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# **MEDIA CAPTURE MONITORING REPORT: HUNGARY**

**MEASURING COMPLIANCE  
WITH THE EUROPEAN  
MEDIA FREEDOM ACT**

NOVEMBER 2024

# MEDIA CAPTURE MONITORING REPORT: HUNGARY

The International Press Institute and the Media and Journalism Research Center have partnered up to produce the Media Capture Monitoring Report, an annual report to measure media capture in Europe and the degree to which Member States meet new EU regulation to combat the problem.

In May 2024 the European Media Freedom Act (EMFA) came into force and Member States are required to enact reforms to align with the new regulation.

The reports focus on the EMFA elements directly addressing media capture, namely, the independence of public service media and of media regulators, the misuse of state funds to influence media, and ensuring ownership transparency and media pluralism.

The reports examine the standards prescribed by law and how they are currently implemented in practice. They set out the areas of reform needed to bring each country into line with EMFA while also making recommendations for where reform can go further.

The reports are an important tool for media rights groups and national policy makers to guide reform and monitor the degree to which Member States are meeting their obligations.

For the first year a group of seven EU Member States have been selected for the pilot studies including Bulgaria, Finland, Greece, Hungary, Romania, Poland and Slovakia.

The project is a part of the Media Freedom Rapid Response, a Europe-wide mechanism which tracks, monitors and responds to violations of press and media freedom in EU Member States and Candidate Countries. The project is co-funded by the European Commission.

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

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RAPID RESPONSE

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## Independence of media regulators

In Hungary, the implementation of Article 30 of the Audiovisual Media Services Directive (AVMSD) on the independence of media regulators reveals significant discrepancies between local legislation and the requirements of EU law. While the National Media and Infocommunications Authority (NMHH) is legally framed as an independent body, the reality is starkly different. The ruling Fidesz party's control over the appointment of the NMHH's president and members of its Media Council undermines their operational independence. This situation is aggravated by the lack of transparency in the nomination process, where appointments reflect the interest of the government and the ruling party rather than the intended impartiality outlined in the AVMSD and equally required under the European Media Freedom Act (EMFA).

Moreover, the practical achievement of the EMFA's goals is compromised by the NMHH's biased regulatory actions. Reports indicate that a significant majority of media tenders favour outlets aligned with the ruling party, and the authority have often prioritised pro-government interests in media mergers and frequency allocations. Such practices not only threaten media pluralism but also facilitate the dissemination of government propaganda, further eroding the public's access to diverse and independent journalism. Therefore, while the legal framework suggests adherence to EMFA standards, the execution of these laws demonstrates a departure from their core principles, reflecting a broader trend of governmental control over media regulation.

- Legislation in line with EMFA provisions: **Yes**
- Effective independence: **No**

## Independence of public service media

The implementation of EMFA's Article 5 on the independence of public service media also showcases a significant gap between the legal framework and its practical application. While Hungarian media law stipulates that public service media (PSM) must operate independently, free from governmental and economic influence, the reality is different. The centralised control of funding and content through the Media Service Support and Asset Management Fund (MTVA) effectively enables the government to exert significant influence over PSM content. This structural control is exacerbated by the ruling party's political dominance.

Despite legal provisions intended to ensure editorial independence and a plurality of information, the implementation reveals a pattern of political interference. Evidence of such interference includes the dismissal of journalists not aligned with the government, biased reporting during election campaigns, the dissemination of disinformation, and directives that guide editorial decisions in line with the ruling party's narrative. Reports from current and former PSM employees, alongside leaked communications, illustrate the extent of government control over content, undermining the principles of balance and impartiality. Thus, while the legal norms

ostensibly comply with the EMFA, the implementation is marred by significant governmental interference, resulting in a media landscape that prioritises state propaganda over genuine public service.

- Legislation in line with EMFA provisions: **Yes**
- Effective independence: **No**

## Misuse of state funds to influence media output

The analysis of Hungary's compliance with Article 25 of the EMFA, concerning the misuse of state funds to influence media output, reveals an even more disappointing reality. There are no legal provisions ensuring fair and transparent distribution of state advertising, allowing the government to allocate funds based on political allegiance rather than objective criteria. This lack of alignment with the EMFA is compounded by the dominance of state-sponsored advertising, which has become a major source of influence over media output, benefitting government-aligned outlets while marginalising independent media.

The allocation of state advertising funds not only serves to reinforce pro-government narratives but also constrains the financial viability of independent media, which struggle to compete against well-funded, government-supported entities. The absence of transparency in state advertising contracts and a lack of independent oversight or monitoring mechanisms further aggravates the issue. Despite efforts from civil society to document and challenge these practices, their impact remains minimal. The implementation of EMFA's Article 25 in Hungary falls short, undermining media pluralism and freedom of expression.

- Legislation in line with EMFA provisions: **No**
- Fair and transparent allocation of state funds to media: **No**

## Media pluralism and political/state influence over news media

The Hungarian laws comply only partially with Articles 6 and 22 of the EMFA on media pluralism and political/state influence over news media. While Hungarian media law mandates transparency on basic operational information, it does not require the disclosure of detailed media ownership. This shortfall is worsened by the absence of comprehensive legislation governing the transparency of ownership structures, which weakens accountability despite the registration requirements enforced by the media authority. Although journalists and researchers often uncover beneficial owners, this is not the result of legal enforcement.

Furthermore, media pluralism is undermined by the consolidation of media ownership among pro-government entities. While Hungarian legislation theoretically includes safeguards to prevent excessive media market concentration, these measures are inconsistently applied. Authorities have blocked mergers when convenient, however, transactions that expand government-aligned media

influence, such as the creation of KESMA, a foundation controlling hundreds of media outlets, was classified as of national strategic importance, which prevented the launch of any investigations. This selective enforcement compromises editorial independence and reduces diversity in news content, reflecting a failure to align with EMFA's goals of promoting transparency and safeguarding media pluralism in Hungary.

- Legislation in line with EMFA provisions: **Partially**
- Effective media pluralism: **No**

## INDEPENDENCE OF MEDIA REGULATORS

*This section discusses how Article 30 of the AVMSD (Directive 2010/13/EU) is implemented.*

### Summary

In Hungary, the implementation of Article 30 of the AVMSD concerning media regulators' independence also presents compliance issues with the European Media Freedom Act (EMFA). The National Media and Infocommunications Authority (NMHH) is legally framed as independent; however, the ruling party's influence over the appointment of its leaders compromises this independence.

The lack of transparency in appointments suggests government interests take precedence over impartiality specified in the EMFA. Reports of biased actions by the NMHH, such as favouring pro-government media in tenders and mergers, exacerbate the erosion of media pluralism and foster government propaganda. Consequently, although the legal framework purports to meet EMFA standards, actual execution shows a significant drift from them, indicating considerable government control over media regulation.

### Legal and operational independence

In 2010, Hungary's newly elected government, led by the Fidesz party, used its two-thirds parliamentary majority to implement a new media law. This replaced the former regulatory body with the National Media and Infocommunications Authority (NMHH), which oversees both media and telecommunications. The new regulatory framework also established the Media Council, an autonomous body within the NMHH. Its role is to monitor and enforce media laws.

The NMHH, established under Act CLXXXV of 2010 on Media Services and Mass Communication (media law), defines itself as an independent regulatory body, reporting annually to Parliament.<sup>1</sup> The Media Council is a key player in this structure. Members of the council are elected by parliament, requiring a two-thirds majority vote of those present. In accordance with the media law, the Media Council and its members are subject only to the relevant legislation and are not instructed with respect to their activities.<sup>2</sup>

However, despite the provisions for independence, the practical realities of the situation indicate otherwise. The authority's independence is significantly undermined by the regulations governing the election of its members and its overall operations. In practice, the ruling party, Fidesz, is responsible for all personal

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<sup>1</sup>See the [website of the National Media and Infocommunications Authority](#).

<sup>2</sup>[Act CLXXXV of 2010 on Media Services and Mass Communication](#) (hereafter Media Law), Art. 123.

decisions regarding the authority.<sup>3</sup> The President of Hungary appoints the head of the NMHH on the Prime Minister's proposal, who also serves as the head of the Media Council pending approval in Parliament.

