

GLOBAL INFORMATION SOCIETY WATCH 2012

THE INTERNET AND CORRUPTION
Transparency and accountability online



Global Information Society Watch

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HUNGARY

A HYBRID ORGANISATION TACKLES CORRUPTION



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Introduction

Elections in April 2010 in Hungary – a small country of 10 million people in the middle of Eastern Europe – marked a major turning point in its political and social life. A landslide victory for the right wing in the midst of the economic crisis rampant in Europe granted the governing coalition a two-thirds majority in parliament.¹ However, the system of democratic institutions constructed during the round table talks between the old and new elite in 1989 was based on the assumption that a two-thirds majority necessitates the agreement of the government and parts of the opposition.² Thus the new coalition gained virtual omnipotence.

Lawmakers set out to transform the country with unprecedented confidence and speed, unfettered by the requirements of political negotiations and public consultation. Hungary quickly became a textbook example of establishing a quasi-authoritarian state. The new policies clashed with European Union norms and regulations on several occasions. Leading politicians employ a post-colonial language to argue that Hungary can find its own way out of the crisis and set an example for Europe.³

The Atlatzso website and organisation, partly inspired by the example of WikiLeaks, was set up in July 2011 to produce information about large-scale corruption and counter the chilling effect that resulted from the changes in media policy and attitudes. Bringing together best practices from various successful international organisations, it found an effective combination of existing models. This is their story.

Policy and political background

As part of the government takeover of the institutions, new policies have been implemented at all levels of the administration and public life, the high point being the new constitution that came into effect on 1 January 2012. The constitutional court has also been expanded with appointees of the government and its powers curtailed. Functionaries were appointed for unusually long terms (for example, 12 years for constitutional court judges).⁴ These changes cement the influence of the current government for years to come even if it loses at the ballot boxes in the next elections.

The Hungarian media ecology was also dramatically affected on three levels. Firstly, the new media law had widespread implications.⁵ It created a new media oversight body which brought together functions of several institutions under a head with formidable powers. Libel law was changed so that media outlets have to pay a fine when accused of defamation, after which they can initiate a court process to get their money back. Legal changes also meant the eradication of source protection. Secondly, state television, state radio and the national news agency were centralised in a single organisation using the justification of economic cuts, but giving the government better control. Thirdly, the wave of mass layoffs in state and privately owned media, reaching their peak around the end of 2011, meant that many news workers who had been critical of the state found themselves on the street.

Investigative journalism to the rescue

Atlatzso emerged in July 2011⁶ from a history of frustration with the current state of public debate and the concrete eradication of the institutional context for investigative journalistic work. Its staff was made up of journalists who felt censored in commercial media outlets, lawyers who wanted transparency,

1 European Election Database: Dataset Hungary: Parliamentary Election 2010. eed.nsd.uib.no/webview/index.jsp?study=http%3A%2F%2F129.177.90.166%3A80%2Fobj%2FStudy%2FHUPA2010_Display&mode=cube&v=2&cube=http%3A%2F%2F129.177.90.166%3A80%2Fobj%2Fcube%2FHUPA2010_Display_C1&top=yes

2 en.wikipedia.org/wiki/Hungarian_Round_Table_Talks

3 BBC Business News (2012) Hungarian PM Viktor Orban denounces EU's 'colonialism', 16 March. www.bbc.co.uk/news/business-17394894 and China Daily (2012) EU flag burned at far-right rally in Budapest, 15 January. www.chinadaily.com.cn/world/2012-01/15/content_14448830.htm

4 The Constitutional Court of Hungary (2012) *Constitutional Court: History, Organisation* (press English in menu to see the English version). www.mkab.hu/alkotmanybirosag/az-alkotmanybirosagrol/tortenet

5 Center for Media and Communication Studies (CMCS) (2011) *Hungarian Media Laws: An Assessment of the Consistency of Hungary's Media Laws with European Practices and Norms*, Central European University, Budapest. medialaws.ceu.hu

6 atlatzso.hu (2012) *Watchdog NGO and online news portal for investigative journalism in Hungary*. atlatzso.hu/wp-content/uploads/2012/07/atlatzso_english_july2012.pdf

and IT experts with resources and capacity. Initiated by Bodoky Tamás, an award-winning investigative journalist, the team included Jóri András, former Commissioner for Data Protection and Freedom of Expression, and Ákos Maróy, a leading technologist and media artist. The project went on to bring together a number of established professionals, ambitious young journalists and other volunteers. The idea was to concentrate on the issue of the transparent expenditure of public resources.

