

HUNGARY'S PATH TOWARD AN ILLIBERAL SYSTEM

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Poland and Hungary after the 2008 Global Crisis

Abstract. Under an unprecedented political system, created since 2010, the Orbán government in Hungary has been dismantling liberal democracy. But this development has remained relatively unknown to the world – even to Hungary's neighbour states and countries in the European Union. This study follows the internal political dynamics in both Hungary and Poland in the decade that has elapsed since the EU enlargement of 2004 brought these countries into the European Union. Traditionally Poland and Hungary have stayed close to each other in development. In 2005-07 Poland tried to establish a "Fourth Republic" foreshadowing the types of policy change the Orbán government later espoused. This Polish attempt collapsed, but the ideology is still very much alive.

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There has long been a traditional, almost proverbial, friendship between Hungary and Poland. The countries have very different languages, but – according to a somewhat romantic, stereotypical expression – they "are ready to drink and fight together", never against each other.¹ The countries have stood side by side through centuries of history, and this has continued in recent decades. A notable example is how Hungary accepted thousands of Polish soldiers and civilians after Hitler's invasion of Poland in September 1939.² Another example is to be seen in the Polish roots of the Hungarian Revolution of 1956.³ When

¹ In Polish, the saying goes "Polak, Węgier dwa bratanki – i do szabli, i do szklanki", while in Hungarian, it is "Magyar, lengyel – két jó barát, együtt harcol, s issza borát".

² This episode is well documented in both countries. Probably the best documentation can be found in a bilingual work, published in two volumes, cf. Krystyna ŁUBCZYK / Grzegorz ŁUBZYK (eds.) *Pamięć. Polscy uchodźcy na Węgrzech 1939-1946 / Emlékezés. Lengyel menekültek Magyarországon 1939-1946*. [Polish refugees in Hungary]. Warsaw 2009 and 2012.

³ Cf. for example Janusz KARWAT / János TISCHLER, 1956: Poznań – Budapest. Poznań 2006, for an assessment of the links between the Hungarian Revolution of 23 October 1956 and earlier Polish events. The labour riots in Poznań in June of the same year inspired the Hungarian events, as did the return to power of the Polish national communist Władysław Gomułka, who had spent the Stalinist era in prison.

Hungarian students took to the streets at that time, they chanted, "The Poles have set the example. Let's follow them the Hungarian way!"⁴

Hence the conventional wisdom is that Poles and Hungarians support each other during difficult times and when they are at some political crossroads. How strong is their connection now? If their fates are still intertwined, we need to ask some searching questions. How did the two countries react to the severe economic crisis of 2008? Why did Poland turn to the political right in the years 2005-07? Why did Hungary follow suit after 2010, rejecting liberal democracy and creating a completely new political and socio-economic system? What connections are there between these two lines of development? And might Poland return to the experiment of its so-called "Fourth Republic" after the next parliamentary elections (due in the autumn of 2015)? Will it attempt to copy the system Viktor Orbán has established in Hungary?

Poland: the Political Threshold of 2005 and the 2008 Crisis

Poland and Hungary were admitted to the European Union in the EU enlargement of 2004, thus achieving one of the strategic goals of all post-communist authorities and cabinets. Many Poles had been dreaming of a rapprochement with the West for decades, and especially during the twilight years of the communist era. Now it had been realized. After 2004, Poland could claim membership not just of the EU, but of a range of Western institutional frameworks, including NATO, the OECD, and the Council of Europe. Almost immediately, however, the parliamentary and party political consensus over desired foreign policy aims was broken. In the ensuing debate the nationalist *Prawo i Sprawiedliwość* (PiS) came to power – the name translates as the "Law and Justice" Party. It was led by the twin brothers Lech and Jarosław Kaczyński and was dominated by the latter.

Prominent among the reasons for the rise of the PiS was a growing disappointment with the post-communist social democratic government that had been in power since 2001. The PiS offered an alternative anti-liberal, Eurosceptic, nationalist course. Following a one-year interim period when Kazimierz Marcinkiewicz was in office, Jarosław Kaczyński became prime minister on 14 July 2006. His twin-brother – acknowledging this development with the famous words, "Mr Chairman, the task is accomplished"⁵ – had already become

⁴ "Lengyelország példát mutat, kövessük a magyar utat". See the handbook on the revolution for Hungarian schools and colleges János M. BAK et al., *Az 1956-os Magyar Forradalom. Reform. Felkelés. Szabadságharc. Megtorlás* [The Hungarian revolution of 1956: reform, uprising, freedom fight, retaliation]. Budapest 1991, 38.

⁵ Paweł WROŃSKI, Panie prezesie, zadanie wykonane, *Gazeta Wyborcza*, 23 October 2006, available at <<http://wiadomosci.gazeta.pl/wiadomosci/1,114873,2981865.html>>. All internet sources were accessed on 20 May 2015.

the President of the Republic on 23 December prior to this. This was a unique partnership, not only in Polish politics but in all history.

The “Kaczyński camp”, as it was widely called, undermined the previous consensus in Polish foreign policy. Its more nationalist approach was part of a larger political scheme known as the “Fourth Republic” project. According to the Kaczyński brothers, the entire era of liberal democratic rule between 1989 and 2005 had been based on a misconception and was time lost. In the spheres of politics and economics Polish national interests had been subordinated to domination by international institutions such as foreign banks, transnational corporations, foreign capital, and even the will of states like Germany. Poland had also become dependent on Russia for its energy sources.⁶ Under pressures from the “German and Russian condominium” and from neo-liberal economic orthodoxies, Poland had lost its Christian values and its sovereignty; the country had become “weak” and its historical identity “doubtful”.⁷ The Kaczyński camp maintained, therefore, that Poland should return to its national roots, learn from its often bitter history, and strive to become an independent state again. This course was referred to as “Historical Policy”. A return to Polish tradition and to history seemed to be more important than facing the future.

How were these proposals received? They were mostly seen as anachronistic – especially by the younger generation, who were not interested in calls for the exclusion of former communist spies and apparatchiks from office, redefinition of national interests (especially vis-à-vis Germany and Russia) and the creation of a new Polish identity on the international stage. Nor did these young people have much patience with constant declarations of sovereignty and the need for a “defence of national interests”. The close link the dominant politicians had with the Catholic Church was not much appreciated either. All in all, the strenuous promotion of “national values” created a further divide within an already polarized society. The younger generation, strongly supported by those in the liberal-intellectual circles of the major cities, was more interested in the future than the past.

All this led to political rupture. The prime minister, Jarosław Kaczyński, was already having considerable trouble with his “exotic” political coalition, which, along with the PiS, included the populist *Samoobrona Rzeczypospolitej Polskiej*

⁶ Kazimierz ŁASTAWSKI, Barriers of Polish National Identity in the European Integration Process, in: Stanisław BIELEŃ (ed.), *Poland's Foreign Policy in the 21st Century*. Warsaw 2011, 48-60, 54.

⁷ This project was well presented by Jarosław Kaczyński in a special lecture given in the George Soros Foundation on February 2005, tellingly entitled “O naprawie Rzeczypospolitej” [On the renovation of the Republic]. A Polish language version is available at <<http://www.batory.org.pl/doc/jkaczynski.pdf>>. That Kaczyński has thought through his views consistently is evident in the book presenting his blueprint for the future. See Jarosław KACZYŃSKI, *Polska naszych marzeń* [Poland of our dreams]. Warsaw 2011.

(SRP) – the Self-Defence Party – and the ultra-nationalist and morally ultra-conservative *Liga Polskich Rodzin* (LPR) – the League of Polish Families – both of which had highly ambitious leaders (Andrzej Lepper and Roman Giertych). So there were constant tugs-of-war and policies became chaotic. Kaczyński announced early elections and lost.⁸

The new cabinet was formed by the Platforma Obywatelska (PO) – the Civic Platform Party – with Donald Tusk as prime minister. It returned to the earlier tradition of liberal democracy; and when President Lech Kaczyński lost his life in a tragic aeroplane accident near Smoleńsk on 10 April 2010,⁹ this completed the relegation of the Fourth Republic project (2005-07) to the history books. However, its ideas, as I will show, have a continuing life amongst the PiS camp and its followers.

From a Polish perspective, the launching of the Fourth Republic initiative in 2005 has been the defining moment of recent history. Ever since then, the spirit of this project has been at the heart of the domestic debate and, of course, debate on foreign policy. In economic terms, the Fourth Republic experiment was not unsuccessful. The Polish economy developed quickly, flourishing throughout the period 2005-07. By 2007-08 the growth rate of 6.8 percent was substantially higher than the EU average (5.1 percent). In 2009, when all other EU member states experienced recession, it still kept at 1.6 percent, and it rose again to 3.8 percent the next year.¹⁰ Complaints on economic matters – inefficiency, inflation, recession, even corruption – were not therefore what brought the PiS down in 2007. Rather it was a web of political, social and moral issues: the populace was rejecting policies it saw as hopelessly outdated. Nevertheless, Polish society has remained extremely divided. Proponents of the PiS's ideas continue to hold up the Fourth Republic project as a viable political programme for the future. According to them, the PO's rule under Donald Tusk has been an outright act of "treason" against national values.¹¹

⁸ The "Kaczyńskis' camp", whose motto was "We will return", continued to aspire to power and to refer to the Fourth Republic project.

⁹ This was probably the most tragic moment of its kind in Polish history as, together with the President, all 96 people in the aeroplane lost their lives, including high-ranking officials, politicians, military commanders, and other public figures. All of them were flying out to commemorate the anniversary of the Katyń massacre against Polish soldiers in 1940.

¹⁰ Republic of Poland, Ministry of Regional Development, Poland 2011. Economy – Society – Regions, Summary of the Report, Warsaw, 4 July 2011, available at <https://www.mir.gov.pl/rozwoj_regionalny/Ewaluacja_i_analizy/Raporty_o_rozwoju/Raporty_krajowe/Documents/Synteza_Raport_%20Polska_2011_ang_04052012.pdf>.

¹¹ In May 2014, all the media in Poland, especially the media on the right, constantly repeated the words of a female middle school student, who, when Tusk visited her school, openly declared: "I wanted to say to Prime Minister Tusk that he is a traitor to the nation, because it is the truth", *wPolytice.pl*, 23 May 2014, available at <<http://wpolytice.pl/polityka/197368->

A more balanced assessment has been made by Roman Kuźniar, the former chief advisor on foreign policy to President Bronisław Komorowski:¹²

“In essence, the Tusk government was working to calm the domestic situation, as well as to break definitively with the foreign policy pursued under the banner of the Kaczyńskis’ [the Fourth Republic of Poland]. One element of the latter was a [historical] policy whose pursuit was seen to involve a conscious antagonizing of relations with certain neighbour-states.”¹³

Donald Tusk’s cabinet came to power with a political programme of “return to normality”. As the main opposition party, the PiS absolutely rejected this line. In discourse on both foreign policy and domestic affairs, this duality has persisted.