A number of organisations have highlighted concerns regarding the authority's independence, as evidenced by their reports and analyses. In light of the ruling party's two-thirds majority in Parliament, it is evident that both the NMHH and the Media Council are effectively under the control of the government and Fidesz. This is particularly evident in the appointment of candidates to the Media Council, with the government and Fidesz appointing their own individuals to all five seats.<sup>4</sup> This control was further reinforced ahead of the 2022 elections when the Council's previous chairperson resigned early, allowing Fidesz to appoint a new head for a nine-year term.<sup>5</sup> The Prime Minister's de facto power to select the authority's chairperson gives rise to concerns that the interpretation of media laws, and thus the constitutional rights of free expression and public information, may be subject to political control.<sup>6</sup>

Furthermore, the inclusion of vague and unfounded legal applications in the text of the law raises concerns about the ability to uphold the rule of law and protect fundamental rights. For instance, decisions regarding radio frequency tenders frequently occur without debate or opposing votes.<sup>7</sup> A report by Mérték Media Monitor, a Hungarian NGO, revealed that between 2018 and 2021, 75% of all media tenders were awarded to radio stations serving Fidesz's interests.<sup>8</sup>

The Council's remit also extends to authorising or prohibiting media mergers. Its decisions have often favoured pro-government media conglomerates, leading to an unprecedented concentration of media ownership in Hungary. In 2011, the Council blocked the merger of two major foreign newspaper publishers, Axel Springer and Ringier. This resulted in the obligation for them to sell a significant part of their portfolio, which ultimately facilitated the acquisition of a significant portion of the market by Fidesz-friendly investors. Similarly, in 2017, the Council prevented the merger of Magyar RTL Televízió Zrt. and Central Digital Média Kft. with the aim of curtailing RTL's digital business expansion.<sup>9</sup>

Furthermore, the Council permitted the dissemination of government propaganda under the pretext of social purpose advertising, which has had a considerable impact on Hungary's democratic public sphere. By classifying political advertisements as social purpose messages, the Council avoided restrictions on pre-

<sup>3</sup>Konrad Bleyer-Simon, Gábor Polyák, Ágnes Urbán: Monitoring Media Pluralism in the Digital Era. Country Report: Hungary, 2023, The Centre for Media Pluralism and Media Freedom.

<sup>4</sup>"I Can't Do My Job as a Journalist." The Systematic Undermining of Media Freedom in Hungary, Human Rights Watch, 2024.

<sup>5</sup>Mission Report: Media Freedom in Hungary Ahead of 2022 Election, 2022, International Press Institute.

<sup>6</sup>Legal Analysis of the 2010 Hungarian Media Laws, 2011, Center for Democracy and Technology.

<sup>7</sup>The independence of media regulatory authorities in Europe, 2019, European Audiovisual Observatory.

<sup>8</sup>A frekvenciapályázatok háromnegyede a Fidesz érdekeit szolgálja ('Three quarters of frequency tenders serve Fidesz interests'), Mérték Media Monitor, October 29, 2021.

<sup>9</sup>A Fidesz nem enged be ellenzéki tagokat a Médiatanácsba ('Fidesz does not allow opposition members on the Media Council'), Mérték Media Monitor, September 7, 2019.



election campaign advertising, allowing pro-government media companies to benefit from substantial public funding through continuous campaigning.<sup>10</sup> Miklós Haraszti, a human rights advocate and former OSCE Representative on Freedom of the Media, has highlighted that the NMHH and the Media Council have been granted unprecedented powers. They are entitled to request any information from Hungarian media outlets and also have the authority to impose penalties on media outlets for coverage deemed in violation of the law. This further restricts the scope for independent journalism.<sup>11</sup>

## Composition of the regulator's board

The governance structure of the NMHH and the Media Council is characterised by a high degree of governmental control, raising significant concerns regarding transparency and independence.

The President of the NMHH is appointed by the President of Hungary, following a proposal by the Prime Minister, for a term of nine years.<sup>12</sup> The lengthy term serves to underscore the importance and influence of this position. The president's term may conclude in one of several ways: upon the expiration of the term, resignation, death, or dismissal by the President of Hungary. The president may be dismissed under certain circumstances, including failure to resolve conflicts of interest, conviction in a criminal proceeding by a final court judgement, placement under a guardianship order affecting their capacity to act, or inability to perform duties for more than six months for reasons attributable to them.<sup>13</sup>

The NMHH also has vice-presidents, who are appointed or recalled by the president of the NMHH. This structure gives the NMHH president considerable influence over the organisation's leadership and direction.

Similarly, the Media Council is composed of a president and four members, all of whom are elected by the National Assembly. A two-thirds majority vote of the members of Parliament present is required for the election process to proceed. The President of the NMHH is also the President of the Media Council. Members of the Media Council serve nine-year terms, in alignment with the tenure of the NMHH president.<sup>14</sup>

The mandate of the Media Council members can be terminated under similar circumstances to those of the NMHH president, including term expiration, resignation, declaration of conflict of interest, dismissal, exclusion, death, guardianship orders affecting their capacity to act, or failure to fulfil duties for more than six months due to personal fault. Additionally, final court judgments involving imprisonment or disqualification from practising their profession can result in

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<sup>10</sup>Mérték Media Monitor (2019), *cit.*

<sup>11</sup>Quoted in Róka, J., Hungarian media system in constant transition, *Publizistik* 64, 345–362 (2019).

<sup>12</sup>Media Law, Art. 111.

<sup>13</sup>Media Law, Art. 113.

<sup>14</sup>Media Law, Art. 124-125.

termination.<sup>15</sup>

Despite the ostensible clarity of the legal framework that governs these appointments, the nomination process for the leadership of the authority is subject to widespread criticism for its lack of transparency. While the law allows the Prime Minister to request proposals from professional organisations for these positions, there is no obligation for him to consider these proposals seriously.<sup>16</sup>

The lack of transparency in the selection process has enabled the Prime Minister to exercise significant influence over the appointment of candidates. While the appointment of government-appointed directors to telecommunications agencies is not uncommon, the manner of appointing the authority's president in Hungary is tantamount to “government capture” of the authority. The current system leaves the Parliament with no viable alternative but to vote for the Prime Minister's candidate, thereby undermining the independence of the media regulatory body.<sup>17</sup>

## Independence of the regulator's members

The authority and its members are bound by the law and their tasks may only be defined by law or by legislation adopted in accordance with the law.<sup>18</sup> It should be noted, however, that the decisions of the authority frequently reflect the intentions of the government.<sup>19</sup> To illustrate, the Media Council's decision-making on market entry regulations and frequency tendering for linear radio services from 2011 to 2013 was perceived to be biased, which had an adverse impact on media pluralism. Successful applicants frequently resulted in a reduction in market plurality.

Further research revealed shortcomings in the standard-setting and law enforcement processes for media content, indicating a lack of compliance with the rule of law and inadequate protection of citizens' rights. The authority's independence was called into question due to the fact that decisions were made without debate or opposing votes, a pattern that was observed on a regular basis.<sup>20</sup>

There is no representative of the opposition or of an independent NGO on the regulatory authority.

The members of the Media Council were appointed exclusively by government party votes in 2010 and 2019. In October 2019, the opposition sought to propose

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<sup>15</sup>Media Law, Art. 129.

<sup>16</sup>Monitoring Media Pluralism in the Digital Era (2023), *cit.*

<sup>17</sup>Legal review of and recommendations to the Hungarian media package, 2010, Organization for Security and Co-operation in Europe.

<sup>18</sup>Media Law, Art. 109.

<sup>19</sup>Róka, J. (2019), *cit.*

<sup>20</sup>The independence of media regulatory authorities in Europe, *cit.*

candidates for the Media Council, as the tenure of the incumbent members was nearing its conclusion. However, the Fidesz party impeded the ad hoc parliamentary committee responsible for these nominations, thereby preventing it from carrying out its function. Fidesz did not propose any candidates, and without the governing party's votes, the committee was unable to proceed.<sup>21</sup>

At the end of December 2019, the president of the ad hoc committee, an MP representing the Fidesz party, announced the names of the nominees for the council membership. Only candidates nominated by the governing party were subsequently elected by parliament.<sup>22</sup> Following the resignation of President Mónika Karas in 2021, Fidesz was able to appoint András Koltay as the new president for a nine-year term.<sup>23</sup>

## Financial autonomy

The authority currently employs 718 professionals across four locations in Budapest and five in the countryside.<sup>24</sup> In accordance with the Media Law, the annual budget for the NMHH is determined by Parliament, based on the proposal of the authority's president, and includes the budget for the Media Council. The NMHH generates its own revenue from a variety of sources, including frequency fees, fees for the reservation and use of identifiers, regulatory procedure fees, and supervision fees.<sup>25</sup>

The NMHH and the Media Council are responsible for managing their respective budgets independently. The President has the authority to restructure approved resources, but reallocations affecting the Media Council's budget require their authorisation. This includes the authority to reallocate funds to finance public service media.<sup>26</sup> The authority publishes budget reports on its website.

## Tasks and accountability

Competencies and powers of both the NMHH and the Media Council are defined in the media law.<sup>27</sup>

It is the responsibility of the NMHH to publish all relevant decisions and court orders on its website. Such information is also included in the company's annual reports.<sup>28</sup>

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<sup>21</sup>György Kerényi, Mandátuma vége előtt távozzhat a Médiatanács elnöke ('Media Council President may leave before the end of her mandate'), Szabad Európa, October 16, 2020.

<sup>22</sup>Megint meghekkkelte a Médiatanácsot a Fidesz ('Fidesz has hacked the Media Council again'), Népszava, December 12, 2019.

<sup>23</sup>Megválasztották a Médiatanács új elnökét és tagját ('New president and members of the Media Council elected'), HVG, December 14, 2021.

<sup>24</sup>As of August 23, 2024. Source: the authority's website.

<sup>25</sup>Media Law, Art. 134.

