

Local media markets in Hungary

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Developments in local media markets are less documented than changes of the national media landscape. However, the similarities are obvious: weakness of market forces, strong political pressure, and presence of propaganda. The report summarizes the main characteristics of the local media markets in the illiberal Orban-regime.

The financial viability of local media markets is much worse than the national market because of the smaller market size. If there were purely market conditions without any political pressure, it would still be very difficult to run a financially sustainable local media in Hungary.

As it is well-known, the political pressure is present. This is particularly striking in cases where national and local political power are in the same hands, so that there is no control to make political actors wary.

The commercial market is also captured by politics. Local or regional media, which are supposed to be commercial, are also typically owned by investors close to the ruling party (Fidesz). Typically, county newspapers and local radio stations are in this category.

It is therefore easy for a rural news consumer who does not use the internet to fall into the trap of pro-government propaganda. If you turn on the public television news from time to time, listen to your local radio station and maybe buy the county paper, you are essentially hearing the same thing. That is why it is particularly important that the local media should reinforce this propaganda or, on the contrary, mitigate the one-sidedness of the news.

Municipal media

Municipal media should operate as local public service content services of public interest within an organisational and funding framework that gives them editorial autonomy. Local media are primarily forums for discussion of local public affairs, but it can also act as an independent source of information outside the territory of the municipality concerned, in the surrounding municipalities. The role of local newspapers in news consumption is still important, but attention should also be paid to platforms that reach young people (YouTube, Instagram, etc.).

Mérték Media Monitor and Medián specifically asked in their 2020 news consumption research where the public gets its information on local issues.¹ Responses revealed that the most important forum for local news - cited by 62% of regular news consumers - is the local newspaper in their mailbox.

Another important source of local news consumption, mentioned by 39% of respondents, is the news portal run by the municipality. Its content is generally at least partly the same as the content of the municipal newspaper. However, this also shows that the internet plays a limited role in local information, reaching less than half of the inhabitants of a given municipality.

¹ Hann, E. - Megyeri, K. - Polyák, G. - Urbán, Á. (2020): Megfertőzött médiarendszer. A politikai tájékozódás forrásai Magyarországon. [Infected Media System. Sources of political information in Hungary.] https://mertek.eu/wp-content/uploads/2020/12/Megfertozott_mediarendszer.pdf pp. 33-34

Changes in the municipal media after the 2019 elections

The local media was very strongly dominated by pro-government forces in the 2010s, and the fact that most local governments were led by Fidesz politicians contributed to this. As a result, the media published or financed by the municipalities also mostly spread pro-government propaganda. However, the political map has been thoroughly rewritten by the municipal elections of autumn 2019, which resulted in the election of opposition mayors in the capital and several other cities.

In some cases the newly elected mayors found themselves in a rather peculiar situation. The local media openly supported Fidesz, it seemed impossible to work with them, but at the same time the purge and the firing of journalists did not send a good message, especially as this was the specific method of the pro-government owners of the media companies acquired in the 2010s.

The situation is illustrated by the situation in Baja, a small town in southern Hungary. Until 2019, the town was governed by a Fidesz mayor and the local newspaper was strongly pro-government, to the extent that during the election campaign, opposition candidates had their photos distorted (bigger nose, squint eyes). Nevertheless, an opposition victory was achieved and the new mayor, showing her willingness to cooperate, did not fire the editor-in-chief. It has since emerged that the editor-in-chief took advantage of the opportunity, but it is a testament to his socialisation that he initially wanted to send the finished articles to the mayor in anyway, without even realising that there was no censorship and that he was responsible for the content.²

In the cities and districts of Budapest where the opposition won in 2019, the takeover of local media was far from easy, even in technical terms. In the 8th district of Budapest, the new mayor was confronted with the fact that the entire system of the editorial office of the municipal newspaper (Józsefváros) had been deleted and there were machines from which the back-up storage had been removed. Some e-mails were recovered, revealing that the former editor-in-chief had sent the articles to Fidesz politicians and asked for their approval before publication.³

In some cases, obtaining social media rights was also problematic. Again, in the 8th district of Budapest, the new management did not get the admin rights to the Facebook page, so they had to start a new page and build the community from scratch. Correspondence with Facebook revealed that the previous local page admin rights were held by an Australian citizen.⁴ A similar case occurred in the 4th district of Budapest, where the former administration of the district also held the admin rights to a Facebook page with 40,000 followers.⁵ The district has approximately 100,000 inhabitants,

² Német, T. (2019): A képhamisító bajai lap főszerkesztője megkérdezte az új polgármestert, hová kell ezentúl küldenie a cikkeket [The editor-in-chief of the fake newspaper in Baja asked the new mayor where to send the articles from now on]. Index, 31 October.

https://index.hu/belfold/2019/10/31/kephamisito_bajai_lap_foszerkeszto_uj_polgarmester_cikkek/

