

Fields of Power

Episode 1: Of Farms & Fortune

Intro

Scene: Kishantos Protest

shouting, angry voices [0:30-0:37 Kishantos youtube rip] + *music*

Éva: I was just standing in the middle of the farm on the road, when they came with 15 tractors and they destroyed all the plants on more than 400 hectares on the 12th of April, five days after the Fidesz won the election.”

Ian: Éva’s farm land was destroyed ten years ago; hearing her recount the story now, standing in the same spot from where she saw the tractors arrive, the tractors she was helpless to stop as they destroyed her crops; well it’s clear that her anger still burns strong.

And why wouldn’t it? Éva Ácsné was co-managing director of Kishantos organic farm and folk highschool along with Ferenc Bolye, who you heard being attacked at the start of this podcast. Located about an hour’s drive south of the Hungarian capital Budapest, Éva and Ferenc had been farming in Kishantos since the nineties.

Now they didn’t own the land when they started farming it. Most farmers in Hungary didn’t. Rather they rented it from the state as it was the state that owned most of the land.

In the early two thousand and tens, two decades after the transition to capitalism, large swathes of this state land was being turned over to private farmers. Or, at least, that was what was meant to happen.

In Kishantos’s case, the land was not given to those who were actually farming it.

Rather, the land was split up and given to a group of different people. Some of whom were not even actually farmers.

As you might imagine, when this happened Éva and Ferenc were livid. This had been their life’s work.

So they did what any other friends would do who saw the thing they loved so much being taken away, they fought for it.

One prong of their attack was contesting the issue through the courts. The other, was to investigate on what grounds the farmland had been awarded to those who got it.

But, before any of this was resolved, the new owners took the land by force. Flanked by black clad private security, these new owners entered the farm, attacked Ferenc, and destroyed the crops. Not long after, Ferenc died of a heart attack.

This is an absolutely terrible story. And it would be a story worth telling in and of its own right. But what's just so remarkable about it, and why the story is so much bigger than just this one farm, is that, in actuality, there's nothing that uncommon about it at all.

Music stops
Dreamy music

Peti: Imagine this.

Imagine a country where farmers are deprived of their land. Where national parks become tools of power. Where organic farming is co-opted by oligarchs close to the government.

And imagine that this is not only legal, but done with financial support from the European Union.

But imagine a bit more. Imagine a land where people who speak up risk getting hurt, and where valuable crops are destroyed just to send a message.

Theme music

Welcome to Fields of Power. A podcast series about how violence, corruption and wealth accumulation intertwine with agriculture, rural lives and democratic concerns. My name is Péter Bori.

Ian: and my name is Ian M. Cook

Péter: and we will spend the next four episodes trying to untangle the complex story of land grabbing and undemocratic processes in Hungary.

Ian: A story that will take us from the streets of Budapest, to remote villages; from the Hungarian Parliament, but also to Brussels.

Péter: A story of destruction, violence and wealth accumulation on one hand, but also the story of hopes and dreams of a more caring and just future, on the other.

Ian: This is Episode 1, of Farms & Fortune

Kishantos

Sounds of car door and car driving

Ian: Me and Péter are driving down to Kishantos to meet Éva on a sunny crisp autumn afternoon. Well Peter's driving, I'm recording.

Éva, and her farm, had become something of a symbol in the struggle of small holders and organic farmers in Hungary.

But I'm not totally sure of what to expect. We'd chatted a bit on facebook earlier in the week. From her profile picture, she looked stern and serious: the sort of kind but strict school teacher who, even long after you'd grown up and left school, you made sure to be extra polite with if you bumped into her in the street.

But this in, in part, is because I didn't grow up in Hungary - you might've guessed that by my accent - and, to be frank, I don't have loads of experience in the Hungarian countryside, so I am not really sure how to categorise rural people.

I'm a researcher and podcaster and was asked to join this project on land Hungary by Péter, a farmer turned researcher, who as a sensible driver can't speak into the mic right now, and Noémi Gonda, a Hungarian researcher based in Sweden, who is not sitting in the car, but who you'll meet – I imagine – in future episodes.

Alright.

And now that we've reached Kishantos, and parked up next to a surprisingly fancy building, let's go and meet Éva.

