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Does the Orbán government have an agenda for Southeast Europe?

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Belgrade, May 2019

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The April 2018 parliamentary elections in Hungary resulted in a landslide victory for Fidesz and its junior coalition partner KDNP.¹ The national-conservative coalition, in power since 2010, had won its third supermajority in a row – two-thirds of all seats in parliament. In July of the same year, Viktor Orbán, the prime minister of Hungary, held a speech in Tusnádfürdő (Băile Tuşnad), Romania.² He stated that he had been mandated by the people for the "building of a new era" and that the focus of this undertaking ought to be the Pannonian (Carpathian) Basin region. In the words of the Hungarian Prime Minister:

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Once more we are strong, we are determined, we are brave, and we have our vigor, money and resources. [...] Now is the time to rebuild the Carpathian Basin. We have a proposal for our neighbors. [...] [A]t last we should connect our countries together – once and for all, and with serious intent. Let us connect our major cities with high-speed rail and road links.³

Upon the completion of this task, continued Orbán, or even simultaneously alongside it, an even greater task is to be accomplished, namely the "build[ing] up [of] Europe's large, strong and secure political and economic region: Central Europe."

During his years in power Orbán did acquire a popularity in the SEE and CE region. He built an image of himself as a strong leader determined to fight for – what he considers to be – true European values, i.e. the nation, Christianity, hard work, and the traditional family, while having the courage to say no to powers threatening the interests of his country. He also demonstrated support for politicians allied to him, gaining outright admiration from some, as in the case of Janez Janša of the Slovenian Democratic Party.

Fidesz shifted the political landscape towards the far right in Hungary. After its 2002 electoral defeat, the party started to organize citizens' groups under the name "Civic Circles"

 ¹ Fidesz (the Hungarian Civic Alliance) has been in power as part of a coalition with the KDNP (Christian-Democratic People's'Party) since 2010. Prior to 2010, Fidesz was in power from 1998 to 2002.
 ² Orbán Viktor beszéde a XXIX. Bálványosi Nyári Szabadegyetem és Diáktáborban (July 2018), available in English <u>here</u>.
 ³ Ibid.

with the aim of reinvigorating and uniting the fractioned right, and to straighten its populist stance.⁴ Fidesz has succeeded in positioning itself as the right-wing political force with the most appeal among the electorate. During its years in power, there have been troubling trends of anti-social legislation, limitations on democratic governance, on individual freedoms and a deepening of class division, while resistance to these processes has proven difficult to foster. The so-called "Slave Law," maximizing possible overtime hours for the

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benefit of employers,⁵ the terminating of gender study programs⁶ or the 7th Constitutional Amendment, which criminalizes homelessness and states that "foreign populations cannot be settled" in Hungary, and that state bodies must protect Christian culture: all these are but a few of the – more recent – government actions demonstrating Fidesz's push towards the far right.⁷

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With the nature of Orbán's politics in mind, the expansion and widening of this influence in the region is a worrisome prospect. Hence, the question arises: how far-reaching are Orbán's hints at deepening cooperation with SEE and CE countries, and is Orbán really after cooperation or something else?

Hungarian government-related investments are indeed being implemented in the SEE region. Much of them are in media and sports, more specifically football. A closer look at the companies buying media outlets in Slovenia, Macedonia, and those looking at further possibilities in Croatia, reveal close ties to the Hungarian governing elite. Moreover, the financing of football clubs and training academies outside Hungary is also steeped in controversy. An exploration of these investments and the politics practiced by the Orbán

⁴ For a summary of the key aspects of Orbán's politics and governance see Kristóf Szombati: *Viktor Orbán's uthoritarian Regime*, in: Stefanie Ehmsen, ed. and Albert Scharenberg, ed.(2018): <u>*The Far Right in Government: Six Cases from Across Europe*</u>, Rosa Luxembourg Stiftung – New York Office

⁵ Tibor T. Meszmann (Dec 2018): <u>Why Hungary's new "slave law" pushes workers to the brink</u>, Masina.rs

