

ABUSING THE STATE OF EMERGENCY

Political Capital's flash report

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The bill that would provide a parliamentary mandate for the government to rule by decree without a sunset clause has been delayed, but not eliminated. The ruling parties will pass it on 31 March. Afterward, the remaining checks and balances in Hungary will cease to exist and the country will likely witness a new wave of attacks against the free press. The lack of legal security could also have considerable economic effects. The government will certainly pump money into sectors it considers to be crucially important, while others might be hit with additional taxes.

The process

On 20 March 2020, the government submitted a [Bill on Protection against the Coronavirus](#) to the National Assembly. The draft would provide parliamentary authorisation to prolong the *state of emergency* the government declared on 11 March.

The government negotiated with all parliamentary groups in opposition to gather the necessary four-fifth support on 23 March to speed up the vote on the bill. Although negotiations were going smoothly for a few days, opposition parties ultimately decided to vote against the bill.

The request to speed up the vote was turned down, but this only means that the Assembly will vote on it on 31 March instead of the 24th. The bill itself can be passed by a two-thirds majority (133 out of the 199 MPs, which is precisely the number of MPs from the ruling parties). On 23 March, 137 of the 199 MPs approved voting for the bill on the next day, 52 were against, and 10 were not present. Besides MPs from the ruling parties, the representative of the German national minority self-government and four independent MPs (all of them split from Jobbik and joined the new far-right party, Mi Hazánk, in 2018) approved the request. Since Mi Hazánk is a pro-governmental extremist party, we can say that the opposition was unified in rejecting the bill.

Content

The bill would provide a parliamentary mandate for the government to rule by decree with extended powers and without almost any legal control. There is no sunset clause in the text, which is the primary point of contention for the opposition. This means that the *state of emergency* and the decrees passed since 11 March would be in force as long as the government wants to keep them in effect without any parliamentary control. The opposition labels the bill as “omnipotence law”.

The Constitutional Court could theoretically overrule the decisions implemented during the *state of emergency*, but given that the Constitutional Courts' rights had been curbed and the members were filled up with pro-government loyalists in the last few years, we cannot expect that it will serve as an effective counterweight to the cabinet's power.

The legislation would also amend the Criminal Code: anyone who publishes false or distorted facts that interfere with the "successful protection" of the public – or that alarm or agitate the public – could be punished by up to five years in prison.

Political relevance

Passing the law can lead to the following consequences:

- **Intense campaign against the opposition.** The government has already started an intense campaign against the opposition, claiming that the 8-days delay will make it very difficult for the government to implement any efficient measures. The government is expected to blame the "non-constructive" behaviour of the opposition for all upcoming problems, failures that emerge during the pandemic.
- **Attacks against the free press.** The free press is causing increasing frustration for the government. As officials pose themselves as an authority handling the situation responsibly, questions from journalists about issues such as the regional dispersion of cases, the number of masks in hospitals or the reason why the number of tests performed is extremely low are even more uncomfortable than usual. Furthermore, the public media and other outlets controlled by the government regularly label independent news portals as "fake news factories", and these attacks have intensified recently. After passing the bill on 31 March, Hungary will likely witness a new wave of attacks against the free press. The above-mentioned amendment to the criminal code on rumours definitely sends a message to journalists.

Economic relevance

Since the government will be able to implement measures without almost any restrictions, legal security will suffer, which can have an impact on the operation of companies as well. The government is currently deploying military task forces to oversee the operation of 140 companies providing critical services (e.g. energy and retail), from the public and the private sectors alike. There is considerable uncertainty surrounding the economic effects of the crisis; however, based on the past 10 years of Fidesz-led governments and the cabinet's declared priorities and crisis management practices in the past two weeks, the following steps can be expected:

- In the short-term, state subsidies and economic stimulus packages will target small- and medium-sized enterprises and the general population.
- For a limited period of time, numerous requests for help might be addressed to large firms by governments and local self-governments alike.

- The sectors most affected by crisis management efforts will be retail, the pharmaceutical industry, and healthcare. Stocks and/or employees working in these sectors might be targets of public appropriations.
- The slowdown after the crisis and the decline of the revenues of the budget will bring back some unorthodox measures. The cabinet might levy an extra tax on retail chains and additional sectors as well referring to their increased revenues.
- The automotive industry, tourism and the hotel industry are especially important to the government, so they will concentrate the most on re-launching and helping firms operating in these sectors.
- International, multinational corporations can expect to face long-term political risks, such as states and economies becoming less open, anti-globalist views becoming more mainstream, and large corporations turning into scapegoats and the targets of extra taxes to plug holes in budgets.