

Post-Communist Mafia State — The Hungarian Case

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After the Prime Minister Viktor Orbán openly proclaimed his wish of developing an “illiberal state” in Hungary, there is a theoretical need to define the real nature of this autocratic regime.

What we are now living under in Hungary is a post-communist Mafia state. This system arose in the wake of the decomposition of a one-party dictatorship, coupled with a state ownership monopoly. The regime established after 2010 in Hungary—unique within the EU—can be compared to those in the successor states of the former Soviet Union (Russia, Azerbaijan, Kazakhstan etc.) or to Macedonia and Montenegro in the Balkans. But its political evolution has moved on a different path. With regard to Hungary we are not merely talking about a distorted, reduced or deficient form of democracy, as this would still be a democracy, even though a stunted one. This system, characterized as a Mafia state, does not fit into the framework traditionally used for interpreting regimes on the democracy-dictatorship scale. Nor does it fit in with the corruption ranking methods as drawn up by international organizations. The Hungarian Mafia State, the “organized underworld,” is of different quality, whose essential nature remains largely hidden if it is concealed behind such quantitative comparative rankings. The specific qualities of this new regime can be definitively described within a new form of conceptual framework.

This model of the Mafia State attempts to capture the system in its entirety, whose nature is fundamentally different from other autocracies. The principal feature of its actions is an overriding focus on the joint operation of concentration of political power and expansion of wealth of the adopted political family.

The Mafia state, the organized underworld is far removed from the world of anomalies of party funding and the criminal underworld’s attempts to influence political decisions—the relationships have now been reversed: it is no longer the case that private wealth is acquired to help a party’s need for financial support gained from illegitimate sources; rather a political party’s decision-making potential is used here to requisition private property. It is no longer the case that a hidden underworld seeks to corrupt

decision-making processes; rather inherently purposeful illegitimate special interests are aligned here with legislative measures and governance.

In the Mafia state, the state-led invasion of private interests has become systematic, and public interests are permanently subordinated to private interests. There are hardly any areas where activities would not be subject to power and wealth accumulation considerations. The Mafia state is a privatized form of a parasite state.

The post-communist Mafia state's authoritarianism has particular characteristics, and cannot be classified as being any form seen up to now. Although it may share a few characteristic similarities with other autocratic forms, its unique traits define a unique type.

The epithet post-communist not merely refers to a historical period, but also to how this regime played a decisive role in the democratic state even before the historic change of regime. It came into being from the carcass of communist dictatorship.

At places that undergo transition outside the European Union, it is common that the new economic and power elite is constituted of the former Party elite and secret services. They form links with those who are recruited from elsewhere. This, however, have not become visible in the past two decades; it looked as though, in the majority of Soviet successor states, we were moving away from dictatorship in the direction of an ever stronger democracy. Whereas in Belarus and several Central Asian former Soviet republics the post-communist Mafia state has exhibited its more extreme face, others, such as Russia, seem to represent a softer alternative. Stagnation in the democratization process is in fact the consolidation of the post-communist Mafia state. Whereas Hungary's roundabout route strongly resembles Putin's model, quite a few other post-communist countries of the European Union are torn between the disintegrative pull of West's and East's gravitational fields.

The epithet post-communist carries another important meaning, namely that we are yet to meet a case in history where a state property has been transformed en masse into private property on the basis of socially questionable standards.

The designation "Mafia state" is by no means emotional or journalistic in nature, but rather refers to the new power elite's essential trait: its organizational nature and order. Here, in considering the characteristics of the relatively narrow authoritarian new elite, the Mafia state differs greatly from the various analogies referred to in elites in authoritarian regimes. Above all that it is made up of—as is usual in the mafia—joint businesses

founded principally by the family, as well as by sworn adopted political family members through the family's network of relationships. The organization's kinship and loyalty are connected by threads linking ever more families, which radiate from the family patriarch in strongly hierarchical divisions of pyramid-like order of obedience.

The traditional Mafia is no more than a violent, illegitimate attempt by a head of the premodern patriarchal family to exercise its power of enforcement within a society based on the equal rights of citizens and the rule of law. An attempt, which the state's public authority agencies are attempting to thwart. The mafia is an adopted family in which "relatives without any blood ties make a strict and solemn commitment to provide unconditional mutual assistance to all parties" (Eric Hobsbawm). The Mafia is an illegitimate neo-archaism.