Hungary: the Political Threshold of 2006 and the 2008 Crisis

Formally, after 1990, like Poland before the Fourth Republic experiment, Hungary was a liberal democracy. During the years 2002–10, it was ruled by the *Magyar Szocialista Párt* (MSzP) – the Hungarian Socialist Party – which enjoyed three terms in government. Rare amongst parties in the politically versatile post-communist countries, the MSzP had sprung from the former communist regime of János Kádár. Kádár’s regime had had a relatively effective economic record, but the MSzP was not so successful in this respect – at least in comparison with Poland.

This explains a lot. The Hungarian Socialist Party had governed in 1994–98 under Gyula Horn. When it won the elections again in 2002, Viktor Orbán, the prime minister during the four preceding years, was bitterly surprised. (All the documents, media reports and subsequent political memoirs confirm this.) Orbán declared the elections “unfair” and claimed that public opinion had been hijacked and misled by the MSzP, which went into coalition with the liberal *Szabad Demokraták Szövetsége* (SZDSZ) – Alliance of Free Democrats. Thereafter Orbán concentrated his political strategy on returning to power,¹⁴ establishing a kind of civil disobedience movement, significantly named the *Szövetség a Nemzetért Polgári Kör* – Civic Circle Alliance for the Nation. It was from this that

chcialam-powiedziec-panu-premierowi-tuskowi-ze-jest-zdrajca-narodu-poniewaz-to-jest-prawda-zobacz-rozmowe-z-licealistka-ktora-wygarnela-szefowi-rzadu>.

¹² Kuźniar is a professor of International Relations at the University of Warsaw. As Komorowski, Kuźniar himself was close to the Civic Platform (PO), although he was no member. For these reasons his views are openly rejected by the PiS’s political camp.

¹³ Roman KUŹNIAR, *Poland’s Foreign Policy after 1989*. Warsaw 2009, 364.

¹⁴ The Polish journalist Igor Janke wrote a biography (almost hagiography) of Viktor Orbán, cf. Igor JANKE, *Napastnik* [The one who strikes forward]. Warsaw 2012, 180–189; see also the Hungarian translation, “Hajrá, magyarok” [“Forward, Hungarians”], a slogan common among soccer spectators; Orbán is known to be an enthusiastic soccer player and fan.

Gábor Vona emerged onto the public political scene.¹⁵ Vona became the powerful leader of the ultra-nationalist *Jobbik* Party, which can justifiably be called proto-fascist.¹⁶ Orbán himself did everything he possibly could to undermine the coalition formed by the elected socialist government – in his terminology, “the current regime”. He did not shrink from extra-parliamentary means, publicly staging acts of “civic disobedience” and taking matters to the streets.

In May 2006 the MSzP had a further electoral success under their new leader Ferenc Gyurcsány, a man as charismatic as Orbán. But, inadvertently, Gyurcsány offered Orbán his chance. In a secret speech to a party convention in Őszöd by Lake Balaton, he allegedly admitted that, to win the election, “we [the MSzP] lied morning, night and evening”.¹⁷ The essence of Gyurcsány’s speech, his strong plea for reform, was totally disregarded when these alleged words were leaked to the Hungarian press on 17 September. The opposition seized its chance, slated the socialist government in ever stronger terms and demanded its dismissal. As it happened, October 2006 marked the fiftieth anniversary of the 1956 uprising. With Orbán either directly orchestrating things or playing the role of the retired statesman (there is heated controversy as to the causes),¹⁸ a public outburst spilled out onto the streets in a series of demonstrations and acts of violence. It was the greatest upheaval in Hungarian history since the 1956 revolution. After such a furore it was clear that the governing coalition of the MSzP and the SZDSZ was doomed. A new chapter was opening in Hungary’s history. Hungary’s 2006 was like Poland’s 2005.

Gyurcsány’s government did, in fact, hang on – up to 2010 – but it was walking into a second trap, and this was to do with the economy. As early as 2001 the socialists had been engaged in a “pork barrel race” with the then ruling party, already promising state spending to buy off certain groups in order to win votes. Unusually, the socialists actually fulfilled many of these promises when they came to power, but their “special social packages” ruined the country’s budget. By 2006, the widening gap between promises made and what could really be

¹⁵ József DEBRECZENI, Arcmás [Different face]. Budapest 2009, 339. This is Debreczeni’s second biography of Orbán. The previous one, published in 2002, was much more favourable to its protagonist. However, one needs to note that Mr Debreczeni, a prolific writer with excellent analytical skills, is currently a political actor himself, being deputy chairman of a small opposition party, the *Demokratikus Koalíció* (DK) – Democratic Alliance – led by the former prime minister, Ferenc Gyurcsány.

¹⁶ “Jobbik” is a doubly meaningful term in Hungarian, as “jobb” means someone or something on the right as well as someone or something that is better than something else.

¹⁷ The complete text is available in Hungarian at <<http://www.youtube.com/watch?v=SQkl87o1JfE>>. An English translation is available at <http://en.wikipedia.org/wiki/Ferenc_Gyurcs%C3%A1ny%27s_speech_in_Balaton%C5%91sz%C3%B6d_in_May_2006>.

¹⁸ József DEBRECZENI, A 2006-os ősz [The autumn of 2006]. Budapest 2012, esp. 86–96. According to the author, now an open political opponent of Viktor Orbán, “the Orbán camp” orchestrated the public outburst.

offered had become obvious, and this was the reason why Gyurcsány made the speech that caused such outrage. In economic terms, the Gyurcsány government of 2006–10 was a disaster. By 2007, the budget deficit reached 6.9 percent of GDP, and public debt, now around 80 percent of GDP, was still growing;¹⁹ foreign currency reserves were depleted. Hungary urgently needed a rescue package from outside. Finally, after tough negotiations with the International Monetary Fund (IMF) and the European Central Bank, a special stand-by package of 15.7 billion USD was guaranteed.²⁰ But the price was high: the IMF imposed a stringent austerity programme.²¹ All this took place in a country which, especially after 2008, was fatally divided politically. Naturally Orbán and his Fidesz Party – the Civic Party – took advantage.

The obvious discontent amongst the public was confirmed by a special survey conducted by the renowned Pew Research Center at Georgetown University in Washington. In 2009, 94 percent of Hungarian respondents described the situation in their country negatively, 72 percent believing that affairs were worse than they had been during the communist era. Even more ominously, 71 percent declared that EU membership had weakened the Hungarian economy.²² This gave the green light for Orbán to take over with his Fidesz Party. There were elections in the spring of 2010, and the results came as no surprise. Though he had not presented any detailed political programme, Orbán was returned to power.

Orbán's Political System

What the international audience failed to see was the tenor of Viktor Orbán's programmatic announcements. Even the audience at home missed it at first. But the new leader's intentions came out especially clearly in his "strategic" speech at the one-party picnic held in the small town of Kötcsi on 5 September 2009.²³

¹⁹ Gábor MIKLÓS, A Magyar eladósodás és a válság hatásai [Hungarian debt and the crisis impact], *Közgazdaság* 8 (2013), no. 1, 77–86, available at <http://unipub.lib.uni-corvinus.hu/1228/1/kg_2013n1p77.pdf>.

²⁰ International Monetary Fund (IMF), IMF Announces Staff-Level Agreement with Hungary on Euro 12.5 Billion (USD 15.7 Billion). European Union, World Bank to Lend, Too, IMF Press Release no. 08/261, 28 October 2008, available at <<https://www.imf.org/external/np/sec/pr/2008/pr08261.htm>>.

²¹ Segít az IMF, de nagy ára lesz [The IMF will help, but the prize will be high], *Origo.hu*, 13 November 2008, available at <<http://www.origo.hu/gazdasag/valsag/20081113-imf-hitel-kamatnyerese-es-vitak-mire-lehet-kolteni-a-hatalmas.html>>.

²² Richard WIKÉ, Hungary Dissatisfied with Democracy, but Not with its Ideals, Pew Research Center, 7 April 2010, available at <<http://www.pewglobal.org/2010/04/07/hungary-dissatisfied-with-democracy-but-not-its-ideals/>>.

²³ For the full text of the speech in Hungarian, see *Megőrizni a létezés magyar minőségét. Orbán kötcsei beszéde szóról szóra* [To keep Hungarian quality of life. Orbán's speech in

Here he maintained that, during the time of “liberal dogma” which the West had imposed everywhere after the collapse of communism, Hungary had experienced “an omnipotence of the market” and the state had become “weak”. The only chance for renewal of the nation lay in creating a “strong Hungary” and, in order to achieve that, a “central space of power” (*centrális erőter*) was required.

Orbán wanted to foster a “Hungarian quality of life” and “Hungarian specifics”, believing that “Europe will be strong only when its nations are strong”. To make Hungary strong, there had to be a strong power centre and strong representation with “order and mutual understanding” of the kind promoted by Miklós Horthy in the years 1920-44, when there was absolute domination by a single right-wing party.²⁴ Moreover, Orbán claimed to be a leader of *all* Hungarians, not only those living within Hungary’s state borders.

Here he was exploiting raw feelings from history. After the First World War, the Treaty of Trianon (1920) assigned millions of Hungarians to areas outside the revised borders of their country – the largest diaspora being to Transylvania (in Romania). Unfortunately, history repeated itself after World War II, when Hungary was on the losing side again. It had sided with Hitler and Mussolini in the hope of reversing the whole Versailles system.²⁵ Now, it looked as if the agenda of reversing Trianon was to be revived.

Kötcei word by word], *hirextra.hu*, 18 February 2010, available at <<http://www.hirextra.hu/2010/02/18/megorizni-a-letezes-magyar-minoseget-orban-kotcsei-beszede-szorol-szora/>>. Cf. his book: Viktor ORBÁN, *Egy az ország* [The country is one]. Budapest 2007. In the following I refer to the Polish translation, Viktor ORBÁN, *Ojczyzna jest jedna*. Warsaw 2009.

²⁴ This comparison would merit another full study. One thing is sure: the issue of Horthy’s rule is currently highly divisive, polarizing Hungarians once again. It seems emblematic that Viktor Orbán says openly that he wants to move the government back to Castle Hill on the Buda side of the Danube. This is where the Horthy administration used to reside. The President’s office has already been moved there – to Sándor Palace. Another, even more divisive issue is the erection of a monument in Budapest’s Freedom Square to commemorate the 60th anniversary of National Socialist occupation of Hungary (19 March 1944). After extended civil disobedience action against it, the monument was finally inaugurated on 21 July 2014. This was done clandestinely during the night, without any official ceremony. Almost immediately, opposition activists threw eggs at it. At the centre of this controversy is the issue of how far the “Horthy System” was responsible for the Holocaust of Hungarian Jews. Cf. István BIBÓ, *Zsidókérdés Magyarországon 1944 után* [The Jewish question in Hungary after 1944], in: IDEM, *Válogatott tanulmányok 1945-1949* [Selected works 1945-1949], vol. II. Budapest 1986, 621-797. On the monument in Freedom Square cf. Michał Kokot, *Rząd Orbána postawił pomnik, opozycja obrzuciła go jajkami* [The Orbán government erected the monument, the opposition welcomed it with eggs], *wyborcza.pl*, 21 July 2014, available at <http://wyborcza.pl/1,75477,16357971,Rzad_Orbana_postawil_pomnik_opozycja_obrzucila_go.html>. A good documentary of the controversy is available at <http://hvg.hu/cimke/Szabads%C3%A1g_t%C3%A9r>. The issue of the Holocaust is just one out of many questions that have been polarizing Hungarians in their assessment of Miklós Horthy’s long rule.

