



Monitoring Media Pluralism in the Digital Era: Application of the Media Pluralism Monitor in the European Union, Albania and Turkey in the years 2018-2019

Country report: Hungary

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TABLE OF CONTENT

1.	About the project	5
1.1.	Overview of the project	5
1.2.	Methodological note	5
2.	Introduction	7
3.	Results from the data collection: assessment of the risks to media pluralism	8
3.1.	Basic protection (43% - medium risk)	9
3.2.	Market plurality (71% - high risk)	12
3.3.	Political independence (82% - high risk)	14
3.4.	Social inclusiveness (53% - medium risk)	15
4.	Pluralism in the online environment: assessment of the risks	18
5.	Conclusions	20
6.	References	21

Annexe 1. Country Team

Annexe 2. Group of Experts

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1. About the project

1.1. Overview of the Project

The Media Pluralism Monitor (MPM) is a research tool designed to identify potential risks to media pluralism in the Member States and Candidate Countries of the European Union, and considering both online and offline news environments. This narrative report has been produced within the framework of the implementation of the MPM carried out in 2019, under a project financed by a preparatory action of the European Parliament. The implementation was conducted in 28 EU Member States, Albania and Turkey with the support of a grant awarded by the European Union to the Centre for Media Pluralism and Media Freedom (CMPF) at the European University Institute.

1.2. Methodological note

The CMPF partners with experienced, independent national researchers to carry out the data collection and to author the narrative reports, except in the case of Italy where data collection was carried out centrally by the CMPF team. The research is based on a standardised questionnaire and apposite guidelines that were developed by the CMPF.

In Hungary the CMPF partnered with Batorfy Attila, Hammer Ferenc, Galambosi Eszter (Eötvös Loránd Science University, Media Department), who conducted the data collection, scored and commented the variables in the questionnaire and interviewed relevant experts. The report was reviewed by CMPF staff. Moreover, to ensure accurate and reliable findings, a group of national experts in each country reviewed the answers to particularly evaluative questions (see Annex II for the list of experts).

Risks to media pluralism are examined in four main thematic areas, which are considered to capture the main areas of risk for media pluralism and media freedom: Basic Protection, Market Plurality, Political Independence and Social Inclusiveness. The results are based on the assessment of a number of indicators for each thematic area (see Table 1 below).

Basic Protection	Market Plurality	Political Independence	Social Inclusiveness
Protection of freedom of expression	Transparency of media ownership	Political independence of media	Access to media for minorities
Protection of right to information	News media concentration	Editorial autonomy	Access to media for local/regional communities and for community media
Journalistic profession, standards and protection	Online platforms concentration and competition enforcement	Audiovisual media, online platforms and elections	Access to media for people with disabilities
Independence and effectiveness of the media authority	Media viability	State regulation of resources and support to media sector	Access to media for women
Universal reach of traditional media and access to the Internet	Commercial & owner influence over editorial content	Independence of PSM governance and funding	Media literacy

Table 1: Areas and Indicators of the Media Pluralism Monitor

The Monitor does not consider the digital dimension to be an isolated area but rather as intertwined with traditional media and existing principles of media pluralism and freedom of expression. Nevertheless, the Monitor allows for an extraction of a digital-specific risk score and the report contains a specific analysis of risks related to the digital news environment. The results for each domain and indicator are presented on a scale from 0 to 100%. Scores between 0 and 33% are

considered low risk, 34 to 66% are medium risk, while those between 67 and 100% are high risk.

On the level of indicators, scores of 0 were rated 3% and scores of 100 were rated 97% by default, to avoid an assessment of total absence or certainty of risk.

Disclaimer: The content of the report does not necessarily reflect the views of the CMPF or the EC, but represents the views of the national country team that carried out the data collection and authored the report. Due to updates and refinements in the questionnaire, the MPM2020 scores may not be fully comparable with MPM2017 ones. For more details, see the CMPF report on MPM2020, soon available on: <http://cmpf.eui.eu/media-pluralism-monitor/>.

2. Introduction

According to the last national census of 2011[1], Hungary had a population of 9,985,000, but since then decreased to 9,773,000[2]. Hungary is mostly a monolingual country, 99% of the population speaking Hungarian. From the ethnic point of view the country is mostly homogeneous. According to the census of 2011, 16% of the respondents claimed to be from other ethnicity than Hungarian. The largest ethnic minority is the Roma, giving 3.1% of the total population[3]. Hungary's GDP/capita was USD 14,224 in 2017, one of the lowest amongst the EU28 countries after Bulgaria, Romania and Poland[4]. The country's economy is stable.

Hungary is a parliamentary democracy. From 2010 the right-wing Fidesz-KDNP (Alliance of Young Democrats-Christian Democratic People's Party) coalition is in power winning three national elections consecutively in 2010, 2014 and 2018 with two-third majority. The opposition is fragmented and weak.

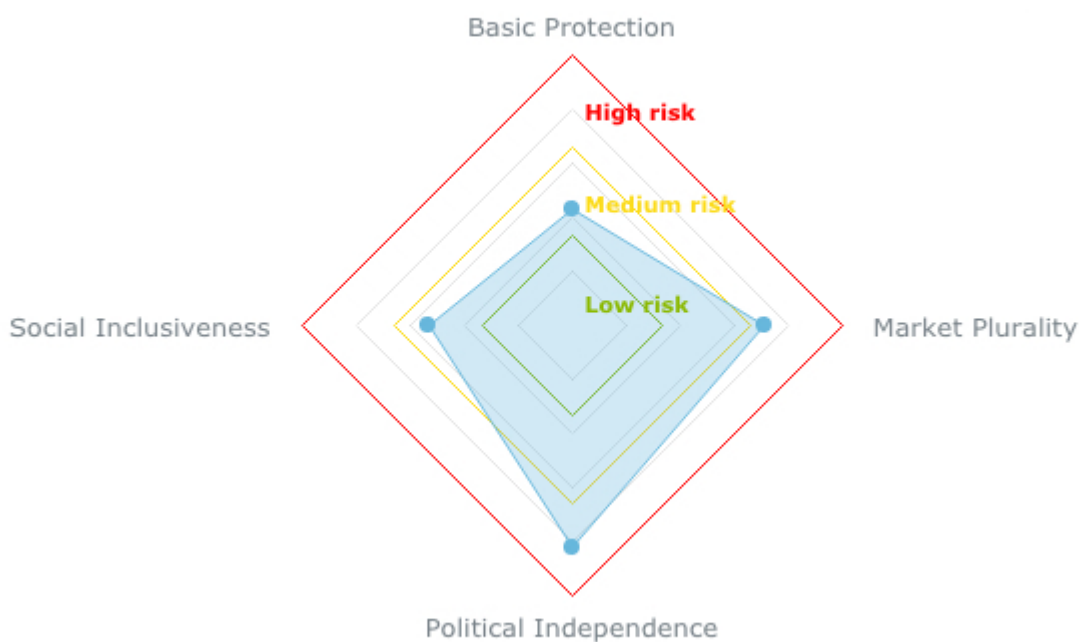
The Hungarian media market consists of a mix of public and private media and increasing local ownership influenced by the government. The market used to be characterised by a high level of political parallelism, colonization and instrumentalization according to the duopolistic political economy of the right and the left, but as the right gained significant power, it's better to say that the market is controlled largely by the government, and not by different parties, or business interests.