⁶ Elizabeth Redden (Oct 1018): <u>Hungary Officially Ends Gender Studies Programs</u>, Inside Higher Ed

⁷ Hungarian Civil Liberties (June 2018): <u>Union Hungary's 7-Year-Old Constitution Is Amended for the 7th Time</u>, Civil Liberties Union for Europe



government in relation to media and sport might prove a useful guide to better understanding Orbán's idea of a *new era* and the *modus operandi* of its realization. The Fidesz media empire

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The Orbán government was fierce in bringing Hungarian media under its control. Its clientelist network acquired media outlets of all kinds: newspapers, magazines, radio, television, and internet outlets. The government flooded the public sphere with its fear-spreading, hate-mongering propaganda such as last year's media campaign – for which the Hungarian government allocated €18.2 million – that portrayed the Sargentini Report as part of George Soros's conspiracy against Hungary,⁸ and self-praise exemplified by the "Stronger Hungary" media campaign, which cost €10 million of taxpayers' money.⁹ Its project of exerting control over the media, however, culminated last year in an act of centralization.

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On 11 September 2018, the Central European Press and Media Foundation (CEPMF) was established. This organization makes no secret of its ideological and political commitment. Its "Preamble" states that

[t]he decisions of the coming years and decades will form the basis upon which to build a community in the Carpathian Basin – and across the wider Visegrád region¹⁰ – which jointly professes Christian and national values, preserves its inherited identity, takes united action in dealing with issues shaping the fate of the nation, and wins recognition for itself while holding true to its values.¹¹

In the following months businessman and women who own the majority of the Hungarian pro-government media outlets¹² donated their companies to the CEPMF. Among them were Lőrinc Mészáros and Árpád Habony.

⁸ Erdélyi Katalin (Oct 2018): The <u>Hungarian government allocated €18.2 million of taxpayers' money to an</u> <u>advertising campaign against Sargentini, Soros, and Verhofstadt</u>, Átlátszó

⁹ Erdélyi Katalin (June 2017): <u>Ten million euros spent on 'Stronger Hungary' campaign</u>, Átlátszó

¹⁰ The countries that make up the Visegrád Group (V4) are the Czech Republic, Hungary, Poland and Slovakia.

¹¹ Central European Press and Media Foundation website

¹² A sajtószabadság lapzártája (Dec 2018), Átlátszó

Lőrinc Mészáros is the former mayor of Viktor Orbán's home village Felcsút and a key member of Orbán's circle of business allies. Mészáros became one of the wealthiest persons in the country within just a few years. The companies owned by Mészáros, or those in his sphere of control, regularly win public tenders.¹³

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Little is known about Árpád Habony, but there is a general opinion that he is among Orbán's closest associates. The press has often written about him as being an unofficial advisor to Viktor Orbán. It was also speculated that he was a key figure in creating the Fidesz media empire, and in recognizing the electoral potential of anti-migrant propaganda.¹⁴ Gábor Liszkay, who has long been a major figure in the media empire close to Fidesz,¹⁵ had been charged with managing the media portfolio of the CEPMF. The foundation had been registered to the address of Liszkay's summer home.

CEPMF instantly became the largest media owner in the country. In December 2018, the foundation held 100% of shares on the national radio market and a monopoly position in the county-level newspaper market. It acquired two of four state-wide television news stations, tabloids, music radios, and internet outlets, the widely read Origo.hu being among them. A total of 476 media outlets have become a part of Fidesz's media centralizing project.¹⁶ These acquisitions provide the foundation with formidable influence on media content production

¹³ A striking (and revealing) example is Fejér-B.Á.L. Zrt. owned by Mészáros's children. It won around €220 million worth of public tenders between 2015, when the company was established, and 2018. By looking at connections with other firms, a network starts to unfold: Fejér-B.Á.L. Zrt. is oOten partnered with a company also successful in winning governmene procurements:,West Hungaria Bau, owned by Attila Paár, also close to the governing elite. West Hungaria Bau has ties to István Tiborcz, the son-in-law of Viktor Orbán and another businessman in his circle. See: Oroszi Babett (Aug 2018): *The next generation of pro-Orban oligarchs: the Mészáros kids are making 3300 euros a day winning public tenders*, Átlátszó; and Máriás Leonárd, Molnár Csaba (May 2015): *Magyarország egyik leggazdagabb embere vette meg Tiborcz cégét*, hvg.hu

