

John Torpey 00:00

Hi, my name is John Torpey, and I'm Director of the Ralph Bunche Institute for International Studies at the Graduate Center of the City University of New York. This is International Horizons, a podcast that addresses international issues of many kinds from a scholarly and professional perspective.

John Torpey 00:21

Today, we're fortunate to have with us Bálint Magyar from Hungary, who is going to address the recent Polish and Hungarian opposition to the European recovery fund, and more broadly, the emergence of what he calls mafia states in post-communist Eastern Europe, about which he has written extensively.

John Torpey 00:48

He's a Research Fellow at the Financial Research Institute, and has been since 2010. He holds a doctoral degree in political economy from Eötvös Loránd University in Budapest, since 2013. He's published and edited many books on post-communist mafia states. As I mentioned, he was an Open Society Fellow to conduct comparative studies in this area in 2015-16. He's been Hans Speier Visiting Professor at the New School, formerly the New School for Social Research in 2017, and a Senior Fellow at the Central European University Institute for Advanced Study in 2018-2019. He was formerly an activist of the Hungarian anti-communist dissident movement, a founder of the Liberal Party of Hungary, a member of the Hungarian Parliament from 1990 to 2010, and Minister of Education twice from 1996 to 1998, and 2002 to 2006. Thank you so much for joining us, Balint Magyar.

Balint Magyar 02:03

Not at all. Thank you for the invitation.

John Torpey 02:05

Great to have you with us. So as I said, we wanted to address, you know, your broader writings about post-communist Eastern Europe. But I wanted to start by asking you about one of the most important recent developments in the European Union, which is to say, Poland's and Hungary's joint rejection of the terms of the European recovery fund, upon which so much of the economic recovery of the European Union from the pandemic would seem to depend. And I wonder if you could explain, you know, what's going on there? Why did these two countries suddenly decide to oppose what had been regarded as a major breakthrough, really, for the European Union as a kind of cooperative entity, a kind of major step forward in terms of the extent to which European countries in the European Union regard themselves as in a shared enterprise, namely the European Union?

Balint Magyar 03:14

Yes, now there is a kind of stalemate situation of the European Union, because the acceptance of the next seven years budget needs a kind of unanimous vote from the members of the European Union. And Poland and Hungary already declared that they would veto this and the acceptance of the recovery fund as well, if, among conditions that will be incorporated, they need to take into consideration the norms of the rule of law.

Balint Magyar 03:52

Of course, on one side, it's a technical standard situation, but I think it can be solved in a sense that the regulation about taking into consideration the principles of rule of law was already accepted, so it's not necessary to combine [it] now with the question of budget and recovery fund. But the two countries insist doing it as it will be declared that they won't take any measures if they hurt the rule of law. In such a way, the European countries are kind of hostages of the two countries, Hungary and Poland, and they are blackmailing the EU.

Balint Magyar 04:45

The situation resembles the Republic of Nobility of Poland, from the 17th-18th century where, for all decisions in the Sejm, they needed unanimous votes from the members of government. And it resulted in the dissolve of the whole Polish Empire within about half a century. The Polish Empire or state just disappeared for a long, long time. And, of course, such behavior of not looking for consensus can undermine the cooperation among the European states. But of course, this technical standard situation could be solved even on that way. As Guy Verhofstadt already proposed that the European law already foresees the possibility for nine or more countries to go ahead by an enhanced cooperation within the framework and the spirit of the EU as a whole, if they wish. And, for example, the Eurozone is also such an experience within the EU where not all members are the members at the same time of the Eurozone, and the recovery fund, at least could be accepted by these countries as well.