The internet penetration is high at 86.3%[5], and the proportion of regular internet users is 75%[6], which is lower by 8% as the EU28 average. Online media and social media intermediaries are the most important information sources, but television is still has a key role in the news ecosystem[7]. Trust in media and journalism is Hungarians are extremely low[8]. heavy Facebook-users, but other social media platforms, like Twitter are not popular.

Hungarian media's main regulatory body is the National Media and Infocommunications Authority (NMHH) guarding over the rights and stipulations laid down in the Media Act 2010.

3. Results from the data collection: assessment of the risks to media pluralism

Hungary: Media Pluralism Risk Areas



JS chart by amCharts

Risks to media pluralism in Hungary are still considerably high and increasing in comparison with the previous editions of the MPM. As for the previous year, Basic protection risk scores are the lowest and Market plurality and Political independence indicators score the highest risk. The regulatory framework regarding the specific areas does seem to be formally satisfactory, and more or less they are in line with the EU-standards, guidelines and recommendations. But the laws are implemented quite poorly, and the effectiveness of the regulation is problematic at several indicators.

Indicators in the Basic Protection area (Protection of freedom of expression, protection of right to information, journalistic standards, independence of the media authority, universal reach of traditional media and access to the internet) score at medium risk overall. Protection of right to information scores at low risk, while independence and effectiveness of the media authority presents the highest risk in the area.

Market Plurality area, namely commercial and ownership influence on content, transparency of media ownership, news media concentration, and online platforms concentration present an overall high risk, except media viability, which scores low risk. The overall risk of market plurality area is growing, due to the specific case of merge of large number of pro-government news outlets into one company, and the media authority' inability in preventing high level of concentration. Media viability's low risk score largely depends on state intervention mostly in form of state advertising.

The Political Independence indicators almost all score high risk. The unregulated, limitless and non-transparent distribution of state advertising and other subsidies to pro-government and other media could serve as an indirect instrument of soft-censorship, undermining editorial autonomy and exercising control of the media market. The PSM is politicized and, therefore, cannot fulfil its role in informing the Hungarian citizens in an accurate, fair and impartial way.

The Social Inclusiveness area shows the best shape amongst the areas, but still scores at medium risk. The lack of up-to-date, new research on these specific topics is being assessed as a potential risks. Within the area, Access to media for women presents the highest risk-score indicator, but Access to media for minorities and Media literacy are also close to high risk. Access to media for people with disabilities scores low risk. In the last few years several media literacy programs were launched by the state and non-governmental organisations, but their effectiveness is questionable.

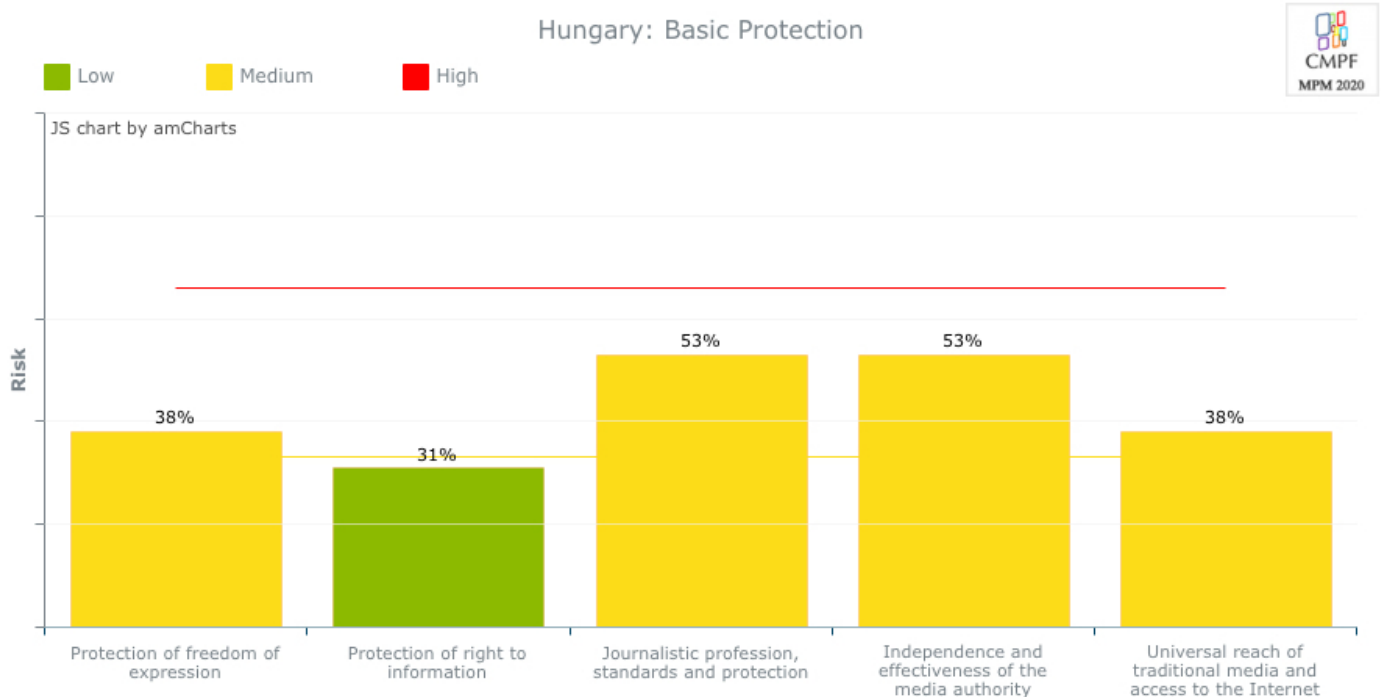
The specific risks emerged with the online sphere slightly worsen the areas except basic protection. The reason is that the new challenges regarding social media platforms, fake news, privacy, online advertising concentration are not addressed yet properly in the policy making and regulation, and it's still question how a new regulation will be used and abused by political aims.

As we will see in the detailed explanation of the areas, a formally adequate regulatory framework - per se - can't guarantee democratic, plural, fair and inclusive media landscape. If the institutions and regulatory bodies are possessed by politics, if the democratic checks and balances are dismantled, and if the laws can be easily overruled and by-passed, then having proper laws is only a necessary, but way far not sufficient condition for a plural, thriving, healthy media ecosystem.

To be consistent with the previous reports on Hungary we keep the structure of them and in few cases we only updated the data and added new information to the last report.

3.1. Basic Protection (43% - medium risk)

The Basic Protection indicators represent the regulatory backbone of the media sector in every contemporary democracy. They measure a number of potential areas of risk, including the existence and effectiveness of the implementation of regulatory safeguards for freedom of expression and the right to information; the status of journalists in each country, including their protection and ability to work; the independence and effectiveness of the national regulatory bodies that have competence to regulate the media sector, and the reach of traditional media and access to the Internet.