¹⁴ J. Lester Feder, Rebeka Kulcsar (Apr 2018): <u>Meet the mystery man who is the power behind the throne in</u> <u>Hungary</u>, Buzzfeed News

¹⁵ Fabók Bálint, Pethő András, Szabó András(Nov 2016): <u>Inside the killing of Népszabadság, Hungary's biggest</u> <u>opposition paper</u>, Direct36

¹⁶ Bátorfy Attila (Nov 2018): *Infografika: mától így néz ki a kormánypárti média tulajdonosi szerkezete*, Átlátszó

throughout the country, as well as with a possible influence in media-related areas of production such as print.¹⁷

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Fidesz started to extend its influence on media outside of the borders of Hungary prior to the establishment of CEPMF. In Serbia, it has an influence on Magyar Szó, the only Hungarian daily newspaper in the country, controlled by Fidesz's local ally, the Alliance of Vojvodina Hungarians Party.¹⁸

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In 2017 the watchdog NGO and online newspaper for investigative journalism Átlátszó wrote that Hungarian public money is ever more present in the Transylvanian Hungarian media, and with it the possibility of the Orbán government's influence on that media sphere. The Foundation for Hungarian Media without Borders distributes financial support to Hungarian media in Transylvania, managing a budget of several million euros annually, which make those grants notably larger than what these media outlets could otherwise gather.¹⁹

In the same year, three Hungarian media companies²⁰ linked to Fidesz – the Modern Media Group, Ripost and Ridikül Magazin – invested €800,000 into Slovenia's NovaTV24, acquiring a 45% ownership share.²¹ NovaTV24 is the most important media outlet related to the Slovenian Democratic Party (SDS) led by Janez Janša, who is close to Viktor Orbán. The two politicians have supported each other since the early 2010s. Orbán is well-respected within the SDS, while Fidesz and SDS are both members of the European People's Party (EPP).

¹⁷ <u>A sajtószabadság lapzártája</u> (Dec 2018), Átlátszó and Rényi Pál Dániel (Nov 2018): <u>Példátlan médiabirodalom</u> <u>állt össze Liszkay Gábor vezetésével</u>, 444.hu

¹⁸ Natalija Jakovljević (Feb 2018): <u>Poniznost u novinarstvu se isplati – slučaj Mađar so</u>, VOICE

¹⁹ Sípos Zoltán (Nov 2017): <u>Fidesz has won over the Hungarian online press in Transylvania</u>, Átlátszó Erdély

²⁰ Three formally unrelated companies close to Fidesz purchased 15% of the ownership shares respectivell, in order to evade the necessity of acquiring a special permit from the Ministry of Culture, which is needed if one company purchases 20% or more of a media company's ownership. See: D. Kovács Ildikó (Apr 2017): <u>Habony</u> <u>médiája Szlovéniában terjeszkedik</u>, Átlátszó

²¹ At the time of the investment Árpád Habony was co-owner of MMG, and Ripost was owned by Péter Schatz. Both companies were later transferred into the ownership of the Central European Press and Media Foundation. See: D. Kovács Ildikó (Feb 2019): <u>Két éve épül a külföldi Habony-birodalom, és hol van még a vége</u>, 24.hu

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Another peculiar link between Janša and Orbán is that the SDS was – according to the Hungarian media outlet 444 – a client of Danube Business Consulting, a consultation firm established in 2015 by two of Orbán's advisors, Árpád Habony and the now deceased Arthur J. Finkelstein. The firm advises a number of Southeast and Central European right-wing parties and it prepares comprehensive political communications and media planning for its clients.²²

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Following the Hungarian investment in NovaTV24, Péter Schatz, at the time co-owner of Ripost,²³ established Ripost Založništvo d.o.o. in Slovenia, a company that bought Nova obzorja, the publisher of SDS's weekly, Demokracija. Following this purchase, Nova obzorja launched Škandal24 and Ripost News, tabloids publishing SDS party messages and celebrity-related content.

