Hungary

Status change explanation: Hungary declined from Free to Partly Free to reflect the general decline of the Hungarian media environment due to the establishment of the new National Agency for Data Protection; evidence of a politically motivated licensing procedure resulting in the loss of antigovernment station Klubrádió's frequencies; increased reports of censorship and self-censorship, especially in the public service channels; and worsening economic conditions for independent media entrepreneurship.

Hungary enjoys a broad array of print and broadcast media, with private news media identifying clearly with one or the other side of the political spectrum. Hungary's constitution protects freedom of speech and of the press, but the latest in a series of controversial media legislative measures adopted in 2010 came into effect on January 1, 2011, amid ongoing protests by journalists and pressure from international media freedom watchdogs. The most recent in a series of amendments adopted to pacify the European Commission in February and a ruling by the Constitutional Court in December did little to limit the power of a new media regulation authority, controlled by the ruling Fidesz party, over the Hungarian print and broadcast media.

Throughout 2010, Prime Minister Viktor Orbán's Fidesz party used its parliamentary supermajority to pass numerous mutually reinforcing legislative changes, tightening government control of the broadcast media and extending regulation to print and online media. In July, the government amended the constitution, removing a passage on the government's obligation to prevent media monopolies. It then consolidated media regulation under the supervision of a single authority, the National Media and Infocommunications Authority (NMHH), whose members are elected by a two-thirds majority in parliament and whose leader also chairs a five-person Media Council charged with content regulation. The law gives the head of the NMHH the right to nominate the executive directors of all public media. The first president of the NMHH, Annamária Szalai, a former Fidesz politician, was appointed by Orbán for a nine-year term without limits on reelection. The structure and broadly defined competencies of the new regulation bodies were outlined in subsequent legislation, including the Press and Media Act of November 2010 and the so-called Hungarian Media Law, which was adopted in December 2010 and came into effect on January 1, 2011. Though they share a leader and consist entirely of Fidesz party nominees, the two institutions are theoretically autonomous, both from the government and from each other.

The composition of the NMHH and Media Council raised significant concerns among Hungarian media employees, opposition parties, and civil society activists. On January 4, 2011, *Népszabadság*, the country's most popular broadsheet, published the headline: "Freedom of the Press in Hungary has Come to an End" in all 23 official languages of the European Union (EU). The expansion of regulatory oversight from broadcast to print and internet-based media also unleashed a hailstorm of negative attention from the international community, including the Council of Europe, the European Parliament, the

2012 SCORES

PRESS STATUS
Partly Free

PRESS FREEDOM SCORE
36

LEGAL ENVIRONMENT
12

POLITICAL ENVIRONMENT
13

ECONOMIC ENVIRONMENT
11

media representative of the Organization for Security and Cooperation in Europe (OSCE), the UN Special Rapporteur on Freedom of Expression, and various press freedom and human rights organizations.

Anxiety about the NMHH and Media Council was also compounded by the expansive powers the two bodies enjoy. When the Media Law came into effect in 2011, the Media Council became officially responsible for interpreting and enforcing numerous vaguely worded provisions affecting all print, broadcast, and online media, including providers and publishers. In April, the Media Council ruled against the planned merger of the local holdings of Axel Springer AG and Ringier AG, owner of *Népszabadság*. Though the council claimed that the merger would significantly threaten media diversity, the decision was viewed as an attempt to keep the financially vulnerable paper on the market for a more government-friendly buyer. The council can also fine the media for "inciting hatred" against individuals, nations, communities, minorities, or even majorities. The council is called to levy fines or suspend outlets for "unbalanced" or "immoral" reporting. If found to be in violation of the law, radio and television stations may receive fines proportional to the "level of influence" of the outlet in question. These fines must then be paid before initiating an appeals process. Under the Media Law, the NMHH can also suspend the right to broadcast. In its original iteration, the law also required that all media outlets, including online services, register with the Media Council.