[Sound of car door closing]

Éva: We are having weddings here on the weekends and anybody can come and use the facilities.

Ian: Éva is an extremely driven lady. As she's conscious that she doesn't have much time to give us before she rushes off to deliver potatoes to customers in the evening, so she launches straight into a tour of her property. She shows us the lands which were taken, the remaining rump where she grows some vegetables, and the farm buildings she's converted into a wedding venue.

Éva: ... this is the room for the bride and groom... for the young couple who have the wedding.

We end the tour in her office. In which the desk of Ferenc – you remember, he is the cofounder of Kishantos- well his Ferenc remains shrine-like, un-touched, the Nokia phone on his desk old enough it should be in a museum.

Éva: This was the desk of my friend, my colleague, because he was running the farm, you know. It was not he was not a sitting person but this is his passport, identity card... so we tried to keep him here...

We moved to the library, and settled in for our interview. We began by asking Éva to tell us how Kishantos organic farm came into being.

Okay, first of all, I tell you that I am an agronomist and I used to work in a huge state farm in the chemical agronomy for decades. And I also have a second degree on environment protection. And that was the knowledge what I got there, ecology, systemic way of thinking, what led me to the thought that the agriculture has to be changed definitely because we are destroying our environment, our nature and our health.

So, and you know, I have learned more and more about that there is existing something which is organic farming and which doesn't use chemicals and fertilisers. And then in 1991, when Ferenc, my colleague, came up with the idea that we should turn Kishantos into a folk-style school centre in the same thinking, I thought that okay, but it has to be surrounded by an organic demonstration farm and we have to learn how to farm organically and we have to practise it and show it to the people and teach it...

And as you could see the pictures, that it was even not only possible, but it was a wonderful farm.

Ian: the school centre she refers to, was based on the Danish folk school model, an approach to education which places relationships, culture, and personal and community empowerment at the centre of learning.

Éva: As I told you, we used to work in a big state farm. And all these fields, this area around Kishantos belonged to our everyday working place.”. And later it became privatised. But in the beginning of the project, it was a much more peaceful period of the Hungarian history. It was not much after the political change. It was a period when we started to turn towards the west. And we had a lot of optimism. And so we had this idea and within our everyday work we could start trying this organic ways.

Ian: What happened next is rather complicated, but I'll do my best to summarise it in a couple of sentences. Éva and Ferenc got a lease to farm 452 hectares in 1998, specifically they got it to run an independent organic demonstration farm, for which they set up a company. The land was leased from the state - and later a company owned by the state - and they had a lease open until October 2013 to do this. But then, before the lease expired, and as part of a country-wide wave of privatisation, the land they were farming was put up for tender in 2012. Not as one piece of land, but rather in 10 parcels. They applied for each of them.

Éva: Then we got a letter a few months later that we didn't win. And the letter itself, no explanation, nothing. And you know that we started a very, very big fight over the whole thing. At first we have collected supporters and many, many. Greenpeace was the leading fighter for Kishantos and some other civil association was standing up and supporting us. And they have

made a huge movement around Kishantos. At that time we have been in the television many times and they have collected 25,000 signatures and support of 250 organisations or company. And it was a letter to Mr. Orbán, who naturally never answered.

Péter: the Orbán Éva refers to is, of course, Viktor Orbán, Hungarian Prime Minister first from 1998 to 2002, and again from 2010 onwards.

Éva: But also we went to the court because all the things that have happened around the the tender, it was against the constitution, against the law, against everything. And the Kishantos organic farm was a huge value, not only for our company, but scientifically and as a demonstration farm and from many points of view.

Péter: part of the basis of their fight was that the land was not awarded to those who were already farming it, but rather to a handful of people, some of whom were not farmers, and some of whom lived far from the land. There were complex layers of legal claims and counterclaims, including with the local notary, the head administrator of the settlement, but before any of these issues were resolved, the new owners moved onto the property.

