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RISE OF POPULISM IN CENTRAL AND EASTERN EUROPE: HUNGARIAN
CASE

MASTER'S THESIS

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Summary

Political aftermath of collapse of communism led to rapid economic and political transformation efforts within Central and Eastern Europe, guided by neo-liberal thought. Hegemonic position of neo-liberalism decayed over time, leading to a crisis of hegemony. It is argued that rise of populism after post-millennium is a counter-hegemonic reaction to mentioned crisis. Arendtian analysis of counter-hegemonic movement offers rich possibilities waiting to be discovered. For this purpose, Hungarian populism is an interesting case to study.

Confirmation

I confirm that I am the author of submitted MA thesis: “Rise of Populism in Central and Eastern Europe, Hungarian Case”, which has been prepared independently and has never been presented for any other course or used in another educational institution, neither in Lithuania, or abroad. I also provide a full bibliographical list which indicates all the sources that were used to prepare this assignment and contains no un-used sources.

Samet Sirkecioglu

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Research Question: How rise of right-wing populism in Hungary can be theorized and explained through Arendtian framework?

Introduction

“A spectre is haunting the world – populism.” This was the first statement given by Ghita Ionescu and Ernest Gellner in their work, in 1969.¹ Lot of things changed for populism since then. Populism is not a mere spectre anymore, gained its flesh and blood long ago. Nowadays, populism is political force to reckon with either when they are in the government or in the opposition. It became a political reality over the years which received admiration, interest, and criticism.

None of those reactions; however, are clear to address the wrongdoings caused the recent hike at populist movements. What has been changed since the hopeful decades of post-war era? What is the underlying reason for people’s resentment and anger? How so the end of Cold War could not bring the calmer and more peaceful world which has been long expected? Here, claim is that reason for populist surge and mentioned questions can be found mainly by analysing the obvious crisis of neo-liberalism.

Bold claim has been made gains an additional significance at Central and Eastern Europe. Due to countless cultural and historical particularities of the region, pattern for development of neo-liberalism is much more different than the Western experience. Moreover, collapse of Soviet Union transformed both sides of Europe even further and affected nature of relationship between West and East. Hungarian case shines out especially in this context; it becomes an interesting example to study relation between neo-liberalism and populism with current prime-minister Viktor Orban’s earlier political shift from liberal/centre-right position to

¹ Ghita Ionescu and Ernest Gellner, *Populism: Its Meanings and National Characteristics* (Letchworth: The Garden City Press Limited, 1969), 1

far-right, crony-capitalist rings surrounding government, and irredentist images of Hungary, xenophobic rhetoric, para-military organizations occupying political atmosphere of the country.

In this thesis, theoretical model for populism is going to be shaped to figure out its paradoxical relationship with neo-liberalism. Due to ambiguity of the concept; first, populism is going to be re-defined with some help from literature but also including some novelties. Then, political philosophy, and theory of neo-liberalism and material/structural causes of the crisis are going to be analysed through Arendtian framework. Works of Hannah Arendt on liberalism, democracy, oppressive governments, nature of politics, and human activity offer a rich, and frankly unexplored, set of tools to explain populist movements. Later, in subsections following the analysis, similarities between fascist/para-fascist and right-wing populist movements is going to be discovered in terms of ultra-nationalist elements, and their efforts to create new elite will be addressed. Finally, concluding remarks and possible solutions to current crisis will be given to clarify the issues addressed in a simplified manner. Analysis given and features pointed out will be tried to be embodied through examples from Hungarian case, to solidify and ease understanding of the model going to be pitched.

1. What Is Populism?

Although it is existent long enough and getting stronger lately there is not much agreement on concept of populism. There are some points shared by many definitions, such as dichotomy between people and the elite, and ambiguity of populist strategy, but still it is far from having a common understanding on the concept in political science. Any model trying to analyse and explain a phenomenon needs to give a clear representation of it; therefore, a definition of populism is going to be offered in following subsections.