³ HVG.hu (2019): Pikó: Kocsis Máténak is jóvá kellett hagynia a kerületi lapot megjelenés előtt [Pikó: Máté Kocsis also had to approve the district newspaper before publication] 16 December.

https://hvg.hu/itthon/20191216_Piko_Kocsis_Matenak_is_jova_kellett_hagyni_a_keruleti_lapot_megjelenes_elott

⁴ Joób, S. (2019): Elcsórták a VIII. kerület Facebook-oldalát, ezért új lapot nyitottak. [The Facebook page of the VIII. district was stolen, so they opened a new page] Index, 29 November.

https://index.hu/belfold/2019/11/29/jozsefvaros_piko_andras_kerulet_hivatalos_facebook_oldal/

⁵ Szily, L. (2019): Józsefvárosban és Újpesten is lenyúlták a kerület Facebook-oldalát, feljelentés lehet a vége [The Facebook page of the district was stolen in Józsefváros and Újpest, a denunciation may be the end]

444.hu, 25 November

https://index.hu/belfold/2019/11/29/jozsefvaros_piko_andras_kerulet_hivatalos_facebook_oldal/

so this Facebook page was and is still used by local Fidesz politicians, mainly to criticise the leadership of district and Budapest.

In many cases, the new management of municipalities found surprising contracts when they audited the operation of local media. In the 9th district of Budapest, a man was paid to read through the newspaper's articles every month, but the members of the editorial staff had no idea that he was working for them.⁶ In Szombathely, the prosecutor's office charged the former head of a media centre with embezzlement after it became apparent that the head had paid for private services (e.g. memorial services) using a company bank card.⁷

So it was not easy for the opposition mayors who won in the former Fidesz cities in 2019. The propaganda-like operation of municipal newspapers and politically motivated contracts made it difficult to create democratic publicity.

Current status of municipality media

The publication of municipality newspapers is still quite common, even if nowadays online portals and Facebook pages are obviously helping to spread local news. These local weekly or monthly newspapers are free of charge and are distributed by dropping them into the mailboxes of the residents.

According to the data of Whiterreport⁸ 1,010 print municipal newspapers are published in Hungary. Based on the number of settlements in Hungary (3,114), it can be said that a local municipality newspaper is published in nearly a third of the settlements. In some places, several villages in a subregion jointly publish a newspaper, so the number of settlements covered by print media is actually even higher. Pest county, which covers the area around the capital, Budapest, stands out by far in terms of the number of newspapers published (170 local newspapers).

Outside of Budapest, there are a large number of local papers in the agglomeration of the larger cities, and around Lake Balaton, a popular holiday destination. The number of newspapers seems to be higher in the economically developed regions. There are less developed areas where local newspapers are hardly ever published.

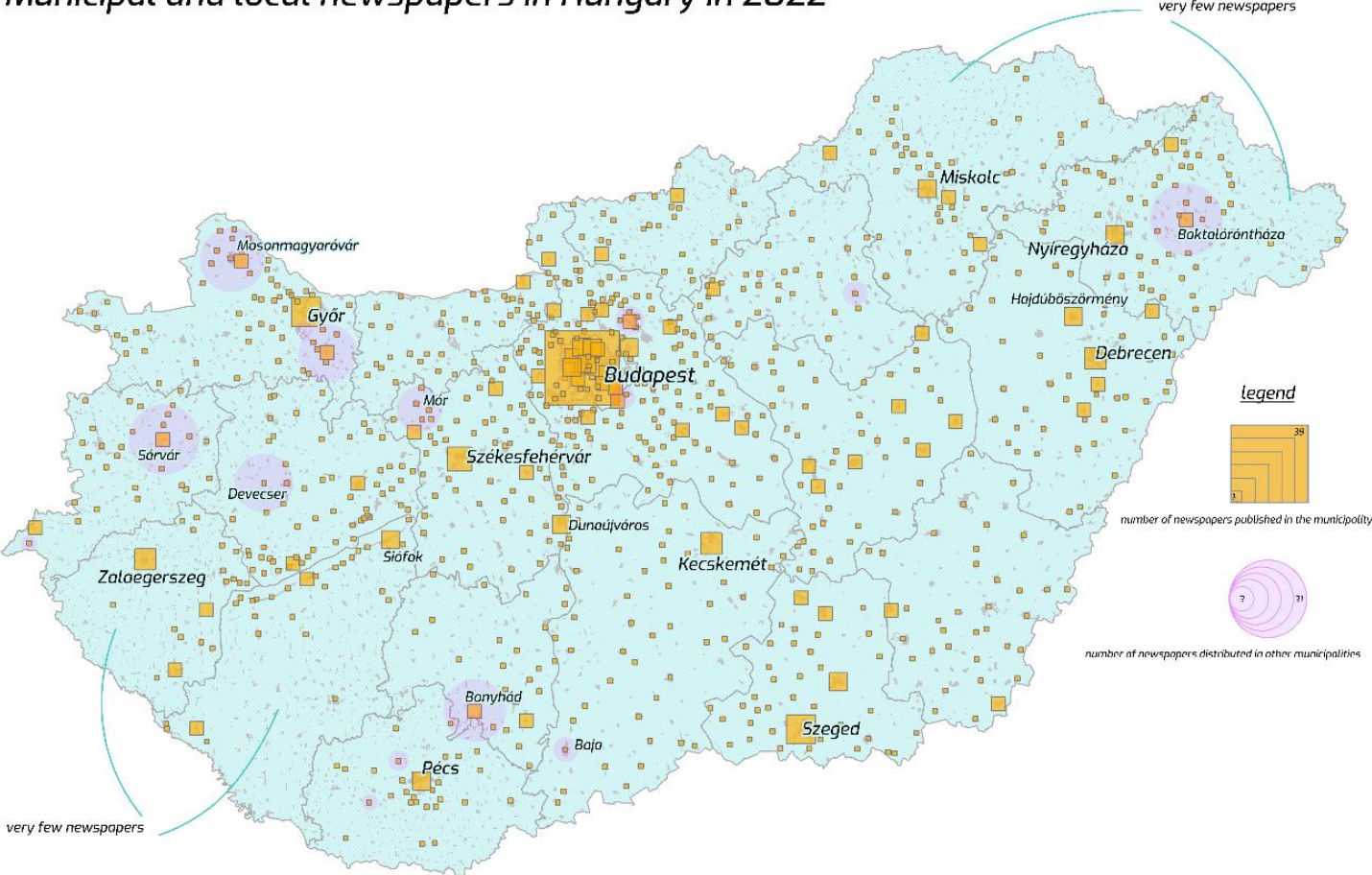
⁶ Czinkóczy, S. (2019): Baranyi Krisztina elkezdte felmondani a gyanús szerződéseket Ferencvárosban. [Krisztina Baranyi starts to terminate suspicious contracts in Ferencváros]. 444.hu, 31 October