By late February 2011, negotiations between Hungarian government officials, EU media monitoring bodies, and Hungarian media experts had yielded amendments to the Media Law regarding a number of provisions identified by the European Commission as violations of EU law. Rules on registration and authorization of media service providers were amended to comply with the EU's Audiovisual Media Services (AVMS) Directive, allowing media service providers and publishers to register with the NMHH within 60 days of launching their services, rather than prior to doing so. An additional amendment protects audiovisual media service providers based in other EU member states from being fined for breaching certain provisions of the Hungarian Media Law, such as the ban on incitement to hatred. In general, the February amendments served to protect "on-demand media services" such as online news and blogs, and did not alter the substance of the media law with regard to locally based print and broadcast journalism.

Another controversial component of the Media Law is the system of co-regulation. In July 2011, the NMHH concluded public administration agreements on media co-regulation with the four Hungarian media self-regulatory bodies: the Association of Hungarian Content Providers (MTE), the Advertising Self-regulatory Body (ÖRT), the Association of Hungarian Publishers (MLE), and the Association of Hungarian Electronic Broadcasters (MEME). These formerly independent bodies are now responsible for ensuring compliance with NMHH media content rules and risk becoming instruments of censorship.

Broadcasters with expiring licenses are required to enter a new bid with the NMHH, and several radio stations have been forced to stop broadcasting due to a lack of advertising revenue. License fees for Budapest-based frequencies more than doubled over the past year. Klubrádió, a popular radio station known for its bold, antigovernment political commentary, has been waiting for the renewal of its broadcasting license since it expired in February 2010. Since then, it has been granted two-month extensions of its previous license, making it extremely difficult to attract advertisers. The station was denied renewal of eight local frequencies in 2011, and lost the bid for its main frequency to a newly established station in December, which met the new NMHH tender's requirements by featuring mostly music rather than commentary. Critics of the Media Council's decision say the tender for Klubrádió's main frequency was designed to evict Klubrádió from its home of over 10 years. Progovernment political commentary stations such as Lanchid Radio obtained local licenses from the council during the year without sacrificing the format of their programming. The new rules governing broadcast media content are detailed in terms of what type of programming may be played and when.

On December 19, 2011, Hungary's Constitutional Court annulled several pieces of legislation from 2010 and 2011, including provisions of the Press and Media

Act and some sections of the Media Law. The ruling excluded print and online media from the scope of the sanctioning powers of the NMHH; revoked the media authority's right to demand data from media service providers, publishers, and program distributors; deleted a provision limiting the confidentiality of journalists' sources to stories serving the public interest; and eliminated the position of media commissioner, an appointee of the NMHH president with the authority to initiate proceedings that do not involve violations of the law and whose proceedings can be enforced by NMHH-issued fines and sanctions. Most of the changes will come into effect on May 31, 2012.

The tabloidization of Hungarian broadcast media remains a major concern and has sometimes been used by the Hungarian government to justify new restrictions on content. The nongovernmental organization Nyilvánosság Klub (Openness Club) monitored several public and private television and radio stations between November 7 and December 16, 2011. The group's study found that just 23 percent of news coverage in this period was devoted to coverage of international news, compared with 32 percent in 2007. The same study also found that serious political coverage on public television news had decreased by 30 percent since 2007. During the six weeks that Nyilvánosság Klub monitored the state-run MTV and MR television stations, they aired only two mentions of foreign criticism of the Hungarian government. Among all the stations monitored by Nyilvánosság Klub in this period, the only broadcasters regularly critical of Fidesz were ATV (a commercial station on Hungarian cable TV) and the embattled Klubrádió.