Due to its contested nature, populism is defined in many different ways and by many different aspects. In terms of democracy it has both seen as a threat and opportunity; Canovan defines populism “as an appeal to ‘the people’ against both established structure of power and the dominant ideas and values of the society”² while Mouffe simply refers to it “as main threat to our democratic institutions”³. Moreover, it has been covered widely on socioeconomic basis

² Margaret Canovan, “Trust the People! Populism and the Two Faces of Democracy”, *Political Studies*, 2, 16 (1999), 3.

³ Francisco Panizza, ed. *Populism and Mirror of Democracy* (Great Britain: Verso, 2005), 50.

to connect late-emerging movements with earliest examples of populism such as agrarian/non-urban movements in late 19th century US or Russian movement of narodniki. Laclau also pictures a very ambiguous line between class and people.⁴ Yet, discussion surrounding the concept revolves, especially on the abstract level, around ideational and political-strategic approaches. Ideational approach takes populism as an ideology, guided by proper line of political thought. Supporters of ideational view suggest populists have an ideology based on dichotomy of people and elite. Here, ideology is mostly referred as thin-centered, weaker than its fundamental counterparts of 19th century. Representatives of mentioned approach differentiate in details of their definition; Mudde focuses on tensions exist on morality between elite and people⁵, Canovan bases her analysis on ‘politics of faith’ and ‘politics of scepticism’⁶ and Taggart addresses populism through self-identification⁷. Political-strategic approach, on the other hand, emphasizes opportunist strategy applied by the populist leaders and parties. It suggests behaviour of populist actors only seek to maximize their gains in political arena and do not have any ideological restraints on matters. In this regard, Weyland defines populism as “a personalistic leader seeking or exercising government power” with the help of “direct, unmediated, uninstitutionalized support”⁸, through a voluntary lens. Laclau’s explanation of the concept is much more structural, connected with class relations. He sees populism both as a response to the crisis of hegemony and interconnected with the hegemonic ideology.⁹

In this thesis, populism will be addressed as a political strategy rather than an ideology. Definition will be given has many similarities with above lines in literature explained but also tries to offer some novelties. Here, concept is going to be raised on three main pillars; ideal

⁴ Paul Taggart *Populism* (Buckingham: Open University Press, 2000), 17-18.

⁵ Cas Mudde, “The Populist Zeitgeist”, *Government and Opposition*, 39, 4 (2004) 543-544.

⁶ Benjamin Arditi, “Populism as a Spectre of Democracy: A Response to Canovan”, *Political Studies*, 52, 3 (2004) 137.

⁷ Cristobal Rovira Kaltwasser et al., eds., *The Oxford Handbook of Populism* (Oxford: Oxford University Press, 2017), 52.

⁸ Cristobal Rovira Kaltwasser et al., eds., *The Oxford Handbook of Populism* (Oxford: Oxford University Press, 2017), 74.

⁹ Ernesto Laclau, *Politics and Ideology in Marxist Theory: Capitalism, Fascism, Populism* (London: NLB, 1977), 175-177.

typology, polarization, and pragmatism, which are somewhat existent within literature. Last, issues mostly going to be dealt with through a voluntary analysis in order to picture the particularities populism has in many different ways it is seen, without ignoring structural reasons behind the movements.

1.1. Ideal Type

One of the idiosyncrasies of social sciences is that concepts created lack precision. Exact solutions for problems are very improbable – if not impossible. Natural sciences on the other hand, have more precise discussions and results – though it is also somehow contested after quantum revolution of 20th century. To illustrate, concepts such as atom, pressure, temperature are universally acknowledged; there is no controversy on questions like what an atom is or how temperature is measured. In contrast, social sciences have ambiguities from the start. There are still fundamental discussions regarding what state is or what human rights are.

