

## **A ‘Meteoric’ Career in Hungarian Politics**

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### **The rise and fall of Ferenc Gyurcsány**

The period of democratic transition in Hungary between 1989 and 1990 opened the arena to ambitious political leaders, who founded political movements and parties, occupied important government positions, and determined the political process. Our case study focuses on the socialist Ferenc Gyurcsány, who became Viktor Orbán’s main challenger from the Left from 2004 onwards. Between 2004 and 2009 Hungarian politics can be characterized by the rivalry of Orbán and Gyurcsány (Fodor-Schlett 2006). Gyurcsány emerged through an extraordinary rapid political career: he joined the socialist party in 2000 and became prime minister by September 2004, and after his 2006 re-election he held this post until his resignation in March 2009. The central puzzle of our chapter is the meteoric rise and abrupt fall of Gyurcsány’s popularity. As we will see, in 2006 the trust, one of the fundamental elements of the political leadership, was devastated by his rapid policy switch and the leaking of his ‘Őszöd speech’ as well as by the riots and protestations that followed it, which hindered Gyurcsány to govern the country effectively. Gyurcsány’s leadership capital fell in a series of steep ‘steps’ through a rapid succession of events between June 2006 and February 2007. In this paper we apply the Leadership Capital Index (LCI) to explain this riddle. We will occasionally refer to the politics of his major opponent, Orbán, who had an indirect role in his emergence and a much more direct role in his demise.

The chapter consists of four sections. First, we introduce the milestone approach for the operationalization of the LCI. To design the trajectory of leadership capital we need to measure it in different moments. Bennister et al. (2015) characterize leadership capital as

‘ebbing and flowing over time. Our milestone approach refines the original LCI by introducing a new variable and proposing an amendment to the methodology in order to better capture this dynamic quality. We will also try to justify these modifications. Second, we give an overview of the Hungarian political context to make it easier to understand the rise and fall of Ferenc Gyurcsány. Third, we provide an overview of the milestones of Gyurcsány’s career. Our explanation for this meteoric rise and abrupt fall, based on the LCI, highlights the leadership vacuum in the socialist party and the quest for an appropriate rival to Orbán. We analyse the fall of Gyurcsány with his risk-taking political strategy. Fourth, we apply the LCI to Gyurcsány’s political career and interpret its outcomes. In the concluding section we summarize our results and reflect on whether the (adapted) LCI has proven a useful method to solve the puzzle of Gyurcsány rise and fall.

### **Methodology: The milestone approach**

Our aim in this section is to refine the method of the LCI to enhance its validity and make it a dynamic tool capable of describing the trajectory of capital management. Political science has various tools and methods for analysing leadership, from case studies, interviews, process tracing (Donovan 2015) and comparing career paths (Olsen 2011) to content analysis (Meret 2015). Using these we can characterize and categorize political leaders, and work out medium-level theories concerning the various natures of leadership style. But all of these techniques are qualitative, based mainly on perception, and are thus subject to the bias of the researcher or the participants. This problem weakens the strength and the validity of the analyses mentioned and frequently leads to an evaluative debate.

The LCI initiated by Bennister et al. (2015) aims to overcome this weakness and offers a quantitative method of studying political leaders. We offer a series of modifications to it.

First, in terms of bias and measurability, the ten-component LCI embraces the skills, relations, and the reputation (in line with the cultural, social, and symbolic capital) of the leaders, measuring these features on a five-point scale (see table 5.1). However, though it contains integrated hard-method elements (durability, poll results), about half of the LCI involves soft, interpretive methods which have a greater susceptibility to researcher bias. Our aim is to moderate this vulnerability. Accordingly, we measure the communicative performance and the management skills through the average score assigned by a purposefully selected group of expert judges. In the field of political management we asked twelve political scientists and analysts to fill out a questionnaire on party cohesion and the political and policy vision of the premier. In the field of media capital, ten Hungarian media-experts and journalists evaluated the performance of Gyurcsany. This too is a qualitative method and based on impressions, but contains a more robust form of intersubjectivity than lone-researcher approaches to making such assessments.

Second, we have changed the measurement of parliamentary effectiveness. Instead of using researcher judgment, we estimate effectiveness by assessing the viscosity in the government-parliament relationship, specifically by measuring the fulfilment rate of the legislative program of the government in each relevant six-month period. The legislative programme of the government includes all bills that are scheduled for introduction to parliament by the government in the next period. The actual fulfilment rate at each six month interval has been measured and is expressed as a percentage of this program. The percentage scores were converted to the LCI five-point scale, with viscosity acting as a proxy indicator for the parliamentary effectiveness of the PM.

This adaptation is based on the work of Blondel (1970), who introduced the concept of viscosity. In Blondel's formulation it refers to the power of the parliament in the process of legislation. The degree of viscosity is high when the parliament can block or drastically slow

the legislation, while the viscosity is moderate or low when the government can control the whole process of passing legislation without resistance of the opposition. The level of viscosity depends both on the institutional arrangement (number and power of the committees, agenda setting etc.) and on the political circumstances (political constellation of the parliament, power of the PM etc.). So in the same institutional context the decline of viscosity signs the growing power of the government. While viscosity may depict the power-balance in the government-parliament relation, as a quantitative tool it is unable to make a difference between certain laws. On the one hand we could treat the relevant and comprehensive laws weighted in line with the number of paragraphs or the law-making procedure, but on the other hand the passing of important laws is generally delayed by long negotiation between the government and the opposition.