Media outlets connected to the SDS spread significantly in 2017 with thirteen different media outlets popping up in a short period of time. Although unrelated on paper, the Slovenian newspaper Dnevnik found that all have connections with Janša's party. During the same year, some estimate that around €1.43 million was poured into Slovenian right-wing media by people from Orbán's business circle.²⁴

The tentacles of the Fidesz media behemoth do not necessarily support political partners by producing favorable media content alone. The case of Nova obzorja shows that media companies linked to Orbán's circle can be used to provide financial support to allies. The company gave a €60,000 loan to the SDS and has played a role in giving the party another €450,000 loan. This operation – illegal under Slovenian legislation – backfired however, and Janša's party ended up with a €20,000 fine.²⁵

²² Keller-Alánt Ákos, Borut Mekina (Dec 2018): *Barátom, Janša*, Magyarnarancs

²³ Péter Schatz appears to be a key figure in media purchases outside of Hungary. He used to co-own Ripost in Hungary, a government friendly tabloid, which, according to the researcher Zselyke Csaky, is a copycat version of Informer, a tabloid in Serbia.

²⁴ Keller-Alánt Ákos, Borut Mekina (Dec 2018): *<u>Barátom, Janša</u>, Magyarnarancs*

²⁵ Janševa SDS dobila 20.000 evrov kazni (Mar 2019), Mladina

In Macedonia Péter Schatz and Ágnes Adamik set up companies²⁶ to invest in the country's media sector. Both connected to Fidesz, together they acquired Alfa TV as well as seven websites and magazines, all of them supportive of the right-wing party VMRO-DPMNE and of the former prime minister of Macedonia²⁷ Nikola Gruevski, who at the time of writing resides in Hungary, having been granted political asylum there. Similar to the Slovenian script, Schatz launched the tabloid RipostMK in Macedonia.

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According to the findings of the Croatian weekly, Nacional, Croatia is next on the list for the expansion of the Fidesz media empire. The newspaper acquired a copy of the Letter of Intent put forward by Péter Schatz, in which he expressed interest in purchasing majority ownership of the television broadcaster Z1.²⁸

As the researcher Ágnes Urbán commented for the Organized Crime and Corruption Reporting Project (OCCRP), these purchases likely represent an effort by Orbán's government to expand its regional influence by backing its conservative populist allies.²⁹

Recently, the Fidesz media empire's international branch has been expanded to include a news agency. Established by Árpád Habony,³⁰ The V4 News Agency provides international news in Hungarian, English and French, from – as stated on their home page – a conservative, right-wing perspective.³¹

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²⁶ Schatz established Target Media, while Adamik runs a company called Adinamic Media.

²⁷ Maja Jovanovska, Tamas Bodoky, and Aubrey Belford (May 2018): <u>*Right-Wing Hungarian Media Moves Into</u></u> <u>the Balkans</u>, Organized Crime and Corruption Reporting Project (OCCRP)</u>*

²⁸ Berislav Jelinić (Feb 19, 2019): *Orbánova medijska hobotnica preuzima Z1*, Nacional

²⁹ Maja Jovanovska, Tamas Bodoky, and Aubrey Belford (May 2018): <u>*Right-Wing Hungarian Media Moves Into the Balkans*</u>, Organized Crime and Corruption Reporting Project (OCCRP)

³⁰ Kiss Soma Ábrahám (Apr 2019): <u>Habonyék nemzetközi kormánypropagandája havi minimum 450 euróért már</u> <u>el is érhető</u>, Mérce.hu

³¹ V4 News Agency home page



The football route

Sport, especially football, is a shady business in Hungary, involving the interests of the political elite and its allies in the business sector. In 2011 a law was passed that allowed corporations to provide as subsidy up to 80% of their corporate tax to sport clubs,³² associations and federations in the sector of what was defined as spectator team sports.³³ The law allowed for the identity of the donors to remain hidden. The respective sport federations made decisions regarding the distribution of these funds, but behind closed doors and lacking any transparency. These circumstances made the tax-benefit scheme fertile ground for backdoor deals between political elites and business.