²⁵ One of the best accounts is Ignác Romsics, *Magyar sorsfordulók 1920-1989* [Hungary’s fateful years, 1920-1989]. Budapest 2012, 41-43. Due to the Treaty of Trianon Hungary lost 54.4% of its pre-war citizens and saw its territory diminished from 282,870 to 92,963 km². For

When Orbán returned to power in the spring of 2010, he changed Hungary, at least domestically, according to the blueprint he had announced. In his first term in office (2010-14) he brought about a total change in the political, economic and social systems.²⁶ The liberal democratic order became a thing of the past. Within the framework of the EU, a new sociopolitical order was created and consolidated through the new constitution of 2012. Hundreds of new laws were decreed or rubber-stamped by Orbán's ruling coalition. Both in Hungary and the areas it influenced there was a retreat of democracy. Assessment of the degree to which it retreated depends somewhat on the viewpoint of the observer. Some claim that Hungary has ceased to be a democracy; others call it a "shadow democracy" or a "non-liberal democracy"; yet others speak of autocracy and "one party rule" or even of a "one-man show".

The Orbán system or regime certainly has some very characteristic features, specific to itself alone.²⁷ After "two troubled decades" of neo-liberal experiment (as the current regime puts it) and the *fülleforradalom* – "revolution at the ballot box" – in the spring of 2010, it launched its programmatic manifesto for a *Nemzeti Együttműködés Rendszere* or "System of National Cooperation". In this, the agent of social cohesion was to be the nation itself, subordinated to a strong political leadership. Public administration buildings were used to promulgate this scheme, symbolically presenting it as the start of a "New Era". The new vision was easy to translate into political acts because the government had a constitutional, qualified two-thirds majority in parliament – a situation that remained unchanged after fresh elections in the spring of 2014.

Liberalism has been overturned in Hungary. The system now concentrates power directly into the prime minister's hands. The entire economic sphere has been centralized and nationalized. Market forces have been curtailed, and so have all the autonomous features of public, economic, and cultural life, and all

an English-language analysis, see Péter HANÁK / Peter F. SUGAR / Tibor FRANK, *A History of Hungary*. Budapest 1994.

²⁶ Details can be found in a special volume presented by the right-wing publisher Fronda – a probably unique presentation of Orbán's ideas outside Hungary: *Węgry. Co tam się dzieje?* [Hungary. What's going on there?]. Warsaw 2013. According to one of the authors, László Csizmadia, "Now, when Europe is seriously ill [...] in the heart of Europe, in Hungary, a new phenomenon has appeared." There is "a government fighting for its nation and serving the public interest immediately after the democratic elections started to be a splinter in the foot of the financial powers and their EU lackeys." *Ibid.*, 266f.

²⁷ Cf. Bogdan J. GÓRALCZYK, *System Orbána* [The Orbán system], *Przegląd Polityczny* 112 (2012), 139-145; *IDEM*, Ten Keywords to Orbanistan, *Aspen Review. Central Europe* 2 (2013), no. 2, 45-48, available at <<http://www.aspeninstitute.cz/en/article/2-2013-ten-keywords-to-orbanistan/>>; *IDEM*, Orbán's Playground, *Aspen Review. Central Europe* 3 (2014), no. 1, 53-58, available at <<http://www.aspeninstitute.cz/en/article/1-2014-orban-s-playground/>>.

in favour of political and electoral clientelistic networks.²⁸ This reversal was put into words by Orbán himself in a speech made on 26 July 2014 in Tusnádfürdő, Transylvania. In this speech he openly renounced liberal democracy and the welfare state, declaring that he was pursuing a “non-liberal” course in his country – a declaration that at last received proper notice in the Western media.²⁹

The political formula is clear-cut. Hungarian citizens have been pacified or silenced, while the state apparatus takes over everything down to local government level. Pacification of the regime’s own ranks involves significant coercion and blackmail: those who are obedient are rewarded; those who demur lose their jobs or properties, licences and privileges. The pacification of society is thus based on exclusion. One of Orbán’s closest associates, János Lázár, hit the nail on the head when he said, “If you cannot cope in life, then that’s just what you deserve.” The statement (reported in more than one version) aroused such controversy that, later, Lázár had to apologize for his words.³⁰

Having a majority in parliament behind it, the Orbán government has been able to change the very name of the people’s country. Instead of “Republic of Hungary”, the regime has opted for “Hungary” alone, with the intention of drawing in all Hungarians who have lived outside the borders since the post-war treaties of 1920 and 1947.

This changing of the constitution, indeed of the entire political system, has resulted in a sham democracy, in which the system of checks and balances largely

²⁸ Tamás BAUER, Orbán eldöntötte a vitát [Orbán has settled the debate], *Galamus.hu*, 1 March 2014, available at <http://www.galamuscsoport.hu/tartalom/cikk/362383_orban_eldontotte_a_vitat>.

²⁹ The text of Viktor Orbán’s speech is available online, cf. Viktor ORBÁN, A munkaalapú állam korszaka következik [The era of the work-based state to come], *www.miniszterelnok.hu*, 26 July 2014, available at <http://www.miniszterelnok.hu/cikk/a_munkaalapu_allam_korszaka_kovetkezik>. Cf. the English version of this crucial speech at <<http://hungarianspectrum.wordpress.com/2014/07/31/viktor-orbans-speech-at-the-xxv-balvanyos-free-summer-university-and-youth-camp-july-26-2014-baile-tusnad-tusnadfurdo/>>. An excellent evaluation of the speech is given by Amy BROUILLETTE, The Autocrat Inside the EU, *Foreign Policy*, 21 August 2014, available at <<http://foreignpolicy.com/2014/08/21/the-autocrat-inside-the-eu/>>. A very harsh critique is to be found in Charles GATI, The Mask is Off, *The American Interest*, 7 August 2014, available at <<http://www.the-american-interest.com/2014/08/07/the-mask-is-off/>>. According to this author, a Professor of European and Eurasian Studies at Johns Hopkins University in Washington, D.C., “Hungary’s Viktor Orbán has openly renounced Western-style democracy for the nationalist authoritarianism of Putin’s Russia.” In his speech, the Hungarian prime minister in fact mentioned China, Russia, India, Turkey and Singapore as his “models”. A Polish perspective is available in Bogdan J. GÓRALCZYK, Orbán buduje drugi Singapur [Orbán is building a second Singapore], *obserwatorfinansowy.pl*, 5 September 2014, available at <<http://www.obserwatorfinansowy.pl/tematyka/makroekonomia/orban-buduje-drugi-singapur/>>.

³⁰ Fidesz Parliamentary Leader Apologizes for “Poverty Remarks”, *politics.hu*, 21 March 2011, available at <<http://www.politics.hu/20110321/fidesz-parliamentary-leader-apologises-for-poverty-remarks/>>.

resides in the executive (often meaning Orbán himself). Liberal democracy based on the Copenhagen criteria, defining the liberal mantra for the post-communist candidates, has been dismantled. According to the vision Orbán expressed at Kötöcsi, everything must be subordinated to the centre. A central government rewards loyalty and cuts disloyalty in the bud. Those who do not play the game, are rigorously excluded from the “community” (now the preferred term for the nation in the state-controlled media). Power seems to have moved irretrievably to the Fidesz Party which, with some manipulation of the electoral law, won another majority in the 2014 elections.³¹

With the possible exception of the extreme right-wing *Jobbik* Party, which received almost all protest votes,³² the opposition is dispersed and helpless, both in political standing and in ability to offer any alternative programme. Hungarian society has become deeply polarized: there are those *for* Orbán and those *against* – the latter mainly in the urban, liberal circles of Budapest. The younger generation is disillusioned, and some are leaving the country. Many of the young people who have remained have become radicalized, voting for *Jobbik* (as public opinion polls confirm). Also, in increasing numbers, a great many citizens have lapsed into political apathy: they are fed up with the constant “cold civil war” around them and have lost any remaining trust in politicians who never seem to keep their promises. The gap between the “propaganda of success” and the everyday social experience of Hungarians is constantly widening.

This was confirmed in an unexpected way at the end of 2014. Fidesz had won three consecutive elections in that year – the parliamentary, European and local elections – all of them with a quite convincing majority.³³ Assuming, it seems, that the system was well consolidated, Orbán hastened to implement his radical ideas, which included a proposal to tax the internet. This last plan caused an outburst of protest. A mass demonstration in Budapest on 26 October was

³¹ In an in-depth study Kim Lane Scheppele, Professor of Law at the Woodrow Wilson School of Public and International Affairs, Princeton, New Jersey, puts forth the thesis that due to “a constitutional coup” and “Fidesz-friendly changes to the election laws”, a one-party state has effectively been created. Cf. Kim Lane SCHEPPELE, Hungary and the End of Politics, *The Nation*, 26 May 2014, available at <<http://www.thenation.com/article/179710/hungary-and-end-politics#>>.

³² This is partly a result of *Jobbik*'s skillful tactics during the election campaign, when the party presented itself as having a gentler image, and concealed its strong anti-Roma and anti-Semitic sentiments, but it is mainly because of growing general discontent within society, and especially among the younger generation who feel the lack of economic results from Fidesz's policies most strongly.

³³ The overall turnout in the parliamentary elections on 6 April was 61.73 percent, with Fidesz winning 133 out of 199 seats. The results are available at <<http://valasztas2014.hir24.hu/eredmenyek/>>. In the elections for the European Parliament on 25 May, the overall turnout was (as usual) low, at 28.97 percent. With 51.48 percent of the votes, Fidesz won 12 of the 21 Hungarian seats (56.37 percent). The results of the election are available at <<http://www.europarl.europa.eu/elections2014-results/hu/election-results-2014.html>>.

followed by another two days later. Then, on 17 November, there were demonstrations not only in the capital but in a number of cities, including several in other European countries that had Hungarian diaspora groups. At these latter demonstrations the protest widened to condemn Orbán and his whole style of rule. Indeed, there was strong condemnation of the entire political elite that had exercised power in the previous twenty-five years. This set off a lively debate within the opposition about who was responsible for the current fatal condition of the country.³⁴

By this time, however, the new constitutional order in Hungary had been created.³⁵ The process has been well described by Kim Lane Scheppele, who compares it to the creation of Frankenstein:

“The Fidesz constitutional ‘reform’ has spawned a Frankenstate, a form of government created by stitching together perfectly normal rules from the laws of various EU members into a monstrous new whole.”³⁶

Under the new constitution – effective from 1 January 2012 – Fidesz politicians have curbed the powers of the Constitutional Court, reorganized the Supreme Court (recasting it in the mould of the traditional *Kúria*) and have imposed a whole raft of so-called *sarkalatos törvények* – “cardinal acts” – which can be changed only by a qualified two-thirds majority in parliament. All this leads to the conclusion that the Orbán system has one crucial aim: to consolidate the ruling power and to make its changes “irreversible”. To use Scheppele’s words again, the system, including its 2014 elections, is “legal but not fair”.³⁷

One dimension of the Orbán system that should be causing more concern than it presently does (due to both polarization of society and reactive apathy) is the growing clientelism. A new powerful, deep-pocketed elite is being built

³⁴ A videoclip of the first demonstration is available at <<http://www.youtube.com/watch?v=FP1TkMu5MuQ>>. For more information about the initiator, the 27-year-old Balázs Gulyás, and his intentions (“our aim was to stop the authority in its movement to discourage civil society”), see Kicsoda Gulyás Balázs, a netado elleni tüntetés szervezője [Who is Balázs Gulyás, the organizer of net demonstrations?], available at <<http://hu.euronews.com/2014/10/28/interview-with-organizer-of-budapest-protest/>>. For a critical assessment of the demonstrations of 17 November, see Zsófia MIHÁNCsik Ez így nem lesz jó – néhány megjegyzés a hétfői tüntetéshez [This is not good – a few reflections on Monday’s demonstrations], *galamus.hu*, 18 November 2014, available at <<http://www.fovarosi-hirhatar.hu/hir/ez-igy-nem-lesz-jonehany-megjegyzes-a-hetfoi-tunteteshez>> on the strongly oppositional website *Galamus.hu*.

