many elderly people live without internet access: they are mainly reached by government propaganda, as most of the printed newspapers, radio and television are linked to the governing party. Every week, Nyomtassteis puts together a short news summary of the most important news and tries to get it into as many people's mailboxes as possible, especially in smaller towns. The system is based on volunteering: anyone can print out an A4 sheet of news and put it in their local mailboxes.

Independent local media are mainly based on small projects with low budgets, essentially depending on a few dedicated people to create a kind of democratic publicity in a city. Under the current circumstances there is little chance of change, and it is not worth investing in local media on a market basis. A breakthrough could have been the US State Department's 2017 grant to support independent rural media. Several people submitted applications, but the case caused a diplomatic conflict, with the Hungarian government considering the US to be interfering in Hungarian politics. In the end, the funding went nowhere and was stopped by the US State Department.⁵

Municipal media after the 2019 elections

The local media was very strongly dominated by pro-government forces in the 2010s, and the fact that most local governments were led by Fidesz politicians contributed to this. As a result, the media published or financed by the municipalities also mostly spread pro-government propaganda. However, the political map has been thoroughly rewritten by the municipal elections of autumn 2019, which resulted in the election of opposition mayors in the capital and several other cities.

⁴ Szalay, D. (2021): Összefogott a Partizán, az Átlátszó, a G7, a Magyar Hang, a Mércé és a Szabad Pécs. [Partizán, Átlátszó, G7, Magyar Hang, Mércé and Szabad Pécs joined forces] Média1, 20 September <https://media1.hu/2021/09/20/helykozi-jarat-6-medium-osszefogasa-partizan-magyar-hang-g7-szabad-pecs-merce-atlatszoz/>

⁵ Panyi, Sz. (2018): Kinyírták a független magyar médiát támogató 200 milliós amerikai pályázatot. [The \$200 million US grant for independent Hungarian media has been killed] Index, 22 July. https://index.hu/kulfold/2018/07/22/kinyirtak_a_fuggetlen_magyar_mediat_tamogato_200_millios_amerikai_palyazatot/

The newly elected mayors found themselves in a rather peculiar situation. The local media openly supported Fidesz, it seemed impossible to work with them, but at the same time the purge and the firing of journalists did not send a good message, especially as this was the specific method of the pro-government owners of the media companies acquired in the 2010s.

The situation is illustrated by the situation in Baja, a small town in southern Hungary. Until 2019, the town was governed by a Fidesz mayor and the local newspaper was strongly pro-government, to the extent that during the election campaign, opposition candidates had their photos distorted (bigger nose, squint eyes). Nevertheless, an opposition victory was achieved and the new mayor, showing her willingness to cooperate, did not fire the editor-in-chief. It has since emerged that the editor-in-chief took advantage of the opportunity, but it is a testament to his socialisation that he initially wanted to send the finished articles to the mayor in anyway, without even realising that there was no censorship and that he was responsible for the content.⁶

In the cities and districts of Budapest where the opposition won in 2019, the takeover of local media was far from easy, even in technical terms.

In the 8th district of Budapest, the new mayor was confronted with the fact that the entire system of the editorial office of the municipal newspaper (Józsefváros) had been deleted and there were machines from which the back-up storage had been removed. Some e-mails were recovered, revealing that the former editor-in-chief had sent the articles to Fidesz politicians and asked for their approval before publication.⁷

In some cases, obtaining social media rights was also problematic. Again, in the 8th district of Budapest, the new management did not get the admin rights to the Facebook page, so they had to start a new page and build the community from scratch. Correspondence with Facebook revealed that the previous local page admin rights were held by an Australian citizen.⁸ A similar case occurred in Újpest, the 4th district of Budapest, where the former administration of the district also held the admin rights to a Facebook page with 40,000 followers.⁹ The district has approximately 100,000 inhabitants, so this Facebook page was and is still used by local Fidesz politicians, mainly to criticise the leadership of Újpest and Budapest.