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Between 2011 and 2018 around €1.7 billion have been poured into spectator team sports through the tax-benefit scheme. Although the Hungarian Central Budget was left short of substantial funding, the sums deducted from corporate tax were regarded as private donations, and were therefore exempt from public information requests. It was not until 2017 that the Kúria – the Supreme Court of Hungary, decided that these tax-deducted subventions are, in fact, public money.

Football received the largest part of the tax-deducted company subsidies, and a lot of these subsidies ended up in Viktor Orbán's hometown of Felcsút. The Felcsút Foundation for the Promotion of Young Athletes, which owns the Ferenc Puskás Football Academy, was paid more than €30 million between 2011 and 2016.³⁴ The foundation's founder is the Hungarian prime minister, and it is chaired by Lőrinc Mészáros.

Other heavily financed clubs and organizations also have a connection with Orbán's clientelist network. It is additionally worth noting that the subsidies are distributed by the respective sport federations and, for example, the Hungarian Football Federation is chaired by Sándor Csányi, the CEO of OTP Bank Group. He was the first Hungarian billionaire, and a shareholder in the MOL group – once again, a person close to the governing political elite. As has been observed by Transparency International:

³² The tax benefit scheme also gave companies an opportunity to increase their overall profits. "Companies may reduce their profit before tax by the amount of the subsidies they provide to the sports clubs. Moreover, they may also deduct the offered amounts from their corporate income tax calculations," as explained by Transparency International.

³³ Football, basketball, handball, ice hockey and water polo.

³⁴ Bátorfi Attila (Mar 2019): <u>11 milliárd forint támogatás ment a felcsúti fociba 2011 óta</u>, Átlátszó

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Corporate subsidies to the Felcsút soccer team and various other privileged clubs are widely accepted in the country as a form of bribing companies' way into lucrative businesses and winning public contracts.³⁵

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Considerable amounts of these subsidies as well as state funding is spent on construction. As the cited report indicates, while there is no real demand for such investments, a number of new stadiums and other facilities have been built, while others have been refurbished:

[T]here are sound reasons to suspect that the government's determination to have so many sports stadiums constructed may be camouflage to disguise questionable transactions taking place in the allocation of public funds, achieved by bending the rules of public procurement so as to favor businesses that fulfill the wishes of politicians, either by contributing to politicians' campaigns or financially supporting particular soccer clubs.

Átlátszó's inquiry showed that the companies supporting Fidesz-related clubs and sport organizations are in fact from the ruling party's network, which receives large sums of public money via public procurement. For example, Lőrinc Mészáros, via his companies, supported his own football academy many times over.³⁶

Prior to his electoral victory in 2010, Victor Orbán made clear his commitment to sports financing, and since then the overall spending on sports by the Fidesz government is in the vicinity of €4.7 billion (this sum includes the tax-deducted subsidies).³⁷ The same source states that around €2.5 billion was allocated to the construction industry, which is a sphere of interest in Orbán's clientelist network.

³⁷ Székely Sarolta (Ápr 2018): *Sokkoló: közel 1500 milliárdot toltak Orbánék a sportba*, mfor.hu

³⁵ Ligeti Miklós, Mucsi Gyula (2015): <u>Korrupciós Kockázatok a Magyar Sprotfinanszírozásban / Corruption Risks</u> in <u>Hungarian Sport Financing</u>, Transparency International Hungary

³⁶ Erdélyi Katalin (Jul 2018): <u>Fidesz-közeli, állami, és multinacionális cégek öntik a TAO-pénzt a kormány</u> <u>kedvenc futballklubjaiba</u> – itt vannak a nevek és a számok, Átlátszó

