The EU’s Mafia State

BUDAPEST – Following the collapse of communism, many of us in Central and Eastern Europe had hoped that the region would steadily move toward liberal democracy, and that any obstacles en route to that goal could be overcome. But in many former communist countries, older systems of patronage and corruption have survived, and taken new forms. What we thought was a transitional phase has become a permanent state of affairs.

Consider Hungary, which has become a mafia state during the seven years of Viktor Orbán’s rule as prime minister. Hungary is unique in that it moved toward liberal democracy and joined the European Union before changing course and heading toward autocracy. The rest of the region’s mafia states, such as Russia, Azerbaijan, and other Central Asian former Soviet republics, either passed through a period of oligarchic flux, or took a direct path from communist dictatorship to criminal enterprise.

In these countries, oligarchs and the organized underworld have not captured the state; rather, an organized “upperworld” of elites have captured the economy, including the oligarchs themselves. The result is a mix between a criminal organization and a privatized, parasitic state.
Most analyses of post-communist autocracies tend to focus on the political institutions and ideologies underpinning the state. But while these regimes make populist appeals, they are not driven by ideology. Their primary concern is to consolidate the ruler’s power and personal wealth through whatever means necessary.

In today’s mafia states, key decisions are made through informal mechanisms created by the regime, instead of through formal institutions. In terms of structure and culture, these arrangements resemble an adopted family, which the regime creates by systematically replacing political and economic elites.

In a democracy, these elites would be autonomous actors. But in a mafia state, their position is subsumed in a system of patron-client dependency, often through regime-led corporate raiding and rent-seeking. The classic mafia technique of physical coercion is thus replaced with a bloodless, “legal” form of compulsion overseen by public authorities.

To be sure, corruption is endemic in other post-communist countries that have joined the EU, such as Romania and Bulgaria. But because these countries have proportionate election systems and divided executive power, no central patronage network has emerged.

Unlike Jaroslaw Kaczyński, Poland’s fanatically ideological de facto leader, Orbán is a cynic. The type of autocratic regime that he is trying to establish in Hungary is very different from Kaczyński’s in Poland, despite the ideological similarities.

Whereas Orbán’s regime seeks wealth, and is sustained by an adopted political family that operates outside the constraints of formal institutions, Kaczyński is conducting a conservative-autocratic experiment that is driven as much by ideology as by the quest for power.

In Hungary’s 2010 parliamentary election, Orbán’s Fidesz party won 53% of the vote, and 263 of the National Assembly’s 386 seats. Orban used this strong position to alter the constitution, appoint loyal followers to democratic institutions that otherwise would have checked his power, and manipulate election laws to cement his rule. In the 2014 parliamentary election, Fidesz needed just 44% of the votes to maintain control.
Orbán’s mafia state will be very hard to dismantle. Its pyramidal patronage network, similar to that created by Vladimir Putin in Russia, appears to be nearly indestructible. In Ukraine, it should be noted, revolutions have been required – first under Leonid Kuchma, and then under Viktor Yanukovych, to prevent such a system from being established (whether a third attempt is currently underway today remains to be seen).

It will be impossible to vote Orbán out of power as long as he can manipulate Hungary’s elections. Fidesz has tightened its control over the judiciary and politicized law enforcement, by turning the Chief Prosecutor’s office into what is essentially an arm of the party. Moreover, most newspapers and radio stations are now owned by oligarchs close to Orbán, and state television has become a vehicle for government propaganda.

The common values that the EU was established to uphold have been fatally undermined in Hungary. In response, the EU could have the European Court of Human Rights investigate Hungary’s violations of EU rules, or an EU-level prosecutor could bring civil or criminal actions against Hungary’s misuse of EU funds.

But, so far, the EU has been reluctant to take serious punitive action against Orbán’s regime, because it does not want to risk pushing Hungary further into Russia’s embrace. And the EU’s tacit acceptance of a “multi-speed Europe” implies that it can live with a buffer zone of semi-autocratic member states on its eastern border.

Accordingly, Orbán now presides over what he proudly calls an “illiberal democracy” that is spearheading an “Eastern opening.” His strategy vis-à-vis the EU is tantamount to blackmail. He demands that EU funds be provided with no strings attached, while signaling that he would gladly sell his loyalty to Russia.

As the Hungarian writer Miklós Haraszti has said, Hungary is “drifting in a Western boat propelled by an Eastern wind.” Now that the law of rule has supplanted the rule of law, Hungary’s democratic ship may have already sailed.

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