In many cases, the new management of municipalities found surprising contracts when they audited the operation of local media. In the 6th district of Budapest, Terézváros, it was discovered that the local newspaper had bought space in the Figyelő weekly magazine, part of the KESMA group, to publish district content. Figyelő is a nationally distributed magazine, so it was hardly rational to publish local news there, it was obviously a matter of financing the pro-government Figyelő

with taxpayers' money in this way. The new mayor cancelled the contract.¹⁰ In the 9th district of Budapest, a man was paid to read through the newspaper's articles every month, but the members of the editorial staff had no idea that he was working for them.¹¹ In Szombathely, the prosecutor's office charged the former head of a media centre with embezzlement after it became apparent that the head had paid for private services (e.g. memorial services) using a company bank card.¹²

So it was not easy for the opposition mayors who won in the former Fidesz cities in 2019. The propaganda-like operation of municipal newspapers and politically motivated contracts made it difficult to create democratic publicity. András Pikó, the independent mayor of the 8th district of Budapest, asked Mérték Media Monitor to carry out a content analysis of the post-election period (December 2019 - February 2020).¹³ This revealed that in the period under review, "András Pikó was given a lot of space and was always presented in a positive context. The mayor achieved outstanding coverage rates in both text and image content. We also found an example where an interview with a Fidesz MP was commented on by the editor from the mayor's point of view. While the current district leadership is generally portrayed in a positive light, the coverage of the previous district leadership and the governing parties tends to be negative." So it is not at all easy to produce a truly unbiased newspaper free of real or perceived political bias in Hungary today. In any case, since then the municipality has put out a call for applications for the post of editor-in-chief and a new editor-in-chief is now in charge of the local paper.

One criticism of opposition-led local governments is that, despite earlier plans, they have failed to establish cooperation between local media. The idea of a joint news agency, joint television production and joint production of print content was mooted and consulted on, but none of these ideas materialised. It is difficult to explain why the opposition parties gave up on a joint solution that could at least partially counterbalance government communication.

In our view, municipally-owned media should operate as local public service content services of public interest within an organisational and funding framework that gives them editorial autonomy. Local media are primarily forums for discussion of local public affairs, but they can also be a means of partly compensating for the predominance of national government media. It can also act as an independent source of information outside the territory of the municipality concerned, in the surrounding municipalities. The role of local newspapers in news consumption is still important, but attention should also be paid to platforms that reach young people (YouTube, Instagram, etc.). Since municipal media are largely publicly funded, they should be managed in line with European requirements for public service media funding and their organisational structure should be much more closely monitored than at present.

⁶ Német, T. (2019): A képhamisító bajai lap főszerkesztője megkérdezte az új polgármestert, hová kell ezentúl küldenie a cikkeket [The editor-in-chief of the fake newspaper in Baja asked the new mayor where to send the articles from now on]. Index, 31 October. https://index.hu/belfold/2019/10/31/kephamisito_bajai_lap_foszerkeszto_uj_polgarmester_cikkek/

⁷ HVG.hu (2019): Pikó: Kocsis Máténak is jóvá kellett hagynia a kerületi lapot megjelenés előtt [Pikó: Máté Kocsis also had to approve the district newspaper before publication] 16 December. https://hvg.hu/itt-hon/20191216_Piko_Kocsis_Matenak_is_jova_kellett_hagyni_a_keruleti_lapot_megjelenes_elott

⁸ Joób, S. (2019): Elcsórták a VIII. kerület Facebook-oldalát, ezért új lapot nyitottak. [The Facebook page of the VIII. district was stolen, so they opened a new page] Index, 29 November. https://index.hu/belfold/2019/11/29/jozsefvaros_piko_andras_kerulet_hivatalos_facebook_oldal/

⁹ Szily, L. (2019): Józsefvárosban és Újpesten is lenyúlták a kerület Facebook-oldalát, feljelentés lehet a vége [The Facebook page of the district was stolen in Józsefváros and Újpest, a denunciation may be the end] 444.hu, 25 November https://index.hu/belfold/2019/11/29/jozsefvaros_piko_andras_kerulet_hivatalos_facebook_oldal/.