[INSERT TABLE 5.1 HERE]

Third, the question of capital being dynamics and exhibiting a trajectory over time was examined. One of the most important aims of the LCI is to provide a dynamic tool for analysing shifts in the level of authority (the strength of the mandate) enjoyed by political leaders. Bennister et al. (2015) presented different paths to the accumulation and the loss of leadership capital. They analysed the dynamics of Tony Blair's leadership strength by focusing on his second term of office and taking three different LCI 'snapshots' during this time.

In this chapter, we want to further improve LCI methodology in a number of ways. First of all, we note that the analysed dimensions of leadership differ in nature. Communicative and management skills can be thought of as more or less stable features of a politician throughout their political career and, though a leader's capabilities can develop or

wane in time, public perceptions of those capabilities are not likely to change suddenly, and clear turning-points cannot always be determined. So the data obtained by the LCI is partially constant: skills vary over time but only moderately. At the same time, reputation and relationships may change sharply, so in these dimensions we can run the LCI dynamically.

Also, we have added a new variable to the LCI comparing the *media capital* of the leaders. We have attempted to measure media capital with a three-component index which refers to the ‘journalist-based social capital’ and ‘media cultural capital’ (Davis and Seymour 2010). We asked media experts and journalists to evaluate Gyurcsány’s media performance, his relationship with the Hungarian media and the skills, and media knowledge and competency among the members of his cabinet. We graded the averages of the data on a five-point scale, and this value represents the media capital of the leader. Media capital, as a skill, has thus been integrated into the LCI.

In the course of our analysis we take data at six different points in time, which we consider to be milestones in the trajectory of Gyurcsány’s premiership. Using these milestones we map the evolution of Gyurcsány’s leadership capital in a more targeted and finely grained fashion that Bennister et al (2015) did for Blair. But before embarking on the application of the refined LCI for the empirical analysis of Ferenc Gyurcsány, we provide an overview of the institutional and political context of postcommunist Hungary.

### **Hungary’s post-communist politics**

During the first two decades after the democratization of 1989-90, Hungarian politics can be characterized as a stable parliamentary system, marked by a steady political-ideological polarization and a relatively stable party-system. Post-communist politics in Hungary is often characterized by the weakness of unions and civil society, low public opinion of political

parties, weak party membership, and by a minor role for constitutional and institutional constraints.

As far as the constitutional framework is concerned, Hungary has a unitary state, a little more than symbolic state president and a parliamentary form of government. Parliamentarism, however, was accompanied by strong constraints with a high number of policy-areas where supermajorities (i.e. the approval of two-third of the members of parliament) are needed for successful legislation, which strengthens the role of the opposition vis-a-vis the government majority, and the institution of a constructive-vote of non-confidence, which stabilized the position of the prime ministers even if their legislative majority evaporated. The constitution provided strong horizontal power-sharing with powerful non-majoritarian institutions like the constitutional court, three different “ombudsmen”, an independent attorney general, and an independent Central Bank. A robust version of direct democracy included citizens’ initiatives that can produce a binding referendum.

Post-communist political culture in Hungary is characterized by a low level of participation, a high level of political cynicism, and a low level of (party and other) institutional membership. During the democratization process, the Hungarian parties were created by elite groups in a top-down fashion. The public overall preferred rule by technocrats instead over that by party politicians: public trust in state institutions, parties and politicians has been low (Tóka 2006; Boda 2012). There was an ambiguous attitude to the state: high expectations coincided with low trust. Also, people displayed negative attitudes to privatization, liberalization of the market, and positive attitudes to the role of the government in securing jobs, and controlling utility prices and industrial investments.

In 1989-90 a tripolar party system emerged with conservative-nationalist right wing parties, a liberal block and a post-communist MSZP (Magyar Szocialista Párt, Hungarian

Socialist Party). From 1998 onwards, however, a strong bipolarization of the party system took place, which produced more stable coalitions, relatively strong electoral alignment and a dominant party both on the left (the MSZP) and the right (the Fidesz, Hungarian Civic Party) during the decade that followed (Soós 2012). The mixed electoral system produced moderately fragmented parliaments and coalition governments, like in 2002 and in 2006 (Enyedi 2006).

Few major political leaders emerged in the early transition. However, from the turn of the millennium onwards, the political right has been dominated by Fidesz and its charismatic leader, Viktor Orbán. The emergence of Orbán as a political leader and prime minister (see table 5.2) was closely connected to his achievement in re-shaping his own party and, consequently, the whole political spectrum, unifying the whole political right in Hungary and strengthening his position as a leader of the right. Orbán gradually weakened his coalition partners, won their constituencies (Enyedi 2005) and either integrated them into Fidesz, or pushed them to the sidelines. Although he lost the 2002 and 2006 elections, Orbán was able to keep the right wing block together and even to widen its electoral base with regular political campaigns and citizens' mobilization. He arguably set the political agenda and shaped the political process even while in opposition. As a strong, charismatic leader, Orbán has dominated the political right permanently and without a challenger since 1998 (Janke 2013).