³⁵ This is also claimed by László Solyom, the former president of the Constitutional Court and later President of the Republic, in a rare public intervention, in fact a protest, when the new constitution was implemented. László SOLYOM, A hatalom megosztás vége [The end of the division of power], *Népszabadság*, 11 March, 2013, available at <http://nol.hu/velemeny/20130311-a_hatalommegosztas_vege-1372429>.

³⁶ SCHEPPELE, Hungary and the End of Politics.

³⁷ IDEM, Legal but Not Fair (Hungary), *The New York Times*, 14 April 2014, available at <http://krugman.blogs.nytimes.com/2014/04/13/legal-but-not-fair-hungary/?_r=0>.

up, consisting of those willing to conform with the new political and social order. These tycoons and *nouveaux riches* are loyal to the commander and he has anointed them. The phenomenon, almost unknown outside Hungary, has been extensively described in Hungarian oppositional literature. A book entitled *The Hungarian Octopus*, inspired and edited by a former liberal minister, Bálint Magyar, maintains roundly that, since 2010, Hungary has been converted into a “post-communist mafia state”. It cites the “mafia methods” used by its “adopted political family members”.³⁸ The model of governance is characterized by the concentration of both power and personal wealth in the ruling elite, including the inner circle and family of the prime minister himself.

The regime’s critics point out the seriousness of the situation. The title of József Debreczeni book, *Fidesz’s Predatory Economy* hardly needs explaining, and the investigative reporter, Krisztina Ferenczi, has uncovered lurid and alarming details of how Orbán, his wife, family and close friends have enriched themselves.³⁹ Amassing further evidence, Debreczeni describes the current economic system as “private entrepreneurship, from public money”.⁴⁰ Ferenczi elaborates further and deeper, with an investigation of the business ties the Orbán family have made, especially in a project in their home village of Felcsút, not far from Budapest. Orbán, a keen football fan, has recently founded the Ferenc Puskás Football Academy (PFLA) there and, during the Easter holiday of 2014, he opened a modern football stadium. According to Ferenczi, further development of this settlement is continuing at full speed, including a narrow-gauge railway, hotels, roads, and all the rest of the infrastructure. Of course, the whole construction process is overseen by companies and individuals from the new oligarchic circle – people like the Mészáros, Tiborc and Flier families. István Tiborc, who has already joined the super-rich at the age of 27, is Orbán’s son-in-law. He is using public funding and EU money to back his private enterprise and activities.⁴¹ Debreczeni describes the project as the “Felcsút Disneyland”,⁴² while Ferenczi, who recently passed away at the age of 65, claims that what we are witnessing is the “creation of a new dynasty”.⁴³

Nothing of all this features in official public discourse, which is controlled by the government and its media. The main motto of the new leaders is *Magya-*

³⁸ Bálint MAGYAR (ed.), Magyar polip. A posztkommunista maffiaállam [The Hungarian octopus. A post-communist mafia state]. Budapest 2013, 413f.

³⁹ József DEBRECZENI, A Fideszes rablógazdaság [Fidesz’s predatory economy]. Budapest 2013; Krisztina FERENCZI, Narancsbőr. Az Orbán-vagyonok nyomában [Orange peel. Following the Orbán property]. Budapest 2014. With its establishment, Fidesz fashioned itself as the “Orange Party”.

⁴⁰ DEBRECZENI, A Fideszes rablógazdaság, 242.

⁴¹ FERENCZI, Narancsbőr, 119-130.

⁴² DEBRECZENI, A Fideszes rablógazdaság, 233.

⁴³ FERENCZI, Narancsbőr, 166.

rorszag jobban teljesít – “Hungary is Better Off”. Everything is a “success story”; everything is better than it was during the time of the previous government. In another keynote speech made at Tüskeföld, Transylvania on 27 July 2013, Orbán openly stated that the new political system had been created in his country because “the old Western way of life cannot be accepted any more”.⁴⁴ He disparaged the European integration process and EU institutions:

“In recent years I have come to the conclusion that the European institutions, the Commission, European Parliament and the Council, are not able to deal with the historical challenges that Europe faces.”⁴⁵

Later, at the same place, he went much further, proclaiming the need to “bury” both liberal democracy and the welfare state, and singling out China, India, Russia, Turkey and Singapore as possible models to follow (none of these countries being exactly democratic).⁴⁶

Is there a coherent “Orbán system”? Controversies notwithstanding, it seems important to specify the main features of this new non-liberal regime, since it is so little known outside Hungary. The salient characteristics are:

- rejection of a liberal checks-and-balances system and almost total domination of home affairs by the executive;
- one-man rule by the prime minister;
- centralization of political and economic power and growing state power in all spheres, the political, the economic (including the banking system), the judiciary, culture, education, the media, etc.;
- blatant fostering of political clientelism;
- constant promulgation of the message that the Orbán government will end the “humiliation” and “victimization” of the nation by the “great powers” (currently meaning the IMF and the EU bureaucracy in Brussels);
- the claim that the Hungarian nation includes Hungarians who, since the Treaties of Trianon (1920) and Paris (1947), have been living outside the official Hungarian state.

⁴⁴ “Felépítettük az új politikai rendszert” – Orbán beindította a kampányt Tüskeföldön [We’ve built a new political system. Orbán has initiated a campaign at Tüskeföld], *hvg.hu*, 27 July 2013, available at <http://hvg.hu/itthon/20130727_Orban_beszed_tuskefoldon>.

⁴⁵ A kormány nemzeti gazdaságpolitikát folytat [The government continues its national economic policy], *www.kormany.hu*, 29 July 2013, available at: <<http://2010-2014.kormany.hu/hu/miniszterelnokseg/miniszterelnok/beszedek-publikaciok-interjuk/a-kormany-nemzeti-gazdasagpolitikat-folytat>>.

⁴⁶ ORBÁN, A munkaalapú állam korszaka következik.

Table 1. Economic Growth in the Visegrád Group Member Countries (2008 = 100).

Country	2009	2013	2014	2015 (estimate)
Czech Republic	95.5	97.2	98.5	100.5
Hungary	93.2	95.2	97.6	98.8
Poland	101.6	114.2	117.1	121.2
Slovakia	95.1	104.9	107.1	110.0

Source: OECD. More detailed data for 2014 and the forecast up to 2019 available at <<http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/weorept.aspx?pr.x=48&pr.y=18&sy=2013&ey=2019&scsm=1&ssd=1&sort=country&ds=.&br=1&c=964%2C935%2C936%2C944&s=PPPPC&grp=0&a=>>>.

Poland: a “Green Island”, but a Divided One

When Orbán became the Hungarian prime minister in the spring of 2010, his Polish counterpart was Donald Tusk. Tusk was well entrenched as the prime minister who had “saved” his country from the global financial crisis. The government, of course, had made the most of this in its self-promotion. Available data confirms that Poland was indeed the only member of the Visegrád group whose economy did not fall into a recession after the global crisis of 2008. Poland was also doing well among the EU member states in general. The media spin on this was to project an image of Poland as a “green island” of growth in a devastated Europe.⁴⁷

Table 1 shows comparative economic performances of the Visegrád group countries in the years following 2008. Poland is leading in growth. Comparison with Hungary up to 2014 is especially striking, as this country has the lowest figures. Hungary resorted to a “fight for freedom”, against foreign capital, against private pension funds (which were nationalized) and, above all, against the IMF. After almost two years of negotiations, Hungary pulled out of the IMF deal altogether,⁴⁸ paying back its previous credit in August 2013,⁴⁹ and declaring, “We do not need the IMF anymore,” with some pride in this “important success”.⁵⁰

⁴⁷ Dlaczego Polska jest zieloną wyspą w oceanie kryzysu? [Why is Poland the green island in the ocean of crisis?], *WP finanse*, 13 May 2010, available at <<http://finanse.wp.pl/kat,1036117,title,Dlaczego-Polska-jest-zielona-wyspa-na-oceanie-kryzysu,wid,12264943,wiadomosc.html?ticaid=112e63>>.

⁴⁸ International Monetary Fund, Statement at the Conclusion of the IMF’s 2014 Article IV Consultation Mission to Hungary, IMF Press Release no. 14/115, 20 March 2014, available at <<http://www.imf.org/external/np/sec/pr/2014/pr14115.htm>>.

⁴⁹ Az MNB visszafizette a teljes IMF-hitelét [The Hungarian National Bank has paid all its IMF debt], *mfor.hu*, 07 August 2013, available at <http://www.mfor.hu/cikkek/Az_MNB_visszafizette_a_teljes_hitelt.html>.

⁵⁰ Magyarország visszafizette az IMF-hitelt [Hungary has paid its debt to the IMF], *Magyar Nemzet*, 12 August 2013, available at <<http://mno.hu/gazdasag/magyarorszag-visszafizette-az-imf-hitelt-1177966>>.

By contrast, Poland pursued a liberal approach to its economy, earning praise from the IMF, as “a bright spot in the Central European region”.⁵¹ A special report from the OECD, made in March 2014, confirmed this: “Poland’s overall economic performance has been impressive over the last decade, allowing living standards to converge steadily towards the EU average.”⁵² Some slowdown was noted in 2012 and 2013. This was mainly due to a spill-over from retrenchment in the Eurozone (more than one-third of Polish foreign trade is done with Germany and more than 80 percent with EU countries). But by the end of 2013 the economy had already sped up again. It was described as “the most dynamic economy” in Europe.⁵³

The contrast between Poland’s economic performance and that of Hungary shown in Table 1 was corroborated by the major rating agencies – Moody’s, Fitch, Standard & Poor’s.⁵⁴ Poland was having no major problem with national and public debt (even if growing) or with budget deficit, which has been a constant problem in relations between the Hungarian government and the European Commission. Hungarian budget performance, however, showed positive only in 2011, due to the controversial takeover and nationalization of private pension funds. After 2012 it returned to a problematic state. Orbán’s economic “freedom fighting” for a more independent and national economy – one of the flagships of his whole system – did little to ease the public debt. According to Eurostat data, this debt constituted 73 percent of GDP in 2008, grew to 82.2 percent in 2010, was reduced to 79.8 percent in 2012 and, with a further projection of minimal growth, stood at 79.1 percent in 2014.⁵⁵

In Poland, the government of Donald Tusk continued its liberal approach to the economy, and this was anathema to the new Hungarian regime. In their economic policies the two countries diverged, adopting two different philosophies of development and modernization.⁵⁶ The rest of Europe was watching,

⁵¹ International Monetary Fund, Poland Continues as Bright Spot in Region, *IMF Survey Magazine*, 3 February 2012, available at <<https://www.imf.org/external/pubs/ft/survey/so/2012/car020312a.htm>>.