¹⁰ Narancs.hu (2019). Szerződést bontott Soproni Tamás, Terézváros új polgármestere a Figyelővel. [Tamás Soproni, the new mayor of Terézváros, has terminated a contract with Figyelő] 26 October <https://magyar-narancs.hu/belpol/szerzodeset-bontott-soproni-amas-terezvaros-uj-polgarmestere-a-figyelovel-124074>

¹¹ Czinkóczi, S. (2019): Baranyi Krisztina elkezdte felmondani a gyanús szerződéseket Ferencvárosban. [Krisztina Baranyi starts to terminate suspicious contracts in Ferencváros]. 444.hu, 31 October <https://444.hu/2019/10/31/baranyi-krisztina-elkezdte-felmondani-a-gyanus-szerzodeseket-ferencvarosban>

¹² Ugytudjuk.hu (2021): Vádat emelt az ügyészség a Szombathelyi Médiaközpont korábbi ügyvezetője, Halmágyi Miklós ellen [The prosecutor's office filed charges against the former managing director of the Szombathely Media Centre, Miklós Halmágyi] 22 November. https://ugytudjuk.hu/cikk/2021-11-22_vadat-emelt-az-ugyeszseg-a-szombathelyi-mediakozpont-korabbi-ugyvezetoje-halmagyi-miklos-ellen

¹³ Jozsefvaros.hu (2020): Médiaelemzés készült a Józsefváros újságról [Media analysis of the Józsefváros newspaper]. 28 April. <https://jozsefvaros.hu/hir/74955/mediaelemzes-keszult-a-jozsefvaros-ujzagrol>

Fidesz's reaction to the transformation of the local public sphere

As the above examples show, an important part of the media empire run by the ruling party is the propaganda disseminated by local newspapers published by the municipality. Obviously, it was a big loss for Fidesz that in October 2019 the political balance of power was reversed in several cities and opposition politicians were elected mayors. Of course, nationally, the ruling party's influence in the media market remains brutally strong, but the diversification of local public opinion still poses a serious risk for them ahead of the 2022 parliamentary elections.

In any case, after the 2019 municipal elections, the free newspaper market started to move. Back in December 2019, Pesti Hírlap was launched in Budapest, but at first it was not at all obvious that it would become part of the Fidesz propaganda empire. Due to the epidemic that appeared shortly afterwards and the change in travel habits, Pesti Hírlap did not really enter the public consciousness, but at the same time there were changes of ownership in the background and the editorial staff was also restructured. The newspaper gained national attention in the autumn of 2021, when it started open propaganda against the later winner, Péter Márki-Zay, during the opposition primaries. At that time, the editor-in-chief and several journalists resigned.¹⁴

An interesting development in 2020 was the relaunch of the formerly popular newspaper Metropol in Budapest. Metropol was a high-circulation, highly read newspaper, and this was still true in the first half of the 2010s, even though it was already a pro-government newspaper. The brand name was discontinued in 2016 after the previous owner, Károly Fonyó, closed the paper. Instead, the prime minister's advisor Árpád Habony launched a free newspaper called Lokál, which clearly became a propaganda tool. Apparently, it failed to build a loyal readership, because in 2020 the Lokál brand was discontinued and the publisher revived the much less discredited Metropol brand. Of course, the two newspapers have the same publisher and editorial staff, and just like Lokál before, Metropol has been part of KESMA (Central European Press and Media Foundation) since 2020, and its content has remained propaganda.

In early 2021, it was revealed that the governing party would launch a family of newspapers called City in most opposition-led cities. The weekly newspapers will be published by the ruling party's Mediaworks publishing house (part of KESMA) and, according to leaked reports, a third of the paper will consist of local pro-Fidesz political content, a third of centrist tabloid content and a third of advertising.¹⁵

It is therefore clear that the governing party intends to remedy the effect of the 2019 elections, namely that the opposition has taken over the city government in several cities and thus the media space has become more colourful at the local level, by distributing free newspapers. They make no secret of the fact that they consider it important to finance free newspapers close to Fidesz, especially in Budapest and in opposition-led cities, obviously because in Fidesz-led cities this task is performed by the local government.

