

International Press Institute

MISSION REPORT:

MEDIA FREEDOM IN HUNGARY AHEAD OF 2022 ELECTION



MISSION REPORT: MEDIA FREEDOM IN HUNGARY AHEAD OF 2022 ELECTION

IPI HUNGARY PRESS FREEDOM MISSION REPORT 2022

21 March 2022

Published by the International Press Institute (IPI) Spiegelgasse 2/29, 1010 Vienna, Austria +43 1 5129011 | info@ipi.media | ipi.media

INTRODUCTION

This report was written by the International Press Institute (IPI) following a <u>press freedom</u> <u>mission</u> to Budapest between 17-18 February 2022 in connection with the IPI Executive Board meeting, which was held in Budapest out of concern for the climate for media freedom ahead of the general election on 3 April 2022. As part of the mission, board members and IPI staff met with Zoltán Kovács, the government's international spokesman and secretary of state for international communication and relations, Péter Márki-Zay, the candidate for prime minister for United for Hungary ("Az Emelkedő Magyarország"), an alliance of opposition parties, and Gergely Karácsony, the mayor of Budapest, in addition to leading editors, journalists, experts and academics. This report contains the key conclusions, selected findings of thematic issues and key recommendations for improving media freedom and pluralism in Hungary after the April 2022 election.



International Press Institute

part of





KEY FINDINGS

Ahead of the 2022 general election, the Fidesz government of Prime Minister Viktor Orbán has continued its efforts to systematically erode media pluralism, muzzle what is left of the independent press and manipulate the market to further entrench a dominant pro-government narrative.

To achieve this unprecedented level of political control over the country's media ecosystem, Fidesz has pursued the most advanced model of media capture ever developed within the European Union. This process has involved the coordinated exploitation of legal, regulatory and economic power to gain control over public media, concentrate private media in the hands of allies, and distort the market to the detriment of independent journalism.

The engine of this media capture has been a network of proxies: state-dependent businesses and oligarchs close to the prime minister who have acquired many of the major television, radio and print media, in many cases from foreign owners and multinationals who exited the country. These acquisitions were frequently facilitated by politically driven regulatory decisions and loans from state-controlled banks. Many media brought under Hungarian ownership were either converted into pro-Orbán mouthpieces or closed.

Most Fidesz-allied oligarchs later handed over or donated their holdings to a progovernment media conglomerate, The Central European Press and Media Foundation "Közép-Európai Sajtó és Média Alapítvány" (KESMA). This foundation contains more than 500 different media outlets and is controlled by former Fidesz MPs and allies of the prime minister. KESMA is the dominant player in Hungary's media ecosystem and essentially acts as a holding company for a pro-government media empire, which is used to shape public opinion and insulate citizens from challenging or critical reporting ahead of the election.

The economic lubricant for Fidesz's media capture has been exorbitantly large state advertising budgets, which for years have been instrumentalized to warp the media market in favour of a dominant pro-government narrative. With no rules in place to prevent such abuse, these resources continue to be pumped into media echoing the party line while financially starving critical journalism.

High levels of political control over the system for media regulation has been central to the erosion of media pluralism. The Fidesz-appointed Media Council has used its oversized power over the media market to arbitrarily block and deny broadcast licenses, forcing critical voices such as Klubrádió off the airwaves. Meanwhile, the country's competition watchdog has blocked mergers of independent media while approving market-distorting fusions of pro-government outlets, further facilitating the concentration of media ownership in the hands of companies in Fidesz's business circle.

Hungary's public service media have been deformed into an audivosual propaganda tool of the ruling party. Editorial independence is virtually non-existent for news programming at the public radio and TV, which uncritically amplify Fidesz's messaging. During the 2022 election campaign, the public broadcaster has provided unbalanced and unprofessional news coverage. The leader of the opposition has received zero airtime on the public television. Political control over the state news agency is extremely high, with the prime minister's press office <u>explicitly dictating coverage</u>.

While independent media still exist in Hungary, the government's market-distorting practices and systematic discrimination limit their reach and impact as well as their financial sustainability. When corruption scandals are unearthed by investigative journalists, the findings are ignored by the public media and state news agency or drowned out by progovernment media. Ownership by Fidesz's business allies of all regional print television and radio means citizens living outside the cities have had no access to independent news and information ahead of the election, except online. To further isolate these media, the government continues to divide the journalistic community down political and ideological lines, portraying journalists as purely "political actors".