Protection of freedom of expression (38% - medium risk)

Protection of freedom of expression is formally guaranteed not just by ratified international conventions, most importantly by the International Covenant on Civil and Political Rights and the European Convention on Human Rights, but also by the Fundamental Law 2011 the Media Act 2010, and the Act on Freedom of the Press 2010[9]. Naturally the right of freedom of expression is limited by taking account some evident cases when this freedom is used by malintent, or carelessly. Both Civil[10] and Criminal Code 2012[11] gives protection against defamation, libel, protects privacy, personal data, facial likeness and recorded voice. The Criminal Code commands about hate speech and blasphemy of national symbols[12]. Special cases are those, when question of “objective responsibility” raises. The principle of objective responsibility does mean that the medium and the journalist must take responsibility when quotes or links

someone or something who or what commits defamation and libel. The court practice is controversial. There were also some concerns that the new Civil and Criminal Code will be used against journalists with the possibility of investigations resulting in castigations, fines and even incarcerations for offences. There have been only a few cases by this intention, but none of them resulted grave punishment. Most legal procedures of defamation or libel, if the action of damages is proved to be relevant, result in press-corrections and penalties. In the past few years most of the actions of damages were launched against pro-government news media.

Protection of right to information (31% - low risk)

The right to access public information is explicitly recognized by the Fundamental Law[13] by the Act CXII of 2011 on the right to informational self-determination and on the freedom of information[14] and the so called „Glasspocket Law”[15] on the transparency and accountability of public bodies. The Hungarian Government joined the international Open Government Partnership in 2013. However, the government took certain measures to weaken the regulation making more difficult the availability and accessibility of public information. In 2013 a new amendment, called “Lex Átlátszó” was introduced to the Act CXII[16] which narrowed the possibility of obtaining public information. The amendment orders that public institutions can deny the disclosure of their information if the request is about “in-depth” information or invoices. The official explanation by the government was that the number of “abusive” information requests by journalists have increased. In 2016 the government introduced a decree[17] which empowered public institutions to charge requests of information in cases when answering the request would need extra work by the public body. The decree resulted in enormous charges up to ten of thousands EUR. Lastly, the government quit from the Open Government Partnership in 2016, because the official reports of the OGP criticized the government’s politics on transparency and accountability.

Despite the restrictions, the court practice is still on the part of the journalists and the public, but many times they are incapable enforcing the fulfilment of the verdict. Although the laws are very clear on what is public information and should be the procedure when public information is required by citizens and journalists, most of the public bodies don’t obey to the laws, and sometimes ignore the court verdict, or the official notice of the National Data Protection and Freedom of Information Authority (NAIH). It is also a problem, that the law does not details the format in which public information should be disclosed. Therefore many times public institutions give out the requested data, but in an unreadable form.

Classifying certain types of government investments, contracts and businesses is also an increasingly used method of denying access to public information. This method was used when journalists wanted to receive the contracts and the documentation of Paks II Nuclear Powerplant, or lastly, when journalists wanted to know who and when fled with Hungarian Air Force’s aircrafts for private purposes in Dubai, Las Vegas and Panama.

Denying press credentials to the Parliament or to election and party events is also an increasing phenomenon in Hungary. Private television channels can’t take footage of plenary sessions of the Parliament. The President of the Parliament, Fidesz MP László Kövér ordered that the press can ask questions in the Parliament only in a very restricted area, which area is rarely used by politicians. Independent media have chance to ask at government press conferences only occasionally.

Journalistic profession, standards and protection (53%, medium risk)

Access to the journalistic profession is open for everyone, but the trust and the honour of the profession is exceptionally low. There are also certain socioeconomic and cultural barriers to be considered. The wages are remarkably low, and even lower in the countryside at local media outlets. Journalists from the countryside rarely get good offer from the capital. There are significant pay gaps between man and women, the capital city and the countryside and between pro-government and independent media. News companies seek young talents as interns for zero, or very low wages, therefore most of the talents choose other profession like advertising or public relations. Sadly, most of the journalists did not study journalism at schools or at workshops, thus illiteracy and lack of knowledge is significant amongst them. Just to highlight the problem: some disinformation, hoaxes, conspiracy theories or fake news are not creations of

amateur bloggers or conspiracy theory believers, but mainstream left- and right-wing professional media.

Although there are many professional unions and associations (the largest is the Hungarian Journalists Association with around 5,000 members) with clear self-regulatory guidelines based on international standards and classic doctrines, the polarized media system can't hold the journalists to these standards, and the standards are often overruled by partisanship, preconceptions, party-loyalty and ideological positions. Even the unions are associated with the left and the right, and their reputation is very poor.

Currently there is no collective contract protection journalists' rights, but there is plan on regularize somehow the area. The idea of the Press Chamber comes from pro-government journalist György Szöllősi, and according to the concept, the membership would not be mandatory, but only those journalists could get access to governmental and public information who are members of the chamber. The concept also contains points of labour rights. For example, those media companies which are members of the chamber should register their journalists, monthly billing would not be possible. The concept also wants to set the minimum wage for journalists. The idea of the Press Chamber came into light twice in the past two years, but most of the independent journalists were skeptic about the intentions.

Sources are protected by law and also by the Constitutional Court. Courts may oblige a journalist to reveal his or her sources and the case must be specifically justified. Even so, reliable sources are quite rare in Hungary. Most of the potential sources distrust journalists, other sources want to push personal or political agenda, but there were few cases when a source simply wanted to trick the journalist. For the matter of fact, we must add that in those few cases when a source revealed himself from anonymity, the pro-government propaganda launched kompromat and defamation campaign against the source, and the society could not provide, or did not want to provide defence to the source.

Independence and effectiveness of the media authority (53% - medium risk)

The National Media and Infocommunications Authority (NMHH – Media Authority) was established by the Media Act 2010 by the merge of the National Radio and Television Commission (ORTT) and the National Infocommunications Authority (NHH). The decision maker body of the Media Authority is the Media Council consisting currently of five delegates by government party Fidesz. According to the Media Act 2010, the main objective of the Media Council is to guard and shape the media landscape by enforcing the stipulations of the law regarding pluralism, editorial independence, ownership, frequency allocation, fair competition, child protection and overseeing the operations of the PSM. The Media Law formally guarantees the independence of the Media Authority, but the appointment procedures do not provide adequate legal safeguards for independence when a government has a two-third majority in the Parliament. In these cases, the composition of the Media Authority and the Media Council depends on the government's will. Currently all five members of the Media Council were nominated and elected by the Fidesz for nine-year terms. The president of the Media Authority and the Media Council is the same person appointed by the president of Hungary after approving the nomination by the prime minister. While the rules of eligibility and incompatibility for the members are specified in the Media Act 2010, they don't ensure objective and transparent procedures in practice. The last election of the members of the Media Council took place from September 2019 to December. While oppositional parties had their candidates for the September deadline, government parties Fidesz and KDNP did not have and they outvoted the candidates of the opposition until they did not find their own nominees. The procedure lasted until December, all the four new members of the Media Council are delegated by the government parties. The decisions of the Media Council are often questionable and dubious, serving particular media politics of the government. In these terms we can say that the Media Council is ineffective to enforce some of the most important aspects of the Media Act 2010, but highly effective in enforcing the government's will.

