

Hungary's U-Turn

András Bozóki

interview by John Feffer

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It wasn't long after Francis Fukuyama published his "end of history" thesis that the war in Yugoslavia definitively wrecked his argument. How could the world be heading inexorably in the direction of market democracy when even the country long considered next in line for membership in the European Community was collapsing into war, nationalist extremism, and ethnic cleansing? History had not ended at all. It had returned with a vengeance.

Yet Fukuyama's theory about the eventual triumph of Europe's rational-legal bureaucracy remained deeply buried in the psyche of the architects of European integration. Yugoslavia was simply a dispiriting detour. The countries of East-Central Europe would all eventually tailor their political and economic systems in such a way as to fit into the regional European order. To get into the club, aspiring candidates had to meet a long checklist of reforms that practically remade their countries. The road to Europe, which was such a powerful slogan in East-Central Europe, was assumed to be one-way. Eventually even the warring parties in former Yugoslavia would beat their swords into accession agreements.

If the war in Yugoslavia confounded those early post-Cold War triumphalist expectations, what has been taking place in Hungary over the last four years represents a challenge to this deeper, less explicit embrace of Fukuyama's theory. Under the leadership of Fidesz, Hungary has effectively turned its back on the EU. It is heading off on its own political and economic path. It hasn't renounced its EU membership – not yet, at least—but it has challenged the very understanding of the European Union by changing the rules of the game.

"It was completely unexpected what happened in Hungary, where an already consolidated liberal democracy went backwards toward an autocratic or hybrid regime," sociologist András Bozóki explained to me in an interview in his office at the Central European University in Budapest last May. "Nobody within the country or outside could imagine that this could happen. Actually, this is the fault of the current political elite, which used a democratic supermajority for anti-democratic practices. So, the Hungarian situation is currently unique. It never before happened in the EU that a country suddenly made a U-turn back from democracy toward some kind of half-democracy. When

Austrians elected the Haider party, there was a huge protest in the EU. There was also a marginalization of Berlusconi. But none of these people had a two-thirds majority in the parliament, so they couldn't change the constitution."

There is no adequate term to describe the current political system in Hungary. One term, popularized by Philippe Schmitter to describe similar regimes in Latin America, is *democratura* – something halfway between democracy and dictatorship. Fidesz has used democratic means to undo democratic institutions.

As such, Hungary formally remains a democracy – and Fidesz recently retained its two-third majority in parliament in free elections (whether they were fair elections is another question). Informally, Fidesz has instituted a number of changes in the constitution that concentrate power in the government institutions that the Party controls. In the economy, for instance, Fidesz has effectively institutionalized corruption in order to enrich its cadre of supporters. "The problem is not that they are privatizing the state for themselves," said Bozóki, who himself once served in government as a minister of culture. "They are nationalizing other people's private goods for the state and the state is equal to themselves. There is a privatization via nationalization because the state itself is privatized. Don't be misled when you hear that some private activities are nationalized. It just means that the larger mafia took over the smaller one.

Bozóki remains cautiously optimistic, at least about the impact the Hungarian U-turn will have on the EU. "The EU doesn't have institutional mechanisms for dealing with this problem," he concluded. "And so it might happen that the EU will have a non-democratic country among their member states. My prediction is that the Hungarian experience will serve a good purpose in the future to make the European Union into a stronger federation that figures out how to better maintain democratic norms."

The Interview

Why did liberalism become unpopular here in Hungary?

I'm afraid that it is unpopular in some other countries in the post-Communist world as well. I think it's partly because democracy came to these countries as a result of the collapse of the Cold War and the Soviet Union and not so much as the result of a popular uprising or a common popular experience. Poland seems to be the exception to this rule, because Solidarity was a genuine popular movement. But even in Romania, the revolution was widely regarded as stolen by the former Communists.

In Hungary, we did not have a huge popular umbrella organization like Solidarity. We had relatively small groups of intellectuals, liberals, and populist Third Way people in the opposition, who tried to find some common platform for the transition. That led to a situation where, because of the mutual distrust that these intellectual groups had toward each other, we had a multiparty system before we had democracy. They were mediating between political power and society, but not fully representing society because they didn't know what society wanted.