[INSERT TABLE 5.2 HERE]

While many political parties were newly established during the 1989-90 democratization process, the left-leaning MSZP had a long pre-history in the communist regime: it was created in 1989 by the reform wing of the ruling communist party. In the first

period of post-1990 democratic politics the MSZP was thus blamed for the communist past and struggled to gain legitimacy in the new democratic politics. However, by winning the 1994 elections and being an incumbent party under the premiership of Gyula Horn for the following four years, the ex-communist MSZP broke out from its 'political quarantine'. The MSZP lack of a clear ideological profile helped it to concentrate on electorally popular economic issues and welfare policies (Beck et al. 2011; Lakner 2011). Despite its new democratic revitalisation it continued to be dominated by the "old guards", who took high-ranking party positions in the pre-1990 communist period, and controlled the party until the end of the 1990s, meaning nobody emerged enduringly as an unchallenged leader. The strength of the MSZP lied in its nationwide organization, rather than in its leadership (Lakner 2011).

At the turn of the millenium MSZP faced the challenge of first modernizing the party, and second, solving the leadership vacuum or crisis and finding an appropriate leader who can provide a vision and mobilize the party's constituency. The party failed to do this by the 2002 general election, when the choice fell to a former apparatchik of the communist regime, Péter Medgyessy. Medgyessy was able to defeat Orbán with his technocratic-profile, anti-political image and comprehensive welfare pledges. But Medgyessy's lack of political experience and political background within the socialist party proved to be a serious handicap.

### **Milestones in Gyurcsány's prime ministership**

The following section examines Ferenc Gyurcsány as PM between August 2004 and March 2009. At first we introduce his career before he became PM. After that we present the six events, which we define as the milestones in Gyurcsány's premiership. In these points we focus on his skills, relations and reputation, which are the components of the LCI.



After the 1998 electoral defeat a new, younger generation appeared in the socialist leadership. Although the members of this generation had begun their political career in the communist party or its satellites in the Kádár era, they were more successful in adjusting to the demands of the post-transition period, both in terms of their communication skills and their political profile. Ferenc Gyurcsány was an archetypal member of this new generation who would enjoy a meteoric rise from backbencher to prime minister in just four years. He joined the party in 2000 and became an advisor to Péter Medgyessy, the party's candidate for premierhip in the 2002 campaign. He then obtained a ministerial position in Medgyessy's cabinet, and succeeded him as prime minister in 2004. In 2006 Gyurcsány became the first Hungarian PM to be re-elected in office. By this time he had become a champion, a hero of the left-liberal electorate and the left-liberal media (Debreczeni 2006; Körösényi 2006). How did this happen? How did he so rapidly build such strong leadership capital?

Ferenc Gyurcsány started his political career in the KISZ (Magyar Kommunista Ifjúsági Szövetség, Hungarian Young Communist League) in the 1980s during the communist era, but after the democratic regime change he left the political area and turned to the world of business. Although out of politics, Gyurcsány retained strong family links to the MSZP during this period. His mother-in-law was the chief of staff under Horn's premiership in 1994, and Gyurcsány's wife worked in the Ministry of Finance (Debreczeni, 2006). In 2001 he returned to politics as a member of the campaign team for Péter Medgyessy, the socialist candidate for the premiership (see table 5.3). Medgyessy's premiership turned to be rather short, ended by difficulties in keeping the socialist-liberal coalition together that culminated in being forced to resign from office in August 2004 by the SZDSZ (Szabad Demokraták Szövetsége, Hungarian Liberal Party), his liberal coalition partner. Gyurcsány, who served as minister of sport and youth affairs in Medgyessy's cabinet, was one of the three potential

premier candidates, although he had only moderate support within the party elite and party leadership.

[INSERT TABLE 5.3 HERE]

*Milestone 1: election to the premiership*

Once in cabinet Gyurcsány used his position to build party support at the grassroots, by travelling around the country and visiting many local party organizations and local government as well as a local sports days, village feasts, and other provincial events.

Gyurcsány energetic style made the new minister the star in the MSZP and in February 2004 he was elected as president of a county organization (Debreczeni 2006).

However, the leadership of the MSZP opposed Gyurcsány's rise. The old guard favourite for the party leadership was Péter Kiss, a bureaucrat-like politician. After Medgyessy's resignation, an extraordinary MSZP party congress was convened in August 2004 to select his successor as PM. In the higher rounds of voting dominated by the senior party echelons, Gyurcsány lost against Kiss in the Presidium of the party and became third of the three candidates in the parliamentary caucus. However, Gyurcsány then won the decisive battle of the intra-party election at the extraordinary party congress with overwhelming support from the delegates of local party organizations. Gyurcsány's communication skills and potential to beat Orbán gave the new candidate the edge, helped by left-liberal media and the liberal SZDSZ support. He was the favourite of those people on the left who were frustrated with the sluggish capacity for renewal of the old-fashioned, post-communist MSZP. Gyurcsány successfully presented himself as the modernizer, who tried to create a new synthesis of Hungarian liberalism and the new social democracy, which was very attractive for left-wing intellectual circles and among liberals (Debreczeni 2006; Lakner 2011).