Independent media face systematic discrimination in terms of accessing public information. This restrictive climate worsened during the Covid-19 pandemic, as independent journalists were banned from hospitals and the government passed a chilling new law criminalizing what authorities deemed to be misinformation aimed at undermining the fight against the virus. Disturbing evidence of state surveillance of Hungarian journalists and media workers using Pegasus spyware underscored the authorities' perception of critical journalists as "enemies of the state".

With control over domestic media largely solidified, in recent years Fidesz's business allies have <u>expanded their media empires</u> beyond Hungary's borders. Though results have so far been limited, these acquisitions point to a coordinated effort to control the flow of content and communication in the region and promote Fidesz's wider illiberal agenda across Europe.

The model of domestic media control in Hungary has been designed in such a way as to give Fidesz plausible deniability against accusations of meddling. By having its loyalist-filled Media Council reject the license renewal for <u>Klubrádió</u>, the government could throw up its hands and deny accusations of interference. By having business cronies acquire independent media, Fidesz can argue the complexion of the media landscape is a result of purely market forces. By having state advertising budgets distributed via separate agencies, it can deny influence over decisions. In this way, responsibility for attacks on independent journalism have been artificially shifted away from the ruling party.

Seeing the success of this arms-length model for muzzling critical media, in recent years elements of Fidesz's model for media capture and control have increasingly been adopted by other EU countries, with adaptations to suit the local media market and political environment. Despite the clear risks to democracy domestically and within Europe, Hungary has so far faced no major repercussions from the EU for its systematic erosion of media pluralism and freedom. This points to an urgent need for additional safeguards within the European Union's democratic architecture and a strong Media Freedom Act to help protect independent journalism within member states and defend core EU values.

During the mission, Mr. Kovács dismissed all the concerns over media pluralism, and independence raised by IPI and said that media freedom was "alive and kicking" in Hungary. Mr Márki-Zay pledged to improve the situation for media to create a level playing field. He also pledged to reform the public broadcaster in line with international standards, address the state advertising of media, give full access to journalists to officials and information and committed to a thorough investigation into abuses of Pegasus spyware against journalists. Mr. Karácsony also said the "main priority" would be to take steps to help foster a diverse and pluralistic media ecosystem, including an independent public broadcaster.

While unravelling over a decade of media capture in Hungary will be a complex and difficult task, it is vital for protecting the integrity of the country's democracy. The government must have a long-term strategy for restoring independence and pluralism based on democratic procedures. At the same time, immediate steps must be taken to stop illiberal practices in the media market. Reform of the public broadcaster, ending the abuse of public advertising and other state resources, and the depoliticization of regulatory bodies are priorities for helping re-establish fair market conditions and fostering a sustainable and pluralistic media ecosystem. (See recommendations below for more details).

SELECTED FINDINGS BY TOPIC

PLURALISM AND TAKEOVERS OF INDEPENDENT MEDIA

Over the last decade the Fidesz government of Viktor Orbán has undertaken a coordinated effort to engineer the forcible closure or takeover of once-independent media by Fidesz-friendly business allies and oligarchs. This fate has met numerous media outlets with critical editorial lines on the government. Media ownership is now heavily concentrated in pro-government hands, mainly through the Central European Media Foundation (KESMA).

Pro-government media continue to enjoy a quasi-monopoly in the daily print media and radio sectors and are dominant overall in the television sector, according to research by the Mérték Media Monitor. In the last few years, pro-government ownership in local and regional media has also increased significantly. All regional daily newspapers are part of KESMA, meaning citizens in rural areas have very little access to independent news sources. Many of these media show little regard for journalistic ethics, and some have become hubs for spreading disinformation and pro-Russian propaganda.

