

COMMUNICATION BY COMPETITION AUTHORITIES
HUNGARY
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1. The following overview presents public communications activity of the Hungarian competition authority (Gazdasági Versenyhivatal – GVH), based on the questions raised by the OECD. The term public communication can be interpreted both in a very broad and in a very narrow way. Its broad interpretation can also include activities like competition advocacy, contacts with the government and with the parties to competition cases. The narrow interpretation refers only to the Office's contacts with the media. This overview uses an intermediary interpretation, which covers public activities like contacts with the press and the media, activities related to the Office's website, its publications, presentations, speeches (that are public). On the other hand, it does not include activities that are not fully public, like competition advocacy or contacts with the parties (for example inquiries unit).

1. Who is responsible for public outreach/communications within your competition agency?

2. Within the GVH, the public relations officer, the President's Secretariat, the Competition Policy Section, the International Section and, on the other side, the Office's leaders are in charge of the public outreach and communications. Besides, every colleague takes part in that activity if necessary, this is especially true regarding the GVH's decision makers.

3. The public relations officer is in charge of the release of communiqués, the organisation of press conferences, the contacts with the media and press monitoring.

4. The President's Secretariat, the Competition Policy Section and the International Section are in charge of the preparation and edition of leaflets and informative publications. They are also responsible for the development and the maintenance of the Office's website, and the monitoring of the international press (generally under the coordination of the President's Secretariat). Moreover, the International Section plays an important role in the communication of the information regarding the integration of Hungary to the European Union.

5. The Office's leaders (the President and the two Vice-presidents) and the decision makers (members of the Competition Council) have their own special task. Although public communications and contacts with the media are obviously not their primary responsibility, they are those who may make statements on the merits of ongoing proceedings. Furthermore, the leaders are regularly invited to various fora, they hold conferences and deliver speeches, which are also means of public communication.

6. If necessary, other colleagues of the GVH also participate in the activity of public communications, in various forms (for instance they appear in the media or they give background information to the press).

2. The way GVH perceives the role of communications in the delivery and administration of competition law

7. According to the standpoint of the GVH, the most important role of communications regarding jurisprudence is its contribution to legal security and the transparency and predictability of jurisdiction.

8. Moreover, communications are important because they are a way of making publicity to competition law, and they improve general competition culture. These roles are also indirectly connected to jurisdiction.

3. The GVH's experience with communications policies and programmes and its impact on staff

9. The GVH does not have much experience with communication policies and programmes. However, there are some general experiences worth to be mentioned. Press, particularly the economic press is more interested in the Office's activity and cooperates more with the GVH than the electronic media. The media is generally more interested in cases in which the GVH imposes high fines and cases that have political aspects. It has been also noted that media can easily misinterpret GVH's public communications, but this is also in connection with the level of general competition culture.

10. Basically, GVH's public communications do not have any effect on the Office's workers. Nonetheless, sometimes it is the public communication of a given matter that makes necessary for the staff members of the GVH to rethink and clarify their own point of view, because their task is to communicate the matter to people unfamiliar with competition law and policy. Thus, sometimes a public communication can have the effect of providing new ideas to the Office's colleagues and helping their job. The GVH's point of view became more elaborated during the preparation of some Competition Office Bulletins and when it has clarified its position concerning self-governing bodies.

4. GVH's policies in place for handling media relations

11. The GVH does not have a real, express policy in place for handling media relations. However, some experiences gained in this field and some applied general principles can be drawn up. The most important part of the GVH's public communications – even from a quantitative point of view – is the information given in connection with its proceedings already finished. The GVH regularly issues communiqués on matters closed down (that means in fact all the matters) and under special circumstances on other events (for instance the Competition Council getting a new member). It is much more rare (happens only on some occasions a year) that the GVH organises press conferences, generally when it closes down a case that is very important or that is of utmost public interest, at the submission of the annual report to the Parliament and on other special occasions (for instance when the Competition Act is modified). The way of giving statements is regulated in the GVH. Thus, no statement can be made on a complaint submitted to the GVH on the supposed violation of the Competition Act. As regards the proceedings in course, only the member of the Competition Council dealing with the particular case or the GVH's leaders may give information to the journalists and only information that is of general or technical nature.

