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## **The Hungarian post-communist mafia state**

**(from a critique of the government to a critique of the system)\***

After the collapse of the Soviet Empire, many of us lived under the illusion that communist dictatorships were going to be replaced by liberal democracies. Although the road ahead appeared to be bumpy, there was consensus that we were going through a process of a linear progression. Deviances from the norms of liberal democracies seemed to be children's diseases rather than characteristics of adulthood. However, the chronic symptoms of such deviances caused analysts to interpret the political processes of certain post-communist states and describe their systems, which got stalled and even turned back on the road, along the liberal democracy-autocracy axis.

Having gained entry into the European Union, certain countries of Central and Eastern Europe passed the entrance test, albeit the exam requirements of the crash courses had been relaxed owing to geopolitical considerations. Those responsible for the enlargement believed that the new member states were inspired not only by the compulsion to pass the test, which entitled them to join the rank of consumer societies, but also by the desire to belong to a network with shared values. As the frustration of old member states grew, so did the literature of transitology become richer and richer. There was disagreement among transitologists, however, as to the extent post-communist countries differed from one another in terms of their deviation from liberal democracies. They sometimes added an adjective to restrict the meaning of democracy, such as illiberal, directed or pseudo, along different institutional indicators, and endeavored to produce a measure of „composite” deviation, which was supposed to assess whether the system under investigation was to be found democratic or not. Others characterized these systems as variants of autocracy by using softening labels, such as semi-autocratic, soft dictatorship or electoral authoritarianism. Still others attached the label „hybrid” to denote such systems.

When reference was made to the subjects of the regime, the phrase „majority democracy” or „dominant party system” was used. When the concept of power concentration cum wealth accumulation was mentioned, „clientalist regime”, „crony capitalism” or „post-accession hooliganism” were the terms suited to stress the illegitimate beneficiaries of power.

### **Transitional systems or terminal station?**

Perceiving the conceptual framework of deviations, Hungarian analysts searched for historical analogies. The process of centralization and nationalization were suggestive of the soft-communist stages of the Kádár regime until 1989. The reincarnation of the ideology, cultural models and language of the Horthy regime between the two world wars gave way to fascist and corporative interpretations whereas the loss of personal integrity in administration and governance was reminiscent of feudal systems.

After 2010, Fidesz annihilated the system of liberal democracy and created an entirely new system. In his speech at Kötcsé before the 2010 election, Orbán declared that he would not simply change the government but create a new model of governance, which would be completely different from „the messy period of the past two decades”. This new model was based on an ideology of „national war of independence”, which he called „The System of National Cooperation”, and, true to his promise, he established this system as a „central field”.

Meanwhile, his critics from the opposition – in self-disarmament, as it were – got stuck in a paradigm of mere government criticism, instead of finding a conceptual framework capable of interpreting this novel type of political predator.

### **The post-communist Mafia state**

*The Mafia state, the organised underworld* is far removed from the world of anomalies of party funding and the organised 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 to be 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. There are hardly any areas where activities would not be subject to power and wealth accumulation considerations of the adopted political family. *The Mafia state is a privatized form of a parasite state.*

The authoritarianism of the post-communist Mafia state as established after 2010 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. It is nothing else than a sub-type of autocratic regimes, and the conceptual framework into which it is cached describes not only the techniques of power concentration but the nature of the elite in power.

The epithet *post-communist* not merely refers to a historical period, but also to that it came into being from the carcass of communist dictatorship, what was characterized by the state monopoly of ownership. The designation “Mafia state” is by no means emotional or journalistic in nature, but rather refers to the new power elite's essential trait: to its organisational nature and to its 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, the organized underworld* 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 that 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, in the organized underworld* 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. It can be considered as a kind of political enterprise. For the head of the adopted political family, reigning in terms of the patterns of leadership, the patriarchal family, the home, one's estate and one's 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. Just like the patriarch, who once had the right to decide in personal and wealth-related matters, as well as in any issue concerning the individual roles and competencies of his „household”, this new type of patriarch reigns supreme in a country where the nation becomes his „household”. He does not expropriate – he merely disposes. It is his due to serve justice according to status and alleged merit.