In the mission meeting, Mr Kovács claimed Hungary's media market is the most pluralistic in the EU because conservative media were given equal weight to liberal media, defending the government's media policy as an effort to rebalance the media market to ensure diversity of views. However, the real dividing line in Hungary is not between conservative and liberal media, but between media that are under government influence and those that are not. Hungary's independent media sphere includes both left-leaning and rightleaning media. Conservative newsrooms that are independent from Fidesz also face pressure. For example, Magyar Hang is denied access to the press conferences of the government. The weekly was founded after the right-leaning newspaper Magyar Nemzet was forced to shut down (only to be resurrected as the megaphone of the government). Moreover, the pro-government media sphere is only partly conservative or right-wing. It also includes tabloid media, magazines, sports publications and others that echo government messages or publish government advertisements.

The only market sector where independent outlets can rival pro-government players is online news, where multiple independent media have high daily readership. However, the government's market-distorting practices and systematic discrimination limit their reach and impact as well as their financial sustainability. Only one television station with national reach retains a critical editorial line, the foreign-owned broadcaster RTL Klub, while the last major radio broadcaster, Klubrádió, was <u>taken off the airwaves</u> in 2021.

STATE CONTROL OVER PUBLIC ADVERTISING

In Hungary the state is the largest advertiser in the media market. In 2020 government bodies, ministries and state-owned companies spent €79 million euros on advertising - around one third of the total advertising revenue of the media market. This was a 21% increase on the previous year, according to studies, with 78% of the money spent on spent on pandemic-related messages. Compared to other countries in the region, in 2020 Hungary <u>spent</u> the highest proportion of its state budget on advertising. The country's single largest advertiser is the Prime Minister's Office.

This oversized financial influence, which has continued to increase year on year, has allowed Fidesz to calibrate the market in its favour by rewarding alignment with its narrative while starving critical media of advertising funding. This carrot-and-stick approach has seen independent media excluded from advertising and other subsidies altogether, with public money instead used by agencies to finance Fidesz's media empire. In 2020, TV2 Media Group, which is owned by Orbán ally Mészáros Lőrinc, received ten times more in state advertising revenue then the RTL Hungary, the largest remaining independent broadcaster.

Unlike in normal market conditions - in which selection criteria for public advertising is based on audience size and reach - funding in Hungary is distributed according to political affiliation and loyalty. Over the last decade much of the market in Hungary has adapted its business model accordingly, to the point where many media producing pro-Fidesz content are now so bloated by state funds that they would not survive under normal conditions. No legislation exists which provides fair and transparent criteria for the distribution of state advertising in Hungary. <u>Complaints</u> over these market-distorting practises are currently being assessed by the European Commission under State Aid complaint No. 53108.

Despite overwhelming evidence to the contrary, Mr. Kovacs claimed the state advertising budgets followed market logic and that the government had no influence over advertising spending, which is overseen by a nominally independent budgetary body, the National Communications Office (NKOH). The NKOH was established by Fidesz in 2014 to centralize public communications and its decisions on the distribution of state resources to smaller ad agencies, which then place the adverts, are carried out in a non-transparent and apparently politically-motivated manner.

MEDIA REGULATION

Fidesz wields significant control over the country's system of media regulation through the National Media and Infocommunications Authority (NMHH). Using its two-thirds majority, Fidesz has nominated and appointed its candidates to all five seats in its decision-making body, the Media Council. Members sit for a nine-year term. Ahead of the 2022 election, the chairperson of the Council announced their early resignation, clearing the way for Fidesz to appoint its new head until 2030.

Under laws passed by Fidesz in 2010, the Media Council wields significant power in shaping the media market. This includes sole control over the body overseeing public broadcasting, the Médiaszolgáltatás-támogató és Vagyonkezelő Alap (MTVA), the ability to decide on the tenders for broadcast licenses in the television and radio market, and the approval or denial of proposed media mergers. Its influential president is nominated directly by the Prime Minister.

As a result of a lack of appropriate legal safeguards for upholding the regulator's independence, tendering decisions are often made in discriminatory and politically motivated manner. In 2021, the captured Media Council was instrumental in forcing the country's last remaining critical radio station, Klubrádió, off the airwaves. The European Commission launched infringement proceedings against Hungary over the decision.

In the wider radio market, many of the Media Council's decisions on the tendering of frequencies have also been made down political lines. According to the Mérték Monitor, between 2018 and 2021 a quarter of all tenders for local radio were <u>awarded</u> to a government-friendly political talk radio; another quarter to Catholic or church-themed radio stations; and 18 per cent to Radio 1, a network with owners close to Fidesz. These decisions drastically reduced the pluralism of Hungary's community media sector and paved the way for radio networks close to the government to reach virtually nationwide coverage.