¹⁴ Nagy, G. M. (2021). Felmondások a Pesti Hírlapnál: távozik a főszerkesztő, Pion István. [Resignations at Pesti Hírlap: editor-in-chief István Pion leaves] 24.hu, 18 October. <https://24.hu/belfold/2021/10/18/pesti-hirlap-felmondas-pion-istvan/>

¹⁵ Narancs.hu (2021): Ingyenes lapokkal veszi be a Mediaworks a Fidesz által elbukott városokat. [Mediaworks is taking with free newspapers the towns that Fidesz has failed] 18 February <https://magyarnarancs.hu/belpol/ingyenes-lapokkal-veszi-be-mediaworks-a-fidesz-által-elbukott-varosokat-236101>

The role of local media in providing information

The Mérték Media Monitor and Medián specifically asked in their 2020 news consumption research where the public gets its information on local issues.¹⁶ Responses revealed that the most important forum for local news - cited by 62% of regular news consumers - is the local newspaper in their mailbox.

Another important source of local news consumption, mentioned by 39% of respondents, is the news portal run by the municipality. Its content is generally at least partly the same as the content of the municipal newspaper. However, this also shows that the internet plays a limited role in local information, reaching less than half of the inhabitants of a given municipality.

Local news portals independent of the municipality reach 22 percent of the population, and even if we look only at people living in the city, the figure is still only 24 percent. Smaller portals, such as Szabad Pécs, Debreciner, Nyugat.hu, which play a significant role in local public life and local political debates, reach only a quarter of the local population despite their political weight. Such important independent news portals do not operate everywhere, so of course in some key cities (Pécs, Debrecen, Szombathely) the proportion may be much higher.

Local television reaches 22% of the national average audience, compared to 26% for cities. All these television stations are also run by the municipality, but no data are available on the quality of their information activities.

A significant number of local radio stations are part of Fidesz-affiliated networks such as Rádió 1 or Best FM. Local radio stations in the network do not always outsource news production to the media service provider managing the network, but independent news production is the exception. In many cases, non-networked local radio stations do not carry out independent news production either, but buy their news blocks from MTVA. Local radio stations reach an average of 15% of the audience nationally, compared to 19% in cities.

Data from the 2020 Mérték-Medián news consumption survey also show that the patterns of regular news consumers in cities and towns do not differ significantly. The generalisation that in rural areas only state media is watched is not true. RTL Klub news is the most popular news source in the municipalities. The major news portals are read 6-8% less in the municipalities, while state television is watched 5% more, but these differences certainly do not explain the differences in election results in municipalities of different sizes. There is also only a 4 percent difference in the readership of county newspapers in favour of smaller municipalities.

¹⁶ Hann, E. - Megyeri, K. - Polyák, G. - Urbán, Á. (2020): Megfertőzött médiarendszer. A politikai tájékozódás forrásai Magyarországon. [Infected Media System. Sources of political information in Hungary.] https://mertek.eu/wp-content/uploads/2020/12/Megfertozott_mediarendszer.pdf pp. 33-34



THE SITUATION OF JOURNALISTS

The Hungarian journalistic community today perfectly reflects the divisions in society as a whole. Those working for the pro-government media unconditionally serve the needs of Fidesz and spread the current government propaganda. Since they do not even observe the most basic professional ethical rules in their work, and in no way fulfil the function of watchdogs of power, they can only be called journalists in the technical sense of the word. Journalists in the independent media, like the independent media themselves, present a much more colourful picture. Some of them are partisan journalists whose activities are aimed at promoting the success of a particular party. Independent journalists who are not affiliated to a particular party cover the whole ideological spectrum in terms of their world view. What they have in common is that their work is carried out with respect for professional ethics. They have played a fairly important role throughout the Fidesz government, without whom most of the abuses of power would not have been exposed. As a result, the government is doing everything it can to make their journalistic activities impossible. In practice, they are not given interviews either by government politicians or by the heads of various offices and other state institutions. They are discriminated against at press conferences and their requests for public information are sabotaged. Their credibility is being eroded by constant verbal attacks by pro-government politicians.