Communism in Hungary was not so tough. It was a kind of goulash Communism. Which meant that people were atomized, neutralized, depoliticized. They were mostly interested in consumerism and their own survival. Freedom of speech was of course a welcome change, as was democracy. But it was not something that millions of people protested for. These new opposition groups organized a Round Table meeting with the Communist Party. The new constitution and the entire institutional setup of the new democracy was a result of the Round Table talks of 1989 in Hungary.

Retrospectively, it was a pretty elitist type of transformation. A couple thousand people participated in it: a few hundred in the Round Table plus the memberships of those nascent parties. Although there was a popular referendum in November 1989 and some huge protests, which were truly important, still it was a rather elite-driven transition. These people also accepted and adopted the dominant political ideologies of the time, mainly this neoclassical economics: liberalism in a neoliberal form. Because 1989 coincided with the Reagan/Bush/Thatcher era, this dominant mood was very strongly anti-state, pro-free market, and so on. Although the Hungarian opposition was initially thinking of different alternatives, by 1989 the new emerging political and economic elite unquestioningly accepted this Hayek-Friedman type of free market capitalism as something that should come hand in hand with representative democracy.

People didn't know about this. Everyone hoped for a positive change. Of course, democracy is much better than dictatorship, so everyone can be seen as a winner in this sense. This is what the political elite communicated to society: "Even if there will be hardships at the beginning and you might lose your jobs, at the end of the day it will be good for everyone."

Society was surprisingly demobilized. People didn't protest against the injustices of "spontaneous" privatization and the hardships of economic transformation because liberalism was the dominant thought of the time. Westernization, free speech, freedom of the press, human rights, checks and balances, rule of law with strong guardian institutions like the constitutional court and the ombudsman. It was a very sophisticated set of democratic institutions – but without the spirit of democracy. And that's what is so strong in the United States: every individual knows that they have to fight for their rights. This is something *within* people. In Hungary, people expect a lot from the state but, at the same time, they do not trust the state and its organs. Democracy is not just a matter of institutions. There is a tradition as well in the minds and hearts of people.

Here, somehow, democracy and its liberal version plus free market economy were just seen as a Western import. Of course everyone wanted open borders and free access to go to Vienna and elsewhere. They wanted to travel, see, and buy things. But somehow the spirit of democracy did not touch people. Due to the neoliberal agenda, deregulation and privatization were the order of the day. Of course, this also involved the total restructuring of the economy, with the selling of public assets to private individuals. Hungary got the largest amount of foreign direct investment in the region in the 1990s. Hungary also had shock therapy in 1995, this famous austerity package named after the finance minister at the time, Lajos Bokros. Everything went according to this elite-driven democratization agenda. But somehow the participatory aspect of democracy was missing.

People were patient for a long time. They were waiting, thinking “Okay, it is better, but it was promised to be much better.” Indeed since 1995 there has been economic development — until 2008 when the economic crisis hit. But somehow, economic development is not enough if people feel that the fruits of the income are not distributed fairly. Inequalities were growing in the 1990s, then were tempered a bit in the 2000s, and then growing again since 2009.

By the second part of the 1990s, this basic liberal consensus was slowly evaporating. At that moment, Fidesz came to power in 1998. They were still in this neoliberal framework, but they were already starting to make some populist arguments for an ethno-nationalist understanding of Hungary: not as a political community but as an ethnic community including every Hungarian living outside the boundaries of the country. Suddenly Fidesz discovered the power of nationalism as a constitutive force. Nationalism substituted for this missing link, the spirit of democracy, and this was how people could be mobilized. Even as it remained within the framework of liberal democracy at that time, Fidesz moved from the liberal center to the conservative-nationalist Right for pragmatic reasons. They realized that there was a space for them to occupy and attract a stronger and longer lasting constituency.