COMPETITION REGULATION AND MEDIA CONCENTRATION

Under the 2010 Media Act passed by Fidesz, the Media Council also assumed powers to intervene in decisions by the Hungarian Competition Authority (GVH). This has allowed the regulator to play a decisive role in rulings on mergers and acquisitions involving media concentration.

Since then, the Council has blocked mergers involving independent media while approving mergers among pro-government media. In 2017, for example, it <u>blocked</u> the merger of the country's last remaining independent television company, RTL, and Central Media. However, it did approve the merger of a publisher Lapcom, radio network Radio 1 and television company TV2 – all of which are owned by a key ally of Viktor Orbán.

Despite legislation in the Media Act 2010 which prohibits media concentration, Fidesz has facilitated steady concentration of media ownership in the hands of companies close to the government. The starkest example came in 2018 when a dozen pro-government media owners handed over their media holdings to KESMA. If conducted under normal market conditions, these ownership transactions would have totalled nearly €90 million. Additionally, to exempt the merger from competition rules, the government passed a decree assigning the merger a matter of "national strategic interest". During this process, the GVH and subsequently the Media Council had no mandate to intervene. The decree was later <u>ruled</u> legal by the constitutional court in June 2020.

PUBLIC SERVICE MEDIA

While public service media in Hungary faced challenges to their independence under previous governments, under a decade of Fidesz rule the public television and radio have been distorted into state media, uncritically echoing the messaging of the government and acting as a year-round campaign tool of the ruling party.

News coverage is neither fair, balanced nor impartial, especially on hot-topic political issues according to assessments by Mérték Monitor. Opposition politicians and viewpoints are side-lined or ignored outright, with Fidesz MPs and government officials awarded a disproportionate amount of airtime. Experts and commentators invited onto shows display clear political affiliation and news segments involving opposition figures are often presented in a negative light. Leaked recordings have shown how reporters are given orders of how to report on issues such as migration, the EU, and the opposition, with those unwilling told they were welcome to resign.

The level of direct political control over news output is extremely high. Recent investigative reporting has shown how ministers and the circle around the prime minister directly dictate coverage at the Hungarian Telegraph Office (MTI), the state news agency. Leaked emails showed how MTI reporters receive phone calls from ministry press officers with instructions about how to report on certain issues, including the PM's public appearances. Suggestions for titles and introductions are often copied word for word and journalists are banned from modifying government press releases. This severe lack of independence means the MTI is effectively operating as a taxpayer-funded communication tool of the government.

Coverage has been severely <u>lopsided</u> during the 2022 election campaign, despite <u>legal</u> requirements for equal coverage of all parties under the Media Act. News broadcasts in the run up to the vote have <u>portrayed</u> the opposition candidates in a deeply negative light and controlled by the former Prime Minister Ferenc Gyurcsány, who was ousted from office in 2008. On other occasions, opposition parties were simply ignored altogether. For example, the results of the pre-selection process for the opposition candidate to challenge Viktor Orbán in the election was <u>not covered at all</u> on the day by the state news service, in clear violation of the law requiring it to cover matters of clear public interest. The united opposition candidate Péter Márki-Zay received zero airtime on public television during the run up to the election. When legally bound to interview Márki-Zay on March 16, the public television MI scheduled the interview at 7.55am and gave him exactly <u>300 seconds</u> of live airtime. It was immediately <u>followed</u> by long clips of a recent speech by Prime Minister Orbán.

Oversight of Hungary's public service media bodies - three national television channels, three radio stations and the national news service, the MTI - are supervised by a single entity, the Media Services and Support Trust Fund (MTVA), which controls editorial content and appointments. Crucially, the MTVA is not subject to the law on public service broadcasting, a loophole that means there is no proper scrutiny of the public broadcaster. Its director general, all directors and all members of the MTVA's supervisory boards are appointed by the chairperson of the Media Council, itself controlled exclusively by Fidesz appointees, essentially handing the ruling party a direct chain of command over public media.