Max Weber offered a solution to this obstacle by working with an ‘ideal’ version of concepts. Weber suggests meaningful outcome can be obtained by exaggerating certain existing features of a concept, making it more comprehensible and reachable. This new form of conceptual purity is unattainable in real life, a utopia, but exaggerated features are, more or less, observable for many of the studied group even when some are occasionally absent for certain examples.¹⁰ Created concepts and titled events in social sciences such as French Revolution, Renaissance, or democratization of Eastern Bloc serve our minds an adoptable version of the facts to our minds. Because we have set of values assigned to the concept of revolution, we acknowledge and be able to study events in France in late 18th century. On this process, particularities of events are reduced and simplified to ease comprehension. There is an obvious loss of factuality due to this process, which is done to ensure its availability for evaluation. Result is something homogenous and ideal, something impossible to exist in heterogenous conditions of empirical level but accessible for study and science.¹¹

Conceptualization of populism in this study would be an ideal type as well, mostly due to immense diversity populism offers. Even within borders of Central and Eastern Europe, there

¹⁰ Thomas Burger, *Max Weber's Theory of Concept Formation: History, Laws and Ideal Types* (Durham: Duke University Press, 1976), 127-128.

¹¹ Roger Griffin, *Faşizmin Doğası* (İstanbul: İletişim, 2014), 34-35.

are too many variables to take into account, too many specialities between political movements. Aim here is to present an insight about populism which involves key points for a meaningful analysis without falling into trap of oversimplification.

1.2. Polarization

Big portions of literature try to explain populism with dichotomy between elite and people. Populist claim is that public's opinion is not represented by ordinary political actors and institutions due to manipulation caused by the elite. Jan-Werner Müller remarks being critical of elites is necessary condition to be count as a populist.¹² It is certainly true that populists always claim they are the voice of people and only they represent public's will. Political elite is condemned regarding all wrongdoing in the state, due to betrayal of higher powers in country people suffer without representation.

Though this is certainly the case, it does not show the whole picture. Criticism of elites is only a portion of populist parties' stand. I argue that it is an actually existential need for populist parties to be anti-plural. Populist parties claim only they are able to represent people politically that any other means of representation is an illusion. It is common for political actors to aim people's representation; difference here is populists argue solely their political movements has the virtue of reflecting people's opinion. This perfectly addressed by Hungarian prime-minister Victor Orban on an early election defeat in 2000, saying "the nation cannot be in opposition".¹³ Orban's statement clearly indicates other parties' inability for representation of people. A pivotal question emerges at this point: Who are they representing then? This question is essential to understand polarizing nature of populist strategy. Question clearly implies their competitors - and their supporters as a logical conclusion - were not part of the nation. Populist movements' reluctance to acknowledge other political actors' representational abilities undermines the inclusion of other actors' elective basis to 'the people'. Thus, the outcome is an abstract split between supporters of political camps. This in correlation with ambiguous use of concept of nation as well. Populist parties specifically choose not to refer nation in concrete terms. Because once the conception of nation is addressed in clearer terms it would end populists' illusion of being sole representators of people reduce them into an

¹² Jan-Werner Müller, *What Is Populism?* (Philadelphia: University of Pennsylvania Press, 2016), 2

¹³ Müller, 32.

ordinary party merely aiming support of particular groups or a social class. Hannah Arendt classify this kind of parties as party 'above all parties', asserting representation of whole nation. Arendt continues traditionally only government and state has claims above all political actors; thus, it is a novelty on liberal order of nation-state. Since populist parties claim a position the state itself representing – being will of public – legitimacy of state gets undermined, all institutions regardless of their connection to the elite gets questioned. End result is - if populists get powerful enough – hijacking of state apparatus, occupying necessary state positions¹⁴, state-party unification and for extreme cases; party positions being more powerful than state institutions and actors. Furthermore, Arendt sees “above all parties” as a vital threat to nation-state because above all parties weakens institutions and functions of nation-state dramatically by rejecting values of it and arguing representation of whole nation rather than a social class, which was a role prior only fit to state itself in a nation-state.¹⁵