Since 2013 the Hungarian government has been stimulating and financing curious

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investments, which include building stadiums and football training academies in Hungary's neighboring countries. Zoltán Sípos, writing for Átlátszó notes:

Since 2013, €70 million has been transferred by the Hungarian government to the football academies of neighboring countries. Stadiums and football pitches are spreading at high speed in Transylvania (Romania), the Historical Upper Hungary (Slovakia), Vojvodina (Serbia), Zakarpattya (Ukraine), Prekmurje (Slovenia), and Croatia. The money comes via the Hungarian Football Federation and the Bethlen Gábor Fund. Almost everywhere has a connection with the Puskás Ferenc Football Academy, with Lőrinc Mészáros as the main figure behind it.³⁸

Átlátszó calculated the figures for Hungarian government spending on football in foreign countries and published the results in December 2018. By that time, approximately €49.5 million had been channeled to clubs in Slovakia, Romania, and Serbia, and approximately another €20.1 million to clubs in Croatia, Slovenia, and Ukraine. In all cases the funds were transferred by the Hungarian Football Federation and the Bethlen Gábor Fund.³⁹ Most of the money was allocated for infrastructural development. Four stadiums, more than fifteen soccer fields and four additional buildings were planned to be built in Serbia, Romania and Slovakia, and one stadium, more than ten soccer fields, and three additional buildings in Croatia, Slovenia, and Ukraine.⁴⁰

The involvement of Orbán's circle of business associates as participating in a Hungarian transnational football project also became apparent. The following three examples provide an illustration of how the Orbán government uses public resources to assist its business allies and to expand its network of interests.

 ³⁸ Sípos Zoltán (January 2019): <u>Will the Hungarian government bring Sekler football to success?</u>, atlatszo.ro
 ³⁹ A state fund that provides financial aid to ethnic Hungarians in neighboring countries.

⁴⁰ These two articles cover the topic in detail: Oroszi Babett and Sípos Zoltán (Dec 2018): <u>The Orban</u> government spent billions on Hungarian football clubs in Serbia, Romania and Slovakia</u>, Átlátszó and Oroszi Babett and Sípos Zoltán (Dec 2018): <u>Hungarian government spent billions on football academies in Slovenia,</u> <u>Ukraine and Croatia</u>, Átlátszó

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In Romania, the Football Club Csíkszereda received approximately €11.2 million in public money from Hungary, and additional funding from the Hungarian National Lottery. Part of these funds was used for construction works and the Seklerland Football Academy was established. As Átlátszó discovered, junior players from the academy in Romania can transfer to the Puskás Ferenc Football Academy in Hungary. No compensation is required for players' transfers. In this way a private football academy close to Orbán can benefit from the work of a Hungarian taxpayer funded organization in Romania. Sepsi OSK, a club in Sepsiszentgyörgy also enjoys the support of the Hungarian government. The club is operated by a company owned by Károly Varga, a former business partner of Lőrinc Mészáros (they used to co-own two companies). Furthermore, the plans for the stadium and football fields were designed by a subsidiary company of Fejér-B.Á.L. Zrt., which is owned by Mészáros's children.

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In Slovenia Nogometno društvo Lendava 1903 (Lendava Football Club 1903) received approximately €5.9 million.⁴¹ The association is connected to Gábor Végh, whose company Pharos '95, built the soccer fields in Felcsút, and as a sign of gratitude donated a statue of Ferenc Puskás to the Puskás Ferenc Football Academy. Pharos '95 also owns the Zalaegerszeg Football Club. State-funded construction works on the club's stadium in 2016 were contracted to the ZÁEV Zrt. consortium of companies and Pharos '95. Végh was therefore effectively paid by the state to build a stadium for himself. Pharos '95 carried out a field refurbishment at the Videoton stadium in 2010, the year of Orbán's first victory with a two-thirds majority. The company was contracted in a number of other football-related construction works, as was ZÁEV Zrt., which held almost €65 million worth of contracts in state-funded stadium construction works in early 2016.⁴² In 2019 ZÁEV was acquired by Talentis

