POPULISM RADICALISMS MIGRATION

REVIEW

NO.4

LIBERTY.eu

APRIL 2016



Aliberty.eu is a network of several think tanks from CEE (Poland, Hungary, Slovakia, Slovenia, Czech Republic, Bulgaria, Estonia, Lithuania and Germany) and our partners from EaP countries. Our goals: to make the Central European perspective accessible to international audience, to be a reliable source of information on regional issues and the voice of region. Our authors are experts, intellectuals and researchers. We publish high quality analyses, polemics and articles exclusively in English, building bridges between nations to help in better understanding between experts from particular countries. Webportal 4liberty.eu is designed to become a platform where experts and intellectuals representing liberal environment from Central and Eastern Europe can share their opinions and ideas.

EDITOR-IN-CHIEF OF THE "4LIBERTY.EU REVIEW"

Olga Łabendowicz

CONTENT EDITOR OF THE "4LIBERTY.EU REVIEW" NO. 4 Marek Tatała

PUBLISHER

E Fundacja.Industrial

Industrial Foundation (102 Piotrkowska St., 90-004 Lodz) Błażej Lenkowski – President of the Board, Leszek Jażdżewski – Vice-President of the Board, Kamil Janiszewski – Secretary, Filip Miłoszewski, Rafał Szkudlarek

FUNDED BY

WEBSITE FREIHEIT

PROOFREADING

European Translation Agency - Proximuss 30 Kopernika St., 00-336 Warsaw www.e-ling.eu

COVER PHOTO

Małgorzata Pawlak, senty-ekskre-menty

LAYOUT



Quality Pixels s.c. 6 Sierpnia Street 14, 90-416 Lodz www.qualitypixels.pl

COVER DESIGN Łukasz Domiza (Quality Pixels)

PRINT

Drukarnia Poldruk s.c. Józef Grzywa, Marek Kawka 39a Wroclawska St., 58-309 Walbrzych

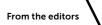
ARTWORK IN "4liberty.eu Review" NO.4



MAŁGORZATA PAWLAK

Due to the worship of verbal acrobatics she is a creative writing student at the University of Lodz, Poland. She cooperates with Plaster Łódzki and Popmoderna. She presented her works at solo and group exhibitions in Lodz, Warsaw, Cracow and Wroclaw. She has been creating collages since 2011, since 2012 as senty-ekskre-menty.

senty-ekskre-menty is a safety valve for the emotional stunt – stuffy and pretentious, according to the principle that the gretest and most magnificant is the art of exaggeration.



The Frames We Fall Into

Ne te quaesiveris extra, the golden rule of Ralph Waldo Emerson, seems to have recently backfired. Central Estern European authorities have internalised it to such an extent that they rarely listen to any arguments coming from others. This tendcency to "trust thyself" plays well into the hands of populists who have no problem with exploiting it to the fullest, reinforcing the prejudices and political convictions deeply rooted in people's minds. All it takes is the right *frame*.

Although it may seem that populism, radicalisms and migration have very little in common, if we reflect on it for a moment they all boil down to one thing: *framing*. Henry David Thoreau once wrote that "It is remarkable how long men will believe in the bottomlessness of a pond without taking the trouble to sound it". Thus it does not always take the greatest minds of the age to convince the majority to follow a particular way of thinking – very often it is quite the opposite. All that is required is the ability to adequately *frame* the matters at stake and to align them with what people may consider as their own beliefs. And thus it is often the laud, the controversial and the utterly cynical that rule people's minds. Namely, the populists. Even when they frown upon being labeled as such, we shall not be afraid of seeking them out and pointing our fingers at them to make the public opinion realize with whom we are dealing. And this applies not only to political promises of ruling parties, but also, or even more importantly, to both, the issues we face on a daily basis (like radicalisation of societies, economy or policies) as well as those more extraordinary (for instance, the recent migration crisis).

Governments and political parties resort to populism when the alternative is emersing into a thorough discussion on those vital topics. Of course, there is a nice ring to it – after all, one way of defining populism is as "a political philosophy supporting the rights and power of the people in their struggle against the privileged elite" – and let's be honest, this always sells well ("We, the defenders!"). However, already a different understanding of this term as "a political strategy based on a calculated appeal to the interests or prejudices of ordinary people" is somewhat more problematic, less "desirable" ("We, the puppet masters!"). And let us bear in mind, that the Latin "populus" means rather people in the sense of "folk", "nation" – to what an increasing number of Central European parties refer to ever more frequently (Fidesz in Hungary, Law and Justice in Poland, among others). Troubling as it may be, as Nikolai Gogol wrote in *Dead Souls*: "However stupid a fools words may be, they are sometimes enough to confound an intelligent man".

I can easily understand why is it so tempting to adopt populist rhetoric. It may be a real struggle to fight the urge to put the minds of the people into a *frame* and hang them on the walls of the offices – a modern political hunting trophy. Therefore, in the end, *vox populi* merely mirrors the prejudiced voice of the party, a politician, a government, et cetera. And in turn, those governing use the *frame* of *vox populi*, *vox Dei* – and who can argue with that, right?

The presented issue of the *4liberty.eu* Review is an attempt to connect the dots between the three seemingly unrelated topics, which are, in fact, very much linked: populism, radicalisms and migration and discussing them from a Central Eastern European perspective. The main objective is to present the issues that have been recently troubling the region in order to first, diagnose the current situation, and second, to offer solutions to the problems we face. As most frequently they all evolve around the common usage of populist techniques. To quote Leo Tolstoy, "One must be cunning and wicked in this world" – or maybe simply a *populist*?

Enjoy your reading,

Olga Łabendowicz Editor-in-Chief of *4liberty.eu Review* Coordinator of 4liberty.eu network

Contents

ESZTER NOVA / DEMAND FOR POPULISM AS A SYMPTOM OF LEARNED HELPLESSNESS / 004

YAVOR ALEKSIEV / ECONOMIC POPULISM IN BULGARIA AND ITS CONSEQUENCES / 018

KAMILA ŁEPKOWSKA / EUROPEANS AND THE MARKET ECONOMY: WEAKENING TIES / 032

MAREK TATAŁA / THE ECONOMIC COSTS OF POPULISM: POLAND SHOULD LEARN FROM GREECE'S MISTAKES / 042

MIŁOSZ HUDON / THE WINNER TAKES IT ALL: KACZYŃSKI, ORBÁN AND PONTA VERSUS CONSTITUTIONAL COURTS / 058

DÁNIEL MIKECZ / RETHINKING POPULISM: TOP-DOWN MOBILIZATION AND POLITICAL ACTIONS BEYOND INSTITUTIONS IN HUNGARY / 072

MÁTÉ HAJBA / RADICALISM IN HUNGARY OF TODAY / 086

TOMASZ KAMIŃSKI / RADICALISM, POPULISM OR NATIONALISM? ALL THREE IN ONE / 106

MARTIN REGULI / RADICALISM OF THE CENTRAL EUROPEAN COUNTRIES IN RESPONSE TO THE IMMIGRATION ISSUE / ${\bf 116}$

ZORA HESOVA / THE MAINSTREAMING OF ISLAMOPHOBIA IN THE CZECH REPUBLIC / 130

TOTALITARIANISM IN EUROPE IS NOT FINISHED: INTERVIEW WITH PROFESSOR AVIEZER TUCKER OF HARVARD UNIVERSITY **/ 144**

Demand for Populism as a Symptom of Learned Helplessness



005

If we are to tackle populism, we should pay more attention to its demand, rather than its supply. The demand for populism may seem confident and powerful, but it is merely an expression of learned helplessness in the face of (real or perceived) threats. Oppressive regimes thrive on helplessness. A population reduced to helplessness is docile and passive – even when it is outwardly loud and belligerent. Its symptoms include the dissolution of individual perspectives (identifying with the leaders), active inaction, as well as the onset of a survival mentality – unsuitable for everyday life. The presented article sets out to explain the creation and nature of learned helplessness – as well as its political implications.

he best predictor of receptiveness to populism is what political scientists call authoritarian world view¹. Authoritarian world view, in turn, is firmly rooted in an overemphasis on threats (fear) and the sense of inability to cope with them. In other words, helplessness. The problem with populism is that it erodes liberal democracy and ushers in authoritarianism (the erosion of freedoms, rule of law, democracy and checks and balances).

The theory of learned helplessness proposes that once the so-called outcomeresponse independence is internalized by the victim, it is very hard to unlearn. When we look at the political implications, we will find that it is also used by authoritarian regimes. Populistic politicians also instinctively play on this instrument – only to a lesser degree and at an earlier stage. It is therefore less obvious. Studying authoritarian regimes thus sheds light on often overlooked mechanisms of the gradual disempowerment of people, such as appealing to and promoting learned helplessness.

Populists, as well as authoritarian leaders communicate that individuals are not in the position to cope with threats and should rely exclusively on a strongman. A populist in a democracy has to attract support first by continuously emphasizing threats, such as terrorism - and offering himself as an effective strongman. An authoritarian leader can enforce this sentiment from above, only using threats as a justification (or even posing a threat himself). It is no coincidence that dictatorships have been created by populists, who only offered to take care of threats effectively. Demanding that their power should not be limited by the rule of law is one way for populist voters to compensate for their own sense of helplessness (in a way, to empower themselves, given their strong identification with their leader).

¹ MacWilliams, M. (2016) Donald Trump is attracting authoritarian primary voters, and it may help him to gain the nomination. Available [online]: http://blogs.lse. ac.uk/usappblog/2016/01/27/donald-trump-is-attracting-authoritarian-primary-voters-and-it-may-helphim-to-gain-the-nomination/

99 OUR SPACES

OF POLITICAL DISCOURSE ARE I ITTERED WITH BEHAVIORAL AND ATTITUDE "NUDGES", MOST OF THEM POINT TO UNFREEDOM. WITHOUT BRINGING THESE NUDGES TO LIGHT WE ARE RFDUCFD TO CHASING THE SYMPTOMS. SUCH AS POPULISM. XENOPHOBIA. CORRUPTION. ANTI-DEMOCRATIC RELAPSE, STATE CAPTURE, AND ANTI-SEMITISM

When invoking threats, populists create the sense of emergency – it then triggers the feeling of helplessness in their victims. They also erode social capital (horizontal bonds of trust in society) by eroding trust in one's own competence. By the end of the vicious cycle, freedoms are decimated, democracies reduced to majoritism, the rule of law dismissed as ineffective.

The underlying problem is a self-reinforcing spiral consisting of: fear of failure, the absence of horizontal bonds of trust, reflexivity, fear of the unknown, the dissolution of the individual's own perspective, clinging to and encouraging fear, victim blaming², learned helplessness, identifying with the powerful, and considering freedom to be a luxury. [See Figure 1.]

Our spaces of political discourse are littered with behavioural and attitude "nudges". Most of them point to unfreedom. Without bringing these nudges to light we are reduced to chasing the symptoms, such as populism, xenophobia, corruption, anti-democratic relapse, state capture, and anti-Semitism. It is also popular to address the excuses on the surface, such as emergencies, enemies, economic or security challenges of the day.

SUPPLY AND DEMAND FOR POPULISM

"And do you have anti-Semitism in your village?"

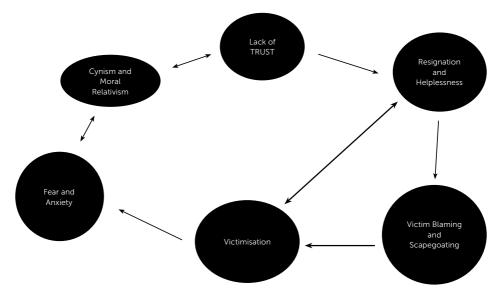
"No," says the old man.

"Good," says the researcher and takes down a note.

² Read more in: Peterson, C. & Seligman, M. (1983) "Learned Helplessness and Victimization", [In:] *Journal of Social Issues*, 39: pp. 103–116. Lerner, M. (2002) "Pursuing the Justice Motive", [In:] Michael Ross, Dale T. Miller: *The Justice Motive in Everyday Life*. Lerner, M. J. (1980) "The Belief in a Just World A Fundamental Delusion", [In:] *Perspectives in Social Psychology*.

Populism, Radicalisms, Migration

Figure 1: Combinations of these elements can mutually trigger and reinforce one another and together they cause a (re)lapse into an authoritarian (unfree) thinking habit, starting a vicious cycle that uses the gravity of fear.



"Although," continues the old man "there's demand for it."

There are always two sides to political ideas: supply and demand. The interaction of those two creates politics. In other words: without receptiveness for populistic rhetoric, a populistic politician is highly unlikely to succeed.

Is populism done by voters or political elites? The answer is most likely both – or something that occurs during their interaction – however the literature seems to be obsessed with the supply side only. The demand, however, is rarely studied. The receptiveness to populistic ideas is hard to quantify and thus often neglected. The difficulty of quantification should, however, not stop us from trying to understand it.

The focus will therefore be put on the people who appear to be more or less receptive to the rhetoric of populism. In order to understand the role of learned helplessness in the receptiveness to populism one could look at the creation, maintenance and usage of helplessness by authoritarian regimes. Examining societies with an authoritarian past sheds light on the mechanism as helplessness makes one more receptive to the messages of a strongman, a simplistic solution, and unconcerned by the erosion of the rule of law.

Oppressive regimes thrive on helplessness. A population reduced to helplessness is docile and passive. It is inactive and more likely to come up with justifications for the system and their own place in it, better than any ideology could. They will also discourage dissent among their own lot, to defend this world view.

The sense of one's own competence can be eroded by learned helplessness. Low confidence in one's own (political) influence is also correlated with a low trust level

007

in society. (I am unable to change things and so is everyone else – I therefore should not trust them, or their competence.) It is crucial to understand how authoritarian regimes pursue helplessness, and how their people internalizeit, along with how this sentiment is conveyed by peers and society by projection and reflexivity.

The lack of trust in one's own competence causes a sense of dependence. Complete dependence and seeing no way out of the situation triggers terror-bonding, bonding between the victim and the aggressor. And that causes the dissolution of one's own individual perspective – and makes them identify with the leader.

From this viewpoint it does not matter whether dependence has been imposed on the victim by force from above, or has creeped up in the form of an all-encompassing welfare regime. Whether this helplessness was caused by one big shock, or the gradual erosion of one's own sense of agency. It is also irrelevant whether the dependence is straightforward (government keeps me safe) or reversed (government can choose to kill me). Any combination of the abovementioned can result in the erosion of one's sense of agency, or learned helplessness.

As a consequence of helplessness, survival mentality overtakes aspirations and undercuts innovation and prosperity in a society³. Prolonged rationalization of inaction prepares the ground for complicity, a form of Stockholm syndrome with relation to the system, and makes it less likely to reverse the process. The latter is better understood if we take a look at the arguments people use to rationalize their own inaction.

THE THEORY OF LEARNED HELPLESSNESS

The original learned helplessness theory comes from an experiment by Richard L. Solomon, who had trained dogs to induce the sense of helplessness and the resulting inaction.

In his experiment, dogs were placed in a box divided by a chest-high barrier. An electric shock would come on and the dogs would learn that jumping over the barrier makes the shock go away. After repeated shocks, the dogs learned without difficulty that jumping over the barrier relieves them from unpleasant shocks. Except for dogs that were first exposed to another experiment, in which there was nothing they could do to alleviate the shocks. The dogs that were exposed to the first experiment acted helplessly in the second one as well. They did not learn to jump to safety, or just very slowly. They simply stayed put and did not even try.

It was the uncontrollable nature of their environment that debilitated the dogs, not the discomfort of the shocks. The sooner in their development the experiment came, the less likely they became to eventually unlearn the sense of helplessness and discover that jumping over the barrier alleviates the discomfort. It affected not just their ability to discover and learn (cognitive deficit), it caused a motivational deficit as well – which largely translates into depression.⁴

³ Inglehart, R. & Welzel, Ch. (2005) Modernization, Cultural Change, and Democracy: The Human Development Sequence, Cambridge University Press.

Seligman, Μ. (1974) Depression and learned helplessness, John Wiley & Sons. Seligman, M. & Friedman, R. J. (Ed); Katz, M. (Ed), (1974) "Depression and learned helplessness", [In:] The psychology of depression: Contemporary theory and research, Oxford, England: John Wiley & Sons, XVII, p. 318. Seligman, M. (1990) Learned optimism: How to change vour mind and vour life. New York. Simon & Schuster. Abramson, L. Y., M. E. Seligman & J.D. Teasdale (1978) "Learned helplessness in humans: critique and reformulation", [In:] Journal of abnormal psychology, 87.1 (1978): p. 49.



"According to the original learned helplessness theory, experience with uncontrollable events can lead to the expectation that no responses in one's own repertoire will control future outcomes. This expectation of no control leads to motivational deficits (lower response initiation and lower persistence), cognitive deficits (inability to perceive existing opportunities to control outcomes), and, in humans, emotional deficits (sadness and lowered self-esteem)" (Hoeksema, Girgus & Seligman 1986:435)⁵.

The victim of such conditioning thus learns to expect the so-called responseoutcome independence - the feeling that nothing that remains in their power can change the situation. The resulting motivational, cognitive and emotional impairment is widely researched, partly because it is a symptom of depression⁶. The inability to control one's environment has repeatedly been shown to create not only anger and frustration but, eventually, deep and often insurmountable depression. In a sense, inducing learned helplessness makes a person give up. But the effect runs even deeper: many of the animals used in the studies died or became severely ill shortly afterwards.

INDUCING HELPLESSNESS

Authoritarian leaders instinctively play from the age-old rulebook of oppression – and so do populists, to a lesser degree. But if one is not familiar with the mechanisms of this oppressive tool, one must not despair. There is a manual for inducing helplessness (or regression, in the 1980s jargon) in people. The manuals of torture elaborate on the subject of inducing help-lessness.

As the recent findings of the U.S. Senate Committee on Intelligence have revealed, the military has long used the findings of the psychology of learned helplessness⁷. Seligman's work turned out to have inspired many, including the intelligence establishment- he has even given at least one lecture on learned helplessness to the U.S. Navy in 2002, although with the intention to protect soldiers from the state during torture. His techniques, designed to ameliorate the effects of torture, were reverse engineered and transformed from ensuring the resistance of American soldiers to destroying the resistance and orchestrating the torture of detainees in Guantánamo, Afghanistan and Iraq. This, however, is no recent development. The C.I.A.'s Human Resource Exploitation Training Manual escribed various non-violent means to induce psychological regression in 1983⁸.

"The purpose of all coercive techniques is to induce psychological regression in the subject by bringing a superior outside force to bear on his will to resist. Regression is basically a loss of autonomy, a reversion to an earlier behavior level. As the subject regresses, his learned personality traits fall away in reverse chronological order. He begins to lose the capacity to carry out the highest creative activities, to deal with complex situations, to cope with stressful

⁵ Nolen-Hoeksema, S., Girgus, J. & Seligman, M. (1986) "Learned helplessness in children: a longitudinal study of depression, achievement, and explanatory style", [In:] *Journal of personality and social psychology*, 51.2 (1986): p. 435.

⁶ Maier, S. F. & Seligman, M. (1976) "Learned helplessness: Theory and evidence", [In:] *Journal of Experimental Psychology: General*, Vol 105(1), Mar 1976, pp. 3-46.

⁷ Senate Select Committee on Intelligence – Committee Study of the Central Intelligence Agency's Detention and Interrogation Program (Released: December 3, 2014), Available [online]: http://www.intelligence.senate.gov/study2014/sscistudy1.pdf

⁸ C.I.A. Human Resource Exploitation Training Manual (1983), Available [online]: http://americanempireproject. com/empiresworkshop/chapter3/DODHumanResourceExploitationTrainingManual1983.pdf

interpersonal relationships, or to cope with repeated frustrations." (C.I.A. Human Resource Exploitation Training Manual, 1983).

The report set forth the so-called D.D.D method of interrogation, what stands for Debility, Dependency and Dread. Debility is here understood as physical weakness ("Many psychologists consider the threat of inducing debility to be more effective than debility itself"), hey also signify the need to ensure the sense of dependency, where the prisoner "is helplessly dependent upon the "questioner" for the satisfaction of all basic needs"; finally, dread is defined as intense fear and anxiety:

"Sustained long enough, a strong fear of anything vague or unknown induces regression. On the other hand, materialization of the fear is likely to come as a relief. The subject finds that he can hold out and his resistance is strengthened."

In other words, the threat of repercussions works better than repercussions themselves. Should one wish to reduce a population to helplessness, one is better off keeping the monster in the closet, so to speak, and let people's imagination do the job. Threats (such as imprisonment or loss of employment) are thus used sparingly to ensure the inactivity and erode resistance.

Nevertheless, in order to find out exactly what kind of harassment works best to induce the state of inactivity, let us now take a look at more recent experiments.

INTERMITTENT (CONDITIONAL) ABUSE WORKS BEST

Researchers at Waseda University, Tokyo, have created a method to induce depression in rats in order to test antidepressants on them⁹. A robotic rat was thus used to

⁹ Ishii, H. et.al. (2013) "A novel method to develop an

terrorism the rats until they exhibit signs of depression, signaled by a lack of activity. But the exact method of harassment makes a difference.

The robotic rats were programmed with three different modes of behavior: "chasing," "continuous attack" and "interactive attack." Each one was designed to induce a different level of stress. Chasing stresses the rats out, while the attacks create an environment of pain and fear. In the interactive attack, the rat is only attacked if it moves, while the continuous attack means it is constantly under fire.

Researchers set the robots loose on two groups of 12 young rats once a day for five days in continuous attack mode. A few weeks later, when the rats had matured, their movements were studied in an open field and while the robot chased it. Then, rats in group A were re-exposed to continuous attacks, while group B was exposed to the interactive attack.

The intermittent, interactive form of attack proved to be the most stressful. It was most effective in creating a deep depression (signaled by inaction) in a mature rat that had been harassed during development.

In other words, after an initial training of *response-outcome independence*, a system designed to suppress action and resistance should only punish action when the victims try and should spare the rod when the subjects are silent and comply. This way, it can achieve deeper helplessness and compliance than by solely applying continuous terror. It also teaches the subjects to hold back each other from trying.

animal model of depression using a small mobile robot", [In:] Advanced Robotics, 27:1, pp. 61-69, Available [online]: http://www.tandfonline.com/doi/pdf/10.1080/01 691864.2013.752319

Authoritarian leaders make sure that taking action is futile and only makes things worst. Populist leaders strongly suggest it.

THE NEED TO PROVIDE A JUSTIFICATION FOR INACTION

Weakness, dependency and fear happen to be in the toolkit of not just the C.I.A. but any self-respecting authoritarian leader, and to a lesser degree of any populist leader who wishes to secure re-election and a docile electorate. Citizens may have more options to act than prisoners do. But motivational, cognitive and emotional deficit work against them. Especially in the absence of social capital. Having an intention to protest is meaningless if they cannot hope that others would stand with them. But the option to do nothing is always present. This is when the justification for one's own inaction is needed.

"As soon as possible, the "questioner" should provide the subject with the rationalization that he needs for giving in and cooperating. This rationalization is likely to be elementary, an adult version of a childhood excuse such as:

"They made you do it."

"All the other boys are doing it."

"You're really a good boy at heart."

(From the C.I.A. Human Resource Exploitation Training Manual, 1983¹⁰)

In other words, the political system must provide some excuse for compliance and dropping moral considerations. Eroding trust in other individuals (social capital), allows the subject to blame it on the system and help in maintaining the illusion of integrity by dissociating one's actions from his or hers moral standing or by inducing moral relativism and cynicism.

POLITICAL IMPLICATIONS OF LEARNED HELPLESSNESS

Oppressive regimes thrive on the learned helplessness of the population. Learning that protest and dissent does not change anything is part of socialization. And as we have seen with dogs, the younger they were when exposed to the experience that taught them that there is nothing they can do to alleviate unpleasant things – the less likely they are to unlearn this conditioning later.

A population reduced to helplessness is less likely to resist, and even when it does, it is by nature more fearful, poorly prepared (*cognitive deficit*) and more likely to fail (*lower persistence*). Such individuals are more likely to come up with justifications instead – for the system and their own place in it (*emotional deficit*) – better than any ideology could. They will even discourage dissent among their own lot to defend this world view, passing the sense of helplessness down the generations.

DISSOLUTION OF PERSPECTIVES AKA. FEARING THE ABSENCE OF POWER MORE THAN ITS ABUSE

Hints of depression such as the belief that bad things happen because of one's own inadequacy are not necessarily limited to self-explanations. Helplessness and negative self-explanative style can be projected onto society. Statements like "people are hopeless" or "they got the government they deserve" are proof that blaming the victim and a negative selfexplanatory style are in action (either directly or through projection).

¹⁰ C.I.A. Human Resource Exploitation Training Manual (1983), Available [online]: http://americanempireproject. com/empiresworkshop/chapter3/DODHumanResourceExploitationTrainingManual1983.pdf

013

99 ELITES CAN BE POPULISTIC. ALL THEY NEED IS CLAIMING TO BE "THE PEOPLE". NOT REPRESENTING THEM, BUT BEING THEM

The lack of trust in one's own competence causes a sense of dependence. Complete dependence and seeing no way out of the situation triggers terrorbonding, bonding between the victim and the aggressor. And that causes the dissolution of one's own individual perspective – and forces them toidentify with the leader.

In their 2013 study¹¹, Cas Mudde and Cristóbal Rovira Kaltwasser point out that:

"...populism has two direct opposites: elitism and pluralism. Those who adhere to elitism share the Manichean distinction between 'the people' and 'the elite', but think that the former is a dangerous and unwise mob, while the latter is seen as an intellectually and morally superior group of actors, who should be in charge of the government – technocrats are a key example of this. In contrast to populism and elitism, pluralism is based on the very idea that society is composed of different individuals and groups."

Nevertheless, saying that populism is anti-elitist assumes that incumbent leaders cannot be populists. A populistic incumbent, however, is not unheard of. Viktor Orbán of Hungary has showed us that it is more than possible. Elites can be populistic. All they need is claiming to be "the people". Not representing them, but being them. They can even beat up one segment of voters by claiming to represent the majority, i.e. "the people". They can set groups against each other. From this angle, democracy is just incomplete populism. Ruling for the people, by the people. As all the "people's republics" among former socialist countries can attest, ruling can come in the name of the people, but doesn't ensure any kind of freedom or concern with people's well-being. (Apart from identifying themselves with the people, populistic and authoritarian elites prefer a homogenous view of societies. This helps them when they want to divide and conquer – or turn people against various minorities.)

My working definition of populism concern itself with *people*, not *elites*. I would therefore replace anti-elitism with a broader problem of the dissolution of individual perspectives – or, more visibly, identifying with leaders. It causes people to be receptive to the above rhetoric: they are willing to think from the viewpoint of their leader and enjoy "being" him.

Someone, who is capable of identifying with their leaders will always be susceptible to populism – and other vices. It is only that sometimes politicians choose not to use it for evil.

¹¹ Mudde, C. & Kaltwasser, C. R. (2013) "Populism", [In:] Michael Freeden, Lyman Tower Sargent and Marc Stears (eds.), *The Oxford Handbook of Political Ideologies*, Oxford: Oxford University Press, pp. 493-512.

The benefits of identifying with the strongman include empowering oneself – by proxy. This is also why people applaud the demolition of checks and balances. They fear the limitations on power more than power itself.

People receptive to populism will display an impatience with democratic checks on power. They feel helpless in creating safety in their own lives, so they want *the strongman* to be capable. Added benefit (for a populist) is that they regard themselves from above – and are unconcerned by their own oppression. They genuinely want *other people* to be kept under control (even at the cost of being controlled themselves) – they don't feel the need to keep power in check. Projecting one's own helplessness on others while identifying with the leader play a large role in letting power overgrow.

Populists like: Silvio Berlusconi, Jaroslaw Kaczyński, or Vladimír Mečiar tend to undermine the power of balances to their power, such as independent judges, prosecutors, and political opposition. Viktor Orbán and Hugo Chávez have introduced new constitutions that significantly undermine the system of checks and balances – reducing democracy to electoral majoritism. They put their loyalists into positions that are not supposed to be majoritarian, such as the courts, fiscal and monetary institutions, or the state prosecutor. The voters then applaud the dismissing of checks and balances.

When under the populistic spell, people do not fear power, they fear the lack of power. Especially when they identify with their leader and want to empower themselves by proxy of empowering him. They are, after all, helpless. This is why it is tricky to expect people to rise against their governments first, before deserving outside help. It is naturally desirable that they want freedom first and it does not just fall in their hands. This is, however somewhat equivalent to telling depressed people to just cheer up.

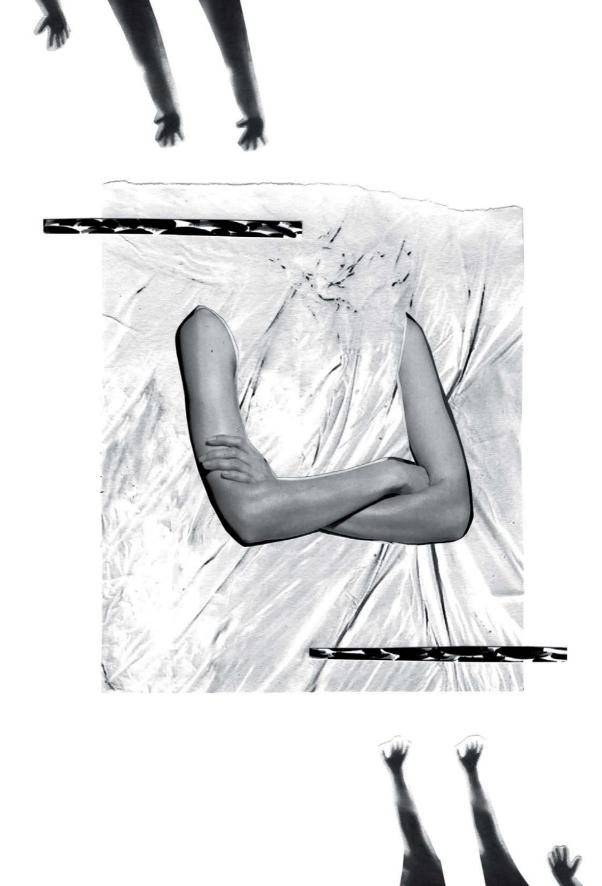
This is precisely why people do not revolt. Partly because they were born into such a reality, or gradually got used to it. When someone has internalized the selfexplanatory style of helplessness, they do not need constant aggression to be kept in check. The regime can count on the dysfunctional beliefs of its citizens (resistance is futile and counterproductive) as well as their well-developed excuses (as to why they like the system and how it is inevitable anyway).

Populism in its (perhaps) most abstract sense is an appeal to the gravity of human nature (real or perceived) by a politician – and being receptive to this message by a voter. The question is thus why someone becomes receptive. And from then, how can it be undone. Helplessness (and receptiveness to populism) is a mental habit. And it should be made apparent and dislodged accordingly.

DARE TO SPEAK OUR MINDS AKA. FEARMONGERING AND OMISSION

Populism appeals to one's desire for safety – rather than the desire to be free. Proponents say that populism is useful inasmuch as it brings up the issues that large parts of the population care about, but that the political elites want to avoid discussing. It sounds fantastic, unless one understands the power of framing and omission. An unreflective diagnosis of the problems and quick-fix solutions are the opposite of being helpful. So is neglecting the power of bottom-up cooperation in favor of the topdown "strongman" approach.

Populism is the malicious framing of issues as well as the complete absence of mentioning the individual's power to deal



with them. In other words, implanting and appealing to the sense of helplessness. Promoting inaction and asking for power in exchange for taking care of certain things.

There is no such thing as bringing up issues neutrally. The way in which we address (frame) an issue pretty much determines what we think about it. It definitely decides what we give thoughts to and what we omit. We cannot focus on or fear from something that hasn't been brought to our attention. But when threats are highlighted to us, it is our deepest desire to get a solution too. And that is where populists excel.

Without conscious deliberation they jump straight to dangerously immoral and oversimplistic solutions. When the populist *speaks our minds*, we fail to do the following:

Defining the problem: For example, "immigrants" is not a problem. Employment options, fear for diminishing welfare perks, security issues, terrorism are – but they are all only tangentially related and conflating the issues doesn't help thinking. But an accurate definition of the problem would not evoke fear.

- What do we want to achieve?
- Can/should something be done?
- By whom?

What happens instead is someone shouting "Immigrants!" and making out a policy from our vague desire to make the problem go away. But again, it was just pointing a finger at a bogeyman, naming our fears – and thereby facilitating the kind of frozen terror that makes every individual feel individually helpless.

ACTIVE INACTION AKA. "SOMEONE. DO. SOMETHING."

The inaction and motivational deficit of victims of populism is not apparent either. We picture a depressed person lying on the couch and doing nothing – whereas such clinical episodes of depression are relatively rare compared to subthreshold depression, where the lack of motivation is concealed by layers of everyday buzz, loud opinions and round-the-clock activity. What is not seen though is that all the frenzied action of a depressed person is merely reactive and that self-explanatory style tends to be negative and distrustful of individual competence. There is also a notable absence of aspirational action.

People who are helpless prefer to err on the safe side – and come up with explanations why inaction is necessary, unavoidable, even rational. Populists appeal to helplessness by justifying inaction by being the strongman who offers to bring safety and take action. They appeal to one's inner inaction. Mentioning threats serves to emphasize the need for safety and to trigger helplessness – not to warn. And so burning down refugee shelters is not taking action, protesting something is not taking action - volunteering to help refugees is.

In order to see the contrast between the helplessness of a populistic and a non-populistic individual one only needs to think about the volunteers' reaction in the face of the unspeakable emergency of "immigrants". Volunteers tackled the issues that have actually emerged. People affected by populistic fearmongering were loud and angry – but have never even sent money. Their world view dictated that they are not to react and thus better do any-thing. Their strongmen will make the problems go away. They will build walls. They will send soldiers somewhere far away.

Protests and attacks on refugees are merely the surface of the underlying sense of helplessness. On the surface, helpless people are very active. They react to stimuli, make moves to avoid inconvenience or pain, they can be loud and demanding – but some aspects of a healthy mindset are still missing: notably aspirational values and a sense of personal empowerment.

CONCLUSIONS

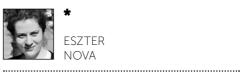
The research on populism appears to be beset by several unfruitful questions. Firstly, it gives too much attention to surface issues – such as whether populism is exclusively right-wing or it could also be left-wing. Putting aside our disdain for such vague and useless terms, this is clearly just an examination of populistic rhetoric – i.e. an overly generous amount of attention paid to the excuses and justifications of populists. It is also missing the curious similarity between the audiences of left- and right-wing politicians.

Attempts to define populism also tend to be vague and suffer from the "What would Chavez do" syndrome, i.e. the effort to cover everything we want it to cover, but at the same time leaving out what we do not consider populism. In reality, populism is merely the extreme end of a scale of what we call political communication – and non-populistic politicians also indulge in its practices from time to time.

This is also the reason why populism research grapples with the fact that not all populists are non-elitists. An incumbent leader can use it just as well. The answer lies once again in the minds of the followers. With the dissolution of individual perspectives (triggered by fear and dependence) nothing stands between the follower and identifying with his leader. In other words, it has nothing to do with elitism or the lack thereof. It is a coping mechanism on the side of the victims – exploited by the politicians. Learned helplessness and the resulting survival mode, and absence of aspirational values are hard to spot – because they are covered by frantic activity and loud protests on the surface. But in order for the disempowering effect of populism to gain foothold, aspirational values must go. And nothing makes them disappear as effectively as fearmongering. Fear (economic or security threats, including anxieties about income security, fear of old age, etc.) is the justification of the existence of government in general – but only populists use it in such excess. Populistic leaders revel in triggering fear - and providing and unreflective, hasty and overly intuitive courses of action to make the threats go away.

More emphasis should be put on the receptiveness for populism, and one particular aspect of it: learned helplessness. Populism appeals to people's frozen inaction, their sense of helplessness in the face of perceived threats, and thus a desire for safety – rather than their desire to be free. The solution is therefore in the receptiveness to populism, not its supply. Shedding light on and tackling the underlying psychological factors are the only way to fortify a society against populism. Expecting moderation and self-restraint in politicians is simply another way of avoiding the key problem.

Counter-populism should thus focus on the demand for populism, never adopt the framing of populism (such as using emergencies as an excuse to cut back human rights and to trigger fear) and put more focus on the empowerment of individuals.



Fellow at the Financial Research Institute in Budapest.

Economic Populism in Bulgaria and Its Consequences



019

What if I told you that the poorest EU member state is a country in which economic populism is more often the rule of thumb, rather than the exception? Would that surprise you, or would you think it is a fate deserved by both the Bulgarian public and its government? Sure, when it comes to populism within the EU, Bulgaria seems like an OK place to be when compared to countries such as Greece and (arguably) Hungary. However, some recent developments have brought forward the question whether Bulgaria (the country which back in 2011-2012 was viewed as an example of fiscal responsibility in the heat of the European debt crisis), is going the right way, or has reversed course back to the well-charted, yet strangely endearing seas of cheap economic populism.

would like to tell you a few recent stories that have led me to believe that the next couple of years may prove to be just as decisive for Bulgaria as the years right after 1989 and the pre-accession period. I would also like to point out that while most events described below have taken place during the term of the current government, their roots lie in the heritage of long ignored problems and some anachronistic aspects of the socio-economic structure and development of the country.

