

RADIO SILENCE: EU MEDIA LAWS IN THE HUNGARIAN CONTEXT

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May 2024

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Media outlets in Hungary

The European Union has passed major legislation to try and secure media freedom and independence in recent years—such as the GDPR, DSA, and EMFA. However, for the state of media pluralism in certain Member States, these efforts have come too late. In the Hungarian context, a pro-ruling party media ecosystem stands well-entrenched in the private and public media sector. This paper explores how Hungary's ruling Fidesz Party gained control over major public media outlets, entrenched a patronage system for private media companies, and managed to evade EU media laws. The state of media pluralism in Hungary raises major concerns for the health of liberal democratic principles in the EU.

Media Pluralism Trends

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With the proliferation of new technologies in the 21st century, the global state of media pluralism stands at one of its most transformative points in modern history. According to Freedom House, governments around the world have shifted away from open, laissez-faire internet exchange towards 'greater government intervention in the digital sphere.' In 2023, global internet freedom had declined for the thirteenth consecutive year. In 2021, fifty-six countries had either arrested or convicted people for online speech; and at least twenty countries had suspended internet access. Many point to the European Union as a bastion for <u>'third-way' media co-regulation</u>—toeing the line between China's tight authoritarian grip on free expression and the United States' unrestricted accommodations for speech. Whereas one might view the European Union as a leader in media pluralism with appropriate safeguards for personal privacy, several Member State national governments stand in direct violation of such values. By April 2024, the state of affairs has reached such a point that the Liberties Media Freedom Report declared that media freedom and pluralism stand 'perilously close to the breaking point' within the EU. With the European Union

historically <u>perceived</u> as a 'beacon of openness and liberal democracy,' Member State derogations from media pluralism present hypocritical complicating factors for such international standards of liberal democratic governance.

EU Media Legislation

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As enshrined in the European Union treaty agreements and charters, media pluralism and media freedom stand as one of the EU's core principles and as a fundamental right for all EU citizens. Article 11 of the EU Charter of Fundamental Rights <u>states</u>: '1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. / 2. The freedom and pluralism of the media shall be respected.' To this end, three major media protection packages have made their debut on the EU institutional stage. Implemented in 2018, the EU General Data Protection Regulation (GDPR) Regulation (EU) 2016/679 serves as unparalleled and comprehensive legislation intended to protect the personal data of EU citizens. The Digital Services Act (DSA) <u>Regulation (EU) 2022/2065</u> represents a <u>novel avenue</u> for confronting levels of hate speech, terrorist propaganda, and misinformation that have plagued major social media platforms in recent years; the DSA would require tech companies to enact policies aggressively combating illicit content or face billions of dollars in fines. And most recently in 2024, the European Media Freedom Act (EMFA) Regulation (EU) 2024/1083 formulates strict protections for journalistic practices and seeks transparency in public media funding and editorial independence. Such legislative packages from the EU institutions display a coherent attempt to preserve media freedom at the supranational level. However, such practices do not reflect the 'on-the-ground' situation at the Member State level nor will these laws serve as a panacea for long-standing, entrenched media freedom violations in relevant EU Member States.

Illiberal Trends in Hungary

The case of democratic and rule of law backsliding in Hungary since 2010 presents the stark state of affairs for liberal democratic values and media freedom in the European Union of the 21st century. Illiberalism has <u>become</u> the *modus operandi* of a novel Hungarian constitutional regime crafted by the ruling Fidesz Party. Through a two-thirds supermajority in the Hungarian National Assembly, Orbán redesigned Hungary's previously liberal democratic constitutional has arrangement into an *illiberal* one-leading to constricted civil liberties, gerrymandered electoral systems, and diluted checks on governmental power. This article will explore how Orbán's government and allies have openly and legally curtailed independent media since 2010 and how government control of media will persist despite tailored EU legislation. The illiberal model's media constriction in Hungary operates via two avenues: (1) legislation to control and restrict media outlets and (2) the consolidation of private media companies by Orbán-aligned individuals. Such a topic provides context to the worldwide retreat of media pluralism, internet freedom, and free speech in liberal democratic societies; the backsliding of media pluralism—and liberal democratic principles writ large—is not confined to strictly authoritarian regimes but instead osmotically permeates throughout previously entrenched liberal democracies.

Legislative Control and Media Authority

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The first of two primary routes for media control in Hungary occurred through a flurry of national legislation to manage public and private media content. Fidesz <u>shirked</u> historical parliamentary precedent of ruling party restraint on constitutional considerations and passed a bevy of laws—starting with the Fundamental Law of 2011. In this same period, Fidesz <u>established</u> the Media Authority and Media Council in Cardinal Act CLXXXV and CIV. The Media Authority

<u>serves</u> as an umbrella media regulatory commission made up of three central branches: the President, the Media Council, and the Office of the Media Council.