Although trust in the broadcaster has <u>plummeted</u> in recent years, it still plays a role in helping influence public discourse and skew the playing field in favour of Fidesz. The vast sums of public money pumped into the broadcaster ahead of the election - <u>130 billion HUF</u> (about €340 million) in 2022 - only increases its reliance on, and subservience to, the government. This anti-competitive system of funding of the public media is the subject of <u>State Aid complaint No. 45463</u> to the European Commission. Despite the mountain of evidence, Mr. Kovács implausibly claimed that the Hungary's public service media strictly followed BBC guidelines, obeyed the rules set out by the Media Act and provided ample space for opposition voices.

"FALSE NEWS" LEGISLATION DURING PANDEMIC

Legislation <u>passed</u> by the parliament at the beginning of the pandemic which criminalized the spread of misinformation deemed to undermine the authorities' fight against the COVID-19 virus with up to five years in prison has had a chilling effect on media. Fearing legal repercussions, some journalists reporting critically on the government's handling of the heath crisis say they have been forced to self-censor and that sources including healthcare workers have become less willing to speak to media, even anonymously.

Government politicians and the state media have discredited independent reporting on the pandemic. Officials accused independent media of spreading "fake news" about COVID-19. A daily segment on the public broadcaster entitled "Exposing False News" identified reports written primarily by independent media. A similar blacklist created by a pro-government foundation featured articles written almost exclusively by independent journalists.

At the same time, publicists and commentators on broadcasters such as the pro-government HírTV called for certain journalist to be "muzzled" or "put away", suggesting that "some of these scaremongers should be put in a police car and carried away, for everyone to see". While no journalists or media workers have been prosecuted under the COVID-19-era law, independent outlets were sent <u>formal letters of notice</u> by authorities about articles.

ACCESS TO INFORMATION

Independent journalists in Hungary face major barriers and systematic discrimination by the state in terms of accessing information. This restrictive climate for the free flow of information worsened during the pandemic. Since the beginning of the health crisis, all independent journalists have been <u>barred</u> from reporting from or filming within hospitals. Only reporters from MTV and the state news agency MTI have been given permission. Hungary is the only EU Member State to have enforced such strict restrictions.

After a decision by the Supreme Court ruled that the government's Department of Human Resources could not bar journalists, and that power lay with individual hospital directors, the government <u>passed a decree</u> which bypassed the ruling. Mr Kovács said the decision was made for epidemiological reasons, but also claimed that if given access certain media would "weaponize" COVID-19 to spread misinformation and attack the government.

During the pandemic, all COVID-19 related questions were channelled through the centralised Operational Group, which only responded to pro-government media inquiries. As press conferences switched online, pre-submitted questions from critical journalists were rarely selected, shielding government officials from scrutiny.

Journalists in Hungary are regularly denied access to publicly held information via Freedom of Information (FOI). Replies from state authorities take weeks and deadlines for responding are often extended, undermining timely investigative reporting. Public bodies often refuse requests, qualifying the information as business secrets or classified information. During the pandemic, the government temporarily <u>trebled</u> the maximum FOI response time to 90 days.

At the same time, standard requests for information sent to individual ministries or politicians linked to the government are often ignored. Officials from Fidesz refuse to grant interview requests to certain media, instead favouring <u>softball questions</u> from uncritical broadcasters. Meanwhile, journalists from independent media are frequently <u>excluded</u> from official party events or press conferences, with invites sent <u>exclusively</u> to pro-government titles. On some occasions, independent journalists are arbitrarily <u>denied entry</u> by security guards to press conferences by the prime minister, despite registering in advance.

DELEGITIMIZATION OF JOURNALISTS AND ONLINE HARASSMENT

The government divides the country's journalistic community down political and ideological lines, portraying journalists asking challenging questions as "political actors". Media that do not follow the government's line are stigmatised as organs of misinformation spreading "fake news" in service of political opposition. Well-known independent journalists are often denigrated and discredited. During the meeting, Mr Kovács argued the notion of "independent media" in Hungary was a "myth" as all newspapers had a political agenda.

Online attacks remain commonplace, though often take the form of insults or harassment from trolls rather than serious intimidation or death threats. The public broadcaster sometimes disseminates smearing pieces about independent journalists, which are then picked up and spread through a network of online pro-government media. Female journalists in particular face gendered attacks online. Physical acts of violence against journalists in Hungary remain very rare.