Balint Magyar 06:18

The situation is different with the budget, which needs a unanimous vote from the member states. And if it does not happen, then the previous budget will be valid for the next years as well. But the main question is not simply a technical one. About seven years ago, with a friend of mine, we wrote an article in which we argued that the emergence of multi-speed or two speed European Union is unavoidable because there are conflicts of different interests within the EU. On one hand, the European Union would be a kind of association of countries, which share the same values of democracy, of liberal democracy. And on the other hand, of course, the European Union has a regional interest as well. And these two principles can be in contradiction with each other, not only because they did not manage to regulate, if they would like to exclude anybody from the EU East, which do not accept or do not realize or act along the lines of the norms of liberal democracy. But of course, they would not do such things because in this case, there would be a regional power vacuum in Eastern Europe and the Russian interference and influence would be even more strong.

Balint Magyar 07:59

And at that time we forecasted such a situation where within the EU, there will be a kind of buffer zone of half-autocratic regimes. And there will be another circle of European Union countries that [are] based mainly on the Eurozone members, who would create [for] them more close cooperation and a more developed cooperation with each other. And now, we are somewhere here at this point, when this conflict can become very clear. And the EU has to decide that if they do not want to be permanently the hostages of a few of the autocratic, or half-autocratic, countries like Hungary or Poland, and then they have to solve and not only give concessions, and just not taking seriously that transformation, which happens in some Eastern European countries, namely deteriorating democratic rules.

John Torpey 09:13

So do you see this getting worked out? I mean, a lot of people point particularly, perhaps to Italy, as countries that are really dependent on this money coming through, do you think this is going to get resolved?

Balint Magyar 09:32

Well, Hungary and Poland at the same time, while both are in an autocratic transformation, they are [at] different phases; they represent different phases of this process. In the case of Poland, there is still an autocratic attempt, but it did not happen; they had an autocratic breakthrough. And of course not the third phase, the so-called autocratic consolidation. Autocratic breakthrough would mean that one single political actor becomes the monopolist of the political power. It did not happen in Poland. So they do not have - the PiS, and Kaczyński - do not have super majority in the parliament, which would mean that they cannot change the constitution alone, and they cannot appoint to the top of the institutions, which should serve as institutions of checks and balances their party cadres or their followers.

Balint Magyar 10:42

In Hungary, the situation is different. In 2010, the FIDESZ, the party of Viktor Orbán, just receives 53% of the votes, they gained 67% of the seats in the parliament. In such a way, the autocratic breakthrough happened a single political force after it in 2011 rewrote the whole constitution and changed the leaders of different institutions of checks and balances to their own cadres. Since that time, since 2011, after the autocratic breakthrough, they are already in the phase of autocratic consolidation, which means that they try to invade the different spheres of social actions, economy, media, civil society and so on.

Balint Magyar 11:40

So, therefore, in the phases there are already differences between the two autocratic attempts between Poland and Hungary. But not only this is the question of what is the space of this automatic transformation, but [also], in spite of the fact that both countries are using very similar ideological panels for legitimating their power. But in spite of this that they using very similar ideological panels they represent very different types of autocracies in Eastern Europe. The similarity of these ideological panels, on one hand, was that the boss denied the legitimacy of the regime changes of 89-90. And they think that it was just a dirty bargain above the elites, above the head of the people. And therefore, they declared that their simple winning of the elections represents a new regime change, and that they practically excluded their opponents from the notion of the nation. And they say that only those people belong to the nation, the Polish or Hungarian nation, who share their so-called conservative ideology, both share Europe's skepticism, and launched a kind of national freedom fight against the so-called "Brussels dictatorship".

Balint Magyar 13:22

But in spite of the similarities, there are huge differences between the two things. If I want just very shortly to characterize it, I will say that Poland's autocratic attempt is a kind of targeting a kind of conservative bureaucratic autocracy, contrary to Hungary, where a post-communist mafia state was built in the last few years. And I know that, in spite of the use of similar ideological panels, while the Polish

one is an ideology driven one, the Hungarian one is an ideology applying one, which means that the ideology driven system is that where there is value coherence which bases the ideology, while in an ideology applying system it has a functionality coherence of these systems.