The liberal party, the Free Democrats — which used to be very strong and received more than 20 percent of the votes in 1990 and also did well in 1994 — came into government with the Socialist Party (former Communists), and lost their credibility. They supported unpopular policies, like shock therapy. Not from the beginning but after 2000 liberalism became somehow unpopular and came to represent upper class and “foreign interests.” Although there was economic development and foreign direct investment, it was not clear how Hungarians would benefit from this. By the end of the 1990s, the gap between the rich and the poor was rising. Many people believed that they were waiting patiently for a better life. Many of them lost their jobs. There were new factory owners, and many factories were closed. New investments from Japanese and German firms — Audi, Suzuki — came to this country and introduced a new working culture. Those who worked in these factories had to learn a new labor culture in which trade unions had little say. Those who were outside these modernizing islands had less salary and worse working conditions. Those who belonged to the “losers” started to hate the rest — the

banks, the multinational corporations, foreign investors. They were easily becoming followers of a right-wing or even far-right ethnicist ideology.

But that tendency was a little bit delayed or interrupted when Fidesz lost the elections in 2002, and the Socialists and the Liberals returned. By that time the liberals were already a tiny party. But the Socialists still needed them in the governing majority. There was an economic boom at that time as well as a successful set of negotiations to join the EU. Even if the economic expectations were not so great, still the political and economic elites were optimistic because Hungary joined all these Western organizations — NATO in 1999 and later the EU in 2004. Those were the years of hope and optimism and overestimating the positive role of the EU in a new member state. People said, “Look, you can be indebted, it doesn’t matter, because from 2004 we will be part of a larger unit and we will receive a lot of money from Brussels in the form of Cohesion Funds.” So, this was not a realistic Euro-optimism.

Between 2002 and 2004, the prime minister was Péter Medgyessy representing the Socialist-Liberal coalition and pursuing social democratic policies. But when people realized that this politics of redistribution wasn’t working, Medgyessy lost popularity and had to be replaced by Ferenc Gyurcsány, a young energetic person who himself was more like a social liberal following Tony Blair and Third Way policies. He was not really a leftist or a liberal, rather somewhere between the two, a progressive. But he was a very charismatic person. He was able to bring together the Left and the liberals to create a progressive base that was not exactly liberal and not exactly Left.

Gyurcsány was successful at the beginning. The coalition was reelected in 2006. This was the first time in the history of Hungarian democracy that an incumbent government was reelected. Until 2006, all governments lost elections after their four-year mandate expired. The optimism still lasted until 2006. Gyurcsány was self-confident, and he promised a lot and was a lot better in TV debates than Viktor Orbán of Fidesz. Orbán lost two elections — in 2002 and 2006. But then came Gyurcsány’s 2006 [“leaked speech,”](#) in which he admitted he had lied about the state of economy before the elections. It was obviously a terrible mistake, as well as the mistakes of the police in dealing with protestors on October 23, 2006 — the 50th anniversary of the revolution in Hungary. Fidesz was clearly beaten in April 2006, and suddenly within half a year they were back. The coalition was mortally wounded already at the beginning of its second term. Gyurcsány asked for a vote of no confidence against himself, but the majority of the MPs gave him a mandate to stay in power and continue to govern. In the following two years he wanted to implement what were intended to be liberal reforms. But it was a hostile social environment. And the reforms, which were not strategically thought out, were poorly implemented and delivered.

There were two years of fruitless efforts, a lost referendum on Gyurcsány’s reforms in March 2008, and then in September 2008 the economic crisis started. There was a 6 percent decline in Hungary’s GDP in one year. Gyurcsány resigned in early 2009, and it was clear that the Socialist-Liberals would lose badly in 2010. But that had actually been clear in 2008, two or even three years before the elections. The Socialist-Liberal political

elite made the mistake of not replacing Gyurcsány with another guy who might have saved the country from the two-thirds majority that Fidesz won in 2010 and preserved the framework of democracy. Indeed, by the second term of the Socialist-Liberal cabinet between 2006 and 2010, not only ardent right-wingers were against the government. There were also neutral people as well as former supporters of the Socialists who'd lost their influence and witnessed the decline of the economy. People were saying that there was something wrong with democracy, that it was not about people but about other interests, that democracy had been occupied by the parties. It was no longer really democracy in the sense of a colorful set of institutions, social movements, trade unions, civic organizations, NGOs, think tanks, and so on. There were mostly parties which colonized public life. If you wanted to achieve something, you had to go along one of these party channels.