In July, a group of journalists launched a website intended to serve as the Hungarian equivalent to WikiLeaks. The Átlátszó (Transparent) Centre for Investigative Journalism plans to promote transparency in government through the use of Freedom of Information legislation and contributions from individual "whisteblowers." Within weeks of the launch, the editor in chief of the website, Tamás Bodoky, was interrogated by the Budapest police's organized crime division after publishing files hacked from a financial consultancy firm. Bodoky refused to reveal his source, though the police threatened to charge him with perjury. The same day, police entered his home and seized a hard drive as evidence.

Hungary's media landscape is dominated by private companies with high levels of foreign investment in national and local newspapers. Privately held newspapers include 10 national and 24 local dailies. Hungary has three national public radio stations and two main private stations. Under the new legislation, radio broadcasters must devote at least 25 percent of their airtime to Hungarian music, while 50 percent of television programming must be devoted to European productions.

In 2011, the Hungarian National News Agency (MTI) became the official source for all public media news content. In February, the head of the MTI said all news programs broadcast by public service television and radio stations would be produced and edited by MTI staff within the year. Government-funded MTI publishes nearly all of its news and photos online for free, and offers media service providers the ability to download and republish them. Paid-subscription news and smaller media outlets with limited resources cannot compete with MTI, and the incentive to practice "copy-and-paste journalism" is high. The accuracy and objectivity of MTI reporting has come under substantial criticism since the Orbán government came to power in 2010. One blogger noted that the MTI English-language report on a speech given at Central European University had taken significant liberties in interpreting the ambassador's words and excluded all positive mention of Orbán's predecessor, Gordon Bajnai. Most state and state-dependent advertisers chose not to do business with independent media, and many private companies followed suit.

Under the new Media Law, the funding for all public media is centralized under one body, the Media Service Support and Asset Management Fund (MTVA), supervised by the Media Council. By creating a central property management and production fund, the government deprived three previously independent institutions—Hungarian Television (MTV), Hungarian Radio (Magyar Rádió), and Danube Television (Duna Televízió)—of their financial and organizational autonomy.

On December 10, a group of Hungarian journalists, led by then MTV1 foreign news producer Balazs Nagy Navarro, went on hunger strike to protest alleged manipulation of the state media by the Orbán government. According to Navarro, the final straw was a December 3 broadcast on the state-run MTV channel in which the face of a former chief judge unpopular with MTI management was deliberately blurred.

In response to the backlash, MTI dismissed Gábor Élo, the head of the MTI department responsible for television news content. Élo's deputy, Daniel Papp, was moved to a different position within the organization. Papp had been promoted to his latest position in April, not long after he personally manipulated interview footage with the aim of embarrassing an outspoken critic of Orbán. Protesters insisted that all editors involved in the December 3 broadcast should be dismissed, and they remained on strike at the end of 2011. Both Navarro and another leading figure in the hunger strike, Aranka Szavuly, were dismissed from their jobs at MTV1 on December 28 for causing a "provocation."

By the end of 2011, MTVA had laid off nearly 1,000 employees as part of a long-anticipated streamlining of public media. The government claims this was driven by budgetary concerns, even though the public media received a 10 percent budget increase in 2011. Over 500 layoffs took place in June and July, igniting small protests among those who viewed the dismissals as politically motivated. Throughout the year, employees of public and private media spoke to international media and media watchdog organizations about growing self-censorship by journalists and editors in the face of fines or unemployment.

Diversity is on the rise in the electronic media. Most notably, there has been an increase in domestically owned electronic media outlets. Approximately 59 percent of Hungarian citizens went online in 2011, though over 70 percent still get their news from television. The government remains unable to fully regulate online media. At the end of 2011, the speaker of parliament, Laszlo Köver, banned Hungary's most popular online news portal, Index.hu, from reporting from the chamber after it posted a video mocking the government.

The new Hungarian constitution, adopted in April 2011 and effective January 1, 2012, will create a new National Agency for Data Protection, prematurely ending the six-year term of the existing Data Protection Commissioner with no interim measures put in place. The head of the new authority is appointed by Orbán and can be dismissed by the prime minister or president on arbitrary grounds.