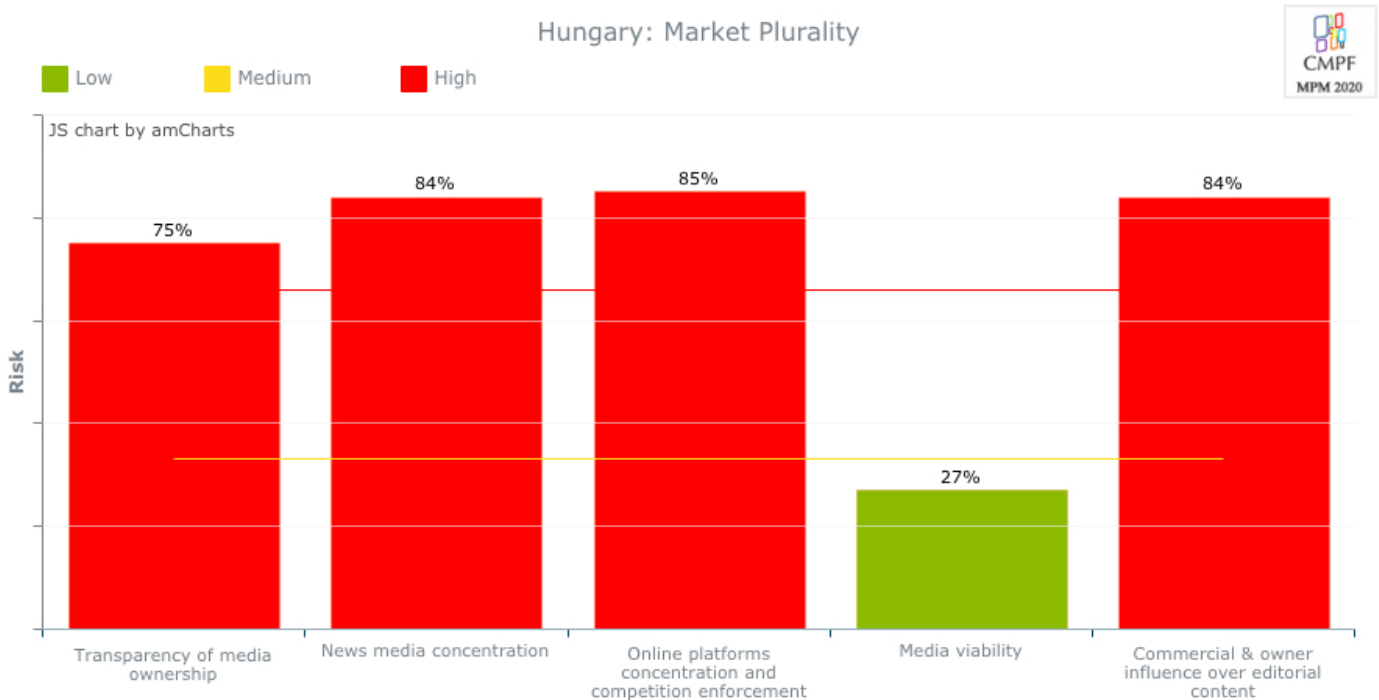
Universal reach of traditional media and access to the internet (38% - medium risk)

The media law guarantees the existence of the Public Service Media, but universal access is not specified. All public service television channels are distributed via digital satellite and terrestrial broadcasting and can be accessed by more than 99% of population via DVB-T. The coverage of public service radio channels varies from 70% to 99% according to the channels and the type of the receiver. The print media distribution market is duopolistic, the two main actors are the private Lapker and the state-owner Magyar Posta (Hungarian Post). In 2019 there was a rumour that pro-government media giant KESMA would launch a new distributor, and the Hungarian Post would eventually leave the

market for the new actor, but there isn't any new information on the topic. Problems with the delivery of newspapers to small villages still persist. The internet penetration in Hungary is 86%, but universal access for broadband has not been achieved yet.

3.2. Market Plurality (71% - high risk)

The Market Plurality indicators examine the existence and effectiveness of provisions on transparency of media ownership and the existence and effectiveness of regulation or self-regulation against commercial & owner influence on editorial content. In addition, they assess the risks related to market concentration in the production as well as in distribution of news: as for production, considering separately horizontal concentration in each sector and cross-media concentration; as for distribution, assessing the role of online platforms as gateways to news, the concentration of online advertising market, and the role of competition enforcement and regulatory safeguards in protecting information pluralism. Moreover, they seek to evaluate the viability of the news media market.



Market plurality is highly debated topic in Hungary. Government officials often claim that Hungary's media market never was so diverse than nowadays, arguing that historically the development of the Hungarian media after the fall of Socialism was defected. The once state-owned media were privatized shadily by post-communist business elite and multinational companies, therefore conservative, patriotic and Christian views were not represented and articulated by the media according to their weight in the society. Thus – following the argument – a right-wing, conservative and patriotic government has all the rights and authorization by the “nation” to reshape the media landscape using legal, regulatory and state-backed financial instruments[18]. This logically constructed, but vague argument is key in understanding what's happening in Hungary's media regarding market plurality.

The indicator of **Transparency of media ownership** scores at 75%. All media owners are obliged to register their companies at the Court of Registry, and also their published titles at the Media Authority. Basic information on ownership is freely available on a website operated by the Ministry of Justice, or by fee-based subscription through private companies. A new draft in 2019 proposed by the government would limit the availability and accessibility of open company data due to “abusive and misused” data collection, which would make more difficult the journalistic work. While the real owners often use proxies and straw men, or build multi-layered company structures for obscuring themselves, journalists still have chance to investigate ultimate beneficial owners behind companies. A more serious problem emerged lastly by court-interpretation of the GDPR-regulation which may have influence also on the

transparency of media ownership. A company sued the Hungarian edition of Forbes because the magazine informed their readers about the owners, assets and financial data of the company. The court ruled that while information about the company can be learnt by journalists and citizens from company registry data, it does not mean that they are authorized to share this information publicly without the consent and permission of the given company. This interpretation of the GDPR would practically put an end to the transparency of ownership also in the media. Forbes appealed against the court's decision, and the process is still ongoing.