The belief in free market economy and democracy was fundamentally shaken due to the political crisis of 2006 and then the economic crisis of 2008. That led to an increasing hostility toward the banks. Many people were indebted — not in Hungarian forints but in Euro or Swiss franc. As a result of the crisis, the currency exchange rate was fundamentally altered and not in favor of the forint. Those who had to pay back loans to the banks realized that they had to pay more and more, even twice as much within one month. Many people, unable to pay back their loans, went bankrupt. And the Socialist-Liberal government was unable to develop a policy to avoid this procedure. The government said it was an individual responsibility, that the people should have read the contract. But many people had really been encouraged to take a loan from the bank at the time of this fast development. Nobody expected such a decline. They did not see the footnotes in small print on the contract. That was a very painful experience of the cruelty of the market economy. Maybe now people are becoming more educated in terms of the market economy. But they somehow believed that their contract with the bank was like a pension with the state or a labor contract, something reliable and always the same. So, it was a big negative shock.

By this time Fidesz could collect a very colorful social coalition against the Liberals and the Socialists. The coalition included the far Right, the moderate Right, the economic conservatives, citizens from the lower classes who wanted a stronger state, the populists, those who became disappointed with the performance of the Socialist Party, and even those parts of the pensioners and the unemployed who tended to blame the Roma in the countryside for their troubles. There was increasing social segregation between the “white” population and the Roma population, which had not been the case 20 years ago. Budapest was “cleaned up” of Roma, and they were marginalized — not only to the margins of Budapest but back to the rural areas where they could not find jobs. There is a new culture of unemployment that is very isolated from the working part of the society. That fueled racism. Some far Right groups organized racist killings: six Roma persons were murdered in 2008-9. The political reaction to this was not unanimous. The right wing was saying that it is because they were stealing chickens or cucumbers from the garden so they deserved it. People in the countryside felt that there was no law and order, and Fidesz promised law and order. Jobbik, the far Right party, organized paramilitary troops, the Hungarian Guard (*Magyar Gárda*), a violent paramilitary organization

characteristic of fascism. Fidesz only said, “Just keep calm and wait for the elections.” They were in such a comfortable position that they didn’t have to promise any policy programs.

When they got the two-thirds majority in the parliament, Fidesz wasted no time in starting their constitutional coup d’état. They fundamentally altered the law on the Constitutional Court, nationalized the private pension funds and introduced a new media law, which controls the mainstream media. There is one radio and one TV station not controlled by them, plus some marginal journals and of course the Internet. There’s almost a total media monopoly by Fidesz. Thank god we are living in the Internet age. But there is a digital divide in Hungary, so the young urban professionals read the Internet and the others watch TV. But public TV is controlled by Fidesz, and the commercial TV is depoliticized. In the countryside, the majority of the people watch TV.

We have freedom of speech. You can write any article you want. You can sharply criticize the government. But your space is limited. There are no killings of journalists. There’s no forcing people to emigrate – still, almost half million Hungarians left the country for the West since 2010 out of economic necessity. I wouldn’t call this Putin’s Russia or Lukashenko’s Belarus. It is still a democracy, but a majoritarian, illiberal democracy that is moving in the direction of a hybrid regime with a mix of democratic and dictatorial elements. *Democratúra* – as Philippe Schmitter and others coined this term to describe Latin American countries in the 1980s.

In this way, liberalism became a negative notion in the public discourse. Liberalism is seen as an idea that is somehow against the Hungarian people and imposed by foreigners, diplomats, banks, bankers, multinational corporations. People wanted a protectionist economic policy. They wanted the government to tax the banks. This is what Orbán did, so that has made him popular. He is not taxing the citizens directly, as most democratic governments do. But Fidesz has really taxed the banks, which had only indirect impact on ordinary people. This was very popular in the beginning, not only in the right-wing circles but even on the Left. Even the *Guardian* published articles in 2010 saying from a leftist point of view that Orbán was such a great guy for taxing the banks. Indeed, from 1998 to 2008, the banks were making huge profits. Since Hungary was the most indebted country in the Communist bloc in 1989, the solution was to sell the debt, i.e. state property, and put the banks in foreign hands. Therefore it was easy to make sometimes anti-Semitic, anti-capitalist, or anti-liberal propaganda against the banks. But for most people it was not completely without reason in the sense that the banks really did make extra profits.