<sup>26</sup>The independence of media regulatory authorities in Europe, *cit.*

<sup>27</sup>Media Law, Art. 109-110, Ar. 132.

<sup>28</sup>See for example the 2023 report here.

In addition, the Media Council is obliged to publish the minutes of its meetings and the decisions taken at those meetings. The President of the NMHH is required to release draft decrees prior to legislative action and to consult with relevant stakeholders. It is the responsibility of the relevant authorities to make public announcements regarding frequency plans for media services and draft tender notices, accompanied by a statement of reasons. It is required that public hearings be conducted for the following purposes: to discuss draft media regulations; to seek expert opinions on protective regulatory measures concerning minors; to review the list of events of major societal importance (regarding exclusive broadcasting rights); and to make recommendations about product placement.

However, the intended transparency mechanisms require a comprehensive justification for regulatory interventions, which extends beyond mere compliance with publication obligations. The Media Council does not publish the rationale behind its decisions; only the decision itself is made public. Despite freedom of information (FOI) requests, the council has not provided adequate reasoning for strategic policy and regulatory decisions. There are also instances where the publication of judicial reviews and financial transparency do not align with FOI standards. Furthermore, the minutes from public hearings, which would provide valuable insight into the positions of key stakeholders, have not been made available.<sup>29</sup>

## Appeal mechanisms

In accordance with the provisions set forth in the media law<sup>30</sup>, the decisions of the Media Council may be subject to judicial review in an administrative court only by the parties directly involved or affected. Any challenge must be submitted within fifteen days of the decision being communicated.

Specific decisions, such as those related to preventing media market concentration, determining certain service providers, and decisions from competitive procedures or those addressing violations of balance obligations, must be challenged within fifteen days of notification. The filing of a lawsuit does not delay the enforcement of the decision. However, immediate legal protection can be requested from the court.

The Media Council is required to forward the lawsuit, along with all relevant documentation, to the court within fifteen days of receipt. The court is required to issue a decision within thirty days for the majority of cases and within sixty days for specific cases, as previously mentioned. The court can annul the decision and ask the Council to look again, but cannot itself issue a decision.

The Media Council's decisions that can be individually contested must also be challenged within fifteen days of notification. Appeals against decisions made in accordance with this legislation can be submitted to the Media Council, except in

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<sup>29</sup>The independence of media regulatory authorities in Europe, *cit.*

<sup>30</sup>Media Law, Art. 163-165.

accordance with this legislation can be submitted to the Media Council, except in cases where appeals are not permitted by this legislation or other regulations. Only those who participated in the initial procedure can appeal. In administrative lawsuits against the Media Council's second-instance decisions, filing the lawsuit does not delay the enforcement of the decision; however, immediate legal protection can be requested.

The regulatory authority's website states that the Media Council ruled on eight appeals in 2023. On six occasions, the Council rejected the appeal and upheld the initial decision. Additionally, the Council was ordered to commence new proceedings on two occasions.<sup>31</sup> Furthermore, a total of 11 new administrative court cases were initiated in 2023 challenging the Media Council's decisions. The Council reached a total of 1,093 decisions.<sup>32</sup>

## Power to request information

Any individual involved in case administration who has a public service or employment relationship with the authority is entitled to unrestricted access to legally protected information. Clients and other participants in the proceedings may request confidentiality for certain information, particularly to protect business secrets, legitimate interests, or significant media policy considerations, provided it is not otherwise classified as a legally protected secret. In such cases, they must also provide a version of the document excluding the confidential data.<sup>33</sup> The Authority may request any necessary information from media service providers, publishers, supplementary media services, and broadcasters, except when it involves a legally protected secret.<sup>34</sup>

## Independent monitoring of the regulator's activity

In accordance with the requirements set out in the media law, the Hungarian media regulatory authority publishes an annual report of its activities to Parliament. The aforementioned reports, along with other periodic reports concerning the authority's activities in the field of electronic communications and reports on the postal market, are available for download from the authority's website.<sup>35</sup>

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<sup>31</sup>See [here](#).

<sup>32</sup>[Országgyűlési beszámoló a Nemzeti Média- és Hírközlési Hatóság Médiatanácsának 2023. évi tevékenységéről](#) ('Parliamentary report on the activities of the Media Council of the National Media and Infocommunications Authority in 2023').

<sup>33</sup>Media Law, Art. 153.

<sup>34</sup>Media Law, Art. 175.

<sup>35</sup>See [here](#).

## INDEPENDENCE OF PUBLIC SERVICE MEDIA

*This section discusses how Article 5 of the EMFA is implemented.*

### Summary

The implementation of EMFA's Article 5 regarding public service media independence in Hungary demonstrates a significant gap between the legal framework and actual practice. Although laws exist to safeguard independence, the government wields substantial influence over public service media through the Media Service Support and Asset Management Fund (MTVA), controlling both funding and content. This power is reinforced by the ruling party's political dominance, leading to issues like biased reporting, firing of dissenting journalists, spreading disinformation, and imposing editorial lines that favour the government's agenda.

Thus, despite legal compliance with EMFA, significant governmental interference pervades, shifting the media focus from genuine public service to state propaganda.

### Editorial and operational independence

The media law stipulates that public service media (PSM) is to operate independently of the state and economic actors, thereby ensuring professional autonomy for leaders and participants within public media organisations.<sup>36</sup> The law also established the Public Service Foundation (*Közszolgálati Közalapítvány*) to ensure the independence of public media. The Duna Media Services Nonprofit Ltd. is the owner of the public service broadcaster, which was established in 2015 through the merger of previous radio and television stations and the state news agency.<sup>37</sup> The initial capital and founding documents of the Foundation were approved by the Hungarian Parliament.<sup>38</sup>

The media law also established the Media Service Support and Asset Management Fund (MTVA), a state-managed financial entity overseen by the Media Council. The MTVA centralises funding and content production for all public service media under a single body. MTVA's primary function is the production of content for Duna Media Services. This centralised control enables the government to exert significant influence over the content produced by public service broadcasters, ensuring alignment with the ruling party's political objectives.<sup>39</sup>

Furthermore, the law introduced the Public Service Code, which sets out the

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<sup>36</sup>Media Law, Art. 82.

<sup>37</sup>Nincs többé Magyar Televízió és Magyar Rádió ('No more Hungarian Television and Hungarian Radio'), HVG, July 1, 2015.

<sup>38</sup>Media Law, Art. 85.

<sup>39</sup>Mission Report: Media Freedom in Hungary, *cit.*

fundamental principles of public service media in line with the legislation and provides guidance on the proper functioning of public media services. The Code addresses critical matters such as the means of attaining legal objectives, maintaining autonomy from political parties, guaranteeing the diversity and equilibrium of news and political programming, and presenting a wide array of opinions and perspectives.<sup>40</sup>

Despite the legal framework in place to protect the independence of public service media, there is a notable discrepancy between the legislation and its implementation. The Hungarian PSM is widely perceived as being subject to direct governmental control.<sup>41</sup>

Following the victory of Fidesz in the 2010 election, over 1,600 journalists and media professionals were dismissed from the PSM in several phases. Their roles were subsequently filled by individuals who were more aligned with the government's narrative. As a result, the Hungarian PSM has effectively become a government-controlled broadcaster.<sup>42</sup>

The extent of political interference within the PSM is also evident from the testimonies of current and former employees of the broadcaster. Reporters are provided guidance by their editors on the content they are expected to cover, the terminology they should use or avoid, and are instructed to refrain from pursuing certain topics if they disagree with these directives. The direction of the editorial content, as well as the agendas and narratives presented, are often influenced by the decisions of those in positions of authority within the organisation, and frequently reflect the views of government leaders.<sup>43</sup>

Further evidence has emerged from leaked communications and testimonies which indicate the extent of government involvement in the editorial processes at the PSM. An audio recording from 2019, which has since been leaked, captured an influential editor instructing his staff that the institution does not support the opposition coalition and that anyone who disagrees should resign. Other leaked emails and sources within the PSM indicated that ministry press officers regularly contact PSM journalists, dictating which aspects of a story should be emphasised or omitted. The existence of this direct line of communication from government ministries to PSM reporters serves to illustrate the extent to which the government exerts control over the media.<sup>44</sup>

The political control exerted over PSM content is not limited to day-to-day news coverage, but also extends to broader electoral and political processes. During the 2022 election campaign, the public broadcaster demonstrated a discernible bias in

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<sup>40</sup>Media Law, Art. 95-96.

<sup>41</sup>[Monitoring Media Pluralism in the Digital Era](#) (2023), *cit.*; 2023 Country Reports on Human Rights Practices – Hungary, US Department of State.

<sup>42</sup> "I Can't Do My Job as a Journalist," *cit.*

<sup>43</sup>"I Can't Do My Job as a Journalist," *cit.*

<sup>44</sup>"[Please don't report about this at all! Thanks!](#)" – How the Hungarian state news agency censors politically unpleasant news, Direkt36, March 7, 2022.

its reporting. Those representing the opposition were either excluded from coverage or portrayed in a negative light, while those representing the Fidesz party were afforded greater airtime.