Éva: It was very strange because when they came by the tractor to start to cultivate it, I have called the police because there was this process going on... We didn't go to the field, but they should also not go. And the police told that we ourselves we can protect the land but they can't help because there is no court decision. And in a normal country only after the court cases can anybody act. But they just... The states have sent here this 15 tractors and security guards, private security guards. They stopped the route, which is totally illegal. And the police told them that it is illegal and they had to open it up. But they tried to keep us far from the whole area, the area that was our farm or life or. But then we could go in. And so from the middle of the farm, standing on the road, we had to see how it is destroyed... You see how Orbán is acting. They want to show their power. So the whole farm was damaged. And then we just gave up.

Ian: It's not really fair to say they gave up. They kept fighting. Fighting for their reputation, fighting to create a viable business out of what they had left, and fighting for farmers in Hungary. Their case, whilst in some ways unique because it was an organic demonstration farm and, because of this, attracted the support of environmental campaigners, well their case also shared many similar traits with farmers across the country who lost access to the land they farmed.

Péter: To understand how something like this can happen, we need to rewind, go back a few decades and understand the history of land in Hungary.

The Story of Land until 2010

*scene of arriving at Gabi's. Downtown Budapest ...

Péter: We speak with Gabriella Horn at Radio Free Europe, an award-winning investigative journalist who has covered corruption and the abuse of power by governmental figures for over 20 years. Her journalism has shed light on the shady land deals that continue to take place in Hungary.

Gabriella: I think the first steps of land grabbing could have been that after the communist system ended, in the communist system we had cooperatives, which were sort of communally owned plots of lands, with jointly owned tractors and equipment and everything. And when communism ended, a new privatisation started. In two steps, actually both the right wing Fidesz government, and the previous socialist government were to blame because these cooperatives were privatised in a way that Mr. Ángyán criticised majorly.

Péter: That name you heard there, Mr. Ángyán? We'll get back to him later in our series as he plays a key role in our story. But first, what Gabi shares here is important to untangle. Hungary, like most countries in the region, was a state socialist regime, which meant that for almost four decades land was farmed through a system of state-controlled farms.

Ian: On these state-run farms, decisions about production, pricing, labour distribution and so on, had to be made in alignment with government agricultural production goals. After the collapse of the Soviet Union and system change in Hungary, the country's land ownership was restructured through a redistribution process, resulting in the creation of over 1.8 million new, mostly small, landowners.

Péter: The aim was to create a more equitable and fair farming system. However, and maybe inevitably, party politics, bickering over who deserves land and who doesn't, and of course bad implementation meant that very quickly a lot of these small parcels became economically unviable.

Either because they were given to people who had no experience with farming, or because the land sizes were so small that it was really difficult to make a profit of them, land started changing hands very quickly. Land was being sold on or leased out to larger businesses and companies who had the means to cultivate them with a profit.

Ian: Hungarian and foreign speculators amassed land for investment and speculation. They used so-called pocket contracts, in which deals omitted the date of transfer and the contracts were kept 'in the pocket' awaiting future land law changes, or they used frontmen, such as family members, to circumvent individual ownership limits.

Gabriella: We had a system before the Second World War. We had people owned land, people owned factories, houses, buildings, and it was all taken away, which was also not right. And then again, we had the new political system and there was no time for this discussions and how we want to do it.

Ian: So this state attempt at redistribution led to new forms of concentration.

Péter: And then we need to talk about state-owned land. Because although a lot of land was distributed to ordinary citizens, a whole lot remained in the hands of the state – up to 23% of all land, or a whopping 1.82 million hectares – and if that does not say much to you, it is basically equivalent to almost the entire area of neighbouring Slovenia. So a whole country's worth of agricultural land. And it is the fate of these state farms that form the backbone of this podcast.

Prepare for a quick, slightly dry, but incredibly important chronology.

Between 1990 and 1994, most of the 129 state owned farms were privatised, but not all of them. Some were kept in state hands, with 28 of them deemed to have special cultural or economic value. A 1995 land reform law stated that they should be protected, and remain state owned.

Yet, in 2001, the first Orbán government privatised 12 of these farms, all of which ended up in the hands of oligarchs close to the government, known today as the case of the dirty dozen.

After Orbán's coalition government lost to the Socialist Party in 2002, the socialists, instead of reversing this tide, decided to further privatise agricultural lands.

So by the mid 2000s, Hungarian land was once again being concentrated into the hands of a smaller and smaller number of owners.