At the same time, independent journalists have been able to launch successful media in recent years and rely increasingly on financial support from the public. *Átlátszó* was the first investigative portal, founded in 2011, to rely on donations from readers from the start. Launched in 2013, *444.hu*'s founding journalists were largely Index journalists until the 2010s. The founders of the *Direkt36* investigative team came from Origo in 2015, and in 2018 *Magyar Hang* was launched, representing a conservative worldview, with former journalists from *Magyar Nemzet*. *Telex.hu* was launched in 2020, after the complete Fidesz takeover of Index, with former journalists from Index. The weekly newspaper *Jelen* was launched with former journalists from *163 óra*. In each case, these success stories started with a former editorial team falling victim to politics and Fidesz oligarchs. This is how independent local portals such as *Szabad Pécs* and *Debreciner* came into being. Without such a precedent, the stridently left-wing *Mérce* and one of the most influential media of the last two years, *Partizán*, have also been successful. Among indepen-

dent media, 24.hu is the only one run by Centrál Média, a Hungarian-owned media company with a broad portfolio. Traditional media such as HVG, Magyar Narancs, Élet és Irodalom have survived the Fidesz media policy destruction. Although Klubrádió and Civil Rádió lost their frequencies, they are still important islands in the Fidesz-dominated radio market, thanks to the support of their listeners. RTL Klub is by far the most stable player in the media market from a business point of view, and fortunately it also uses this to spread the real news more widely than anyone else. Radio Free Europe returned to the Hungarian news market as an online news portal in 2020, adding another important independent editorial contribution to the free information market.

Journalism research

Since 2011, we have continuously conducted questionnaire and interview surveys among journalists. In our 2019 Soft Censorship survey, we published a special chapter on the situation of journalists. In her analysis, Zsófia Nagy underlined that freedom of expression is a cornerstone of successful and well-functioning societies, and that one of the preconditions for freedom of expression is that journalists can do their work in safety. When journalists are attacked, when their work is unduly interfered with, the freedom of society as a whole is violated. Despite this, violence against and harassment of journalists has increased significantly worldwide over the last decade. In Hungary, the situation of journalists is not comparable to that in war-torn parts of the world, but unfortunately it is also becoming increasingly distant from European democracies. The Hungarian media system has undergone a dramatic transformation in the last decade, which has been clearly reflected in the decline in the annual press freedom rankings of international organisations. The analysis was based on an anonymous, self-completed online questionnaire to journalists covering a three-year period. A total of 401 journalists completed the questionnaire during the one-month data collection period (October 2018).

The survey distinguished between verbal, physical, institutional and economic types of pressure. The four specific areas studied were verbal, institutional and economic pressure, in addition to perceptions of external influence. Pressure was reported by respondents when their superiors (editor, editor-in-chief, owner) approached them and wanted to hear their own opinion reflected by the journalist (57%), but also included indirect verbal abuse for 56%. 41% of journalists reported being discredited by colleagues and 37% had experienced threats of negative workplace or personal consequences.

Responses to questions about institutional pressure were no more hopeful. This refers to legal pressure on the one hand and pressure exerted through media authorities on the other. 72% of journalists have already been threatened with legal action in the course of their work, and 55% have been told that they will lodge a complaint with the authorities. Damages suits have been mentioned by 59% and 41% have actually been sued.

Economic pressure was experienced by only a third of journalists. (This figure would probably be higher today.) Only threats of losing advertisers, sponsors or other economic sanctions scored higher, with 47% of journalists having experienced this. This is certainly an instructive result, as we've talked quite a bit over the years about the economic pressures that have been put on newsrooms.

71% of journalists surveyed two years ago were concerned about external interference affecting the credibility of the Hungarian press.

Other important findings of the questionnaire survey published in 2019:

- nearly three-quarters of journalists (71%) have experienced denial or obstruction of access to public information,
- 79 percent of journalists have experienced a refusal to cooperate with certain journalists,
- 57 percent of journalists have been approached by an editor, editor-in-chief or owner to exert pressure,
- 56 percent of journalists have experienced verbal abuse,
- 41 per cent of journalists have been subjected to a smear campaign in public,
- 72% of journalists have been threatened with legal action,
- 41% of journalists have been sued,
- 30 per cent of journalists have experienced an explicit offer of financial gain, i.e. an attempted bribe,
- 71% of Hungarian journalists are concerned about the impact of external interference attempts on the credibility of the Hungarian press.

Journalist interviews from 2020

In Mérték 2020, interviews were conducted to explore the situation of journalists. In total, 10 interviews were conducted. The interviewees cover different areas of the journalism profession, including national and local, print, online, radio and television journalists. Unfortunately, only one of the journalists from the pro-government media we approached agreed to be interviewed. The interviews are anonymous.