Upon inspection of Hungary's media laws, numerous conditions raise warning signs for the health of media pluralism in Hungarian civil society; Article 187 of Cardinal Act CIV <u>allows</u> for fines upwards of €720,000,¹ suspension of media services, and legal sanctions if a media company is found in violation of the Media Authority's regulations. The media laws required official registration with the Media Authority before commencing media services, stipulating morality clauses and unbiased content under threat of sanction. As the Council of Europe noted, the President of the Media Authority 'holds extensive and concentrated powers for nine years over all regulatory, senior staffing, financing, and content matters across all media sectors.' Fidesz framed this media package as pluralistic, democratically-sound, and comparable to other European media laws. The Hungarian government pointed to the fact that other European Union Member States—such as Austria, Finland, France, Germany, Ireland, and Italy—maintained some form of media regulation. In conversation with foreign journalists in Budapest in 2011, Orbán once <u>stated</u>: 'Show me one single paragraph in the Media Act that you cannot find in the law of another European country.' However the issue is not whether other European states have some laws that parallel or mirror individual components of the Media Act package; the concern lies in the sum total effect of the legislation. For instance, while German media laws maintain sanctioning power, these regulations are <u>matrixed</u> across Germany's sixteen federal states—not consolidated under a single political appointee.

¹ In January 2011 HUF to EUR exchange rate

Manipulation of the Media Authority

Orbán's government points to the fact that a confirmation vote of a two-thirds majority in Parliament would attribute popular, universal consensus to Media Authority appointees. However, these claims only provided a rhetorical veneer of nonpartisan composition. А two-thirds parliamentary supermajority accommodates a streamlined confirmation process for pro-Fidesz political appointees. In the confirmation process, each senior official in the Media Authority is nominated by the Prime Minister and confirmed by a two-thirds vote—read Fidesz supermajority vote—in the National Assembly; as such, the Media Authority regulatory commission is singularly <u>composed</u> of allies of the Hungarian ruling party who <u>cannot</u> be recalled from their positions. As such, the government's claim of a nonpartisan Media Authority proved false. The first President of the Media Authority, Annamária Szalai, was a Fidesz MP. The second President-Mónika Karas—<u>served</u> as the defense attorney for two Fidesz-aligned media outlets. The third and current President—András Koltay—has carried a lead position in Mathias Corvinus Collegium, the Fidesz-affiliated think tank and educational institution.

The establishment of this ruling party-friendy Media Authority in Hungary raised major concerns across Europe. The European Federation of Journalists argued that the Hungarian government has 'systematically dismantled media independence, freedom, and pluralism... achieving a degree of media control unprecedented in an EU Member State.' In essence, this Fidesz-appointed Media Authority would grant Orbán de facto influence over Hungarian media content. While these laws did not outright ban or outlaw independent media, the laws constricted independent press autonomy. Through entirely legal procedures and political framing, Orbán and the Fidesz Party drafted parliamentary motions to capably exert influence over this vital component of a liberal democratic society.

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The Public Media Dominance

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The ensuing effects of the media laws in Hungarian civil society led to empirically measurable degradations of media pluralism. One study indicated that by 2017 nearly 90% of all Hungarian media was 'now directly or indirectly controlled by Fidesz.' This disproportionate alignment with the Fidesz Party first took place in the public media sector. Regarding public media outlets, the Media Authority collated all state media. All public outlets were <u>consolidated</u> into one umbrella organization—the Media Services and Support Trust Fund (MTVA)—and placed under the authority of the Media Council. As a result of this merger, the new MTVA absorbed three leading financially and managerially independent media outlets— Hungarian Television (MTV), Hungarian Radio (Magyar Rádió), and Danube Television (Duna Televízió). The Executive Director of the MTVA—who is handpicked by the President of the Media Authority—<u>commands</u> oversight of media advertising deals, staff hirings, and content production. Following the consolidation of the MTVA, MTVA leadership fired 1,000 staff and employees many of whom dissented from such regulatory changes—by the end of 2011. These staff layoffs were presented under the guise of budgetary concerns even as the MTVA saw a 10% increase in its budget in 2011. Controlling four of the ten most popular Hungarian radio stations and two of the five most frequently watched <u>television stations</u>, this newly-minted state media apparatus directly propagates Fidesz's political agenda—an agenda premised on populist, nationalist, and *Kulturkampf* narratives—by agitating socio-political divisions. The silencing of dissenting opinions—as seen anecdotally in the Béla Váradi case within the state media apparatus occurred swiftly and effectively. Signal boosting pro-government narratives in the public media has ultimately worked to bolster Orbán's priorities among television news consumers—a medium that, according to one study, <u>accounts</u> for 51% of news consumption in Hungary.