12. The GVH uses its media relations mainly for providing information and not for influencing public opinion or the government. Therefore, there is usually not any kind of "tactical element" in the media relations of the Office.

5. The target audience of GVH's public communications

13. In most of the cases, the target audience of GVH's public communications is not deliberately defined, except for the press. In other words, apart from the press it rarely happens that the GVH optimises its communication for a given target group. Nevertheless, it is possible to identify some groups to which GVH's communications are in fact of a greater value than for others.

14. Communiqués, press conferences and other general statements have for purpose to arouse and feed the media's interest, and they mainly concern the GVH's proceedings.

15. The scope of some GVH publications is to inform "the man in the street". These are typically brochures or short introductory guides.

16. Other GVH publications are prepared for people interested in or having some knowledge of competition law and policy (for instance university students, experts interested in competition law or policy etc.), and deal in depth with one particular matter. The series of Competition Office Bulletin is a good example of such publications.

17. Some of the public communications aim expressly at informing the parties or potential parties, and often treat specific practical subjects (for instance the guide on bid rigging).

18. It is worth mentioning separately the GVH's website (www.gvh.hu), which collects all kinds of information for almost everyone.

19. MPs and all the other decision-makers whom the annual report of the GVH reaches form a distinct target audience. The annual report is a publication satisfying various requirements: it summarises the Office's activities (including competition advocacy and activities in connection with the GVH's international relations), provides statistics thereof, and it also contains information and recommendations relating to changes of the market situation. Beside the MPs (for whom the annual report is destined in the first place), the GVH sends the annual report also to some of the ministers and the media, and it is publicly accessible.

6. How much does the GVH enlist the support of stakeholders to help deliver its message

20. Although rarely, sometimes the GVH does also use communications to generate debate or to gain the inputs necessary for its work. In practice, this means that sometimes the GVH circulates among the parties concerned and/or makes publicly accessible in another form (for instance on its homepage) the draft of a document, an analysis or its point of view, in order to receive comments and opinions that it may include in the final version.

21. Lobby groups do often invite a GVH staff member to lecture at their conferences. The GVH is member of the Hungarian group of the International League of Competition Law (LIDC) and participates in its activity. The GVH's officials obviously take these opportunities to communicate the Office's messages.

7. The measurement of the effectiveness of GVH's communication

22. The GVH does not measure the effectiveness of its communication. Nevertheless, the GVH can deduce occasionally from simple signs facts concerning the effectiveness of its communication (the

frequency of misunderstandings regarding competition law and false information published in the press concerning the GVH).

23. In September 2002, the GVH commissioned a public opinion research institute to measure the knowledge and opinion of the general public, companies and the lawyers about competition law and the activities of the GVH. The survey is not intended to measure the effectiveness of the communication, but some lessons could possibly be drawn from the results of it.

8. The effects of the GVH's communication on Government support for it

24. As it is known in the Office, there has never been a case where the GVH's communication affected either in a positive or a negative way the financial support for it or any other kind of support provided by the Government. An indirect link is well imaginable, moreover the GVH's communication (and its competition advocacy activity) continuously tries to compensate the occasionally anticompetitive communications of various lobbies targeting the governmental decision makers.

9. The role of public opinion

25. Public opinion rarely influences the work of the GVH and generally this influence could be described as insignificant. Practically there were only a few cases where the role of the public opinion could have come up (as in the case about excessive gasoline prices). (On the other hand the lobbies concerned in cases endeavour to influence the work of the GVH.) The direct scope of the GVH's communication involves informing the public and other activities mentioned in the answers to question No 2 (legal certainty, transparency, predictability, propaganda and competition culture) rather than influencing the public. All these, in line with the GVH's aims and hopes, will strengthen supportive public opinion in favour of competition, the GVH and the work of the GVH. According to the GVH's view public opinion rarely affects the conduct of firms. The effect of the public opinion is perceptible in the case of certain competition related governmental measures, however, in most of these cases the views of particular lobbies are expressed rather than those of the public.