The journalists interviewed define their actual role in relation to a journalistic role in which the journalist presents and explains reality impartially, with due distance from the various interest groups and open to the world. In the current political environment, however, they need to become more involved in the political process and independent journalism must take it upon itself to fill the void left by the dismantling of the institutions of the rule of law.

Journalists feel that the current political environment and media system, as well as their own working conditions, do not allow them to fulfil their ideal role as journalists. The "much larger social role" is itself a shift towards an activist journalistic attitude, but some express even stronger self-criticism. The main criticism from journalists is partisanship. This is reflected in the emphasis in Hungary on opinion-oriented journalism as opposed to fact-oriented journalism.

There is a very strong disconnect between non-government journalists and those working in the government media. Journalists from the independent media typically do not even accept pro-government media into the journalistic community.

Those working in the pro-government media also feel the contradictions of their own role, but they tend to generalise these problems and project them onto the whole journalistic community. This is an excellent way of self-exoneration.

The Hungarian journalists surveyed unanimously consider that the social prestige of journalism is very low. This is mainly due to the extremely divided public. Some journalists in the Hungarian media system actually serve political interests. Politicians do their utmost to label otherwise independent journalists and media outlets and to include them in this polarising logic. In the end, journalists and the public are trapped in their own “bubbles”. The narrative of the ‘other side’ either does not enter the bubbles or enters them according to the interpretations of the bubble in question. Some of the journalists who responded also expressed strong self-criticism about not being able to break out of this polarising logic, and even end up adapting to it in their work.

Among the reasons for the low social esteem of journalism, journalists cite a weakening of the relationship with the public. This seems to contradict the fact that social media and comment sections create a continuous link between the editorial staff and the audience. However, this relationship has lost its personal character, becoming superficial and faceless.

Among the positive features, several speakers mentioned that quality journalism still exists and that political threats do not escalate to violence. Positive features included some encouraging developments in recent years, such as the public’s increasing willingness to pay for informative content and the growth of cooperation between newsrooms. Covid has also brought about a major change in the public space, with new public interfaces providing opportunities for new media players to emerge.

The negative features are basically centred around the over-politicisation of the media system. This leads to divisions within the journalistic community and makes it impossible for the media to fulfil its social functions.

This also implies a lack of broad professional solidarity and a lack of a common professional and ethical framework.

The vast majority of respondents cited access to information as the main challenge. The lack of access to journalists by the state, public institutions and public actors is a serious threat to the quality of journalistic work

The over-politicisation of media ownership and journalistic practice is also a recurring problem in the responses. In this environment, fact-finding work has no real consequence and there is no real solidarity among journalists. As law is also a political tool, the threat of legal action is a daily problem for journalists.

Many mentioned the financial difficulties of media companies and the overwork, cost of living and burnout of journalists. Challenges related to global platforms were also mentioned in the responses.

Almost all respondents mentioned the constantly deteriorating working conditions. A recurring theme in the responses is the increasing market concentration, the shrinking job opportunities and the closely related political pressures. In this environment, more people feel a loss of motivation.

There was also a very positive review, from a journalist who has worked in public media, local, municipal and national news portals. His experience mirrors that of staff in the Hungarian media close to the government: “I had a relatively good

deal everywhere: an open-ended contract, good financial conditions, professional respect, freedom to work, no unprofessional compromises.

The overwhelming majority of respondents have a negative opinion of the state of freedom of the press. Even a respondent who works in a pro-government newsroom said that “access to information has become more difficult”, although overall he sees no significant change compared to the situation before 2010.

The legal environment directly shaping the work of journalists

While in the previous chapters we presented the legal framework that is relevant for the development of the media system and the definition of the scope of media market players, in this chapter we present the legislation and case law that affect the daily work of journalists.