⁵² OECD, OECD Economic Surveys: Poland, Paris, 10 March 2014, available at <http://www.oecd.org/eco/surveys/Overview_Poland_2014.pdf>.

⁵³ Stephan FARIS, How Poland Became Europe’s Most Dynamic Economy, *Business Week*, 27 November 2013, available at <<http://www.businessweek.com/articles/2013-11-27/how-poland-became-europes-most-dynamic-economy>>.

⁵⁴ Standard & Poor’s tnie rating Wegier do poziomu „śmieciowego” [Standard & Poor’s is cutting rates for Hungary to the junk level], *Bankier.pl*, 22 December 2011, available at <<http://www.bankier.pl/wiadomosc/Standard-s-tnie-rating-Wegier-do-poziomu-smieciowego-2458820.html>>.

⁵⁵ Data provided by Andrzej SADECKI, In a State of Necessity. How Orbán Has Changed Hungary, Centre for Eastern Studies, Warsaw, 27 May 2014, available at <http://www.osw.waw.pl/sites/default/files/pw_41_in-a-state-of-necessity_net.pdf>.

⁵⁶ Tusk and Orbán, both strong, charismatic leaders, have been close and sympathetic to each other. Probably this personal “chemistry” explains why Budapest and Warsaw worked

taking sides. While the Hungarians were blamed in the Western world for their nationalist and populist course, Poland was praised as a country with a business-friendly political class and an ever-stronger middle class. It was seen as a country catching up with its Western peers.

From the Polish perspective the situation was not so rosy as the Western media made out. The PiS camp, in particular, attacked Tusk's government for "bad performance", "wrong philosophy" and its "subordination to foreign interests". A major point of attack concerned the unemployment rate – now standing at around 13 percent, having risen from 11.3 percent in 2007 and 11.7 percent in 2014, with especially high unemployment among the younger generation. This rate was higher than in Hungary, where unemployment figures had fallen from 11.2 percent in 2010 to 10.2 percent in 2013. This meant that society was splitting. Especially from 2011 on, Tusk's critics could also point to corruption scandals involving his cabinet ministers and to other "shady business". Public dissatisfaction grew steadily, and most of all among the disaffected young.⁵⁷ During its years in opposition, the PiS has been exploiting these social tensions and discontents. Since 2012, the PiS camp has been winning in almost all public opinion polls. Many people want an alternative to the present government; and a return to the Fourth Republic project (still on the PiS's agenda) seems to have become an option once more.

Seen from inside, then, Poland is not the "green island" presented in government propaganda and the international media. Rather, it is home to a deeply divided society. There is an increasing gap in how the two major political camps assess the situation. With their different socio-economic claims, the liberal centre-right (represented by the PO) and the nationalist right (led by the PiS) are engaged in something like the constant "domestic cold war" that disturbed Hungary between 2002 and 2010.

It is obvious that the traditional friends, Poland and Hungary, have not been on the same track since 2008. But at least in one dimension they are close. Public opinion polls and election results in the two countries strongly suggest that both are turning to the political right.

together for so long at the level of the European Union. Their domestic situations became ever more different after 2010, however, mirroring their very different policy and development visions.

⁵⁷ Gulliver CRAGG, *Dissatisfied with Government, Poland's Disaffected Young Turn to Far Right Groups*, *rfi.fr*, 26 November 2013, available at <<http://www.english.rfi.fr/europe/20131126-poland-nationalists>>.

Why the Turn to the Right?

The main issue of the public debate in Poland and in Hungary has, at least since 2008, been the question of whether or not to go along with the liberal or neo-liberal order. According to PiS in Poland and Fidesz in Hungary, serious and responsible leaders been replaced by frivolous, irresponsible people under the liberal banner. This, they say, has happened in politics, the economic and public spheres, the media, and other realms of life.

The issue goes beyond party political grumbling, however, as shown in the rich literature dealing with the question, especially in Poland. Krzysztof Jasiecki, one of the most prominent sociologists in the Polish Academy of Science, has written on public perception of Poland's EU membership. A widespread view, coming out in opinion polls, is that Poland has been following a "dependency path" and risks becoming peripheral in Europe again.⁵⁸ The author adds, though, that "Poland probably had no other chance", given the "end-of-history" kind of triumphalism in the neo-liberal discourse in the early 1990s, and backs this up with references to a wide range of interviews with the chief political actors then.⁵⁹

The whole matter of post-communist transformation and entry into the EU has become one of the major dividing issues in Poland. Discourse around the European integration process as a "modernization anchor" has, since 2008, turned sour. Scholars have come to the conclusion that the whole EU "is a mess", and that one of the core problems is its "weakness of political centre".⁶⁰ Instead of the peace and harmony promised to European countries, there is now "chaos and panic" and "an overlapping of one crisis onto another".⁶¹ Some prominent representatives of the Hungarian academic community who are close to the current leadership agree. They say, "The EU is seriously ill".⁶²

Such observations have come more and more into the public arena and are widely discussed. This means that they can be exploited by those political groups who were reluctant to engage in the integration process from the start. According to them, the brand of liberalism that has dominated the domestic scene since the collapse of communism is synonymous with moral relativism,

⁵⁸ Krzysztof JASIECKI, *Kapitalizm po polsku. Między modernizacją a peryferiami Unii Europejskiej* [Capitalism, Polish style. Between modernization and the European Union peripheries]. Warsaw 2013, 140f.

⁵⁹ *Ibid.*, 144f.

⁶⁰ Tomasz G. GROSSE, *W poszukiwaniu geoeconomii w Europie* [Searching for geoeconomy in Europe]. Warsaw 2014, 176 and 242.

⁶¹ Zbigniew CZACHÓR, *Kryzys i zaburzona dynamika Unii Europejskiej* [Crisis and Distorted Dynamics of the European Union]. Warsaw 2013, 520.

⁶² Wegry. Co tam się dzieje?, 266.

and sometimes with social and political nihilism. These, they say, need to be replaced as soon as possible by a “healthy” system of “national values”.⁶³

Even worse, these critics contend, the liberal or neo-liberal course is also synonymous with “internationalism”. For them this term has at least two highly negative connotations. First, it suggests a direct continuation of the “internationalist line” of the previous regime; and second – a more serious reproach – it overrides national interests. The country, in their interpretation, has been sold to transnational corporations or, at the very least, subordinated to supra-national interests identified with the European Commission, the EU, the International Monetary Fund or the Bretton Woods institutions.⁶⁴

It is in this spirit that, in Hungary, Orbán imposed a special “crisis tax” on foreign banks and big shopping malls, which are also in foreign hands. He received much applause for this. Later, on 15 March 2012, he made his famous announcement to the crowds celebrating the new national holiday to commemorate the Hungarian Revolution of 1848: “We will never be colonized again!”⁶⁵ He was even more specific in a previous declaration made in front of the Parliament building:

“There was a time when officers in well-tailored uniforms governed in Hungary, and now bureaucrats in well-tailored suits are imposing their conditions on us [...] We did not allow a foreign *diktat* from Vienna in 1848 and from Moscow in 1956 or in 1990, and now we will not allow any *diktat* coming from Brussels or any other place.”⁶⁶

Significantly, in this speech, Orbán went straight on to quote the famous proverb mentioned at the start of this article – that Hungarians and Poles work together in friendship.⁶⁷ He included this partly because many Poles had gathered to

⁶³ Speech by Jarosław Kaczyński on the fourth anniversary of the Smoleńsk aeroplane disaster, cf. *Obchody IV rocznicy Katastrofy Smoleńskiej – wystąpienie Jarosława Kaczyńskiego, prezesa Prawa i Sprawiedliwości* [Commemoration of the fourth anniversary of the Smolensk catastrophe – a speech by Jarosław Kaczyński, the Chairman of PiS], *radiomaryja.pl*, 10 April 2014, available at <<http://www.radiomaryja.pl/multimedia/obchody-iv-rocznicy-katastrofy-smolenskiej-wystapienie-jaroslaw-kaczynskiego-prezesa-prawa-i-sprawiedliwosci/>>. Cf. also the cited works by the two Polish and Hungarian leaders, KACZYŃSKI, *O naprawie Rzeczypospolitej*; and ORBÁN, *Ojczyzna jest jedna*.

⁶⁴ JASIECKI, *Kapitalizm po polsku*, 195.

⁶⁵ Orbán Viktor: *nem leszünk gyarmat!*, *bumm.sk*, 15 March 2012, available at <<http://www.bumm.sk/66408/orban-viktor-nem-leszunk-gyarmat.html>>.

⁶⁶ 1848 és 2010 is megújulást hozott [Like 1848, 2010 also brought about a renovation], *miniszterelnok.hu*, 15 March 2011, available at <http://www.miniszterelnok.hu/cikk/1848_es_2010_is_megujulast_hozott>. The title of this speech was highly symbolic, as the 2010 “revolution at the ballot box” is compared to the Revolution of 1848 in Hungary, one of the most inspiring moments in the history of the nation.

⁶⁷ Orbán Viktor: *nem leszünk gyarmat!*

hear his speech, but also because he was looking for an ally ready to support what his own camp admitted to be an “unorthodox policy”.

Poles and Hungarians share anxiety, dissatisfaction and social tension, but it is the radical programme of the Hungarian prime minister that is mainly responsible for bringing many of them together again. This time, however, support is not universal and spontaneous, as it was in 1939 and 1956. It is confined to believers in Orbán’s policy; but their number is not to be underestimated.

Following the studies by Jasiecki, Grosse and Czachór, we can summarize the reasons for the turn to the right that emerged from the public opinion polls taken in Hungary and in Poland (and indeed beyond):

- growing social stratification in both domestic and European contexts
- fear of becoming peripheral (again)
- disillusionment with market forces, which have not lived up to what was promised
- disillusionment with democracy, which is frequently identified with lack of fair opportunities and an illicit mixture of public and private interest amongst those with power, both on the domestic scene and in Brussels
- endemic tension between those who feel they are losers and those perceived as winners in the post-communist transformation
- high unemployment, which seems equally endemic, and which affects young people especially, most of them well educated⁶⁸
- nostalgia for stronger state power, which the neo-liberal “experiment” is thought to have undermined
- hopes for a more just and sustainable economy as well as for greater public transparency in sociopolitical and economic issues.

While Poland and Hungary differ in their political systems, the sentiments and processes set out in this list can be detected in the public sphere of both countries. There is a growing sense of disappointment with the European integration process. This is a development that has received little attention outside the region, and it has seldom been addressed by Western scholars. In an in-depth study of the multi-layered crises the EU is currently going through, Zbigniew Czachór gives a whole catalogue of reasons that may lie behind its malfunctioning:

- the EU is seen as a “project of the elites”
- the effectiveness of its leadership is low
- it is attempting to build a supra-national state for which our public consciousness and societies are not ready

⁶⁸ Probably the best Polish study on this issue was written by the economist Tadeusz KOWALIK, *Transformacja to zbiorowy sukces Polaków?* [Is transformation a collective success of the Poles?]. Warsaw 2009, available at <www.polsktransformacja.pl>.