The WikiLeaks experience has taught editors a number of lessons: (1) publicising insider information can be a game-changing factor in the field of politics; (2) however, it is not enough to put information out – it has to be digested and presented to the audience; and (3) anonymous publishing is a problem for legitimacy – real and credible journalists have to take public responsibility for materials. Therefore, the initiative proposed to combine traditional journalistic work with freedom of information (FOI) requests and an online submission system.

The Atlatzso model draws on a number of other similar models and experiences, including anonymous leaking platforms like WikiLeaks,⁷ watchdog and open data NGOs like the Sunlight Foundation,⁸ citizen journalism,⁹ automated FOI requests like WhatDoTheyKnow,¹⁰ and most importantly, the new wave of centres established to promote investigative journalism.¹¹

Leveraging the low cost of production for electronic publications, the website offers a daily flow of news items in conjunction with a growing number of services. Articles are based on original research and often track stories that develop over several months or even years. Follow-up is at the heart of Atlatzso's mission, since the focus is on generating impact rather than producing content that draws attention to issues of passing interest. In contrast to prevailing journalistic practice, claims are often backed up by original source documents which are either linked or published directly on the site. Presenting the evidence in the concrete form of the original source documents boosts the credibility of claims, which is key for anti-corruption work. Materials published here receive widespread media attention locally and international recognition abroad – shown in the press coverage section,

which includes more than 100 articles from online and offline newspapers that refer to Atlatzso.

In addition, Atlatzso operates a number of services. The automated FOI request portal allows any citizen to ask for information of public interest, and the archive holds more than 100 requests to date. The archived website of the former Commissioner for Data Protection and Freedom of Expression (whose office has been abolished) contains information about basic rights. The online submission system and leaking guide enable sources to send documents to Atlatzso anonymously. The “oligarch database” gathers profiles of businessmen who combine their increasing wealth with political and media influence.

The latter is somewhat peculiar to the Hungarian context where “oligarch” became a buzzword in parliamentary debate, smear campaigns and internet memes¹² – roughly equivalent to “the 1%” in the United States.¹³ Atlatzso editors capitalised on the popularity of the term to continue the systematic investigation of the Hungarian economic and political elite. The next step is to construct and maintain a social network database similar to They Rule¹⁴ or LittleSis,¹⁵ cross-linked with profiles and news features.

Another peculiarity of Atlatzso is that the staff numbers as many lawyers as journalists, and it has around a dozen ongoing court cases at any one time. Most often Atlatzso goes to court to enforce FOI requests. These requests are often rejected by the data holders, but courts frequently find the request well-grounded and order the release of information. It is quite sad to see that investigators have to fight for several months to read information that should ideally be published on the website of the respective organisation or institution. Few other media outlets or NGOs have the resources and the insistence to go to such lengths to obtain data – which gives Atlatzso its competitive edge at the same time as demonstrating the comparatively low level of internalised democratic norms in Hungary.

Corruption redressed

The Atlatzso campaign on the Hungarian Electric Works (Magyar Villamos Művek, commonly abbreviated as MVM) is a case in point. The portal picked

7 wikileaks.org

8 sunlightfoundation.com

9 advocacy.globalvoicesonline.org

10 www.whatdotheyknow.com

11 Atlatzso is a member of the Organized Crime and Corruption Reporting Project, which brings together many similar projects organised by the Centre for Investigative Reporting in Sarajevo. www.reportingproject.net/occrp and www.cin.ba

12 Global Voices Online/atlatzso.hu (2012) Oligarch is the New Buzzword of the Hungarian Internet, 9 May. globalvoicesonline.org/2012/05/09/hungary-oligarch-is-the-new-buzzword-of-the-hungarian-net

13 The Occupy Movement popularised a new language in US political debates where the rich are referred to as the 1% and the people as the 99%.

14 theyrule.net

15 littlesis.org

up a scandal that raged in 2008 about widespread corruption in the firm. At the time, public upheaval following the findings of an internal investigation by MVM, which had been leaked to leading news sources, contributed to the fall of the “socialist” government. Public money had been laundered using offshore companies. The CEO made bad deals which resulted in stellar losses, while the lost money found its way back into his own circle. The case was unofficially associated with the resignation of the energy minister, and the opposition demanded unsuccessfully that a parliamentary committee should be set up. While MVM quickly acquired a new CEO, the criminal cases merely dragged on in the hands of the National Bureau of Investigation. The story moved out of the spotlight of public attention and it was not long before the old CEO reappeared at the top of the Budapest Transportation Company (Budapesti Közlekedési Vállalat, or BKV).¹⁶

When Atlatszo re-evaluated the issue, they found that the leaked documents were easily dismissed as illegal or inauthentic by the accused, while the official public version of the internal report had been edited and parts omitted. Therefore they decided to go to court to challenge each change made to the document separately. They used the leaked version to show that most omissions were not defensible on the grounds of protecting trade secrets.