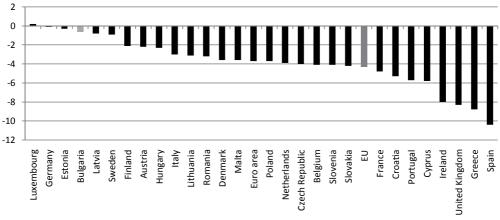
FISCAL POPULISM: THE PRICE OF POLITICAL INSTABILITY

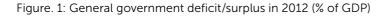
Back in 2011, during what can only be described as the credit rating massacre throughout the EU, Moody's raised the country's credit rating from Baa3 to Baa2. In 2012, when most of Europe was huffing and puffing to meet the 3% annual deficit to GDP requirement, Bulgaria stood out as one of the few countries that seemed to have its fiscal situation under control and that looked more than capable of balancing its budget, provided it wanted to.

The annual deficit that year stood at 0.6%, compared to an EU average of 4.3%, down from 4.1% in 2009 for Bulgaria and 6.7% in the EU. Granted, this consolidation effort was not carried out without some questionable government actions, such as the frivolous waste of the reserve of the National Health Insurance Fund at the end of 2010. Still, the numbers were impressive, especially when we bear the low debt/GDP ratios in mind (around 15%, compared to 78% at the EU level), which could have provided a convenient excuse for higher deficits in the short to medium term.

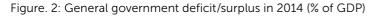
The only countries which managed to record a lower deficit to GDP ratio that year were Estonia, Germany and Luxembourg (Fig. 1). The poorest member state of the EU was hailed as an example of fiscal discipline, a praise that was well deserved, especially when one takes how heavily the country was hit by the economic and financial crisis into account.

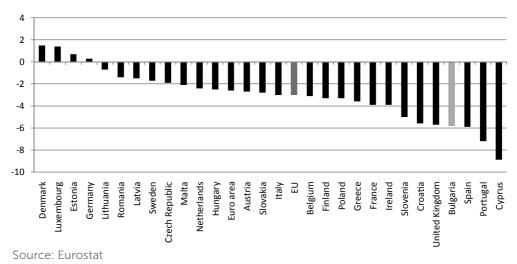
Let us fast-forward to 2014 and what we see is a totally different picture. Bulgaria's annual deficit/GDP ratio stood at 5.8%,





Source: Eurostat





compared to an EU average of 3.0%. A ratio that just 2 years earlier was seven times lower for Bulgaria than for the EU, was about two times higher in 2014. While EU countries shrank their deficits, and there were even four countries reporting surpluses, Bulgaria headed to the bottom, joining Portugal and Spain (Fig. 2).

To a large extent, the horrifying 2014 deficit occurred due to the failure of one of the country's largest banks – Corporate Commercial Bank (CCB). All investigations and an analysis of the reasons behind its failure point to the conclusion that there were no innocent parties in regard to the operation and the supervision of the bank. The CCB management circumvented and

021

99 THE FAILURE OF THF CCB SHOULD NOT BE VIEWED AS THE CAUSE. **BUT RATHER** AS A SYMPTOM OF THE POLITICAL **CRISIS THAT** IS RAVAGING THE COUNTRY TO THIS DAY, DESPITE THF PRESENT **GOVERNMENT'S** FFFORTS TO PORTRAY ITS **REIGN AS "A RETURN** TO STABILITY"

violated the regulations and good banking practices, offering large loans to companies it was clearly related to, while the Bulgarian National Bank (BNB) stood idly by and failed to enforce the letter of the law. In addition, many state owned enterprises, municipalities and other institutions held their deposits at the CCB. This allowed it to offer much higher than the average payments on its deposits, thus "sucking in" even more capital that was afterwards loaned out in a nontransparent manner. The failure of the CCB should not be viewed as the cause, but rather as a symptom of the political crisis that is ravaging the country to this day, despite the present government's efforts to portray its reign as "a return to stability". The fact is that we managed to go through the 2009-2011 period without any major bank foreclosures, while most of Europe was struggling to shore up its banking system. We made it to the other side of the crisis just to find out that long postponed reforms in the judiciary, the prosecution, the administration, the pension system and the Ministry of Interior were about to cost us more than the Great Recession itself

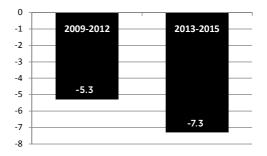
Any attempts to exclude the effect of the CCB on the fiscal results of recent governments, while entertaining for economists, would "cover up" the real price of those delayed reforms and thus - the actual state of the budget as a policy making instrument. If a government cannot depend on the country's central bank to carry out its supervisory role and then finds itself heavily involved (and invested) with what can only be described as a shady banking institution, how can it be trusted to uphold its fiscal promises? We should not take the CCB out of the equation, as it provides a clear context to the most immediate challenges that lie before Bulgaria, namely the financial and political dependences of some Bulgarian political parties to large business interests and the inability of regulators to enforce legislation, related to establishing and pursuing conflict of interest and outright corruption practices.

The comparison of the cumulative deficit that the country registered in the periods 2009-2012 (recession and recovery) and 2013-2015 (political instability, resulting in the change of three elected and two caretaker governments in the course of two years) shows that the latter has had a more negative impact on the stability of public finances (Fig. 3).

The effect of the severe recession was a cumulative deficit of almost EUR 2.7 billion, which was mainly financed by the fiscal reserve¹ of the country. The effect of the political instability, however, was much bigger. The cumulative deficit reached almost EUR 3.7 billion, which mainly impacted the sovereign debt (Fig. 4).

It is evident that sinece 2012, the fiscal position of the country has been deteriorating and the willingness of Bulgarian politicians to uphold their written and unwritten commitments to fiscal responsibility has been wavering. Despite a growing economy and a recovering labor market, public expenditure went out of control via successive budget updates during 2013, 2014 and 2015².

In recent years, most increases in public expenditure have been adopted not through the annual budget procedure, but via updating the already in-force budget and using the revised calculations as a basis for the following year's budget. Not surprisingly, at the end of 2013 and 2014, S&P revised its credit rating for Bulgaria on two separate occasions all the way down to BB+. In



Source: Ministry of Finance, IME

the eyes of one of the big three credit rating agencies, Bulgaria was no longer a safe place to put your money.

We may draw at least three conclusions from our review so far:

- The political instability in Bulgaria caused much bigger problems for the budget than the Great Recession;
- Since 2013, Bulgarian governments have been reverting to fiscal tricks (mostly successive budget updates) to cover for expenditures caused by delayed reforms;

• The deficit cannot be overcome without reforms of the ineffective public sectors, and in the lack of political will to carry those out, it is being presented as some kind of an unfortunate, but inevitable byproduct of the strive for "political stability".

Despite the fact that now and again some of the much needed reforms are being discussed in Parliament and presented as the long-term vision of the country, none of them have been specified in the medium-term framework up to 2018. What is more, as it will become clear in the next part of our review of economic populism in Bulgaria, it may

¹ Bulgaria's fiscal reserve consists of several funds with different functions. Most of it (including the so-called "Silver Fund", which is meant to support the pension system in future periods) is held at the Bulgarian National Bank (BNB). The fiscal reserve is also used to advance certified payments and expenditures from EU funds.

² Despite the fact that the government deficit in 2015 is expected to have been a bit lower than the initial projections, this is not due to consolidation efforts, but to the better than expected performance of the economy and higher tax revenues. If the government's own budget projections had come to pass, the deficit would most likely have been higher than what was initially adopted, because of growing expenditures.



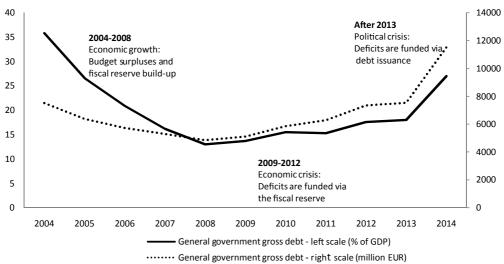


Figure. 4: General gross government debt (2004-2014)

Source: Eurostat

be argued that we are moving backwards, rather than forward in some public systems.

SOCIAL SECURITY POPULISM: GIVE US YOUR RETIREMENT SAVINGS

Just before the Christmas of 2014, it became clear that the Prime Minister and two of the largest labor unions had signed a memorandum which not only halted the increase of the retirement age, but also threatened to change the pension model of Bulgaria as we know it – not that the

THE BULGARIAN PENSION SYSTEM

At present, the Bulgarian pension system consists of three pillars:

- a state owned pay-as-you-go pillar that collects most of the workers' social contributions (1st pillar);
- an obligatory private capital pillar (2nd pillar) that collects 5 percentage points of the workers' social contributions and consists of universal and professional pension funds, depending on the type of work performed;
- a voluntary private capital pillar (3rd pillar).

The changes discussed here affect the way social contributions are divided between the 1^{st} and the 2^{nd} pillar of the system.

The last pillar is yet to gain popularity among Bulgarians.

latter is adequate, or remotely suitable for the demographic predicament we find ourselves in (rather to the contrary). What was proposed looked like the first step of retreat to the "old times" of our social security system and threatened the *de facto* abolition of what little progress was made in the last two decades.

This course of action was decided upon behind closed doors, and was rushed through the Parliament within just a couple of days without any public consultation whatsoever. While some of the arguably most bewildering and backwardlooking intentions of the government were ultimately scraped under civil society pressure, one cannot gain a complete understanding of the short-term populist motivations of the proposals without a careful consideration of the main ideas that had been laid out at the time. In brief, the "pre-Christmas reform" of 2014 included the following:

1. The changes gave "a choice" to individuals whether to redirect their current pension savings with private pension funds to the state pay-as-you-go system (via the National Social Security Institute, NSSI).

2. The initial legislation did not provide for the reverse choice, namely to retrieve one's pension savings from NSSI and invest them with private funds if one changed his/her mind.

3. Every Bulgarian that decided to move his/her pension savings to NSSI would have had not only the future pension contributions payments redirected, but all the money that had already been accumulated as well.

4. If new entrants to the labor market did not make their choice on a private pension fund within a legally predefined period, their entire pension contribution would have been automatically directed to the state pay-as-you-go system.

5. The planned increase in the retirement age, which was to follow a clear path, was "postponed" until it gathers wider support and "is better thought out" (as if it is some revolutionary innovative idea and not a so-cio-economic imperative that is being followed in the entire EU).

The motivation behind the government's action was quite simple. The NSSI is running a **multibillion annual deficit** that amounts to about half of its total expenditures. This gigantic hole is being filled every year with transfers from the national budget.

In the 1998-2014 period, the relative share of social policy expenditures (including pensions) increased from 29.1% to 35.1% of all public expenditure, and from 9.8% to 13.9% of GDP. The increase (Fig. 5) of annual expenditures over the 1998-2014 period (in nominal terms) amounts to EUR 4.6 billion, which is more than the combined increase in healthcare (EUR 1.6 billion), education (EUR 1.2 billion) and defense (EUR 1.1 billion).

The goal of the proposed "reform" was clear: to shrink the government deficit by reducing the amount of money that has to be paid out of it every year in order to keep the NSSI afloat.

It has to be noted that this is not the first time a Bulgarian government has tried to "utilize" private pension savings for its own purposes. Back in 2011, the previous Citizens for European Development of Bulgaria (CEDB) government actually transferred BGN 107 million from the professional pension funds to the NSSI. A few months later, the Constitutional Court confirmed³ that the money in the private pension funds belongs to the insured persons, which in fact means that the government had illegally seized them.

This Constitutional Court's decision is probably the main reason why the government had to come up with an elaborate "voluntary" scheme in late 2014 in order to convince⁴ some people to move their money from the private pension funds to the NSSI. The government could not proceed with the outright seizure of those funds, but had to try and lure people into taking the step by themselves or (in the case of young people) force them to take action by choosing a pension fund or risk losing control of their retirement savings.

The government not only neglected to adhere to the basic legislative principles of transparency and publicity, but had the nerve to put forward the results of "in-house calculations" that showed that should people decide to move their money to the NSSI, it would somehow provide higher pensions for future retirees than the current combination of the NSSI and private pension funds. Unsurprisingly, after these calculations were publicly ridiculed by a number of analysts and organizations, they were quickly swept under the rug.

Following widespread criticism, including from within the coalition itself, the senior ruling CEDB party started to step back on its initial plan. Draft amendments to the just-voted texts foresee that new entrants to the labor market will not be automatically directed to the state pension system (if they do not make their choice in time), but instead, will be automatically directed to one of the private pension funds. Also, those who have decided to move their personal pension savings from private funds to the NSSI, will have their money set aside in the so-called "Silver Fund" of the state. The latter is a part of the fiscal reserve and was established some years ago with the aim to provide financial support for the state pension system.

However, all future pension contributions of people who chose to make the switch will not be accumulated in individual accounts, but will be spent right away on the payment of pensions to current retirees. In addition, private pension savings that are moved to the Silver Fund will not be actively managed and so will not carry any yield. This means that if a group of people changed their mind and decided to move to a private pension fund: 1) all their pension contributions in the meantime will be lost, and 2) their potential yield on former and recent savings with a private fund will be foregone.

Even though some of the initial recommendations were scraped, there are plenty of Bulgarians, who may yet live to regret their own actions, should they decide (or should they be "persuaded") to opt in on the government's propaganda. Think of the people working in state companies, as well as all those working under collective labor agreements. Picture the thousands working for the Bulgarian State Railways – people whose employment depends almost entirely on the good will of the government (and its incapability to restructure as well as reluctance to privatize the railways).

It is still too early to tell how many Bulgarians will ultimately believe the promises of the PAYG system and if the current administration will settle for what is left of its 2014

³ Decision №7/2011 of the Constitutional Court of the Republic of Bulgaria.

⁴ The money collected in private pension funds is also inheritable. Their transfer to the NSSI effectively puts the inheritance out of the picture. There is no inheritance in the PAYG systems, save for the inheritance of the consequences of past populist promises by the government.

DESPITE THE FACT THAT AT PRESENT BULGARIA BOASTS ONE OF THE HIGHEST PER CAPITA POLICE FORCES IN EUROPE, CRIME LEVELS HAVE REMAINED HIGH AND PUBLIC TRUST IN THE POLICE – I OW

pre-Christmas reform package. What we have to look out for going forward is the obvious desire of Bulgarian governments to somehow "gain control" of the money build-up in private pension funds – especially in times of fiscal distress.

ECONOMIC POPULISM AND EVERYDAY LIFE: MORE RECENT EXAMPLES The Ministry of Interior: We Like It the Way It Is

A big part of the pension system reform is the overhaul of the pension privileges of the people working for the Ministry of Interior and some of its subsidiaries.

In 2015, the government tried to push through legislation that would have gradually increased the retirement age of police officers to 55 years (compared to 52 today) and would have reduced the number of salaries that retiring servants of the Ministry received at the end of their careers. Despite the fact that at present Bulgaria boasts one of the highest per capita police forces in Europe, crime levels have remained high and public trust in the police – low. In addition, the fact that civil servants in the Ministry of Interior share much of the retirement privileges of police officers has proven a drag on the pension system, which has to be resolved in order to reduce future expenditures, increase effectiveness and provide for much needed and completely lacking capital investment at present.

This idea met strong opposition from the police officers' trade unions and even led to arguably illegal strikes. The unions claimed that every police officer should be allowed to retire under the conditions he/she entered the police force, which would mean a *de facto* postponement of the reform until the 2040s. Despite a wide public support for the reform, the government has so far been unable to enforce this much needed change.

Since the beginning of 2016, the current Deputy Prime Minister and Interior Minister Rumiana Bachvarova has taken steps to raise the issue once again, while the police officers' trade unions have claimed that the proposals that are being put forward are basically the same as last years' and so will probably be met with the same kind of opposition.

Social Payments: All Aboard!

Back in 2007, a few years before the economic and financial crisis descended upon Bulgaria, the ruling coalition government decided to expand the coverage of the child benefit programs. In the two years that followed, the size of the monthly allowance for children was doubled (from EUR 9 in 2007 to EUR 18 per child in 2009) and the maximum income that allowed receiving them was increased to EUR 180 per household member, which amounted to 88% of the average per capita income at the time. Expenditures increased from EUR 99 million in 2007 to EUR 181 million in 2013, which amounted to 42% of the Agency for Social Assistance's budget, compared to 29% before the changes were implemented.

The aftermath of this populist pre-election decision by the 2009 ruling coalition was that the efficiency of the program fell victim to the number of people that it had to cover – over 540 thousand households and over 840 thousand children. For the next four years both the monthly child allowance and the maximum income level had to be left unchanged, because there was no way to finance further increases with that many people aboard. In 2014, it was decided that the second child would receive an additional EUR 8 per month, while the payments for the first, third and all subsequent children remained the same until 2016, when the monthly child allowance for a single child was raised by EUR 1 (yes, that is one euro, after six years). The first increase of the maximum income level is scheduled for the summer of 2016, when it will reach EUR 205 per household member

The effects of all this are not difficult to foresee. What many analysts have been warning about will soon come to pass – expenditures and the number of households and children involved will increase further, while the size of the allowances will remain inadequate to provide families with the support they need. The 2015 attempt at reform stopped short of addressing the issues with the coverage, adequacy and effectiveness of the program. The annual expenditures are projected to rise above EUR 205 million in 2016, while other and arguably significantly more effective social programs such as the guaranteed minimum income and the heating allowances will remain underfunded.

This program is one of the prime examples of how difficult it is for Bulgarian governments to step back from the already initiated populist programs. Once a critical mass of voters sign up for a given benefit, it becomes politically infeasible to try and restructure ineffective programs such as the child benefit program. Once again – at present, the "promise first, think about it later" approach is the rule of a thumb, rather than the exception in regard to social policy.

The Minimum Wage: The Only Way Is Up

The fact that the minimum wage in Bulgaria is the lowest in the EU is something that many Bulgarian politicians find a suitable pre-election topic. Some parties have even campaigned under the motto of EUR 512 minimum wage, which would be 2.5 higher than the present one. While no one with even the most basic understanding of economics (regardless of their preferred school of thought) would entertain such an idea, the strive for higher minimum wages is something which a number of governments have viewed as an important part of their social policy, rather than their labor market policy.

During the term of the current administration, the minimum wage has already been increased three times. The cumulative increase from December 31, 2014 to January 1, 2016 is almost 23% (from EUR 175 to 215) – the highest in the EU. Thanks to a quickly recovering labor market, most negative effects of this policy have remained unnoticed by the wider public.



However, as the Institute for Market Economics (IME) econometric model of the effects of minimum wage hikes predicted, unskilled laborers and people with low education levels have found their labor market situation deteriorate further. Arguably, the same can be said for people under the age of 29, who seem to be the only age group that does not participate in the recovery of labor markets.

With productivity growing slower than the minimum wage, it is a question of *when* and not *if* the current government's policies will become a drag on the competitiveness of some of the poorest Bulgarian regions, and maybe even on the Bulgarian economy as a whole. In the meantime, however, the government takes great pleasure in praising itself for its "efforts" to increase the living standards of Bulgarians, while neglecting the fact that their policies force tens of thousands low-skilled workers into social exclusion.

Rent-seeking: UBER⁵ Is Bad for Your Country

The last few years have also provided numerous examples of the negative effects of rent-seeking practices. In late September 2015, the Supreme Administrative Court confirmed the immediate execution of the decision of the Commission for Protection of Competition, which effectively banned UBER from operating in Bulgaria. The decision was reached under pressure from taxi companies, which claimed that the service was in unfair competition with them, because it did not have to cover the requirements that taxi companies have to comply with. The obvious thing to do was to limit the regulation of taxi companies, but the state institutions decided to go after UBER, despite its growing popularity and appreciation among citizens.

99 SO FAR. THE BUI GARIAN FCONOMY HAS SOMEHOW MANAGED TO STAY A STEP BEFORE THF CURVE, BUT THERE IS NO TELLING WHAT THE DAMAGE OF ANOTHER BEHIND-THE-SCENES SHIFT OF POLITICAL AND (MAYBE MORE IMPORTANTI Y) FCONOMIC POWER WOULD BF

The truth behind what happened had nothing to do with protecting the customers' safety, rights or satisfaction. What occurred afterwards was also to be expected – in the beginning of February 2016, with oil and gas prices at decade low levels, the taxi companies in Sofia agreed to raise the minimum price that they would charge per kilometer – a feat that would have been hard to accomplish had UBER stayed in the picture. In addition, the office of a small

⁵ An app-based transportation network. The company valued at USD 62.5 billion in late 2015 has caused a lot of controversy due to which the service was already banned in Spain and restricted in other countries.

taxi company in the city of Varna was surrounded and attacked by its competitors due to the low prices that they offered (despite them being above the specified minimum price and thus – in line with the law).

CONCLUSIONS

As convenient as it would be to put all the blame on the current administration, it is hard to portray most of the described actions of the Bulgarian government as something which has been met with significant social opposition. In most cases these decisions were opposed by small, but vocal groups of analysts, journalists, citizens and, yes – politicians.

In regard to the fiscal costs of populism, the failure of CCB should not be viewed as the cause, but rather as a symptom of the political crisis that is ravaging the country to this day. It is evident that what we have witnessed in the last few years is a significant redistribution of economic and political power within some of the circles that have been running the country from behind the scenes during the last two decades (and arguably even longer). So far, the Bulgarian economy has somehow managed to stay a step before the curve, but there is no telling what the damage of another behind-the-scenes shift of political and (maybe more importantly) economic power would be.

In regard to social security populism, what the government did was to try and take advantage of the economic and institutional illiteracy among some groups of the Bulgarian society, as well as their discontent with the current size of the pension payments. While everyone knows that the rapidly deteriorating demographic structure of our population implies lower pension payments in the future, there is little understanding among the wider public as to how this problem should be tackled. By offering something (higher pensions) for nothing but a small administrative procedure (moving your retirement money that you have no direct access to anyhow until you retire), the government tried and to some extent succeeded in sowing the seeds of doubt among Bulgarians as to whether or not private pension funds are the best decision for moving forward.

There are numerous other examples of the ill effects that economic populism has had on Bulgaria in recent years. It has to be said that not all such policies are undertaken with the goal of appeasing large groups of voters – some are just a function of bad legislation, or government support for special business interests.

As things stand, the current government does not have the parliamentary and public support to push through major populist policies (such as the 2014 pension "reform"), but neither can it do much in the way of actual beneficial reforms (such as the 2015 Ministry of Interior reform). What we see on a daily basis is good ideas being scrapped and bad ideas being moderated, as the Bulgarian society and its political class are trying to find their way in what may be argued is a new economic, social and geopolitical context. However, as history has thought us over and over again, when it comes to economic and social development, standing still is not something you want to do. •



Economic researcher at the Institute for Market Economics (IME) in Bulgaria. Member of the Bulgarian Macroeconomic Association and the Brain Workshop Institute. Co-founder of the Bulgarian web-based informational platform – Infograf. Holds degrees in International Relations and Journalism from the Sofia University.

Europeans and the Market Economy: Weakening Ties



033

In the academic and public debate, the economic crisis has visibly shifted the main paradigms behind the economic theory of growth. In recent years, we have been experiencing a revival of Keynesian theories which stress the importance of state intervention for fostering growth and smoothing the economic cycle. Prominent experts point to insufficient regulations in the financial sector as one of key drivers of the crisis. Growing inequalities and their negative impact on economies and societies also receive more attention and have entered into the mainstream of economic discussion (for example Thomas Piketty's *Capital in the Twenty-First Century*). Protagonists of the free market have been therefore put into a somewhat defensive position. In the public debate we have been increasingly facing populist arguments for less competition and more state intervention. However, the battle will certainly not be won by simply denying the shift of paradigms. Quite the opposite: we need a thorough and informed discussion to prove that underlying reasons of the crisis were not the inherent features of the free-market economy, but rather deviations from it.

he aim of this article is to contribute to the ongoing debate by analyzing social perceptions of the free market economy in the times of the economic crisis. In particular, the main objective is to verify whether the crisis radicalized the attitudes of European societies towards key aspects of the capitalist system. A better understanding of the crisis' economic sociology might be helpful in defining the line of argumentation in broader policy discussions. Radicalization in this context shall mean decreasing social acceptance for competition and individual responsibility combined with a greater desire of state intervention. Unlike in the political sphere, where radicalism and populism have recently been associated with right-wing movements, in the economic field it is rather the left wing that has strengthened and radicalized to a greater extent.

The centerpiece of the article discusses attitudes towards free market economy based on data gathered through the World Value Survey (WVS). The survey is one of very few existing tools which provide access to longitudinal and internationally comparable data on public opinion research. The sample analyzed in this article includes four countries from Eastern Europe's "new democracies" (Poland, Romania, Slovenia, Ukraine) and four "old democracies" from Western Europe (Germany, Netherlands, Spain, Sweden). The sample was primarily dictated by data availability; however, the intention was also to include countries representing a range of economic governance models. The analysis focuses primarily on two aspects: whether the attitudes towards a free market economy changed during the times of the crisis as compared to earlier trends and whether the countries included in the sample share any common patGREECE REMAINS A SOURCE OF CONCERNS, WHILE A NUMBER OF COUNTIES ARE STILL FAR FROM ACHIEVING FISCAL BALANCES

terns in this respect. The analysis of WVS data is preceded by an attempt to quantify the economic crisis in Europe and present the different shapes it took on in individual countries. The mapping of the crisis will be then used in the conclusions to interpret the data in a specific economic context.

TURBULENT TIMES: QUANTIFYING THE ECONOMIC CRISIS

The economic crisis hit Europe after a period of stable growth (in most countries) following the EU's largest enlargement and introduction of the common currency. The global financial meltdown - initiated by the collapse of Lehman Brothers - revealed a number of imbalances in European economies which by then remained subdued as a result of very low financing costs. The nature of these imbalances differed from country to country (e.g. overheating of the construction sector in Spain, instability of the financial sector in Ireland and Cyprus, loss of competitiveness in Greece and Portugal, and perhaps most importantly - lacking discipline of public finance in a number of EU member states, most notably in Greece). On the other hand,

some European economies (e.g. Germany, Netherlands, Poland) entered the crisis with strong fundaments and competitive economies. Therefore, the impact of the crisis, although noticeable in all European economies (both EU and non-EU), had different magnitudes across the continent and caused different reactions.

For the purpose of this article, let us assume the crisis period to be 2009-2013. 2009 was the first full year after the collapse of Lehman Brothers, while in 2014, the recovery was already clearly visible. The latter does not mean, however, that all persisting imbalances in European economies have been effectively addressed. In particular Greece remains a source of concerns, while a number of counties are still far from achieving fiscal balances. In 2009-2013, the average growth for the entire European Union (EU-28) was marginally negative (-0.2), while in the preceding 5-year period European economies grew on average by 2.3%. This trend was much stronger in Ukraine (the only non-EU country included in the sample) - in 2009-2013, its economy shrunk on average by 9.2% (attributable mostly to 2009), while in the preceding period it grew by 6.6%.

As European economies are highly interlinked, the growth patterns take a rather similar shape (see Figure 1); however, in absolute values, there are significant differences between countries. Poland was the only EU country which did not experience a drop in economic performance for any of the crisis years (although also here average economic growth dropped from 5.2% in 2004-2008 to 2.8% in 2009-2013). Germany experienced a sudden fall in 2009, but then quickly recovered to pre-crisis growth levels in 2010-2011, to slow down again in 2012-2013. A similar pattern was observed in Sweden, while in

Populism, Radicalisms, Migration

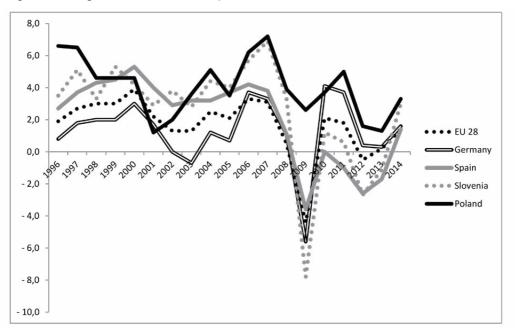


Figure 1: GDP growth in selected European countries

Source: Eurostat and IMF statistics

the Netherlands the economy recovered at a slower pace. In Spain, on the other hand, growth remained in negative territory for the entire 2009-2013 period (on average, the economy shrunk by 1.8% per annum). In Slovenia, positive growth was achieved only in 2010-2011, in Romania in 2011-2013, but in both countries the pace was significantly slower compared to the pre-crisis era.

The depth of the crisis and the pace of recovery in specific countries were influenced by both internal (policy reaction, type of imbalances accumulated prior to the crisis) and external factors (structure of the economy, trading partners and their reaction to the crisis). Certainly, neither Europe in general, nor the EU, or even the Eurozone were homogenous in this respect. It could be therefore expected that the social views on key economic issues would also change in these countries according to a different pattern (with a potentially more radical change in countries hit most by the crisis). [See Figure 1.]

Looking from individual perspective, what matters for the perception of the economic situation is certainly the developments on the labor market. Moreover, in this respect the crisis hit European economies in an uneven way. In Germany, the unemployment rate consistently decreased throughout the crisis period and was significantly lower compared to the pre-crises times (in 2014 the unemployment rate stood at 5%, while in 2005 it topped at 11.2%). Spain was on the opposite pole with unemployment reaching 26% in 2013, compared to 8.2% in 2007. At the same time, youth unemployment in Spain increased to over 50%. In other countries (both Western and Eastern European, including Ukraine), there was a moderate upward trend in the unemployment rate (most visible in Slovenia and the Netherlands).

Other key aspects for social perceptions of the economic situation are the risk of poverty and income equality. In other words, what matters is not only the change in average income, but also the equality of burden sharing and the risk of falling into poverty. In this respect, the trends throughout the crisis period again differed from country to country.

The share of population at risk of poverty or social exclusion remained stable in the sampled Western European countries, except for Spain which experienced an increase of this indicator from 23% in 2007 to 27% in 2013 (and 29% in 2014). A similar trend was observed in Slovenia, while in Poland the share of population at risk of poverty significantly decreased (from 34% in 2007 to 25% in 2013). A smaller improvement took place in Romania.

As regards income inequality, the data points out to a very stable trend for the entire EU-27 (no data available for Ukraine). The respective Gini coefficient since 2005 has been consistently moving within the range between 30 and 31. Some, but still not very significant, upward movements of the indicator can be traced in recent years in Germany, Romania and Slovenia. In Poland, income inequalities have been systematically, though slowly, shrinking since EU-accession.

To round-up the macroeconomic picture of the crisis, it should be stressed that in many countries it had a strong adverse effect on public finance. For the entire EU-28, the deficit of general government reached 5% of GDP on average in 2009-2013 as compared to 2.1% in the preceding 5-year period. In all the sampled countries, the situation of public finance clearly worsened. Spain was again on the extreme pole with average GG-deficit at the level of 9.4% in 2009-2013, compared to a 0.2% surplus in 2004-2008. In Germany, the deficit reached 3.2% of GDP in 2009 and 4.2% in 2010, but then the fiscal situation quickly improved and the General Government budget has been balanced since 2012. Sweden generated the smallest deficits on average (-0.6% of GDP in 2009-2013), yet prior to the crisis, the country's budget featured significant surpluses.

EUROPEAN SOCIETIES AND THE MARKET ECONOMY

Although the World Values Survey is not specifically focused on economic questions, it offers a number of indicators that help understand social preferences in this respect. For the purpose of this article, four questions addressing the issues of income equality, private vs. public ownership of businesses, government vs. individual ownership and competition have been sampled. These questions can be answered at a general level (i.e. do not require economic knowledge) and jointly give a good indication of how social preferences for economic choices have changed over time. The analysis looks at all five waves of the survey (starting from 1989), but focuses on the most recent data covering the period of the economic crisis (2009-2013).

INCOME EQUALITY

[See Figure 2.] Over the last 25 years, European societies included in this analysis have clearly moved towards less acceptance for income inequality. However, the specific pattern of this trend differs from country to country.

In the sample of eight countries, the attitudes towards inequality remained relatively stable only in Spain. The survey par-

¹ For all survey questions analyzed in this article respondents were presented with two opposite statements and asked to assess how strongly they agree with one or the other on a scale from 1-10. The figures show the weighted averages of replies computed by the author.

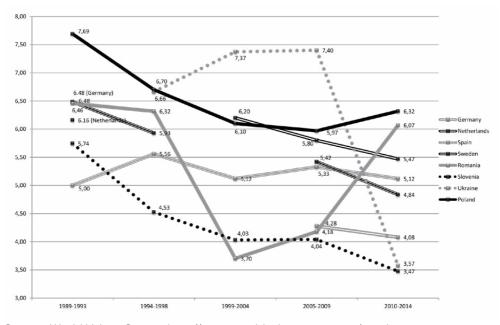


Figure 2: "Incomes should be made more equal" (1p) vs. "We need larger income differences as incentives" $(10p)^1$

Source: World Values Survey, http://www.worldvaluessurvey.org/wvs.jsp

ticipants responded to the question with an average of five points, which means that there is equally strong acceptance for increasing and decreasing income inequality. In the remaining seven countries, respondents of the 2010-2014 WVS-wave explicitly wished for more income equality compared to their counterparts twenty years earlier. In Germany, Slovenia and Ukraine^{2,} the difference exceeds two points. Looking at the entire period, the distinction between Eastern and Western Europe does not explain the difference in attitudes towards income equality among countries included in the sample. In the most recent wave of the survey, Eastern European societies occupied extreme poles of the scale - Poles and Romanians most strongly supported the function of income inequality as an economic incentive, while Ukrainians and Slovenians proved to be most equalityoriented. However, the trends in attitudes in Western Europe tend to be significantly smoother, while in Eastern Europe there is more variation from one wave to another.

The period from 2010–2014 strongly stands out in terms of the earlier trends only in two countries – Ukraine, with a very substantial change of attitudes towards more equality (almost four points) and Romania – two points in the opposite direction. However, in particular the data for Ukraine should be interpreted with certain prudence, as it represents by far the most significant change in a variable for all countries and all indicators analyzed in this article. For all other countries the 2010-2014 crisis period constituted a rather smooth continuation of the long-term trend of increasing social acceptance for more income equality.

 $^{^{\}rm 2}$ Compared to 1994-1998 wave due to lack of earlier data.

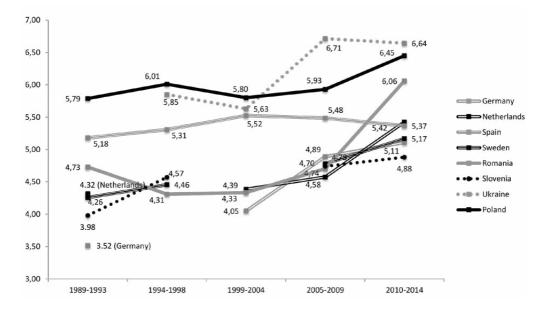
It might seem somewhat counter-intuitive to present decreasing acceptance for social inequalities as a symptom of economic radicalization or populism. Yet, a strong opposition against income inequalities indeed undermines a key mechanism of the free market economy. Income inequalities, if not extreme, are necessary to stimulate economic activity and productivity.

PRIVET VS. GOVERNMENT OWNERSHIP

[See Figure 3.] A good indicator of the attitudes towards state interventionism is the preference of "private" vs. "government" ownership of businesses. Also in this case WVS data reveal a rather consistent trend since 1989. In all countries the most recent wave of the survey demonstrated higher support towards government ownership compared to the earliest period considered. Again, the attitudes proved to be most stable in Spain (0.2 points difference between 1989-1993 and 2010-2014) while in all other countries the average response changed by 0.65 to 1.35 points, reflecting a rather moderately paced evolution. Throughout the period from 1989-2014, there was somewhat more variation from one wave to another in Eastern Europe and overall the change of attitudes was strongest in Romania.

The most recent period (2010-2014) in most countries represented a continuation of an earlier trend for increasing "government ownership" support. Ukraine and Spain are exceptions, but the difference compared to the previous wave was less than 0.1 points and thus statistically negligible. On the other hand, in the most recent wave of WVS data, we can clearly see

Figure 3: "Private ownership of businesses should be increased" (1p) vs. "Government ownership of businesses should be increased" (10p).



Source: World Values Survey, http://www.worldvaluessurvey.org/wvs.jsp

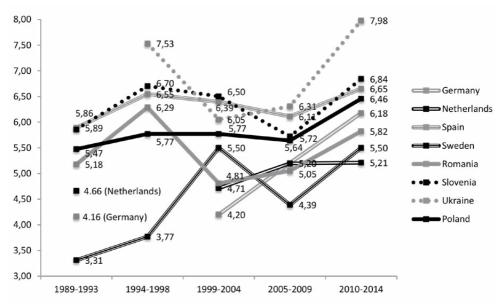


Figure 4: "People should take more responsibility" (1p) vs. "Government should take more responsibility (10p)"

that Eastern European societies (except for Slovenia) advocate government ownership of companies more strongly than on average in the sampled Western European countries. This trend was by far less evident in the early 1990s, potentially reflecting a disappointment of Eastern European societies with the functioning of the market economy in their countries.

WHO IS RESPONSIBLE FOR PEOPLE'S WELFARE?

[See Figure 4.] The wish of European societies for a more active role of the government is also reflected in their reaction to the alternative "People should take more responsibility" vs. "Government should take more responsibility". Among the indicators analyzed here, it is the only one for which the 25-year trend towards more state intervention was consistent in all sampled countries. Overall, the change of attitudes was most significant in Germany and Sweden (over two points). Throughout the period, Western societies more strongly supported individual responsibility (in 2010-2014 Sweden and Holland topped the list), while Ukrainians and Slovenians attributed relatively more importance to state responsibility.