To illustrate, the opposition Prime Minister candidate was permitted just 300 seconds of legally required live airtime on the public service television channel. This brief appearance was followed by extensive excerpts from a recent speech by Prime Minister Viktor Orbán. In stark contrast, pro-government narratives were uncritically amplified, and independent journalists were occasionally targeted with smear campaigns that were then disseminated through a network of pro-government media outlets.<sup>45</sup>

## Legal provisions guaranteeing plurality of information

The PSM is required by law to adhere to the principles of fairness, balance, and impartiality in its news coverage. These expectations are clearly set out in various laws and regulations, including the Media Law and the Public Service Code. These emphasise the need for accurate, detailed and objective information, the representation of diverse political viewpoints and the inclusion of differing opinions.<sup>46</sup> The Press Freedom Act also stipulates that linear media service providers are obliged to provide balanced coverage of significant events and controversial issues at local, national and European levels. The law sets out detailed rules to ensure proportionality and the maintenance of democratic public opinion.<sup>47</sup>

However, in practice, these standards are not adhered to.<sup>48</sup>

There is a significant discrepancy between the legal framework and the actual practices of the media. For example, the PSM frequently asserts that it goes above and beyond its legal obligations by providing airtime to opposition parties. However, assessments indicate that its practice has a disproportionate impact favouring the ruling party. Furthermore, the PSM's assertion that the current media environment renders balanced coverage unnecessary serves to compound the imbalance. The President of NMHH, the regulatory authority, has even questioned the concept of press independence, stating that it is a myth propagated by journalists. These stances reflect a broader trend in which the principles of balanced coverage and impartiality, although enshrined in law, are not effectively enforced.<sup>49</sup>

There is clear evidence of the ruling party's influence on public media, as demonstrated by numerous instances of biased reporting and information manipulation. The case of Dániel Papp serves to illustrate this trend. Despite having been previously labelled a "news falsifier" by a court order for a report that distorted reality, he was later appointed CEO of MTVA. During his tenure, the organisation has

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<sup>45</sup>Mission Report: Media Freedom in Hungary, cit.

<sup>46</sup>Media Law, Art. 83.

<sup>47</sup>Act CIV of 2010 on the Freedom of the Press and Basic Rules on Media Content (hereafter Press Freedom Act), Art. 13.

<sup>48</sup>2023 Country Reports on Human Rights Practices, cit.

<sup>49</sup>Monitoring Media Pluralism in the Digital Era (2023), cit.



been involved in several controversial practices, including the misrepresentation of protests against the government with manipulated camera angles to minimise the apparent size of the crowd and the presentation of biased political coverage.<sup>50</sup>

The politicisation of the PSM is evidenced by the selection and portrayal of news stories. It has been reported that certain topics, for example human rights movements, require special approval before they can be covered. The selective reporting is frequently guided by instructions from senior management, with editors ensuring that sensitive subjects are handled in a manner that is favourable to the government. Those with critical or opposition viewpoints are systematically marginalised or excluded from public discourse, particularly during election periods.<sup>51</sup> In fact, the OSCE/ODIHR's election observation mission for the 2022 elections determined that biased and unbalanced news coverage, along with the absence of debates between key candidates, had a significant negative impact on voters' ability to make informed decisions. Furthermore, the mission highlighted the potential for conflict of interest between the ruling coalition's campaign messages and government information campaigns, which could unfairly favour the ruling coalition and blur the line between state and party.<sup>52</sup>

In stark contrast to other European Union countries, where disinformation is typically the domain of fringe media, in Hungary it is the PSM that plays a central role in the dissemination of disinformation. The full-scale Russian invasion of Ukraine in 2022 provided a clear illustration of the methods employed to disseminate false narratives and even Russian propaganda.<sup>53</sup> The systemic issues within the Hungarian PSM are not the result of isolated incidents or poor editorial decisions. Rather, they reflect a broader strategy of media control and manipulation by the government. This is evident in the manner in which sensitive topics are addressed, the selection of news items, and the exclusion of opposing views from public platforms.<sup>54</sup>

Hungary's media law requires media service providers to ensure the transmission of public service media channels, a stipulation known as a must-carry provision. In particular, they are required to transmit four linear audiovisual public service channels and three linear radio channels free of charge. Providers are also required to transmit three additional linear audiovisual channels if they operate a digital system. Channels should be available in HD quality if the system supports it and placed at the top of the channel list by default. The transmission must be accessible without additional fees beyond the standard subscription cost. Compliance is

<sup>50</sup>György Kerényi, Mi az a közszolgálat, és nálunk miért ilyen? I. rész: a kiegyensúlyozottság ('What is public service and why is it like that here? Part I: the balance'), Szabad Európa, November 18, 2020.

<sup>51</sup>Ákos Keller-Alánt: '... a maffiában lehet hasonló, gondolom' – ilyen a köztévé belülről ('... It could be similar in the mafia, I suppose' - that's public television from the inside), Szabad Európa, November 10, 2020.

<sup>52</sup>ODIHR Election Observation Mission Final Report, OSCE, July 29, 2022.

<sup>53</sup>Zalán Zubor, Kétkulacos kormánykommunikáció: a közmédiába is bekerültek az orosz háborús propaganda állításai ('Double-barrelled government communication: claims of Russian war propaganda have entered the public media'), Átlátszó, February 28, 2022.

<sup>54</sup>Ágnes Urbán, Gábor Polyák, Kata Horváth, How Public Service Media Disinformation Shapes Hungarian Public Discourse, Media and Communication, 11(4), 62-72.

monitored by the Media Council.<sup>55</sup>

## Composition of the governing bodies

The governance and oversight of Hungary's public service media are highly centralised and subject to significant political influence, particularly by the ruling party, Fidesz. The structure commences with the Chief Executive Officer (CEO) of the public service media provider, who is not subject to the authority of a board of directors but is instead directly overseen by the Media Council.

The appointment and potential dismissal of the CEO are determined by a multi-step process involving the Media Council and the Board of Trustees of the Public Service Foundation. The President of the Media Council puts forward two candidates for the CEO position, and the Council selects one for presentation to the Board for approval. In the event that the Council does not accept the proposed candidates, the president is required to propose new ones. The final decision requires the approval of at least two-thirds of the Board members. In the event that no candidate secures the required majority within the specified timeframe, a new nomination process will commence. In subsequent stages of the process, a simple majority vote is sufficient for appointment.<sup>56</sup>

The composition and functioning of the Board are also instrumental in ensuring effective control over public service media. Six members are elected by Parliament, with two chosen from candidates nominated by the government and two from those nominated by opposition parties. However, the chairperson of the Board and one additional member are appointed by the Media Council for nine-year terms.<sup>57</sup>

The Board is responsible for ensuring that the PSM provider meets its objectives, monitoring its independence, and appointing key personnel, including the CEO and the Supervisory Board's chairperson and members. In the event that a Board member's term expires prior to the nine-year term, a replacement will be selected based on the political alignment of the outgoing member's nominating party.<sup>58</sup>

The Supervisory Board, which oversees the CEO and the entire management team, is composed of a chairperson and four members, with the Board appointing all but one member.<sup>59</sup> This structure affords the Board significant control over the leadership and operations of the public service media.

It has been repeatedly highlighted in international reports and assessments that there is a lack of regulatory safeguards against political influence over the PSM in Hungary.<sup>60</sup> The current framework allows the ruling party to exert significant control

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<sup>55</sup>Media Law, Art. 73-74.

<sup>56</sup>Media Law, Art. 102.

<sup>57</sup>Media Law, Art. 86.

<sup>58</sup>Media Law, Art. 90.

<sup>59</sup>Media Law, Art. 106.

<sup>60</sup>Monitoring Media Pluralism in the Digital Era (2023), *cit.*

control over public service media, which undermines the independence of these organisations.<sup>61</sup>

The president of the media authority, who also chairs the Media Council, is an influential figure in this centralised system of control. This position has the authority to nominate candidates for the most senior roles within the PSM. As a result, the ruling party, through its appointees, exerts comprehensive control over the PSM, from the editorial level to overall management. This effectively blurs the lines between state media and party propaganda.<sup>62</sup>

### **Governance bodies: appointment**

The media law contains detailed conflict of interest guidelines regarding the ineligibility of certain individuals for the position of CEO at the PSM.<sup>63</sup> The Media Council, which is dominated by Fidesz appointees, has significant influence, as it is responsible for appointing the CEO and members of the supervisory boards of MTVA. This effectively places public media under the direct control of the ruling party.<sup>64</sup> The Media Council remains the sole supervisory body for MTVA, thereby reinforcing the ruling party's control over public media and undermining the effectiveness of genuine independent oversight.<sup>65</sup>

### **Governance bodies: term**

The employment contract of the MTVA's CEO is open-ended, with no specified end date.<sup>66</sup>

### **Governance bodies: dismissal conditions**

The CEO's employment can be terminated by one of four means: dismissal, contract termination, death, or if the Board of Trustees decides to end it based on specific legal provisions. The CEO may be dismissed in the event that they are placed under guardianship affecting legal capacity, found guilty in a criminal case with a prison sentence, unable to perform their duties for a period of three months due to external reasons, in violation of conflict of interest rules and unable to resolve this within 30 days, or barred by the court from their profession or public affairs. In the event of dismissal, the Board of Trustees is responsible for finalising the termination.<sup>67</sup>

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<sup>61</sup>[Memorandum on freedom of expression and media freedom in Hungary](#), Council of Europe, 2021.