Balint Magyar 14:30

And a further difference between the two regimes is that the actual decision-making in Poland remains centered within the framework of formal institutions, but not as in Hungary, where the political economic decision making is removed from the legally defined formalized organizations and social control. So the major territory of decision-making in Poland, these are former bodies of leadership, mainly the PiS leadership, and in Hungary it is the informal body of leadership, where the at the top of this hierarchy, there is the so-called "chief patrons fort", which consists of people with formal and informal positions. In such a way, in Poland, the ruling party is a centralized party, but in Hungary the ruling party is a transmission belt party where, within the FIDESZ, there is no decision making at all. And the party itself, as a party in a Western sense, has no power at all. They are just a transmission belt of the decisions which were taken in the so-called "chief patrons fort".

Balint Magyar 15:52

The party system is a state dirigiste bureau system where bureaucratic control what they want to expand the competencies of the state, while in Hungary, it's a single economic patronal network, where a patron-client network is created. And the centralized chain of command builds on a patron-client network of [privilege] operates the whole regime. In such a way, there is a difference between the two ruling elites as well: the ruling elite in Poland is built around the political institutions and characterized by party political nepotism. In Hungary, it's a kind of adopted political family, which is like a clan. They are not individuals, those who join to such a ruling elite, but much more families. And while in Poland, the followers of the regime are rewarded with offices and money but not with breads. In Hungary, the adopted political family accumulates wealth through the bloodless instruments of state coercion. It's a party rent-seeking that otherwise as center-left corporate trading through which they can accumulate personal wealth. In such a way, if I summarize the whole thing, while Poland would be considered to be a "classical authoritarian state" [that is] what they want to create. But of course, they are still not in this phase. Hungary is a kind of criminal state that which is a privatized form of a parasite state where the whole governance is operated like a criminal organization.

Balint Magyar 17:49

All these things, of course, determine their relation to the EU and determine the relation to any changes in governance. In Poland, Kaczyński is a person who centralizes political power and tries to do everything to remain in power, but as a person, he is not a criminal. So the state of the elections in Poland for Kaczyński and the PiS is only that whether they govern or they get into opposition. In Hungary, the situation is different. As Orbán and the adoptive political family at the top is a criminal organization, the state of the elections for them is not whether they will continue as politicians in opposition positions in the parliament, but whether they can remain free persons or can be prosecuted and may be put in jail. And therefore, Orbán wants to avoid this. So when they are fighting with Europe, and Orbán refers to the national sovereignty and he declares his war against Brussels as a national freedom fight, it is practically a fight for the impunity of a criminal organization. So, contrary to

Kaczyński, I think that Orbán wants to remain within the EU until there are EU funds that are coming in a large amount into Hungary. And he can ensure his impunity for those criminal cases because of the looting of a large share of this money, for their adopted political families' private purposes.

John Torpey 19:54

So that's all very helpful, I think in distinguishing Poland, contemporary Poland from what's going on in Hungary. And, as I read your new book, the *Anatomy of Post-Communist Regimes*, I was struck in many ways by the place you start. And that's a kind of critique of, shall we say, Western analyses of post-communist regimes. And basically a critique that says, Western analysts are using categories and language that are appropriate, really, to Western democracies, and don't really have an analytical purchase on what's going on in post-communist Eastern Europe. And it reminded me a lot of the debate, the old Sovietology debate about the extent to which these communist regimes were becoming more like the West, or were they really radically other and different. So I think that's a very useful sort of departure analytically. And I guess I wonder, you've used this term mafia state, it doesn't seem to apply yet to Poland. But it does seem to apply, as you've just described it, to Hungary. How widespread a phenomenon is that in the post-communist world and is it something that a term or a concept that one could also apply to non post-communist states.

Balint Magyar 21:22

Within the post-communist countries, within the EU, Hungary is the only mafia state, I think. A single pyramid-patronal network operating as a criminal organization, using the bloodless means of state coercion. Beyond the EU, Russia and Central Asian countries can be considered mafia states as well. But at the same time, there are so-called patronal democracies, and I make a difference between liberal democracies and patronal democracies in the post-Soviet region. Which means that patronal democracies can be Romania or Bulgaria to some extent Slovakia, Serbia etc. etc. [It] means that competing patron-client networks characterize the regime, and none of these patron-client networks are in the position to monopolize power.