In contrast to other indicators analyzed, in the case of state/individual responsibility, the period from 2010-2014 is to some extent distinctive. In the most recent period, the value of the indicator increased in all countries, in three of them by more than one point. Earlier waves of the WVS showed a more diversified picture. Furthermore, during the crisis period, the value of the indicator exceeded five points in all countries, reflecting a change of social attitudes towards more "state responsibility" as opposed to "individual actions". This evolution might possibly be influenced by the increasing populism of political parties which

Source: World Values Survey, http://www.worldvaluessurvey.org/wvs.jsp

present state intervention as a miraculous solution to improve people's lives without them participating in the effort.

COMPETITION: FRIEND OR FOE?

[See Figure 5.] In light of WVS data, competition is the most accepted aspect of market economy in European societies. The average reply given by respondents was below five points across all editions and sampled countries, reflecting their view that competition is rather a "good" than a "bad" thing. However, again, the 25-year trend indicates softening of this position towards less support for competition. Except for Spain, where a small change in the opposite direction can be observed, the remaining seven countries witnessed a decreasing confidence in competition (between 0.5 and 1.35 points). The largest value was observed for Poland, where confidence in competition dropped particularly significantly in the mid-1990s and then further (but less strongly) in the 2000s.

The attitudes towards competition, as measured in the recent wave of WVS. were on average very similar in Eastern and Western Europe. Both extreme values were noticed in Eastern Europe (Poland - lowest acceptance for competition, Romania - highest acceptance). Still, even between these two countries, differences remain small (1.2 points). Overall, in the most recent period (2010-2014), there was a continuation of a soft trend towards less support for competition in six countries and a reversed development in two (Spain and Romania). Given that competition is another key mechanism indispensable for the functioning of a free market economy, a growing opposition against it can be seen as an indicator for the overall radicalization against the capitalist order.

CONCLUSIONS

The crisis, seen through the lens of macroeconomic data, shows its different faces across Europe. The slowdown of economic performance was noticeable in every country, but some (in our sample Poland and Germany) were hit less than others (Spain, Ukraine). The reaction of the labor markets was even less homogenous - in Germany, unemployment was cut by half compared to pre-crisis levels, while in Spain it increased more than three times. At the same time, the crisis did not cause a significant increase in social inequality practically anywhere, but deeply worsened the situation of public finance in virtually all countries.

In light of WVS data, the social support for a liberal, free-market economy has been consistently weakening over the last 25 years in all eight countries subject to analysis in this article. We can see a clear picture of left-radicalizing European societies which are less willing to accept social inequalities as a way to incentivize economic activity and see more disadvantages of open competition. There are also signs of growing populism - societies wish for a more active role of the state (including public ownership of companies) vis-à-vis individual responsibility. The shift away from liberal values took place both in Western and Eastern Europe, although the trends in the latter were somewhat more volatile. What may come as a surprise is the fact that the crisis period did not bring a significant change to the radicalization trends observed since 1989, neither in terms of the direction, nor pace of the ideological evolution. If anything stands out, it would be the expectation for the state to take more responsibility. This expectation increased during the crisis period in all countries, while the picture emerging from the previous waves of the survey was more diversified.

Populism, Radicalisms, Migration

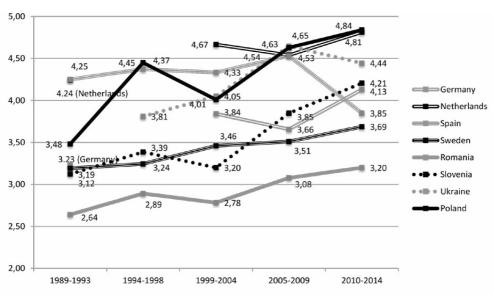
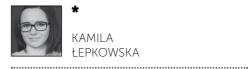


Figure 5: "Competition is good" (1p) vs. "Competition is harmful (10p)"

Source: World Values Survey, http://www.worldvaluessurvey.org/wvs.jsp

Based on the WVS data there is also no correlation between the depth of the crisis and the radicalization of economic perceptions in the society. For example, Spain was hit by the crisis particularly hard and the public opinion was very stable in its views on economic questions. In Germany and Poland, on the other hand, the shift towards more state interventionism was much more pronounced. One interpretation of this could be that these societies were relatively satisfied with how their governments dealt with the crisis and therefore supported the continuation of a more active economic policy. Another interpretation, a more accurate one in my view, is that social preferences on economic policy choices are disentangled from the actual performance of the countries. This would mean that the protagonists of a liberal economy need to invest more efforts into supporting their views in the public debate. Clearly, it was not the economic slowdown that shifted the economic views of European societies into the left corner and allowed populism to emerge more efficiently in the public debate. This has been present since much earlier, but undoubtedly continues to grow.

This article expresses the personal opinion of the author and not that of the European Court of Auditors. •



Works for the European Union in the field of economic governance, combining economic (PhD from the Warsaw School of Economics) and social science expertise (MSc from the London School of Economics). Fellow of the Atlantic Council's Millenium Development Programme. Member of Projekt:Polska.

041

The Economic Costs of Populism: Poland Should Learn from Greece's Mistakes



043

Populism is a costly thing in politics. Takis S. Pappas (2010) once wrote: "ask any early PASOK nostalgic in Greece today about that party's greatest achievement and the answer you will most likely get is that it offered ordinary Greeks better lives"¹. Pappas wrote about Andreas Papandreou's first government which back in 1981 won the elections in Greece. This was the initial step towards the Greek crisis in the late 2000s.

opulists often talk about improving the lives of ordinary people. However, the primary goal of populist politicians is to capture (or rather to "buy") political support, win elections or keep political power. Therefore, they do not use tools necessary to bring long-term prosperity to the people but rather take advantage of whatever can guarantee them short-term political gains. This usually involves showing their active involvement in economic management and can be done through redistribution, welfare state expansions, or politicized control over key institutions and businesses (e.g. through state ownership). There are also other non-economic forms of populism and some of them are mentioned in other articles in this volume. Therefore, the primary focus of this article is on economic populism i.e. this type of economic program which sacrifices medium and long-term economic growth and stability of the economy for the sake of short-term political gains. This is thus how economic populism shall be understood in this context.

Post-election economic populism by the new Law and Justice government has had a negative impact on the stability and growth of the Polish economy. Moreover, it is also further damaging the quality of Polish politics. The Polish case can be compared with Greece where almost forty years of populist policies led to a substantial and long-lasting recession. Populist bidding not only devastated the Greek economy and led to a fall of income of the Greek people but it also damaged the politics. The current developments show how hard it is to escape the populist trap. Therefore, Greek experiences should constitute a lesson for Poland and other European countries.

POPULISM DAMAGES POLISH POLITICS AND ECONOMICS

The elections held in late 2015 brought substantial changes to the structure of the Polish parliament. After eight years in power, the Civic Platform (PO) lost to the main opposition party Law and Justice (PiS), led by Jarosław Kaczyński. Earlier in 2015, Bronisław Komorowski, incumbent president supported by PO, lost the elections to Andrzej Duda nominated by J. Kaczynski and PiS. For the first time since Poland's 1989 transition to democracy, one party

¹ Pappas, T. S. (2010) "The causes of the Greek crisis are in Greek politics", openDemocracy, Available [online]: http://www.opendemocracy.net/openeconomy/takisspappas/causes-of-greek-crisis-are-in-greek-politics

WHAT WE ARE NOW OBSERVING IS ANOTHER PEAK IN POPULIST RHETORIC, PROMISES AND SLOGANS WHICH MAY PUSH POLAND INTO WHAT WE CAN CALL THE "POPULIST TRAP"

won an absolute majority and formed the government without the need for a coalition partner.

Poland has achieved great success since the fall of the communist regime and transformation. For more than two decades the average economic growth reached 4% a year, faster than other countries of Central and Eastern Europe. Per capita income increased from 29% of its German equivalent in 1992 to 55% in 2014². Nevertheless, despite relatively good economic performance, the PO-led coalition lost the elections. One of the major reasons was growing populism among the key political parties including the winning Law and Justice³ party. This populism has damaged Polish politics and economy and poses a threat to the pace and stability of growth in Poland. Of course, populism was present in Poland before 2015. Nevertheless, what we are now observing is another peak in populist rhetoric, promises and slogans which may push Poland into what we can call the "populist trap".

The pre-election campaign was full of costly promises. As you can see in Fig. 1, the majority of these promises (after taking new promised public revenues into consideration) would have substantially increased the public debt if fulfilled. Moreover, the majority of politicians promised higher salaries administered by the government (for example through a higher minimum wage) and not based on productivity growth⁴. [See Figure 1.]

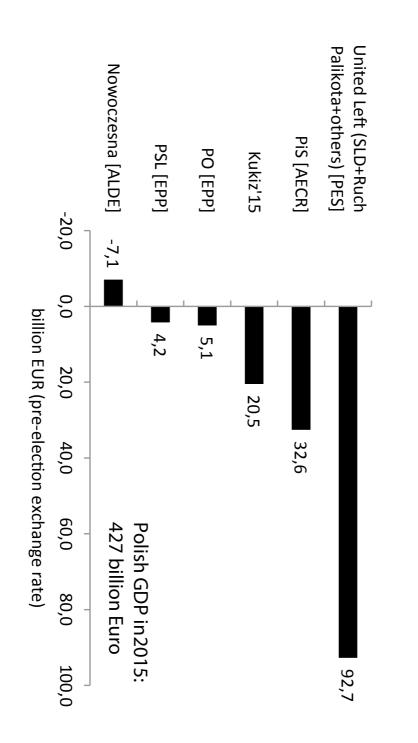
The United Left (European affiliation: Party of European Socialists, PES) outbid all the rest but did not make it to the parliament due to the minimum vote threshold (as a coalition of several parties they required 8% but received only 7.55% of votes). Another left-wing party called Razem (*Together Party*), the promises of which were also extremely costly but harder to estimate, received 3.55% (which was below 5% threshold) so in total the traditional left-wing populism received over 11% of votes. PiS (European affiliation: Alliance of European Conservatives and Reformists, AECR) won the elections with the highest

² FOR (2015) Następne 25 lat. Jakie reformy musimy przeprowadzić, by dogonić Zachód?, Civil Development Forum.

³ For more information on election results see Tatała, M. (2015) *Poland after the elections: the risk of growing state intervention*, Epicenter Blog, Available [online]: http://www.epicenternetwork.eu/blog/poland-afterthe-elections-the-risk-of-growing-state-intervention/

⁴ FOR (2015b) Czy realizacja obietnic wyborczych pomoże Polsce dogonić Zachód?, Civil Development Forum.

 $^{^5}$ Exchange rate from 23.10.2015 i.e. the last day before the election weekend. I use the exchange rate from 22.02.2016 in the rest of the article.



in brackets]⁵ Figure 1: Potential cost of pre-election promises in Poland by major political parties for the years 2016-19 [EU affiliation of the parties ELECTORATE IS PRONE TO POPULIST IDEAS BUT IT SEEMS THAT AFTER REACHING SOME LEVEL OF POPULISM POLITICIANS MAY LOSE THEIR RELIABILITY AND DISCOURAGE SOME VOTERS

cost of pre-election promises among the parties which made it to the parliament. while Kukiz'15 (no European affiliation but regarded as a right-wing party) came in second in the scale of promises. Both PO and PSL (Polish Peasants' Party) (European affiliation: European People's Party, EPP) were more moderate in pre-election populism, although PSL's program was very general and unclear. Finally, Nowoczesna (Modern; affiliated to ALDE) received 7.6% with the program which, in fact, promised the moderate lowering of the public debt in 2016-2019. We can draw three conclusions from the scale of the pre-election promises and election results.

1. Economic populism is not only a leftwing or right-wing phenomenon but it appears on both sides of the political

spectrum. In fact, these historical labels are confusing when talking about contemporary politics in a majority of the countries. For example, Law and Justice is commonly referred to as the right-wing party due to their nationalistic rhetoric and attachment to selected traditional, churchsupported, values. But they won elections with an extremely left-wing (socialist) economic program. A similar combination of views is noticeable when we look at Marine Le Pen's Front National, which fights against immigration, defends "traditional values" but is also in favor of the welfare state expansion. Moreover, even classical liberal promises, like lowering taxation (presented for example by some members of Kukiz'15), can be populist if they are not accompanied by a parallel lowering of specific public expenditures.

2. Populist programs do not guarantee electoral victory. As we can see, the United Left (which outbid all the others), together with the populist Razem party, attracted 11% of voters. Of course, electoral decisions are not only based on economic promises but this result shows that there are some limits to populism and you cannot promise everything to achieve electoral victory. PiS' success indicates that the electorate is prone to populist ideas but it seems that after reaching some level of populism politicians may lose their reliability and discourage some voters.

3. Populist economic programs are not necessary to win elections. In 2007, PO won the elections proposing lower and simpler taxes, reduced public expenditures, significant deregulation, more privatization and reforms to strengthen economic freedom. Some electoral promises were only partially fulfilled, while others were completely abandoned. Instead, new interventionist measures were implemented. Prime Minister Donald Tusk, whose



views were once close to classical liberalism, admitted that he had become a social democrat. But, in fact, he and his party became economically populist i.e. sacrificed long-term economic growth and stability of the economy for the sake of short-term political gains. Instead of reforming the country to respond to the most significant economic challenges, they chose to compete in populism with the opposition, including PiS. Moreover, it is also not true that reforms must lead to electoral failures. For example, when we look at fiscal adjustments in OECD countries, A. Alesina and his colleagues⁶ showed that there is no evidence that governments which guickly reduce budget deficits systematically lose elections.

Knowing that Law and Justice won elections in Poland in 2015 with a very populist program, it is now necessary to discuss key elements of the party's program and its potential economic costs. What is also interesting are reactions of selected political parties to these populist ideas to show which groups are playing the game of populism with Kaczynski's PiS.

1. **"PLN 500 plus" to cause welfare state expansion without sufficient public funding.** One of the key electoral promises by PiS was to give PLN 500 (i.e. around EUR 115) per month for every second, third, fourth and subsequent child in a family (and for the first children in poorer households; in fact, at times during the campaign it was presented as PLN 500 for *every child*, which was an obvious manipulation). This electoral promise was fulfilled and the program will be launched in April 2016. As of 2017, it will cost around EUR 5 billion every year. This year the program will be funded by some one-off revenues but there is no guaranteed funding for 2017 and the following years – apart from some general promises to increase tax revenues. Of course, giving money directly to people is an easy short-term way to buy voters' support and it can explain why some of them decided to vote for PiS.

However, there are two major problems with this program and it is why "PLN 500 plus" is an example of economic populism. Firstly, the evidence from other countries shows that such a program may lead to a rather small increase in low birth rate at an extremely high cost – there are many other ways to increase fertility which are more cost-effective⁷. So it was manipulation that the program is the best way to remedy the "demographic catastrophe".

Secondly, the program will be a huge burden on the public finance. According to the European Commission, public deficit in Poland will exceed 3% of GDP in 2017. Moreover. Poland is one of the three countries which plan to increase its deficit in 2016 and we have to keep in mind that we live in an unstable macroeconomic environment (e.g. China, other developing countries, Russia, Greece, risk of Brexit, future Fed's policy, US election results and so on). Yet, instead of reforming public finance and strengthening the economy PiS' government increases Poland's vulnerability to external and domestic shocks. Thus economic populism may easily evolve into an economic crisis very costly to ordinary people.

It is also important to emphasize that the Civic Platform, which is the largest opposition party in the parliament, criticized this program during the elections, but recently

⁶ Alesina, A., D. Carloni, G. Lecce (2011) The Electoral Consequences of Large Fiscal Adjustments, NBER Working Paper No. 17655.

⁷ Trzeciakowki, R. and O. Zajkowska (2015) *Program "Rodzina 500+"* – niewielkie korzyści, wysokie koszty, Civil Development Forum.

A CHARACTERISTIC FEATURE OF POPULIST POLICIES IS THAT THEY ARE, IN GENERAL, SHORT-TERM IN POLITICAL GAINS BUT LONG-TERM IN ECONOMIC AND POLITICAL CONSEQUENCES

changed their mind and announced that it is unjust not to give money for first children in all families. In other words, they wanted to outbid PiS in the scale of populism. This is a dangerous tendency and resembles the bidding between PASOK and the New Democracy – destructive political competition that led to the Greek economic crisis. Only three members of PO were against this legislation in the parliament, together with one-fourth of the members of Kukiz'15 and all members of Nowoczesna party.

2. Lower retirement age in the time of demographic problems. One of the most important and necessary reforms of the PO-PSL (in the years 2007-2015) coalition was to increase the minimum retirement age to 67 in order to improve stability of the pension system. It was fiercely attacked by irresponsible opposition parties, in cooperation with trade unions – as a result, the government incurred some political costs. In their populist program, PiS promised to reverse this reform and return to the previous retirement age levels (65 for men and 60 for women). Even after the PO-PSL reform, the number of people in working age in Poland will fall by around 2.4 million by 2040. Reform reversal by PiS will increase this number to 4.5 million⁸.

Therefore, lowering the retirement age is yet another example of a very irresponsible policy. It will generate some costs during this parliament term, but what is more important, these costs will grow in an accelerating manner in the following years - when more and more people will be retiring and less people will pay taxes and social contributions. Moreover, lowering retirement age to 60 for women means that Poland will have the lowest retirement age for females in all of the European Union. And this will happen at the time when majority of countries have already increased or are now increasing the retirement age, some to an even higher level than 67. The potential cost of this populist pre-election promise will be a burden for current and future generations. Thus, a characteristic feature of populist policies is that they are, in general, short-term in political gains but long-term in economic and political consequences.

Fortunately, major opposition forces like PO and Nowoczesna are against lowering the retirement age. We should only hope that PO will not change their opinion under pressure of PiS' populism as they did with

⁸ FOR (2015) Następne 25 lat. Jakie reformy musimy przeprowadzić, by dogonić Zachód?, Civil Development Forum.

99 ANY POPULIST ATTACK ON BANKS IS AN ATTACK ON INVESTMENT RATE AND GROWTH

the "PLN 500 plus" program and we will not observe destructive political competition in this area.

3. Extracting money from the banking sector. One way of financing costly pre-election policies is the new tax on banks announced during the electoral campaign. Banks and the financial sector in general are an easy and obvious choice of an enemy for populist politicians. Since banks work mostly with other people's money, politicians can play on negative emotions associated with them. Attacks on banks slightly resemble communist propaganda from the early 20th century when bankers were often portrayed as pigs in expensive suits, sitting on banknotes, smoking expensive cigars. Contemporary negative images of people from the banking or financial sector are fed by movies like The Wolf of Wall Street where the main character is surrounded by money, drugs, alcohol, luxurious cars and beautiful women - all at the expense of the "ordinary people". What does not help banks in Poland is that majority of them are both, private and foreign (which so far was not a threat to the stability of the banking sector, even during the financial crisis of 2008). Populists can therefore play on anti-capitalistic and nationalistic emotions. Banks are an easy political target and this fact was utilized by PiS before and after the elections.

PiS introduced the new tax on the banking sector in the end of 2015. It is a tax on banks assets' (0.44% per year, with some exemptions) so mostly on loans given by banks. The rate of tax is the highest in all of the European Union among the countries which introduced similar sectoral taxation.

Moreover, the Polish government has not bailed out banks and there has been no problem with the excessive size of the banking sector (these two reasons were frequently used when banking taxes were introduced in other countries). So the only reason why it was introduced is to collect money for additional public expenditures like the "PLN 500 plus" program⁹ i.e. to finance economic populism. The tax is an additional burden for the banking sector which already pays other taxes, has to fulfil some costly sectoral regulations and also paid for bankruptcies of some smaller credit unions (SKOK) and cooperative bank (SK Bank) through the Bank Guarantee Fund, i.e. guarantees for deposits up to EUR 100,000. At the same time, we have to remember that banks play an important role in converting savings into credit for investment which is an important contribution to economic growth. Therefore, any populist attack on banks is an attack on investment rate and growth. Certain banks have already increased some of their fees, which also shows that the new tax will be imposed, in fact, on banks' clients. Yet again, ordinary people will pay for the populist agenda.

⁹ Łaszek, A. and R. Trzeciakowski (2016) *Podatek bankowy – rząd szuka finansowania obietnic wyborc- zych*, Civil Development Forum.

At the same time, PiS wants to solve the problem of loans denominated in Swiss francs. More than half a million of such loans were taken and the issue appeared after a strong appreciation of the CHF against the Euro as well as the Polish zloty¹⁰. The most recent proposal of President Andrzej Duda (PiS) means that banks should cover a majority of the currency conversion – which may cost around EUR 8.7–10 billion and will push three-fourth of the banking sector into losses. This populist policy may therefore endanger the stability of the banking sector in Poland and lead to a costly banking crisis.

The idea of taxing the banking sector was supported not only by PiS, but also by agrarian PSL and a majority of Kukiz'15 (only three out of forty members were against it) – two groups that played with PiS in their game of populism attacking banks. PO and almost all members of Nowoczesna voted against it. It still remains to be seen how political parties will behave in the area of foreign currency loans.

4. From tax on "large foreign supermarkets" to sales tax. Another proposed source of funding the economic populism (along with the "PLN 500 plus" program or lower retirement age) was a new tax on supermarkets. In the pre-election campaign, it was presented as a tax on *large, foreign, corporations* doing business in Poland. The key word here was "foreign" as it helped create another potential enemy in the populist rhetoric of PiS. The argument was that foreign companies do not pay taxes.

Tax evasion and tax fraud are, in fact, problems in Poland but they are not limited to foreign entities and supermarkets. And although there is some tax optimization among supermarkets' networks it is not true that they pay no taxes. For example, the largest payer of the corporate income tax among private companies (outside the banking sector) in Poland in 2012 and 2013 was the owner of one of the largest supermarket networks (Biedronka owned by Portuguese company Jeronimo Martins). Nevertheless, due to some technical reasons a new tax formula evolved into a tax on all companies involved in sales (including smaller Polish shops and e-commerce). The tax will not stimulate competition and instead will hit employees of the shops, delivery companies and business owners¹¹. In the end, ordinary people will yet again pay for the economic populism of PiS to finance its pre-election promises.

We still do not know how the opposition parties will vote. In fact, there is some opposition to the tax within the ruling party itself but the problem is that they still have to find a way to finance their promises somehow.

5. Irresponsible lowering of the income tax threshold. Lowering the personal income tax threshold will mean that households will pay lower income tax. Although it does sound good from a classical liberal perspective, some tax cuts might be populist if not accompanied by parallel lowering of public expenditures. In fact, PiS already lowered taxation in such a populist way when it was formerly in power (in the years 2005-2007). What is more, PO supported irresponsible tax cuts by the PiS government which were not accompanied by proportional spending cuts. As a consequence, the budget gap increased by

¹⁰ See Tatała, M. (2015) *Polish 'Swiss Franc Loans' Problem*, 4liberty.eu, Available [online]: http://4liberty.eu/ polish-swiss-franc-loans-problem/

¹¹ Zieliński, M. and A. Łaszek (2016) *Dodatkowy podatek od handlu – szkodliwy i nieuzasadniony*, Civil Development Forum.

2.5% of GDP¹². It seems that all parliamentary parties are in favor of increasing the income tax threshold but some in a more moderate way than PiS' original promise i.e. to PLN 8,000 (over EUR 1,800).

Summing up, the research conducted by the Civic Development Forum¹³ shows that without free-market reforms all factors of economic growth will be weaker in the next 25 years. Firstly, the labor force will decrease due to a low birth rate and aging population,. Secondly, the growth of productivity will be slower, as the possibilities of its improvement without new investments are largely exhausted. Thirdly, the investment rate in Poland is the lowest among Central and Eastern European countries and it has to be improved to increase economic growth. The Law and Justice pre-election program and policies of their first 100 days in government did not offer any serious response to these challenges. Instead, economic populism has entered where longterm economic growth and stability of the economy are sacrificed for short-term political gains. Moreover, some opposition parties are playing PiS in their game of populism, which may lead to intensification of the destructive political competition. This, in turn, can truly damage the Polish political system if not prevented in time. And this is precisely the manner in which Poland resembles Greece

GREECE AS AN EXAMPLE OF DESTRUCTIVE ECONOMIC POPULISM

In 1980, Greece was one of the poorest countries in the West and South Europe, together with Ireland, Portugal and Spain.

However, unlike the three other countries in that group, instead of converging towards the wealthier EU countries, Greece diverged for many years (Fig. 2).

For example, from 1980 to 1997, the annual GDP per capita growth rate in Greece was only 0.56%, which was the slowest rate among the future Eurozone countries¹⁴. In comparison, Poland is still the sixth poorest EU member with a GDP per capita lower than in Greece. Therefore, if we want to catch up to the West, our policy makers should not repeat the Greek mistakes. [See Figure 2.]

Since the early 1980s, Greece experienced significant fiscal expansion associated with a negative impact on the economic performance (Alogoskoufis, 1995). In 1975-1980, the average fiscal deficit was 2.2% of GDP but it increased to 7.8% in 1980-85, 9.9% in 1986-1989 and 11.7% of GDP in 1990-93. Greece became the second most indebted country in the EU with the growth of the public debt in relation to GPD by over 70 percentage points between 1980 and 1993. The fiscal situation in Poland is relatively safer due to constitutional limits on public debt (60% of GDP) but what if politicians decide to relax this rule in the same way as they (both PO and PiS) relaxed other fiscal rules in the past? It is also important to emphasize that according to the European Commission's forecasts, the average public deficit in 2017 in the EU will amount to 1.7% of GDP and 3.4% of GDP in Poland - which is evidence of fiscal laxity in our country.

Greek fiscal laxity was a consequence of destructive populist competition between major political parties. This destructive

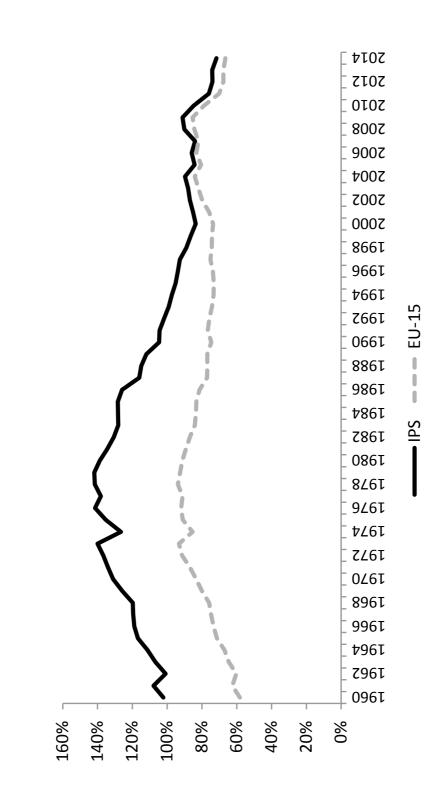
¹² FOR (2015) Destabilization of Polish Public Finance Instead of Reforms, 4liberty.eu, Available [online]: http://4liberty.eu/destabilization-of-polish-public-finance-instead-of-reforms/

¹³ FOR (2015) Następne 25 lat. Jakie reformy musimy przeprowadzić, by dogonić Zachód?, Civil Development Forum.

¹⁴ For more examples of growth slowdown episodes see also Balcerowicz. L, A. Rzońca, L. Kalina and A. Łaszek (2013) *Economic Growth in the European Union*, Lisbon Council e-book.







competition was initiated by the New Democracy (ND) in order to satisfy various interest groups and political objectives before the 1981 elections and radically intensified under the PASOK in the 1980s as well as after the ND returned to power in the early 1990s and so on up to the crisis in the late 2000s¹⁵. At the same time, the scale of the post-election reductions in deficits in the attempts to stabilize the Greek economy was limited.

Analysis of the data from 1960-1997 confirms there was no significant partisan difference in expansionary policies and after 1974, both major parties (the ND and the PASOK) are to be blamed for the fiscal laxity and a "pre-election fiscal euphoria"¹⁶. It shows that since 1974 the ruling parties exhibited a high degree of short-termism in their approach to policy making, with a success in the forthcoming elections as their primary objective. The destructive populist competition between the two dominant political parties led to development of a new political culture in Greece (as compared for example to the pre-1974 times) in which every elections brought further expansionary and redistributive policies as a method to attract voters. In other words, Greece has fallen into a populist trap and is still unable to escape it (see rhetoric and politics by SYRIZA today).

The evolution of PO's economic program since 2007, the political success of PiS' economic populism and some signs of destructive political competition between PiS and some other opposition parties (e.g. bidding who offers more regarding "PLN 500 plus" program) show that there is a risk of changing political culture in Poland as well. The policies of PiS are pushing Poland towards the populist trap that damaged the Greek economy and political system.

Moreover, in 1974-1993, the Greek public sector and welfare state expansion as well as related growth of private and public consumption changed the attitude of the society towards the state and increased voters' support for further expansionary and redistributive policies promised for example by PASOK:

"The expansion of the welfare state in the late 1970s had increased the public's appetite for additional state transfers and for further measures to lower the gap between low- and high-income groups in the society"¹⁷

T. Pappas¹⁸ argues that the 1980s were the time of the formation of the *"leisure mid-dle class"* in Greece as many members of the society were getting used to a standard of living beyond the means of the actual economy's potential. Moreover, T. Fotopoulos¹⁹ writes about the formation of a consumer society with an inadequate production base and growth of *"rentier"* mentality. A protected core (insiders) was developed in the labor and product markets and as a better organized part of the society became an important political

¹⁵ Tatała, M. (2010) *Institutional and political causes of the Greek crisis: Greece in a comparative perspective* (1950-2011), Master's thesis under supervision of Leszek Balcerowicz, Warsaw School of Economics.

¹⁶ Lockwood, B., A. Philippopoulos, and E. Tzavalis (2000) "Fiscal policy and politics: theory and evidence from Greece 1960-1997", [In;] *Economic Modelling*, Vol. 18, No. 2, pp. 253–268.

¹⁷ Oltheten, E., George P., and Theodore Sougiannis (2003) "Greece in the EU: policy lessons from two decades of membership", [In:] *The Quarterly Review of Economics and Finance*, Vol. 43, Issue 5, pp. 774-806.

¹⁸ Pappas, T. S. (2010) *"The causes of the Greek crisis are in Greek politics"*, openDemocracy, available online at: http://www.opendemocracy.net/openeconomy/takiss-pappas/causes-of-greek-crisis-are-in-greek-politics

¹⁹ Fotopoulos, T. (1992) "Economic restructuring and the debt problem: the Greek case", [In:] *International Review of Applied Economics*, Volume 6, Issue 1, pp. 38-64.

99 FCONOMIC POPULISM BY PIS MAY STRENGTHEN THE DEPENDENCE OF SOME VOTERS ON THE WEI FARE PROGRAMS AND MONEY FROM THE STATE BUDGET. THEREFORE, REVERSAL OF SOME OF PIS' POPULIST POLICIES MIGHT BE VFRY DIFFICULT IN THE FUTURE

constituency. Therefore, within this new political environment parties began to compete in the distribution of benefits, privileges and the further expansion of the state in the economy. This "war of attrition" or "destructive competition" dominated by the two major political parties in Greece explains why the stabilization programs in the 1980s and early 1990s were short lived and abandoned after any stronger protests of the opposition and the interest groups. Will Poland follow this example? Economic populism by PiS may strengthen the dependence of some voters on the welfare programs and money from the state budget. Therefore, reversal of some of PiS' populist policies might be very difficult in the future.

The period of fiscal laxity in Greece was accompanied by the expansion of the public sector employment and generous wage increases. At the same time, the labor and product markets were extensively regulated impairing competition and reinforcing the power and interests of the highly protected insiders in the public and private sectors. Overly regulated labor market hampered any growth of employment rate. Regulatory capture by vast rent-seeking interest groups, ranging from public sector employees, through liberal professions, to truck drivers, stifled any growth in productivity²⁰. The growing complexity of the tax system (and accompanied endemic tax evasion), together with higher marginal tax rates and the introduction of new taxes caused Greece to move away from the pre-1974 pro-business and pro-investment climate²¹. The low business attractiveness of Greece was reflected in very low FDI inflow. At the same time, Greece was the least free country among the GIPS²² as reflected by the Economic Freedom of the World Index.

This brief overview of the Greek experiences shows that it is no surprise that many authors refer to the 1980s (but also the following years of persistent divergence in comparison to the wealthier EU countries) as to the "lost" or "populist" decade in this country²³. The 1980s had further shaped

²⁰ Mitsopoulos, M. and T. Pelagidis (2009) *"Vikings in Greece: Kleptocratic Interest Groups in a Closed, Rent-Seeking Economy"*, Cato Journal, Vol. 29, No. 3, pp. 399-416.

²¹ Alogoskoufis, G. (1995) "The two faces of Janus: Institutions, policy regimes and macroeconomic performance in Greece", [In:] *Economic Policy*, Vol. 10, No. 20, pp. 149-192.

²² Greece, Portugal, Ireland, Spain.

²³ See for example Clogg, R. (ed.) (1993) Greece: 1981-

057

the later economic and political developments in Greece, which ended up in a state of serious economic crisis. Poland should learn from the Greek mistakes. After economic success in the last 25 years, we should not fall into a populist trap and do our utmost to avoid having our very own "lost decade" as it will hamper Poland's catching up to the West. We simply cannot afford it.

CONCLUSIONS

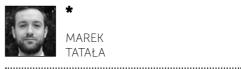
Both Greece and Poland face economic populism, i.e. economic policies which sacrifice long-term economic growth and stability of the economy for the sake of short-term political gains. Nevertheless, the pessimistic vision illustrated in this article should not act as discouragement. Quite the opposite, it should be treated as a means of mobilization. It is beyond the scope of this article to discuss what should be done to challenge economic populism. However, three general solutions may be suggested.

First, we need better informed voters which requires permanent education and effective communication to show and explain costs and consequences of populist electoral promises and post-election policies²⁴.

Secondly, we have to send early warning signals based on various economic and political indicators. Some people may claim that it is an exaggeration to compare Poland and Greece – despite that, analyzing the warning signals together with learning through others' mistakes (economic populism, destructive political competition, falling into a populist trap) is a way not to repeat the damaging Greek experience in Poland.

Thirdly, we have to promote active citizenship so that people (individuals or in organized groups, think tanks or other types of NGOs) exert pressure on politicians – push for reforms enhancing economic growth and stability and preventing economic populism. Such types of activities were very weak in Greece and the populist electoral competition, together with massive redistribution, damaged political culture and built a network of dependence on state programs.

We should not allow for any of this to happen in Poland and we should act now, before it is too late. Catching up to the wealthier countries of the West is the most important goal for Poland economically and the best way to permanently improve the well-being of ordinary citizens. Economic populism will not make anyone's life better (maybe only of some politicians). What is more, it may be very costly if the crisis scenario comes true. •



Vice President and Economist at the Civil Development Forum (FOR Foundation) in Warsaw, Poland. He received his BSc in economics and politics from the University of Bristol in England and MA in economics from the Warsaw School of Economics in Poland, where he is currently a PhD student. In 2013, he completed the Winter School in Public Policy Research Methods in India and the Think Tank MBA program organized by Atlas Network. He is a graduate of the Atlas Leadership Academy.

^{89:} The Populist Decade, Palgrave Macmillan, Basingstoke; and IMF (2002) The Determinants of Growth: The Experience in the Southern European Economies of Greece and Portugal, IMF Country Report No. 02/91.

²⁴ Civil Development Forum published and promoted analysis of the electoral promises before 2015 and 2011 elections.

The Winner Takes It All: Kaczyński, Orbán and Ponta Versus Constitutional Courts



059

The processes leading to the EU accession of post-communist countries in 2004 and 2007 posed a unique challenge for those states. They were required to transform politically while at the same time strengthening democracy and the rule of law. The EU and the mechanisms of integration effectively pushed for much needed reforms. The Copenhagen criteria and the adoption of the EU's *acquis* has helped the Central European region resist the calls of special interest groups that would eventually result in bad policies. Central European countries remain committed to a parliamentary system of governance as opposed to the presidential system favored by most of their counterparts in the former Soviet bloc. They remain committed to the balance of powers and the rule of law as opposed to the authoritarian tendencies and the rule of a party or a leader. Their stories were supposed to have happy endings and make Central Europe a valedictorian of the European Union. Unfortunately, this did not last long.

he governments of Victor Ponta in Romania, of Victor Orbán in Hungary, and of Law and Justice in Poland showed that the transition into a liberal democracy is not given once and for all. So far in the 2010s, we could observe dangerous and populist attempts of limiting the balance of powers and shifting in a direction of strongarm regime in the three abovementioned countries. The radical agenda came into Central European picture, in the heart of the European Union, and made it go astray. Even if the goal of the actions taken was very similar, the means applied were different. Despite that, there is one thing that the governments of Romania, Hungary and Poland had in common: they all perceived constitutional courts as their enemy and tried to circumscribe their power and authority. Thus, all three governments embarked on a journey, the destination of which was to cripple

the constitutional courts, and silence all possible reactions after the damage was done.

ROMANIA

The Romanian Constitutional Court was significantly empowered in 2003, in light of the EU accession. Until then it had been a subordinate of the parliament. The external, European dimension of this reform was clear in the Parliamentary Commission for the Revision of the Constitution and in the parliamentary debates. The reformed Court received the role of a warrantor of the supremacy of the Constitution. It was provided with the power of ultimate interpretation of the Constitution as well as with powers of mediation and legal resolution with regard to conflicts between public institutions.