<sup>62</sup>Memorandum on freedom of expression and media freedom in Hungary, *cit.*

<sup>63</sup>Media Law, Art. 104.

<sup>64</sup>Mission Report: Media Freedom in Hungary, *cit.*

<sup>65</sup>Konrad Bleyer-Simon, Gábor Polyák, Ágnes Urbán: [Monitoring Media Pluralism in the Digital Era. Country Report: Hungary](#), 2024, The Centre for Media Pluralism and Media Freedom.

<sup>66</sup>Media Law, Art. 102.

<sup>67</sup>Media Law, Art. 102.

## Funding

The MTVA plays a key role in the stewardship of financial resources for public service media. MTVA provides support across a range of areas related to the PSM, including content production and acquisition, the operation of public service broadcasters, and the management of state and private assets under its control. The MTVA's budget is approved annually by the Hungarian Parliament, with detailed management rules set by the Media Council.<sup>68</sup>

The MTVA's budget for 2024 has been set at HUF 142 billion, representing a significant increase from the HUF 126 billion allocated in 2023 and more than double the amount from 2010. This increase in funding coincides with a year marked by municipal and EU elections, which raises questions about the financial independence and political neutrality of the institution. The MTVA's budget includes over HUF 28 billion for personnel costs and relies heavily on public contributions, with additional revenue expected from commercial and asset management activities.<sup>69</sup>

Under Hungarian media regulations, the maximum permitted duration for advertising and television shopping within a linear public service media broadcast is eight minutes per hour, while for community media services, it is six minutes per hour.<sup>70</sup> MTVA conducted a procurement process for selling advertising space in public media for 2019, with the contract ultimately awarded to Media Services Company Hungary Ltd. (MSC). As of 1 January 2020, MSC has assumed responsibility for content development and sales across all public media channels.<sup>71</sup> Furthermore, public service media providers are obliged to broadcast political advertising from all candidates' organisations free of charge during election campaigns.<sup>72</sup>

Despite its substantial budget, MTVA operates with minimal external oversight, which raises concerns about transparency and accountability. Some commentators have suggested that the MTVA is financially dependent on the governing majority in Parliament, which they believe influences its operations and contributes to the bias in its reporting.<sup>73</sup> The Media Council, which is responsible for overseeing MTVA's financial management and transparency, has been the subject of criticism for failing to fulfil its role effectively, thereby allowing MTVA to spend large sums without meaningful scrutiny.<sup>74</sup>

In Hungary, state advertising, defined as government-funded promotional messages placed in media outlets, is regarded as an irregular state aid that also affects the public service media sector. The Hungarian government has a policy of

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<sup>68</sup>Media Law, Art. 136, Art. 108.

<sup>69</sup>Eddig nem látott összeget költünk jövőre a közmédiára ('Unprecedented spending on public media next year'), 24, November 28, 2023.

<sup>70</sup>Media Law, Art. 36.

<sup>71</sup>MTVA Kereskedőház Csoport (MTVA Sales House Group).

<sup>72</sup>Monitoring Media Pluralism in the Digital Era (2024), *cit.*

<sup>73</sup>Monitoring Media Pluralism in the Digital Era (2024), *cit.*

<sup>74</sup>"A Fidesz nem enged be...", *cit.*

directing state advertising funds to media outlets with which it has a friendly relationship, including the PSM. While state advertising is a legal practice, its use as a tool of state aid gives rise to concerns about its impact on media pluralism and democratic oversight.<sup>75</sup>

## Independent monitoring mechanisms

In accordance with the media law, the Hungarian public service media system is designed to ensure accountability and societal oversight.<sup>76</sup> The Public Service Board, composed of 15 members, is responsible for overseeing the editorial content of public service media. Decisions are made by a simple majority, with the chairperson's vote serving as a tie-breaker in the event of a split vote. Members are appointed for three-year terms by organisations listed in the law's annex, with the possibility of reappointment. The Board is responsible for the oversight of public service media providers. The PSM's CEO is required to submit an annual report by 28 February, in which they must assess whether the media provider has met the statutory objectives and principles of public service broadcasting.<sup>77</sup>

Nevertheless, the MTVA is responsible for the oversight of public service media entities, including television channels, radio stations, and the national news service. However, the MTVA is not subject to the legislation that governs public service broadcasting, which creates a gap in the regulatory framework. This presents a gap in the oversight of the public broadcaster's operations.<sup>78</sup>

In addition, the Media Council oversees the financial management of MTVA and is responsible for the editorial content. This interconnection precludes the Media Council from conducting an independent assessment of the operation of the PSM. It is notable that the Media Council has not addressed the issue of the one-sided and propagandistic content that is often featured on public service channels.<sup>79</sup> The council's ability to fulfil its role in ensuring media accountability is hindered by its practice of not formally addressing complaints or taking corrective measures.<sup>80</sup>

There is no independent body in charge of monitoring the performance of the Hungarian PSM.

In the initial seven-month period of 2024, the Media Council examined 12 grievances lodged against public service media. In 11 instances, the Council either did not initiate an administrative process or terminated it. In one case, an administrative process was initiated regarding two news bulletin broadcasts, though the outcome is not yet available.<sup>81</sup>

<sup>75</sup>Attila Bátorfy, Ágnes Urbán: [State advertising as an instrument of transformation of the media market in Hungary](#), *East European Politics*, 36(1), 44–65.

<sup>76</sup>Media Law, Art. 82.

<sup>77</sup>Media Law, Art. 97.

<sup>78</sup>Mission Report: Media Freedom in Hungary, *cit.*

<sup>79</sup>Monitoring Media Pluralism in the Digital Era, *cit.*

<sup>80</sup>The independence of media regulatory authorities in Europe, *cit.*

<sup>81</sup>See [here](#).

## MISUSE OF STATE FUNDS TO INFLUENCE MEDIA OUTPUT

*This section discusses how Article 25 of the EMFA is implemented.*

### Summary

Hungary's compliance with Article 25 of the EMFA, regarding misuse of state funds to influence the media, is deeply concerning. The country lacks legal provisions for fair distribution of state advertising, allowing politically-motivated fund allocation. This non-compliance is worsened by the dominance of state-sponsored advertising, which heavily influences media output, favouring government-aligned outlets over independent ones.

The allocation of state advertising funds reinforces pro-government narratives and hinders independent media's financial viability. The lack of transparency in advertising contracts and absence of independent oversight exacerbate the issue. Despite civil society efforts to challenge these practices, their impact remains limited. Hungary's implementation falls short of EMFA's Article 25, undermining media pluralism and freedom of expression.

### Legal provisions on public procurement

In the wake of the global financial crisis of 2008, the Hungarian advertising market underwent a significant decline, leading to an increased reliance on state-sponsored advertising.<sup>82</sup> The state has become the dominant player in the Hungarian advertising market, with government advertising and advertising by state-owned companies representing a significant source of leverage over media outlets.<sup>83</sup>

The processes through which state advertising is distributed are often opaque, with decisions based on political allegiances rather than transparent criteria. This has resulted in a less competitive environment in the media sector, which has had a negative impact on freedom of expression and severely limited the ability of independent media to operate effectively.<sup>84</sup> Despite calls for reform, there are currently no legal measures in place to regulate the distribution of state advertising in a fair and transparent manner.<sup>85</sup>

<sup>82</sup>Gábor Polyák. 'Media in Hungary: Three Pillars of an Illiberal Democracy', in Eva Połońska, Charlie Beckett (eds.): Public Service Broadcasting and Media Systems in Troubled European Democracies, 2019, Palgrave Macmillan.

<sup>83</sup>Gábor Polyák, Az állami hirdetések szabályozása az Európai Médiaszabadság Törvény tervezetében ('Regulation of public advertising in the draft European Media Freedom Act'), in Médiakutató, Fall 2023.

<sup>84</sup>Memorandum on freedom of expression, *cit.*

<sup>85</sup>2023 Rule of Law Report. Country Chapter on the rule of law situation in Hungary, European Commission, July 5, 2023.

On occasion, state advertising accounts for over 30% of the total market share. Furthermore, the government can leverage tax incentives, strategic partnerships, and rigorous regulatory oversight to influence the actions of businesses, including commercial advertisers, in alignment with its interests. This has prompted many commercial advertisers to avoid independent media outlets, which has further eroded the financial viability of those that do not align with the government's narratives.<sup>86</sup>

The allocation of state advertising in Hungary is subject to significant political influence, with a discernible bias towards media outlets that align with the ruling party. State advertising is not solely a conduit for promoting government-friendly media outlets; it is also a vehicle for disseminating messages that advance the interests of the governing party.<sup>87</sup> This practice has the effect of undermining media pluralism and of distorting the level playing field that is essential for a free and independent press.