Unlike Péter Medgyessy and Gordon Bajnai (his successor in premiership), Gyurcsány was an outsider from the inner circle of the party leadership, a self-selected leader, who had strong political ambitions and a desire for power. By 2004 it seemed that the Left had found their own leader, a suitable counterbalance to the charismatic appeal and populist policy of Viktor Orbán. Gyurcsány had strong rhetorical skills and was able to engage emotions, to express an appealing political vision as a modernizer, and to mobilize people in a country characterized by political apathy and a low level of participation. Gyurcsány was the only answer to the leadership crisis of the MSZP.

### *Milestone 2: 100 Steps Program*

During his first premiership (2004-6) Gyurcsány held the balance among the party platforms and also in the socialist-liberal coalition government. The MSZP was a complicated network of platforms and subgroups, like the postcommunist cadres, the leaders of local governments ('local government lobby'), or the left-liberal intellectuals (who were liberal in economic and social issues) and others, which represented a wide variety of values and interests. Gyurcsány gave government positions and resources to the most influential groups during 2004-6 and this way held the status quo inside the party. The liberal SZDSZ was an important player in this process as a supporter for Gyurcsány on economic and cultural issues, while he could call for a stronger cohesion from the party's left-wing platforms in social and welfare policies.

In 2005 Gyurcsány's presented the '100 Steps Program', an extensive welfare package, to satisfy the demands of the core socialist voters. The government also decreased corporate tax and VAT by 5 per cent, initiated a continuous reduction in personal income tax, increased pensions, and offered a comprehensive programme in the fields of health-care policy and education. The '100 Steps Program' raised Gyurcsány's popularity and stabilized the leadership position against the various groups within the party. Gyurcsány's MSZP had a

dual profile combining a left-wing, socially sensitive attitude with a very definite modernization effort. However, the price was the increasing budget deficit and sovereign debt.

[INSERT FIGURE 5.1 HERE]

### *Milestone 3: re-election in 2006 and policy switch*

By the autumn of 2005 the European Commission and the international financial authorities warned of the Gyurcsány-cabinet for the high-level of budget-deficit that reached 7.5 per cent in 2005 and 10 per cent of the gross domestic product (GDP) in 2006. The cabinet, however, postponed any austerity measures in the politically sensitive pre-election period and promised new investments, 200,000 new jobs, tax cut, reduction of social security contributions and increase of state pensions in the electoral campaign. The electoral campaign in spring 2006 was closely fought. In the end, in April the MSZP and its coalition partner, the SZDSZ gained a clear majority in the parliament and Gyurcsány, as the first reelected PM after the regime change, became a celebrated leader in the left-liberal camp (Ripp 2007). This period was the zenith of his political career and leadership capital, when his reputation was the highest and his relational network was very strong.

After this victory Gyurcsány centralized power within the government to the prime minister's office and placed loyalists in the most important governmental positions (Gallai and Láncki 2006). However, under the pressure of the increasing budget deficit and sovereign debt, a few weeks after his electoral victory, in June, Gyurcsány withdrew the '100 Steps Program' and announced a sharp policy switch. A drastic austerity package of public finance included the introduction of new taxes, an increase of the VAT from 15 to 20 per cent, a rise

in gas prices by 30 per cent, and a rise in electricity prices by 10-14 per cent. Gyurcsány popularity began to fall immediately (see figure 5.1).

*Milestone 4: The leaking of the Ószöd speech (September-October 2006)*

After the policy-switch in June an even more serious blow came for Gyurcsány's reputation in September: the leaking of the so-called Ószöd speech on public radio. In the speech, given behind closed doors right after the 2006 electoral victory, Gyurcsány admitted that the MSZP had lied during the electoral campaign about the increasing budget deficit and the state of the economy, and had made false electoral pledges. This produced a further sharp, perhaps irretrievable, decline in Gyurcsány's personal credibility.

The leak triggered street demonstrations and riots in Budapest which lasted for months. The governing party lost the municipal elections in October, but the MSZP and the SZDSZ supported Gyurcsány in a parliamentary vote of confidence. At the end of 2006 the popularity of the MSZP hit rock bottom (Beck et al., 2011; Lakner 2011). Orban's Fidesz opposition maintained the pressure on the government with the boycotting of Gyurcsány's speeches in the parliament, a permanent demonstration for the resignation of Gyurcsány, and an attempt to use the Hungarian plebiscitary tools to hold a referendum on some of the most unpopular measures of the government.