President Traian Băsescu (Democratic Liberal Party; PDL) and Prime Minister Victor Ponta (Social Democratic Party; PSD) PONTA BLATANTLY UNDERMINED THE AUTHORITY OF THE CONSTITUTIONAL COURT, THEREBY UPSETTING RESPECT FOR RULE OF LAW AND DEMOCRATIC CHECKS AND BALANCES

became locked in a constitutional judicial conflict over Romania's representation at the meeting of the European Council on June 28, 2012. Băsescu issued a complaint to the Constitutional Court. Ponta got the parliament to pass a resolution mandating that the Prime Minister represents the country in Brussels¹. That decision triggered a fierce conflict between the President and the Prime Minister. President Băsescu sent a letter to PM Ponta in which drew attention to the fact that participation in the European Council without a mandate from the president legally means the ownership of constitutional prerogatives of the President. Shortly after this, Ponta tore up the letter during a press conference.

On June 27, 2012 the Romanian Constitutional Court decided that the President had the constitutional right to attend the session of the European Council. Despite that, it was Ponta who attended it (thus ignoring the ruling) and accused Băsescu of manipulating the Court and other public institutions. Ponta started proceedings to suspend Băsescu for his own political gain. The government took the Official Monitor in authority, thus delaying publication of the Constitutional Court's decision regarding participation in the session of the European Council and making the presence of Victor Ponta in Brussels legal. The Court thereby lost power over the parliament.

Ponta attacked the Constitutional Court. calling for his justice minister to remove all of the judges who voted against him as regards the matter of the Brussels visit from office. In the following days, the Chamber of Deputies approved the referendum law amendment, which established that the President can be easily dismissed - by only half the votes of all the voters. Until that point, the law stipulated that the President is dismissed only if the proposal was passed by the majority of voters registered on electoral lists. On June 27, 2012 the pure uninominal voting law, initiated by Victor Ponta, was declared unconstitutional. On the same day, PDL issued a complaint to the Constitutional Court as regards the referendum law and the Constitutional Court law amendment.

All the above mentioned developments caused the Constitutional Court to send a rather "special" letter to all of the European officials on July 3, 2012 – a plea for help. Nevertheless, Ponta's party passed an emergency resolution through the parliament, removing the power of the Constitutional Court to review any of the parliament's actions. Constitutional judges were deprived of their powers and were not able to take any steps to end the crisis². Ponta

¹ 249 votes in favor, 30 against and two abstentions.

 $^{^2}$ On July 3 and July 4, parliament dismissed the speakers of the Senate and Chamber of Deputies — both members of the PDL — and the country's Ombudsman,

blatantly undermined the authority of the Constitutional Court, thereby upsetting respect for rule of law and democratic checks and balances.

Thereafter, Băsescu was accused of high treason for overstepping his powers through illegal phone-tapping, use of national intelligence services against political enemies, and pressuring prosecutors in criminal cases and was suspended by the parliament in his duties as the President of Romania³, of which he then notified the Constitutional Court. On July 9, 2012, the Constitutional Court ascertained President Băsescu's suspension and confirmed Crin Antonescu (Ponta's party member) as the Interim President.

A referendum on impeaching President Băsescu was held in Romania on July 29, 2012. 46.24% of citizens entitled to vote attended the referendum. 87.52% voted for Băsescu's dismissal and against 11.15%. On August 21, the Constitutional Court decided that the Romanian referendum on the presidential impeachment is invalid due to the fact that the turnout did not reach the mandatory 50%. Romanians were sharply divided between two camps.

The situation in Romania met with strong criticism coming from all over Europe. President of the European Commission José Manuel Barroso expressed his serious concerns in relation to the rule of law, the independence of the judiciary, and the role of the Constitutional Court in the country. He emphasized that the necessary checks and balances in a democratic system must be guaranteed. He made it clear that the Romanian government must respect the full independence of the judiciary and restore the power of the Constitutional Court and ensure that its decisions are observed.

The then President of the European Liberal Democrat and Reform Party, Graham Watson, alleged that Băsescu's mandate is "illegal" and showed that the best solution for Romania would be to organize new parliamentary and presidential elections. Watson asked the European Commission why it does insist on applying the quorum rule to the presidential impeachment referendum, when in all EU countries, the president is dismissed with 50% plus one of all votes.

Thorbjørn Jagland, Secretary General of the Council of Europe, said he was concerned by the recent developments in Romania, especially those related to the President's suspension, and asked the Venice Commission, the advisory body for the 47-nation Council of Europe⁴, to examine whether these actions are compatible with the rules of state of law and democracy. Moreover, Jagland demanded an investigation of the situation.

On July 2, the Romanian Constitutional Court notified the Venice Commission about what it called "virulent government attacks against its judicial independence". On July 4, the Venice Commission expressed deep concerns over the situation, while the European Commission said it was watching the country closely. The Venice Commission evidenced big problems with respect to many issues that it believed strongly affected the basic principles of the

replacing them with members of the ruling coalition. Significantly, the President of the Senate is first in line to succeed the country's President.

³ According to the Romanian Constitution, this is the first step of the impeachment procedure. An incumbent president who severely violates the Constitution may be suspended by the parliament in joint session. If the suspension motion passes, there is a call for a referendum of impeachment within no more than 30 days from the suspension.

⁴ The European Commission for Democracy through Law, known as the Venice Commission, is an advisory body of the Council of Europe, composed of independent experts in the field of constitutional law.

99

HUNGARY'S NFW CONSTITUTION WEAKENS KFY CHECKS AND BALANCES IN GOVERNMENT. IT ALSO FRODES FIFMENTS OFLIBERAL DFMOCRACY BY MANIPULATING FIFCTORAL DISTRICTS, RESTRICTING MEDIA AND RELIGIOUS FREEDOM, AND PROMOTING A VERSION OF ETHNIC NATIONALISM THAT MAY HARM MINORITY GROUPS

rule of law. The Commission cited the intent to restrict the competences and jurisdiction of the Constitutional Court by using an emergency ordinance, creating special Senate commission and by the general disrespect shown to judges by demanding their dismissal.

The situation in Romania showed how radical politicians provoke tensions between the executive branch and the judiciary, but also between the people and the judiciary, for their own particular interests. The progress that Romania achieved while reforming itself to enter the EU was partly reverted by the populist government and its illiberal agenda. This revealed the weaknesses of immature democracy in Romania and presented a more general opposition to the rule of law. The Constitution lost this round with the "politics above all" mindset.

HUNGARY

After the political crisis related to Prime Minister Ferenc Gyurcsány's speech about his party (social democratic MSZP) and the government lying to the public in 2010, the conservative Fidesz party won 52% of votes and more than two-thirds (263 out of 386) of seats in the Hungarian Parliament. The newly elected Prime Minister Viktor Orbán called the situation a "polling booth revolution".

The Fidesz very quickly started to undermine the independence of the media, the central bank, judiciary and other institutions. This especially concerned the Constitutional Court, which – given the weak presidential prerogatives and the lack of an upper house – had played an especially vital role in the Hungarian political system. Orbán's government had, on many occasions, challenged the ultimate nature of the Constitutional Court's decisions. In some cases, when the Court found an act to be incompatible with the Constitution, the



Parliament would either amend the latter and adopt the act in an unchanged form, or raise the rank of the act to constitutional level. Orbán resorted to this trick several times, both under the "old" and the "new" Constitution.

Shortly after the elections, the National Assembly of Hungary passed a bill limiting the jurisdiction of the Constitutional Court on state budget and taxation matters. The law eliminated the Court's ability to examine the "crisis taxes" imposed on banks, energy companies, foreign retail and telecommunications companies.

According to Article 24 paragraph 5 of the former Constitution, the Constitution could be amended by a two-third majority of the votes of the MPs, however the process of forming a new constitution requires the votes of four-fifth of the MPs. The Fidesz government amended the four-fifth rule to a two thirds rule and then initiated a process for a drafting a new constitution.

The Fundamental Law of Hungary was voted by the Parliament on April 25, 2011, on the first anniversary in office of the governing Fidesz, and came into force on January 1, 2012. Hungary's new Constitution weakens key checks and balances in government. It also erodes elements of liberal democracy by manipulating electoral districts, restricting media and religious freedom, and promoting a version of ethnic nationalism that may harm minority groups.

The changes in law had a big influence on the composition of the Constitutional Court. The changes made by the parliamentary majority can be summed up in three ways:

Previously, according to the rules of appointment, the governing majority could appoint constitutional judges only together with the opposition. However, this rule was amended in 2010 to allow the majority to appoint new members on its own.

In 2011, the number of judges in the Constitutional Court was increased from 11 to 15.

In 2012 and 2013, the length of a judicial term was increased from 9 to 12 years, followed by the elimination of the age limit (previously set at 70 years).

As a consequence, 11 of the 15 judges have been appointed to the Constitutional Court by the Fidesz majority without any negotiations with the opposition. In this way, the Court has been "packed" with judges supportive of the governing majority's agenda. Not surprisingly, some judges were found to have voted in support of the government in 100% of the cases⁵. Moreover, the new constitution vested the parliament with the right to nominate the court's president (previously, the court's judges selected one of themselves to be the presiding judge).

Furthermore, the Parliament dominated by Orbán's party voted for a set of government-backed constitutional amendments, despite warnings from the European Union, the government of the United States and human rights groups that the changes could undermine Hungary's democracy. President Jose Manuel Barroso's office said the amendments "raise concerns with re-

⁵ The Eötvös Károly Institute, the Hungarian Helsinki Committee and the Hungarian Civil Liberties Union studied 23 high-profile cases, ten of which were decided before Fidesz-appointed judges constituted a majority, and thirteen after. While rulings in all ten cases decided before the judges selected by the current government formed a majority were contrary to the interests of the government, as soon as the 'one-party' judges represented the majority, the imbalance became apparent: in ten out of thirteen cases the ruling favored the government's interests. Judges Egon Dienes-Oehm, Béla Pokol and Mária Szívós almost always decided in favor of the supposed interests of the government even before the new judges came to form a majority.

065

spect to the rule of law" (similarly as it was in the case of Romania), which Hungary needs to address with Brussels. Marta Pardavi, Co-Chair of the Hungarian Helsinki Committee, said that "[t]here are no longer any doubts whether there is a constitutional democracy in Hungary – there isn't one".

The Fidesz ignored all instances of foreign criticism. "We won't allow either any international business lobby or the political forces that speak on their behalf to interfere with the decisions of the Hungarian Parliament" – said Antal Rogan, head of the parliamentary faction of Orbán's Fidesz.

In a synergetic and complementary relationship with EU institutions, the Council of Europe's Venice Commission delivered eleven different opinions on the situation in Hungary. One of the issues examined was judiciary independence, in regards to which the Commission concluded that essential elements of the reform contravened European standards.

Within the EU, the European Parliament discussed the situation in Hungary with the Committee on Civil Liberties, Justice and Home Affairs holding a special hearing dedicated to Hungary. The plenary adopted a resolution on the situation in Hungary, calling for consideration of "whether to activate necessary measures", including the initiation of the sanctioning procedure as laid down in Article 7 of the TEU.1. In the beginning of 2013, following the presentation of the draft Fourth Amendment to the Hungarian Fundamental Law, the European Commission also expressed its concerns with respect to the principle of the rule of law.

In January 2012, the European Commission launched infringement procedures against Hungary on three different grounds.⁶. One

of the fields concerned the independence of the judiciary. The European Commission criticized the fact that the retirement age for judges, prosecutors and notaries would be lowered radically and rapidly to 62 from 70 years of age. The Commission could find no objective justification for treating judges, prosecutors and notaries differently from other professional groups, especially at a time when retirement age levels across Europe are being raised, not lowered. These concerns could not be resolved at an informal level and were thus brought before the Court of Justice of the European Union (CJEU). Some other justice-related issues were addressed at an administrative level, including the newly established National Judicial Office, which was set up to take on significant powers to manage the courts' operations, human resources, budget and allocation of cases. It ended with the judgment of November 6, 2012, when the CJEU found that the radical and rapid lowering of the retirement age violated the EU Employment Directive.

POLAND

Led by Eurosceptic former Prime Minister Jarosław Kaczyński, the conservative and populist Law and Justice (PiS) won an unprecedented majority in the October 2015 general election after eight years in opposition, during two consecutive terms under the Civic Platform (PO). Beata Szydło, picked by J. Kaczyński as the party's frontwoman after an impressive performance as campaign manager for Andrzej Duda, became the Prime Minister.

In November, Law and Justice annulled the appointment of five Constitutional Tribunal judges nominated in October right before the elections by the previous parliament dominated by the Civic Platform, the for-

⁶ One was concerned with the independence of the na-

tional central bank; the other one was connected with data protection.

mer ruling party. During one of the latenight voting sessions, the bill was voted for by 270 MPs from the ruling conservative Law and Justice and the opposition populist Kukiz'15 parties, and against by 40 MPs from the Nowoczesna (*Modern*) and the agrarian Polish People's Party (PSL). All of the Civic Platform MPs (with the exception of one) left the room for the voting.

Ryszard Petru, head of the opposition Nowoczesna party, told journalists that the PiS party "is testing how far they can go". He also added: "[i]n an address to the Sejm [prior to the voting], I said this was a 'Blitzkrieg'; [...] a well prepared, unannounced, and quick attack on the Constitutional Tribunal"; "Just because the Civic Platform made mistakes in the past, it does not mean that PiS can 'go wild'. It will now change all the judges of the Constitutional Tribunal, and appoint their own. All of this could happen over a very short period of time. Not only could this be unconstitutional, it could also be invalid [on a larger scale]", Petru said. He referred to what had happened in the summer of 2015.

In June 2015, the Sejm amended the Constitutional Tribunal law to allow the Parliament to appoint five judges at the end of its term, including two whose terms of office were not due to expire until December that year, by which time the new Sejm would have already convened. However, the five judges were unable to assume their posts because Law and Justice-backed President Andrzej Duda did not accept their oaths. This opened the way for the newly-elected Sejm to choose five new Tribunal members, in spite of loud protests from opposition parties and legal experts.

In December 2015, the Tribunal ruled that the appointment of two of the five POnominated judges was unconstitutional, but that the other three were nominated legally and should be sworn in immediately. However, President Duda argued that the Tribunal did not have the right to make judgements about the constitutionality of the appointments by the Sejm. In the middle of the night, President Duda swore in the five judges nominated by the new Sejm.

Later that month, PiS passed new legislation that the opposition decried as damaging to the checks and balances within the government. The law creates new hurdles for the Tribunal. The new legislation will require the court to have 13 judges present, as well as a two-thirds majority vote to make a ruling. The previous procedure required only nine judges for the most contentious cases⁷ and simple majority of the 15 total judges. The legislation will also introduce a longer waiting period between the time a ruling is to be made and the time the decision is solicited. The time is now set at three to six months – a massive increase from the previous policy of two weeks⁸.

The PiS government's actions met with vociferous protests from opposition politicians and media. The first to protest were legal scholars, lawyers and judges, who issued public statements warning that the new government was undermining the Constitution. The opposition became mobilized and, to a degree, united by the crisis. Thousands of Poles participated in demonstrations organized by the Committee for the Defense of Democracy (KOD)⁹, a new civic movement, on the two

⁷ In many cases 5 or even 3 judges were enough.

⁸ PiS also proposed to relocate the Tribunal. The idea was to move it far away from politicians and media in Warsaw to some backwoodstown in the East. It was obviously an attempt to undermine the Tribunal's position. Eventually, PiS backed away from this proposal. The Kukiz'15 party suggested the court-packing plan and increasing the number of judges from 15 to 18.

⁹ KOD is clearly positioning itself as an heir to the 1976 Committee in Defense of Workers (KOR), a precursor to the 10-million-strong Solidarity movement.

WHILE NEWLY ELECTED GOVERNING PARTIES USUALLY ENJOY A POST-ELECTION "HONEYMOON" PERIOD, RESEARCHERS SUGGEST THAT THE CRISIS HAS LED TO A DROP IN SUPPORT FOR PIS AMONG MORE MODERATE, CENTRIST VOTERS

Saturdays before Christmas; the largest of which, in Warsaw, was attended by app. 50,000 people.

Opinion polls suggest that the majority of Poles recognize the threat to the rule of law¹⁰. While newly elected governing parties usually enjoy a post-election "honeymoon" period, researchers suggest that the crisis has led to a drop in support for PiS among more moderate, centrist voters¹¹. The main beneficiary of this has been Nowoczesna, a new party formed in May 2015 (founded by a liberal economist Ryszard Petru) which has pulled ahead of the Civic Platform and is currently running neck-and-neck with (and, in some surveys, even slightly ahead of) Law and Justice.

There is also a growing concern in the EU and among other European countries about the radical change in Poland. Jean Asselborn, the Foreign Minister of Luxembourg - a state which held the EU presidency - called on the European Commission and European Parliament to act, saying that if Poland fails to change the course it has recently taken, it may have to be faced with sanctions. After an exchange of letters between Polish and EU officials. the EU's executive asked the government of Beata Szydło to explain laws that have all but paralyzed the work of the Constitutional Tribunal and put public media under direct government control. In early January, the Commission decided - for the first time ever - to launch a procedure to monitor the Polish government's commitment to the rule of law.

PM Szydło answered questions and listened to the critique by MEPs in Strasbourg on January 19, 2016. Szydło told European Union lawmakers that her government had not breached any European or Polish laws. Guy Verhofstadt, head of the Liberals and Democrats group in the European Parliament, challenged her during the debate: "What a democrat never does is to use or abuse this huge [parliamentary] majority to dismantle the system of checks and balances in the country (...) that makes it impossible to enact laws when they are in contradiction to the Polish Constitution". The European Commission's first Vice-president, Frans Timmermans, said the launched investigation would focus on the changes to the Constitutional Tribunal,

¹⁰ http://www.rp.pl/Polityka/311299906-Polacy-martwia-sie-o-demokracje.html#ap-1

¹¹ http://ewybory.eu/sondaze/; http://tajnikipolityki.pl/ sondaz-pis-traci-pulapka-konserwatywnej-rewolucjikaczynskiego/

a body the mandate of which is to assess whether laws comply with Poland's Constitution.

The decisions of the European Commission regarding the next steps of the procedure will be connected with the opinion of the Venice Commission.

CONCLUSIONS

In all three countries we could observe a significant crisis of democracy and the rule of law. Hungary, Poland and Romania joined the democratic Europe only in the 1990s. They were very fresh in building their institutions and integrating with Western organizations. Poland, but also Hungary, were seen as leaders in the democratic transition and were shown as an example for other states changing from dictatorship/authoritarian state into democracy. Their achievements were awarded with NATO membership in 1999 and the EU membership in 2004. Romanian democracy was put to the test several times in the 1990s and 2000s but after implementing necessary reforms Bucharest eventually joined both NATO (2004) and the EU (2007).

Twenty-something years after becoming democracies, all three countries caused concern to Western Europe because of reports of lawlessness and lack of respect toward basic rules of liberal democracy. In all three countries the crisis took the form of an open conflict between the political leaders and the constitutional courts. In two of the cases, namely Romania and Hungary, it was a very much personalized conflict between the prime ministers and the courts. In the case of Poland, it was a less personal and more systematic conflict between the government and the Tribunal. The latter is connected with the fact that in Poland the real political leadership is not identical with the official representation of the government. Jarosław Kaczyński is the real leader and he controls both President Duda and PM Szydło.

In all three cases, the Prime Ministers supported by their respective governments and the majority in their parliaments attacked the independence of the constitutional courts. Separation of powers is one of the basic structural principles of democratic societies. Although it is neither an end in itself, nor a simple tool for legal theoreticians or political scientists, it is undoubtedly a basic principle that serves other purposes such as freedom or legality of state acts.

The independence of constitutional courts is an objective of the separation of powers, while at the same time independence is its direct result. Unfortunately, politicians sometimes invade the scope of powers of the judiciary. The constitutional courts in Central Europe are targeted because they are the most visible and tend to be the most powerful representatives of the judiciary. Examples from Romania, Hungary and Poland show that the constitutional courts are attacked from the *democratic* angle. The group in power uses the argument of the "will of the people" represented by the majority in the parliament against the power of the unelected judges, the judiciary. This could be observed in every single case scrutinized in this article.

Ponta, Orbán and Kaczyński (through his proxies) presented themselves as winners of the elections who are allowed to implement their populist programs. Everyone who wants to stop it or slow it down should be eliminated. They did not see the constitutional courts as crucial elements of the fragile constitutional pattern, but as a part of the regular bureaucracy that must be subordinated to their political caprices.



99 ORBÁN, PONTA AND KACZYŃSKI ARTICUI ATED AN ALTERNATIVE VIEW OF CONSTITUTIONALISM AI ONG COMMUNITARIAN LINES, THEY ARE ALL POPULISTS, PROMISING TO BRING THE POWER CLOSFR TO THE "ORDINARY PFOPIF" AND FURTHER AWAY FROM THE "FLITES"

In all three countries we clearly saw a reaction against liberal and legal constitutionalism, criticizing a strong distinction between law and politics. This legal resentment can be related to the emergence of the so-called "illiberal constitutionalism". For these governments, liberal constitutionalism became an enemy. Values of normative individualism and its understanding of the "neutral state", together with the protection of individual rights were fought against alongside the constitutional courts. Orbán, Ponta and Kaczyński articulated an alternative view of constitutionalism along communitarian lines. They are all populists, promising to bring the power closer to the "ordinary people" and further away from the "elites".

This illiberal revolution against the constitutional courts was not identical in all the three countries. Nevertheless, we can notice many similarities between Hungary and Poland, as well as between Poland and Romania. However, in many aspects the Romanian case is slightly different.

In both Hungary and Poland, the attempt to destroy the constitutional courts was a part of a broader plan of the party leaders. Orbán and Kaczyński presented a clear and coherent vision of government, constitution and state in their election programs. It was right-wing, conservative and anti-establishment. Both of them were based on the moral values and were connected with nationalism, tradition and values of the Catholic Church. Both politicians were vocal critics of Western liberal democracy. Their plans to remodel the system were based on the following dimensions: the curtailing of the powers of the Constitutional Court: the imposition of a new constitution or related legislation without an adequate pluralistic and public debate; a reference to different ideas of constitutionalism, based on tradition/history and the defense of a particular community; a distinct, limited and exclusionary interpretation of rights¹². Additionally, both leaders criticize any interference into national legal affairs, especially by the EU institutions. This is the reason why they flout comments and opinions coming from Brussels and European capital cities. Warsaw learned from Hungary's experience as

¹² Paul Blokker, *Illiberal constitutional tendencies and legal resentment in Hungary in Romania*, The Ixth World Congress, "Constitutional Challenges: Global and Local".

regards its dealings with the EU, but also as far as the general strategy of implementing the Fidesz's radical program is concerned.

On the other hand. Victor Ponta never left the European track. His party remained on a pro-European track and was very responsive to the criticism from the EU institutions. It also cannot be said that Ponta had a similar political agenda as Orbán. First of all, he represented a left-wing party. Orbán and Kaczyński have been heads of parties for many years; Ponta was a relative newcomer to Romanian politics. Orbán and Kaczyński have absolute control over their parties; Ponta governed with a coalition that consisted of at least one party that had switched sides before. Second of all, his struggle with the Constitutional Court should be seen as an ad hoc solution he proposed as a response to his current political problems. Without any doubts, we can say his conduct was illiberal and directed to empower the executive branch, but not as a part of a wider plan of changing the constitutional system of Romania. Ponta was pragmatic in this manner, not dogmatic or driven by ideology.

To some extent, the situation in Romania and Poland is similar, if compared with Hungary. Victor Orbán won a supermajority in the Parliament and was able to change the Constitution. He was even more powerful because the opposition was fragmented and extremely weak. He could develop his long-term radical plan of vigorously readjusting the political (constitutional) system of Hungary according to his own view without being stopped or questioned. There is a strong opposition in Poland and Romania. Both Kaczyński and Ponta had someone to lose with and their normal majority in the parliaments never allowed them to change the constitution.

Three different vet similar stories of limiting the role of the constitutional court in Central Europe have been presented in this article. What happened in Hungary should be a warning for not only the entire region, but also the entire European Union. The institution of the constitutional court became compromised and constricted; the constitutional system was turned inside out. The EU institutions were not able to stop that. Maybe Victor Orbán was seen as an eccentric commander whose bizarre ideas should be accepted in the small state of Hungary. But now the story is repeating itself in Poland. The Polish Constitutional Tribunal and the opposition are in dire need of help. Europe's reaction is not sufficient enough to halt Kaczyński's tide. And Poland is too big and too significant to be allow to leave the European family of liberal democracies. Even more so, as the alliance of Orbán and Kaczyński can give a nasty example to other politicians in the region that authoritarian tendencies and ignoring the rule of law is acceptable in the EU. Slovakia and the Czech Republic, are watching... Losing the battle over the Polish Constitutional Tribunal can be the beginning of an end of the EU as we know it.



Expert at the Nowoczesna party. PhD, fromerly a parttime teacher at Reykjavik University School of Law. His main areas of interest are comparative constitutional law and federalism. Board member of Projekt: Polska Association. Until September 2015, he worked as an expert within "Presidential Experts' Programme" at the Chancellery of the President of the Republic of Poland.

Rethinking Populism: Top-Down Mobilization and Political Actions Beyond Institutions in Hungary



073

While populism in general has neither an elaborated meaning, nor program, in the academic discourse it is regarded as a method of doing politics, according to which a populist politician refers to the common people, without any of their real participation¹. The democratic backlash and the illiberal tendencies in countries like Hungary, Poland and Slovakia are often characterized with the label of populism. This "new politics" in Central Eastern Europe has introduced a majoritarian model of democracy, where the elected leaders are empowered to fulfill their political agenda. The mirage of authentic action makes this new politics highly attractive for many citizens in CEE. These systems can also forge an electoral coalition of relative majority from the threatened middle class.

he interrelation1 of democratic participation and populism should be reconsidered according to its roots and social support. The case of Viktor Orbán's Fidesz in Hungary is a good example how a populist leader and an effective political machine can exploit the new settings in politics. Most importantly, the Fidesz takes advantage of the declining importance of political institutions and effectively uses top-down or "astro turf"² mobilization, that is the so-called "movement governance" as Viktor Orbán put it.

BEHIND THE POPULARITY OF THE FIDESZ

The migrant crisis gave a new impetus to the Fidesz, which lost many supporters during the internet tax protests. However, it was still surprising, that after the peak of the migrant crisis in the middle of its second term, the Fidesz is still by far the most popular party (34% of support of the entire population).

99 VIKTOR ORBÁN HAS THE ABILITY TO IDENTIFY THE THOUGHTS AND FEARS OF THE HUNGARIAN PEOPLE

Many observers emphasize the role of the aggressive communication as the main reason for the government's popularity. Others

¹ Mudde, C. & Rovira Kaltwasser, Cristobal (2013) "Populism" [lin.:] *Oxford Handbook of Political Ideologies*. Michael Freeden, L. T. Sargent & M. Stears (eds.) Oxford: Oxford University Press, pp. 493-512.

² Although "astro turf" most commonly refers to a type of artificial turf, in the US academia and journalism it is also used to indicate fake, top-down organized grass-roots initiatives.

blame the supporters of the Fidesz for not seeing what is really going on in the country. Electoral behavior is more rational than one might think and no political marketing can be effective without real social receptivity. Thus the reason of the Fidesz's popularity cannot be simplified to mere manipulation or the lack of information.

The popularity of the Fidesz has more interrelated reasons. The first is rather the deep knowledge and understanding of the Hungarian political culture and voters behavior by the prime minister and his staff. As Péter Tölgyessy, a notable Hungarian lawyer and political analyst noted, Viktor Orbán has the ability to identify the thoughts and fears of the Hungarian people. However, just like in the case of the migrant crisis, he appeals to the negative features of the Hungarian political culture. But the specific nature of Hungarians also determines how politics can be made in Hungary. Due to this distinct nature of Hungarian politics, foreign ideologies cannot be successful as they will always lose to the Hungarian "common sense". Nevertheless, Viktor Orbán, who grew up in a provincial middle-class milieu, can authentically represent and identify himself with the "common people".

A second element of the Fidesz's popularity is representation, which in contemporary societies means more than simple advocacy. The complex image of voters should be represented, namely their values, experiences, appearance and also safe, convenient visual and textual descriptions. The government policy, which prefers vocational training than higher education satisfies not only the industrial demands for a cheap labor force, but meets with the general attitudes of certain social groups. It is in accordance with the elitist opinions about the "massifications" and decreasing quality of higher education. Furthermore, emphasizing the importance of vocational THE MOVEMENT GOVERNANCE IS THE APPLICATION OF DIFFERENT TOP-DOWN MOBILIZATION TECHNIQUES. DUE TO ITS TOP-DOWN NATURE, IT IS FREQUENTLY ACCUSED OF BEING A POPULIST MEASURE

training also acknowledges those without a higher education diploma. This message resonates well with blue-collar workers, who believe they deserve recognition in the knowledge-based economy and global competition.

The third and most important factor is the electoral basis, which is closely interrelated with the aforementioned social receptivity. A key interest of political parties is to establish an electoral coalition of different social groups. Sometimes it also involves satisfying conflicting interests at the same time. The Fidesz is not the first party which succeeded in doing so. Back in the 1990s, the Hungarian socialists managed to secure the support of the westernized technocrat upper middle class and of the lower middle class, which hoped for a social uplift as a result of the European integration. The Fidesz's main instrument to build the electoral basis is to give offices, concessions (e.g. tobacco shops) to the broader clientele and to ensure benefits for the middleclass, which could be acquired and enjoyed individually. Taxation and overhead reduction, supporting housing privileges for the middle class are typical measures. It is all about ensuring opportunities for individual life strategies – needless to say, many Hungarians can easily relate to this.

Apart from the aforementioned traditional instruments, the Fidesz uses such novel strategies, like the "movement govern-ance". The movement governance is the application of different top-down mobilization techniques. Due to its top-down nature, it is frequently accused of being a populist measure.

THE FIDESZ'S "MOVEMENT GOVERNANCE"

At a first glance, the term seems to be a contradiction in itself. The Fidesz repertoire, refers to the continuous mobilization of supporters and proactive communication or - as others put it more directly - using a more aggressive propaganda by the government. The term was used by Viktor Orbán himself in an interview after the Fidesz lost much of its supporters during the internet tax protests (which shall be discussed further in the article). The Prime Minister stated that the party has to return to the "movement governance" as it could have been the means to gain back popularity. Mobilizing voters, supporters on the streets between elections by a government on the basis of emotions and collective experiences is unusual, although there are other examples as well. The Forza Italia movement, the main political vehicle of the charismatic leader Silvio Berlusconi, served the same purpose. This top-down mobilization alone does not endanger democracy, but the permanent mobilization causes an increasing political polarization.

First, it is important to investigate whether movement governance exists at all. Social movements mobilize citizens order to achieve or prevent a certain social/political change. They use different means and forms of collective action, depending on the group of people they want to mobilize and on the kind of impact they intend to achieve. Teachers struggling for higher salaries employ different strategies than guerilla gardeners who wish to claim city spaces for community purposes. Presence on the streets, organizing protests by political parties is rather typical for smaller, younger parties, like green or new right parties, but governments have their own means to achieve political changes.

In order to understand movement governance, it is thus necessary to move away from the rigorous terminology of social sciences. When the Hungarian Prime Minister talked about movement governance, he had mobilizing the sympathizers of the Fidesz in mind in order to back the government's choices. This is not a brand new technique in the repertoire of the Fidesz party and Viktor Orbán. After the defeat in the 2002 elections, Orbán (as the resigning Prime Minister) convinced his supporters to found the so-called Civic Circles. The main role of the Civic Circles was to sustain the engagement of the voters, their willingness to be mobilized. During the 2002 election campaign the national cockade also became a symbol of supporting the Fidesz. Many accused the Fidesz party of dividing the nation by excluding left-wing voters. The gesture of putting the cockade on was a clear demonstration of political preferTOP-DOWN INITIATIVES AND MOVEMENTS ARE VERY COMMON IN ILLIBERAL DEMOCRACIES – SERVING THE DIRECT INTERESTS OF THE POPULIST LEADERS

ences³. After 2006, the Civic Circles lost their significance as the radical right became stronger. As protests were triggered after the leaking of the infamous Öszödspeech of Prime Minister Ferenc Gyurcsány, the politicians of the Fidesz party also appeared at the radical rightist protest camp by the parliament building.

The main vehicle of the Fidesz for the movement governance was the Peace March⁴, first initiated in 2012 in order to show the popular support for the government to the domestic protesters and the foreign media. Although it was not directly organized by the government, the Peace March is a very special phenomenon, as such a top-down approach is guite unusual in representative democracies. Before the democratic transition, collective actions of this kind were labelled as pseudo-movements, which had the purpose to work as "transmission belts", i.e. transmitting the interests and will of the communist party towards the society. The pseudo-movements were for example unions, communist youth and women leagues, the pioneer movement, among others. The contemporary term for such means is the "guasi movement" or (with reference to fake grassroots) the "astro turf". Top-down initiatives and movements are very common in illiberal democracies - serving the direct interests of the populist leaders.

The Peace March and movement governance in general are aimed at maintaining connections with the voters and strengthening the emotional bonds with the help of collective experiences. This is the program of regaining the "soul" of the Fidesz's political community, which was a frequent demand during and after the internet tax protests. Movement governance is not necessarily an illiberal, populist political method, if the goal is to build an emotional bond. Experiencing politics collectively, having emotional connections are functions which are becoming more and more important also in Western politics.

The need for such mobilization was demonstrated by the high number of participants at the Peace Marches. The decreasing trust in political institutions, party de-alignment and the growing uncertainty of the future give a higher value to such atypical political instruments like the topdown mobilization. It would not be surprising if more governments would apply these means. The appearance of movement parties like Podemos, Syriza and the growing popularity of populist parties are pointing in this direction.

³ It is also of significance that the cockade was used by liberal movements of national emancipation in 19th century Europe.

⁴ Metz, R. (2015) "Movement entrepreneurship of an incumbent party", Intersections. East European Journal of Society and Politics, 1 (3): pp. 81-100.



Saving the "soul" is a legitimate program of a governing party, but movement governance has its own hazards. Since it is the case of top-down mobilization, such movements have more resources than grassroots initiatives, which in turn distorts civil society. The impact on protest culture is also unknown. The permanent mobilization can be achieved by drawing sharp usthem boundaries. This kind of political polarization results in a bad political climate and an unpleasant social mood.

MOBILIZING AGAINST ORBÁN'S SYSTEM: THE CASE OF THE INTERNET TAX PROTESTS

The internet tax protest was a wave of several massive protests in Hungary. The wave was triggered by the announcement of a new tax on internet data traffic. The wave began at the end of October 2014 and calmed at the beginning of 2015. If we consider the original internet tax protests (October 26 and 28, 2014) as instrumental actions, then the short-lived movement was successful, since the government later withdrew the plan of the internet tax.

The protests were also successful as expressive actions. Many teenagers and adolescents chanted "Europe! Europe!" at the Hungarian parliament building. It seemed that a new generation just stepped in to politics. The extremely high number of protesters on October 28 and the presence of many young people meant a strong inspiration for the broken left-wing voters after three electoral defeats. Due to this new motivation and the bottom-up nature of the protests, it was obvious that the mobilization will continue. The further mobilization was supported by the US travel ban scandal of the national taxation agencies officials⁵, the crisis in Ukraine and the related

growing influence of Putin's Russia. With the help of these new and current topics, the protests could be easily re-framed.

An important novelty was that there were no known politicians, public intellectuals or celebrities behind the protests, as was in the case of the "Milla" demonstrations against the Fidesz's new media law in 2011-2012. This vagueness of the protests made citizens' engagement and issue identification and independent organization easier. However, at a later stage the lack of coordination led to conflicts between the independent groups. Many organizers quit the scene as a result of these conflicts, which also contributed to the decline of the protest wave.

It is not easy to answer the "What should have had been done?" question retrospectively, because there were many differences in the goals and motivations of various groups. While younger protesters, members of a new-left subculture in Budapest, who were active during the 2012-2013 student protests blamed the entire political class and criticized the entire 25 years after the democratic transition, the disappointed left-wing voters demonstrated rather strictly against the Orbán government⁶. Many people expected further consequences of the protest wave, even the resignation of the government. However, Hungary - already an EU member - was not in the same situation at the end of 2014 as Yugoslavia in 2000 or Ukraine in 2004, thus it was not feasible for it to adopt the recipe used for the color revolutions.

try due to alleged involvement in corruption in October 2014. According to leaked information, there were several government officials among the banned citizens.

⁶ Szabó, A. & D. Mikecz (2015) "After the Orbán-revolution: The awakening of civil society in Hungary?" [In:] Sava, I. N. (ed.) Social Movements in Central and Eastern Europe, Bucharest: The Bucharest University Press.

⁵ The United States banned Hungarian citizens from en-

Many commentators noted the lack of any charismatic leader, which shows that the media misinterpreted the protest wave. New figures with new concepts appeared during the mobilization, which seemed useful to give new impulses to the opposition. This does not necessarily mean that a new charismatic leader would appear. The 2014 protests could have formed a political community, which could have been the basis of further mobilization. A good example is the success at a by-election of Zoltán Kész, an independent candidate supported by civil organizations and opposition parties. However, there was not enough willingness and trust in the different political actors to create the basis for future cooperation. It also caused some confusion that the real mobilizing power of the internet tax issue was opaque.