In the Mafia state the patriarch's powers of enforcement works at a national level under the disguise of the institutions of democracy by occupying state power and acquiring the tools to achieve it. For the Godfather, reigning in terms of the patterns of leadership, the patriarchal family, the household, the estate and the country are isomorphic concepts. The same culture follows the same pattern for the exercise of power at each level: the nation is his household's members. He does not expropriate—he merely disposes. It is his due to serve justice according to status and alleged merit.

Attempts at Interpreting Post-Communist Regimes: from Distortions of Operations of Democracies to The Critique of The System As a Whole

Deficits in democracy following the breakdown of communist regimes in Eastern Europe offer a fairly wide range of interpretations of functional disorders. Descriptive studies try—in one form or another—to make sense of political processes along a liberal democratic-autocratic axis in certain post-communist states. These states have begun their journey, but have yet to reach their destination—the world of liberal democracy. Or they were well on their way along this road, but stalled or perhaps turned back.

Transitology (the study of the process of change from one political regime to another) is not only the transformation of the social systems themselves, but it can be taken literally: these regimes are at some point mid-journey. Moreover, in comparison with the standard of an ideal liberal democracy, the degree of deviance may constitute various alternative models.

Those combinations of words in which the term democracy appears with a restrictive qualification or negating affix (such as an illiberal, managed, directed, quasi, partial, etc. democracy) are trying to measure such

deviance as degrees along a scale of different institutional indicators; where, depending on the measure of the resulting “overall scores,” they inform us as to whether we should consider the regime in question to be democratic or not (e.g., Fareed Zakaria).

Others believe that a more accurate picture is provided if softening word tags are added to the various forms of autocracy (semi-autocratic regime, soft-authoritarianism, or competitive/ electoral authoritarianism) in order to characterize the variations between such regimes (e.g., Andreas Schedler).

Furthermore, placement on the democracy- autocracy scale also suggests hybrid regimes, and other similar designations (e.g., Steven Levitsky and Lucan A. Way).

Yet other naming conventions refer to the subjects in power—majoritarianism, dominant- party system, single-party system.

While in the above definitions, questions of the concentration of power and the accumulation of wealth are not directly connected when the name refers to the beneficiaries of illegitimate power (clientelist regime, crony capitalism), the two are partially linked.

The post-communist Mafia state discusses not only the techniques for concentrating power, but the nature of the authoritarian elite.

The Distinctiveness of The Mafia State as a Subtype of Autocratic Regimes

The post-communist Mafia state is not merely a deviant form of liberal democracy, nor is it a transient formation; rather it is an independent subtype of autocracy. The specific features of the regime can be summarized as follows:

The concentration of political power and the accumulation of personal/family wealth occur in unison.

The alternation of the political elites’ systematic replacement takes place in parallel with that of the economic elite, not driving such change with the instruments of democracy and market economy. This elite replacement is centrally organized into a hierarchy dependent on the adopted political family.

It is not accidental that public interest is subverted to private interest; it occurs systematically and relentlessly. Public policy objectives, such as the motives for policy decisions, remain in the background, unaccounted for.

The organized underworld's illegal physical coercion, characteristic of the traditional Mafia, is replaced by legalized public authority/state sponsored coercion. The intention of this is not only to maintain power, but also to further extend the wealth of the adopted political family.

With the legalized instruments of the state monopoly on coercion, the Mafia state coercively extracts personal fortunes—sometimes indirectly through nationalization—to serve its own interests and redistributes this amongst the adopted political family members. In this respect, too, such corruption differs from “established” forms in which merely the illegitimate diversion of revenues takes place.

Personal wealth (resulting from the accumulation of political power of the adopted political family's fortune) and public/state property inevitably overlap with each other. This is in contrast to, for example, constitutional monarchies, where the two are clearly distinct from one another.

Key players in the authoritarian Mafia state:

The poligarch is someone who uses legitimate political power to secure illegitimate economic wealth—their political power is visible, whilst the economic power remains hidden;

the oligarch is someone who from a legitimate economic wealth builds political power for themselves—their economic power is visible, whilst the political power, if any, remains hidden;

the strawman or middleman is someone who has no real power—whether in politics, or in the economic sphere. In the gap between the legitimate and illegitimate spheres, they formally serve as go-between for the public.