Criminal sanctions and defamation lawsuits against journalists and media outlets, while problematic, are not as widespread in Hungary as in other EU Member States. In the last year, one journalist was <u>fined</u> for "violating the dignity of the Hungarian nation" in a satirical op-ed. Individual journalists have faced <u>criminal investigations</u> for 'illegal acquisition of data' over the use of drones as part of their investigative reporting, but the investigation was eventually dropped by prosecutors. Independent newsrooms do occasionally face <u>spurious lawsuits</u> from government linked entities over their investigative reporting, though lower courts tend to dismiss vexatious cases and rule in favour of media outlets.

PEGASUS AND THE SURVEILLANCE OF JOURNALISTS

Hungary is the only country in the European Union where there is <u>credible evidence</u> that the state's law security services used Pegasus spyware to surveil its own journalists. Forensic analysis indicates that at least five media actors had their phones accessed using advanced technology developed by Israeli company NSO: two leading investigative reporters, the editor of a critical newspaper, a photojournalist documenting the luxury travel of Fidesz politicians, and a businessman who owns several independent media outlets.

The confirmed use of the spyware to break into the journalists' mobile phones and monitor private communications represents a flagrant attack on the fundamental principles on press freedom, privacy and source protection and poses <u>serious questions</u> over appropriate oversight and democratic safeguards. Due to a lack of accountability, Hungarian journalists are taking legal action against the state and NSO over alleged breaches of their privacy. Mr. Kovács did not deny Pegasus had been deployed but insisted that the surveillance of journalists by state agencies must have been carried out under national security grounds and not because of their journalistic work. He said he could not comment further on the reason for their targeting as the information was a state secret. He noted that an investigation by the NAIH had found the surveillance by the National Security Service was conducted legally and with proper court authorization. Questioned about whether the government would cooperate with an EU-wide investigation into Pegasus by the European Parliament, Mr. Kovács repeatedly declined to confirm the administration would work with MEPs, instead calling the probe a "political game" by Brussels.

INVESTMENTS IN MEDIA ABROAD

Since 2017, Hungarian capital from companies owned by businesspeople and individuals closely linked to Fidesz has <u>increasingly been investing</u> in media in Slovenia and North Macedonia. While Fidesz insists investments are purely commercial, this capital has exclusively supported media close to parties aligned politically or ideologically with Fidesz: Janez Janša's SDS party in Slovenia and party of former Prime Minister Nikola Gruevski in North Macedonia.

Funding from government-linked foundations has also been channelled into media in Hungarian minority communities in Serbia, Romania, and Slovakia. These financial flows are aimed at bringing these media into close alignment with Fidesz through economic dependence and ensuring favourable coverage within diaspora voting communities. Media contradicting the Fidesz narrative or parties with which Fidesz enjoys a good relationship have seen funding reduced or <u>withdrawn</u> altogether.

Alarms were raised about a possible further expansion of Fidesz's media influence when, in December 2021, the Portuguese venture capital firm Alpac Capital purchased a controlling stake in Europe's leading news channel, Euronews, which has a monthly audience reach over 100 million people. The father of Alpac Capital's CEO has close links to Viktor Orbán and Alpac has been the recipient of Hungarian state-controlled capital, according to news reports. While Euronews' chief executive has said he is confident there will be no editorial interference, media experts in Hungary say the deal is a "political investment" with no business rationale.

The international news agency, V4NA, launched in London in 2019 is another example of Fidesz' efforts to develop a pan-European media ecosystem and amplify Orbán's nativist message outside Hungary, balancing what it sees as a dominant narrative in mainstream liberal media on the continent. KESMA holds the majority of shares in the agency.