The internet tax was the symbol of intervening into private spaces on the one hand, while the generality of the issue was much as important on the other hand. A very broad part of the society was affected by the proposal. In the case of the internet tax, the previous individual strategies could not have worked. If there are disturbances in the healthcare system, one can still have better treatment with the help of a familiar physician or with parasolvency. Children may be registered into the apartment of grandparents to matriculate into a better public school. The internet tax was general, affected everyone, there was no opportunity to achieve individual solutions.

It is clear that neither the aforementioned new-leftist subculture in Hungary, nor a wider civil community could have sustained the mobilization alone until the 2018 general elections. The examples of the Civic Circles and the Peace March show that parties play a crucial role in fostering, sustaining and widening bottom-up initiatives, even though the political right always **99** CIVIL PROTESTERS WANT TO RETAIN THEIR NON-PARTISAN IMAGE AND POLITICAL PARTIES THEIR POWER, WHICH ARE CLEAR LIMITS OF A COOPERATION

enjoyed a greater mobilization potential in Hungary. This kind of cooperation was not developed among the contending leftwing opposition parties and the protesters.

One reason for this is the different credo and interests of the two sides. While the civil organizations' status is a matter of professional credibility, for the political parties the electoral success is crucial. Moreover, the leftwing activists are less connected to Hungary. Social action and issue advocacy on the political left is not strictly connected to the geographical region. One might leave the country but can still deal with animal rights or gender equality. On the right it is not possible to detach the location from action, it is not feasible to campaign against foreign influence in Hungary from a different country. This also means that political and social activism are very much strongly interrelated, that means parties and civil organizations are standing closer on the right. It also means that apolitical civil action does not have any real significance. This is not exclusively a Hungarian or Central Eastern European

079

phenomenon – when the disappointed leftwing groups in the USA aimed to symbolically occupy Wall Street back in 2011, the radical wing of the right (the Tea Party Movement) wanted to take over the Republican Party.

The internet tax confirmed that partial success can be achieved by organizing mass protests. The decision makers of Orbán's government might withdraw the internet tax proposal, just like in the case of the 2011-2012 student protests. These small victories are, however, not sufficient for deeper, structural changes. Real political changes can be achieved by electoral victory. This is why the resources as well as organizational and communication capacity of political parties are crucial for civil actors as well. In return for their resources. the political parties can gain more credibility. But civil protesters want to retain their non-partisan image and political parties their power, which are clear limits of a cooperation. This problem could be overcome with institutional innovations - for example, by introducing primary elections.

The internet-tax protests proved that there is a great demand for emotional identification among voters. Those who protested in the last months of 2014 are still potent citizens in Hungary, who might yet again be mobilized for protests or for the elections. However, neither the civil protesters, nor the political parties could build them a stable political home. The internet tax protests have raised an important question of political action. While the government successfully uses top-down mobilization techniques, real changes cannot be achieved without a certain level of institutionalization.

DISCUSSION: POLITICAL ACTION BEYOND INSTITUTIONS

The debate on the crisis of political institutions is not very new – it is actually closely related to the general debate on the crisis of THE DEBATE ON THE CRISIS OF POLITICAL INSTITUTIONS IS NOT VERY NEW – IT IS ACTUALLY CLOSELY RELATED TO THE GENERAL DEBATE ON THE CRISIS OF DEMOCRACY

democracy. The traditional forms of political participation (such as electoral participation or working for political parties) have lost their significance. At the same time, direct forms and the non-institutionalized political action (like demonstrations, boycotts or conscious consumption) are on the rise. These tendencies are strongly interrelated with the growing importance of internet and the social media. A frequent question is whether the political action beyond political institutions and without the resources granted by institutions can have a significant impact. The problem is that political action could hardly influence politics and thus individual investments do not make any sense, if dissatisfaction and protest cannot be channeled towards a political party by the end of the day.

After the internet tax protests, the organizers experimented with different institutional solutions (establishing a web plat-



99

SINCE THE NEW MILLENNIUM. IT ALSO BECAME VISIBLE THAT SOCIAL MEDIA IS NOT NECESSARII Y A SPACE FOR RATIONAL DELIBERATION AND LIMITLESS PARTICIPATION, WHICH CONTRADICTS THE OPTIMISTIC ASSUMPTIONS ABOUT THF INTERNET AND THE FULFILLMENT OF DEMOCRACY GOING HAND IN HAND

form, starting a referendum campaign), but none of them proved to be successful in maintaining the mobilization. For many observers the mobilization through social media was the main reason why the institutionalization failed. It is risky to rely exclusively on social media, because it does not support the establishment of strong ties but rather only fast mobilization through weak ties instead. In his article on Twitter revolutions. Ivan Krastev wrote⁷ that the protesters of the middle-class were misled by the popular belief that political institutions belong to the past, while the future belongs to networks and spontaneous action. The disruption caused by protests in Russia and Turkey did not undermine the regimes, but stabilized the state and the leaders' power. According to Krastev, this could happen because there are not only innovators in societies, but also those who want a peaceful society rather than creative destruction

Political action beyond political institutions is a characteristic feature not only of Twitter-revolutionaries, but also of those political leaders, like Putin or Erdogan, who Krastev referred to. One important feature of populist politics is that it reinterprets the relations between the society and political leadership. The populist leader can interact with the society indirectly and not through institutions. The problem is that these intermediary institutions, that is the civil society, are granting that kind of structure and knowledge, which are making oversight and control of political decisions by the people possible.

The conscious strategy of populist leader alone is not responsible for the decreasing role of political institutions, as these leaders are just exploiting the changing social-

⁷ Krastev, I. (2015) "Why did the 'Twitter Revolutions' fail?", *The New York Times*, November 11, 2015.

political environment. Also, the plethora of information transferred by the internet gives citizens a feeling of instant empowerment and the belief of participation. Consequently, e-participation contributes indirectly to making political institutions obsolete. Since the new millennium, it also became visible that social media is not necessarily a space for rational deliberation and limitless participation, which contradicts the optimistic assumptions about the internet and the fulfillment of democracy going hand in hand.

The political action of a leader beyond political institutions involves not only ignoring the civil society, but reinterpreting the role of primer political institutions. Viktor Orbán explained in an interview in the midst of the migrant crisis that Europe's problem is the decision making through institutions, which makes the entire process slow and heavy. He would prefer faster decision making by strong-minded leaders. As a matter of fact, as far as the latter is concerned, more sovereignty should be delegated to the supranational level, which contradicts Orbán's idea of the Europe of nations. The abovementioned Civic Circles and the Peace March are good examples of political action beyond institutions. Nevertheless, the checks and balances granted by certain political institutions could also be dismantled with the help of the Fidesz's supermajority. It was therefore possible to transform legal and political institutions according to actual interests.

The changing, decreasing role of institutions is not only a temporary method of governance, but a general social tendency. This phenomenon is even more visible in the economy, especially in the case of sharing-economy and the start-up organizational culture. A basic point of the "sharing economy" is to complement or supersede inflexible, cumbersome institutions. This has such social consequences as the reinterpretation of "home" or blurring the border between work and private life in time and space. Sharing private resources for community purposes was always a basic idea of non-profit civil organizations. However, it became more and more difficult to distinguish between non- and for-profit activities even within one specific organization.

The significance of political institutions is granted by their constitutional background. Thus, political action could not be fully achieved beyond them. Traditional political institutions did not fully lose their importance, but some of their functions have undergone a change. Effective political action requires recognizing that the old and new forms of political participation exist simultaneously and complementarily.

CONCLUSIONS

The Fidesz is one of the most effective political machineries in Europe. It is not only a major political party in Hungary and on the European arena, but an entity using a complex set of mobilization techniques. The top-down (or astro turf) mobilization is an important part of making politics in this respect. Between 2002 and 2006 the Fidesz used the Civic Circles and the Peace March during the 2010-14 term to mobilize its sympathizers in order to reinforce political engagement and present popular support. Later, from 2011, the Orbán government introduced national consultations to find out what the policy preferences of the Hungarian society are. However, the unbiasedness of the consultation's questions were not granted and so the entire procedure served more as a means of political marketing rather than political participation. Moreover, on February 24, 2016 Viktor Orbán announced that a referendum on the future compulsory migrant guotas of the European Union shall be held in the

THE CHANGING, DECREASING ROLE OF INSTITUTIONS IS NOT ONLY A TEMPORARY METHOD OF GOVERNANCE, BUT A GENERAL SOCIAL TENDENCY

same year. As the government with a legislative majority has its own means to form politics, the referendum can be seen as a part of the movement governance repertoire.

These various techniques (top-down or astro turf mobilization, biased national consultations, government-initiated referendum) can be useful in the face of the changing nature of political institutions and political participation. Citizens do not see the traditional institutions as the primer and only loci of political participation. Even the Fidesz lost some of its functions as a political party, now the quasi movements or auxiliary organizations became more important instruments of electoral mobilization. Nevertheless, political parties are still the main agents in contemporary representative democracies. While the activists could mobilize the outraged citizens during the internet tax protests, no successful spin-off organizations appeared after the protest wave. The social developments, like party de-alignment, individualized political participation and growing importance of political action beyond institutions are not unique in Hungary or in CEE, but constitute more general trends in developed democracies. It is important to monitor these phenomena in Hungary in this regard, in order to know more about general social tendencies in developed democracies.

While the government could reach beyond institutionalized politics, the opposition parties, the internet tax protesters and notable NGOs could not find a way to cooperate with each other. The so-called "civilians" do not want to engage in deeper cooperation with the "discredited" political parties. However, without electoral success, it is not possible to change the government, thus some degree of institutionalization is necessary. There is not only disagreement between civil organizations and political parties, but also within the fragmented democratic opposition. Since the new election law makes some kind of coordination necessary, organizational innovations (such as primary elections) should be considered.



Researcher at the Republikon Institute, Junior Research Fellow at the Hungarian Academy of Sciences.



Radicalism in Hungary of Today



087

We often hear menacing prophecies that the 20th century was the "age of extremes"¹, that there is an ongoing "clash of civilizations"², and that the "end of history"³ is already upon us. Although these can be easily debunked both empirically and theoretically, it is without question that there are extremes in present day society, which, ironically often repeats and believes the abovementioned false prophecies.

he present day Hungarian radicalism is a topic worth investigating as it is often featured in the media, it frequently enters everyday conversations as well as expert debates. However, we do not even have a clear definition of the word "radicals" as it carries different connotations for different individuals. Most commonly, the word carries negative implications, but it would be a mistake to think that it only denotes unfavorable groups. Radicalism means a large deviance from the average, or - more precisely - from what is commonly accepted. This, however, does not mean that radicalism is always a negative phenomenon. Let us look at the case of Thomas Clarkson⁴ for instance, who raised his voice against the slave trade in the 18th century Britain - first as a student during an essay contest. His ideas were extreme and

radical at the time, they stood in opposition to the mainstream, generally accepted *status quo*. Nevertheless, as a result of his efforts slave trade was banned.

Let us then differentiate between harmful radicalism and beneficial radicalism. The former intends to stop or limit progress, the latter aims to speed it up. Harmful radicalism strives to curtail individual liberties, holds a collectivist view, is unwilling to acknowledge any potential differences in culture, views or morals, and attempts to consolidate a static, authoritarian system. Beneficial radicalism, on the other hand, puts emphasis on individual liberties, views freedom and tolerance as progress and advocates a dynamic system that is open to more innovation.

The presented article gives an overview of the Hungarian radical groups, with the focus on the harmful ones or to be more precise: the far-right (applying this term to those which self-identify as such), but also touching upon self-identified far-left groups and liberals as well, who (not being popular) also verge on being perceived as radicals. Finally, it shall also be demonstrated how populist politics leads to radicalization.

¹ https://www.foreignaffairs.com/reviews/capsule-review/1995-07-01/age-extremes-historyworld-1914-1991

² https://www.foreignaffairs.com/articles/unitedstates/1993-06-01/clash-civilizations

³ http://www.theatlantic.com/politics/archive/2014/09/ its-still-not-the-end-of-history-francis-fukuyama/379394/

⁴ http://fee.org/freeman/a-students-essay-thatchanged-the-world/

HISTORICAL BACKGROUND

After the World War II, the formerly traditionalist Hungary of the Horthy era, where most people supported an authoritarian, collectivist, hierarchized and nationalist system, abruptly turned to socialism, which was deemed a polar opposite to the previous state. In fact, that system was still authoritarian, collectivist and hierarchized (as only in this way could the state enforce its preferred social order) but under a different banner, which people who focused strongly on nationalism - which this new system lacked - utterly disliked. It also brought extensive social changes for although the state was now still centralized, the central power was not in the hands of the previously ruling classes (the aristocracy, the intellectuals, and the educated upper middle class) but in the hands of the so-called proletariat. The notion of the nation state was exchanged for the idea of internationalism (which in practice meant the Soviet sphere of interest, so the puppet states of the Soviet Union), thus the strong nationalist ideas and feelings of the people were suppressed - but of course, they did

HUNGARIANS ARE AGAINST THE FREE MARKET AND HAVE MORE SOCIALISTIC VIEWS AS REGARDS ECONOMY THAN OTHER COUNTRIES IN THE REGION not cease to exist. People were simply too afraid to express them openly, fearing the dire consequences.

After the democratic changes in 1989 and the early 1990s, the liberal, individualist elements appeared in politics - but the repressed nationalist ideas also resurfaced. Despite that, the socialist ideas did not disappear from between the options. After a while, people started to be disillusioned with democracy. Until then, they expected immediate changes in their economic and living conditions without having to lift their own fingers. Similar disillusionment occurred after Hungary joined the European Union in 2004 - people were hoping for an immediate and visible change and when it did not happen, the disappointment took over.

According to a survey⁵ conducted by Pew Research Center, fewer Hungarians approve of the shift towards democracy in 2009 than in 1991. When the first survey was conducted in 1991, 74% of Hungarian citizens claimed they are in favor of the changes, but in 2009 the approval rate dropped to a mere 56%. It shows that once the early zeal waned, it turned out that people's expectations were not met, which lead to a general indifference towards democracy and in many cases towards politics as such. [See Table 1]

This trend is even more worrying if we look at the opinions of the youth. A study⁶ conducted in 2015 by Aktív Fiatalok Magyarországon Kutatócsoport shows that in April 2015 the far-right party Jobbik had the biggest approval rating among students (20% of support), next was a staunchly anti-cap-

⁵ http://www.pewglobal.org/2010/04/07/hungary-dissatisfied-with-democracy-but-not-its-ideals/

⁶ http://www.aktivfiatalok.hu/public/files/documents/ gyorsjelentes_v20150510.pdf

	1991	2009	Change
East Germany	91	85	-6
Czech Republic	80	80	0
Slovakia	70	71	+1
Poland	66	70	+4
Hungary	74	56	-18
Lithuania	75	55	-20
Russia	61	53	-8
Bulgaria	76	52	-24
Ukraine	72	30	-42

Table 1: Approval of Change to democracy, % of people who approve of change to multiparty system

Source: Pew Research Center

italist green party Politics Can Be Different (LMP), with 14% and then the governing party, Fidesz (which defines itself as center right, but on many issues rapidly drifts towards the far-right), with 12%. The leftwing opposition parties are lagging behind, the most popular was rated at 4%. 19% of the surveyed students were undecided and 9% declared that they would not vote at all. Jobbik's approval rating and its popularity is growing among the youth.

The same research shows that in 2015 for 21% of active students under certain circumstances (not specified directly by the survey), dictatorship is perceived as a better option than democracy. As a comparison, back in 2011/2012, 33% of the students thought the same way. The trend is opposite with the active students who think that for them it does not really matter what political system they live in: in 2011/2012 28%, and in 2015 already 32% did not care about it as well. The ratio of those who prefer dictatorship or do not care what system they live in was the biggest among the voters of Jobbik.

The survey⁷ of Pew Research Center also shows that Hungarians are against the free market and have more socialistic views as regards economy than other countries in the region. In 1991, 80% approved of capitalism while in 2009 only 46% - which is the most significant change among the post-communist countries. Moreover, 72% of Hungarians think they are worse off than under communism (which is the highest ratio among the post-communist countries in the region) despite the fact that 15% of the respondents were satisfied with life in 2009 - as opposed to the 8% in 1991.

⁷ http://www.pewglobal.org/2009/11/02/end-of-communism-cheered-but-now-with-more-reservations/

The nationalistic and socialistic ideas often mix together, while the early sparks of liberal thinking have failed to gain sufficient popularity. Today, the ideological acceptance is leaning towards the nationalist and at the same time socialist direction – and this process redefines what we may now call "radicalism". [See Table 2, Table 3, Table 4]

TERMINOLOGICAL CONFUSION

Nowadays, there is a huge confusion of political terminology in Hungary. Fidesz, which defines itself as a center right, conservative party, economically is close to the left wing, with its collectivist policy often verging on the far-right vis-á-vis civic liberties and democracy. The leader of the party, Prime Minister Viktor Orbán declared for instance that he wishes to set up an illiberal democracy modelled on Russia⁸. His government also nationalized various assets, for example the pension funds⁹. These measures would be unacceptable for any conservative party in Western Europe or in the USA as nationalization is usually more typical of socialist parties, whereas conservatives are more eager to privatize. Along these lines Jobbik is not a right wing party if we look at their economic and collectivist social policies.

The difference between Jobbik and the typical far-left is that the former wants to implement its policies under nationalist pretences, excluding anyone who is not deemed a "true Hungarian". On the other hand, sometimes in Hungary the self-proclaimed left wing represents values that are traditionally right wing, for instance (or at least compared to the so-called right wing) relatively more economic freedom and individual liberties. Nevertheless, defining political terms in Hungary is more confusing because of the ever changing political views of the parties as a consequence of populism which defines parties along the lines of popular measures rather than values.

Therefore, despite the fact that the terms left wing and right wing still shall be applied as regards the Hungarian context, the policies of both will be also further explained in order to make it clear where the later discussed parties actually stand.

THE FAR-RIGHT IN HUNGARY

Attributes

The Hungarian far-right of today draws from the traditional far-right ideologies of the Horthy era and from the Nazi movement in Germany. One of its typical features is inventing an artificial enemy. According to Carl Schmitt, a German political theorist of the 20th century, for the sake of defining ourselves and to retain cohesion, an enemy that poses a threat to our existence and against whom we can identify ourselves is crucial¹⁰. At present, the enemies are the Jews, Gypsies, immigrants, the USA and the liberals. These are the adverse buzzwords of the far-right which are often erroneous in their definitions. For example, everyone who does not agree with the far-right is a liberal, any educated person is automatically a Jew, and refugees and migrants who have no intention of staying in Hungary permanently are branded as "immigrants".

The economic views of the far-right are most often socialistic, with the stipulation that only certain groups ("true Hungarians", for instance) can benefit from socialism.

⁸ http://www.politico.com/magazine/story/2015/06/ hello-dictator-hungary-orban-viktor-119125

⁹ http://hungarianspectrum.org/2013/06/27/nationalization-hungarian-style/

 $^{^{10}\} http://www.phil.vt.edu/HTML/events/Fall2005_grad-conf/matusek.pdf$

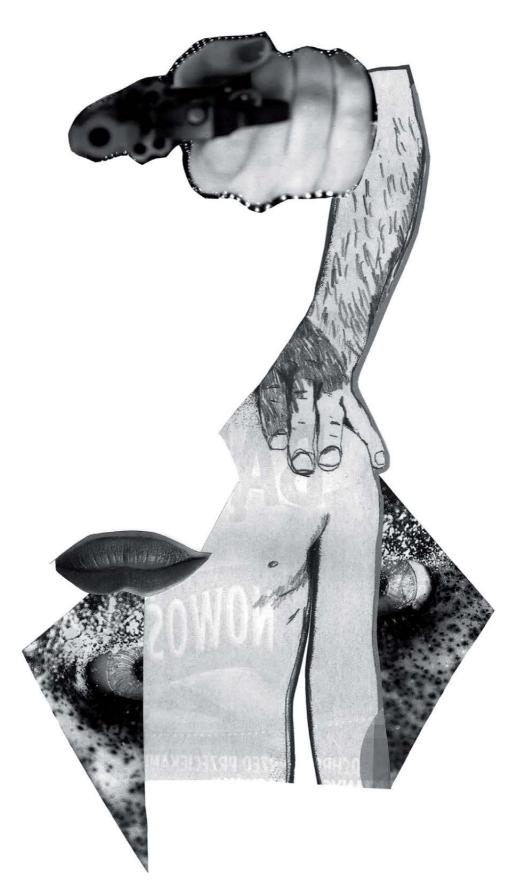


Table 2: Approval of Change to Capitalism, % of people who approve of a change to market economy

	1991	2009	Change
East Germany	86	82	-4
Czech Republic	87	79	-8
Poland	80	71	-9
Slovakia	69	66	-3
Bulgaria	73	53	-20
Lithuania	76	50	-26
Russia	54	50	-4
Hungary	80	46	-34
Ukraine	52	36	-14

Source: Pew Research Center

Table 3: % of people satisfied with life

	1991	2009	Change
Poland	12	44	+32
Slovakia	13	43	+30
Russia	7	35	+28
Czech Republic	23	49	+26
Lithuania	13	35	+22
Ukraine	8	26	+18
Bulgaria	4	15	+11
Hungary	8	15	+7
Germany	44	47	+3
East Germany	15	43	+28
West Germany	52	48	-4

Source: Pew Research Center

	Worse	About the same	Better
Hungary	72	16	8
Ukraine	62	13	12
Bulgaria	62	18	13
Lithuania	48	15	23
Slovakia	48	18	29
Russia	45	15	33
Czech Republic	39	12	45
Poland	35	12	47

Table 4: People Worse Off Than Under Communism? (in %, in descending order, starting from the biggest ratio of "Worse" answers)

Source: Pew Research Center

	Table 5: Com	oarison of the se	et of values of	⁻ capitalism a	and the far-right ¹³
--	--------------	-------------------	-----------------	---------------------------	---------------------------------

Main components	Capitalist ideology	Far-right ideology
What is in focus?	the individual	the nation
What is the perception of people?	people are predominantly good	people are predominantly bad
What is the primary value?	liberty	order
What is an ideal society like?	accepting	discriminative
What is an ideal state like?	minimalistic	totalitarian
What makes a community better?	competition	unity

Source: Free Market Foundation

They believe that the state must take care of its people in a paternalistic way, and that this kind of a "nanny state" should curtail liberties for the sake of security and morality. For them people are only instruments in the service of the nation. They lay emphasis on the collective (which in this case is the "nation") rather than on the individual. The far-right groups differ significantly in the extent of their radicalism. They are not united. There are even ongoing arguments between many of them.

The largest such group is Jobbik, a party which started off as radical, but because of the gradually growing acceptance for its actions – they are the second most popular party (with the exception of one poll¹¹, other polls place Jobbik as the second) – its radical status is being contested¹². The party tries to centralize, but the radical hardliners are still its members and even those who support centralization have a radical background. Still, overall, as far as the image of the party is concerned, Jobbik is moving towards the center.

Despite many differences between far-right groups, a common feature of the majority of them is that they are collectivist, xenophobic, traditionalistic and often esoteric, economically left wing, usually pro-Russian, more openly racist, anti-Semitic, authoritarian, militaristic, anti-Israel, anti-USA, homophobic and anti-EU. [See Table 5]

Ideological Background¹⁴

To understand the ideological background that feeds racism and anti-Semitism in Hungary and which nurtured the nation's second most popular party¹⁵, the far-right Jobbik, we must go back to the 1880s. Back then, one day in a small Hungarian village a young girl disappeared with no trace and in the light of this event the local community accused the Jews of comitting a ritual murder. Although the Jews were eventually acquitted, the situation brought deep prejudice against Jews to the surface. Nowadays, many far-right groups continue to commemorate the death of the girl while others still believe that the Jews are behind her death.

Hungary implemented anti-Jewish laws in 1920, limiting the number of Jews and other minorities allowed to attend university. At that time, Hungary was led by Governor Miklós Horthy – an open anti-Semite who stayed in power until the second half of 1944 – when an even more horrid system took over.

Nowadays, there is a great nostalgia for the dark era of the World War II and Horthy is venerated not only by the far-right. Statues of Horthy were erected and history has been whitewashed, even by the government. The current governing party, the self-proclaimed conservative Fidesz party, has advanced this whitewashing, saying that Hungary is not in the least responsible for the Holocaust - at the same time bending culture and art to its version of the events. Recently, a statue of the German eagle striking down an archangel representing Hungary has been erected in Budapest. The sculpture of dubious artistic value is now widely criticized for blaming the Holocaust solely on Germany and pretending that Hungary was completely innocent, whereas, in truth, the German high command had to caution Hungarians to slow down deporting the Jews because they could not "process" them so fast.

Nevertheless, Hungary's problem with racism and anti-Semitism runs deeper than this. Whereas the popularity of Fidesz is somewhat declining (although tough measures and rhetoric against the refugees helped them rebound), another party is after its voters: the already mentioned far-right Jobbik. According to latest polls, the governing party still enjoys the

¹¹ http://kozvelemenykutatok.hu/partpreferenciak-2016-januar-tovabbra-is-orzi-elonyet-a-fidesz-kdnpaz-ellenzeki-taboron-beluli-viszonyok-viszont-keplekenyek/

¹² It is different, of course, if we look at it from an international point of view, according to which they are very radical.

¹³ http://4liberty.eu/anti-capitalism-in-hungary-theenergy-reforms/

¹⁴ http://www.esee.fnst.org/files/1096/Promoting_Tolerance_2015_Essay_M_t__Hajba.pdf

¹⁵ Although some recent polls place it as third while others as second.

99 JOBBIK IS LURING MANY VOTERS BY TRYING TO BF MORE CENTRIST AND LESS **OBVIOUS IN THEIR** INTOLERANCE. MANY VOTERS CAST THEIR BALLOTS FOR THEM NOT KNOWING THAT THEY ARE VOTING FOR A LATENT NEO-NA7I FNTITY

support of 31-33% of Hungarians, while Jobbik is behind with 10-12% (one poll suggests they are the third most popular party)¹⁶. This far-right party (a term which they try to disassociate themselves from to the extent of taking the matter to court more than once in the last five years) developed from a neo-Nazi political entity. The party still has affiliations with militant groups, and they set up a paramilitary organization called Magyar Gárda (Hungarian Guard), which marched in the streets in uniforms with Nazi symbols. This group has been outlawed but they still appear at events of Jobbik – despite the fact that the party claimed that the controversial formation had split from them.

Although many of these groups are more openly anti-Roma than anti-Semitic (simply because it is much easier to distinguish between Roma and non-Roma than from Jewish and non-Jewish), a number of their members believe in conspiracy theories such as that the Roma are criminals funded by the Jews so that their petty crimes would divert attention away from the more white-collar crimes of Jews. At the Hungarian national assembly, a Jobbik MP Márton Gyöngyösi said that there should be a list of all the Jews in Hungary so people would know who poses a threat to national security. Other Jobbik MPs have "spat" on Holocaust memorials, and even denied that the Holocaust ever took place as such. Moreover, the deputy speaker of the Hungarian Parliament, Jobbik MP Tamás Sneider used to be a skinhead gang leader. There is a neo-Nazi website supporting the party, where there is a whole section with the loosely translated title of "Hoaxocaust".

Furthermore, there are other, even more radical groups¹⁷, which consider Jobbik (which now tries to lure voters by "cute" campaigns involving, for instance, puppies) too soft and pro-Jewish¹⁸. One of these neo-Nazi organizations commemorate Kristallnacht (the night when Nazis burned the books of Jewish authors back in 1938), by staging book burnings all around the country. They proudly post on social media and their website photos of the horrid bonfires fed by the works of great writers¹⁹.

¹⁶ http://kozvelemenykutatok.hu/partpreferenciak-2016-januar-tovabbra-is-orzi-elonyet-a-fidesz-kdnpaz-ellenzeki-taboron-beluli-viszonyok-viszont-keplekenyek/

¹⁷ http://athenaintezet.hu/en/hate_groups/

¹⁸ http://nemzetiarcvonal.net/2015/04/19/nemzetkozizsido-nyomas-alatt-a-jobbik/

¹⁹ http://www.168ora.hu/itthon/30-varosban-tartanak-

	Antagonist	Neutral	Sympathizer	Does not know/ no answer
Complete sample	28	26	34	12
Fidesz-KDNP (N=261)	33	27	22	18
MSZP (N=56)	31	15	45	9
Jobbik (N=129)	75	15	7	3
E14-PM (N=107)	14	26	48	12
LMP (N=37)	14	37	36	13
DK (N=49)	14	33	48	5
Undecided	10	31	44	15

Table 6: Feelings toward Jews among party-sympathizers²⁷ (data from 2013)

Source: Free Market Foundation

Every year these flames burn higher and more and more people blame Jews for their own problems without any rational reason. According to a poll²⁰ conducted in 2014 by Medián on behalf of Action and Protection Foundation, in 2014, 73% of Hungarian would not want a Roma and 44% a Jew moving in next door. True, 76% would not want a skinhead there either, but this still does not make the level of racism or anti-Semitism any lower²¹. Jobbik is luring many voters by trying to be more centrist and less obvious in their intolerance. Many voters cast their ballots for them not knowing that they are voting for a latent neo-Nazi entity.

Despite the common belief that the voters of the far-right are uneducated unwealthy people, it must be noted that it is not necessarily so. Jobbik has the second ratio of rich voters (after LMP), and they are the last but one choice among the poorest²². Moreover, Jobbik has the biggest voter base among those who ended their education with a high school diploma and the smallest voter base among those who have maximum eight years of elementary school (in this respect they are tied with LMP). They have an average number of supporters who received academic degrees²³. However, Jobbik is the most popular party among students.

Political Parties and Racism

None of the major Hungarian parties are exempt of racism, however within Jobbik these tendencies are more prevalent²⁴. Examples of racism can be traced in all major parties. For instance, the Minister for Hu-

konyvegetest-a-hungaristak-85771.html?print=1&full-version

²⁰ http://www.szombat.org/politika/antiszemitizmusmagyarorszagon-2014

 $^{^{\}rm 21}$ In fact more people wouldn't want a Roma or a Jew to move next door in 2014 than in 2013

²² http://24.hu/poszt-itt/2012/04/21/tevhitek-a-jobbik-rol-2-resz-szegenynek-kepzelt-radikalisok/

²³ http://24.hu/poszt-itt/2012/04/25/tevhitek-a-jobbik-rol-3-resz-az-iskolazatlansag-feltetelezese/

²⁴ http://pcblog.atlatszo.hu/2014/07/04/a-jobbik-taboraban-tovabbra-is-eros-az-antiszemitizmus/



Table 7: Support for certain anti-Semitic conspiracy theories among party-sympathizers (ratio of the percentage of those who agree completely and the value of the scale of anti-Semitic conspiracy)²⁹ (in 2013)

	1. Jews often operate behind the scenes	2. Jews often meet in secret to discuss what is important to them	3. Jews want to rule the world	 Jews want deciding roles in internation- al financial institutions 	5. Jews want to extend their influ- ence in the world econ- omy	6. Jews want to achieve their goals by secret agree- ments	scale
In the complete sample	28	18	24	34	33	18	
Fidesz-KDNP (N=261)	38	27	35	49	49	25	3.73
MSZP (N=56)	36	34	34	36	37	28	2.78
Jobbik (N=129)	70	38	63	76	72	39	4.31
E14-PM (N=107)	6	9	6	23	22	8	2.29
LMP (N=37)	18	14	14	15	16	14	2.48
DK (N=49)	14	5	8	21	7	8	2.44
- - - - -							

man Resources, Zoltán Balog (a member of Fidesz) denied that any Roma were deported from Hungary during the Holocaust²⁵, while the documents of MSZP (a left wing party) dealing with how to find the balance between anti-Roma and Roma voters as it must be acknowledged that most of the public opinion is prejudiced against the Roma²⁶ have leaked back in 2009. None of these instances really cause a considerable public uproar, so no heads had to fall so far.

The largest manifestation of racism constitute the anti-Roma tendencies, although anti-Semitism is also present in the parties and the attitudes of voters. [See Table 6]

Most of these anti-Semitic tendencies are paired with a belief in conspiracy theories. In fact, according to a survey conducted in 2013, 42% of Hungarians think that there is a hidden force behind the government that runs the country²⁸. among the voters of Jobbik this ratio is the highest – with 66% of all respondents; the second is the green party, LMP, which is very anti-capitalistic (51%) and the third is the left wing MSZP (49%). The governing Fidesz comes only at the fourth place (43%).

If we take a look at certain specific anti-Semitic conspiracy theories we see that the highest support for them is also among Jobbik sympathizers. [See Table 7] Although all Hungarian parties are affected by racism, it is mostly Jobbik that gets a bad reputation for it, as it has the highest rate of such atrocities, being at the same time the most open about it. They still use the phrase "gypsy crime" which means that certain violent crimes are more typical to Roma people – a claim which has been refuted categorically³⁰. Unfortunately however, according to a research conducted in 2008³¹. 91% of Hungarians believe that the "gypsy crime" is a real phenomenon.

International Perspectives

An interesting, unique feature of the Hungarian far-right (or at least of Jobbik and its satellite groups such as the Hungarian Guards or the website "Kuruc.info") is that until the "refugee crisis" occurred, they did not really appear islamophobic. Quite the contrary, the leader of Jobbik Gábor Vona even referred to Islam as "the hope for humanity"^{32.}

The most probable reason behind this shift is the fact that the party was back then receiving support from Iran. And thus, for example, Jobbik wanted to invite the Iranian Revolutionary Guards to observe the European Parliamentary elections in Hungary in 2009³³.

Interestingly enough, as regards the "refugee crisis", Fidesz stole the show from Jobbik by leading a policy of fear- and hatemongering, and was talking about the need to defend the Christian Europe from the Muslim "immigrants"³⁴.

³⁴ http://index.hu/belfold/2015/10/23/orban_keresz-

²⁵ http://444.hu/2014/08/04/balog-zoltan-szerintmagyarorszagrol-nem-deportaltak-ciganyokat-amasodik-vilaghaboru-alatt/

²⁶ http://www.168ora.hu/itthon/rasszista-mszp-szava-zok-42946.html

²⁷ http://szabadpiacalapitvany.hu/files/files/SZPA_Ta-nulmany_131231_140211.pdf

²⁸ http://politicalradical.cafeblog.hu/2013/08/13/a-hatterhatalom-nyomaban/

 $^{^{29}}$ http://szabadpiacalapitvany.hu/files/files/SZPA_Tanulmany_131231_140211.pdf

³⁰ http://444.hu/2014/11/07/eloszor-kutattak-a-ciganybunozest-es-kiderult-hogy-nincs-olyan/

³¹ http://valasz.hu/itthon/a-kulcsszo-kozbiztonsag-19733

³² http://mandiner.hu/cikk/20150905_az_iszlam_ az_emberiseg_utolso_remenye_vona_idezettel_ szembesitettek_a_jobbik_tuntetoit

³³ http://politicalradical.cafeblog.hu/2014/03/31/a-jobbik-es-iran-kapcsolata/

It is typical not only of Jobbik but basically the entire far-right that such political parties and groups are strongly influenced by Russia³⁵ (even the governing party is suspiciously friendly with Vladimir Putin and often does what the Russian strongman wants). Putin's goal is to weaken Europe, for which purpose he uses the far-right as "useful idiots". Numerous Hungarian far-right websites are the mouthpiece of Russian interests. Jobbik Member of the European Parliament, Béla Kovács was even accused of being a Russian agent³⁶.

Many far-right groups do not position themselves in the context of left, right or liberal, but rather as a "fourth option" – as proposed by Aleksandr Dugin³⁷, a Russian far-right thinker who wants to get beyond the tainted image of the far-right by inventing a seemingly new ideology, but in fact representing far-right ideas with left-wing economics (which the far-right often adopts anyway).

Far Left

The far-left does not really play a significant role in Hungarian politics. As their economic views are being appropriated by the far-right they have no leg to stand on, to put it figuratively. Two minor parties which represent this tendency, and the popularity of both is so marginal that it is even difficult to measure. Moreover, neither of them is anywhere close to entering the Parliament.

One of them is Munkáspárt (Hungarian Workers' Party)³⁸ – a party which builds on the nostalgia for the communist era³⁹. Its

99 LIBERAL PARTIES ARE NEITHER WELL-REPRESENTED, NOR POPULAR IN HUNGARY

members still believe in the future communist revolution when the proletariat will once again rise up against the bourgeoisie. They even demonstrate together with the Hungarian National Front and claim that they can easily imagine cooperation with far-right groups along the lines of anti-capitalism and anti-Zionism. Munkáspárt is a nationalist communist party, very fond of Russia.

Another far-left party is 4K! Fourth Republic Movement. Although they advocate for certain liberties (such as the legalization of marijuana), they also represent openly Marxist, anti-capitalistic views⁴⁰. Their ideology resembles the Marxist hippie ideas of the 1960s.