- an “artificial currency”, the Euro, has been created, but it is confined to a monetary union while fiscal policy remains under the member states’ legislation
- decision-making processes are not transparent
- there are too many laws – the EU is a hyper-regulatory system
- a universal (and well-paid) bureaucracy has too much influence, and the so-called “democratic deficit” is constantly growing
- the sovereign rights of nation states are increasingly being limited.⁶⁹

Where is Visegrád?

We can now return to the Polish-Hungarian relationship. Depending on circumstances, this relationship is bilateral or, more frequently, regional within the framework of the Visegrád Group. The Visegrád cooperative alliance, initiated as a threesome with Czechoslovakia in 1991, but turning into a foursome after the “velvet divorce” of the Czechs and Slovaks in 1992, was formed to achieve major national goals, among them the dismantling of the alliance with the USSR and, later, the “anchoring” of these Central European countries within the Western institutional framework. It remained a viable grouping immediately after the collapse of communism and also after the countries’ accession to the EU.

Since Orbán’s rise to power in 2010, the ends pursued by the group have changed. Budapest, in particular, has started to use Visegrád Group cooperation as a counterbalance to what are seen as *diktats* from Brussels and the larger EU member states. A crucial role in this new course has been assigned to the “Budapest-Warsaw axis”. Orbán has been keen on this from the start. He wrote his MA thesis on *Solidarność*, and his first foreign visit after taking office was not to Brussels but to Warsaw.⁷⁰

Shortly before the Hungarian, and then Polish, EU presidencies in 2011, *Rzeczpospolita*, the influential right-wing weekly in Poland, picked up on this sympathy from across the border. It published an article by Orbán which advocated strong cooperation in Central Europe, especially within the framework of the Visegrád Group. What was new was the plea that this cooperation should “give an example of new ideas to the EU”.⁷¹ Almost immediately after his electoral triumph in 2010, when his revisionist intentions were already apparent, Orbán sought to strengthen his “own camp” in Poland. On 9 October 2011, this endeavour was “crowned” by the main opposition leader Jarosław Kaczyński,

⁶⁹ CZACHÓR, Kryzys i zaburzona dynamika Unii Europejskiej, 23f. From a Hungarian perspective see, along analogous lines, János DRÁBIK, Kié a magyar állam? A magyar nemzeté vagy a szervezett magánhatalomé? [Whose Hungarian state? The Hungarian nation’s or organized private power’s?]. Budapest 2012, 53, 105.

⁷⁰ JANKE, Napastnik, 56.

⁷¹ VIKTOR ORBÁN, Czas Polski i Węgier [A time for Poland and Hungary], *Rzeczpospolita*, 30 November 2010, available at <<http://www.rp.pl/artykul/571804.html>>.

who exclaimed before an enthusiastic crowd: "A day will come yet, when we will have Budapest in Warsaw!"⁷²

These words have become almost proverbial in the Polish political and media discourse, whatever point of view is taken. Orbán has become a hero in the country – and he knows this only too well. At the launch of his biography by Igor Janke he gave a speech at Warsaw University in which he stated that his good personal relationship with Donald Tusk was no obstacle to his regarding the PiS as his "political counterpart" in Poland. He even spent some minutes advising the followers of the PiS how to win the next elections.⁷³

As the new hero of the Polish national right, Orbán has been celebrated in a way quite unparalleled for a leader outside the country's boundaries. In 2011, the right-wing daily *Gazeta Polska* began a campaign urging public support for Orbán and his policies. It did this not only in articles but in public gatherings, massing, for instance, in front of the Hungarian Embassy in Warsaw. It even organized a "pilgrimage" to Budapest, getting people in by train and bus to participate in the Nation Day celebrations of 15 March. (This was the occasion when Orbán proclaimed, "We will not be colonized again!")

Ever faithful, *Gazeta Polska* awarded Orbán the title of "Man of the Year" in 2013.⁷⁴ However, Orbán's next move surprised and disappointed his Polish supporters. He travelled to Moscow and signed a 30 billion Euro contract with Vladimir Putin for the renovation of the Paks nuclear power plant.⁷⁵ (The sum involved was approximately 10 percent of his country's GDP.) The PiS declared that it was against its core principles: it would not have anything to do with any Russophile trend in politics. But even that did not stop *Gazeta Polska* from

⁷² „Przyjdzie dzień, że w Warszawie będzie Budapeszt”, *tvn24.pl*, 9 October 2011, available at <<http://www.tvn24.pl/wiadomosci-z-kraju,3/przyjdzie-dzien-ze-w-warsawie-bedzie-budapeszt,186922.html>>.

⁷³ The speech is available on YouTube at <<http://www.youtube.com/watch?v=nb69a2La3tU>>.

⁷⁴ *Gazeta Polska* presented Orbán on this occasion as "a good fellow to the core", representing his values "with enthusiasm and endurance". Wojciech MUCHA, Z węgier dla niezależna.pl! Człowiek Roku 2013 "Gazety Polskiej" Viktor Orbán – lider z krwi i kości [Viktor Orbán – a true-born leader], *niezalezna.pl*, 2 January 2014, available at <<http://niezalezna.pl/50171-z-wegier-dla-niezaleznapl-czlowiek-roku-2013-gazety-polskiej-viktor-orban-lider-z-krwi-i-kosci>>.

⁷⁵ For details, see: Ildikó CSUHAJ, Az új kód: Atomvonal [A new code – atomic energy], *Népszabadság*, 14 January 2014, available at <http://nol.hu/belfold/az_uj_kod__atomvonal-1437869>. According to this report, the agreement came as total surprise to the Hungarian public, and even to the Fidesz parliamentary faction. The details of accord remain hidden. The Paks nuclear power plant was built by the Soviet Union between 1969 and 1987 and currently covers about 40 percent of Hungary's energy needs. Cf. also András DEÁK, The Putin-Orbán Nuclear Deal: A Short Assessment, Heinrich-Böll-Stiftung, 21 January 2014, available at <<http://www.boell.de/en/2014/01/27/putin-orban-nuclear-deal-short-assessment>>.

organizing a third “pilgrimage” to Budapest, where Orbán welcomed his Polish supporters with the opening words of the Polish national anthem.⁷⁶

This third Polish “pilgrimage” to Budapest did not, in fact, help improve Orbán’s image, which was now much dented, even in the PiS opposition circles in Poland. Neither did his consecutive successes in the elections of 2014 or his ambiguous reaction to the events in Majdan Square, Kiev and their consequences. The forced annexation of the Crimea by the Russian Federation merely prompted, among other things, a Hungarian plea for more autonomy for the ethnic Hungarians in the Ukraine.⁷⁷

That the gap between Orbán and his Polish admirers was becoming more substantial was confirmed during a second trip to Poland he made after his 2014 election victory. This time, he was cursorily received by Donald Tusk, had almost no media coverage in his host country and, most significantly of all, had no meeting with the leader of the PiS opposition he had praised so highly in his speech at Warsaw University just a year earlier. For the first time since 2010, the “Budapest-Warsaw axis” of nationalistically inclined forces was put into question. Orbán’s rapprochement with Putin’s Russia had without doubt been the litmus test. Fidesz’s rejection of the EU’s prestigious Nabucco pipeline project (eventually aborted) and its endorsement of the Southstream (or Turkish) pipeline⁷⁸ – issues not taken up in the Polish right-wing media till then – were added to reproaches about the Paks nuclear power plant agreement and Budapest’s “mild” reaction to Russian intervention in Ukraine.⁷⁹

Czech and Slovak reactions to the Ukrainian crises were also “soft”: neither government would support the deployment of NATO forces in the region,

⁷⁶ The right-wing TV channel *Republika* was the only medium in Poland to report this event. See *Kilka tysięcy Polaków uczestniczy w Wielkim Wyjeździe na Węgry* [Several thousand Poles participate in Grand Tour to Hungary], *telewizjarepublika.pl*, 15 March 2014, available at <<http://telewizjarepublika.pl/kilka-tysiecy-polakow-uczestniczy-w-wielkim-wyjezdzie-na-wegry,4934.html#.U5wuArG2Dcs>>.

⁷⁷ Gergely SZAKÁCS, *Orban Renews Autonomy Call for Ethnic Hungarians in Ukraine*, *Reuters*, 17 May 2014, available at <<http://www.reuters.com/article/2014/05/17/us-ukraine-crisis-hungary-autonomy-idUSBREA4G04520140517>>.

⁷⁸ Hungary was the first to sign this agreement, during a visit to Budapest by Alexey Miller, Chairman of *Gazprom*, in December 2013. Contract Signed for South Stream Design in Hungary, *Gazprom News Release*, 12 December 2013, available at <<http://www.gazprom.com/press/news/2013/december/article180286/>>.

⁷⁹ All of this was confirmed in a radio talk by Orbán on 15 August, 2014, which created a huge media echo in the West. He described Western (EU) sanctions against Russia as “shooting ourselves in the foot” and as “counterproductive”. He also argued, not for the first time and not for the last, that stronger economic cooperation with Russia was needed, the current situation in the Ukraine notwithstanding. *A magyar gazdaságpolitika működőképes és eredményes* [Hungarian economic policy is working and successful], *miniszterelnok.hu*, 15 August 2014, available at <http://www.miniszterelnok.hu/cikk/a_novekedes_annak_koszonheto_hogy_a_magyarok_dolgozni_akarnak>.

which was strongly urged by Poland. This too has put strain on the Visegrád framework and called into question how far cooperation amongst its members can continue. In the eyes of the PO dominated cabinet, Hungary has been seen as undermining Poland, as a strategic partner, even in the development of a common anti-EU platform. It remains to be seen what will happen in this domain after the 2015 parliamentary election as, in all public opinion polls, the PiS is strongly backed to be a winner.

The Polish Future

The Ukrainian crisis has brought Poland back into the limelight, as was shown by the visit of the American president, Barack Obama, to Warsaw in June 2014, formally to celebrate "Polish Freedom Day" on the twenty-fifth anniversary of the country's emergence from communism, but really to further US geostrategic interests.⁸⁰

Poland, however, seems to stand at a crossroads. The involvement of ruling politicians in corruption scandals has shattered the governing coalition's reputation. By mid 2014 Tusk himself was showing signs of exhaustion after seven years in power. The PiS politicians, on the other hand, were buoyant, constantly dreaming of a return to their vision of the Fourth Republic and wanting to reshape Poland as a virtual copy of the Orbán system. Their blueprint was of an independent, sovereign country focusing on national interests. The recent scandals had cast a shadow over the government's claims to probity and competence, and this was bringing the PiS closer to the realization of its dream.⁸¹

More social and political dissatisfaction was expressed during the elections for the European Parliament in May 2014, when – to the surprise of many – the so-called "protest voters" elected the extreme anti-EU Janusz Korwin-Mikke into the European Parliament with three of his party members. They openly declare that their main goal is the dissolution, or destruction, of the EU from within. This serious challenge must not be neglected.⁸²

⁸⁰ Obama strongly complimented Poland "for its present and past", cf. Remarks by President Obama at the 25th Anniversary of Freedom Day. Warsaw, Poland, *whitehouse.gov*, 4 June 2014, available at <<http://www.whitehouse.gov/the-press-office/2014/06/04/remarks-president-obama-25th-anniversary-freedom-day-warsaw-poland>>.