<https://444.hu/2019/10/31/baranyi-krisztina-elkezdte-felmondani-a-gyanus-szerzodeseket-ferencvarosban>

⁷ Ugytudjuk.hu (2021): Vádat emelt az ügyészség a Szombathelyi Médiaközpont korábbi ügyvezetője, Halmágyi Miklós ellen [The prosecutor's office filed charges against the former managing director of the Szombathely Media Centre, Miklós Halmágyi] 22 November. https://ugytudjuk.hu/cikk/2021-11-22_vadat-emelt-az-ugyeszseg-a-szombathelyi-mediakozpont-korabbi-ugyvezetoje-halmagyi-miklos-ellen

⁸ Whiterreport is a Hungarian research company that offers cross-media business intelligence services. <http://www.whiterreport.hu/>

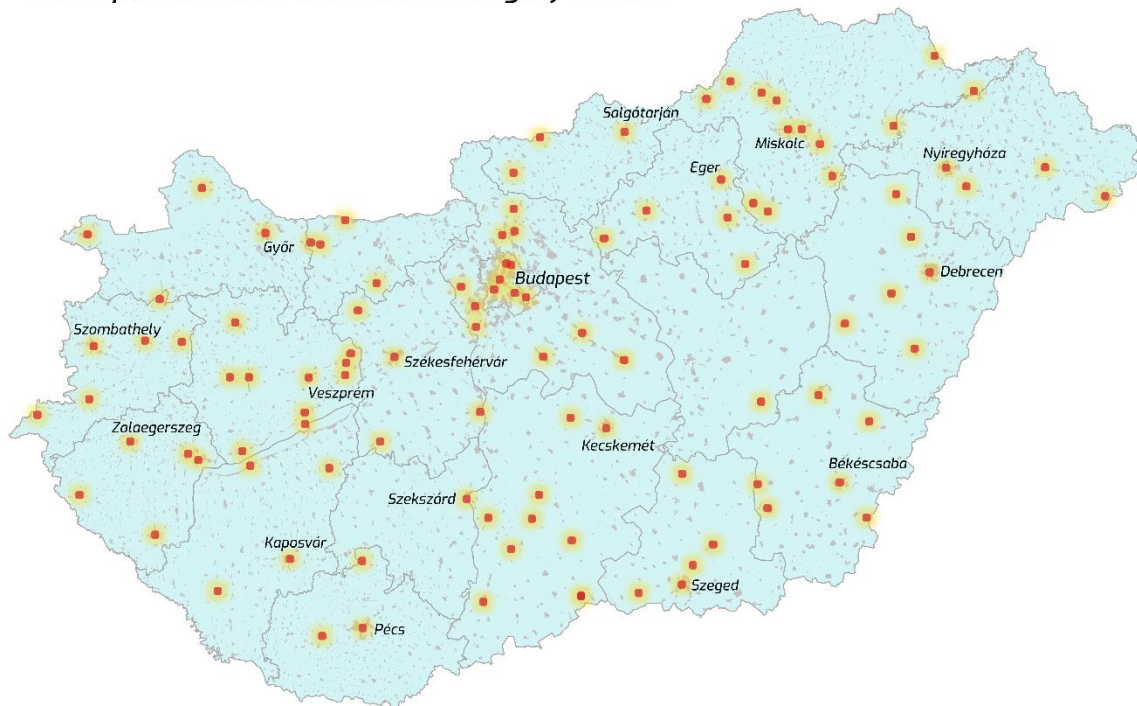
Municipal and local newspapers in Hungary in 2022