Liberals

Liberal parties are neither well-represented, nor popular in Hungary. What is worth mentioning is that social liberal views are often appropriated by the left-wing parties, so it is not easy to gain popularity in this respect. Thus the support for liberal parties mentioned below was not enough to enable them to enter the Parliament, although the leader of the Hungarian Liberal Party managed to get elected on a socialist tick-

teny_europa_menekultek/

³⁵ http://4liberty.eu/the-kremlin-connection/

³⁶ http://hungarytoday.hu/news/jobbik-mep-belakovacs-accused-spying-previously-lose-immunity-79900

³⁷ http://4pt.su/

³⁸ http://www.munkaspart.hu/english.html

³⁹ http://444.hu/2016/02/22/sosem-fogunk-mar-olyan-jol-elni-mint-kadar-alatt

⁴⁰ http://negyedikkoztarsasag.hu/program-english

Populism, Radicalisms, Migration

99 POPULISM IS A CATALYST FOR RADICALISM

et, as a part of a big coalition. The party⁴¹ is a member of ALDE group, and it represents chiefly a classical liberal ideology, advocating for human rights and individual liberties and (to some extent) free market.

Another liberal party of the Hungarian political scene is the Modern Hungary Movement (MoMa)⁴² - a party which defines itself as a liberal conservative party. In 2015, in a by-election in the Hungarian town of Veszprém and several nearby villages for a seat in the Parliament, an interesting event occurred which has challenged the then political stasut quo. The discontent of the constituency (which was traditionally a Fidesz stronghold) was so strong that people were desperate to find alternatives. As a consequence, an independent candidate, Zoltán Kész, a classical liberal and the former director of the Free Market Foundation won the by-election⁴³. Although he was backed by many opposition parties, what was really appealing to the voters was the fact that he was not tied or affiliated to any political party. Moreover, he was campaigning door to door, which is not a common strategy in Hungary. In the end, his victory shattered the two-third majority of the government and Fidesz could not continue with the uncontrolled building of an illiberal state.

POPULISM

Populism is a catalyst for radicalism. Usually, when politicians promise a lot and they cannot deliver, after a while people turn towards alternative parties, which are often more radical. This, however, frequently turns out to be a Hobson's choice as many of these parties are also populist and tend to tempt people with empty promises – even to a greater extent.

Populism feeds on fears and desires of the general public. It is best demonstrated by the recent "refugee crisis" when the governing party managed to regain popularity by claiming that they are going to protect not only Hungary, but also Europe form the "hordes" of "others". By adopting radical measures⁴⁴ Fidesz thus outbid Jobbik and started to invent often artificial problems so that the people would experience the influx of refugees first hand – all this to make Hungarians fear the migrants to such an extent that the intervention of Fidesz could be seen as a true blessing. And so the government kept⁴⁵ the arriving foreigners at a railway station by misinforming them about possibilities to leave for Germany, so that the government could make their point. Moreover, the government comissioned installation of large billboards⁴⁶ (which were supposedly messages to the migrants), with slogans such as "If you come to Hungary, don't take the jobs of Hungarians". This campaign met with a lot of resistance as the messages were clearly not directed at refugees (who obviously upon their arrival did neither speak Hungarian, nor did most of them want to stay in the country) but at the Hungarian citi-

⁴¹ http://liberalisok.hu/

⁴² http://www.moma.hu/

⁴³ http://www.origo.hu/itthon/20150222-fele-annyiszavazo-veszpremben-mint-tavaly.html

⁴⁴ http://www.amnestyusa.org/news/press-releases/ commission-action-against-hungary-step-towardsrestoring-rights-of-refugees

⁴⁵ http://hvg.hu/itthon/20150904_Megoldhato_ lenne_a_menekulok_tovabbkuldes

⁴⁶ http://www.bbc.com/news/world-europe-33091597

zens. The expensive campaign was clearly designed to advertise how mych the government cares about the ordinary people – Hungarian people, of course.

In April 2015, as a result of the governmental anti-migrant campaign more people started to exhibit xenophobic and racist behaviours, believing that the "immigrants" want to overthrow the European values^{47.} However, by July the number of xenophobes began to wane⁴⁸.

BEST PRACTICES

Because of the excessive populist promises and the unverifiable conspiracy theories of the far-right, it is extremely difficult to combat either of them. There exists, however, a set of best practices to fight the harmful rhetoric of radicals⁴⁹. Leaving the foreign efforts on a side, let us focus on the Hungarian attempts.

Ridicule the Radical

Ridicule the Radical is a campaign launched in Hungary by the Free Market Foundation. Its main outlet is chiefly a Facebook fanpage⁵⁰ which uses humor to oust the far-right as anachronistic and ridiculous. Using satire is an excellent remedy for the hatred of racists and xenophobes. And because the far-right uses social media extensively, it is also a perfect means of counteracting their rhetoric.

Tools:

• Original content created by the far right in a ridiculous context (e.g. photos, modified advertisements, leaflets, posters etc.);

⁵⁰ https://www.facebook.com/Turulpata/

- Memes;
- Videos;
- Text posts;
- "Ridiculing" news.

Topics:

• Current issues in Hungarian domestic politics;

• Popular beliefs, sports and hobbies (e.g. the revival of traditional Hungarian archery and martial arts) of the far right;

• Symbolic figures of the far right (e.g. politicians, ideologists, musicians) dressed in ridiculous, traditional Hungarian clothing).

Let's Root Against Racism⁵¹

The Free Market Foundation together with its partner organization the Hungarian Civic Platform have set up a campaign to fight racism in sports – mostly in football. The discipline is considered to be the most popular in the country and is at times utterly racist. Through football people can be taught how to fight racism: first, in the stadiums, than in broader contexts.

The campaign shows the detrimental effects of racism (such as the decreasing number of fans attending matches as they are discouraged from attending by the radicals), draws attention to the need to combat it, and educates people on why racist ideas are wrong. The project involves social media but also *hands-on campaigning* with the participation of its supporters and volunteers. The campaign

⁴⁷ http://www.nytimes.com/2015/09/07/opinion/hun-garys-xenophobic-response.html

⁴⁸ http://www.tarki.hu/hu/news/2015/kitekint /20151203_refugee.pdf

⁴⁹ http://szabadpiacalapitvany.hu/files/files/booklet_ vegleges_140512.pdf

 $^{^{\}rm 51}$ https://www.facebook.com/szurkoljunkarasszizmusellen/

encourages people to start a dialogue and discuss the issues related to all kinds of racism.

Counter-Billboard Campaign

In response to the populist, xenophobic billboard campaign of the government, a joke party, the Hungarian Two Tailed Dog Party started its own billboard campaign⁵². The posters featured statements such as "Welcome to Hungary" and "Sorry about our Prime Minister" (in English), along with even more ridiculous ones (in Hungarian), such as "A space station is going to be built here soon" – mocking the exuberant spending of the government. The campaign was crowdfunded.

Providing Alternatives and Issues That Unite

Many Hungarians are dissatisfied with the current political parties and the politicians. This is precisely why they are searching for an alternative to what the mainstream politics offers. Therefore, independent candidates should not fear running in the elections as the people who are not tied to any political party, who are not entangled in any political scandals stand a real chance of succeeding. The victory of liberal Zoltán Kész is an example of the effectiveness of such an approach.

Furthermore, identifying one concrete issue around which the fragmented voters can unite against populist politicians is crucial. It could be, for example, eradicating corruption. It goes without saying that the current Hungarian government is very corrupt⁵³. At the same time, people respond fiercely to the issue of corruption as, in general, it affects their own money. Stemming from these observations, Zoltán Kész started a referendum procedure asking questions related to corruption^{54.} Referendums on specific topics that directly influence the dissatisfied people are a powerful tool for mobilizing the fragmented opposition.

It should also be noted that the views of the radicals cannot go uncontested. Many politicians (both form the governing party and the opposition) shy away from any debate, either because Jobbik is very good at it, or because many of Hungarian radicals do not respond to reason. Despite all this, a dialogue can truly teach people a lot⁵⁵. If radical views go unchallenged, the radicals themselves are not provided with a context which would show them how ridiculous their ideas are. Even if only a small number of them would respond to this, every chink in their armour must be exploited.

CONCLUDING REMARKS

Despite the negative implications of the word, radicalism is not always a negative phenomenon. There are harmful radical and beneficial radicals. It is true that the former category boast with more supporters, but the latter is far more important, and as such must not be disregarded.

Historically, racism runs deep in the Hungarian society. After a period of an optimistic outlook following the fall of communism, the beginning of the 21st century brought a booming rise in the popularity of the far right. The biggest far-right group, the Jobbik party, is gaining more popularity by appearing more and more centralized.

⁵² http://transparency.hu/cpi_2015_eng?bind_ info=page&bind_id=161

⁵³ http://hungarianspectrum.org/2015/11/10/transparency-international-systemic-government-corruptionin-hungary/

⁵⁴ http://hvg.hu/itthon/20160202_kesz_zoltan_lopasgatlo_nepszavazas

⁵⁵ http://www.theatlantic.com/politics/archive/2015/03/the-audacity-of-talking-about-racewith-the-klu-klux-klan/388733/

The rise of the far-right can be explained by the people's disappointment with democracy – the changes were slow and painful for many. In fact, it seems that the Hungarian people are so disenchanted with politics that to many of them it does not even matter whether they live in a democracy or dictatorship. People are looking for alternatives, parties which have not yet been in power before. Precisely this niche was filled by Jobbik.

The party is undoubtedly appealing combination of anti-capitalism and racism. However, of course, not every supporter of Jobbik automatically hates minorities. Moreover, needless to say, none of the major parties are exempt from racism. Jobbik voters are usually well educated, well-off people. It is true that many of them are less tolerant than the voters of other parties. However, as the victory of Zoltán Kész in Veszprém proves, people truly are looking for alternatives, and if nothing better comes along (such as an independent candidate), they will vote for the far-right.

The far-left does not play any significant role in Hungary – they were unable to expand, partly because their economic policies were misappropriated by the far-right and now their popularity is so marginal that is actually difficult to measure at all.

Having mentioned all this, we shall also emphasize the fact that there are also Hungarian political entities which fall under the category of beneficial radicalism. Although they are not very popular either, they manage to achieve some small victories. The problem with the opposition in Hungary is that it is too fragmented – there are, however, certain issues (such as the fight against radicalism) around which the opposition can unite.

Unfortunately, populism further benefits harmful radicals - not only the far-right but the radicalizing governing party as well as it is trying to steal voters form Jobbik by implementing far-right policies. Populists feed on the fears of the people and therefore resort to telling them things they wish to hear. For this reason it is very difficult to combat populism and the far-right, but there is a set of best practices (such as using sports, laughter and satire, identifying issues around which people can unite) that can assist in counteracting them. Harmful radicalism, or more precisely the far-right, is undoubtedly a key issue in Hungary of today. However, by understanding them better more efficient ways of combatting them can be found.



Vice President of the Free Market Foundation in Hungary. He is also the co-founder of the Hungarian libertarian youth group, Eötvös Club and a vice president of Civic Platform – a Hungarian organization which promotes democratic values.



Radicalism, Populism or Nationalism? All Three in One



107

The new Polish right-wing government is often labeled as nationalistic, populistic and radical. However it tries to reject these epithets, they are all true.

he "good change" is a political slogan of the Law and Justice government that marks the major shift that has recently been introduced in Poland. Figuratively put, it is sometimes described as an attempt to "bite a sleeping bison's butt". In this metaphor of Jarosław Rymkiewicz, a controversial Polish poet, Poland is a sluggish bison and Jarosław Kaczyński, the leader of the ruling Law and Justice party and the grey eminence of the government, a hero capable of waking the majestic animal up and forcing it to run in a much desired direction. It takes a man to bite a bison and this deed is obviously an example of radical, showy and nationalistic behavior (the bison is one of Poland's national symbols). The presented article is an attempt to prove that the same diagnosis applies to the infamous "good change" currently being introduced in Poland a change which shall be deemed as a mix of radicalism, populism and nationalism, accompanied by wishful-thinking and conspiracy theories spread by the ruling party. Sounds like a lethal mixture? It sure does!

RADICALISM

The most radical move of the current Polish government so far was an attempt to change the constitutional foundation of the state. Law and Justice does not have such a large majority in the Polish Parliament (*Sejm*) that would allow the party to enact a new constitution or modify the current one without striking a deal with the opposition that would enable doing so. In theory, they may have had attempted to trick the opposition and convene the voting by surprise, when many of the opposing MPs were outside of the parliament, but this way would be both risky and difficult. This is precisely why Law and Justice decided to paralyze the Constitutional Tribunal instead – as it is the only institution in the Polish system that can block any unconstitutional laws.

The previous government, right before the parliamentary election of October 2015 decided to appoint to Polish Constitutional Tribunal more judges that they were actually allowed according to the legislation. Unfortunately, this moveserved as a pretext for the new government to start introducing the infamous "good change". First, President Andrzej Duda unprecedentedly refused to administer the oath of three judges nominated by the former parliament. Instead, he swore in five judges elected by the new parliament during the "blitzkrieg" procedure, implemented regardless of the negative opinions of lawyers, with neither a proper consultation process, nor a possibility of interviewing the new candidates. Secondly, when the Constitutional Tribunal confirmed that the three judges elected by the former parliament are full members of the Tribunal even without presidential permission, Andrzej Duda simply ignored the verdict and his party started another express parliamentary procedure to change the law that regulates the way the Constitutional Tribunal operates.

The new law aims to paralyze the Tribunal (it for example requires adjudicating cases in chronological order, which gives the government a possibility to fill the court's agenda with hundreds of trivial cases and delay important cases which will have to wait in the queue even in the case of a radical attack on the constitutional order and rule of law) and refused the right to assess its legality. That escalated the constitutional conflict and forced the Polish government to explain itself before the European Union and the Council of Europe. Despite all this, the law was implemented with no delay. In the end, the conflict with the Constitutional Tribunal prepared the groundwork for other radical and possibly unconstitutional changes.

Law and Justice decided to conduct a staffing revolution in all public institutions and state-owned enterprises (even public thoroughbred horses!). Apart from typical replacement of senior level officials, they dismissed all of the senior civil servants. de facto ending the short history of building non-political civil service in Poland. Even if there are some arguments for such a change, the government has not presented any. The same goes for the reform of general public prosecutor's office or giving the secret service and police rights to invigilate citizens - radical changes, such as taking over the responsibilities of general prosecutor by the Minister of Justice, were not preceded by any proper public discussion. It is becoming a rule that in a majority of these cases, public consultations of the proposed legislation acts are avoided. New regulations must be passed swiftly and with no obstacles. The paralyzed ConstiPOLITICAL RADICALISM LOOKS GOOD ON THE BANNERS BUT IT TENDS TO PROVOKE STRONG SOCIAL RESISTANCE WHEN IT IS ACTUALLY BEING INTRODUCED

tutional Tribunal is no longer able to block any such changes even if they proved unconstitutional.

Radicalism is visible in governmental plans in almost every sphere. As regards foreign policy, Law and Justice has already resigned from close cooperation with Germany and intends to build the position of regional leader in opposition to Berlin. The education system is to be changed "completely", according to Minister of Education Anna Zalewska. The government has already raised the age at which children enter the school system, and is now planning to rewrite curricula or even liquidate middle schools (gimnazjum). Radical changes are also implemented in the public media, where the staff reshuffling is accompanied by the propagandist news and journalistic reports.

This radical political program is a logical consequence of the election campaign in which Law and Justice used very radical

109

language to describe the situation in Poland, softened only at the end of the campaign to lure centrist voters. They claimed that the state "was in ruin", the right-wing media have not published any positive news whatsoever for months (!) and political leaders have been promising radical changes. Obviously, such moves are much needed in some spheres of Polish public policies- the health care system is just one of these examples. However, introducing radical changes in so many areas is politically unfeasible due to the hard resistance of the civil society and groups of interests from sectors affected by the "good change" such as: media, justice or education. Thousands of people have taken part in demonstrations organized by the Committee for the Defense of Democracy (KOD; a spontaneous, rank-and-file movement of the Polish intelligentsia aimed at defending the rule of law) despite bad winter weather. Due to this fact, the government has already softened on some reforms' plans (e.g. in the education sector) and will probably have to ease them even more in the future. Political radicalism looks good on the banners but it tends to provoke strong social resistance when it is actually being introduced.

Key Points

- radical language
- radical policy proposal
- radical attack on the foundations of the Polish legal system

POPULISM

Populism has been rising for years in Europe. From the Golden Dawn in Greece to the Front National in France or UKIP in Britain, the populist parties have recently turned out to be significant political players. They do their utmost to challenge the "liberal mainstream". According to Kenan Malik, "What unities this disparate group is

77 MOST OF THE POPULIST PARTIES COMBINE A VISCERAL HATRED OF IMMIGRATION WITH AN ACERBIC LOATHING OF THE FU. A VIRUI FNT NATIONALISM AND DFFPLY CONSERVATIVE VIEWS ON SOCIAL **ISSUES SUCH** AS SAME-SFX MARRIAGES AND WOMEN'S RIGHTS

that all define themselves through a hostility to the mainstream and to what has come to be regarded as the dominant liberal consensus. Most of the populist parties combine a visceral hatred of immigration with an acerbic loathing of the EU, a virulent nationalism and deeply conservative views on social issues such as same-sex marriages and women's rights"¹Law and Justice is just another example of this phenomenon. To be frank, the party fits the abovementioned description perfectly.

During the eight long years in the opposition Law and Justice has been building its position on constant allegations that the "mainstream media" (acting hand in hand with the then ruling Civic Platform), deceive Poles. Members of the party and its supporters created a conspiracy theory surrounding the tragic accident of the presidential plane in April 2010, with the late President Lech Kaczyński on board, claiming that the government of that time tried to conceal the truth. They actually succeeded in persuading many Poles that the official investigation did not do justice to the case and that evidence that either the plane was destroyed by an explosion, or that in some miraculous way three people actually survived the crash still remains to be discovered. This political action was a response to the growing level of political paranoia in the Polish society that results in widespread belief that there are some forces which operate behind the scenes and that their intention is to harm Poland. According to the Center of Public Opinion Research (CBOS), in 2015 this social phenomenon was at the highest level since 1996 (when the regular surveys began)². The level of political paranoia is

relatively the biggest among the supporters of Law and Justice, hence the story of the "assassination ordered and conducted by Russians in cooperation with the Civic Platform" found favorable conditions to flourish.

Law and Justice also tried to play in the election campaign with the immigration card. This was a pure populistic move because Poland remains almost homogenous ethnically and the current number of immigrants is low. However, like other populist parties in Europe, they managed to raise concerns about the inflow of foreigners and the potential consequences of this fact. Several thousand refuges from the Middle East that the former Polish government promised to host were presented as a "prelude of Muslim invasion". Obviously, all the well-known stereotypes of Muslims were played as well, so the right-wing media linked with Law and Justice were featuring Muslims as terrorists, rapists and idlers that come to Europe only to feed off the system. Jarosław Kaczyński even mentioned the threat of diseases that can come to Poland together with refugees from Syria and other countries.

The populism of the Polish government is also clearly visible in their economic plans. The electoral campaign's rhetoric was focused on several promises: introducing a child benefit in the form of PLN 500 (about EUR 110) monthly benefit for each second and next child in a family, increasing personal tax relief, free of charge medicines for seniors over 75 years of age as well as lowering retirement age (only recently increased by the former government). They did not present any calculations regarding the budgetary consequences but the vast majority of economists voiced their doubts as regards whether any of these is even feasible. "Yes, we can" was the only answer

¹ K. Maili, Preface, in: European Populism and Winning the Immigration Debate, ed. C. Sandelind, European Liberal Forum 2014, p. XIII.

² CBOS, *Psychologiczne charakterystyki elektoratów partyjnych*, komunikat z badań nr 138/2015.

to any raised doubts during the campaign. Still, many voters actually believe in these promises.

As usual, when it comes to populist promises, after the landslide victory in the elections, the newly formed government finds it hard to deliver on them. The flagship promise of a PLN 500 monthly benefit per child turned out to be not for all children (as it seemed during the campaign) but only for families with two or more children. This means that 45% of Polish children will not be covered by the program. Increasing personal tax relief is not going to be as generous and obviously not going to be introduced this year, if at all. The free medicines for the elderly program is going to be limited to probably a rather short list of chosen pharmaceuticals. The most disastrous proposal of lowering the retirement age may never be delivered at all. Therefore, most of the "look good on paper" economic promises (which they are actually not) are never going to be fully implemented. It is not bad that the government is withdrawing from some costly electoral promises, however many voters can feel deceived and manipulated.

These undeliverable promises have only fueled anger among citizens that was initially provoked by the radical attack on the Constitutional Tribunal and the rule of law introduced during the first months after the elections of October 2015. Thousands of people are regularly taking to the streets of Polish cities, the Committee for the Defense of Democracy has been established, the government is being widely criticized online. Such activism among the liberal voters, usually portrayed by the right-wing media as "lazy lemmings", surprised the Law and Justice's government. In response to this, the government started to employ

99 POPULISM IN HANDS OF LAW AND JUSTICE SEEMS TO BE A POWERFUI POLITICAL TOOL EMPTY PROMISES AND THF **FXPI OITATION** OF XENOPHOBIC ATTITUDES OF MANY POLES HELPED THE PARTY WIN THE ELECTION. NOW, OVERSIMPLIFIED OR SIMPLY UNTRUE CLAIMS ARE BEING USED TO HARM THE GROWING **OPPOSITION** AND MOBILIZE **PRO-GOVERNMENT** SUPPORTERS

even more populism to mobilize its supporters and redirect people's attention from the unpopular decisions.

And thus, the ruling party firstly presents their opponents as "communists and thieves" who try to defend their privileges acquired during the eight year rule of the Civic Platform. This is obviously not true because the KOD movement is really a grass roots civic movement, based on massive anger among liberals and centrists rather than a political organization inspired by the opposition parties. However, the accusations are an effective way to mobilize supporters of the government.

Secondly, the Law and Justice leadership tries to present themselves as "sheriffs" ready to be tough on crime. On the one hand, they promise to introduce harsh law against pedophiles, on the other claim that they are able to solve the problem of VAT avoidance (which, in fact, costs Poland billions of PLN every year). Although this is very much in line with expectations of many people, there are no easy solutions for such complex problems. For instance, effective combatting of tax crimes is possible only in close cooperation with other EU member states. Poland alone is not able to limit this phenomenon significantly but it does not restrain Law and Justice, which continues to promise immediate results.

Populism in hands of Law and Justice seems to be a powerful political tool. Empty promises and the exploitation of xenophobic attitudes of many Poles helped the party win the election. Now, oversimplified or simply untrue claims are being used to harm the growing opposition and mobilize pro-government supporters. In this manner, it seems that Law and Justice intends to take over many similar populist slogans often featured by smaller nationalist parties to limit the political strength of the latter.

Key Points

- attack on mainstream media
- exploitation of xenophobic attitudes in the society
- promise of generous redistribution

NATIONALISM

Nationalism has a long standing tradition in the political rhetoric of Law and Justice even if the party tries to cover it with "stateism" and by referring to the tradition of Marshall Józef Piłsudski, a great Polish statesman who was the political leader after World War I. Piłsudski was truly anti-nationalistic but after his death in 1936 and contrary to his will, his political successors started to flirt with Polish nationalists. Law and Justice does exactly the same – it is mixing the cult of Piłsudski with close cooperation with nationalists and with nationalistic rhetoric.

The government is often supported in the parliament by MPs from the populist Kukiz'15 party, in which nationalists play a very significant role. This indicates that there is an informal coalition (or at least an alliance) between this party and Law and Justice. Both sides discarded such claims but there is plenty of evidence to support it. Firstly, apart from the parliamentary cooperation between the two, Kukiz'15 nominated several people to the boards of state-owned companies. One of them is Marcin Palade, Vice-president of the Polish Radio, who used to be a journalist of the far-right and pro-Russian Warszawska Gazeta weekly. He openly criticized the Polish alliance with Ukraine and Polish military cooperation with Lithuania on the grounds of strong nationalistic resentment towards those countries. Due to this fact, his nomination was shocking for many, because close anti-Russian cooperation with neighbors is a foundation of Law and Jus**99** THF COLLABORATION WITH THF NATIONALISTS DOES NOT MEAN THAT LAW AND JUSTICF PROMOTES ALL IDFAS TYPICAL FOR NATIONALISTIC PARTIES OF CENTRAL AND FASTERN FUROPE - IT IS NFITHER ANTI-SEMITIC NOR **RUSSOPHILIC**

tice's foreign policy. Moreover, Kaczyński and his acolytes feel strong antipathy towards Russia. Anything Russian is *eo ipso* barbarian, devious and disdainful. As a result of this fact, collaboration with Kukiz'15 and people of the likes of Marcin Palade is difficult to accept for the anti-Russian majority among the supporters of the ruling party, but on the other hand defends the party from a potential attack from the farright part of the political scene.

Links between Kukiz'15 and the government also have a personal dimension. The Minister of Development is the son of Kornel Morawiecki, a senior leader of Kukiz'15. He is an author of an infamous statement in the parliament that "the will of the nation is above the rule of law". His speech was very much acclaimed by Law and Justice (even though it brings to mind the times of Nazi Germany). The became a symbol of changes introduced by the government because the subjective understanding of the "will of the nation" seems to be often the only reason behind those changes (the pseudo-reform of education is a good example in favor of this diagnosis).

However, the collaboration with the nationalists does not mean that law and Justice promotes all ideas typical for nationalistic parties of Central and Eastern Europe – it is neither anti-Semitic nor Russophilic. Jarosław Kaczyński is far from Polish nationalists whose anti-Jewish sentiments are covered up by the euphemism "Judeo-skepticism". He is also a declared enemy of Putin's imperialistic Russia. On the other hand, however, he and his party are very much anti-Western and instinctively anti-German. Even if they do not openly question the process of European integration, they are very skeptical about the future of the EU. The liberal Western world, "obsessed" with the environment, minority rights and political correctness, is perceived as decadent. Germany, an old foe, is treated with reluctance.

Interestingly, this approach is very deeply rooted in Poland. Juliusz Mieroszewski, a liberal Polish journalist, wrote in 1973 about the attitude of Poles living in exile in Britain towards the West:

Our attitude to the West is astonishing. We treat Britons or French nonchalantly and our newspapers are full of pieces on the decline and decadence of Europe. Only President Nixon can count on the full support of Poles, because among the Western leaders he is the closest to Polish ideal of an anti-liberal, right-wing patron³.

If we change Britons to Germans and Nixon to Orbán, the above mentioned quotation fits the current situation like a glove. This means that the way of thinking of Law and Justice is simply a continuation of anti-Western and anti-liberal mentality of a big part of the Polish society, a part which has been always present on the political scene. *Nihil novi sub sole*.

Predilection for nationalism is also visible when we analyze links with the Catholic Church. Law and Justice enjoys the support of the most nationalistic and conservative part of the Church. As Stanisław Obirek. Polish scholar and thinker, noticed that the equation "Pole = Catholic" is very popular among political leaders of the ruling party⁴. They think that Polish national interests are the same as interests of the Catholic Church. As Jarosław Kaczyński said during the celebrations of 25th anniversary of Radio Maryja, a very popular Catholic radio station: "Who raises a hand against the Church, raises it against Poland"⁵. Such an assumption leads to wiping out the border between the state and the Church which is fundamental for liberal democracies.

Finally, nationalism is visible when analyzing the discourse typical for politicians of the ruling party. Referring to Polish citizens they tend to say: "nation" instead of "society". The public media, after reorganization are referred to as the "national media". In Polish schools teachers should promote

THE WORD "NATIONAL" HAS BECOME A KEY TERM TO DESCRIBE VARIOUS ELEMENTS OF THE "GOOD CHANGE"

"national values". The word "national" has become a key term to describe various elements of the "good change".

Key Points

- collaboration with nationalists
- "the will of the nation" as the highest point of reference

• alliance with nationalist part of the Catholic Church

CONCLUSIONS

The Law and Justice government tries to present itself as a victim of haters, both from within Poland and from abroad. According to party's way of thinking, no "ordinary", democratically elected government, with support of (still) more than 30% of Poles, should be a subject of international scrutiny from the Council of Europe and the European Union, which is perceived as a "political attack". The party's leaders strongly disagree when somebody calls them "radicals", "populists" or "nationalists". Nevertheless, all the three terms used to describe the political ideas and undertaken actions of the party make perfect sense.

³ J. Mieroszewski, Polska Westpolitik, Kultura nr 9/312, 1973.

⁴ S. Obirek, Nie jest przesadą mówienie o iranizacji Polski – interview, *Gazeta Wyborcza*, June 18,2015.

⁵ Urodziny Radia Maryja. Kaczyński: Każda ręka podniesiona na Kościół to ręka podniesiona na Polskę, *Gazeta Wyborcza*, December 5, 2015.

JAROSŁAW KACZYŃSKI PERCEIVES RULE OF LAW AS AN OBSTACLE RATHER THAN A FUNDAMENTAL VALUE. HE SEEMS TO TRULY BELIEVE THAT INTRODUCING HIS IDEAS IS NECESSARY TO RESCUE POLAND

Jarosław Kaczyński is clearly trying to push Poland onto the path towards the Hungarian style of "illiberal democracy". Populist slogans, flirting with nationalism and introducing a change of constitutional foundations of the state are to allow him to redirect Poland from a liberal course towards much more traditionalist tendencies. Although to say that this is "Iranization" or "Putinization" would be a clear exaggeration, the political mixture that Kaczyński is serving to Poland is bitter and dangerous. As Wacław Zbyszewski, Polish writer, has noted: the rule of law results from examples and empirical implementation. If the government gave examples of outlawed actions (lies, broken promises, etc.), the authority of law will eventually decline.

The rule of law has to be guaranteed by independent courts, therefore any political attacks on them are harmful for the entire legal system of the state. Jarosław Kaczyński, however, perceives rule of law as an obstacle rather than a fundamental value. He seems to truly believe that introducing his ideas is necessary to rescue Poland. This is the same kind of unconstrained delusional selfconfidence and egocentrism that makes dictators popular. Fortunately, there are powerful forces in Poland that are going to fight in defense of the rule of law and other values fundamental for liberal democracy. The history of Poland teaches us that radicalism, populism and nationalism is not a mouth-watering mixture for all •



PhD in humanities, assistant professor at the Faculty of International and Political Studies, University of Lodz. His research activities focus mainly on various aspects of the EU-China relations, the Sovereign Wealth Funds and regional/local authorities who develop paradiplomatical relations with foreign partners. He is also an active blogger and regular contributor to the Liberté! magazine, leading Polish political quarterly.

Radicalism of the Central European Countries in Response to the Immigration Issue



117

The European Union has been facing a crisis of unprecedented and uncontrolled immigration for over a year now. The main impact was faced by two groups of EU member states. The first group is the *transit countries*, through which the migrants enter the EU, or more specifically the Schengen Area – these are the countries of the Mediterranean and South-Eastern Europe (namely: Greece, Italy, Spain and the Balkan states). The second affected group are the *target countries* – namely Germany, Austria, France, United Kingdom and the Scandinavian states.

ue to the mounting pressure on these two groups, the EU proposed a quota-based mechanism for dividing the burden of migrants proportionally among the member states based on their size and capacity. This has, however, been met with a growing wave of antiimmigration populism, stemming from the rhetoric of the governments of: Hungary, Poland, Slovakia and the Czech Republic.

The presented article examines the political and ideological sources of this populism and radicalization, which come from the countries with large Diasporas in other European countries. In order to do so, first some key facts as regards the scale of the migration problem that has sparked the populist response are presented. In the latter part, the article focuses on the sources of anti-immigration rhetoric (economic, cultural and security arguments).

SUPPORTERS OF MIGRATION

The influx of both economic migrants and refugees to the European Union in 2015 and 2016 has initiated a heated debate across many European countries which have previously not been confronted with such a phenomenon. The humanitarian crisis that has hit not only Syria, but also many countries of the Northern Africa has led to the outburst of migrants and asylum seekers fleeing their homes and entering Europe through the Mediterranean Sea or the countries of South Eastern Europe.

At first, some European countries reacted with a policy of open arms towards those seeking refuge and a start of a new life chapter in the wealthier countries of Europe. Obviously, the supporters of this approach were highlighting the need to help the arriving migrants. The biggest plea on their hands has been the moral argument.

The moral aspect was based primarily on the humanitarian factor of the crisis in the countries from which the migrants and refugees fled, which, in turn, created a moral obligation for the European countries to provide them with shelter. A part of the narrative that affected this was also the post-World War II legacy combined with the colonial memory that created a greater burden of responsibility among the former colonial powers (namely France and the United

99 IF FUROPF FAILS IN HANDLING THE CRISIS WITH COMPETENCE. IT RISKS LOSING THF FNTIRF SUPPORT IN THE REGION AND GIVING UP A CHANCE OF POLITICALLY **INFLUENCING** THE SITUATION IN THE MIDDLE **FASTERN AND AFRICAN** COUNTRIES FOR THE FORESFFABI F FUTURF

Kingdom). The fate of the people fleeing destitution and poverty in the regions of Africa and Middle East is bound to create stronger sympathies among the domestic population, and thus stronger reactions by the political elites.

Moreover, there were other reasons why the European countries should have understood it as their responsibility to take serious action in support of the migrants. The European political and military actions in Northern Africa (Arab spring) and the Syrian conflict placed a moral burden on the European countries to come up with a solution for the economic and social distress that struck the region in the aftermath and the problem of mass migration. This has to be seen also in the context of the geopolitical conflict with other key actors playing their role in the North African and Syrian conflicts. Increased Russian involvement from the military side has put increased pressure on the European Union to maintain a position of a credible force that needs to be taken not only seriously as a political actor on the international scene, but also as a positive force among the people of the Middle Eastern and North African regions. If they turn in large numbers to Europe to seek shelter and help in the time of their great need, it has to be taken with utmost seriousness as a sign that Europe is perceived as a beacon of hope and a symbol of economic growth that refugees need. If Europe fails in handling the crisis with competence, it risks losing the entire support in the region and giving up a chance of politically influencing the situation in the Middle Eastern and African countries for the foreseeable future

The third point that currently is being used by the pro-migration side is the economic argument. Although there are many aspects to it, one of the key discussion topics is that the influx of migrants will provide a new boost to the European economy by generating new demand for products and services, and thus new opportunities for entrepreneurs and employees. However, this could be questioned as a simple example of the "broken window" fallacy and a case of redirected funds in the economy. The further benefit should come from the new labor force entering European countries that would fill the professions that are

119

in short supply in many European countries. Moreover, as discussed later in this article, the problem of the demographic crisis will affect also the social welfare system that is held dearly by the domestic population.

Even though some countries of Eastern and Southern Europe (Slovakia or Hungary) experience problems with high levels of unemployment, Germany and the UK are currently capable of accepting many new workers from abroad. Even if the qualifications of migrants were not exactly matching the needs of the new countries they settle in, blocking the free movement of people in theory prevents the creation of a better equilibrium of labor force, which is something that the liberal camp should be, after all, fighting for.

Nevertheless, having stated all this, one has to note that not all of the abovementioned arguments are shared by all the parties defending the policy of open borders. At the moment, the movement is comprised of center-right parties (the moderate conservative camp), socialist or social-democrat entities, and some liberal or libertarian groups which focus primarily on the idea of freedom (including freedom of movement) as the key aspect of promoting and advancing human development.

OPPONENTS OF MIGRATION

It is extremely difficult to define the group that opposes the migration in the public debate as its members are almost equally represented across all political affiliations. Many center-right parties in Central and Eastern Europe have toughened their rhetoric against migrants even though they have not been known for this previously. The moderate conservative (but generally rather pro-European) nature of these parties has been replaced by a more hardline statements calling for the protection of the national interests and of the traditional culture in order to create an image of competence and reliability in the face of the current instability.

Similarly, the new populist left- or rightleaning parties joined the ranks of the radical nationalist groups and came out with a more nationalistic rebranding of their manifestos. Among these, UKIP could serve as one of the examples of a populist party adopting a nationalistic approach to politics in their recent electoral efforts. The key focus of their arguments is pointing to the need to protect workers and the stability of social system for the domestic population. However, even within the libertarian camp, there is a strong and growing political opposition to the immigration based on the protection of property rights.

The argument focuses on the fact that in the absence of state and public property, each country would simply be a collective of private properties. Thus neither economic migrants, nor asylum seekers would or even should be allowed to enter a country as people should only enter a private property if the owner of that property consented to this by him/herself. In order to make a clear distinction from other groups, it shall be referred to as a protectionist and nationalist camp – although at risk of somewhat simplifying its merits - to avoid the problem of automatically associating the anti-immigration rhetoric with any specific political brand.

The protectionist and nationalistic forces radicalized the debate surrounding possible solutions to the crisis Europe is now facing. They shifted the focus away from the situation of migrants to three theoretical concepts, which the nationalists could use in their favor. These are a cultural argument, a security argument and an economic argument. **99** THE CURRENT SITUATION MADE **IT IMPOSSIBLE** FOR THE EU TO CHECK WHFTHFR FCONOMIC **MIGRANTS WHO CROSS THE BORDERS** ILLEGALLY HAVE THF SKILLS FOR WHICH THERE IS A DEMAND. THE RESULT IS AN UNEVEN INFLOW OF MIGRANTS TO THE COUNTRIES WHERE THEY CANNOT FIND THE MUCH DESIRED FCONOMIC **OPPORTUNITIES** AND STABLE **FMPI OYMENT**

The cultural argument of the incompatibility of the cultural heritage and customs of migrants with that of Europe, arose mainly from the scale of the migration affecting Europe, although it also centers on various other contributing statements.

The security argument is often driven by the experience of terrorist attacks and the subsequent reactions of the domestic population. The last year's tragedy of the *Charlie Hebdo* and the Paris attacks was the main fuel in this direction.