10. The use of different media

26. Concerning the press the GVH does not apply different strategies in its relations with the various media. Nevertheless, as it can be seen from the answers to question No 3, its appearance in the different media is not uniform. In its relations with the press the GVH does not play an active role since apart from the press releases and press conferences, due to resource problems, it does not seek the opportunity of media appearances.

27. The GVH regularly issues diverse printed materials (leaflets, brochures, competition office bulletins, annual reports). These publications are available at the GVH and the staff members distribute them actively as well (e.g. on public appearances). The circulation of some of the publications is limited (e.g. annual report). The inquiries unit of the Office (the primary task of which is to get in touch with the complainants and applicants, and to give them the necessary information concerning basic procedural rules) participates in the distribution as well. It should be mentioned that the GVH participated in the translation and distribution of an EC Commission brochure about community competition law. Consequently, the GVH's communication touches also integration issues.

28. Worth to be mentioned here is the website of the GVH, which is the primary mean of its communication. The website could be described as a structured information pool destined to serve diverse group of potential target audiences, where all the information is made available which has become public through any other form of communication. The website comprises all the relevant information about the GVH (organisational structure, contacts, etc.), presents the legal background (legislative acts and short descriptions to download), the decisions of the GVH (and the related statistics), the publications of the GVH, opinions in various competition policy issues, on the other hand it provides services too (application forms to download). The forum menu is also to be mentioned, where draft materials can be published in order to get comments.

11. The nature of public debate surrounding the GVH's competition law enforcement activities and the participants

29. The law enforcement activity of the GVH is seldom surrounded by public debates. As experience has shown, these debates are weakly connected to the GVH's activity in the given case, they easily became a political matter. For example in 2000 after consecutive increases in the price of gasoline, the GVH initiated proceedings to determine whether the MOL, the Hungarian oil company applied excessive prices. The price increases provoked controversy in the society (both in the circles of the man in the street and the lobbies of motoring) the press and political circles. These debates however scarcely touched on the proceedings of the GVH, rather they dealt with the possibility of governmental interventions. Another example would be the student credit program launched by the Hungarian Government in 2001, which contained alleged anticompetitive elements. The GVH initiated proceedings in order to assess whether certain market players have used the program for restriction of competition. The program, due to its anticompetitive elements, provoked fierce and primarily political debate between the government and the opposition, which was not about the proceedings of the GVH.

12. The respond to public debates over the GVH's activities

30. The GVH not often participates in public debates over its activities (even debates like this take place occasionally). Whenever this happens, it takes the form of statements and interviews given by the leaders of the GVH. In the case of public debates over current proceedings, the GVH generally does not participate or participates only rather moderately in them, and pays particular attention to avoiding any statement which could be treated as a preliminary opinion before the final decision about the proceedings is taken.

13. Criticisms made of the GVH's participation in media debate and the issues arisen in these debates

31. Related experience is very limited, as it comes rarely to debates of this kind. From time to time there are debates on the agenda, which deal with real or alleged competition policy problems (e.g. competition of large scale retail chains, public procurement, market opening in telecommunications, bunglers). In these kinds of debates, the participants always point at the not sufficiently pro-competitive attitude of the State and the advantages of competition. On the other hand, restrictive ideas often come up (sometimes even to solve competition related problems) from the different lobbies. On other occasions, the alleged problems of competition could hardly be regarded as such kind of problems.

32. When debates consider expressly the activities of the GVH, then the most typical criticism is the alleged lenient treatment of restrictive practices by the GVH and the alleged inactivity. Unfortunately, this happens in the same way in cases where competition policy does not play any role and the abuse is only apparent (e.g. the reduction of certain Internet discounts by the dominant operator). Naturally, on the other side the undertakings condemned have the opinion that the GVH is too rigorous, narrow minded and doctrinaire.