FOR THE GOVERNMENT ELECTED AFTER APRIL 2022

- Develop a long-term strategy for restoring independence and pluralism to the media market based on clear democratic procedures, while also taking immediate steps to stop illiberal practices in the media market.
- Create checks and balances which ensure a democratic majority is not a carte blanche for a government to reshape the media system according to its will; create a legal framework that fosters a pluralistic media and independent journalism.
- Reform the system for funding Hungary's public service media to ensure it is transparent, measurable and based on a clear set of criteria for the performance of tasks and the delivery of public interest mission.
- Depoliticize the management and oversight bodies of the public broadcaster and increase professional standards; create accountability mechanisms to ensure adherence to the Media Act and Code of Ethics of the Public Service Media and the provision of fair, impartial and balanced news including a plurality of voices and opinions.
- Restore proper democratic governance and oversight to the public broadcaster, ending the dual structure of Duna Media Service Provider and MTVA; establish stronger professional requirements for election to the boards; guarantee independence, accountability and transparency in line with international standards; rebuild trust in public service media.
- Depoliticise and restore organisational and editorial independence to the state news agency MTI; sever channels for direct political control over production of news content; assess the performance of the management staff in line with professional criteria and take appropriate actions if breaches are identified.
- Radically reform the system for state advertising to halt widespread abuses of public resources to distort the media market; end all politically motivated financing of media; create a new framework based on market logic and on transparent criteria.
- Guarantee fair competition in Hungary's media markets to foster a vibrant and sustainable media ecosystem; appropriately apply the Competition Act to limit existing media concentration, including to KESMA; adopt measures to support market entry and the sustainability of the sector.
- Guarantee the independence and transparency of the NMHH and the Media Council; create safeguards to ensure limits on the concentration of power; immediately cease regulatory practices designed to marginalize independent media or force them from the market; depoliticize tendering processes and ensure decisions are transparent and taken according to clearly defined criteria.

- Immediately end the selective approach against journalists regarding interview requests, requests for comment, public information and data; reverse restrictive measures affecting journalists' movement within the Hungarian Parliament.
- Re-establish regular press conferences and briefings to which all media are invited; including those by the prime minister; end discriminatory approach towards journalistic accreditation for government events; restore normal working relationship between journalists and public authorities at national and regional level.
- Reform the system for FOI in Hungary, ensuring timely response from all public bodies and ministries and removing unnecessary obstacles; guarantee adherence to all rulings by the National Authority for Data Protection and Freedom of Information; re-join Open Government Partnership.
- Launch a thorough and credible parliamentary inquiry into the alleged abuses of Pegasus spyware by Hungarian intelligence and law enforcement agencies against journalists and establish strong, clear and transparent safeguards to limit future violations. Fully comply with the EU Parliament's investigation into abuses of Pegasus in the EU.
- Introduce anti-SLAPP legislation in line with EU recommendations to protect journalists and media organisations from vexatious defamation lawsuits launched by powerful individuals or institutions; publicly condemn all smears and vocal attacks by politicians against journalists.
- Coordinate closely with international media freedom groups, civil society and European Union to improve press freedom and implement international standards; seek to join the Media Freedom Coalition to reinforce Hungary's commitments to safeguarding press freedom.

FOR THE EUROPEAN UNION:

- Make full use of competencies under competition and state aid law to address the deliberate distortions of competition in the media market in Hungary; including addressing the <u>two existing complaints to the Commission</u> for unlawful or incompatible state aid in the area of public service broadcasting and state advertising as well as prioritizing the handling of future complaints.
- Continue EU infringement proceedings against Hungary over arbitrary and discriminatory tendering decision by the Media Council over the license renewal for Klubradio; monitor the independence of Hungary's media regulatory bodies according to the requirements of article 30(2) of the Audiovisual Media Services Directive.
- Pass strong Media Freedom Act which empowers EU institutions to address systematic abuses of legislative, economic and regulatory powers to erode media pluralism and freedom in the EU internal market; create a legal framework which helps safeguard the pluralism and foster independent journalism.

- Immediately pass Rule of Law Conditionality Regulation to give the European Union greater competencies to penalise member states with suspension of funds in response to grave attacks on the democratic values, including the freedom of the press, as well as systematic management of EU funds to intentionally distort media markets
- Pass strong EU anti-SLAPP directive to help protect journalists and media outlets against vexatious litigation aimed at silencing their work; ensure swift implementation by member states including Hungary
- Continue and expand financial support to independent journalism in Hungary, especially investigative journalism. Such support should be tailored to the needs of journalists and should include core support.
- Strengthen the toolbox of the EU to pushback against media capture within the EU market and halt the spread of illiberal attacks on press freedom across the bloc.



International Press Institute

MISSION REPORT:

MEDIA FREEDOM IN HUNGARY AHEAD OF 2022 ELECTION