Criminal law

The new Criminal Code (Act C of 2012) entered into force on 1 July 2013. This has not brought about any significant changes in the criminal law framework of expression of opinion. The most threatening provision from the point of view of the functioning of the public is the measure of making electronic data permanently inaccessible (Article 77 of the Criminal Code) and the procedural rules related to it (Articles 335-338 and 818-826 of the Criminal Code). The possibility of blocking data was later extended by the legislator not only to other criminal offences, but also to sites organising illegal gambling, to sites providing dispatching services without a dispatching licence - the latter case being part of the Uber ban - and to e-commerce sites selling products harmful to health. The database of Central Electronic Unblocking Decisions maintained by the NMHH is not public.

In November 2013, the offence of making or publishing a false sound or image recording capable of defaming defamation entered into force (Articles 226/A-226/B of the Criminal Code). The two provisions are a legislative response to the “[Baja video](#)”¹ published on hvg.hu. In the video, the participants admitted to committing electoral fraud, but it quickly turned out that the video was fake and the recorded conversation was staged. The two facts have not been applied by the court since then.

In 2016, the definition of incitement against the community was amended (Article 332 of the Criminal Code). The legislator added to the provision that not only incitement to hatred but also incitement to violence is a criminal offence. The legislator’s intention was presumably to allow for a broader scope of punishment of hate speech, but in the absence of judicial practice it is unclear what the actual consequences of the addition of the provision are.

¹ hvg.hu (2013) Itt a bizonyíték a csalásra: pénzért és tűzifáért szavaztak Baján, https://hvg.hu/itt-hon/20131018_baja_valasztasi_csalas_vesztegetes

During the Covid scandal, in March 2020, the Parliament adopted a provision supplementing the definition of the crime of spreading rumours, which has caused serious controversy. The provision criminalises anyone who, during a special legal regime, publicly states or spreads false facts or distorts true facts in a manner that is likely to hinder or frustrate the effectiveness of the defence (Penal Code, Section 337 (2)). The provision referred to in government communications as the anti-fake news law does not provide a clear framework for restricting expression at all, and the meaning of the terms used in it is unclear. Although the police have prosecuted simple Facebook posts, few cases have reached the stage of prosecution on the basis of public information.

Civil law

The new Civil Code (Act V of 2013) entered into force in 2014. The introduction of a damage fee seemed to be the most threatening from the journalists' point of view, although the legislation did not imply the need to change the previous judicial practice on compensation for non-material damage. According to the Civil Code, the amount of the damages must be determined in particular with regard to the gravity of the infringement, its repetitive nature, the degree of imputability, the impact of the infringement on the victim and his environment, i.e. there is no question of any kind of punitive damages.

The provision on the taking of a picture, which explicitly required the consent of the person concerned, also seemed to be a matter of concern. Again, this was a textual change in line with previous case law and did not create any additional difficulties for photographers.

The Constitutional Court had already examined the regulation on the personality rights of public figures before the entry into force of the new Civil Code and found it partially unconstitutional. According to the original provision, "*The exercise of the fundamental rights ensuring the free discussion of public affairs may restrict the protection of the personality rights of public figures to a necessary and proportionate extent, in the legitimate public interest, without prejudice to human dignity*". In its Decision No. 7/2014 (7.3.2014) AB, the Constitutional Court stated that "the restriction of the protection of the personality rights of public figures in the context of the discussion of public affairs, ensuring the exercise of freedom of expression, is also a constitutional interest and requirement in all cases", therefore the linking of the broader duty of tolerance of public figures to "reasonable public interest" is unconstitutional. The Constitutional Court's decision No. 3145/2018 (7 May 2018) AB on the status of public figure focuses on public figure as a position, and thus broadened the scope of public figures: 'what is typically decisive is not the status of the person concerned, but whether he or she has become a shaper of public life in a public debate on public affairs by virtue of a voluntary decision'. In practice, the definition of public actors remains unclear. While Árpád Habony and Lőrinc Mészáros have been found by the court to be public figures in relation to their economic and political activities, István Tiborcz has not been found to be a public figure in a specific case. However, the Tiborcz case did not rule that the Prime Minister's son-in-law could not be a public figure in general, but in the circumstances of the specific interview: in the interview, the television crew addressed István Tiborcz in a private situation. It does not follow from this that his wealth and business activities involving public funds could not be disclosed within the broader limits applicable to public figures.