The argument about the economic impact of the influx of immigrants often takes last place in such debates - this is, however, precisely why it needs to be tackled first. At the time of the very fragile postcrisis of 2008 recovery in many European countries, the uncontrolled influx of lowskilled migrants and asylum seekers is seen through the lens of the economic gains and losses that these people can bring. The first part of this article will thus summarize key facts about the current situation related to the inflow of migrants (with the distinction between economic migrants and refugees) to the EU. The term "migrants" shall be therefore understood as all people who cross the border of the European Union in order to settle in any of the member countries - therefore it encompasses both, the refugees from the areas of armed conflicts, as well as economic migrants.

THE KEY ECONOMIC FACTORS PRESENT IN THE IMMIGRATION DEBATE

Firstly, it is necessary to focus on the number of migrants who arrived in the European countries since the beginning of 2015. In January 2016, this number surpassed one million immigrants. However, this figure will most certainly not be final. According to the statements made by the Justine Greening, British State Secretary for International Development and by the European Union, further deterioration of the continuing humanitarian crisis in Syria and other conflicts in the vicinity of the European Union could result in three million more migrants. It is also expected that the migrants from conflict-affected countries will not be able to return to their home countries for the next twenty years. Therefore, the protectionist and nationalist politicians are warning about the potentially four times greater impact than the current situation, which many countries consider to be already unmanageable.

Another strong talking point used by the nationalist camp is that migrants are coming from different countries, which affects not only their economic and social status, but also the readiness to integrate into mainstream society through employment (due to different linguistic skills, literacy and work habits). According to Eurostat statistics, between January and October 2015, the largest number of asylum seekers came from Syria (nearly 180,000 applicants), followed by Afghanistan (app. 83,000 applicants), Kosovo (over 60,000), Iraq and Albania (over 50,000). The top ten (with the number of asylum seekers between 12,000 to 30,000 applicants per country) is complemented by Pakistan, Eritrea, Nigeria, Serbia and Ukraine. Thus, it may be difficult to apply one single solution to integrate all different groups. The solutions sufficient to integrate migrants from Ukraine may be insufficient for migrants from Africa due to other hurdles that will need to be overcome

In this situation, it should be noted that migrants are divided into different groups based on their motives of arrival. The first group is refugees who are fleeing a conflict or try to avoid the risk of persecution. In this respect, the majority of political leaders (even within the nationalistic camp) indeed believe that it is absolutely essential that Europe takes a principled stand based on respect for the founding principles of the European countries.

At the same time, a large proportion of people streaming into Europe are people seeking a better life - economic migrants. This is often the reason why the radical and nationalist camp opposes the current levels of migration to Europe. On the one hand, economic conditions can also be a legitimate reason for migration not just from the point of view of migrants, but also for the European countries. This is mainly about the problem that bothers Europe in terms of an aging domestic population and thus decreasing the economically active part that is financing the welfare state mechanisms of the past. The labor shortages in various specific fields are also a growing problem in many European countries. The increased supply of the laborers could provide an answer to the issues faced by many countries and at the same time would not affect the unemployment rates in the negative direction.

Nevertheless, the way to address these problems is through legal forms of migration. The legal method of receiving foreign migrants in the European Union is beneficial if Europe wants to maintain a number of very significant advantages of the prior EU arrangements.

First of all, through legal migration Europe retains control over which people it receives and in what quantities. The current situation, however, made it impossible for the EU to check whether economic migrants who cross the borders illegally have the skills for which there is a demand. The result is an uneven inflow of migrants to the countries where they cannot find the much desired economic opportunities and stable employment. **99** A FURTHER CONTINUATION OF UNCONTROLLED MIGRATION WOULD CREATE A SIGNIFICANT NEGATIVE IMPACT ON THE CONOMIES OF THE FU DUE TO THE CRACKS IN THE FREE MOVEMENT OF PFOPIF AND GOODS **BETWEEN ITS** MEMBER STATES

Moreover, the current form of uncontrolled migration also creates pressure and instability in the Schengen Area. The result is that individual nation states have considered/implemented temporary restrictions aimed at rebuilding their state borders. This means that a further continuation of uncontrolled migration would create a significant negative impact on the economies of the EU due to the cracks in the free movement of people and goods between its member states. What is more, there are also other direct negative economic impacts on the countries receiving asylum seekers and economic migrants. German officials have calculated that the initial annual cost of accommodation and care of one migrant amounts to approximately EUR 12,500 per year. The Federal Republic of Germany estimates that this year they will spend more than EUR 5 billion on migrants roughly twice as much as compared to the last year. According to the data from the International Monetary Fund, this must be added to the extra costs of social transfers in the form of unemployment benefits and other measures for those migrants who are not economically active. It must be said that these costs are not as high as often stated by the populist leaders - they would account for about 0.1% of total spending each year. Thus, in case of the expected long-term nature of the migration crisis, the major economic impact on EU countries (especially those receiving the highest number of immigrants) will have to accommodate and meet the basic needs of migrants in the form of initial costs.

IMPACT OF MIGRANTS ON THE EU LABOR MARKETS

In light of the key economic factors mentioned above, it seems however that over the long run, the main issue to be tackled by the recipient countries will be associated with the ability to integrate migrants into respective labor markets. The issue of employment can be analyzed from different perspectives. On the one hand, it is true that the impact on wages of domestic workers is either none or only minimal. Such impact mainly concerns workers in low-skilled jobs, as migrants tend to have lower levels of education and professional skills. As a result, the domestic low-skilled workers will face increased competition, which may reduce their wages or otherwise force them to move to professions with higher qualifications.

It will be always emphasized by the radical and nationalistic parties that immigrants and refugees in particular (due to a special status) have a systematically lower participation rate in the labor market compared to the domestic population. Based on the data of the Cologne Institute of Economic Research analyzing the long-term situation in Germany, which has been known for the admission of large quantities of labor migrants (mainly from Turkey), it can be seen that out of the migrants who settled in Germany between 1985 and 2013, 73% of men and 48% of women are economically active. This is considerably less than in the case of the domestic population, where this rate goes up to 83% of men and 73% of women. Similarly, negative results come from the unemployment statistics, according to which the unemployment rate among foreigners is triple the level (13.6%) compared to the domestic population (4.5%).

A similar experience is shared by other countries of the European Union. According to the data from the International Monetary Fund, due to the current trend of slow labor market integration which can be expected among refugees and immigrants, unemployment will be higher by 30 percentage points compared to the native population. It is estimated that by 2020 this difference would be reduced to 24 percentage points. One of the key factors reducing the gap between the economic migrants and asylum seekers in comparison to the domestic population is the time that immigrants and refugees spend in a new country. With time they will improve their language skills, have greater work experience and social ties helping them to become integrated as a part of the majority population.

From this perspective, the protectionists and radicals point to the differences between various types of immigrants to Europe. Migrants from wealthier countries or with better linguistic skills have a much higher chance of succeeding in the labor market in a new country. The least successful in integrating are the refugees and also women. Finally, the IMF analysis also shows that the successful integration of large numbers of immigrants and refugees is achieved if the state promotes flexible labor market conditions. A great part is played by the legislative barriers to employment of economic migrants and asylum seekers. As it blocks many of them from entering the labor force legally, the immigrants may be discouraged from work and resort to the welfare system as their only option.

This argument has to be weighed against the positive aspects of migration. These are, however, much more long-term in nature and require a theoretical approach backed by a set of promises that are difficult to underpin with hard data. In brief, what Europe needs now are many young people capable of joining Europe's aging labor force and a vision of new generations that will improve the poor demographic prospects that the Old Continent is currently facing. The opportunity to offer migrants new homes would save Europe from waking up very soon to the drastic reality of the near future, in which the current welfare state systems would become unsustainable.

Furthermore, some of the European countries require a new influx of labor force with a given set of skills that is in low supply. Opening the borders would enable a greater equilibrium of labor and bring a new possible push for open markets with the migrants' host countries, which could boost the demand for European goods and thus provide a new impetus for the European industries. The key reason behind this is a wider division of labor, which is helping to bypass the trade barriers and increase production per capita.

In the past, a similar situation of the influx of new people into the labor force took place when women started entering the workforce. Back then, contrary to the wider expectations, the situation caused only slight frictional unemployment and resulted in some displaced workers, but overall contributed greatly to the per capita income. The same will happen in the case of accepting migrants in Europe. Thus, any claim stating that migrants create unemployment uses the same logic as the argument that trade makes us poorer. The need to cater to the coming migrants combined with the skills that these people possess is a solid foundation in favor of the new employment opportunities.

COSTS AND BENEFITS OF ACCEPTING MIGRANTS IN THE EU

The final economic argument in this debate is the question of benefits or the cost of migration for the countries, from which these people flee to Europe. It has been pointed out that due to emigration, the countries of Africa and Middle East may lose their best and most skilled people who will leave and not return. The *brain drain* has been an argument previously brought to attention in many Central European countries. There are, however, two sides to this coin.

While some people may leave the countries with no intention of going back home, most of the people who leave send back remittances, which are probably the best way to alleviate the desolate economic situation in the developing world. They carry with them neither the threat of perverse incentives as may NGO aid, nor the risk of corruption associated with foreign aid. While it has been often argued that it is imperative for the country's development to be able to keep the most qualified people in, it may not have to be so. Most of the developing countries are not able to provide the best form of development of their human capacities to the brightest minds. Thus, it may be just best for these people (and in fact for the country as well) to have the talent developed, where it can be done best. Then, if the people return, they can help the country in person – otherwise they will likely help with their finances. Free trade is the best way to help develop a country and free movement of people is a step in the right direction.

REPERCUSSIONS OF THE ECONOMIC FACTORS

Summing up the rationale behind the economic aspects of the current immigration debate in Europe, it should be said that this is often seen as the key battleground, in which the European authorities have to win hearts and minds of the people in Europe. Currently, this is a battle that has been mismanaged by the defenders of the immigration as they allowed the opponents to hijack the negative economic aspects by looking at the short-term losses. These can be more easily seen by the public, which plays into the atmosphere of fear that got a hold of Europe. This, in turn, drove many of the traditionally moderate and openminded center-right European parties to the position of defending protectionism for the sake of rallying political support.

Such was the case for example in Slovakia, where after the start of the migrant crisis virtually all parties of the center right, including the liberal Freedom and Solidarity party, stood against the policy of accepting migrants and asylum seekers in the wake of the current refugee and humanitarian crisis. The reason for this political maneuvering was a strong anti-immigration position of the governing social-democratic party SMER-Social Democracy (Direction-Social Democracy). The only party that resisted the temptation to compete with the policy of the Social Democrats was the party representing the Hungarian Minority called Most-Hid.

SECURITY ARGUMENTS IN THE IMMIGRATION DEBATE

The reason why the anti-immigrant rhetoric works is not in itself surprising. The economic side of the argument is used just as a justification for other factors, which are the key in defining and shaping the public perception in the Central European countries.

One of the most important factors in generating the fear from the issue of migrants is the security concern. There are a number of incidents that the media and the radical camp have dwelled upon to spread the atmosphere of the lack of safety and security that would be associated with the acceptance of migrants and refugees.

The initial outcries of the outright radical or neo-fascist parties such as Jobbik in Hungary or Golden Dawn in Greece have been gradually adopted by the center-right and populist left-wing countries. The language of security and safety has been used even by the government of the Polish Civic Platform as a precondition to the acceptance of migrants and asylum seekers from the Middle East and African countries. The use of the security theme strengthened in the aftermath of the electoral change.

Two aspects drove this fear. The first one was the fear of the unknown. The prospect of the potentially hundreds of thousands of people entering a territory, of which they knew little about and had little attachment to, created a sensation that this is a major threat to the property and physical safety of its current residents. The fear was fueled by the prejudice that the asylum seekers and migrants have no understanding of the basic liberties and property rights that we hold in high regard in Europe. This was associated with unfounded or carefully picked and highlighted stories about the migrants attacking the drivers or the households in the transition countries, which were then mimicked by the politicians who used it to further reinforce the sense of insecurity.

The election campaign of the SMER-Social Democracy governing party in Slovakia is dominated by the slogan: "We protect Slovakia" – a clear sign of what is a key topic that currently resonates with the public. The same sentiment was expressed by the Czech Minister of Interior Milan Chovanec representing the Czech Social Democratic Party (ČSSD) – when he addressed journalists after an informal meeting of the EU interior ministers, he said that security is a priority in tackling the migrant crisis.

TERRORISM, SEXUAL ASSAULTS AND DISEASES

The second issue contributing to the highlighting of the security aspect of the migration from Middle East are the cases of terror attacks in Paris and sexual violence that occurred in Germany last year. This wave of attacks has been contributing to the acute feeling persistent in Central Europe that with the massive immigration entering our continent, the threat of terrorism was no longer just a distant reality, but a threat that could actually take place in the vicinity or directly in the region.

Contributing to the fear of the unknown was thus the aspect of the fear of immigrants as potential terrorists and criminals, who shall be controlled and who, in most cases, are probably guilty. This was best illustrated by the new anti-terrorism legislation passed in Slovakia which restricts certain freedoms in order to provide the police and the justice system with better tools to prevent any potential attacks in the future. Slovak Minister of Interior Robert Kaliňák commented on the passing of this law with the statement that the restriction of personal freedom of the incoming migrants is one of the conditions of the successful management of the crisis. The containment and control of the migrants outside of the EU's borders (or at least in Greece as a peripheral country) could, at the same, time help Europe control who enters the European Union and alleviate the fears and support for radical politicians (such as Kaliňák) who milk these sentiments.

The same situation of the increased language of security concerns towards the migrants happened also in Poland and Hungary with the two populist governments that found themselves partners in their rhetoric. Jarosław Kaczyński, the leader of the ruling party Law and Justice, warned before the election that immigrants and asylum seekers could bring diseases such as cholera or dysentery to Poland and Europe, as well as parasites that could impact the citizens of Poland. Furthermore, he said that Poland could be forced to accept up to 100,000 Muslims. These statements, while harshly criticized by the Civic Platform party and the media, managed to create a sense of concern among the population. Once the Law and Justice party took office, the purely rhetorical statements were in many ways put into reality coupled with anti-liberal reforms and personnel appointments which have raised concerns among European governments and commentators. Faced with a wave of international criticism, the government of the Law and Justice found one critical ally in Europe namely the Fidesz government and its Prime Minister Viktor Orbán.

Unlike his Polish counterpart, Viktor Orbán has much more solid popular support for populist and nationalist state-

ments and sentiments. The reason for this goes back all the way to the end of World War I, when Hungarian opposition towards Europe and its elites started due to the nature of the post-war settlement that decimated the former Hungarian territories into its current shape. The Hungarian PM openly called for the establishment of a new illiberal state built on national foundations. Measures were immediately taken in this direction, such as the limitation of the powers of the constitutional court to strike down laws passed by the parliament. A very similar direction, though through different measures, was taken by the Polish government of Beata Szydło, which has invalidated the choice of five constitutional judges appointed by the previous parliament (which also happened not without controversy).

Further measures to control the public media were adopted in both countries to ensure that there is no strong criticism, but rather positive propaganda that reaches masses of people to promote the governmental actions. The issue of uncontrolled migration played into the hands of these parties as they can rally effectively new supporters around this issue, and thus divert attention from the justified criticism in other areas. Moreover, in the clash between European liberal values and radicalized nationalism, the topic of mass immigration swayed support away from the liberal camp.

To summarize, the question of security has been a strong factor in the increased radicalism of all four countries of Central Europe (the Czech Republic, Hungary, Slovakia and Poland). The arguments about the need for security were only scarce and ineffective as there was really no reliable data that could be used to oppose this often purely emotional appeal.

99 THE CURRENT **STRONGLY** CONSERVATIVE AND SOCIALIST-CONSERVATIVE POLITICAL PARTIES ARF RALLYING AROUND THE ISSUE OF MIGRANTS TO RAISE SUPPORT FOR IMPOSING **I IMITATIONS** ON FREEDOMS AND THE RULE OF LAW, WHICH WOULD NOT **BE ACCEPTABI F** IN ANY OTHER CIRCUMSTANCES

The only way to fight radicalism would be to provide an effective defense of the principle of individual freedoms and the presumption of innocence, while ensuring that the public order remains intact or at least affected only in the minimum way. The current strongly conservative and socialist-conservative political parties are rallying around the issue of migrants to raise support for imposing limitations on freedoms and the rule of law, which would not be acceptable in any other circumstances. So similarly to any other type of crisis, liberals and libertarians must be extremely cautious and resilient in their principled stance for freedom and the rule of law, even if faced with as tough a challenge as the migration crisis. In the face of the strong political push for safety and security, any opposition to this could be quickly condemned as *naïve* at best. Nevertheless, this is the test that the liberal camp must start to tackle seriously.

PROTECTION OF THE NATIONAL CULTURE IN THE FACE OF THE IMMIGRATION CRISIS

The issue of security is very strongly associated with the fact that migrants are coming from predominantly Muslim countries. The radical and nationalistic camp is extremely quick to point out to the negative impacts and cultural incompatibility that the Muslim migrants faced in France, Sweden or the United Kingdom, and openly state that they will do their utmost to prevent such a situation in their countries. Slovakia, the Czech Republic, Hungary as well as Poland are all relatively homogenous in terms of their domestic population. The fearmongering of the politicians and their claims about the protection of the traditional culture are thus much more likely to find a fertile soil among the population.

The Prime Minister of Slovakia Robert Fico recently issued a number of statements in which he openly spoke against Muslims. When debating the transfer of the refugees from Syria, Fico ensured that only Christian refugees from Syria would be accepted and just a hundred in total. One of the reasons for not admitting Muslim migrants was given by Interior Minister Robert Kaliňák who said that they cannot come to Slovakia because there are no mosques in the coun-

99 THE CULTURAL CRUSADE AGAINST THE CURRENT THREAT IS, HOWEVER, NOT JUST BASED IN THE OPPOSITION AGAINST ISLAM AS SUCH, BUT ALSO AGAINST THE LEFT-I IBFRAL NARRATIVF THAT HAS BEEN "ATTACKING" THE CONSERVATIVE CAMP AND SUPPORTING SECULARISM

SECULARISM AND MULTICULTURALISM AT THE EXPENSE OF THE NATIONAL TRADITIONS AND SOCIAL HIERARCHIES try – a statement that instantly became infamous and was parodied even outside Europe. Furthermore, in the aftermath of the sexual attacks in Cologne and other German cities, Robert Fico stated that he intends to prevent the creation of a larger Muslim community in Slovakia.

Similar strong statements came from Jarosław Kaczyński, who addressed the issue of migrants in the Sejm stating that the European countries (such as Sweden, Germany or France) which in the past welcomed Muslims, have later experienced the introduction of Sharia laws and the loss of national sovereignty. He used examples where Christian symbols, traditions or even the basic legal norms had to be suspended for the Muslim communities. These communities, in Kaczyński's words, demand not just a toleration of their traditions and religious laws, but also that other communities and the majority conforms to the principles demanded by Islam.

The majority of the population in strongly Christian countries such as Poland, Slovakia or Hungary reacts very firmly to such imageries and the nationalistic leaders are fully aware of this. The capacity to prevent this situation in Poland is thus seen as a key aspect of the protection of cultural identity of the country. The cultural crusade against the current threat is, however, not just based in the opposition against Islam as such, but also against the left-liberal narrative that has been "attacking" the conservative camp and supporting secularism and multiculturalism at the expense of the national traditions and social hierarchies.

The same approach and the sense of cultural crusade not just against Muslims, but also the "perverse Western liberalism" has also been adopted by Viktor Orbán and Fidesz. The PM openly said that Brussels does not like strong nation states – toward what Hungary is now

aspiring. He opposed the tendencies which he observes among European bureaucrats that every crisis Europe faces needs to have a European solution. The cultural war is thus not just against the threat from the outside of Europe, but against the way that European leaders try to "overlook" the internal differences between the member states and impose a system on them that will prevent them from having control over their own affairs. As the nationalists see themselves as representing the will of the people (having been elected with a relatively strong mandate), they feel they can present this as a struggle for cultural preservation and democratic principles.

Opposition to this line can come from two sides. One, preferred by most left-wingers, is to argue in favor of European values and condemn the nationalist and religious radicalism which results in a threat to basic liberties for all citizens in these countries. The solution, under this argument, would be to strengthen the position of European institutions to ensure certain rights and principles valid across all of the European Union.

Nevertheless, being members of the liberal/ libertarian camp, the correct solution as regards the matter should be to say that the state and the European institutions should play no role in defining or protecting respective cultures. Instead, it shall ensure that people themselves have all their rights, including religious and cultural freedoms protected and treated equally. At the end of the day, this is where the marketplace of ideas should play its role. However, as in the previous cases, libertarian views are not being defended strongly enough and with skillful precision to handle the counterarguments from both the nationalist and Euro-centric sides.

CONCLUSIONS

To sum up, this article presented three main battlegrounds (economy, security and culture), which have worked in favor of the new radicalized populist and nationalist camp in the past year and the debate that surrounded the migrant crisis in Central Europe (with the focus on Slovakia, Poland, Czech Republic and Hungary). It depicted the key facts and arguments put forward by the opponents of immigration and how the liberal/libertarian camp should handle them from their perspective.

In all three areas, a strong case has been made by the radicalized politicians of all political options against the acceptance of migrants in the region. Dealing both with these arguments and the rhetoric, often over-simplistic and lacking scrutiny, used by the left-wing camp calling for a stronger European integration as the only alternative to the radical nationalism, poses a great challenge for liberals and libertarians.

It will be up to us to defend the ideas of freedom, rule of law and tolerance, at the same time ensuring their high esteem in our societies – even though it may at times seem more convenient to abandon the values at stake in the name of a false sense of safety secured by a growing government or a feeling of ever strengthening trust in the European bureaucratic machinery, both of which we used to criticize.



Analyst at the F. A. Hayek Foundation since 2013. Formerly a research assistant to the Member of Parliament in Slovakia. He participated in the creation of educational and information portals, and lectures for both students and wider public. He has direct experience with research projects in the fields of foreign policy, but also the development of political parties in the Visegrad countries.

The Mainstreaming of Islamophobia in the Czech Republic



131

Like in other Central European states, the migration crisis has dominated the Czech media space since 2015. Unlike any time before, xenophobic and Islamophobic attitudes have left the margins and have literally flooded the Czech public space. Public figures as well as mainstream media outlets have created and spread a strongly negative image of Islam and Muslims, actively nurtured fear of migrants and prevented a rational debate about the various levels of the crisis. In analyzing the obvious spread of a general phenomenon of Islamophobia , it is important to discern its three components: Islamophobic attitudes, anti-Islamist ideology and the spread of negative stereotypes in the public sphere.

slamophobic attitudes have been present in the Czech public sphere for more than a decade. Since 2015, three processes took place: previous marginal attitudes became mainstream and they have even been sanctioned by the highest political figures; a deliberate campaigning spread a new, an aggressive form of anti-Islamism during the migration crisis and stereotypes became political currency.

THREE ASPECTS OF ISLAMOPHOBIA

Islamophobia covers a wide spectrum of manifestations of prejudices, discrimination and hatred against Muslims. Like anti-Semitism, homophobia and antiziganism, Islamophobia is a manifestation of a feeling of superiority over a specific group. It leads to the degradation of this entire group of people based on perceived religious, national or ethnic identity, associated with a certain idea of Islam. The British Runnymede Trust defined Islamophobia as "an outlook or worldview involving an unfounded dread and dislike of Muslims, which results in practices of exclusion and discrimination^{"1.}

The very fear and a criticism of Islam are not Islamophobic *per se.* Islamophobia arises when a negative attitude to Islam is motivated by hostility towards Islam and by the intention to conquer or "to fight against Islam"². In a historical perspective, Islamophobia is a critical term depicting a deliberate misrepresentation of Islam within the colonial context. An early usage of the word is to be found in a book written by a French convert to Islam and an Algerian intellectual, both active in the sphere of experts within the context of colonial administration. Their notion of Islamophobia equals a criticism of a long-standing con-

¹ "Islamophobia: A Challenge for us all", Available [online]: http://www.runnymedetrust.org/publications/17/32.html; p. 5.

² É.Dinet, S. Ben Ibrahim (1925) L'Orient vu de l'Occident: Essai Critique, Paris: H. Piazza, pp. 176-183, quoted by Bridge Initiative Team in: Define "Islamophobia:" The Right Word for a Real Problem. Available [online]: http:// bridge.georgetown.edu/islamophobia-the-right-wordfor-a-real-problem/

77 TODAY'S ISLAMOPHOBIA HAS I FFT THF RFALM OF CULTURALLY CONDESCENDING POLICIES OF COLONIAL ADMINISTRATION AND UNCRITICAL ACADEMIA TO ENTER EUROPE'S VFRY DFBATE **ON SOCIAL** COHESION AND CULTURAL IDENTITY

flictual relationship between Europe and the Muslim Near East, of its colonial supremacist ideology and more particularly of deliberate distortions of the image of Islam by Western academics and Christian missionaries³.

The modern concept of Islamophobia designs a negative and condescending perception of Islam not only by colonial state administrations but by the public at large. A criticism of the implication of colonialism into the discourse on Islam was introduced into academic circles by the critical studies of European colonialism and Orientalism in the 1970s by Edward Said. Concomitantly, a Persian version was used as a criticism of Western imperialism by Iranian Shia revolutionaries⁴.

In Western Europe, negative attitudes towards Muslims as such have proliferated in the last 15 years. Migrant workers from Muslim countries began to be perceived under the sole prism of their religious affiliation mainly due to the so-called "war on terror" and the rise of Islamic fundamentalism. Gradually, the perception of Arab, Turkish and South-Asian minorities shifted from their status of "guest workers" to "permanent migrants" and finally to "Muslims" in the wake of 2001. Moreover, a number of social problems related to the integration of certain groups of migrants (housing, access to labor market etc.) were interpreted as a question about their non-European "culture" and their lack of integration potential as Muslims and not for example just Arabs or Turks. Muslims generally became the internal "others" in relation to a supposedly homogeneous and original Euro-

³ "Islamophobie" : une invention française, Divergences, 8. 7. 2012, Available [online]: http://divergences.be/ spip.php?article3159

⁴ " Islamophobie " : une invention française, Divergences, 8. 7. 2012, Available [online]: http://divergences.be/ spip.php?article3159

pean or Western culture. In the last decade, the attacks in Europe in 2004 in Madrid, in 2007 in London and in 2015 in Paris, the anti-Western ideology and recruitment activities of global jihadism continue to lend to this perception an entire series of arguments.

Today's Islamophobia has left the realm of culturally condescending policies of colonial administration and uncritical academia to enter Europe's very debate on social cohesion and cultural identity. Now it is rather a discriminatory attitude of a racist type targeting entire ethnic and religious groups; it is a tendency to perceive negatively, with hostility and generalize prejudices, nationalities, and individuals related to Islam.Just like racism and xenophobia, " Islamophobia " is not just a concept but also a negative label, used by opposing opinion makers to dismiss others, or sometimes to boast. The concept of Islamophobia therefore lost its critical dimension and became a rhetoric weapon all too often, a syndrome of feeling threatened, or a name of a certain illiberal identity.

It is therefore useful to discern between its various dimensions: *Islamophobic utterances and attitudes* of individuals and groups; *anti-Islamic ideology* legitimizing those utterances and attitudes, and *negative stereotypes* within the public space.

Islamophobic attitudes transport fear and hostility that crystallized around a certain negative image of Islam as an anti-Western, aggressive and culturally inferior religious identity; those having Islamophobic attitudes do not differentiate between Muslims; induce fear, portraying Islam as a threat, and our societies as threatened by an expansion of a hostile Islam; encourage a feeling of an urgent threat that must be aggressively responded to. Islamophobic 99 ANTI-ISI AMISTS PERCEIVE ISLAM AS A MONOLITHIC. STATIC AND UNCHANGING SET OF DOGMAS AND ATTITUDES. AS INFERIOR TO "THE WEST" BECAUSE **INHERENTIY** ARCHAIC. MISOGYNISTIC. **VIOI FNT** AND POLITICAL

utterances are characterized by a larger conspiracy thinking, e.g. a project of the deliberate Islamization of the West.

Islamophobic attitudes mostly refer to a sophisticated, yet fact-proof **ideology of anti-Islamism**. An anti-Islamist ideology, like any racism, is based on picking up a series of concrete negative characteristics (violent nature, misogyny, irrationality), ascribing them to an entire group of people (all Muslims) and subsequently explaining any negative fact (attacks, veiling) by the purported nature of the group as a whole. Anti-Islamism promotes an ideological

ANTI-ISLAMISM IS ONE OF THE DIMENSIONS OF A NEW, ILLIBERAL, NATIONALIST GROUP IDENTITY

construct with the following features: It creates an artificial image of Islam; it gives its own definition of Islam, with no substantial reference to complex, various, real forms of Islam and any individual Muslims and their self-understanding.

Anti-Islamists perceive Islam as a monolithic, static and unchanging set of dogmas and attitudes, as inferior to "the West" because inherently archaic, misogynistic, violent and political. They deny its inner pluralism and development, as well as the ability to adapt to the modern world and liberal democracy and thus perceive Islam as essentially a dogmatic ideology. Anti-Islamist's Islam is a "strawman": a fictional image of Islam onto which anti-Islamists hang a series of negative properties, e.g. quotations from the Quran taken out of context, negative social and political facts from the Muslim world. Then they ascribe those facts to the very "essence" of Islam, i.e. to their image of Islam. The anti-Islamic ideology is therefore irrefutable by rational arguments, because any facts about Islam, its various forms, and Muslims' forms of self-understanding have little to do with the anti-Islamist boogeyman. Anti-Islamists are not interested in reality but rather in a confirmation of their own attitudes. Anti-Islamism is finally one of the dimensions of a new, illiberal, nationalist group identity.

Negative stereotypes concerning Islam and Muslims are subtle, but no less dangerous effects of Islamophobic attitudes and anti-Islamist ideology. Media spread around stereotypes, allow for imbalanced reporting and overuse sensationalism. Negative stereotypes within the political discourse are the fruit of oversimplification, lack of knowledge, conceptual confusion and sometimes bias. Those negative stereotypes are perhaps the most serious effect of Islamophobia . Negative, alarmist attitudes and at least some of the positions of anti-Islamism make it to the mainstream by channels that cannot be easily criticized for active Islamophobia.

THE MAINSTREAMING OF ISLAMOPHOBIC ATTITUDES IN THE CZECH REPUBLIC

Both within the political sphere and in the media, Islamophobia was a present, distinct, but a marginal phenomenon since the 2000s. Islamophobic attitudes have been a European mainstay since the 1990s with regular peaks following violence related to Muslims in Europe or outside. Czech right extremist parties such as Národní Strana (National Party; NS) and Dělnická Strana (Workers' Party; DSSS), as well as groups such as Národní Odpor (National Resistance) regularly target Muslims: they demonstrate in front of prayer rooms, sometimes attack them directly;⁵ protest against building a mosque (in Teplice in 2004, in Hradec Králové in 2010, Brno and Karlovy Vary in 2013), they participate in anti-Islam meetings of European extreme right and make rejection of migration the topic of their electoral campaign⁶. Yet anti-

⁵ "In 2009, a pig's head was placed on fence outside the Prague mosque with the words 'Stop Islam' written on the fence", Islam In The Czech & Slovak Republics: An Invisible Minority Becomes Visible, Dr. Emily Jane O'Dell, Scholar Research Brief, IREX, available at: https:// www.irex.org/sites/default/files/ODell%20Scholar%20 Research%20Brief%202010-2011.pdf

⁶ "Imigrace jako ultrapravicové téma ve volbách do Evropského parlamentu", Migrace Online, 21. 10. 2009,



Islamism is but an added dimension to existing nationalist and racist and often anti-Semitic agenda.

In the Czech media sphere, systematic Islamophobic attitudes have largely been a matter of the margins and of internet magazines. Eurabia.cz, The "Truth about Islam" (pravdaoislamu.cz) and "Media about Islam" (mediaoislamu.cz) have focused on Islam and a purported Islamization of Europe since 2005. The right-wing populist server eurabia.cz has, on the one hand, denied being Islamophobic and points to its "balanced" publication about any topic related to Islam, including articles by mainstream authors and academics. Yet it also gathers the largest number of dedicated right wing anti-Islamic writers since 2005⁷.

The first wave of Islamophobic or at least Islam-obsessed online publications dealt with the purported dangers of multiculturalism, a hot topic of the 2000s, following jihadi attacks in Europe. Notions of Islam and multiculturalism were clearly borrowed from West European media where those questions were intensely discussed. These were locally adapted for the Czech Republic where Muslims are low in numbers and virtually invisible.

The Arab spring marked a second wave of Islamophobia, putting questions of Islam and democracy in the center of public attention. Since 2011, a specialized, local anti-Islamist movement has started to appear on social networks and generally in the internet. Public online debates on news servers, blogs on main news servers and YouTube channels have become sources of opinion making and community building for overtly and primarily anti-Islamist individuals. Led by a biology teacher, Martin Konvička, a number of online-discussants developed a systematically hostile discourse in internet discussions under any articles that were not dismissive of Arabs and Islam in general. By 2013, they built up into an active Facebook group called Islám v České republice nechceme (IVČRN – We do not want Islam in the Czech Republic) with approximately 60,000 members. The Facebook group was shut down by Facebook but it reappeared and doubled its membership to 140,000 members⁸ before being closed down by Facebook once again in 2015. Those loose groups have slowly started developing formal structures.

In summer 2011, the Czech branch of the anti-Islamist European Defense League registered in the Czech Republic⁹, as a continuation of a former group and portal opposed to building mosques in the Czech Republic, antimesita.cz (Anti-Mosque). The anti-Islamist activities were mostly limited to online campaigning against mosques, halal meat and spreading hoaxes concerning Muslims in Europe.

Even before the last crisis, the extreme right wing and anti-Islamists enlarged their focus from Muslims alone to perceived helpers of Islam and sought to increase political polarization in the Czech Republic over matters related to Islam. Alongside Muslims, anti-discrimination activists are regularly harassed on-line and lists with perceived pro-Muslim liberals, with their names and sometimes addresses and phone numbers,

Available [online]: http://migraceonline.cz/cz/e-knihovna/imigrace-jako-ultrapravicove-tema-ve-volbach-do-evropskeho-parlamentu

⁷ "Strukturální a obsahová analýza serveru Eurabia.cz", Migrace Online 27. 06. 2007, Available [online]: http:// www.migraceonline.cz/cz/e-knihovna/strukturalni-aobsahova-analyza-serveru-eurabia-cz

⁸ For comparison, extreme right wing parties have only thousands of members at their Facebook groups.

⁹ David Mrva, "Czech Defence League v kontextu antidžihádistického hnutí", *Rexter* 02/2012, Available [online]: http://casopis.rexter.cz/rexter_02_2014.pdf

were set up on a server called "White Media". Anti-Islamists opposed empowering ombudsman Anna Šabatová, perceived as too liberal for her engagement in a headscarf issue¹⁰.

In 2015, anti-Islamist internet activism spilled over to the streets, to mainstream media and finally to serious public tribunes such as the Czech parliament. In the wake of the first Paris attacks. IVČRN started to hold public demonstrations in Prague, gathering several thousand people at a time¹¹. It gained support from populist parliamentary parties, among other by Tomio Okamura from the Dawn of Direct Democracy (Úsvit Přímé Demokracie), who joined in with overtly aggressive anti-Muslim utterances¹², by several of his co-partisans from the Dawn and by the senator and leader of the President Zeman's party, Jan Veleba. The jihadi attacks in particular and the question of Islam in Europe in general were controversial from the onset. In a sensationalist move, mainstream media (including television) stared inviting extremist anti-Islamist activists to their prime time shows, giving them space and public legitimacy. They left the margins and their "behind-the-veil" internet existence and became instant celebrities.

Finally, in spring 2015, the migration crisis erupted and attention shifted from Islam in Europe as such to the fear of a "Muslim invasion" to Europe. The migration crisis allowed overt Islamophobic attitudes to enter the media mainstream. From April to August, Czech reporting on the quotas for refugee resettlement and on the Balkan border crisis were generally negative. The tone has somewhat changed since numerous Czech humanitarian volunteers started bringing back their own, more diversified stories and testimonials from the Balkan route where they were assisting refugees - at that point young Czechs could be depicted as agents within the larger story.13

The last stage of the anti-Islamist mainstreaming was the public support given to IVČRN by President Miloš Zeman. In October 2015, IVCRN was invited by populist parties and under the auspices of the president to organize a conference on Islam in the Senate, after it held a conference in October in the Parliament¹⁴. Then the president supported their arguments, e.g. stating that a "moderate Muslim is a contradiction in terms"¹⁵, talking about a threat of a "super-holocaust" coming from the Islamic state¹⁶ and stating that there was

¹⁶ Full text: "Zeman's speech at Holocaust event", *Prague Post*, 27. 01. 2015, Available [online]: http://www.

¹⁰ "Islamophobia on the rise", *Prague Post*, 31. 12. 2014, Available [online]: http://www.praguepost.com/czechnews/43563-islamophobia-on-the-rise

¹¹ "Czech Republic: Protests against Islam and for religious freedom in front of Prague Castle", Romea.cz, 17-01-2015, Available [online]: http://www.romea.cz/en/ news/czech/czech-republic-protests-against-islamand-for-religious-freedom-in-front-ofprague-castle

¹² "Tomio Okamura, who heads the Czech opposition Dawn of Direct Democracy movement, has called on people on Facebook to bother Muslims in the Czech Republic by "walking pigs" in the vicinity of mosques, for example, which, he emphasized, is no incitement to intolerance. See: "MP urges Czechs: Walk your pigs near mosques", 03. 01. 2015, *Islamophobia watch*, Available [online]: http://www.islamophobiawatch.co.uk/category/czech-republic/

¹³ Some 2,000 Czechs set off once or repeatedly to the Balkans and to Lesbos island, gathering material and financial aid, brought it to crisis points. The Bapske transit point was at some point mostly organised by volunteers from the so called Czech Team. They keep supplementing state services especially in Greece as this article is being written. Volunteers from other V4 countries were also present.