After 2009, people started to suffer. Elderly people wanted a good fatherly figure for a prime minister, a populist who promised to take care of them and save them from competition and from the unexpected and uncertain aspects of capitalism. I condemn the Orbán government for its very strange mix of ethno-nationalism, flat tax economic neoliberalism, socialistic nationalization of, for instance, the tobacco shops, and marginalizing the poor. Ideologically, it’s a complete unorthodox mix driven by the populist, opportunistic goal of keeping power and maximizing votes. In the cultural

policy, they sometimes follow far-Right policies to pacify and attract the Jobbik voters. While they condemn officially anti-Semitism, they don't separate themselves from those who practice anti-Semitism, because they count on those voters. And they didn't even condemn those who were very anti-Roma in their propaganda. Fidesz and Jobbik are playing a very dangerous and dubious game. Fidesz doesn't want Jobbik to go too far or grow too big, but the price is that they mainstream some of their ideas, which are otherwise on the margin.

Having said all that about these dangerous directions, this situation didn't come from thin air. The economic crisis and the economic hardships, the political mistakes of the previous political elite, an understanding of politics restricted to parties, and the lack of meaningful political participation by citizens all somehow created a situation where a populist politician like Orbán could have a major impact in large segments of society, especially the non-competitive segments. Now they want to create a more rigid and hierarchical educational system by creating a single center that nominates all the teachers. There will be greater ideological control that way. Many schools have been given to the Church, so the divide between Church and state is dubious at the very least.

These very anti-liberal decisions seem to be rather popular among people. With legislation against homeless people, to dislocate them with the help of the police, and the further control of the constitutional court and the ombudsman, they are trying to be more and more secretive and less and less transparent. Transparency International, for instance, doesn't cooperate with this government any more. They are nationalizing the civic sector so that "civil movements" are getting money from the government. They created their own "civic" organization, the Forum of Civic Cooperation, by which they "outsourced" pro-government propaganda. They are also domesticating the trade unions — not all of them, but most of them. So there is an increasing hierarchization of the civic and political arena.

You discussed the nature of this elite project, with the Round Table and the proto-parties. You contrasted that with democratic spirit. Hungary had democratic institutions without the democratic spirit. If you were able to travel back in time and change the way the transition went — given that Hungary wasn't Poland and there was no Solidarity here — what could anyone have been done to have made this less of an elite project, instill more democratic spirit into the enterprise, and avoid the elitism that still plagues the opposition today?

I just recognize now that there was too much elitism and too much emphasis on technocratic government — this notion that "we are the experts." There was a certain intellectual arrogance and less dignified attitude toward the less educated people and the poor. This type of technocratic and elitist orientation simply provokes populism. My emphasis on elitism underscores not only populism as a danger to democracy but this

pendulum swing between elitism and populism and their extreme negation of each other are dangerous to democracy. I don't think that fundamentally the Round Table talks were wrong. Maybe the secret services created some fake parties, but that is what peaceful transitions are about. It's not a full revolution. The former elites can save themselves. This also stems from the nature of the Kádár regime. Hungary didn't experience a violent clash between the regime and the opponents of the regime. It was a very pacified society. The last violent clash took place in 1956, 33 years before the transition to democracy. It was not like in Romania where Ceausescu was fully in power until December 1989 or the Czech case when the Communist kept a firm hold on power or East Germany with Honecker or even Poland during Martial Law when a lot of people were jailed in the 1980s. It's inevitable: during a peaceful transition, the elites negotiate.

But then the elites should not have seen themselves as a substitute for democracy. They should have been more open to public initiatives. Actually the constitutional court had a citizen initiative formula in which they had to respond to all citizens' requests. There were institutional channels. But people were not somehow prepared to use it. There was a program called PHARE – Poland and Hungary: Assistance for Restructuring Their Economies. That was created at the moment when it seemed that only Poland and Hungary would be able to get out of the Communist bloc. If that had happened, the West could have focused support on these two countries with new Marshall Plans. But then suddenly the Berlin Wall came down, and the West found itself in a situation when it could no longer focus on helping only one or two or three societies. The whole Communist bloc collapsed. That was too much to swallow. Then suddenly came the war in Yugoslavia and its very violent ethnic cleansing.