data : Whiterreport/Mérték Media Monitor
map: Attila Bótarfy

WhiteReport also identified 108 local television stations, a surprisingly high number. This list includes small towns where there is probably a single enthusiastic person making videos, but no ongoing broadcasting. This list includes districts of Budapest, so there are several television stations from the capital alone.

Municipal television channels in Hungary in 2022



data: WhiteReport/Méreték Media Monitor
map: Attila Batorfy

The number of local news portals run by the municipality is surprisingly low for what is probably the most cost-effective way to share local news. The White report database identified 120 sites run by local government. Of course, in addition, almost all municipalities have an official website reporting on the most important local news.

It is almost certain that many local newspapers will cease to exist in 2023. With energy prices rising dramatically, local municipalities are facing serious financial difficulties and cost-cutting is likely to be an important objective everywhere. Moreover, with energy prices rising alongside paper prices, many municipalities are likely to stop or suspend increasingly expensive newspaper publishing. It would not be surprising if municipalities were to invest more in online content service in the future, given its cost-effectiveness. Of course, this poses a number of problems in terms of reaching older residents who are not internet users.

Political bias in municipal media

We performed a content analysis of the newspapers of three different municipalities. The content analyzes refer to the same period, we examined the campaign period before the April 2022

parliamentary election. The essence of the investigation was how balanced the newspapers were, whether each candidate could appear in the campaign with the same weight. We found a really serious problem only with the municipality newspaper of Debrecen, where only politicians from the ruling party could appear.

Debrecen

Debrecen is the second largest city in Hungary, with more than 200,000 inhabitants and a well-developed industry. Since 1998, a Fidesz candidate has been elected mayor in every election, and Debrecen is in fact considered one of the most Fidesz-friendly cities in Hungary.

The *Debreceni Korzó* newspaper is published 36 pages a month, with a circulation of 40,000, and usually uses the same layout. The newspaper has a classic magazine design, with well-structured articles, often illustrated with photos. It is striking that author of an article or photographer is not given, and the names of the staff are not included in the masthead. In addition to the full-page local, business and government advertisements, about half of the newspaper is taken up by local news about the municipality, cultural programmes, sports and other reports. Paid PR articles can be identified by the (X) symbol, but this option has only been used for business-related advertising.

In the local news, readers are given special coverage of current public investments and renovations, such as the construction of a new cathode production plant, the renovation of a square, the status of theatre renovations and improvements under the Green City Programme in the February issue. In March, there was news of further state support for the Southern Economic Belt, under which the government is to allocate HUF 95 billion to Debrecen by decree. It also reported on state support for Debrecen Airport, a road renovation and an environmentally friendly collection facility for used cooking oil. In April, it reported on the planned construction of a kindergarten and five nurseries, a school renovation and the widening of road.

It happened more than once that a business featured in economic news published a paid advertisement in the same issue. On page 12 of the March issue, the news reports about the new construction and expansion related to the BMW factory: "Construction has started", in which the Minister of Foreign Affairs and Trade Péter Szijjártó is quoted as saying that "the one billion euro investment will create more than a thousand new jobs in Debrecen and guarantee that Hungary will also be among the world leaders in the era based on electric cars." On the next page BMW advertises itself and recruiting employees in a paid advertisement. A similar entanglement occurred in the February issue, where an interview with Csaba Oláh, managing director of Neopac Hungary Kft., titled "Swiss world-class to the border of Debrecen" is published, and the company's advertisement can be seen below the article.

It was characteristic of the local news reports in all issues that the mayor, deputy mayors and members of parliament representing Debrecen were mentioned by name and in several cases the photo illustration was made about them. In all cases, they were government party politicians. In February, mayor László Papp appeared in the news 9 times, MP László Posán 4 times and the other MP Lajos Kósa 3 times. In March, László Papp appeared ten times, László Posán once, and Lajos Kósa twice, and in April László Papp appeared nine times, while the two members of parliament did not appear once. No local opposition politician was featured in the publications.