Since 2010, the Hungarian government has strategically allocated state advertising to media companies owned by pro-government businesspeople. The Central European Press and Media Foundation (KESMA), a group of pro-government media outlets, has been a substantial beneficiary of this system.<sup>88</sup> These outlets receive significant financial support from the state, with up to 75%-80% of their total revenue deriving from state advertising.<sup>89</sup> This high level of financial dependency enables these outlets to operate without regard for market forces or audience demand, effectively shielding them from the economic challenges that typically affect media organisations.<sup>90</sup>

In contrast, independent media outlets are experiencing significant financial challenges as they strive to maintain competitiveness in the face of well-funded, government-backed competitors. The rationale provided by the government for these actions is frequently presented as a means of promoting media pluralism. However, in practice, this approach actually serves to undermine media diversity by reinforcing pro-government narratives and marginalising independent voices. This selective support increases the vulnerability of independent outlets, further contributing to Hungary's democratic backsliding.<sup>91</sup>

The use of state advertising is also an effective tool for controlling and silencing critical media outlets. In some instances, independent media outlets that are not aligned with the government have been awarded state advertising contracts not as a means of ensuring a fair distribution of resources, but rather as a means of

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<sup>86</sup>Monitoring Media Pluralism in the Digital Era (2024), *cit.*

<sup>87</sup>Monitoring Media Pluralism in the Digital Era (2024), *cit.*

<sup>88</sup>Analysis: One year after election, media freedom in Hungary remains suffocated, International Press Institute, April 5, 2023.

<sup>89</sup>Attila Bátorfy: 'Hungary: A Country on the Path towards an Authoritarian Media System', in: Angelos Giannakopoulos (ed.): Media, Freedom of Speech, and Democracy in the EU and Beyond, The S. Daniel Abraham Center for International and Regional Studies, June 2019.

<sup>90</sup>Anna Wójcik: How the EU Can Defend Media Freedom and Pluralism in Hungary and Poland, German Marshall Fund, November 2, 2022.

<sup>91</sup>Attila Bátorfy, Ágnes Urbán: State advertising, *cit.*

entangling them in a web of state dependency. The objective of this strategy is to diminish the critical stance of these outlets and bring them under the influence of the government's media apparatus.<sup>92</sup>

Furthermore, the influence of state advertising extends beyond the media landscape, affecting the wider advertising market. Commercial advertisers are compelled to place ads in pro-government media outlets, despite potential business interests, in order to maintain favourable relations with the government. This has the knock-on effect of pressuring non-government entities to support the pro-government media ecosystem.<sup>93</sup>

## Criteria for distribution and tender procedures

The distribution of state advertising funds is primarily based on political loyalty, with media outlets that align with the ruling party receiving a greater share of funding. It is evident that there is a lack of legislation in place that provides fair and transparent criteria for the distribution of state advertising. The lack of legislation allows the government to allocate funds based on political considerations rather than market principles, ensuring that loyal media outlets continue to receive financial support.<sup>94</sup>

The centralisation of communication resources has also been a key factor in this transformation. Since 2014, the National Bureau of Communications (NKOH) has been responsible for coordinating the communication of public bodies and overseeing the allocation of public contracts, including media agency commissions. The centralisation of communication resources has enabled the government to restructure the media agency market in a way that consolidates control over state advertising funds.<sup>95</sup> The same pro-government business groups tend to secure the majority of public procurements.<sup>96</sup>

At the outset, NKOH entered into framework agreements with a number of companies to oversee the management of these funds. However, since 2018, it has only contracted with a single company group, which has close ties to the ruling party and exclusive rights to handle state advertising contracts. The group is responsible for setting the tariffs for state-funded communications. The tariffs, which are set out in extensive Excel spreadsheets obtained by investigative journalists, show that the prices charged by these companies are at the upper end of market rates. However, there is currently limited transparency and oversight regarding the actual expenditure of these funds.<sup>97</sup>

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<sup>92</sup>Attila Bátorfy: Hungary: A Country on the Path, *cit.*

<sup>93</sup>Attila Bátorfy, Ágnes Urbán: State advertising, *cit.*

<sup>94</sup>Mission Report: Media Freedom in Hungary, *cit.*

<sup>95</sup>Gábor Polyák: Media in Hungary, *cit.*

<sup>96</sup>Gábor Polyák: Az állami hirdetések szabályozása, *cit.*

<sup>97</sup>Ákos Keller-Alánt, András Kósa, [A túlárazás csak az egyik trükk – így tarol Balásy Gyula az állami megrendeléseken](#) ('Overpricing is just one of the tricks - how Gyula Balásy is winning public contracts'), Szabad Európa, March 7, 2024.



## Transparency of state media contracts

It is not within the remit of regulatory authorities to monitor the allocation of state advertising expenditure to media service providers.

A considerable number of social advertisements and public service announcements are aligned with the political objectives of the government and the ruling party, as well as social media campaigns, particularly on Facebook where government narratives are prevalent.<sup>98</sup> How these amounts are spent is usually non-transparent.

In 2022, the government allocated a total of HUF 19.6 billion to social campaigns, which typically advance themes that align with the government's narratives. Of this sum, HUF 16.6 billion was disbursed through government-aligned media outlets.<sup>99</sup>

Between 2019 and 2023, political actors in Hungary, particularly those aligned with the ruling Fidesz party, invested a sum approaching HUF 10bn in Facebook advertising. Approximately HUF 3 billion of this total was spent during the six-week election campaign of 2022. Upon conversion to euros, Hungary's expenditure of €26.5 million far exceeds that of neighbouring Central and Eastern European countries. For example, Austria spent €18.8 million, Poland spent €22.5 million, and the Czech Republic spent just €10 million. The discrepancy is further highlighted when comparing Hungary's expenditure to that of smaller countries such as Croatia (€2.9 million) and Slovenia (€1.1 million).<sup>100</sup>

A significant actor in this context is the Megafon Center, a public relations agency with connections to the Fidesz-aligned Center for Fundamental Rights, which oversees the coordination of influencers tasked with disseminating the government's message. The collective expenditure on Facebook political advertisements by Megafon and other similar, smaller, government-aligned organisations exceeded the total spending of all political advertisers in countries with comparable population sizes and economic statuses, including Portugal.<sup>101</sup>

Moreover, in the period preceding the 2024 European Parliamentary elections, Megafon and another GoNGO (government-organised NGO), CÖF (Civil Union), which has organised "Peace Marches" to support the government, collectively invested approximately HUF 300m in advertising over a three-month span. This considerable expenditure has positioned Hungary in sixth place among EU member states in terms of spending on advertisements pertaining to "social issues, politics, or elections," when adjusted for population size. Notably, Megafon has alone allocated a sum exceeding that of all political advertisers in several European

<sup>98</sup>A Megafon mögé bújva uralja a Fidesz a közösségi médiát ('Hiding behind Megafon, Fidesz dominates social media'), Political Capital, February 29, 2024.

<sup>99</sup>Csaba Segesvári, Tavaly 16,6 milliárd forint közpénz vándorolt a kormány médiához társadalmi célú reklámként ('Last year, HUF 16.6 billion of public money went to government media for social advertising'), Átlátszó, February 28, 2022.

<sup>100</sup>Zsolt Hanula, Így tett a magyar politika 10 milliárd forintot Mark Zuckerberg zsebébe ('How Hungarian politics put 10 billion forints in Mark Zuckerberg's pocket'), Telex, December 1, 2023.

<sup>101</sup>Zsolt Hanula, *How Hungarian politics...*, *cit.*

countries.<sup>102</sup>

It is not possible to ascertain the source of funding for Megafon. However, a court ruling has confirmed that it is not false to claim that Megafon operates using public funds.<sup>103</sup> In addition, Hungarian law does not require third-party financed political ads on social media to be audited by the State Audit Office, which raises further concerns about transparency and the influence of public funds on political discourse.<sup>104</sup>

## Monitoring state advertising spending

There is currently no dedicated, independent, or transparent mechanism in place to monitor state advertising expenditure. Analyses and articles about the distribution of state advertising in Hungary are published on a regular basis, but they have no tangible impact on the distribution. In light of the distorted public sphere and the absence of constitutional checks and balances, transparency has no deterrent effect.<sup>105</sup>

There are independent bodies and NGOs that monitor the allocation of state advertising expenditure to media service providers. Civil society organisations and independent media outlets, including Mérték Media Monitor, Átlátszó and Szabad Európa, have conducted investigations and produced reports on this issue. However, these efforts have had a negligible impact. For instance, in 2019, Mérték Media Monitor, Klubrádió, and former MEP Benedek Jávor submitted a formal complaint to the European Commission, contending that state advertising constitutes illegal state aid by conferring an unfair competitive advantage on certain market actors irrespective of their actual market performance. In 2021, the European Commission issued a preliminary assessment indicating that the complaint should be rejected.<sup>106</sup>

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<sup>102</sup>Szilárd Teczár, [Többet költ a Megafon a Facebookon, mint Szlovákia összes politikai hirdetője együttvéve](#) ('Megafon spends more on Facebook than all political advertisers in Slovakia combined'), Lakmusz, April 19, 2024.