During these turbulent years of the second Gyurcsány government all its reform programmes failed. The austerity measures, the unprecedented brutality of the police during the street demonstrations, the unsuccessful reforms, the emergent growing corruption scandals, and the Ószöd speech: combined, they eroded the prime minister's popularity, his relations and also his position within the party elite (Beck et al. 2011; Tóth 2011). After the policy switch in June 2006 party poll rating and Gyurcsány's personal poll rating drastically fell back (see figure 5.1 and table 5.4). Gyurcsány's popularity fell from 53% to 43% within

four months and from 53% to 29% in a 13 months period and then fluctuated or slowly eroded further in the following two years until his resignation. The unfavourable poll ratings and the waning chance of winning the next election frustrated not only the members of parliament in the parliamentary group but the politicians of the party in local governments as well. This process was catalyzed by the referendum in March 2008, which was lost by the government. The decline of popularity and party cohesion were close tied with each other because the negative tendency eroded the intra-party trust in leadership.

#### *Milestone 5: The lost referendum*

In the final of the three powerful corrosive events, the opposition's attempt to hold a referendum succeeded. In February 2007 the Gyurcsány-cabinet had introduced co-payment or fees in the public health service and in higher education, as elements of a wider reform package in these policy-areas. The referendum in March 2008 asked about public support led to more than 80 per cent voted against the proposals. This failure underlined Gyurcsány's inability capacity to push through reforms. Through the referendum, the Fidesz was not only able to undermine the policy, but wrecked the liberal-socialist coalition. The defeat deepened a long-lasting conflict within the coalition about the health-care reform, a cardinal issue for the liberal SZDSZ. As the PM tried to slow down the reform and remove the unpopular liberal health-minister after the referendum fiasco, the SZDSZ split from the coalition. The loss of the referendum and the split of the SZDSZ terminated the liberal period of Gyurcsány, who turned back to traditional policy line of the MSZP from then on.

#### *Milestone 6: Political fall and afterlife*

In October 2008 the international financial crisis threatened Hungary with sovereign default which further narrowed the prime minister's room for manoeuvre. The government bond

market sucked dry and the cabinet was unable to refinance its foreign debt from the market. The government turned to the International Monetary Fund (IMF) for loans. Gyurcsány was, however, not able to build sufficient public support or trust for the new crisis-management plan. He resigned first from the premiership and then from the party presidency in March 2009. A constructive vote of no confidence led to Gyurcsány's replacement by Gordon Bajnai, a non-aligned politician.

When he resigned, Gyurcsány left the political coalition he had built stuck in a rut. One year after his resignation the MSZP suffered a catastrophic electoral defeat and the its former liberal allies from the SZDSZ disappeared from the parliament and from the political scene altogether. The more than 2.3 million votes won by the MSZP in 2002 and 2006 fell to less than 1 million votes in 2010 (Enyedi and Benoit 2011). However, Gyurcsány's career was not over. In 2010 the former Prime Minister became a member of parliament again within the socialist parliamentary group, and in 2011 established a new party, the Democratic Coalition (Demokratikus Koalíció, DK). By 2014, the DK party became a serious rival to the MSZP on the left. A political fighter was bracing to become a comeback leader.

### **Ferenc Gyurcsány's leadership capital dynamics**

The two dimensional analysis – based on the milestone approach and the three-component definition of leadership capital – confirms the rise and fall of Gyurcsány's leadership capital and indicates a path that could be predicted from the overview of his premiership. We collected data at six different milestone moments in Gyurcsány's career: his election as prime minister, the 100 steps welfare package, his re-election, the Ószöd speech, the collapse of the coalition, and his resignation. We had 11 variables, but since there is no available data on the

level of trust in the leader, we had to omit this variable from our case study. Therefore we measured Gyurcsány's capital on a 50-point scale (see table 5.4).

In his first term, the Prime Minister was described as a risk-taking politician, who could answer to the challenge of Viktor Orbán, the strong leader of the right-wing Fidesz. His prestige was based on his courageous leadership style, his perceived personal competitiveness, and his charismatic personality. Gyurcsány seemed to have a vision about the future of Hungary: his inspirational views were mainly based on the book of Anthony Giddens and the policy ideas of the New Labour. One of his spin-doctor used the term „Gyurcsányizmus” to label his personal style, his strong ideological commitment, and his policy commitment to a Hungarian version of the Third Way (Dessewffy 2004).

[INSERT TABLE 5.4 HERE]

In the followings, we analyse the skills, the relational and the reputational components of Gyurcsány's LCI.

### **Skills**

In our analysis the skills of the Prime Minister were estimated by expert judgements. In this way it is an ex-post method, because the data were collected after Gyurcsány's fall, and so may suffer from memory lapses and hindsight bias (which may explain the lack of score variations among the different milestones on skill variables in our research, see table 5.4).

Gyurcsány's policy vision was evaluated by political scientists as 'moderate', but we feel we have to supplement it by our own evaluation to give a more balanced [or nuanced] picture. As mentioned before, in his first term Gyurcsány delineated a strong political vision rooted mainly in Anthony Giddens's work and inspired by Tony Blair's New Labour changes in the



UK. Gyurcsány played a serious role in the foundation of the progressive leftist think tank 'DEMOS Hungary', and many enthusiastic young academics joined his team. After the 2006 policy switch in the early weeks of Gyurcsány's second term in 2006, policy was determined more actual political pressures than by a long-term vision.