The EU was more concerned with keeping budget deficits at bay and negotiating all the fine-tuned institutional elements of European mechanisms. The negotiations on accession for Hungary lasted a very long time, from the mid-1990s until 2002. The referendum was in 2003, and admission came in 2004. There was a joke at the time that we were always five years away from the EU. When Jacques Chirac visited the Hungarian parliament in 1990, he promised membership by 1995. When someone else came in 1995, they promised it in 2000. Then in 1999, it was promised in 2004. We were waiting for 15 years. I don't blame the EU. They have a lot of things to do, and they cannot substitute for democracy either. If there is no spirit inside, then it cannot be imported from the outside. But somehow the EU took it for granted that these countries were now all on the right track. Of course, they realized that there were problems in Bulgaria and Romania, but these Visegrad countries were okay. That was the perception even seven or eight years ago: that the Visegrad Four plus Slovenia were fine.

According to Freedom House, Hungary scored a one – the best score – on both political rights and civil liberties. At one point, we were even better than Italy. Now we are 1 and 2 or on a slippery slope. The laggard countries like Bulgaria and Romania were having a late transition after the post-Communist period. Serbia and Croatia were still figuring out how to tackle their authoritarian past, and Ukraine was still dealing with its own poverty and ethnic divide. So the focus was shifting to other more problematic areas.

It was completely unexpected what happened in Hungary, where an already consolidated liberal democracy went backwards toward an autocratic or hybrid regime. Nobody within the country or outside could imagine that this could happen. Actually, this is the fault of the current political elite, which used a democratic supermajority for anti-democratic practices. So, the Hungarian situation is currently unique. It never before happened in the EU that a country suddenly made a U-turn back from democracy toward some kind of half-democracy. When Austrians elected the Haider party, there was a huge protest in the EU. There was also a marginalization of Berlusconi. But none of these people had a two-thirds majority in the parliament, so they couldn't change the constitution. They were problems, but they were problems that could be tackled. But in Hungary, the EU was unprepared for a country that becomes a member and then doesn't want to keep the rules or behave according to the customs. The EU doesn't have institutional mechanisms for dealing with this problem. And so it might happen that the EU will have a non-democratic country among their member states. My prediction is that the Hungarian experience will serve a good purpose in the future to make the European Union into a stronger federation that figures out how to better maintain democratic norms.

It was difficult not only for Hungary but for the entire region to realize this parallel transition — the economic transformation, the political transition, and moreover, the social change. Managing and completing all three of these processes in parallel is very tough. In the European semi-periphery, the political leaders are not really equipped for such a task nor do they have much room for maneuver. They have to keep the budget deficit under 3 percent of GDP and adhere to other rules as well. They cannot move the country towards a deeper democratic setting. Maybe if the EU had realized this in time, there could have been more pro-democracy projects and economic help at the time of the economic transformation to motivate people more to participate in democracy. Don't forget how influential the Marshall Plan was for Germany, Italy, and Japan in the post-war period. In the 1950s, the economic miracle helped democratization very much.

One lesson from the regional experience concerns the sequence of reforms connected to accession and the perception that there wasn't enough emphasis on rule of law before the economic chapters were met. So the EU seems to have recognized that instituting market mechanisms in a hazy regulatory environment was problematic in terms of corruption and so on. The Right says that the market would operate properly if corruption is removed; the Left has a slightly different critique of the market reforms. But both seem to realize now that the market needs to operate in a controlled environment.

Liberalism was confused with neoliberalism, and neoliberalism claimed that we need a weak state and a strong market and strong civil society because state regulation can only do harm. That was a misperception. Democracy needs a state that is able to implement its own decisions. The Hungarian intellectual elite, because of a lack of intelligence and

imaginative power, failed to think up an alternative scenario rather than simply embrace what was most popular at the time in Europe, the Thatcher policy.