Following a lengthy court trial, the new version of the report – almost uncensored – was recently released. It shows that the present CEO of MVM has also been involved in the corruption ring, receiving huge sums for consulting work without any tangible results. Newspapers picked up on the topic once again, and the police started to round up the suspects who were untouchable for two years. The case called into question the widely publicised assertion of the present prime minister that oligarchs belong to the era of the previous government.

Sustainability and achievements

The story shows that due to its innovative organisational model, Atlatszo can pursue stories more persistently than commercial or state-owned news outlets, and focus more consciously on impact. This is in no small part thanks to its funding sources, a mix of individual donations and structural funding from civil society donors such as the Open Society Institute. In other parts of the world it is customary to run civil society organisations relying on donations from citizens, but in the Hungarian context it

is a daring venture seldom attempted before. Critics often cite the legendary cynicism of citizens, the apathy ingrained in society, and the repressive mechanisms put in place by authoritarian trends in the country’s political life as reasons for a disengaged public.

In the face of these doubts, during the first year of operation Atlatszo went from a small blog to an established organisation. Its story began with harassment by the Organised Crime Unit of the National Bureau of Investigation, which confiscated hard drives from the Atlatszo headquarters, in response to the organisation’s refusal to reveal the sources of documents about an electronic break-in to a financial institution. Atlatszo challenged the demands of the police and finally the constitutional court decided that the protection of sources was inadequate in the 2010 media law.¹⁷ Since then, Atlatszo has taken the initiative and expanded without major challenges from the authorities. Most recently, it won the Breaking Borders Award, launched by Global Voices Online and Google for advancing the cause of free expression online.¹⁸

Concluding remarks

Atlatszo provides a working model of how the best practices of traditional journalism can be combined with emerging trends, including the potential for the internet to support critical information leaks, the open data movement, and citizen journalism. The project brings together several strategies to produce a variety of content types, from raw source documents to databases and interactive services, to analytical and investigative articles. It highlights how crucial it is to take care of both sides of the information flow: input and output. While acquiring new data from restricted sources is a long, delicate and cumbersome process which takes much dedication, analysing the data, putting it into context and presenting it to audiences and users should receive the same care and attention. Furthermore, in order to achieve actual impact, selecting data sources and presenting them has to be a strategic, thoughtful decision.

The strategic use of ICTs has helped Atlatszo in a number of ways. Firstly, the cheap production costs enabled the first editors to develop a proof-of-concept website developing the first round of content, effectively starting operation before they

¹⁶ The CEO has since resigned from his seat on the transportation company as well.

¹⁷ atlatszo.hu (2012) *Watchdog NGO and online news portal for investigative journalism in Hungary*. atlatszo.hu/wp-content/uploads/2012/07/atlatzo_english_july2012.pdf

¹⁸ Global Voices Online (2012) *Announcing the Winners of the Breaking Borders Awards*, 2 July. summit2012.globalvoicesonline.org/2012/07/announcing-the-winners-of-the-breaking-borders-awards

could secure funding. The availability of a concrete prototype helped greatly in winning the trust of donors and citizens who donated money. Secondly, the opportunity to publish source material that backs up claims seems key in making indisputable statements when challenging corruption. That is impossible to do in print alone. Thirdly, online platforms enable interactive services which can mutually complement news sources. These can potentially empower users to search in databases built from known and accumulated information – like the oligarch database or the directory of previous FOI requests – while also producing new and as yet unknown information (for example, through the submission platform or FOI request automation).

Naturally, many of these elements existed in one form or another before the rise of the internet: manuscripts submitted to patrons and publishers; photocopies of internal reports sent to newspaper headquarters; supplements of newspapers listing the best universities as a rudimentary database. However, what we see is a restructuring of possibilities enabling new configurations to emerge, and on a much wider scale.

Advertisement-driven news outlets, especially their online manifestations, are structurally and necessarily unsupportive of investigative journalistic

work and prone to economic and political pressures. Their operation can be greatly complemented by user-supported and donor-funded projects which produce quality materials and deliver useful services. Nonetheless, these conclusions prompt the question: Can privately and state-owned news channels still fulfil their mission of informing the public and enriching the public discourse on sensitive and politicised topics such as corruption? Or, like so many times, does civil society have to step in to fill glaring holes left by the market mechanisms?

Action steps

- Public interest information should be in the public domain.
- Public interest information should be readily available online.
- Public interest information should be available in open formats.
- Citizens should demand and follow information about state expenditure and operations.
- Citizens should set up and nurture their own infrastructure for monitoring.
- Citizens should force state action on known corruption cases. ■