Debrecen Korzó wrote on page 12 in the March issue that Debrecen Television's news program will be shown every day of the week during the election campaign. In order to provide balanced

information about the candidates, "Gyula Vida, editor-in-chief of the Media Center consulted with the representatives of the parties. Based on this, for example, a nominating organization can provide information about its program three times a week in Napszemle program. In comparison, the newspaper did not give space to the opposition representatives of the municipality to speak on any occasion.

This problem is not new, the independent local portal Debreciner, which is a civil initiative, has written several times about the Fidesz superiority of the municipal media in Debrecen. For example, attention was drawn to the fact that the mayor appeared in half of the news in Napszemle⁹, while no opposition politicians appeared. In the Debrecen 2030 newspaper, which was printed in 70,000 copies in 2021 and also distributed free of charge, the mayor appeared twelve times out of eight pages.¹⁰

Budapest 15th district

The other publication examined is the municipal newspaper of the Budapest's 15th district, which has a population of nearly 80,000. It is a suburban district, quite mixed in character, with both old suburban areas and block houses built during the socialist era. The municipality's newspaper, the *Tizenötödik* was published fortnightly in the period under review, with 38,000 copies, and was distributed free of charge to residents' mailboxes.

At the end of 2021, the district's institutional structure was restructured, the publisher was changed, and a new editor-in-chief was appointed in 2022. During the period under review, the paper continued to follow the same formal elements as in the previous era. The content of the newspaper changed the focus; it has shifted from local events and local people to events and people of Budapest or national prominence and importance. The former President of the Republic, Árpád Göncz, had no known connection with 15th district, but articles about him and related to him appeared in the second, third, fourth, sixth and seventh issues. There was a report on the connection with the Göncz 100-year programme (No. 2), an article on the presentation of Árpád Göncz's drama "Mérleg" at the local community centre (No. 3) and the crossword puzzle in No. 3 was also related to the former President of the Republic. An interview was published with Árpád Göncz's daughter, Kinga Göncz (No. 4). There was a report about the unveiling of an Árpád Göncz relief by local leaders (Nr 6). In the next issue, they reported on the exhibition of a tableau of Árpád Göncz on the fence of a social institution (Nr. 7).

The *Tizenötödik* has generally sought to provide balanced coverage, although the local politicians who run the district (who are in opposition in national politics) are significantly outnumbered in terms of the number of appearances. This is particularly true of the Democratic Coalition's elected mayor, Angéla Cserdiné Németh, her three deputy mayors and the district's MP. The 14 members of the election alliance "All for the Fifteenth", which includes representatives of opposition parties and organizations, are also frequently featured in the news of the publication.

⁹ Debreciner.hu (2022): A tudósítások felének szerepelője volt a debreceni polgármester, háromban meg is szólalt. [The mayor of Debrecen was featured in half of the reports, and he spoke in three of them.] September 29, https://www.debreciner.hu/cikk/11413_tudositasok_felenek_dtv_papp_laszlo_debrecen_debreciner

¹⁰ Debreciner (2021): Tizenkétszer szerepel a polgármester neve a 8 oldalas kiadványban – Csak jó hírek minden debreceni postaládában! [The Mayor's name appears twelve times in the 8-page publication - Only good news in every mailbox in Debrecen!] August 11. https://www.debreciner.hu/cikk/6562_tizenketszer_szerepel_a_polgarmester_neve_debreciner

In the table, we looked at the local politicians who appeared in the newspapers during the campaign: the mayor, the three deputy mayors, the MPs elected in the previous term and in April, and two Fidesz local representatives. The head of the local reorganised media company was surprisingly often mentioned in the newspaper (previously he was also a politician). The local newspaper reported on campaign events or speeches by government politicians (they are in opposition on local level), but in several cases it also wrote opinions about them, showing them in a negative light.

Table1: Mentioning of local politicians in the Budapest 15th district newspaper during the 2022 parliamentary election campaign

	9/02 (Nr.2)	23/02 (Nr.3)	9/03 (Nr.4)	23/03 (Nr.5)	6/04 (Nr.6)	20/04 (Nr.7)	Sum
Barkóczy Balázs MP candidate, MP from 2022 April DK (opposition party)	3	1	6	1	9	0	20
Beke Károly CEO of the publisher	6	4	2	1	1	4	18
Cserdiné Németh Angéla Mayor DK (opposition party)	4	3	8	2	7	2	26
Hajdu László MP (before 2022 April) DK (opposition party)	1	3	2	10	4	1	21
Lehoczki Ádám local representative FIDESZ-KDNP (governing party)	2	1	3	0	0	0	6
Matlák Gábor Deputy Mayor DK (opposition party)	2	0	0	0	1	0	3
Pintér Gábor MP candidate FIDESZ-KDNP (governing party)	1	2	3	2	7	1	16
Tóth Imre Deputy Mayor All for the Fifteenth (opposition alliance)	3	0	1	0	1	2	7
Tóth Veronika Deputy Mayor All for the Fifteenth (opposition alliance)	1	0	0	0	0	0	1

During the campaign, the newspaper was fair in the number of appearances by the governing party and opposition MP candidates, and in a special pre-election issue, all candidates were given the opportunity to introduce themselves.