⁴¹ <u>This and other contracts whre made accessible on-ine by Atlatszo.</u> Links can be found in the articles listed in footnote 40

⁴² *<u>Felcsúton is van telephelye, nagyon hasít a stadionépítési piacon a ZTE tulajdonosa</u> (Feb 2016), Átlátszó*

Group, a company in which the children of Lőrinc Mészáros serve as members on the board of directors.⁴³

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In Osijek, Croatia, the Osijek FC Soccer School Association received public funding from Hungary. Its vice president is Ferenc Sakalj, who, as Direct36 reported, helped Mészáros with translations in Croatia when the Hungarian businessman purchased a villa on the Croatian coast in 2015. Some time later, Sakalj became the owner of Vasútinformatika Kft. in Hungary – a railroad construction company that immediately became a subcontractor in two major state investments. In 2016 Sakalj bought a 25% ownership share in City Mail Hungary Kft. The majority owner of this company is Ivan Meštrović, who shares ownership of FC Osijek with Lőrinc Mészáros.⁴⁴ Sakalj sold Vasútinformatika Kft. to Mészáros in 2018.

⁴³ <u>Mészárosék megszerezték a ZÁÉV-et (Jan 2019)</u>, 24.hu

⁴⁴ Wirth Zsuzsanna (May 2017): <u>Mészáros Lőrincnek tolmácsolt Horvátországban, most lecsípett egy darabot</u> <u>Simicska birodalmából</u>, Direct36



Why go beyond Hungary's borders?

The Orban government's investments in media and football abroad suggest that the *new era* envisioned by Hungary's ruling party is not about regional economic development and cooperation, but rather about extending the reach of its clientelist network and political influence.

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The Slovenian and Macedonian cases show that members of Orbán's clientelist network are purchasing right-wing media outlets outside of Hungary. Besides such purchases, they are also establishing new outlets. During his years in power, Orbán proved to be efficient in building and wielding a propaganda machine, which to date incorporates almost five hundred media outlets. This *know-how* relating to media control, as well as the material support that Fidesz is able to deploy, can be of great value to right-wing forces in the region.

The €70 million spent on football clubs in Slovakia, Romania, Serbia, Croatia, Slovenia, and Ukraine, also ended up making profits for members of Orbán's clientelist network. The case of the Seklerland Football Academy points to a possible longer-term gain of profiting from young talent. The junior players from the academy in Romania can transfer to Puskás Ferenc Football Academy in Hungary without having to pay compensation. This model could be used in other countries hosting Hungarian founded football academies as well, and it would provide an international pool of young players for a private football enterprise in Hungary, free of charge.

Providing financial support to football clubs and investing in football academies in countries with Hungarian minorities serves a political function as well. They are being presented by the Hungarian government as acts of support benefiting the Hungarian minority in the respective countries. They are thus aimed at buying support for the Orbán government among members of Hungarian minority populations, many of whom bear dual citizenship and can participate in elections not just in their home country but in Hungary as well. In the

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2018 elections, 224,000 votes were cast by Hungarian citizens who do not live in Hungary, and 96.24% of them voted for Fidesz.⁴⁵ Fidesz also counts on – and urges – its supporters among the Hungarian minorities to vote in their home countries for the Hungarian ruling party's allies.

The case studies presented in this report, although only one part of the Orbán government's dealings and activities in the SEE region, suggest that by going beyond the borders of Hungary, Orbán has little to lose. At the very least, he can straighten out his ties with regional allies and satisfy the needs of his clientelist network, which is an important component of his power. However, the expansion of Orbán's influence will hurt all those who want to bring about a progressive politics in the region. This is because, as the presented cases show, it is only the right who benefits from the Orbán government's money and propaganda machine.

⁴⁵ Zsuzsanna Szabó (Apr 2018): <u>Választás 2018: itt a levélben leadott listás szavazatok eredménye</u>, Napi.hu



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