Private Consolidation

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The second major pathway for media constriction in Orbán's illiberal model occurs through private consolidation of media outlets by Orbán's friends and allies. Orbán-aligned oligarchs and his close childhood friends have concertedly purchased private media outlets. One example is Lőrinc Mészáros-a nowbillionaire childhood friend of Orbán-acquiring and then shuttering the most widely circulated, left leaning newspaper—Népszabadság. For favorable media coverage from these private media companies, Orbán's Media Authority has granted them disproportionate state advertising deals. For example, the top two privately-owned television stations in Hungary <u>are</u> RTL Klub and TV 2 respectively. RTL Klub outranks TV 2 for viewership, is based in Luxembourg, and operates independently of the government. TV 2 however is closely aligned with Fidesz; Andrew Vajna-the late owner of TV 2-was Orbán's personal friend and consistently promoted pro-government content on TV 2. Orbán attended Vajna's funeral and once <u>called</u> Vajna the 'greatest Hungarian film producer.' Despite RTL Klub's larger national audience, TV 2 has been rewarded for its positive coverage of Orbán's government. While before 2011 TV 2 and RTL Klub were on par for state advertisements, TV 2 has since received 5.5 times the amount of advertisements as compared to RTL Klub. Furthermore, Orbán's government targeted RTL Klub through a proposed 50% tax on advertising revenue above a certain threshold—a threshold that conveniently only applied to RTL Klub as the largest television station. The Hungarian government only lowered the debilitating tax after pressure from the European Commission. This RTL Klub and TV 2 anecdote lends credence to the notion that private media outlets are either undermined or rewarded depending on their support for Orbán's government.

The apotheosis of the Orbán-oligarch nexus occurred in 2018 when a dozen media owners <u>donated</u> over 400 news websites, newspapers, television channels and radio stations to the Central European Press and Media Foundation (KESMA).

Similar to the consolidation of state media under the MTVA, KESMA serves as another umbrella organization for pro-Orbán propaganda in the private media marketplace; overnight, KESMA became the largest media company in Hungary, controlling all national commercial radio stations and every regional print newspaper. In the aftermath of the KESMA consolidation, Zoltán Kovács bragged that KESMA will 'get nearly 50% of the Hungarian press to convey the government's position.' Dalma Dojcsák, director of the Political Freedoms Project at Hungarian Civil Liberties Union, warned that 'this degree of concentration causes severe distortion to the media market, undermining the plurality of the press and threatening fair economic competition.' The Hungarian government sidestepped concerns over media monopoly power because it subsequently declared KESMA of 'national strategic importance to the public interest;' as such, this consolidation of private media organizations would not be subject to the EU's Merger Control which prohibits monopolistic mergers and acquisitions. This collaboration between Hungarian oligarchs and Orbán's regime in establishing a progovernment umbrella organization in the private media sector serves as the culmination of Orbán's second pathway for media consolidation in his illiberal model.

Orbán's illiberal model has significantly transformed the media landscape in Hungary since his rise to power in 2010. Orbán set out his path for media constriction through two primary avenues. Orbán's government first set about passing legislation in the National Assembly to create the Media Authority as a centralised government regulatory commission. The Media Authority has overseen the rise of a state media apparatus—the MTVA—that serves as a potent pro-government force. Orbán secondly worked to exert influence over the private media sector through his allies and close childhood friends. Advertising deals have rewarded pro-Fidesz private media companies. The collection of more than 400 media outlets into KESMA created a second monopolistic cog in Orbán's

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propaganda machine. As a result of this constriction of the free press in Hungary, 74% of Hungarian voters <u>believed</u> that Hungarian media has a strong political bias in 2020, and 66% believed it was 'disconcerting that the media are increasingly concentrated in Fidesz's hands.' What is most important is the entirely legal process of this media constriction and the capable evasion of EU media pluralism laws.

EU's belated response

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With the European Union attempting to outline some basic standards for media pluralism, many of their responses have come far too late. For example, Article 4 (2) EMFA <u>outlines</u> the need for Member State self-restraint in controlling editorial decisions in media organs. This guideline comes thirteen years delayed; the now-purged editorial boards of Hungarian media providers are already composed of decision-makers who voluntarily align with the government position. In another instance, Article 5 (2) EMFA mandates transparent appointment processes for the heads of public media providers. The procedure for appointing a new President of the Media Authority is entirely transparent—as previously explored in this article; however, the appointee him or herself has consistently come from a pro-Fidesz background. Furthermore, Article 6 (1) EMFA seeks to clarify ownership structure of media services. In Hungary, it is not unknown that Andrew Vajna owns TV 2 or Lőrinc Mészáros <u>owns</u> the largest print media company, Mediaworks, in Hungary. Their outsized power over national media will not change with simple knowledge of their ownership of these companies.

The reality is that changes in the media landscape taking place at the national level; the EU can only do so much to secure Member State-specific media pluralism particularly if editorial offices and ownership structures for these media organs have already been usurped. Even further concerning is the fact that this serves as a replicable model for other nations—carrying grave connotations for the future

of liberal democratic governance in constitutional democracies in the EU and around the world. In essence, Orbán's efforts to control independent media in Hungary and propagate his political agenda have irreversibly violated principles of media pluralism which—as the European Court of Human Rights once <u>noted</u> in—stands as the 'cornerstone of [a] democratic and pluralist society.'

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