<sup>103</sup>Balázs Bozzay, [Nem talált fogást a Telexen a Megafon, mi viszont rajta vagyunk, hogy megtudjuk, milyen pénzből működnek](#) ('Megafon has not found a hold on Telex, but we are on the case to find out what money they're running on'), Telex, March 30, 2022.

<sup>104</sup>2023 Rule of Law Report, *cit.*

<sup>105</sup>Gábor Polyák: Az állami hirdetések szabályozása, *cit.*

<sup>106</sup>Gábor Polyák: Az állami hirdetések szabályozása, *cit.*

## MEDIA PLURALISM AND POLITICAL/STATE INFLUENCE OVER NEWS MEDIA

*This section discusses how Articles 6 and 22 of the EMFA are implemented.*

### Summary

Hungarian media laws partially align with EMFA Articles 6 and 22 on media pluralism and political influence. While basic operational transparency is mandated, detailed ownership disclosure is not required. This lack of comprehensive legislation weakens accountability.

Media pluralism is compromised by pro-government ownership consolidation. Despite safeguards against excessive concentration, enforcement is inconsistent. Authorities block some mergers but allow pro-government expansions, such as KESMA, by classifying them as strategically important.

This selective approach undermines editorial independence and content diversity, failing to meet EMFA's transparency and media pluralism goals in Hungary.

### Transparency: legal requirements

#### Media ownership

The Hungarian media law sets out a number of requirements for media service providers regarding the accessibility and transparency of their legal and operational information. Media service providers are required to make the following information accessible to the public: legal name or corporate name, address or registered office, postal address, email address or website contact, and telephone contact.

This information must be readily available on all websites and teletext pages pertaining to the media services in question. In the case of on-demand media services, the aforementioned details must also be made available at the point of access to the service. Moreover, the legislation requires that interested parties be able to obtain this information via telephone.

#### State funding

The law does not explicitly mandate the public disclosure of ownership information, the involvement of state or public entities, beneficial ownership, public funds received for state advertising, or advertising revenues from foreign public authorities.<sup>107</sup>

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<sup>107</sup>Media Law, Art. 37-38.

## National media ownership databases

In accordance with the relevant legislation, the NMHH is the authority responsible for maintaining a comprehensive registry of various media services operating within Hungary. The legislation requires all media service providers and publishers established in Hungary to register with the authority. This requirement encompasses a broad spectrum of media services, including both licensed and unlicensed linear audiovisual and radio services. Furthermore, the remit of the authority extends to on-demand audiovisual and radio services, supplementary media services, printed press products, and online press products and news portals.<sup>108</sup>

While the law requires the NMHH to maintain these records, it does not explicitly mandate the creation of a national media ownership database. The law's primary objective is to guarantee that all media services and press products are registered with the relevant authority, rather than to establish a comprehensive database on ownership structures. Nevertheless, the law also requires that a media service provider notify the authority within five days of any changes to its ownership structure or company details (as specified in the regulatory contract) following a change of registration with the company court.<sup>109</sup>

While there are currently no comprehensive regulations governing transparency in the ownership structures of media companies, and media authority registers offer only limited details about media service providers, direct ownership information can be accessed through the business register.<sup>110</sup> Moreover, in practice, the public is frequently aware of the ultimate beneficial owners behind a particular outlet due to the scrutiny from journalists and researchers.<sup>111</sup>

## Assessment and notification of media market concentrations

The national legislation incorporates a number of legal safeguards to address the issue of media market concentration and its potential impact on media pluralism and editorial independence. These are set out in both substantive and procedural rules.

In terms of substance, the legislation places limitations on the expansion of certain media service providers and the acquisition of shares in other media companies. These limitations are in place if the provider has an annual average audience share of at least 35% for linear audiovisual services or 40% for linear radio services. The objective of this restriction is to prevent excessive market concentration.

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<sup>108</sup>Media Law, Ar. 41, *cit.*

<sup>109</sup>Media Law, Art. 63.

<sup>110</sup>2023 Rule of Law Report, *cit.*

<sup>111</sup>Monitoring Media Pluralism in the Digital Era (2023), i.

In order to acquire stakes or start new services, media service providers must obtain approval from the Media Council. In the event that the provider falls under concentration rules, the Media Council is obliged to reject the application if it fails to comply with the regulations designed to prevent market concentration. Moreover, providers may enter into a formal agreement with the Media Council to guarantee compliance with diversity requirements. This agreement, which is in place for a minimum of one year, allows the Media Council to review and accept or reject the provider's commitment to increasing media diversity.

Furthermore, the Media Council gathers data from media service providers to evaluate market concentration and may impose penalties for non-compliance with data requests. The identification of significant market power is based on the analysis of audience share, with specific obligations set for these entities to prevent the abuse of their market power.<sup>112</sup>

Additionally, the Economic Competition Authority (GVH), Hungary's antitrust regulatory body, is responsible for examining potential market concentration. In cases of suspected media market concentration, the GVH is required to obtain an opinion from the Media Council regarding merger notifications. This is the case if the merging companies or their affiliates are involved in editorial responsibilities and aim to deliver media content through electronic networks or print media. While the Media Council's opinion is binding for the GVH, this does not prevent the GVH from prohibiting a merger approved by the Media Council.<sup>113</sup>

## **Impact of media market concentration on media pluralism and editorial independence**

As previously outlined (see Independence of media regulators), the actions of the authorities have frequently favoured pro-government media conglomerates, resulting in an unparalleled consolidation of media ownership.

In 2011, the Media Council demanded Axel Springer and Ringier to sell a substantial portion of their assets before approving their merger. This ultimately enabled Fidesz-aligned investors to acquire a significant share of the market. As the Council stated, it had evaluated the potential impact of the proposed merger on the internal and external pluralism of the press market.

The conclusion was that, given that Ringier owned the major national tabloids and political dailies, and Axel Springer controlled a significant portion of regional dailies, the merger would have reduced diversity and limited public access to varied information. Furthermore, it could have resulted in content overlap and a reduction in the variety of news and opinions, which would have had an adverse effect on democratic discourse. The Council determined that the combined entity would

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<sup>112</sup>Media Law, Art. 68-70.

<sup>113</sup>Media Law, Art. 171; Act LVII of 1996 on Prohibition of Unfair Market Behavior and Restriction of Competition, Art. 67.

possess a dominant market share across multiple media segments, which would significantly restrict content diversity. Accordingly, the merger request was only permitted after applying conditions in order to safeguard pluralistic information rights.<sup>114</sup>

Similarly, in 2017, the Media Council blocked the merger of Magyar RTL Televízió Zrt. and Central Digital Média Kft.<sup>115</sup> Meanwhile, in 2016, the Media Council had approved the acquisition of another company with four additional local dailies by Mediaworks, a government-aligned company that already owned eight local dailies. The combined audience of the two companies would have reached one million readers. The Council approved the transaction through a simplified decision-making process, without further examining its potential impact on media plurality. Furthermore, the GVH gave the merger the green light.<sup>116</sup>

Moreover, following the establishment of KESMA in 2018, government-aligned media owners offered their assets to the new foundation free of charge, resulting in the creation of an entity controlling a significant portion of the media market with 476 outlets. This led to similar concerns about limiting content diversity being raised, which were cited as reasons for rejecting the merger of Ringier and Axel Springer seven years earlier by the Media Council. However, the government classified the transaction as of national strategic importance, which prevented the media authority or the competition authority from launching an investigation. KESMA's press release justified the transaction on the grounds of the need to protect the Hungarian language, culture and identity from external influences, globalisation and what they described as a "left-liberal information monopoly".<sup>117</sup>

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<sup>114</sup>NMHH Médiatanács: Országgyűlési beszámoló 2011 (Parliamentary Report 2011), May 2012.

<sup>115</sup>A Fidesz nem enged be..., *cit.*

<sup>116</sup>Gábor Polyák, Ágnes Urbán, Bűnrészes hatóságok ('Complicit authorities'). Mérték Média Monitor, October 26, 2016.

<sup>117</sup>Attila Bátorfy, Ágnes Urbán: State advertising, *cit.*

# RECOMMENDATIONS

## WHAT IS NEEDED TO CAPTURE-PROOF THE HUNGARIAN MEDIA

The recommendations are structured as follows:

- a) Recommendations aimed at aligning national legislation with the EMFA's general provisions; and
- b) Recommendations aimed at enhancing the media environment regardless of EMFA.

### Independence of media regulators

#### Brief overview of EMFA provisions

The 2018 amendment of the Audiovisual Media Services Directive (AVMSD) already set out the requirements for independent media regulators. These include functional independence from governments, impartiality and transparency, operation without instructions, clearly defined competences and powers, an effective appeal mechanism, a proper mechanism to appoint and dismiss the head and the body of the authority, and also adequate financial and human resources and enforcement powers. In light of the above, EMFA essentially reiterates the stipulations set forth in Article 30 of the AVMSD, with the notable addition of provisions pertaining to the requisite resources, specifically technical resources, and the authority to request information and data. Consequently, prior to the implementation of EMFA, Member States are obliged to adhere to the majority of the requirements pertaining to independent media regulators as outlined in Article 30 of the AVMSD.