Decisions are taken outside the competence of formalized and legitimate organizations. It is not the model of the communist parties' “politburo”, but the “polipburo” run by the adopted political family. (The phrase polip is the Hungarian equivalent of the phrase octopus.) However, the polipburo does not possess the legitimacy demanded by the nature of its operation. It is not the governing party, Fidesz, that has a transmission belt to enforce its decisions, but it is the party itself that has become the major transmission belt of the adopted political family.

The top-down destruction of bureaucracy a la Max Weber implies the takeover of the leading positions of administration by “party commissars,” whom are loyal not to the party, but to the head of the adopted political family directly or through personal links. These commissars play various roles in the legitimate spheres of bureaucracy: strawmen, governors, commissars, supervisors and cashiers—labels that give a more precise sociological definition of their actual functions than the official designations of management positions.

In place of the class structures and personal status defined by normative rules, a patronclient chain of vassal relationships comes into being. The adopted political family is built around the patriarch, the head of the family. It is centralized and hierarchically made up of personal and family relationships structured in an authoritarian formation.

This new form of vassal dependency should not be called feudal, because the sociological/ material nature of power and its legal/formal legitimacy do not converge. The gap between them is bridged by state coercion and hypocrisy. The Mafia state is compelled to bridge the gap between the sociological nature and legitimacy of autocratic rule with quasi-democratic procedures by restricting civil rights and electoral democracy. It is neither a liberal democracy, nor a dictatorship based purely on coercion.

Pyramid Scheme

In the wake of the massive and aggressive transformation of wealth structure, the expenses incurred by the power-restructuring of the mafia state impose a heavy strain on the economy and at a time of crisis the mafia state resembles an oil dictatorship without oil revenues. New sources are needed to generate revenues that reinforce the power and wealth of the adopted political family. These include flat rate tax, reduction of social expenditure, ransom levied on banks and public utility providers, and above all channeling European Union sources into the coffers of the adopted political family. This, in some sense, is an economic pyramid scheme, because there are three losers per one winner; it is moot point how long taxpayers of West Europe are willing to directly finance the enrichment of the Hungarian mafia, the adopted political family.

However, in addition to the economic pyramid scheme, there is a political pyramid scheme as well, which in foreign policy may be characterized as a strategy of “drifting in a Western boat propelled by an Eastern wind” (Miklós Haraszti). The policy that runs in the face of our European Union and Transatlantic commitments goes hand in hand with begging for alms in terms of legitimacy and finances from autocrats in the East. In domestic

policy some form of cold civil war and the subjection of citizens are under way. Alternate periods of mobilization and demobilization under the slogan of a national war of independence are part of an ideological pyramid scheme, which serves as a tool of suspending moral and legal justice.

The nationalism of the mafia state is not targeted at other nations, but rather the expulsion from their own nation of all those, who are not part of the adopted political family, or are not built into the order of vassals. Since they are not part of the “patriarch’s household,” they must face all the consequences of being outsiders. For Orbán the nation consists of the adopted political family and their in-laws, from the head of the family down to the servants. The Hungarian octopus creates a collectivist, nationalistic ideology under the pretext of the so-called national and social justice, which is just a tool to justify their egotistic aspirations for concentrating power and wealth. Short of assets, the losers are offered a feeling of belonging, as well as the right to pass positive and negative judgments: the right to cherish “true patriotism” on the one hand, and to contempt the enemies (“aliens” and “traitors”) and parasites (Gypsies, the homeless, the jobless) of the motherland on the other. Whereas the leaders of Fidesz are not anti-Semites and their target is not “the Jew,” they pander to anti-Semites. They hate the bank sector not because it is run by “the Jew,” but rather because it is not theirs. Nor are they racists—but their target audience is. However, it is their inexcusable sin that they have legitimized feelings of anti-Semitism and racism as well as allowed to use the language that expresses such feelings. In a campaign to reach out to extremist voters they reproduce them in expanded numbers and occasionally put the representatives of radical right-wing ideology into state institutions. One wonders if the escalation of this economic, political and ideological pyramid scheme can be curbed and what tragedy may befall the society should the pyramid implode one day.

This being the case, it boggles the mind that the main dilemma of the opposition still is whether to regard Viktor Orbán’s reign as a legitimate government or an illegitimate regime. They are still between the devil and the deep blue sea: should they be the opposition of only the government or rather of the whole regime?

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