A particular case of public personhood was the series of court and constitutional court decisions on the image of police officers. In 2012, the Curia ruled (1/2012 BK-MPJE) that a police officer on duty is not a public figure and that his or her image can only be published with consent. In 2014 (28/2014 (IX. 29.) AB) and in 2016 the Constitutional Court came to the opposite conclusion: a photograph of a police action may be published without consent if the publication is not self-serving and does not violate the human dignity of the police officer.

A further provision of the new Civil Code has recently led to severe restrictions on freedom of expression and freedom of the press. Pursuant to Article 2:54 (5) of the Civil Code, any member of a community may bring an action under the law of personality if he or she has suffered "a violation of rights which is an essential characteristic of his or her personality, which is seriously offensive to the community in the public eye or which is unjustifiably offensive in its expression in connection with his or her membership of the Hungarian nation or of a national, ethnic, racial or religious community". In other words, an injury to the community as a whole infringes the individual rights of every member of the community. A substantially identical bill had already been annulled by the Constitutional Court in 2008 (96/2008 (VII.3) AB), inter alia because it did not specify which groups membership could be an essential element of personality and because the legislation would have allowed an almost infinite number of parallel actions to be brought by members of the group, which in turn would have made it impossible for the press product publishing the offending communication to operate. At the same time, the Fourth Amendment to the Fundamental Law expressly defined the protection of the human dignity of persons belonging to the Hungarian nation, national, ethnic, racial or religious communities against the expression of opinions which offend the community as a limitation on freedom of expression. This made a substantive constitutional review of the cited provision of the Civil Code practically impossible.

On the basis of this provision, the Curia did not yet find the HVG's 2016 [front page](#)² to be offensive to the Catholic religious community and did not find a violation of the plaintiff's personal rights. This judgment was upheld by the In March 2021, however, the - already Varga Zs. András Varga, the Curia issued a judgement in connection with the [publicist article](#)³ of Árpád W. Tóta, which significantly restricted the freedom of opinion. In June 2021, in another personal rights case, the Metropolitan Court of Appeal ruled that a [caricature](#)⁴ published in Népszava was directed against the Christian religion and violated the human dignity of all members of the Christian community. This interpretation of the law is a serious threat to freedom of expression and freedom of the press.

² Domány A. (2021) Az Alkotmánybíróság is a HVG-nek adott igazat a „Nagy Harácsony”-os címlap miatt indult eljárásban;

https://hvg.hu/itthon/20210205_Cimlapugy_az_Alkotmanybirosag_is_a_HVGnek_adott_igazat

³ Tóta W.Á. (2018) Tóta W.: Magyar ember nem lop, csak kalandozik;

https://hvg.hu/itthon/20181108_Bunuldozes_hianyaban

⁴ Pápai G. (2020) Krónikus; <https://papaigabor.wordpress.com/2020/04/27/kronikus/>

Restrictions on freedom of information



The new Data Protection and Freedom of Information Act, adopted in 2011, did not initially bring significant changes to the possibilities for access to data of public interest. However, despite the favourable legal environment for the public, it quickly became common for data controllers not to comply with requests for access to data of public interest and, in the vast majority of cases, to provide the requested data only after a decision by the National Data Protection and Freedom of Information Office or a court.

In 2015, the law was amended to significantly limit the disclosure of data of public interest. Under the new legislation, the data controller can now claim not only reimbursement for the costs of copying and posting, but also for the labour costs incurred in complying with the data request. The court has found the reimbursement of costs, often in the order of millions of euros, to be unlawful in all cases, but the obligation to pay in itself significantly narrows the scope of data requesters.

The same amendment removed the possibility of anonymous data requests, which could also have a strong dissuasive effect. The so-called pre-decisional data regime has been amended, allowing the refusal to disclose any data if it is used to support any 'future decision'.

During the Covid era, freedom of information was further restricted. The centralised online public reporting itself made it significantly more difficult, if not impossible, for non-government news outlets to ask real questions about the outbreak. The government has extended the deadline for requesting public information to 45+45 days during the emergency, which also makes it impossible to provide up-to-date information. In addition, there is a strict ban on doctors, school principals and civil servants from making statements, so that ultimately government communication on the epidemic is completely manipulated and unverifiable.