Gyurcsány was a talented speaker, who secured office by an outstanding oratorical performance. Ironically, his fall was also due to communication factors - a leaked speech (the Ószöd speech). His overall media performance and his relations with the Hungarian media were evaluated as 'good' by our expert panel. The longevity (in office) naturally increased with time, so it reached its peak in 2009. With his four and half years in office, Gyurcsány served for a rather long period as premier by post-communist Hungarian standards (see table 5.2).

## **Relations**

According to the expert judgments Gyurcsány sustained a medium-strong party cohesion that helped secure leadership. Strong party discipline in the parliamentary groups of his coalition government and the lack of factions enabled Gyurcsány to win the vote of no confidence in 2006. Gyurcsány never had a serious competitor during his premiership within the socialist party: Peter Kiss, who was Gyurcsány's rival in 2004 for the premiership, participated in each Gyurcsány-cabinet and never indicated an intention to challenge. However, there were serious corruption scandals between 2006 and 2009 which arose from a lack of control over the local party organizations and the Ószöd speech itself might also have been leaked from within the party. The policy performance of Gyurcsány was evaluated as 'bad' by the experts, based on his policy switch in 2006, the withdrawal of the former government measures and the failed reforms in the second parliamentary term of his premiership. But we have to note that Gyurcsány won the general election of 2006 so the contemporary evaluation of the voters

differed from the posteriori rating of the experts. Gyurcsány's parliamentary effectiveness, based not on expert judgement, but on actual legislative record of the cabinet (through the fulfilment rate of the government agenda), scored better: it varied between 45 and 70 per cent over the whole period.

## **Reputation**

The personal poll rating of Gyurcsány decreased sharply after his policy switch and the leaking of the Őszöd Speech in 2006. He was unable to stop the negative trends: at the time he resigned from premiership in 2009, his poll rating was below 20 per cent. The party polling shows the same trend: the popularity of the leader and the party declined hand in hand. The main opposition party, the Fidesz, played a decisive role in this process with an offensive strategy against Gyurcsány and his cabinet. From June 2006 onwards, the personal poll rating of the opposition leader, Orbán, overtook the premier, and the gap between the popularity of the two leaders has increased in the following years (see figure 5.1).

During his premiership Gyurcsány attained a medium-level leadership capital: the LCI shows the highest rate at the time of his re-election as prime minister in 2006 (milestone 3) by 37 points. Gyurcsány's skills were evaluated as medium, with strong communicative performance and weak policy performance. Party cohesion was average at this time, and Gyurcsány had no serious rival on the left. The lack of a competitor was evident even in 2009 at the moment of the resignation, when the socialists could not provide a strong candidate and started casting around for a prime minister mentioning more than a dozen persons with a chance for the premiership. Gyurcsány's popularity showed the highest rate in 2006 before the election (see figure 5.1). Although Gyurcsány managed to survive the autumn of 2006 and resigned only after the outbreak of the financial crisis in 2009, his policy switch and the Őszöd speech undermined his popularity, while the permanent corruption scandals and

paralysis of the government later eroded it further in a steady drip. Between 2006 and 2009 more than half of its former voters turned away from the MSZP (Enyedi and Benoit 2011; Róbert and Papp 2012). The waning chance of winning in 2010 damaged Gyurcsány's prestige in the party, undermined his network, and generated tension with his liberal coalition partner. Gyurcsány's ineffective second term government was also under permanent pressure of the opposition, which urged the dissolution of parliament and called for new elections.

It is worth mentioning that the aggregate value of the LCI decreased only moderately, the distance between 'heaven' and 'hell' being only 4 points. So in our view the LCI signals, but does not give sufficient expression to the decline of Gyurcsány's leadership capital. It seems to us that the main problem is the fact that the index is dominated by constant variables. Six of the ten elements, based on expert judgment, didn't change over time, so cannot demonstrate the fluctuations of the leadership capital. One of the four dynamic variables (longevity) increases automatically with time, so only three variables function as genuine dynamic tools. As a result, the dynamic of the LCI is generated exclusively by the popularity of the premier and the party, which undermines or at least weakens the usefulness of the index in our case. It is in accordance with popularity of the Prime Minister (figure 5.1), but the amplitude of the LCI is much more moderate.

This weakness of the LCI might be moderated by the transformation of posteriori expert-judgment into a dynamic tool. In future research, expert evaluations might be set in different moments, avoiding posteriori distortion and making a more flexible trajectory from this snapshot. The skills determine the statistical band within which the LCI can move, so they represent a solid base for leadership. But to develop a genuinely dynamic tool to measure leadership capital, more flexible variables must be integrated into the index. However, alternative approaches may bring new difficulties and we advise against using retrospective

expert judgment concerning different moments because this result could be distorted by a posteriori bias in the perception of leadership capital by the experts.