News media concentration also scores a high risk at 84%. The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) is responsible for ensuring the proper functioning of the markets without improper competition practices or concentration occurring. The 2010 Media Act entitles the Media Council to intervene in a merger/acquisition approval procedure conducted by the competition authority in the cases where the provisions of the 2010 Media Act related to concentration in the media market apply. The position statement of the Media Council binds the Hungarian Competition Authority to consider and apply that position statement in determining the approval or rejection of the merger/acquisition. The Competition Authority cannot legally decide against or without the consent of the Media Council; however, the Media Act permits the Competition Authority to still disapprove transactions approved by the Media Council or to add more conditions to the transaction that the Media Council did not propose. While the Media Act 2010 contains clear provisions limiting concentration based on EU-recommendations, and on market and audience share, the decisions of the Media Council are arbitrary, non-transparent, unaccountable, and the limitations can be overruled by the government. Therefore, the provisions can't prevent market concentration and the Media Council can interpret the law controversially. This was the case when the Media Council did not give permission to the merge of television company RTL and digital company Central Media, but gave licensed the merger of publisher Lapcom, radio network Radio 1 and television company TV2 under the same pro-government owner. The case of pro-government Central European Press and Media Foundation (KESMA) was highly reported by the international press, and the CMPF also wrote a technical report on the case[19] by a request of the European Commission, evaluating the fusion of large number of pro-government media companies as high risk. In November 2018 a dozen of pro-government media owners offered their companies to the KESMA without any financial compensation resulting that almost 500 hundred media titles, including television and radio channels, nationwide and local newspapers, tabloids, magazines, and online news sites became part of one media giant. According to the Media Act, the merger would not be possible, but with a decree signed by Prime Minister Viktor Orbán, the government labelled the company as "importance of national interest" and moved the merger under an other law from 2013, which allows the government to take out companies from the supervisory process and approval of the Competition Authority. The Competition Authority argued that in the absence of authorization they can't intervene, and the Media Council – which still had legal authorization to ban the process – accepted the decision of the Competition Authority. This example highlights that when even the arbitrary interpretation of the competition and media law can't help, the government can simply solve this problem with other law. The reasons behind the merge is yet to be investigated, because the foundation-form still requires certain level of transparency of personnel and revenues. For media scholars and researchers, the merger was not surprising, because most of them treated the different pro-government media companies as one asset before the creation of KESMA. In this sense even the most rigorous regulation on ownership concentration could not prevent the monopolization of information.

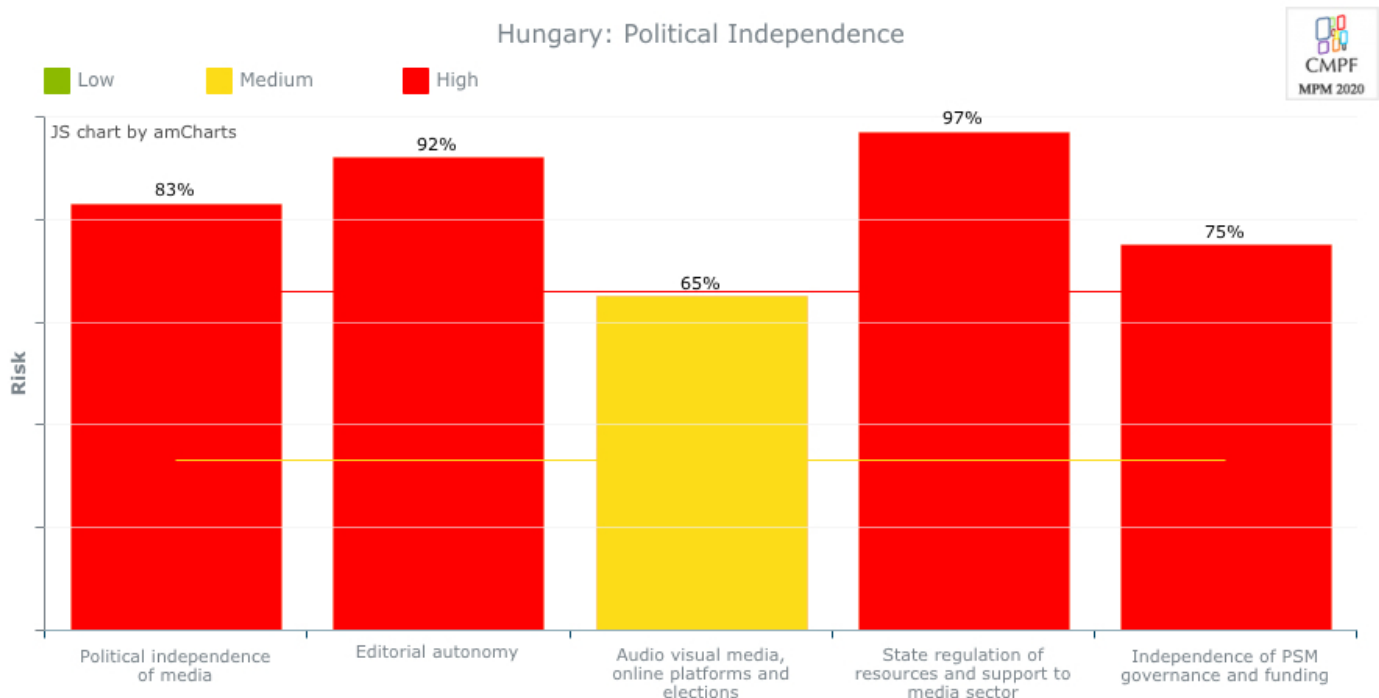
Given the certain developments on the Hungarian media landscape, risks regarding **Commercial and owner influence over editorial content** worsened to 84% from 67%. Hungary is a small, but exceptionally fragmented market with limited audience and purchasing. Commercial and owner pressure is part of the daily journalistic job, which results sensationalism, polarisation, shady advertising methods like unmarked advertorials and pr-interviews. The pressure on journalists comes mostly indirectly from the editors and the management[20].

It might be surprising that **Media viability** scores at low risk a 27%. To the matter of fact, the media market at large, but also the different segments have grown remarkably in the past years. But the reason behind the growth is not that commercial advertisers spend more on advertising, but the enormous amount of public money spent by the government on self-advertising and propaganda. The state spent 300,000,000 EUR on advertising in 2018[21], which is one third of

the total advertising revenue of the media market. This year the state increased the budget to 450,000,000 EUR. This is alarming quantity of money used not only for financing pro-government media, but also for controlling independent media. The share of state advertising within the total advertising revenues in the news media is rapidly and extremely growing. Not only pro-government media build their entire business model on state advertising, but some independents, critical outlets too[22]. This assesemnt, therefore, cannot be correctly interpreted unless it is linked to the results of the indicator on State regulation of resources and support to media sector (see below).

3.3. Political Independence (82% - high risk)

The Political Independence indicators assess the existence and effectiveness of regulatory and self-regulatory safeguards against political bias and political influences over news production, distribution and access. More specifically, the area seeks to evaluate the influence of the State and, more generally, of political power over the functioning of the media market and the independence of public service media. Furthermore, the area concerns with the existence and effectiveness of (self)regulation in ensuring editorial independence and availability of plural political information and viewpoints, in particular during electoral periods.



Media scholars gave different names to the Hungarian media system after the fall of socialism in a historical-retrospective aspect. The common features of these theories consist of high (external) political parallelism, high instrumentalization, high level of polarization and party-colonization of the media (see: Bajomi-Lázár, 2018). After 2010 new concepts emerged by analysing the government's politics and policies on media, like captured, controlled, vassal, or patronism-clientelism. The minimum lesson we can learn from scholarship and research that the Hungarian media never was independent from politics.