Balint Magyar 22:25

But of course, it's a fragile situation all the time, any of these patron-client networks in the form of a political party, which are not political parties, in the Western sense, they are just the cover of a given patron-client network which gets into power. They, of course, intend to have an autocratic attempt to monopolize that power, but at the same time, there are institutional guarantees or constraints which hamper them in these efforts.

Balint Magyar 22:55

The two most important institutional guarantees in this field are, on one hand, the proportional election system, because it's very unlikely that in a proportional election system, any political forces can gain a supermajority in the parliament. And the second is the divided executive power where normally the directly elected President and the government at the same time, both have some important executive power.

Balint Magyar 23:32

This creates such a balance, which hampers to have such a situation where any of the patron-client networks can get into a monopolistic position. But on the other hand, when they try to do it (let's take the example of Ukraine; first there was Kuchma, and then there is Yanukovich who attempted this) still there was a possibility when the Orange Revolution turned back this process, but it created a cycle. Because this democratization process was not accompanied by anti-patronal transformation. And normally in the Orange Revolution where the so-called revolutionary masses just did not let the rise or the consolidation of an autocratic attempt. They were backed by such oligarchs who had some conflicts with the power as well. And then it did not result into an anti-patronal transformation, and it also gives to the region such a cyclical development where some democratization efforts are followed by anti-democratization processes and so on.

Balint Magyar 25:00

The basic problem with the mainstream politology which tries to describe the post-communist countries is that they had the assumption during and after the regime changes of 89-90 (for at least 10 years) that if the communist dictatorship is collapsing then definitely a liberal democratic regime will arise and this is just a question of time, or just some variances which hamper this process. And when they try to describe these societies, they use the categories which I used for the description of liberal democracies, where the main spheres of social action - politics, economy and the communal sphere of social actions - are separated. While in these countries, even historically, more or less, they are polluted, and there are collusions among these spheres. And it creates another situation. On the surface, you will see democratic procedures. On the other hand, they are not accompanied with anti-patronal transformation, which would result in the separation of social spheres in Western European arena and American sense of the word.

Balint Magyar 26:38

And therefore, these categories that they use for the description, they are not valid for these societies. And when they realized that, "okay, so it's not just the question of a short transformation time" but there are more or less stable regimes, which are not democratic after the collapse of communist systems and communist regimes, then this transitology was replaced by the hybridology. And hybridology practically does not say anything about the real nature of these regimes. So these terms like illiberal democracy and SFS, I think they are useless for the description. This is when I have the feeling that if I go and enter into a zoo, and I look at an elephant, then mainsteram politologists say that it's an illiberal fish. Because if they would behave better, then they should transform to be fishes at the end, but it does not happen. These are elephants at the categories with which I can describe that type of animal, these are different from those with which I can describe other types of animals, I would say.

John Torpey 28:00

Fascinating. I guess I want to go back then to this model you have advanced that talks about what I think of now as the three ABCs of autocracy: autocratic attempt, autocratic breakthrough and autocratic consolidation. And, of course, this was recently employed, as you know, by the journalist Masha Gessen in an article in The New Yorker that was really about Donald Trump, and what Donald Trump is doing in the post-electoral period here in the United States. So I mean, as you can imagine, for most of us, it's shocking and striking that we are even having these kinds of discussions that we usually think of

as applying to places like Russia. And now we are talking about whether or not Donald Trump is on the verge of or has made an autocratic breakthrough in the United States.