But you are right, there is also corruption, and it even had a sort of “positive” function in the Communist period because the system was so alienated and oppressive that corruption made life easier. That created certain habits and routines. Many people believed that the large structures would change, with Communism going and capitalism coming, but the informal activities would remain. Like in southern Italy with the mafia: whatever the formal structures are, they will continue their little businesses as before. In every society there is a difference between formal structures and informal practices. But in developed societies, the informal practices strengthen formal rules, not weaken them as in several parts of Eastern Europe. It’s very difficult to tackle. An economic development program and a successful market economy can clean up some parts of corruption, not fully. But the situation is much worse now. Corruption is not a marginal phenomenon; it is an inseparable part of the system. People are not just painting rooms and asking for payment under the table.

It’s not just petty corruption.

No, it’s also large-scale political corruption. Analysts would also say that there is state capture in Hungary. As a highly coherent political unit, the Fidesz leadership grew up together, has known each other since the 1980s. They rely on each other, and they have simply occupied the state. The problem is not that they are privatizing the state for themselves. They are nationalizing other people’s private goods for the state and the state is equal to themselves. There is a privatization via nationalization because the state itself is privatized. Don’t be misled when you hear that some private activities are nationalized. It just means that the larger mafia took over the smaller one.

Have you personally had any significant second thoughts? You’ve talked about how the elite in general has discovered that neoliberalism is problematic in terms of a weak state and its role in a transition. But what about your own personal perspective over the last 23 years?

I was overwhelmingly optimistic in 1990. I believed that Hungary is a democratic-minded European society. We had an unlucky history, but I felt extremely lucky myself. I spent 30 years of my time under a dictatorship and I hoped that the majority of my years spent alive would belong to democracy and not to dictatorship. Still, dictatorship is in the lead: 30 to 23.

I am disappointed, but less surprised, that some of my important values — freedom of speech, freedom of expression, free movement of labor — do not seem to be so important for large parts of Hungarian society. They liked the Kádár regime because workers could spend a two-week vacation on Lake Balaton in the summer. Every three years they could go maybe to Austria, Italy, or the Yugoslav coast. Now these employees cannot really afford two weeks at Lake Balaton. They are not measuring the change in terms of free movement of individual people. They did not move anyway. They just don't feel this major advantage of a free society.

It's abstract.

They would not go to Paris or London anyway. They don't feel like they lost anything that they don't use. Material interests are extremely important.

When I recognized these huge social problems — discrimination and marginalization of the Roma and the poor and criminalization and dehumanization of the lower social strata — I moved away from this optimistic position. I was also economically liberal at the time believing that the free market would do all the right things. That was in the years of transition. By the end of the first decade, however, I found my attitude changing, getting closer and closer to the Left. I still define myself as a liberal, but not in an unqualified way. I oppose neoliberalism and neoconservatism, and I am more in the social democratic left-liberal camp.

That's why I in 2005 decided to accept the invitation of Gyurcsány government to become minister of culture representing the Socialist Party, even if I never was a member of that party. I had nothing to do with them previously. But by 2005, there was a new generation, and people should be proud of being left-liberal and not always being defensive. Personally I had a good experience with the government. We won the elections in 2006, I left the government and returned to academia, to my home institution, the Central European University. Although my personal life is not worse in any way, it is terrible to see the difference between this institution, the CEU, and my colleagues at the Hungarian state universities. I am interacting with them because I am active in the Hungarian political science association, so I know their situation.

I wonder whether this authoritarian challenge will serve a better goal in the end, that people will be more aware that democracy is a value. It's not just something that some clever people figured out for them at the Round Table and created the best possible constitution. It's something that they have to fight for every day, every week, in their own circles.

Meciar certainly served that purpose in Slovakia.

So far, Hungary avoided this bad man to fight against. We did not have Meciar, Tudjman, Milosevic, or Iliescu. The virus is there. And now we have to fight against this virus with more civic activism. The Western countries should also figure out what to do. If they openly support the opposition, they will help Orbán because he can present himself as a “national freedom fighter” against the foreigners. But the West can help in other ways: organizing civil society, monitoring the elections. Think tanks, watchdog organizations, and journalists should be here to watch the elections to ensure that they are free and fair. But even if they would be free and fair, this combination of social and national populism seems to be effective in Hungary, even if there is an economic decline, as long as the opposition cannot present itself as a viable political alternative.

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