Political independence of media indicator scores high risk at 83%. The Media Act sets up certain provisions restricting political parties and politicians from providing audiovisual service. But political parties and politicians (except members of local governments) can own newspapers and online news sites without any restrictions. Almost all political parties have their own, mostly online, propagandistic news media, but there are some politicians who run professional news outlets too, like Péter Ungár, member of the management of 'Politics Can be Different' party, who owns different news sites, and also has a share in the pro-government weekly newspaper Figyelő through familiar ties. Even so, direct political influence or control over media is not common in Hungary, but indirect influence via proxies, straw men, oligarchs and business ties is one of the main characteristic of the Hungarian media. The traditional

duopolistic division of the media market between the left and the right was dismantled by the Fidesz-KDNP government after 2010, and the aim of the government to have a loyal, uncritical media eventually led to the creation of the media conglomerate KESMA. The remaining independent media is often targeted by campaigns, threatened by taxation policies and controlled by state advertising.

Therefore, **Editorial autonomy** cannot be other than high risk at 92%. It's not surprising that pro-government media is not independent from politics, and they make it difficult for independent media to exist at all. The competition for advertising, the many times politically motivated decisions by the regulators and the courts, and the kompromat-campaigns against independent journalists and owners slowly create an atmosphere for chilling mechanisms and fear. On the other hand – as we discussed before – some parties on the opposition have their own media, and they also spread mostly sensationalism, disinformation and propaganda.

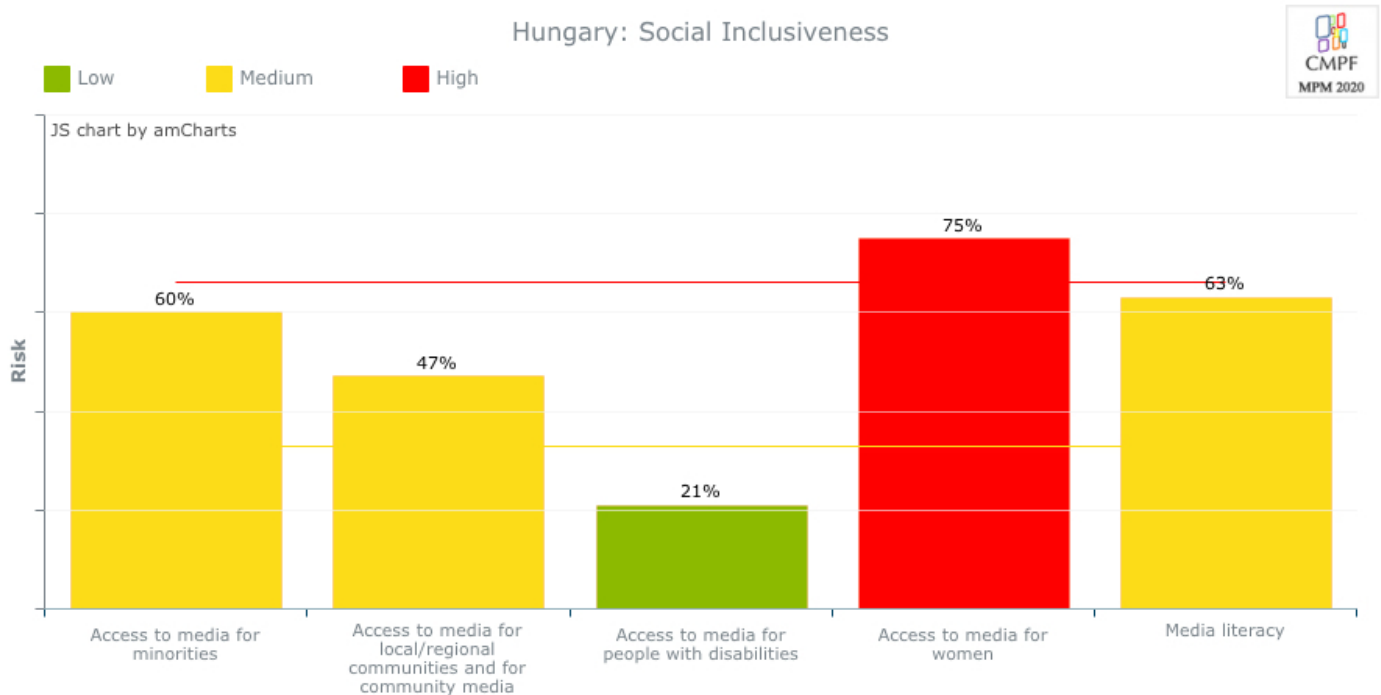
The indicator on **Audiovisual media, online platforms and elections** shows medium risk at 65%. According to the Media Act 2010 and the Code of Ethics of the Public Service Media stipulates the PSM channels and services should provide fair, balanced and impartial representation of political viewpoints in news and informative programmes. This key principle is not implemented in practice. Even the Media Authority in several occasions found that the PSM is gravely biased and uncritically partial towards the government. The law stipulates that during electoral campaigns the PSM shall guarantee equal airtime for political advertising for all parties without financial compensation. Private channels can decide whether they want to provide airtime to political advertising or not, but neither they can receive money from the parties. Political advertising out of electoral campaign period is not allowed for political parties, but the government can advertise. This practice was attacked by the opposition and NGOs. However, the Media Authority ruled that government advertising is not political advertising, but “public interest message”. After the elections all political parties have to disclose their advertising expenditures, apart from online political advertising, which mainly takes place on Facebook and is unregulated and non-transparent. The data provided by Facebook have raised some questions on methodology in Hungary.

The indicator on **State regulation of resources and support to media sector** scores the highest risk not only in this area (97%), but in the entire report. This is mainly due to the lack of fair rules and transparency on distribution of state advertising. There is no legislation regarding the distribution of direct or indirect state subsidies to private media. The state is the largest advertiser sector in Hungary (Atlatzso, 2019). In 2018 the Hungarian state (the government, state owned companies, ministries, public institutions, municipalities, etc.) spent 300,000,000 EUR on advertising, which is approximately one-third of the total advertising revenue of the market. In the year 2019, 75% of the total expenditure went to pro-government media (private and public). The share of state advertising that goes to pro-government outlets in the newspapers market was 75%, in the weekly newspaper market was 92%, in the television market was 95%, in the online news market was 90% and in the radio market was 90% (Atlatzso, 2019). State advertising is harmful for the entire media ecosystem, because the reward is not based on market performance, audience share, effectiveness, but on political loyalty and favour. It is also an indicator for commercial marketers where to spend more money for lobbying purposes. The weight of state advertising on the market is disturbing, which urges an independent, or critical media also to build their business model around state advertising.

The indicator on **Independence of PSM governance and funding** poses high risk (75%). State support is growing annually. In 2020 the budget provided by public money for the PSM is nearly 260,000,000 EUR. The Media Council is responsible for approving the Fund's annual plan and subsidy policy and for determining the rules governing how MTVA's assets can be used, managed, and accessed by the public media. The Fund's annual budget is approved by the Parliament. There is a lack of transparency and civil control and oversight over the budget of the Fund (Bátorfy & Urbán, 2019). The PSM is supervised by a single body, the Media Services and Support Trust Fund (Médiaszolgáltatás-támogató és Vagyonkezelő Alap, MTVA), managed by the country's media regulator, the Media Council, a body composed of five members who were all appointed and elected by the governing majority. The chairperson of the Media Council appoints, sets the salary for and exercises full employer's rights over the MTVA's director general, deputy directors, as well as the chairperson and all four members of its Supervisory Board.