¹⁴ The conference was cancelled due to lacking procedure: "Konference islamofobů v Senátu nebude. A někde jinde?", Available [online]: http://www.tyden.cz/rubriky/ domaci/politika/konference-islamofobu-v-senatunebude-a-nekde-jinde_359865.html

¹⁵ See the European Commission against Racism and Intolerance report: "Zpráva ECRI Česká Republika", Ocotber 2015, Available [online]: http://www.coe.int/t/ dghl/monitoring/ecri/Country-by-country/Czech_Republic/CZE-CbC-V-2015-035-CZE.pdf

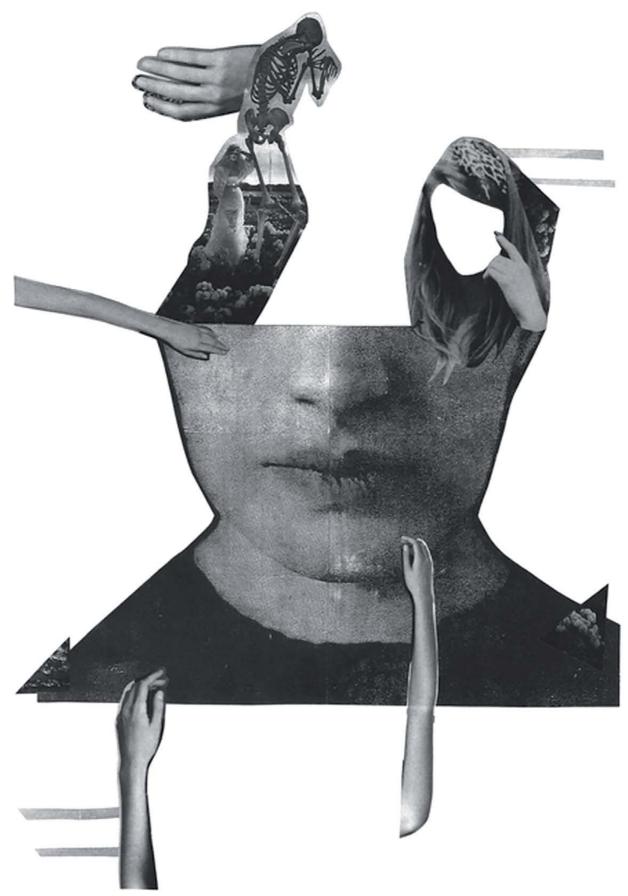
a Muslim invasion on Europe organized by the Muslim Brotherhood. Most symbolically, Konvička and his supporters were invited to the stage together with the President on the anniversary of the 1989 revolution. At the end of 2015, IVCRN joined a political party called Blok Proti Islámu (Block Against Islam; BPI) that is poised to run in the regional elections in autumn 2016. Konvička was eventually indicted of inciting hatred and is awaiting a trial.

CHANGING FORMS OF ISLAMOPHOBIA

Although generally viewed as relatively liberal and tolerant, the Czech Republic has a history of discrimination and widespread negative attitude against its Roma minority. During the last year Islamophobic attitudes - in the form of hate speech, incitement to violence on the internet, public protests – have largely surpassed previous anti-Roma expressions. The abovementioned mainstreaming of Islamophobic attitudes has home-grown and imported sources in anti-Islamic ideologies and translated into widely shared stereotypical depiction of Muslims in the public sphere. Anti-Islamism has developed in a space of latent Islamophobia into a closed ideology due to active lecturing of ex-Muslims, anti-Islamist ideologues and influential media.

In 2007, Jiří Schneider linked anti-Islamism to a wide range of attitudes and current, above all to Euro-skepticism: "The anti-Islam camp in the Czech Republic involves Eurosceptics of all sorts, evangelical Christian fundamentalists, secular liberal feminists, Roman-Catholic traditionalists, opponents of Turkish EU membership, proponents of the separation of Church and state who view Islam as a religion of **Y** THE POSITIONS OF LEADING ANTI-ISLAMISTS ARE NOT ONLY EXTREME, THEY ARE OFTEN ABSURD AND HENCE IN NEED OF LEGITIMATION FROM FOREIGN OR SOMEWHAT AUTHENTIC SOURCES

praguepost.com/eu-news/44022-full-text-zeman-s-speech-at-holocaust-event



governance"¹⁷. Right wing public intellectuals such as Roman Joch have been vocal in their skepticism towards Islam. Until 2011, those attitudes could be subsumed mostly under a register of a criticism of Islam, being mostly concerned with Islamic fundamentalism.

During the present crisis, a full-blown anti-Islamist ideology had emerged, this time targeting Muslims and Islam as such. A tautological, fact-proof and rationally nonopposable kind of ideology is put forward by activists rather than academics. For them, Islam is a deisease people need to be cured from; Islam is inherently violent, expansionist and political. Anyone opposing their views is labelled "naïve" (sluníčkář) or "traitor" (vlastizrádce). The positions of leading anti-Islamists are not only extreme, they are often absurd and hence in need of legitimation from foreign or somewhat authentic sources. For instance, Martin Konvička is well known for his pseudopsychological lecture on Islam as "a psychosexual pathology"18.

For legitimation, the IVCRN often refer to ex-Muslims. They especially list a series of Czech female ex-Muslims who offer to give testimony about their experience with Islam upon invitation in schools. They usually touch upon a conversion and a marriage to a Muslim foreigner gone wrong.¹⁹ A prominent ex-Muslim convert, Lukáš Lhotan, has led a campaign against the Prague Islamic community since 2010. His position is that Islam is no religion but an expansionist political ideology. In 2014, he was instrumental in indicting the community of spreading hatred which led to a me-

ACCORDING TO THE CZECH INTERIOR MINISTRY, FRONT NATIONAL IS A DIRECT INSPIRATION FOR CZECH ANTI-ISLAMISTS

dialized police raid of the main Prague mosque on the outskirts of the capital city. After having enjoyed trust as a representative of Czech Muslims (for example being invited by the US Embassy to their interreligious gatherings), Lhoťan turned against his earlier coreligionists with vehemence and gained followers in the anti-Islamist camp²⁰. A more trusted source of anti-Islamism is another ex-Muslim, Salman Hasan, an Iragi Muslim converted to Christianity and a preacher against the "dangers of Islam". Unlike Lhoťan and Konvička, Hasan has the aura of authentic experience (he lost members of his family to extremists in Iraq) and good intention (he engages in Christian missionary and charity work). Salman Hasan tours the Czech Republic, especially the periphery, with his message: unlike the activists in IVČRN he acceded to mainstream media without a need for previous controversy and unlike aggressive anti-Islamists he easily gains confidence even in educated, well

¹⁷ "Muslim Minorities and Czech Society," Jiří Schneider, in: *Islam and Tolerance in Wider Europe*, ed. By y Pamela Kilpadi, Open Society Institute, Budapest 2007.

¹⁸ https://www.youtube.com/watch?v=MBfORFXRgXg

¹⁹ See http://exmuslimove.cz/skoly/

²⁰ "The only reliable Muslim is an ex-Muslim", web of the anti-Islamist IVCRN: "Jediný skutečně spolehlivý muslim je exmuslim", available at: http://www.ivcrn.cz/jedinyskutecne-spolehlivy-muslim-je-exmuslim/

off circles. Apart from the domestic supply of anti-Islamists, the ideology draws on foreign sources for inspiration and support. According to the Czech Interior Ministry, Front National is a direct inspiration for Czech Anti-Islamists²¹. IVČRN cooperates with the German Pegida. Apart from extreme right movements, IVČRN calls upon Western anti-Islam resources, like political entrepreneur Bill Warner. The former physicist and professional anti-Islam activist founded the Center for the Study of Political Islam in the Czech Republic²². He holds lectures about "Why people fear Islam?", offers online courses on Islam and sells his numerous publications, among others, "Sharia for non-Muslims". He is linked to larger anti-Islam opinion hubs like the Gates of Vienna website and the Counter Jihad Report. He presents himself as a knower and student of Islam, he owns the website politicalislam.com and sells Czech translations of his books to seemingly avid Czech audience (for example to activist atheists).

Anti-Islamism and alarmism related to the migration crisis are most probably spread deliberately also by influence-seeking media of suspected Russian origin. The Czech Ministry of Interior quotes the Russian influence medias (Sputnik and Aeronet) as sources of deliberately alarming news about dangers related to Muslim immigration to Europe: they present distorted statistics and focus on the inability of Europe to counter the migration crisis²³. Other, less visible source of panic around Islam are **99** IN 2015, ISI AMOPHOBIC ATTITUDES I FET THFIR VIRTUAL MARGINS AND FNTFRFD THF PUBLIC MAINSTREAM IT BECAME ACCEPTABLE TO PRESENT FAR-FETCHED ANTI-MUSLIM OPINIONS AND BORDERLINE RACIST ATTITUDES

online TVs, where videos are widely circulating for example through emails among retired Czechs who are not on the usual social media. One of them is the purportedly Catholic Gloria.tv, spreading news about the War in Europe in several languages (German speaker, Slovak subtitles). Interestingly enough, the siege of Gloria TV is in Moscow²⁴. Senator Jan Veleba, who is also a well-known supporter of Vladimir Putin is among the Czech politicians who support the anti-Islamist cause.

²¹ Extremismus Souhrnná situační zpráva 1. čtvrtletí roku 2015, Available [online]: mvcr.cz

²² More concretely in Lidická 700, Brno, according to its Facebook page.

²³ "Ministerstvo vnitra: Islamofobní a protimigrantské nálady jsou hlavním tématem extremistu", 21. 10. 2015, manipulatori.cz; available at: http://manipulatori.cz/ ministerstvo-vnitra-islamofobni-a-protimigrantskenalady-jsou-hlavnim-tematem-extremistu/

²⁴ See https://gloria.tv/imprint/

99 EVFN IF THE POLITICAL MAINSTREAM STAYS SHORT OF OVERT ISI AMOPHOBIC ATTITUDES, THF USAGE OF STEREOTYPES BY MAIN POLITICAL I FADERS MAY ACTUALLY CONFIRM SUSPICIONS AMONG THE GENERAL PUBLIC RATHER THAN REASSURE THEM AGAINST PURPORTED DANGERS

CONCLUSIONS: ANTI-MUSLIM STEREOTYPES AS POLITICAL CURRENCY

In 2015, Islamophobic attitudes left their virtual margins and entered the public mainstream. It became acceptable to present far-fetched anti-Muslim opinions and borderline racist attitudes. The mainstreaming of Islamophobic attitudes and the spread of anti-Islamist beliefs may well play into the hands of populist parties in future elections, leading perhaps to more anti-Islamists presence in representative bodies. Yet the most serious consequence of the rise of the Islamophobia phenomenon in 2015 is the spread of negative stereotypes into mainstream media and political discourse, and the polarization of public opinion.

Even after some improvement of reporting, media do not shun generalizations and simplification. It became acceptable even for journalists of public media outlets to work in a non-objective and suggestive manner, when the talk is about Islam. The confusion between "Islam" and "Islamism" became a matter of opinion, not of facts, as a prominent radio journalist has shown, by pushing a rare voice of reason, Professor Tomáš Halík, into a conclusion he did not want to make about Islam being inherently fundamentalist²⁵. A logic of suspicion became current: Muslims are talked about as if having shared essential characteristics (like resistance to modernity and to integration to a European political model, as having a general tendency to radicalization).

The stereotypization of Muslims entered the political discourse of mainstream parties as well. Petr Fiala, leader of the right wing Civic Democratic Party (ODS),

²⁵ http://media.rozhlas.cz/_audio/03534913.mp3

has made the otherness of Islam and the purported impossible integration of Muslims into one of his main topics. Finance Minister, Andrej Babiš, who will be campaigning for premiership next year, has (after some hesitation), chosen to also pick up the migration issue. Even if the political mainstream stays short of overt Islamophobic attitudes, the usage of stereotypes by main political leaders may actually confirm suspicions among the general public rather than reassure them against purported dangers. A spiral of polarization and populist radicalization may well unfold in the coming year.

Yet, as this short study shows, anti-Islamism is far from being a simple default position of some inherently Islamophobic public opinion. It is actively created and spread around by a number of ideologues and ex-Muslims, not unlike the way the ideology of anti-Islamism it is being promoted in the US. Recently, the Center for American Progress in the United States has identified a network of foundations and "disinformation experts" connected to the American religious right and political foundations who specialize in promoting anti-Islamic attitudes²⁶. It also feeds on a fractured media landscape: as two out of four main dailies are owned by the finance minister and other mainstream media by a few magnates, the center loses credibility and the scissors between liberal and ²⁷xenophobic opinion open, leaving the space to sensationalist, biased or foreign influenced news channels. An example for all: the eurabia.cz server was recently incorporated into more seriously looking Parliamentarian News (eurabia.parlementnilisty.cz), co-owned by a major lottery entrepreneur.

²⁷ Mladá Fronta and Lidové Noviny.

After the loss of Václav Havel, the Czech Republic generally lacks a moral authority figure. The recent eruption of all sorts of public debates about Islam, a strong civil society mobilization in favor of more solidarity with war victims and the development of independent online media may just slow down the descent into populism. The polarization of other Visegrad Group public debates may well be the last warning against the rationality of radical political games.



Researcher at the Prague AMO. Specialises in Islamic philosophy and Middle East studies.

²⁶ Report Center for American Progress, Available [online]: https://www.americanprogress.org/.../fearinc-2-0

Totalitarianism in Europe Is Not Finished





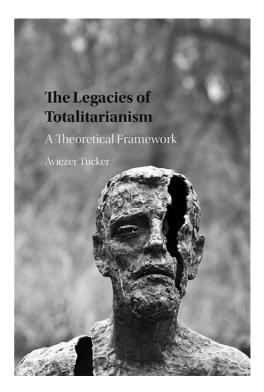
Josef Šíma, President of the CEVRO Institute, talks with Professor Aviezer Tucker of Harvard University about contemporary dimensions of totalitarianism, transition and populism in the Central Europe.

Professor Tucker, your recent book *The Legacies of Totalitarianism* published by Cambridge University Press is considered to be a milestone in scholarship devoted to our understanding of societies of Central and Eastern Europe. In what way can your analysis of legacies of totalitarianism enrich political theory or even political philosophy?

It tests conventional ideas and theories about liberty, rights, justice, restorative justice and property rights in a new historical context, far from the English, French and American contexts where most of these theories were born. Some of them cannot survive this harsh environments, others need to be revised. I proposed how.

How did you approach such a broad topic and what major challenges you had to overcome?

Political philosophy and theory hardly reacted to post-totalitarianism. Jeffrey Isaac called it "the strange silence of Political theory". Some immediate theoretical responses merely reaffirmed truisms that had been known long before 1989. The collapse of command economies confirmed Ludwig von Mises' criticisms of socialist economies from 1922, the insurmountable difficulties in making economic calculations and planning without a pricing mechanism. On the left, the distinction between Marxism and Social-Democracy or liberal socialism that has been the staple of the "New Left" since



the 1960s was emphasized again, in an attempt to resuscitate a left alternative either as a variety of liberalism or at least as consistent with it. But the crisis of Social Democracy preceded the end of totalitarianism by fifteen years and had endogenous reasons.

A political theory and philosophy of posttotalitarianism and the legacies of totalitarianism is also a revisionary critique of DEMOCRACY IN POST-TOTALITARIAN CENTRAL AND EASTERN EUROPE WAS THE UNINTENDED CONSEQUENCE OF THE ADJUSTMENT OF THE RIGHTS OF THE LATE-TOTALITARIAN ELITE TO ITS INTERESTS

received political theories and philosophies that were developed against other historical circumstances but fall short of heuristic, descriptive or normative applicability to posttotalitarian conditions. This book will likely disappoint readers who expect ideological affirmations of faith. I delve into political, philosophical and theoretical issues that do not clearly favor one ideology or another, though I hope to have undermined some received ideological dogmas in the process.

Post-totalitarianism was fashionable in the nineties. This led to many publications in the immediate aftermath of totalitarianism, especially in comparative politics and political economy. But this flowering was cut short abruptly by the 9/11 terror attacks in 2001, followed by two wars, and then the econom-

ic recession. Attention, academic fashions, and media interest shifted away from posttotalitarianism. Even Putin has not managed to restore funding and public interest so far. The first decade after totalitarianism was too short to see where trends were heading and allow meaningful hindsight.

My purpose in this book was to fill in this theoretical and philosophical vacuum and present a theory of post-totalitarianism. I explored how the post-totalitarian political experience should inform traditional topics and theories in political philosophy such as rights, justice, justice in rectification and restitution, property rights, the idea of the university and philosophical education, and theories of ideology and language and the critique of democracy of illiberal thinkers like Habermas, Derrida and Žižek, which I interpret as preserving aspects of totalitarian thinking.

What are your main conclusions?

I argue that democracy in post-totalitarian Central and Eastern Europe was the unintended consequence of the adjustment of the rights of the late-totalitarian elite to its interests. The late-totalitarian elite was usually indifferent to democracy, it wanted private property but was hostile to economic free competition and the impersonal rule of law. It preferred a system of economic inequality and a clientelistic social model, the rule of well-connected individuals intertwined with the state from which they appropriated assets and to which they passed on liabilities. Consequently, the elite's interests were not affected usually by the form of government. They needed little from the government, and they could buy it through bribing politicians and civil servants, forming "joint ventures" with them or their family members, financing political parties, and influencing elections through ownership of mass media. Democracy may be then

JUSTICE IS A SCARCE GOOD. ITS SCOPE AND DEPTH ARE BALANCED AGAINST ITS ACCURACY

an unintended effect of the elite's relinquishment of direct political domination in favor of economic appropriation.

The transition from late-totalitarianism to post-totalitarianism was the spontaneous adjustment of the rights of the late-totalitarian elite to its interests, its liberation, the transmutation of its naked liberties into rights, most significantly, property rights. This social mechanism, the adjustment of rights to interests, explains the end of totalitarianism and has interesting theoretical implications for supporting choice theories of rights against interest theories of rights, and for finding the republican concept of liberty as non-domination more heuristically useful than the liberal negative liberty as non-interference, at least in the posttotalitarian context.

Justice is a scarce good. Its scope and depth are balanced against its accuracy. The legacies of totalitarianism included a severe scarcity in the supply of justice and an elevated level of demand for justice. Righting the wrongs of totalitarianism was deep and broadly scoped. Posttotalitarian governments attempted to supply this demand under conditions of extreme scarcity of resources for justice by compromising on the accuracy

of justice, producing what I term "rough justice". I apply this non-ideal theory of justice and elaborate on how rough justice operated in post-totalitarian societies, respectively, in attempting to punish the perpetrators and compensating their victims. Justice was rough in restitution and had very limited scope in retribution. I explain how and why and debunk some of urban myths about lustration. Rough justice in restitution and privatization participated in causing a realignment of political positions with theories of property rights, historical theories of property rights have come to support redistribution as compensation for victimhood and consequentialist theories of property rights came to support inequality because it generates economic growth and efficiency irrespective of the origins of property rights.

The legacies of totalitarianism appeared not just in "grand" aspects of social and political life like social stratification, the composition of the elites, divisions of rights and liberties, forms of justice, and property rights, but also in the realm of the everyday, how post-totalitarian citizens interacted with each other and with institutions and how public institutions attempted to survive and preserve their privileges and elites in new post-totalitarian contexts. Continuity overwhelmed change in post-totalitarian institutions that were protected by subsidies and protectionism from external pressures. I examine how post-totalitarian institutions of higher education weathered the storm of political change, survived and protected themselves, and at what cost. The discussion of higher education demonstrates not just the institutional legacies of the old totalitarian state but also that totalitarianism in Europe is not finished. New totalitarianism in higher education, including the abolition of academic freeTHE MOST LONG-LASTING AND DECEPTIVELY HIDDEN LEGACIES OF TOTALITARIANISM HAVE BEEN ITS DELETERIOUS EFFECTS ON THE WAY PEOPLE THINK AND ARGUE AND ON THEIR USE OF LANGUAGE dom, is exported to post-totalitarian Europe from the West through models of New Public Management which is nothing more than Communist central planning under a new label.

Probably the most long-lasting and deceptively hidden legacies of totalitarianism have been its deleterious effects on the way people think and argue and on their use of language. Totalitarian modes of thought, ideology, and language were not exclusive to countries ruled by totalitarian regimes. Parts of the Western European intelligentsia partook in the totalitarian intellectual project without living in a totalitarian system. Their totalitarian frame of mind has had similar post-totalitarian legacies. I examine some of these legacies, the promotion of the use of logical fallacies to argue for ideological conclusions, and the "divorce" of language from reality achieved through the use of dialectical language that identifies between opposites. I illustrate these legacies with the writings of a Czech former secret police officer and Habermas on democracy and the writings of Derrida and Žižek about personal responsibility, dissidents, and totalitarianism. I conclude with tying together some of the themes that span the whole book about liberalism, republicanism, dissent and post-totalitarianism in the light of the recent rise of populist authoritarianism in Europe. I call for building an alternative opposition on the legacies of dissent.

Is there any specific feature in which the Czech society differs from the *general* Central Europe?

Czechs like to think they are more Western than other counties. Apart from the geographic fact and the benefit the country derives from proximity to the German economy, and the historical traditions of the First Republic, the Czech Republic still shares more with Slovakia and Hungary than it does with France and Denmark.

Communism was the most homogenizing political system in world history. Forty years of this system generated many similarities between countries that had nothing in common historically like Bulgaria, Latvia, and the Czech Republic. In some respects Czechs and Slovaks started from a lower point than Hungarians and Poles. For example, although Poland has maintained private farms and Hungary allowed private businesses, in Czechoslovakia there was no commercial private property. Czech dissent was more liberal and intellectual than in Poland or Hungary, but that tradition is disappearing from the Czech political scene, at least for now.

Since the Communist Party destroyed its "reformed" wing after 1968, it could not reform itself as in Poland and Hungary, which made the transition smoother and easier. Unlike the Baltic countries, Visegrad countries failed to use their diaspora in the West to "refresh" their political and other elites.

Is there a lesson you believe we should learn from the process of privatization and reforms of systems of justice which Central European countries went through in the 1990s?

It is a common mistake to label post-totalitarian economic systems as "free market capitalism". This mistake may be based on a bivalent view of economic systems as either socialist or free market capitalist, or on misidentifying "capitalism" with overt economic inequality. There was a third way, privatization without marketization, private property, inequality, but no free competition, and strong correlation between political power and economic wealth. THE LATE-TOTALITARIAN ELITE THAT PROSPERED AFTER TOTALITARIANISM PREPARED THE FALL OF COMMUNISM BY "NEST-FEATHERING" AND TRANSFORMED ITSELF INTO A CLASS OF "BUSINESSMEN"

The debate in the early nineties between advocates of "market socialism," gradualists, shock therapists and those who wished to maintain command economy was theoretical, in the irrelevant sense of the word, since governments had little control over the evolution of the economy without control over the latetotalitarian elite and government bureaucracies. The choice of policy hardly affected the results: If the state kept the monopolies, the managers continued to control them and transmuted their naked liberties into rights by stripping the assets they controlled. If the state decided on quick privatization, the managers became owners through manager buyouts and could then sell the firms or their assets if the assets were worth more than the company, as was often the case. If

99 FIRMS

AND THE STATE REMAINED ENTANGLED WITH FACH OTHER IN COMPLEX WEBS OF TRANSFERS OF SUBSIDIES. CREDIT. AND PROTECTIONISM FROM THE STATE TO FIRMS. AND KICKBACKS. BRIBES, POLITICAL CONTRIBUTIONS AND SO ON FROM THE FIRMS BACK TO POLITICIANS AND GOVERNING POLITICAL PARTIES

the state did nothing, the managers privatized spontaneously and again gained control of the properties. The late-totalitarian elite that prospered after totalitarianism prepared the fall of Communism by "nest-feathering" and transformed itself into a class of "businessmen", cashing in on patronage networks to position themselves favorably in the privatization process.

If the state decided on voucher/coupon privatization, the manager maintained actual control and again stripped the assets in the absence of legal or market mechanisms through which dispersed owners could control corporate government and management. The introduction of investment funds that collected the vouchers from individuals to concentrate ownership did little to help small investors gain control over the management of their vouchers/coupons; first, because they could not control the corporate government of the investment funds, whose owners could and did liquidate and steal them by stripping their assets, and second, because some investment funds were owned by banks which were owned by the government and so privatization became a method for the government to transfer ownership back to itself... Initially, voucher privatization appeared politically attractive, giving "gifts" to the whole population. It was ideologically appealing to visiting libertarians enthralled to apparently see Milton Friedman's idea in action (though Friedman conditioned it on the rule of law that was absent after Communism), as a whole population became owners with an apparent stake in the new privatized economy. But many vouchers became worthless because their owners could control neither the companies they owned, nor the investment funds they invested in.

Gradual reforms gave the managers more time to strip assets. Naked liberties to control cash flows and to access assets can become property rights by transferring liquid and other unspecific and portable assets, like precious metals, abroad. Even West Germans who gained properties in East Germany quickly learned to adapt to the post-totalitarian conditions and engaged in the same activities, stripping assets and lobbying the government for subsidies.

"Privatization" in the post-totalitarian context did not mean severing contacts between "privatized" firms and the state, between managers-owners and politicians and bureaucrats. Firms and the state remained entangled with each other in complex webs of transfers of subsidies, credit, and protectionism from the state to firms, and kickbacks, bribes, political contributions and so on from the firms back to politicians and governing political parties. After "privatization", the new owners divided their firms into private assets and public liabilities. The state paid for industrial subsidies either from taxing healthier parts of the economy such as small businesses, commodities and weapons, or from loans, the issuing of international bonds, or by taxing foreign direct investment (FDI).

So, what have we learned and what will we be able to teach countries that may move to privatize in the future like Cuba? First, it is absolutely essential to create first the infrastructure for the rule of law, even if it means importing your judges and policemen from abroad, as they try to do now in Ukraine and parts of Latin America. Without the rule of law, there is no point in distributing coupons. Second, the process of privatization should be managed by an independent agency and not by politicians and should be open to foreigners. International accounting firms can handle the auction for a percentage and foreigners may pay more and offer more to locals than local mafias of former secret policemen and party bosses. Third, after privatization, the state should remain neutral and not offer subsidies or protection to the privatized firms, or this would not amount to privatization.

99 POPULIST MOVEMENTS USUALLY ADVOCATE CONTRADICTORY GOALS - LESS TAXES AND MORE PUBLIC SERVICES. **I FSS IMMIGRATION** BY TAX-PAYING FORFIGNERS AND HIGHER PENSIONS, MORE TAXES ON FOREIGN COMPANIES AND HIGHER INVESTMENT IN THE ECONOMY

Today in most countries in Central Europe we can often witness people being nostalgic over the old "good days" of totalitarian regimes which allegedly provided for safety and security. Newly formed political parties often respond to these feelings by downplaying the problems of the old regimes and criticizing harshly social changes of the last 25 years. How should we keep a sound view on these problems? How

and what to teach our children so they could have a true understanding of what has really transpired?

I do not think there is a genuine "movement" for restoration in the space between Russia and Germany. I think there are protest movements that say what they think would frighten the "establishment" and Brussels. There are two reasons for it.

One is global. The economic mess that has started almost ten years ago is still with us. This leads to the rise of populist movements and politicians everywhere, including the United States and Western Europe. Populist movements usually advocate contradictory goals - less taxes and more public services, less immigration by tax-paying foreigners and higher pensions, more taxes on foreign companies and higher investment in the economy and so on. They may also advocate more freedom and return to a strong state. In post-Communist Europe populism is particularly acute because the people were not ready for 2008. When they went through painful economic changes in the nineties, there was a clear narrative: The Communists ruined the economy, there will be painful reforms, but then we will live like Austrians and Germans. This allowed the governments to institute reforms and convince the people to be patient. But the crisis of 2008 does not have a clear culprit. Some anonymous bankers made bad decisions half a world away, so why should Poles and Czechs suffer?!

Second, the current situation is the result of a couple of decades of pretty high levels of corruption on all levels of government and by politicians of all stripes. This creates a temptation for voting for non-politicians, dictators and businessmen, under the particularly Eastern European illusion that a strong state can solve problems that a liberal state cannot and that very rich people are above stealing to become richer. Then, the lack of experience as far as politics is concerned leads people (not only in post-Communist Europe) to believe contradictory promises, to support policies that are internally incoherent. I believe this will be a passing trend and that soon the global economy will recover, Russia will not have the money to subsidize European populism anymore, and liberal democracy will return in triumph.

We really do not need to rerun the 1930s in European history. Part of the problem may be that after 1989 everybody wanted to either forget history or did not know how to study and teach it. If we do not learn from history, especially totalitarianism, we may repeat it. Karl Marx wrote that when history repeats itself twice, it is first as a tragedy and then as a comedy (he meant Napoleon the First and the Third, respectively). He may still be right about totalitarianism, but then the joke will be on us. •



Associate Professor at the Davis Center, Harvard University. Author of "The Legacies of Totalitarianism: A Theoretical Framework" (Cambridge University Press, 2015).



President of CEVRO Institute (school of legal and social studies), a private university located in the historical center of Prague, and Director of its unique master's program in Philosophy, Politics and Economics (PPE), which includes among its faculty some of the greatest free-market minds both from the US and Europe, such as Peter Boettke of GMU or Michael Munger of Duke University.

MEMBERS OF 4LIBERTY.EU NETWORK

Free Market Foundation (Hungary) is a think tank dedicated to promoting classical liberal values and ideas. The organization's projects focus on advocating a free market economy and fighting racism. The Foundation's activities involve education, activism and academic research alike, thus reaching out to different people.

Liberální Institut (Prague, Czech Republic) is a non-governmental, non-partisan, non-profit think tank for the development, dissemination and application of classical liberal ideas and programs based on the principles of classical liberalism. It focuses on three types of activities: education, research, and publication.

Svetilnik (Ljubljana, Slovenia) is a non-profit, non-governmental and non-political association. Its mission is to enlighten Slovenia with ideas of freedom. The goal of the association is a society where individuals are free to pursue their own interests, and are responsible for their actions.

The Lithuanian Free Market Institute (Vilnius, Lithuania) is a private, non-profit, non-partisan organisation established in 1990 to promote the ideas of individual freedom and responsibility, free market, and limited government. The LFMI's team conducts research on key economic and economic policy issues, develops conceptual reform packages, drafts and evaluates legislative proposals and aids government institutions by advising how to better implement the principles of free market in Lithuania.

The F. A. Hayek Foundation (Bratislava, Slovakia) – is an independent and non-political, non-profit organization, founded in 1991, by a group of free-market oriented Slovak economists. The core mission of the F. A. Hayek Foundation is to establish a tradition of market-oriented thinking in Slovakia – an approach that had not existed before the 1990's in our region.

IME (Sofia, Bulgaria) is the first and oldest independent economic policy think tank in Bulgaria. Its mission is to elaborate and advocate market-based solutions to challenges citizens of Bulgaria and the region face in reforms. This mission has been pursued sine early 1993 when the Institute was formally registered a non-profit legal entity.

The Academy of Liberalism (Tallinn, Estonia) was established in the late 1990s. Its aim is to promote liberal world view to oppose the emergence of socialist ideas in society.

INESS (Bratislava, Slovakia), the Institute of Economic and Social Studies, began its activities in January 2006. As an independent think tank, INESS monitors the functioning and financing of the public sector, evaluates the effects of legislative changes on the economy and society and comments on current economic and social issues.

Projekt: Polska (Warsaw, Poland) Projekt: Polska are people who are dreaming of a modern, open, and liberal Poland. Those, to whom a democratic, effective and citizen-friendly government is a key goal, and who help accomplish this goal while enjoying themselves, forming new friendships, and furthering their own interests.

Liberales Institut (Potsdam, Germany) is the think tank of the Friedrich Naumann Foundation for Freedom dedicated to political issues such as how liberalism can respond to challenges of contemporary world and how the liberal ideas can contribute to shaping the future.

Fundacja Industrial (Lodz, Poland) is a think tank created in Łódź in 2007. Its mission is to promote an open society, liberal economic ideas and liberal culture and to organize a social movement around these ideas. Among Foundation's most recognizable projects are: Liberté!, Freedom Games, 6. District. Foundation is coordinating 4liberty.eu project on behalf of Friedrich Naumann Foundation.

Republikon Institute (Budapest, Hungary) is a liberal think tank organisation based in Budapest, focusing on analysing Hungarian and international politics, formulating policy recommendations and initiating projects that contribute to a more open, democratic and free society.

Civil Development Forum (FOR) (Warsaw, Poland) was founded in March 2007 in Warsaw by Professor Leszek Balcerowicz as a non-profit organization. Its aim is to participate in public debate on economic issues, present reliable ideas and promote active behaviour. FOR's research activity focuses on four areas: less fiscalism and more employment, more market competition, stronger rule of law and impact of the EU regulations on the economic growth in Poland. FOR presents its finding in the forms of reports, policy briefs and educational papers. Other projects and activities of FOR include among others Public Debt Clock, social campaigns, public debates, lectures, spring and autumn economic schools.

COOPERATING PARTNERS FROM EASTERN PARTNERSHIP COUNTRIES

The Institute for Economic Research and Policy Consulting (Kiev, Ukraine) is a well-known Ukrainian independent think tank, focusing on economic research and policy consulting. IER was founded in October 1999 by top-ranking Ukrainian politicians and scientists and German Advisory Group on economic reforms in Ukraine, which has been a part of Germany's TRANSFORM programme. Its mission is to provide an alternative position on key problems of social and economic development of Ukraine.

New Economic School – Georgia (Tbilisi, Georgia) is a free market think-tank, non-profit organisation, NGO. Its main mission is education of young people in free market ideas. It organizes seminars, workshops and conferences for education and exchanges of ideas. NESG was founded by Georgian individuals to fill the gap of the market economy knowledge in the country and the deficit of good teachers and economics textbooks.

ESZTER NOVA DEMAND FOR POPULISM AS A SYMPTOM OF LEARNED HELPLESSNESS

If we are to tackle populism, we should pay more attention to its demand, rather than its supply. The demand for populism may seem confident and powerful, but it is merely an expression of learned helplessness in the face of (real or perceived) threats. Oppressive regimes thrive on helplessness. A population reduced to helplessness is docile and passive – even when it is outwardly loud and belligerent.

MAREK TATAŁA THE ECONOMIC COSTS OF POPULISM: POLAND SHOULD LEARN FROM GREECE'S MISTAKES PAGE 042

Populists often talk about improving the lives of ordinary people. However, the primary goal of populist politicians is to capture (or rather to "buy") political support, win elections or keep political power. Therefore, they do not use tools necessary to bring long-term prosperity to the people but rather take advantage of whatever can guarantee them short-term political gains

MIŁOSZ HODUN THE WINNER TAKES IT ALL: KACZYŃSKI, ORBÁN AND PONTA VERSUS CONSTITUTIONAL COURTS

The governments of Victor Ponta in Romania, of Victor Orbán in Hungary, and of Law and Justice in Poland showed that the transition into a liberal democracy is not given once and for all. So far in the 2010s, we could observe dangerous and populist attempts of limiting the balance of powers and shifting in a direction of strong-arm regime in the three abovementioned countries. The radical agenda came into Central European picture, in the heart of the European Union, and made it go astray.

DÁNIEL MIKECZ RETHINKING POPULISM: TOP-DOWN MOBILIZATION AND POLITICAL ACTIONS BEYOND INSTITUTIONS IN HUNGARY

The democratic backlash and the illiberal tendencies in countries like Hungary, Poland and Slovakia are often characterized with the label of populism. This "new politics" in Central Eastern Europe has introduced a majoritarian model of democracy, where the elected leaders are empowered to fulfill their political agenda. The mirage of authentic action makes this new politics highly attractive for many citizens in CEE. These systems can also forge an electoral coalition of relative majority from the threatened middle class.

ZORA HESOVA THE MAINSTREAMING OF ISLAMOPHOBIA IN THE CZECH REPUBLIC

Like in other Central European states, the migration crisis has dominated the Czech media space since 2015. Unlike any time before, xenophobic and Islamophobic attitudes have left the margins and have literally dominated the Czech public space. Public figures as well as mainstream media outlets have created and spread a strongly negative image of Islam and Muslims, actively nurtured fear of migrants and prevented a rational debate about the various levels of the crisis.

TOTALITARIANISM IN EUROPE IS NOT FINISHED: INTERVIEW WITH PROFESSOR AVIEZER TUCKER OF HARVARD UNIVERSITY

Populist movements usually advocate contradictory goals, less taxes and more public services, less immigration by tax-paying foreigners and higher pensions, more taxes on foreign companies and higher investment in the economy and so on. They may also advocate more freedom and return to a strong state. In post-Communist Europe populism is particularly acute because the people were not ready for 2008.

PAGE 130

PAGE 144

1800 copies ISSN 2391-7083

PAGE 004

PAGE 058