Budapest 8th district

From a sociological point of view, the 8th district of Budapest is the most colorful district of the city, it has an elite part of the city center as well as a district with a bad reputation and problems. The mayor used to be a journalist, and he considers balanced information to be particularly important. The municipality commissioned Mertek Media Monitor for the second time to analyze the content of the local newspaper.¹¹

Compared to the analysis from two years earlier, political topics were pushed back by 2022. Most of the articles in the analyzed issues of the *Józsefvárosi Újság* were on cultural topics, accounting for nearly 30 percent of the volume. 29 public articles of the analyzed newspaper issues - 22.6 percent in terms of volume - mainly dealt with the events of district and local government politics.

The reduction of party political topics in the newspaper also resulted in a large reduction in the coverage of political figures in the period under review, both in terms of the text of the articles and the visual representation of politicians. For example, the amount of mentioning the mayor has fallen significantly, and the extent of his photo representation is not outstanding.

During the election campaign period, the editorial staff gave each of the candidates the opportunity to be introduced. As a result, no party or candidate was unbalanced in the *Józsefvárosi Újság*. This was helped by the fact that in the three issues published before the election, the candidates - apart from their introductory articles - and other non-local, national politicians and parties were hardly ever featured. The results of the election were reported in detail in the 7th issue of the newspaper, with several articles and interviews, which helped readers to interpret the results from different perspectives.

However, looking at the six issues of the newspaper, it is also striking that, as in our previous analysis, the representation of the district leader and local left-wing politicians in the local political sphere outperforms that of local Fidesz politicians - albeit to a lesser extent. Also, the newspaper continues to show that negative comments against politicians are more likely to be associated with right-wing politicians, while only criticism of the mayor was significant in the left-wing political sphere. In a few cases, and in a small number of non-publicist articles, we found journalistic opinions criticising right-wing politicians in the text of the articles.

It is interesting to note how often actors linked to local government appear in the articles (30 times local government was mentioned and 17 times a local institution or municipal company was mentioned). This demonstrates the interest of the newspaper in local political and district affairs, while the presence of institutionalised actors in metropolitan or national politics is much less frequent.

¹¹ The analysis of Mertek Media Monitor was published on the 8th district municipality website. <https://jozsefvaros.hu/otthon/hirdetotabla/hirek/2022/09/elkeszult-a-jozsefvaros-ujsg-ujabb-mediaelemzese/>

If we look at the appearance of political parties in the Józsefvárosi Újság, the dominance of Fidesz-KDNP is striking compared to the other parties. This can obviously be explained by the division of the opposition political spectrum. But it may be equally important that Fidesz-KDNP is an independent participant in the district's municipal politics compared to the other parties, the party was mentioned several times in connection with its district faction. The left-wing parties were often reported under the name of the joint opposition faction in the district.

The parties did not make equal use of the opportunity to present themselves in the campaign: some candidates gave shorter or no replies to the newspaper. The analysis found that none of the parties is portrayed in a negative light, with the newspaper writing about each party in a mostly neutral/balanced or positive tone; negative opinions were found only in the case of Fidesz and, to a minimal extent, the united opposition coalition. Negative representations of the governing party are related to statements by opposition politicians assessing the election results, as well as to some local political issues.

Before the election period, the paper tended to focus on local politicians, but they were featured in a select number of issues, and beyond that, they were either not featured at all or only minimally. Overall, the number of mentions and the coverage of almost all political figures has decreased compared to the past.

Independent local media projects

Maintaining independent local media is much more difficult than doing the same on a national scale. On the one hand, the small market size makes such a project much more difficult to run, and on the other hand, the personal sacrifice on the part of the journalist is greater. Exposing corruption in one's own locality inevitably brings one into conflict with the local political and economic elite, which can easily lead to conflict situations in the journalist's personal network. In a politically polarised country, it is therefore a particular sacrifice to manage a local independent media project.

However, there are examples of independent journalism workshops that have been operating in Hungary for years and can already be considered sustainable. The oldest such newsroom is Nyugat, which operates in Szombathely, a town near the Austrian border. Nyugat is the biggest local media outlet, it has a real newsroom with several journalists.

The other media outlets are smaller, they have typically one or two journalists, but they have an important role in the local public sphere. Szabad Pécs and Debreciner are good examples, they are independent news portals in Pécs and Debrecen respectively. The history of the two portals has in common that their founders used to work at the county newspaper, but when Lőrinc Mészáros, a friend and business partner of the prime minister, acquired Mediaworks publishing house in 2016, including the county newspapers, a purge began at these newspapers. Unfortunately, only in two cities did the fired journalists start new projects, and it is probably no coincidence that in Hungary it is only two big cities. Pécs and Debrecen are both university cities, and there are urban citizens who could be considered the target audience for such a newspaper.