This was, in many ways, a foreshadowing of what was to come after 2010, when Orbán regained power.

Gabriella: “after 2010, they started to renew land leases. That was the first step. And then people could apply. And what happened was that there were some restrictions, such as locals were able to, you know, you had to live within 20 kilometres, I think, if I'm not wrong. You had to be a farmer, foreigners couldn't buy land... But of course there were various schemes of playing around this and the result was that not the locals got the land.

Péter: In the early 2010s, a lot of long-term leases were coming to an end.

Between 2011 and 2013, the leases were redistributed through an application process that heavily favoured large landowners.

They raised the upper limit for land ownership to 1200 hectares (up from 300), and according to media reports, used non-transparent, secret and subjective evaluations. As result, the six largest actors managed to double their lands, while many smaller or non-politically aligned actors lost their leases - amongst them Kishantos.

Ian: So why this rush to accumulate land, you may wonder? Is farming so profitable? Enter the European Union.

EU

Scene: EU-accession countdown footage from 2004

Ode to joy, cheering, fireworks... Hungarian PM talking

Ian: Why do you want to talk about the European Union?

Péter: Well, because of course, Hungary joined the European Union in 2004. And with joining the European Union, we also joined the Common Agricultural Policy aspect of the European Union.

Ian: And it's basically giving subsidies to farmers depending upon how much land they have.

Péter: Yeah, that's right. So the Common Agricultural Policy, it's basically the cornerstone of European policymaking and it's one of the least contested aspects of EU policy when it comes to political divides and so on. And that's basically because, as you said, most money is here.

Ian: So we looked into a little bit and you get around €260 per hectare of land, and people don't know how much a hectare is. A hectare is about one and a third of a standard size football pitch and you can get add-ons as well. So if you, you know, if you're doing work to improve biodiversity and so on, and it doesn't matter whether you farm that land or not, you still get the money. And so when, as you heard just at the beginning of this section here, we heard the Hungarians celebrating in the street... I guess there was an oligarch celebrating in the street, waving the European Union flag there. But they were celebrating. Why?

Péter: Well, they were celebrating because, as we just saw, during the 90s and the early 2000s, a lot of the state owned land, or previously state owned land, was accumulated by wealthy individuals. And that meant that now you had people owning thousands and thousands of hectares of lands. And that meant that, you know, if you get €260 for 1 hectare of land and you get a thousand hectares, then suddenly you become very rich in just a year.

Ian: Yeah, and so there was two things going on. One is there was lots of speculation that the land prices would go up once Hungary joined the European Union. And secondly was investors wanting, or oligarchs rather, wanting to get their hands on land. And if I'm right, they were, I guess, rushed to do this in some way because there was at the time a ban on foreigners owning Hungarian agricultural land.

Péter: Yes, that's true. So there was a moratorium on foreigners buying agricultural land and that moratorium lasted for quite a long time. The narrative behind it was that we are protecting Hungarian landowners from foreign speculators. But that is problematic on two sides. On one hand foreign speculators did end up buying Hungarian land, not directly but through pocket contracts and front men and things like that. On the other hand, the moratorium did in some

ways allow these very wealthy Hungarians to accumulate the land at the expense of small family farms.

Land for Sale

Ian: so to recap, even after the end of state socialism in 1991, lots of land remained in the hands of the state right up until when Orbán's FIDESZ party came back to power in 2010. However, because Hungary joined the EU in 2004, and because EU agricultural subsidies are paid based on the amount of land an owner has, not what they produce, the agricultural land became immensely profitable. Even if it sits fallow, even if it's not farmed.

Péter: And then in the early 2010s, a lot of those long-term leases were coming to an end. Interestingly FIDESZ had a progressive rural strategy at the time, one that had at its centre sustainability and small- and medium-sized family farms. But rather than using the expiration of so many leases as an opportunity to follow through with a progressive agricultural vision, for instance allowing small- and medium sized family farms to get access to land, FIDESZ decided to enrich a small group of politically-connected actors.

These changes in the country's lease structures laid the groundwork for what was to be the real show: the 2015's thunderstorm sale, where lots of land was sold in a short period of time. Almost four hundred thousand hectares of land was privatised at this time.

