

# Hungary: Last newspaper critical of government shut down

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21 October 2016

The October 8 shutdown of *Népszabadság*, a newspaper critical of the government, is a further step towards the complete abolition of press freedom and the establishment of authoritarian structures in Hungary. The right-wing conservative government of Viktor Orbán has silenced the last major newspaper that did not represent the government's own line.

Mediaworks AG, which published *Népszabadság*, officially justified the closure with the allegedly high financial losses of the daily paper. A company statement declared that all editorial activities had been suspended because the paper was unprofitable and had lost 74 percent of its circulation in the past 10 years, despite all attempts to make savings.

The suddenness of the closure and its political background indicates that the paper was put under pressure from the highest government circles. Members of the editorial team wrote of a "coup" on the Facebook page of the newspaper, to which they still had access.

Márton Gergely, deputy chief editor, told the Austrian *Standard* that the editorial office had been lured into an "almost perfect trap" due to a planned move of offices. The paper's workers "had packed all their belongings for transport," prior to the surprise decision to close down.

In the past, *Népszabadság* had reported extensively on the scandals and affairs of members and confidants of the Fidesz government. For example, it recently dealt with the allegations of corruption laid against the head of the central bank, György Matolcsy, who had been appointed to the post by the right-wing government.

*Népszabadság*, which means "Freedom of the people," was Hungary's most important daily newspaper. It was founded in 1956 as successor to *Szabad Nép*, the central organ of the Stalinist

Hungarian Working People's Party, which was regarded as the voice of the Stalinist state party.

After the reintroduction of capitalism it made a rapid about turn. In the same period during the early 1990s former Stalinists made a fortune selling off state-owned enterprises as part of the so-called "wild privatization" program, *Népszabadság* became an advocate of the free market. Free market radicalism and a pro-American orientation became the hallmark of the paper.

Under the direction of former Washington correspondent Andras Kereszty, *Népszabadság* was redesigned in the 1990s according to the American model and privatized. Shares were acquired by Bertelsmann AG, two investment funds, as well as the Socialist Party (MSZP), the successor to the Stalinist state party, which had close links to the new paper.

*Népszabadság* was considered "oppositional" only after the MSZP (which had ruled the country for almost two decades) completely withdrew from the government due to its ultra neo-liberal policy and following a series of corruption scandals. In this period, Viktor Orbán, head of government, emerged as the country's "strong man." His party, Fidesz, which had started out as a socially liberal, anti-communist youth organization, developed ever more openly into an authoritarian, right-wing conservative party with xenophobic and even fascist features.

To secure his rule, Orbán systematically took over the media. At the end of 2010, immediately after its takeover of power, Fidesz brought the media under its control with a new law. Now, a state media council, consisting of the party faithful and confidants of Orbán, exercises a wide-ranging control over newspapers, television and Internet publications. The media council has broad authoritarian powers, ranging from censorship, to determining content, and the imposition

of ruinous fines.

In order to also fully control the private media, the government passed a law in 2014 introducing a so-called advertising tax for the media, which can be used to destroy specific critical media outlets. There are many indications that the government has also directly influenced the editorial line of *Népszabadság*.

Mediaworks, founded in 2014, sells more than 60 media products in Hungary. The company is controlled by the Austrian investment firm Vienna Capital Partners (VCP), whose owner is Heinrich Pecina, a business partner of the well-known Hungarian media mogul Zoltán Speder.

Mediaworks recently acquired the Hungarian publishing house Pannon Lapok Társasága, whose acquisition had been prohibited up to now for fears of a monopoly position. Media experts are convinced that the government gave the go-ahead for the takeover in exchange for the closure of *Népszabadság*.

In a television interview, Fidesz Deputy President Szilárd Németh bluntly indicated that the closure was politically desirable. It was high time that the newspaper was closed, Németh said. The paper, he declared, continued to behave like its Communist predecessor *Szabad Nép*.

At the end of last week it was announced that another Hungarian daily newspaper, *Nepzava*, had also been sold. Although there have been no public statements, it is probable that the new owner is the Swiss group Marquard Media, which mainly publishes lifestyle magazines in Hungary, and is likely to discontinue the paper in its current form.

Now, virtually the entire media landscape is under the control of the government. A recent statement prepared by Democracy Reporting International shows that during the campaign for the country's recent refugee referendum, which ultimately failed due to a large number of abstentions, the state broadcaster M1 supported the government's line in 95 percent of its broadcasts.

Immediately after the announcement that *Népszabadság* was to close, thousands demonstrated in Budapest. The European Union also expressed criticism, but without drawing any practical consequences. "We are very concerned," a spokesman for the EU Commission said, noting that the commission was observing the situation of press

freedom in Hungary. The president of the European Parliament, Martin Schulz, tweeted: "The sudden closure of *Népszabadság* is a frightening precedent. I stand in solidarity with the Hungarians protesting today."

In reality, the EU largely agrees with the policy of the right-wing government in Hungary. Twenty-five years after the introduction of capitalism in Eastern Europe, and the promise of freedom and democracy, the de facto abolition of democratic rights in these countries is not only tolerated, but also serves as a role model for similar attacks throughout Europe.



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