In 2022, the Szabad Hírek (Free News) initiative was launched, coordinated by the Nyugat. Altogether, 11 local media have created a website where news from rural Hungary can be read. In the longer term, the participants hope that this will help them to act united in the advertising market, and that the cooperation will also help fundraising and successful applications for grants. The

project is absolutely promising, it is very first case that independent local media outlets started a network building.

A dedicated section on the Radio Free Europe/Radio Liberty website has also been launched to provide news from local portals. This has fewer members than the above mentioned Szabad Hírek collaboration, but it is also a good opportunity for local media to reach a national audience with news from outside Budapest.

Another innovative initiative is the Nyomtassteis movement, which aims to distribute content rather than produce it. The idea was inspired by the fact that in rural areas, especially in smaller towns, many elderly people live without internet access: they are mainly reached by government propaganda, as most of the printed newspapers, radio and television are linked to the governing party. Every week, Nyomtassteis puts together a short news summary of the most important news and tries to get it into as many people's mailboxes as possible, especially in smaller towns. The system is based on volunteering: anyone can print out an A4 sheet of news and put it in their local mailboxes.

Interviews with local media owners show that the future is very uncertain. In the April 2022 elections, Fidesz won by an unprecedented margin and brought general apathy among opposition voters. Many have turned away from public affairs and do not want to engage in politics. For the independent media, this means a declining readership, and it is doubtful how much readers' donations can be counted on in the future. A new phenomenon reported by some is the increased level of aggression in local communities. Journalists are under intense verbal attack, receive threatening messages, and the Nyugat's servers have also been attacked by hackers.

At the roundtable discussion organised as part of this project, participants also reported on a problem that is indicative of a general bad practice, but which affects the local media in a particularly negative way. A common experience was that even if an article or video report on a local issue is picked up by the national media, the source of the original material is often missed. We hope that this bad practice will change and that more attention will be paid to local media representatives and their work. This problem is particularly acute because the big national newsrooms are already getting more attention, are better known and have a better chance for international grants. Local media should therefore seize every opportunity to strengthen their brand.

Independent local media are mainly based on small projects with low budgets, essentially depending on a few dedicated people to create a kind of democratic publicity in a city. Under the current circumstances there is little chance of change, and it is not worth investing in local media on a market basis. Maybe a stronger model of cooperation and networking can strengthen these local initiatives, it was also a main finding of the roundtable discussion of this project

The news consumption research of Mérték Media Monitor and Medián asked the respondents about the consumption of independent local news.¹² Local news portals independent of the municipality reached 22 percent of the population, and even if we look only at people living in the city, the figure is still only 24 percent. These important independent news portals do not operate everywhere, so in some key cities (Pécs, Debrecen, Szombathely) the proportion may be much higher.

¹² Hann, E. - Megyeri, K. - Polyák, G. - Urbán, Á. (2020): Megfertőzött médiarendszer. A politikai tájékozódás forrásai Magyarországon. [Infected Media System. Sources of political information in Hungary.] https://mertek.eu/wp-content/uploads/2020/12/Megfertozott_mediarendszer.pdf pp. 33-34

Commercial media on local/regional level

Local or regional media can also operate on a market basis if the geographic market is large enough. In Hungary these commercial media outlets are typically owned by investors close to Fidesz.

The county newspaper is a good illustration of the high ownership concentration. All the county newspapers are now part of the Central European Press and Media Foundation (KESMA is the Hungarian abbreviation), which was set up by the ruling party in no secret attempt to centralise its media empire. The KESMA is far the biggest media conglomerate in Hungary (incl. print media, radio, television and digital media), but the ownership of the whole county newspaper market is probably the most valuable part of the portfolio.

There were some major developments in the free newspaper market in the last years. Metropol is the most well-known brand in this segment, but it has been closed for a few years. In 2020 Metropol was relaunched, and it is available at the metro stations in Budapest. It is far from the popularity of the 2000s; Metropol is part of KESMA and its content is a clear pro-government propaganda.

There was another project in the free newspaper market. In December 2019, Pesti Hírlap was launched in Budapest, but at first it was not at all obvious that it would become part of the Fidesz propaganda empire. Due to the epidemic that appeared shortly afterwards and the change in travel habits, Pesti Hírlap did not really enter the public consciousness, but at the same time there were changes of ownership in the background and the editorial staff was also restructured. Its link to the ruling party became obvious. The newspaper gained national attention in the autumn of 2021, when it started open propaganda against the later winner, Péter Márki-Zay, during the opposition primaries. At that time, the editor-in-chief and several journalists resigned.¹³ Publishing of Pesti Hírlap had been suspended in the summer of 2022, and it was not relaunched after the summer break. It was obviously not profitable in financial sense, and politically it was not really important after the Parliamentary election in April 2022.