#### Aligning with EMFA's general provisions: what is needed?

The NMHH and the Media Council are currently fully controlled by the ruling Fidesz party due to its super majority in parliament. New measures should be introduced to ensure the political independence of the media regulator. Proposals include:

- Ensure a transparent and inclusive appointment process: Reform the selection process for the President of the NMHH and the Media Council to include various stakeholders, such as opposition parties, civil society, and independent experts.
- Limit government influence in regulatory appointments: Introduce legal requirements to consider recommendations from professional bodies, civil society and opposition parties.
- Shorten the terms of key positions: Revise the current nine-year terms for the President of the NMHH and members of the Media Council to a shorter term to reduce the risk of long-term political entrenchment and ensure regular oversight.
- Introduce conflict of interest rules to prevent political appointees or members of the ruling party from holding positions in media regulatory bodies or having undue influence on media-related decisions.

### Further enhancing the media environment: what is needed?

- Clarify appeal mechanisms and strengthen judicial oversight: Amend the legal framework to allow for effective judicial review of the Media Council's decisions.
- Increase transparency: Implement systematic and transparent publication of all meeting minutes, decision rationales, and all stakeholder input.
- Establish independent monitoring and accountability mechanisms: Establish an independent oversight body composed of diverse representatives tasked with overseeing the activities of the regulator.
- Prevent political bias in licensing and media mergers: Develop objective criteria for frequency allocation and media merger assessments, with an independent committee reviewing high-stakes decisions.

## Independence of public service media

### Brief overview of EMFA provisions

Article 5 of EMFA requires that governments guarantee the independent functioning of public media, including ensuring their editorial and functional independence, that procedures for appointing the management guarantee the independence of public media, that those appointed are done so on the basis of transparent, open, effective and non-discriminatory procedures and criteria, that funding is transparent, adequate, sustainable and predictable and can guarantee the editorial independence of the public media, and that an independent body is designated to monitor the application of these principles.

### Aligning with EMFA's general provisions: what is needed?

- Strengthen the legal framework for editorial independence: Amend the media law to explicitly prohibit political appointees from holding key editorial positions in public media. This should include a requirement that senior editorial staff be selected by independent bodies.
- Reform governance structures: Change the composition of the Public Service Foundation Board of Trustees to reduce the dominance of politically appointed members.
- Increase transparency in financial oversight: Introduce legal changes to decouple the MTVA from government control and ensure that budget allocations and expenditures are transparent and independently monitored. This should include ending the annual budget approval by parliament and ensuring a long-term budget that is not subject to arbitrary political decisions and negotiations.
- Redefine the role of the Media Council: Implement legal safeguards to limit the Media Council's ability to appoint and dismiss senior PSM staff. Introduce a requirement for bipartisan parliamentary approval of such appointments to prevent partisan capture. Any dismissal of senior personnel must be properly justified if they fail to meet the conditions, and should include the possibility of judicial review.
- Establish an independent monitoring body: Establish an independent, powerful



body tasked with monitoring compliance with legal requirements for editorial independence, balanced coverage, and fairness, and the degree to which it fulfils its public service mandate. This body should be mandated by law and operate separately from both the Media Council and the Public Service Foundation.

### **Further enhancing the media environment: what is needed?**

- Establish clear editorial guidelines: Adopt clear, publicly available editorial guidelines within PSM that emphasise the principles of impartiality, fairness and balanced reporting. These should be reinforced by regular internal and external audits of editorial practices.
- Adopt a merit-based recruitment system: Establish a transparent, merit-based hiring system for hiring journalists and senior editors to minimise the risk of politically motivated appointments. Use independent recruitment committees with representatives from diverse professional backgrounds.
- Ensure internal editorial autonomy: Implement organisational changes to empower journalists and editors to make content decisions without political pressure. Implement a whistleblower protection policy to protect staff who report political interference.
- Diversify content through external contributors: Increase the diversity of PSM content by incorporating programming from independent media producers and freelancers. Allocate a specific budget for commissioning independent content, ensuring that different viewpoints are represented. Introduce transparent selection criteria for external content producers, with strong anti-corruption measures.
- Encourage external review and reporting: Conduct annual independent reviews of PSM's editorial policies and practices, conducted by international media organisations or expert panels, to ensure compliance with EMFA standards and promote greater transparency.

## **Misuse of state funds to influence media output**

### **Brief overview of EMFA provisions**

Article 25 of the EMFA states that, while public procurement rules remain unchanged, state advertising must be awarded in accordance with transparent, objective, proportionate and non-discriminatory criteria.

### **Aligning with EMFA's general provisions: what is needed?**

Strengthen the legal framework for transparent government advertising: Introduce comprehensive legislation to ensure that state advertising is distributed according to transparent, objective, proportionate, and non-discriminatory criteria, is made publicly available in advance, and is awarded through open, proportionate, and non-discriminatory procedures. This should include mandatory public disclosure of all contracts, agreements and financial transactions related to state advertising, including amounts and recipients, to ensure compliance with EU transparency

standards.

- Establish an independent oversight mechanism: An independent oversight body should be appointed to monitor government advertising, ensure compliance, and issue annual reports. This body should operate autonomously, without government or political interference, to enforce fair distribution practices and ensure accountability.

### **Further enhancing the media environment: what is needed?**

- Develop a reporting and complaints mechanism to allow independent media to raise concerns about discriminatory practices and unfair competition.
- Introduce legislation to limit political influence: Implement regulations that prevent political actors from misusing state resources to influence media output. This should cover not only traditional media, but also social media and digital platforms, and include third-party political advertising funded by public money to ensure transparency and limit the use of such funds to promote government or party narratives.
- Increase transparency in state advertising: Require real-time publication of government advertising expenditures, disaggregated by amount, recipient, and purpose, on a publicly accessible platform. Regularly assess and publish reports on the impact of state advertising on media pluralism, including any undue influence or distortion of competition, and use these assessments to guide policy adjustments.
- Ensure market fairness: Develop guidelines for commercial advertisers to protect them from government coercion and ensure that their advertising decisions are based on market considerations, not political pressure.
- Strengthen plurality in the advertising market: Promote competitive neutrality by limiting the share of state-sponsored advertising in the overall media market, as well as in individual media outlets, to avoid excessive reliance on state funding, thereby supporting the sustainability of independent media.
- Promote media pluralism: Develop guidelines to ensure that government advertising is fairly and proportionately distributed to all media outlets, regardless of political orientation, with a focus on supporting media outlets that serve underserved regions or minority communities. Support media independence and sustainability: Establish a fund, independent of government control, to provide financial support to media outlets based on their performance, audience reach and adherence to professional standards, creating an alternative to government advertising for independent media.

## **Media pluralism and political/state influence over news media**

### **Brief overview of EMFA provisions**

Article 6 of the EMFA requires news media organisations to provide information about their owners, including potential conflicts of interest, and to implement measures to ensure editorial independence. Article 22 of the EMFA requires governments to implement a system for the assessment of concentrations that

could have a significant impact on media pluralism and editorial independence.

### **Aligning with EMFA's general provisions: what is needed?**

- Strengthen media ownership transparency requirements: Update existing legislation to include explicit requirements for the disclosure of ownership structures, beneficial ownership, and the participation of state or public entities in media companies.
- Create a public media ownership database: Mandate the creation of a national media ownership database that is easily accessible to the public and includes detailed information on ownership changes, funding sources, and potential conflicts of interest.
- Establish independent monitoring of media market concentration: Reform the Media Council and ensure that it is independent and free from political influence to oversee media market concentration and mergers, with a clear mandate to prioritise media pluralism and editorial independence in the assessment of media acquisitions. All decisions on mergers and acquisitions must be based on transparent criteria and be subject to judicial review.
- Limit political interference in media regulation: Establish a legal framework that explicitly prevents the government from classifying media transactions as of “national strategic importance” in order to circumvent competition and media pluralism rules.
- Prevent political bias in media mergers and licensing: Develop objective criteria for evaluating media mergers and spectrum allocation, with an independent committee reviewing high-stakes decisions.

# MEDIA CAPTURE MONITORING REPORT: HUNGARY

NOVEMBER 2024

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This report by IPI is part of the Media Freedom Rapid Response, which tracks, monitors and responds to violations of press and media freedom in EU Member States and Candidate Countries. This project provides legal and practical support, public advocacy and information to protect journalists and media workers.

The MFRR is organised by a consortium led by the European Centre for Press and Media Freedom (ECPMF) including ARTICLE 19 Europe, the European Federation of Journalists (EFJ), Free Press Unlimited (FPU), the International Press Institute (IPI) and Osservatorio Balcani e Caucaso Transeuropa (OBCT).

The project is co-funded by the European Commission.