## **Conclusions**

Our study applied the LCI for the case of Ferenc Gyurcsány, the Hungarian Prime Minister between 2004 and 2009. The application of the method to this case, including our refinement of the method, produced a mixed result. Methodologically, we tried to improve the reliability of the LCI and attempted to fashion it into a dynamic measuring tool. We changed the method of researcher judgment into expert judgments, based on a survey of 10-15 experts. We measured the leadership capital at six different points in time (milestones) and we plotted the trajectory of leadership capital management. The result greatly resembles to the polling rate of the premier and his party, although with a more moderate amplitude, which in our case means that these factors play a dominant role in the LCI. We analysed the six political milestones of Gyurcsány's premiership. According to our results, Gyurcsány can be described as a 'meteoric leader', who rapidly emerged from within the party, and due to his tactical and communicative effectiveness, was elected to prime minister against his solid opponent Péter Kis, put forward by the party leadership. After his policy-switch and the Öszöd speech, however, he lost the support of the citizens and the various party platforms, which led to an abrupt fall of his popularity and to a more gentle decline of his leadership capital.

The analysis of Gyurcsány's career shows a sharp difference between his first and second term as prime minister in the context of leadership capital, even if the LCI scores of our research don't reflect the dramatic extent of this shift. In his first term between 2004 and 2006 he concentrated on gathering and conserving leadership capital to secure re-election. He got into office as a rather energetic leader, who provided both an attractive vision (the Third

Way) and a popular public policy (e.g. the 100 Steps program), and also strengthened the coalition with the liberal SZDSZ. From the 2006 electoral victory and the formation of his second cabinet onwards, however, Gyurcsány had to face a series of escalating problems, partly generated by his own policy in the previous period (e.g. the increasing budget deficit and the Ószöd speech), partly by external actors, like the political offense led by the energetic opposition leader Viktor Orbán (e.g. the 2007-8 referendum campaign). His newly coined economic and social policy proved to be rather controversial among experts and unpopular among citizens, and most of his measures to reform specific policy areas failed during his second term. Gyurcsány had to pay the price of his policy prior to the 2006 elections.

Gyurcsány's leadership capital eroded in punctuated 'jumps' triggered by a series of events in rapid succession like his post-election policy-switch in June 2006, the Ószöd speech and the connected riots and political turbulances in September 2006, the loss of the local government elections in October 2006, the introduction of co-payment in health-care in February 2007, the defeat of the referendum in March 2008, and the secession of the SZDSZ from the coalition in April 2008. In sum, Gyurcsány's *Blitzkarrier* (meteoric rise) became possible in the leadership vacuum within the socialist party and an impatient thirst within the party to find an appropriate rival to Orbán. Gyurcsány fulfilled these requirements, but with his 2006 post-election policy switch, with the Ószöd-speech scandal and with his unpopular reforms, he lost popularity rapidly, his reputation eroded and he began to lose his leadership capital.

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**Tables and figures:**

<b>Criteria</b>	<b>Variable</b>	<b>Method</b>	<b>Measurements</b>
S1	Political/policy vision	Expert judgment	1. Completely absent 2. Unclear/inconsistent 3. Moderately clear/consistent 4. Clear/consistent 5. Very clear/consistent
S2	Communicative performance	Expert judgment	1. Very poor 2. Poor 3. Average 4. Good 5. Very good
S3	Media capital	Expert judgment	1. Very weak 2. Weak 3. Average 4. Strong 5. Very strong
REP1	Personal poll rating	Relative to the rating at the most recent election	1. Very low (<-15%) 2. Low (-5 to -15%) 3. Moderate (-5% to 5%) 4. 1-5% 5. 5-10%
S4	Longevity	Time in office	1. <1 year 2. 1 - 2 years 3. 2 - 3 years 4. 3 - 4 years 5. >4 years
REP2	Party leadership	Election margin for the party leadership	1. Very small (<1%) 2. Small (1-5%) 3. Moderate (5-10%) 4. Large (10-15%) 5. Very large (>15%)
REP3	Party polling	Party polling relative to most recent election result	1. <-10% 2. -10% to -2.5% 3. -2.5% to 2.5% 4. 2.5% to 10% 5. >10%
R1	Party cohesion, lack of intra-party cohesion	Expert judgment	1. Very low 2. Low 3. Moderate

			4. High 5. Very high
R2	Policy performance, management skill	Expert judgment	1. Very weak 2. Weak 3. Moderate 4. Strong 5. Very strong
R3	Parliamentary effectiveness	Viscosity	1. Very low 2. Low 3. Moderate 4. High 5. Very high

Table 5.1: The variables of the research. Source: based on Bennister et al (2013), modified by the authors..

Name	Political affiliation	Parties in the coalition	In office
József Antall (MDF)	Right	MDF-FKGP-KDNP	1990–1993
Péter Boross (MDF)	Right	MDF-FKGP-KDNP	1993–1994
Gyula Horn (MSZP)	Left	MSZP-SZDSZ	1994–1998
Viktor Orbán (Fidesz)	Right	Fidesz-FKGP-MDF	1998–2002
Péter Medgyessy (independent)	Left-liberal	MSZP-SZDSZ	2002–2004
Ferenc Gyurcsány (MSZP)	Left-liberal	MSZP-SZDSZ	2004–2006
Ferenc Gyurcsány (MSZP)	Left-liberal	MSZP-SZDSZ	2006–2008
Ferenc Gyurcsány (MSZP)	Left	MSZP (minority)	2008–2009
Gordon Bajnai (independent)	Left-liberal	MSZP (minority)	2009–2010
Viktor Orbán (Fidesz)	Right	Fidesz-KDNP*	2010–2014
Viktor Orbán (Fidesz)	Right	Fidesz-KDNP*	2014-

Table 5.2: Prime ministers, political affiliation, and party composition of governments in Hungary 1990–2014. Source: collected by the authors.