3.4. Social Inclusiveness (53% - medium risk)

The Social Inclusiveness indicators are concerned with access to media by various groups in society. The indicators assess regulatory and policy safeguards for community media, and for access to media by minorities, local and regional communities, women and people with disabilities. In addition to access to media by specific groups, the media literacy context is important for the state of media pluralism. The Social Inclusiveness area therefore also examines the country's media literacy environment, as well as the digital skills of the overall population.



Assessing the risks of the area of Social Inclusiveness is difficult in Hungary due to the lack of fresh and current researches and reports. Only the fact that there are not current data on different indicators can be a sign of risk. Thus, our conclusions have not changed significantly from the last year.

The indicator **Access to media for minorities** poses medium risk in the MPM2020 (60%). The 2010 Media Act guarantees access to public media for various groups, including ethnic, religious, local and regional communities, as well as for people with disabilities. However, minorities which are not recognised by law do not have access to airtime, especially on private television and radio channels. According to the National Media and Telecommunications Authority, neither the thirteen recognised, nor other minorities have their own programmes and airtime on commercial, private television channels[30]. In recent years there have been a number of civic initiatives aimed at producing minority programming as well as at providing education for minority journalists. PSM has a weekly Romani programme the Roma Magazin, and in March 2019 a private company launched the first Roma television channel, the Dikh TV, which produces not only television shows, but also music videos for Roma popstars. Modern Roma popular culture is not represented in the PSM, neither on large private television and radio channels, but these videos are extremely popular on Youtube and their viewership largely overperforms most of the Hungarian pop production. The representation of Roma people is very poor in the national culture. Their roles in the Hungarian movies, television series and talk shows are limited, stereotyped and highly caricaturized. The usual role for Roma actors is the criminal, the deviant, the drug addict, or the loud, the harsh, and the “gypsy musician.” The diverse, modern, high quality Roma culture is thriving on Youtube and on Facebook.

The indicator on **Access to media for local/regional communities and for community media** scores medium risk as well (47%). Community media are awarded access to media platforms through tender procedures and decisions carried out by the Media Council. The 2010 Media Act specifies a range of programming provisions and obligations for linear community media. According to these provisions, community media are “a) intended to serve or satisfy the special

needs for information of and to provide access to cultural programmes for a certain social, national, cultural or religious community or group, or b) are intended to serve or satisfy the special needs for information of and to provide access to cultural programmes for residents of a given settlement, region or reception area, or c) in the majority of their transmission time such programmes are broadcasted which are aimed at achieving the objectives of public media services.” Since new media laws were passed in 2010, the community media sector has undergone significant changes that have radically reduced the diversity of Hungary’s community media sector. Community radio licensing has been highly politicised since 2010, due to the National Media and Telecommunications Authority (NMHH’s) tendering practices which have generally favoured outlets that provide government-friendly, conservative and/or religious programming (Mertek.eu, 2013). On 21 December 2019 one of the oldest community radio in Hungary, the Civil Radio was closed down after 24 years of existence, because the Media Authority did not give them the license to broadcast. The non-political Civil Radio was the only radio dedicated to representing civil, non-governmental organizations.

The indicator on **Access to media for people with disabilities** scores low risk (21%). The media law stipulates that audio-visual media service providers need to provide programmes accessible for the hearing impaired, stipulating that more programmes need to be provided with subtitles or in sign language every year. The PSM and the two leading national commercial television channels need to provide at least ten hours of programming per day with subtitles or sign language between 6-24 hours. Some programmes of the PSM and the leading commercial national television channels are subtitled.

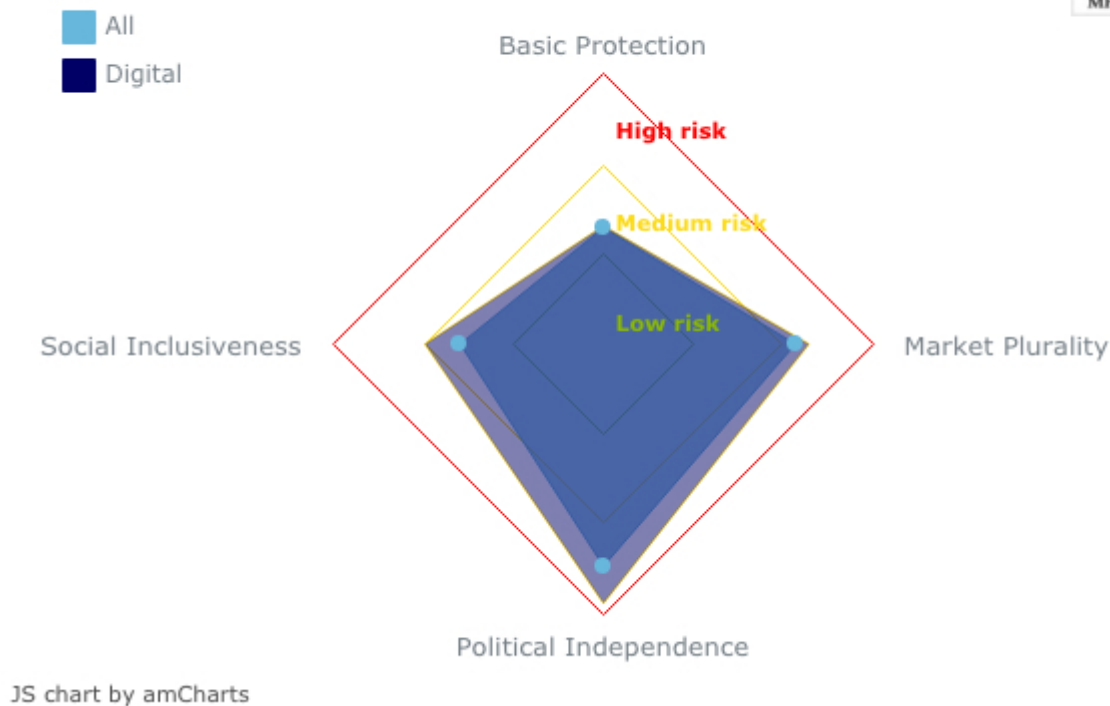
The indicator on **Access to media for women** scores high risk (75%). The Equal Rights Law 2013 guarantees women fundamental labour rights based on EU guidelines and frameworks. However, the issue of women’s equal representation in both the media and across all industries in Hungary is a persistent problem. The proportion of female board and management members in media companies is low. While gender issues are addressed in the media, it is still common to air only-male talk shows on gender topics. Female experts are interviewed mostly on “light” topics, like gastronomy, lifestyle, maternity, esotery, psichology.

The indicator on **Media literacy** scores medium, close to high risk (63%). At present, media literacy is mainly addressed under the National Curriculum, the country’s new educational policy launched in 2013. The cited objective of media literacy is to “help students become responsible participants in a mediated global public discourse and understand the language of both new and conventional media.” According to a 2015 study, efforts to centralise and homogenise media education along with the whole education may hamper the above stated objectives (Neag, 2015). In addition, while the National Curriculum addresses digital literacy, poor IT-infrastructures in schools combined with significant reductions in IT classes under the National Curriculum threatens to exacerbate the digital divide among low income students and other social groups.