### **The distinctiveness of the Mafia state as a subtype of autocracy**

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:

1. The concentration of political power and the accumulation of personal/family wealth occur in unison.
2. The alternation of the political elites' systematic replacement takes place in parallel with that of the economic elite, driving such change not with the instruments of democracy and market economy. This elite replacement is centrally organised into a hierarchy dependent on the adopted political family. This cannot be called a traditional form of primitive accumulation of capital, because herein there is no flow of capital between the premodern and modern sectors or between the agrarian and industrial sectors, accompanied by a change of ownership. What happens is merely the implementation of the change of owners of accumulated capital. Due to their socialization, however, the new body of owners do not become real entrepreneurs, but merely tax collectors in an entrepreneurial disguise, fortified by the head of the adopted political family with political monopolies.
3. It is not incidental 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. Decisions are tainted with power and wealth motivations. Every decision concerns power and wealth at the same time: „brainwash and money laundering” (Mária Vászárhelyi).
4. The organised underworld's illegal physical coercion, characteristic of the mafia, is replaced by legalized public authority/state sponsored coercion. The intention of this is to serve not only to maintain power, but also to further extend the wealth of the adopted political family.
5. With the legalized instruments of state monopoly of coercion, the Mafia state coercively extracts personal fortunes – sometimes indirectly through (transit)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. Just as private banditry is abolished by classical mafia, the mafia

state eliminates individual and anarchic forms of corruption, and replaces them with ransom levied from above, in a centralized and largely legalized form.

6. The 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.

7. Key players in the authoritarian Mafia state:

- the poligarch (Tamás Frei) 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 legitimate economic wealth builds political power for themselves – their economic power is visible, whilst the political power, if any, remains hidden;
- the strawman 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. In fact, the majority of those in different posts of governance are strawmen, and so are those in the economic sphere, especially if they are dependent on the state.

8. Decisions are taken outside the competence of formalized and legitimate organizations. It is not the model of the communist parties' „politburo”, but the „polipburo” (Sándor Révész) 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 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.

9. In place of the class structures, a patron-client chain of vassal relationships comes into being. The adopted political family is built around the patriarch, the head of the family. It is centralised and hierarchically made up of personal and family relationships structured in an authoritarian formation. Under the protection of institutional guarantees, a strong democratic society with a wide range of weak ties is replaced, alongside the abolition of institutional guarantees, by a weak society with limited but strong ties. There is no free entry into the adopted political family; one may enter only if accepted, admitted and ready to give up one's integrity. Nor is there a free exit – one may only be expelled.

10. Formalized and legal procedures give way to material and arbitrary actions. The head of the government does not govern, but illegitimately disposes of the country as if he owned it. State institutions, including the Parliament, the government, the tax offices and the Chief Prosecutor's Office, do no more than rubberstamp and do the bookkeeping. The „law of rule” substitutes for the „the rule of law”. Proper jurisdiction is replaced by an arbitrary practice of justice.

11. The topdown destruction of bureaucracy a la Max Weber implies the takeover of the leading positions of administration by „party commissars”, who they 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, cashiers – labels that give a more precise sociological definition of their actual functions than the official designations of management positions.

12. 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 channelling 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 (Balázs Krémer); 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 propeled 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, at 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 of all from their own nation 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, homeless, jobless) of the motherland on the other. Whereas the leaders of Fidesz are not antisemites and their target is not „the Jew”, they pander to antisemites. 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 unexcusable sin that they have legitimized feelings of antisemitism 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 build 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 system. Although the manipulative and one-sided transformation of the election law urged the coalition of the democratic opposition to unite, but this unity exists only in a technical sense. 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 system?

<http://hungarianspectrum.wordpress.com/2014/02/13/balint-magyar-the-hungarian-post-communist-mafia-state-from-a-critique-of-the-government-to-a-critique-of-the-system/>

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