If you remember, we spoke about the 1,82 millios hectares of state-owned land that was then reduced, reduced and reduced... this was basically most of the remaining state-owned land.

Ian: In 2015 the state owned five hundred thousand hectares, so with four hundred thousand up for sale it was a fundamental shift in the ownership of land in Hungary. Surely this was a massive talking point across the country?

Well, not really. A lot of these sales took place during the long summer of migration in 2015, when millions of people seeking asylum arrived in Europe and Orbán, citing EU asylum policy, kept many thousands of these people in Hungary, even as they expressed a wish to head further west, This resulted in chaotic scenes in Hungary: at train stations, around refugee detention camps, and on motorways. These scenes drew the Hungarian and European media and public's attention, all whilst most of the country's land was up for sale.

Péter: The number of small farms , - that is farms smaller than 4 ha - was reduced by 30% between 2013-2016.

In addition, as we will detail in a future episode, almost 80% of all auctioned properties ended up in the hands of those close to the ruling party.

How did this happen in actuality? For one, people with an ongoing lease had preemptive rights to buy the lands, meaning that many who secured leases in previous years could buy those lands without any competition.

Technically, to buy land, you needed to be an actual farmer: makes sense, right? but changes to certification rules meant that you could easily obtain a farmer's certificate by attending a 3 week course and paying a couple hundred euros.

Many of the plots were also incredibly large and had such high starting prices, that smaller farmers didn't even stand a chance at meeting the threshold for making an opening bid even if they had been farming that same plot for years and years.

Ian: But what about those who decided to push ahead anyway, to put in bids for the land they were farming or wanted to farm? Some told us they received warnings from people close to the ruling party not to make any offers - least they wanted to risk getting regular inspections or lose access to their current farms and subsidies.

Some of the auctions were public. The investigative journalist Gabi Horn, who attended one of these land auctions as part of her ongoing reporting, painted a picture of how these auctions functioned:

Gabi: It was very weird. It was at the government office, the, I think government office of the county that it was at. It was advertised, of course. And so I went in. There was a guard at the front, a receptionist kind of thing. And they told me, they looked at me with suspicions. Are you a journalist? Oh, can you give me your phone? That was the first thing. And I said, no, I don't really want. Because you can't take pictures in the room. And you walk in a corridor, it's sort of closed off. They say it's land auctions and then there's a table with the cards that the participants will be showing up. And the room is divided into three sections. The first, I think is the people who have priority in buying. Because if you own land there already, you're a neighbour, then you have priority. Then the second row, it was separated with a green or red ribbon. Second row was people who were also competing or bidding for the land. And the third section was the audience. And I sat with them. It was very full and it was. You could see the people sitting there were economically potent or economically strong, who had an opinion and were communicating with signs with the people who were doing the actual bidding. I didn't have the impression it was confirmed, all of what Mr. Ángyán had written in on thousands of pages, that it's not the small farmers, local farmers, who will be becoming better with the land sales, but it will be someone else.

Péter: You can sense from Gabi's account that there was something strange about these land auctions. Rather than small farmers, this was a place for the big fish. Despite changes to ownership laws in 2013 which were meant to prevent land concentration, nothing actually prevented multiple members of the same family or company from buying plots.

As such, many of the biggest winners were in fact wealthy families, where children, grandchildren and sometimes even newborn babies each owned hundreds of hectares of land.

Ian: We spoke to farmers who told us that lands they previously farmed were now owned by people who have never set foot outside of Budapest.

We heard multiple tales of farmers who died of heart attacks or had mental breakdowns after losing the right to keep the land they had been farming.

And we were told many stories of violent repression against those who fought to keep farming or grazing animals on land they once had access to. There was even - even allegation of murder we'll return to in a later episode

Péter: And at the end of the day, this is what it boils down to.

A great amount of state-owned land as a legacy of the state socialist era being privatised from one day to the other depriving many smallholder farmers from the plots they have been using for years and this contributing to a rapid concentration of land in the hands of very few people who are often connected to the political regime.

Outro

Ian: In the next episode, we will delve deeper into the complex web that ties together oligarchs -, land deals, EU subsidies and the effect this has on sustainability, food security ... and democracy.