The 2010 Media Act also obliges the Media Council to promote media literacy. The legislation specifies that it is the obligation of the PSM to “promote acquisition and development of knowledge and skills needed for media literacy through its programmes and through other activities outside the scope of media services” (§82(2)(c)). In 2014, the Media Council launched a media and literacy education centre called the Magic Valley. The Council has also hosted at least one major international conference (Decoding Messages - Best Practices in Media Literacy Education) that involved input from range of international experts. In addition, the Council has published a book and education film package on media literacy that can be used in educational programs and schools. There is no data available on the impact or success of the Media Council’s media literacy program. In the past few years some non-profit news organizations (like Átlátszó), and several NGOs (like Mérték, Televele, Független Média Központ, Urban Legends) launched media literacy programs for teachers, students and journalists. The workshops focus on fake news, digital tools, child-protection and surveillance. It is very difficult to measure their impact, but their reach is limited. We must highlight the controversial role the PSM and the Media Council has in media literacy programs. On one hand they have good workshops and the Magic Valley is popular, the PSM often spreads disinformation and fake news, and its editorial practices are highly questionable.

4. Pluralism in the online environment: assessment of the risks

Hungary: Media Pluralism Risk Areas - Digital



This year the MPM dedicates a separate section for assessing risks for media pluralism in the light of digital environments and online media. The issues emerged in the past few years not only in academia but also in the everyday discussions regarding the digital world are weakly addressed by the Hungarian regulation and policy making. Certain topics, like the regulation and taxation of digital platforms like Facebook or Alphabet, or online privacy are on the political agenda, but most of them are only a part of the political communication, and are not really put in action.

Regarding the entire media ecosystem, there aren't any specific regulations for online media, or any regulations which would try to treat the challenges of the digital world. This is true for almost all the areas and indicators of the MPM.

Basic Protection

The introduction of the GDPR in Hungary caused minimal problems for most of the media companies, but as we have seen, the good intentions behind the GDPR can be used against the journalistic work. The universal principles shall be applied to everyone regardless that someone is a normal citizen, a politician, a public figure or a powerful businessman. The ongoing lawsuit against Forbes shows the anomalies of the regulation and it can make impossible the journalistic work if certain kind of information extracted from company registry data, digital archives, government documents or contracts can't be used publicly in articles.

Protection of journalistic work is very weak in Hungary on many levels. While surveillance of citizens formally is very difficult for state security agencies, what we have seen in the past few years that countries take giant steps towards total surveillance by connecting databases, digital fingerprints, cctv footages, voice recordings. Digital platforms like Facebook sell data on citizens to shady companies and political parties. These issues are not addressed on the political level in Hungary.

Market Plurality

Viability of online media possess high risk in Hungary. While the advertising revenues of the online sector is increasing in Hungary, more than 50 percent of the digital advertising revenues goes for Facebook and Google. Strengthening the advertising, and other types of revenues for online news media would be vital for the Hungarian democratic public, since most of the most reliable news sources and quality journalism is only online in Hungary. Unfortunately, most of the disinformation, fake news, hate speech and conspiracy theories are also spread online, but the reach of media literacy workshops provided by the Media Authority and non-governmental organizations is low.

Political Independence

Online political advertising is growing in Hungary, but still is a small factor in the advertising ecosystem. The data provided by Facebook on political advertising is still questionable and it is easy for political parties to evade rules by using proxies and intermediaries. Digital media, at the first glance, offers more equal, and democratic conditions for political parties in Hungary, because social media platforms are not influenced by the government. But this democratization is a double-edged weapon, because large social media platforms loud the voice of those who have financial means despite the value and the truthfulness of their messages.

Social Inclusiveness

Digital-specific risk in the area of Social inclusiveness derives mostly from the assessment of digital competencies of individuals in the country and with regard to effectiveness of measures taken to combat hate speech against vulnerable groups online. In Hungary, the percentage of population that has basic or above basic overall digital skills is 49, which represents a medium risk, and 31% of population has undesirable low overall digital skills which also accounts as medium risk. There are several Hungarian laws to counter hate speech in accordance to the Constitution. While most of the hate speech cases were ruled very strictly by the courts, and even by the Media Council, the growing trend of hate speech against ethnic minorities (mostly roma, and migrants), "liberals", jews, LGBT, not just in right- and left-wing subcultural media, but also mostly in pro-government mainstream media is alarming.

Measuring our experiences in Hungary we can conclude that digital environments, with all of its advantages, can be risky to the democratic public.

5. Conclusions

Modern day attempts of controlling the media rarely crash through the door. What we have seen in Hungary in the past few years is that the political takeover of the media is a gradual process. We, and other colleagues addressed our serious concerns many times in the last years not only through the MPM, but in interviews, investigative pieces, informative articles and journal papers. The risks were clearly visible five years ago, and they are crystallized now. What's happening in Hungary on the media landscape, can occur in every other countries. It seems that formal legal mechanisms, democratic institutions and the system of checks and balances can't protect freedom of expression, freedom of press and media pluralism if the power gained by *democratic elections* is large enough to make landsliding structural changes without any democratic agreement, public debate or reaction. Someone might say that this is in the game, with one-third of the total votes a government can have two-third majority in the Parliament. Others might argue that if a society let this happen, then there is no good solution.

If we see across Europe, similar tendencies can be observed. Old and new political parties, movements and subcultures on the left and on the right abuse freedom of expression and freedom of press to promote authoritarian and totalitarian ideas similar to what the Hungarian government does promote. The difference is that the Hungarian government now can use limitless resources, including regulation, state advertising, the PSM and other hundreds of news outlets, to spread propaganda. One of the main target of the Hungarian government is the European Union for years. Most of the pro-government propaganda media had foreign, mostly German ownership just a few years ago. EU-funds are constantly used to finance pro-government media and spread anti-EU messages [37]. Within the EU, as a member of the EU, partly funded by the EU. Last year we wrote in the conclusion that the Hungarian media environment poses high risks to media pluralism. It's more true in 2020 with one amendment. The government's media machinery now has businesses in London, Slovenia, Macedonia, and has good relationships with alternative news organizations in France, Germany and Italy [38]. Therefore the Hungarian media environment can pose high risks to media pluralism in Europe too.

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ANNEXE I. COUNTRY TEAM

First name	Last name	Position	Institution	MPM2020 CT Leader
Batorfy	Attila	MPM Hungary leader	Eötvös Loránd Science University, Media Department	X
Hammer	Ferenc	supervisor	Eötvös Loránd Science University Media Department	X
Galambosi	Eszter	student	Eötvös Loránd Science University Media Department	

ANNEXE II. GROUP OF EXPERTS

The Group of Experts is composed of specialists with a substantial knowledge and experience in the field of media. The role of the Group of Experts was to review especially sensitive/subjective evaluations drafted by the Country Team in order to maximize the objectivity of the replies given, ensuring the accuracy of the final results.

First name	Last name	Position	Institution
Rozgonyi	Krisztina	assistant professor, Phd	University of Vienna - Media Governance and Industries Research Lab
Szigeti	Péter	board member	Association of Hungarian Content Providers
Bayer	Judit	assistant professor, Phd	Budapest Business School - Department of Communication