⁸¹ Vistulagate. The Prime Minister Tries to Ride Out a Wiretapping Scandal, *The Economist*, 21 June 2014, available at <<http://www.economist.com/news/europe/21604604-prime-minister-tries-ride-out-wiretapping-scandal-vistulagate>>.

⁸² The Polish results of the EP elections, according to the official statement of the National Election Committee, were: 1. PO – 32.13 percent (19 MEPs), 2. PiS – 31.78 percent (19 MEPs), 3. SLD (left social democracy) – 9.44 (5 MEPs). The New Right of Korwin-Mikke came in fourth, with 7.15 percent of the votes, sending four MEPs to the European Parliament, including the chairman himself. Turnover was low, at just 23.83 percent, even lower than four and eight years

The existence of two completely opposing assessments of the domestic situation in Poland led to the sense of “domestic cold war” already mentioned. Then when, as testimony to Poland’s international standing, Donald Tusk was unexpectedly called to be President of the European Council, the “Tusk epoch” abruptly came to an end.

This exit produced mixed public reactions. On the one hand, the first serious subsequent public opinion poll gave the PO a convincing lead – 34 percent, against the PiS’s 28 percent – the growth in its popularity being described as the “Tusk effect”.⁸³ But on the same day as this poll, in three separate by-elections to the senate, all the seats went to the PiS camp. The popular liberal daily, *Gazeta Wyborcza*, summed this up as it would a decisive football win: “PiS v PO – 3:0.”⁸⁴

How should we read this situation? The PO camp is hesitant. Even its sympathizers, like the influential political columnist Daniel Passent, concede that “the stage is left bare” in a party Tusk had dominated “with no Number 2”. He describes the PO as being in a chaotic state – “a present for the opposition”.⁸⁵ The “patriotic” camp around the PiS is revelling in this. As might be expected, the PO camp declares that Tusk’s appointment as President of the European Council is “confirmation of Polish success in recent years”.⁸⁶ But the opposition gives out a completely different message: In their view, Tusk was “the worst prime minister since 1989”, and it is a good thing that he must now leave for abroad.⁸⁷

earlier. Państwowa Komisja Wyborcza, Wyniki głosowania i podział mandatów pomiędzy komitety wyborcze, available at <<http://pe2014.pkw.gov.pl/pl/>>.

⁸³ Sondaż poparcia partii. Platforma zyskała na nominacji Tuska [Public opinion poll: platform has gained on Tusk’s nomination], *Money.pl*, 8 September 2014, available at <<http://www.money.pl/gospodarka/wiadomosci/artykul/sondaz;poparcia;partii;platforma;zyskala;na;nominacji;tuska,85,0,1613909.html>>.

⁸⁴ Renata GROCHAL / Agata KONDZIŃSKA, Wybory uzupełniające do Senatu. PiS – PO 3:0, *wyborcza.pl*, 9 September 2014, available at <http://wyborcza.pl/1,75478,16608803,Wybory_uzupelniajace_do_Senatu_PiS_PO_3_0>.

⁸⁵ Daniel PASSENT, Łyżka dziegciu [A spoonful of trouble], *Studio Opinii*, 5 September 2014, available at <<http://studioopinii.pl/daniel-passent-lyzka-dziegciu/>>.

⁸⁶ This was the argument applied by many politicians and experts of the liberal-democratic camp, including former president Aleksander Kwaśniewski. Kwaśniewski: wybór Tuska na szefa Rady Europejskiej to sukces Polski [Kwaśniewski: the choice of Tusk for the European Council chairman is a great success of Poland], *wyborcza.pl*, 2 September 2014, available at <http://wyborcza.pl/1,91446,16572404,Kwasniewski_wybor_Tuska_na_szefa_Rady_Europejskiej.html>. See also the commentary by Tomasz Lis, editor-in-chief of the Polish edition of *Newsweek*, Tomasz Lis, Wielki sukces, wielki strach [Great success, great fear]. Tomasz Lis o wyborze Tuska na prezydenta Europy, *Newsweek*, 2 September 2014, available at <<http://polska.newsweek.pl/tomasz-lis-o-wielkim-sukcesie-donalda-tuska-artykuly,346856,1.html>>.

⁸⁷ Jan BOGATKO, Bye, bye Tusk!, *prawa.com.pl*, 31 August 2014, available at <http://prawa.com.pl/index.php?option=com_content&view=article&id=1223:bye-bye_tusk&catid=35:komentarze-polityczne>. According to this argument, “Tusk’s departure is a great opportunity for Polish success.”

In addition, the choice of Tusk's successor in the PO has been highly contested. Chauvinist anti-women attitudes to the new prime minister, Ewa Kopacz, have surfaced, along with accusations that her rise has only been possible due to her close relationship with the former prime minister. During her three-year term as speaker in parliament she did not express herself strongly in political or ideological terms, and she is regarded as "politically unproven". The PiS opposition camp thinks that misgivings about Kopacz alone will help it do well in the next elections.

Only one thing seems to be widely shared among the experts, and that is the perception of a huge "power vacuum" in the PO.⁸⁸ Any form of transition will be difficult, if not dangerous, as tensions within the party reappear. During the Tusk era, these tensions were hidden, because Tusk was a "tough political player" who removed political opponents.⁸⁹

How will Ewa Kopacz cope in her new post? The next parliamentary elections are scheduled for 25 October 2015.

Hungary's Future

Opposition politics in Hungary has changed since the period 2010-14, when the major opposition force was still the Socialist Party (the liberals having almost disappeared from the political scene). Today the greatest challenge to the Orbán administration comes from the ultra-nationalist, proto-fascist *Jobbik* party, led by Gábor Vona, who is also a charismatic personality.⁹⁰ It appeals to anti-Roma, anti-Semitic sentiments.

⁸⁸ Together with Donald Tusk, two other important politicians went to Brussels. Elżbieta Bieńkowska, probably Tusk's best deputy, became Commissioner for Internal Market, Industry, Entrepreneurship and SMEs. Piotr Serafin, the deputy foreign minister specializing in EU issues, became chief of the Cabinet of the President of the European Council. In addition, another "strong man" within the PO, foreign minister Radosław Sikorski, has rather unexpectedly replaced Ewa Kopacz as the Speaker of parliament, which is not a party-related position (according to the constitution, it is the second highest position in the country).

⁸⁹ Poland: Politics Without Tusk, *The Economist*, 2 September 2014, available at <<http://www.economist.com/blogs/easternapproaches/2014/09/poland>>.

⁹⁰ Fidesz's first serious attempt to attract the neo-fascist supporters of *Jobbik* was during the political scandal surrounding the monument set up in Freedom Square to commemorate the National Socialist invasion of 1944, cf. József SPIRK, Gabriel arkangyal és birodalmi sas lesz a Szabadság téren [Archangel Gabriel and the German Reich eagle will be on freedom square], *index.hu*, 19 January 2014, available at <http://index.hu/belfold/2014/01/19/gabriel_arkagyal_es_birodalmi_sas_lesz_a_szabedsag_teren/>. On the prime minister's position on this issue see Gábor MIKLÓSI, Orbán Viktor kiállt az emlékmű mellett [Viktor Orbán is supporting the monument], *index.hu*, 30 April 2014 <http://index.hu/belfold/2014/04/30/orban_viktor_kiallt_az_emlekmu_mellett/>. On the opposition's view regarding the project, see Gyula Attila FEKETE, Szabadság tér. Élőlánc a szobor ellen [Freedom Square: living

Table 2. Economic Data on the Four Visegrad Group Countries (2014).

<i>GDP per capita in purchasing power parity in USD and as a percentage of EU-15 in 2014</i>	<i>USD</i>	<i>% of GDP</i>
Czech Republic	28,086	74
Hungary	20,817	62
Poland	22,201	63
Slovakia	25,524	71

Source: International Monetary Fund, available at <<http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/weorept.aspx?pr.x=48&pr.y=18&sy=2013&ey=2019&scsm=1&ssd=1&sort=country&ds=.&br=1&c=964%2C935%2C936%2C944&s=PPPPC&grp=0&a=>>>.

This means a general turn to the right in the Hungarian political scene, assisted by trends in public opinion and the media discourse. More opposition to “foreign (Western) *diktats*” cannot be excluded, while the trauma of the Trianon Treaty will almost certainly be exploited. We will still see a strong division of the country between those *for* Orbán and those *against* him (mainly the liberal intelligentsia in the capital). At the same time, the third camp, that of political apathy, is likely to swell.

The new political system is already established, but its consolidation will depend on economic performance. Since Orbán’s second election success in 2014 there has been further centralization and state interference in the economic sphere.⁹¹ However, in combination with capital flight and a drop in market confidence, the investment climate has deteriorated considerably.⁹² The biggest question now is how to attract new investors. A continued “opening to the East” – to China and Russia – looks as if it will be the chosen answer. Agreements were forged with Moscow in January 2014 and with Beijing in February, with Orbán emphasizing the “Asiatic origin” of the Hungarians. Orbán makes constant statements that cast doubt on the future prosperity of the EU; his pro-Russian course has distanced him from the US; and further agreements and cooperation schemes with non-European partners seem to be under way. At least economically, Hungary appears to prefer other countries to its European

chain against the monument], *Népszabadság*, 5 May 2014, available at <<http://nol.hu/belfold/szabadsag-ter-elolanccal-a-szobor-ellen-1460183>>.

⁹¹ Zsolt ZSEBESI, Państwo wdziera się do węgierskich firm [The state is encroaching on Hungarian firms], *Obserwator Finansowy*, 4 June 2014, available at <<http://www.obserwatorfinansowy.pl/tematyka/makroekonomia/panstwo-wdziera-sie-do-wegierskich-firm/>>.

⁹² Probably the best and most vivid analysis of the current economic situation was presented by the former Minister of Finance in Gyula Horn’s cabinet, who concludes that “for Orbán and his team the absolute priority and, at the same time, the final goal is to have and keep power”. Cf. László BÉKESI, A maffiaállam gazdaságpolitikája [Economic policy of the mafia state], *Élet és Irodalom*, 17 March 2014.

and NATO partners;⁹³ and, due to the “Ukrainian effect”, Visegrád cooperation, previously successful, seems to be embarking on a new phase.