Date	Event
2000	Gyurcsány joins the MSZP.
19 May 2003	Gyurcsány becomes Minister of Child, Youth and Sport Affairs.
25 Aug 2004	The Congress of the MSZP elects Gyurcsány as PM candidate against Péter Kiss.
29 Sept 2004	Gyurcsány is elected as PM by the Hungarian Parliament.
April 2005	Gyurcsány presents the ‘100 Steps Program’.

09 and 23 April 2006	The MSZP wins the parliamentary election with Gyurcsány as candidate.
9 June 2006	Gyurcsány forms his second government.
17 Sept 2006	Hungarian Radio broadcasts the leaked Ószöd speech.
June 2006	Gyurcsány presents his first austerity package.
1 Oct 2006	The MSZP, led by Gyurcsány, loses the local government elections.
6 Oct 2006	Gyurcsány wins the confidence vote in the parliament.
15 February 2007	Co-payment is introduced in health care.
24 Febr 2007	Gyurcsány is elected to president of the MSZP.
9 March 2008	The nationwide referendum on fees for visiting general practitioners, hospitals, and higher education is lost.
30 April 2008	The SZDSZ leaves the governing coalition.
21 March 2009	On the congress of the MSZP, Gyurcsány resigns as PM, but the delegates re-elect him as party president.
28 March 2009	Gyurcsány resigns as party president.
14 April 2009	Gyurcsány is replaced as PM through a constructive vote of no confidence by Gordon Bajnai.

Table 5.3: The career of Ferenc Gyurcsány from 2000 to 2009. Source: collected by the authors.

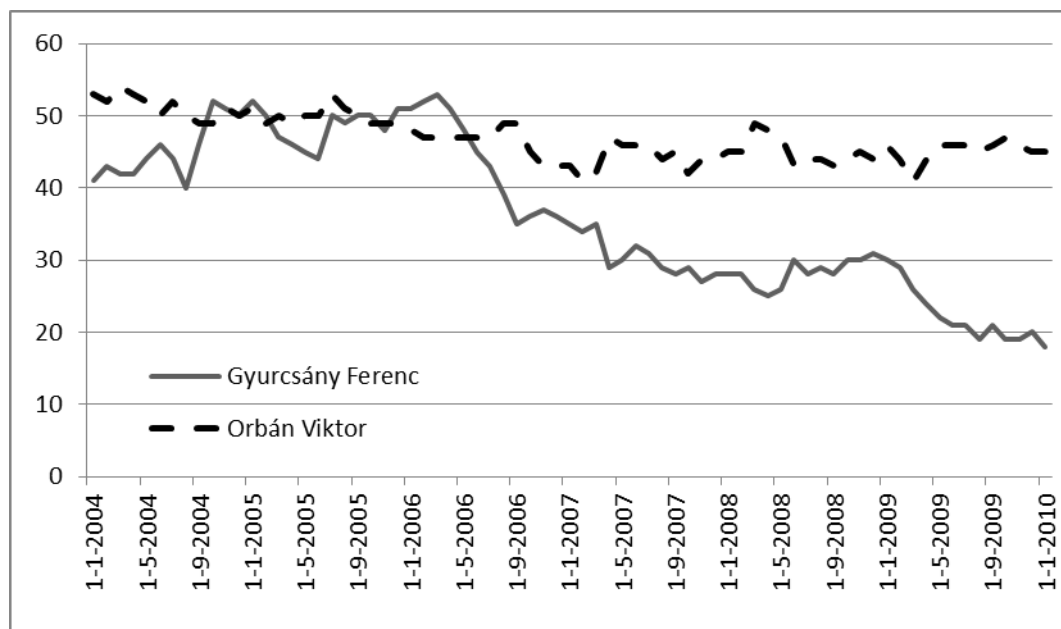


Figure 5.1: The popularity of Ferenc Gyurcsány and Viktor Orbán. Source:

<http://ipsos.hu/hu/partpref> (accessed 23 March 2016)

<b>LCI component</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>
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Policy vision	3	3	3	3	3	3
Communicative performance	5	5	5	5	5	5
<i>Personal poll rating</i>	5	4	4	2	1	1
<i>Longevity</i>	1	2	3	4	4	5
Election margin	5	5	5	5	5	5
<i>Party poll rating</i>	3	4	5	3	1	1
Trust in leader	na.	na.	na.	na.	na.	na.
Media capital	4	4	4	4	4	4
Party cohesion	3	3	3	3	3	3
Policy performance	2	2	2	2	2	2
<i>Parliamentary effectiveness</i>	3	4	3	3	4	4
TOTAL	34	36	37	34	32	33

Table 5.4: The composition of Gyurcsány's LCI at different milestones. Source: research of the authors.