John Torpey 29:11

And I wonder to what extent is that kind of analysis actually useful? I mean, what Trump is doing is indeed the sort of thing that we associate with "banana republics" and other undemocratic kinds of contexts in which leaders reverse the outcomes of popular elections, when they lose and this sort of thing. But I'm also inclined to think, I mean, I listen to the comments, for example of the Chairman of the Joint Chiefs of Staff, the top military officer in the United States, who says, "We don't take an oath to a king or queen or a tyrant, we take an oath to the Constitution." And so one is reassured that the forces of force are going to defend the constitutional order of the United States. But, again, the fact that we're even talking about whether that's a question is sort of extraordinary. So I wonder to some extent, you know, is the kind of analysis that you've developed with regard to post-communist Eastern Europe and the post-Soviet space more generally. You've just described ways in which the United States and the West, you know, have differentiated their various social spheres and that that makes it a different kind of institutional order. Are we in danger of losing that institutional order? How do you see that?

Balint Magyar 30:48

Yes, unfortunately, it's a real surprise for me as well. Especially the latest news shows that now Donald Trump is turning to the Houses of Wisconsin, Michigan and Pennsylvania and ask them to delegate such electors, which would support him and not the declared will of the people through the votes in those states of the United States. So it's really dangerous. And until now I believe that the American democracy is much more stable. And there is a really dangerous situation, because that is what populism is doing, practically to try to undermine the legitimacy of liberal democracies.

Balint Magyar 31:41

And in our book, which was written with that young friend of mine Bálint Madlovics, we use a definition for populism which is not very general, I think. And it sounds [like this]: "populism is an ideological instrument for a political program of morally unconstrained, collective egoism". And all the parts of the sentence are important. When we say that it's an ideological instrument, we refer to the fact that it's not an ideology with a coherence of certain values, but it's just an instrument. Which means, it has what I mentioned, it has a functionality for adherents, so it can use totally contradicting panels of different ideologies, if the user feels that it's useful in this given situation.

Balint Magyar 32:44

And what is the political program of this ideological instrument? The political program is nothing as replacing the legal rational legitimacy for a substantive rational legitimacy. And this is what Trump is doing now. He says, he wants to sweep away the legislative bodies and say that I am representative of people, in the election his victory was stolen, that there were cheating on the elections, etc, etc. It's undermining the legitimacy base of this one.

Balint Magyar 33:28

When we say "morally unconstrained collective egoism", [it] means that these attacks are against politically correct speeches, against certain human rights organizations. Then he builds up a supporting group of followers of him around that imaginary community; people, nation, which openly represents selfish interests, and gives up the the norms and requirements of social solidarity in society. And this is why it's very dangerous. Of course the populace has a demand and a supply side. On the demand side, there are certain parts or groups of the society, which feel that they are or they can be losers in certain situations. On the supply side [the leader] produces for them an ideology, where they can get rid of any requirements of solidarity, but very openly representing their own interests.

Balint Magyar 34:53

Sometimes sociologists, politologists call this tribalism, but I think it's not the right word for that, because the tribes, I would say, are structured organizations. While here, the sense of this development is that there is a leader who knows what the people want. And he denies any institutional structures, which would serve as a terrain of deliberation, or public discussion of different interests, and create necessary compromises and consensus within a society. And this kind of populism, of course, characterizes Orban's regime, Putin's regime, and now, Trump is following this model. Of course, the potential resistance of the American society is much bigger, and much more serious than then the resisting potential of Hungary or Russia.

John Torpey 36:04

Well, needless to say, I hope that you're right about that. And, I do expect that that's the case. But we've got two months of uncertainty to face before Joe Biden is theoretically inaugurated as the next president, and then we have to figure out what to do with Mr. Trump, which is going to raise its own set of questions, which you've also had to deal with in Eastern Europe extensively in the past.

John Torpey 36:32

But on that note, let me thank you, Balint Magyar, for speaking to us today and sharing your insights about the anatomy of post-communist regimes. I want to thank Mr. Voynov for his technical assistance Merrill Sovner for helping to produce this episode and the Otto and Fran Walter Foundation for their support of our work at the European Union Studies Center and the Ralph Bunche Institute for International Studies. Thanks for listening, and we look forward to having you with us the next time on International Horizons. Thanks bye bye.

Balint Magyar 37:11

Thank you.