Orbán is a shrewd politician and knows perfectly well how much his political future depends on economic results. Will increased state intervention boost the economy? What should we make of the invasive social apathy, fuelled not least by the growing social distance between the poor and the (few) rich, who are mainly the people close to Fidesz? A few years ago, Hungary was up with the Czech Republic in leading the Visegrád group. Since then, it has fallen behind the three other members, including Poland, which once was a good deal poorer. This trend can be seen in Table 2.⁹⁴ The gap between official promises and social realities has become wider.⁹⁵

Conclusions

Poland and Hungary have both gone through a series of political and social experiments in recent years. The dynamics of change were internal, but the crisis of 2008 sped them up. By undermining the “market fundamentalism” of the neo-liberal orthodoxy that had prevailed in global markets since the end of the Cold War order, the 2008 crisis affected the European integration process at its fundamentals. The EU now faces a real dilemma: how can integration, including the Common Foreign and Security Policy, be fostered amid a growing tide of resurgent nationalisms? The reversion to old nationalistic priorities can be seen throughout the continent, and has been clearly confirmed by the results of the elections to the European Parliament in May 2014.⁹⁶

⁹³ For more on the policy of “opening to the East” cf. Viktor Orbán Feels At Home in Iran, Azerbaijan, and China, *Hungarian Spectrum*, 12 February 2014, available at <<http://hungarianspectrum.wordpress.com/2014/02/12/viktor-orban-feels-at-home-in-iran-azerbaijan-and-china/>>.

⁹⁴ And for an excellent assessment of the current economic situation in V-r4 countries, see the special report Visegrad Four – 10 Years of the EU Membership, Erste Group, 23 April 2014, available at <<http://www.erstegroup.com>>.

⁹⁵ Jan CZEKAJ, Cud nad Balatonem [Miracle on Lake Balaton], *Rzeczpospolita*, 26 May 2014, available at <<http://www.ekonomia.rp.pl/arttykul/1112627.html?print=tak&p=0>>. The author, a respected Polish economist, presents the current economic data and concludes: “Assessing the economic policy of the cabinet of prime minister Orbán, serious doubts arise whether this is a model to be followed.” It is noteworthy that this critical article was published in the same daily that, a few years earlier, had published the article authored by Viktor Orbán himself, cf. ORBÁN, *Czas Polski i Węgier*.

⁹⁶ The official results, confirming the electoral triumphs of Marine Le Pen in France, Nigel Farage in Great Britain, and strong support for Eurosceptic forces elsewhere in Europe, are available at <<http://www.results-elections2014.eu/en/election-results-2014.html>>. Cf. Bogdan J. GÓRALCZYK, The 2008 Crisis and the New Role of the European Union in the Global Arena, *Yearbook of Polish European Studies* 16 (2013), 15–40.

A “nationalist tide”, in the form of the so-called Fourth Republic project, occurred in Poland between 2005 and 2007. Due to internal tensions in the coalition of national, populist and demagogic forces, and also because its blueprint had little appeal (especially to the younger generation), the project was never implemented. Since 2007, Poland has returned to the European mainstream as a young, yet “classical” liberal democracy, and it is back on the political course it initiated after 1990.

Despite this, the Civic Platform Party (PO), which has followed the liberal democratic line, dominated by the strong personality and rule of Donald Tusk, has been fiercely opposed. The opposition has presented it as a political force “selling out” Poland’s national interests and subjugating the country to foreign capital. Unfortunately, there have been many instances of crony capitalism among the ruling circles and this has shaken the PO’s popularity even more. The “tapping scandal” of June 2014, which involved cabinet ministers and the president of the National Bank, only confirmed the taint of corruption. Another, even bigger shake-up has followed Tusk’s removal from the scene to Brussels. The ensuing reshuffle has weakened the PO camp. Public opinion polls suggest that the PiS may triumph in the next elections, and the nationalist Fourth Republic project may well be revived.

On 16 November 2014, the PiS won the local elections, for the first time in almost nine years. Tellingly, many of the younger voters (aged 18-29) voted for the PiS. While the PO got 22.5 percent of the group’s vote, the PiS obtained 27.8%.⁹⁷ This was the age group that, in 2005, had rejected the Fourth Republic idea as “outdated”. Now, as sociologists like Janusz Czapiński and Krzysztof Jasiecki had already found, this group was radicalized. Growing unemployment rates and a widening disparity in people’s life chances had combined with frustration and disgust over “crony capitalism” to change the voters’ preferences.

The dynamic of change in Hungary has been different. In 2010 Fidesz achieved a constitutional majority under the strong rule and personal charisma of Viktor Orbán. His party then totally changed the political order of the country. In contrast to Poland, Hungary had had a deteriorating economy, which made people want change, and Fidesz exploited this to the full.

Using his qualified majority, Orbán has abolished liberal democracy, rejected the checks and balances system and subjugated all state institutions to the executive branch, placing himself at the top of it. He has changed the constitution, a great many laws and the very name of the country. Also, under the banner of a “freedom fight” for “economic sovereignty” and “independence from colonizers”, he has initiated a kind of crusade against foreign banks and capital, and against “Eurocrats”, whom he sees as the emanation of all evil.

⁹⁷ Official local elections results, available at <<http://gazetacodzienna.pl/artykul/polityka/oficjalne-wyniki-wyborow-samorzadowych-2014>>.

The popular feeling shared in Budapest and Warsaw is that democracy has not lived up to all that was promised after the systemic changes of 1989/1990. The neo-liberal economic course which replaced the centralization and state domination of “real socialism” merely means the market let loose, and this is no ideal social regulator. Rather, it has created pervasive social disparities between the “winners” and “losers” of the post-communist transformation. Initially the very industrial workers who formed the backbone of the *Solidarność* movement in Poland became “losers”, along with those working in the agricultural sector. Recently the better educated younger generation has joined them, as the young are hit by high unemployment.

Hence nationalism and populism are growing in both Poland and Hungary (and, indeed, the surrounding region). Public dissatisfaction with foreign banks and capital – the “winners” of the neo-liberal experiment – runs very high, while most of the people – the “losers” – are becoming increasingly aware of the growing gap between government promises and social realities.

Warning Signs

In the first round of the Polish presidential elections on 10 May 2015, a candidate from the opposition, Andrzej Duda, won a surprise victory over the acting president, Bronisław Komorowski. This should be a strong warning to the governing coalition and the cabinet of Ewa Kopacz, prior to the next parliamentary elections. Poland, like Hungary, is turning to the right in a rejection of social democratic, leftist and liberal solutions.

This was not the only upset in the presidential elections. The former rock-star Paweł Kukiz came third, receiving as much as 20.8 percent of the votes.⁹⁸ This was clearly an expression of protest. More than 40 percent of the protest voters came from among the young, who are disillusioned by how they are treated in society and by the constant tug-of-war between the PO and the PiS, “cementing” the political scene. There is also a growing contestation of the constitutional order, which can be seen in the anti-Establishment election programmes of Paweł Kukiz, and Janusz Korwin-Mikke, who came fourth with 3.2 percent of the votes. It is no overstatement to say that a huge question mark is being put over liberal democracy in Poland, just as it is in Hungary. The next test will be the parliamentary elections scheduled for 25 October 2015.

Meanwhile, the “axis” between Warsaw and Budapest has received a severe blow. On 17 February 2015, Orbán, in defiance of feeling in the EU, gave a warm welcome to the Russian president Vladimir Putin, whom he received in Budapest. Immediately afterwards, Orbán visited Warsaw. This turned out

⁹⁸ Official results of presidential elections, available at <<http://wiadomosci.onet.pl/kraj/wybory-prezydenckie-2015-oficjalne-wyniki-pkw/qz5f35>>.

to be a mistake on his part. He does not seem to have realized how strong anti-Russian sentiments have lately been in Poland. In Warsaw he was given a "history lesson" by his Polish counterpart, who reminded him what Russian invasion has meant and continues to mean in this part of the world. What is more, the leader of the opposition, Jarosław Kaczyński, publicly refused to meet the Hungarian guest. The annual "Polish pilgrimage" to Budapest did not happen in 2015, as it had in previous years.

The situation in Hungary differs from that in Poland in several respects. Social apathy has become a significant feature. It first took root among the older generation. As conventional wisdom has it, "The former leaders were thieves, and those today are the same." The overall electoral turnout has been declining. In the parliamentary elections, it dropped from 70.52 percent in 2002, to 67.57 percent in 2006, 64.38 in 2010 and 61.84 percent in 2014; in the European elections it dropped from 38.50 percent in 2004 to 36.31 percent in 2009 and to just 28.97 percent in 2014.⁹⁹ The crucial question here is the response to expect from the younger generation, which – unexpectedly, especially for the authorities – re-emerged as a political force in the public disobedience movement of late October 2014. While the Polish young generation has turned to the right, its Hungarian counterpart is more multifarious.

In 2012, some Hungarian sociologists produced an excellently researched large-sample survey of people aged 15 to 29. It presents us with a contradictory picture. There are young Hungarians resembling their peers in Western Europe who are deliberately single and childless. Then there are large numbers who are unhappy both with labour opportunities on the local market and with the qualifications they can attain from Hungarian educational institutions. The most active and entrepreneurial among them are ready to go abroad. A full 54 percent of those surveyed expressed this wish (against 34 percent who would rather stay in Hungary). When this is combined with the fact that 58 percent of those surveyed were convinced that the economic situation would not improve, and that 51 percent spoke of a worsening material situation in their families already, the stage seems to be set for emigration of the more entrepreneurial youth and for radicalization within Hungary.¹⁰⁰ At the same time, the older generation is disillusioned, dissatisfied and mostly inactive. Lately, Fidesz has lost three consecutive by-elections, and has also lost its constitutional majority. What is more, in the elections of April 2015, it lost to a candidate from the *Jobbik* party – the first case of its kind. The trigger for this was the concurrence of scandals engulfing the governing regime. These included the public split between Orbán

⁹⁹ All official data available at: <<http://www.electionresources.org/hu/>>.

¹⁰⁰ Levente SZÉKELY (ed.), *Magyar ifjúság 2012. Tanulmánykötet* [Hungarian youth 2012. study volume]. Budapest 2013, available at <http://kutatopont.hu/files/2013/09/Magyar_Ifjusag_2012_tanulmanykotet.pdf>. All data were taken from this very important volume.

and his long-term business friend Lajos Simicska, which, when the news broke on 6 February 2015, offered further proof of how deeply corrupt the current system is. This was followed by the affair of the broker company Quaestor, when thousands of citizens lost their savings, while the government agencies did not, and later by the forced stop to the construction of the A-4 Highway, which had earlier been given to Simicska's companies. All these events have seriously eroded Fidesz' popularity.¹⁰¹

Orbán has come to realize that the main opposition to his rule comes from Gábor Vona's *Jobbik* party rather than from the split camp of left and liberal parties. Since the spring of 2015, Orbán has hastened, to espouse several new and extreme ideas like a return to the death penalty and a strong anti-immigration campaign, starting with a special questionnaire sent to each citizen, moving on to a banner and billboard campaign, and even going as far as putting to practice the idea of a wall protecting Hungary from neighbouring Serbia. These moves have come as a surprise to many international observers, but they surprise nobody in Hungary. His motivation is obvious: his party has started to concentrate on fighting *Jobbik* as its major challenger, because they are competing for the same electoral camp. Hungary is thus turning even further to the right. The illiberal state is flourishing. Will this be only in Hungary?

¹⁰¹ Bogdan J. GÓRALCZYK, Further and Further Away from Brussels, *Aspen Review. Central Europe* 2 (2015) available at <<http://www.aspeninstitute.cz/en/article/2-2015-further-and-further-away-from-brussels/>>.