Something similar happened with another free newspaper. In 2021 party's Mediaworks publishing house (part of KESMA) launched a family of newspapers called City7 in most opposition-led cities. It disseminated pro-government propaganda and it clearly wanted to counter-balance the effects of municipal newspapers. The political motivations behind the launch of City7 became clear in April 2022: the City7 papers were closed just a few days after the election.

In the case of local radio stations, independent players have essentially disappeared over the past decade, with the Media Council's frequency tender decisions regularly putting pro-government players in a position.¹⁴ A significant number of local radio stations are part of Fidesz-affiliated networks. There are only a few municipality-owned radio stations that are not part of these radio networks. Local radio stations in the network do not always outsource news production to the media service provider managing the network, but independent news production is the exception. In many cases, non-networked local radio stations do not carry out independent news production either, but

¹³ Nagy, G. M. (2021). Felmondások a Pesti Hírlapnál: távozik a főszerkesztő, Pion István. [Resignations at Pesti Hírlap: editor-in-chief István Pion leaves] 24.hu, 18 October. <https://24.hu/belfold/2021/10/18/pesti-hirlap-felmondas-pion-istvan/>

¹⁴ Mertek Media Monitor (2021). Four Shades of Censorship - State Intervention in the Central Eastern European Media Markets https://mertek.eu/wp-content/uploads/2021/10/Mertek-fuzetek_19.pdf

buy their news blocks from MTVA. Based on the Mérték-Medián survey the local radio stations reach an average of 15% of the audience nationally, compared to 19% in cities.¹⁵

As the above examples show, an important part of the media empire run by the ruling party is the propaganda disseminated to local audience. Obviously, it was a big loss for Fidesz that in October 2019 the political balance of power was reversed in several cities and opposition politicians were elected mayors. It is not surprising that the ruling party intended to remedy the effect of the 2019 elections by investing into local and regional media. They make no secret of the fact that they consider it important to have print media products and radio stations to target the local communities.

Policy recommendations

Municipality-owned media, as local public service providers of content in the public interest, must operate within an organisational and funding framework that gives them editorial autonomy. Local media are primarily forums for discussion of local public affairs, but they can also be a means of partly compensating for the predominance of national government media. They can also act as an independent source of information outside the territory of the municipality concerned, in the surrounding municipalities. At present, there is no data or knowledge about the role of which media play in local information. The role of local printed newspapers is the most important in terms of reaching the public, but attention must be paid to digital platforms that reach young people. Mertek has policy recommendations for municipality media.

Organizational issues:

- the appointment of the management of municipal media companies and the control of their operation may be regulated by municipal decree;
- a solution should be devised that creates appropriate procedures to ensure the diversity of local publicity;
- all management positions in municipal media should be elected on the basis of open tender;
- a municipal "media committee" should be set up, consisting partly of members of the municipal council and partly of external experts; the external experts should meet the professional requirements laid down in the regulation (media, financial, management); local NGOs should be involved in the nomination of external experts;
- the "media commission" invites applications from heads of municipal media companies;
- the managers of media companies report annually on their activities, both financially and in terms of content;
- a statute should be drawn up between each editorial office and the management of the municipality owning it or the municipality company exercising the ownership rights, which should publicly and in detail regulate the relationship between the two parties and the independence of the editorial offices; a model statute should be drawn up for this purpose

Funding

¹⁵ Hann, E. - Megyeri, K. - Polyák, G. - Urbán, Á. (2020): Megfertőzött médiarendszer. A politikai tájékozódás forrásai Magyarországon. [Infected Media System. Sources of political information in Hungary.] https://mertek.eu/wp-content/uploads/2020/12/Megfertozott_mediarendszer.pdf pp. 33-34

- as municipal media are predominantly publicly funded, their management should be based on European requirements for the financing of public service media;
- task-based funding: based on a transparent estimate of the resources needed to provide information in the public interest;
- transparency: the principles for the use of the budget are public, all external contracts are open to the public without any request for information;
- each year, the heads of the media present a budget with a terms of reference, which is discussed by the media committee and submitted to the municipal council;
- independent control: the municipal budget committee discusses the accounts of the municipal media separately each year;
- in addition to funding municipal media, municipalities can also set up a joint press fund to support local news media that are not owned by municipalities, on a normative basis, based on pre-defined criteria

Content issues

- it would be useful to carry out regular research, jointly funded by local authorities, on the role of the different media at local level, in order to decide how to allocate resources;
- consideration should be given to producing a joint page of national news for local newspapers, but otherwise local media should focus on local issues;
- the distribution of local newspapers should be extended to the villages around the town;
- dealing with substantive complaints: complaints received are dealt with by non-political members of the Media Committee;
- in addition to traditional media platforms, local content should be made available in an appropriate form on social media (YouTube, Instagram, Facebook) and exploit the potential of their interactivity;
- communication on social media can be controlled according to public moderation principles