Literature is insistent on dichotomy of people and elite, but populists have wider agenda. It has been seen populist purges not only deal with powerful elite and upper classes. Minority groups became perfect mark due to their incompetence on to be homogenized. Populist strategy must have a clear guideline to picture society. Otherwise, populists would not be able to argue voicing public will. At this stage, an arbitrary perception of us and them is created which disintegrates the nationhood further by creating an enemy within the nation-state. In populist minds, everything does not belong to dominant culture is a contrast of the nation, version of an enemy. Jaroslaw Kaczynski states “Every good Pole should know what the role of the Catholic Church is, because beyond the church there is only nihilism.”, for example.¹⁶ If one is not included in and accepted into majoritarian culture, it becomes the other. Separating society this way is very common in populist strategy, which is destructive on the nation-state since the

¹⁴ Müller, 44-45. This mostly means occupation of judiciary mechanisms since legislative and executive branches acquired through elections. Some unique examples also can be seen though, Jaroslaw Kaczynski's Law and Justice Party (PiS) has special interest on secret services because of Kaczynski's belief on a shady network of within state.

¹⁵ Hannah Arendt, *The Origins of Totalitarianism* (USA: Harcourt Brace & Company, 1976), 38-39. Arendt's analysis on party 'above all parties' is based on anti-Semitic parties and pan-movements. These movements were also asking for popular support of public. Their far-right stand on political spectrum is another common ground shared with populist movements of CEE, which demands attention.

¹⁶ Claudia Ciobanu, “'House With A Garden': How PiS Paints The Polish Dream,” *Balkan Insight* September 11, 2019, <https://balkaninsight.com/2019/09/11/house-with-a-garden-how-pis-paints-the-polish-dream/>

others are actually the citizens of state in eyes of the law. Us & them dichotomy is usually applied to have a crystal-clear understanding of the nation itself; therefore, its application within nation's border makes the very necessity of nation-state questionable.

Another use of polarization is development and consolidation of elective basis. Populist parties are very successful to motivate and mobilize their basis with tools such proximate communication, mass clientelism etc.¹⁷ Polarization plays role to improve status of elective basis too, process involve several steps. Grassroots of movements needs to be built around popular cultural elements accepted by majority of country such as nationality, faith, shared past, political/social values. Following step is keeping society on its toes with continuous exploitation of mentioned elements. Profiteering on Russian threat in Baltic countries, glorification of past and irredentist desires in Hungary, extensive use of Catholicism in Poland are examples of mentioned strategy. Through harsh rhetoric political myths based on such values are created by populists in order to gain public support. Last step is reflecting these myths vulnerable, somehow threatened by oppositional groups. Since myths are created according to needs of the majority, so called threat usually comes from ethnic & religious minorities, immigrants, non-believers, LGBT communities, political left, liberals, socioeconomic powers, global corporations etc. Recent rally in Poland sets a perfect example for steps explained, rally leader Robert Bakiewicz is seen motivating masses by saying “You know what they are afraid of? They are afraid of this!”, referring the cross he is waving to crowd.¹⁸ Political enemy is invented with this way and support gets demanded to protect sacredness of myth created, resulting with consolidation of grassroots for populist parties. In contrast, outcome is unpleasant for accused party; offering possibilities of decrease on trust, social exclusion even violence for some cases, causing a further rupture on social fabric; thus, to polarization.

1.3. Pragmatism

Another common feature shared by populist movements is their pragmatist approach towards politics. Populist parties do not have a specific political ideology to follow, a political

¹⁷ Müller, 43.

¹⁸ “A New Crusade: Poland’s embrace of Catholicism and Anti LGVT Ideology | Foreign Correspondent,” Youtube video, 30:47 posted by “ABC News In-depth,” April 28, 2020, https://www.youtube.com/watch?v=mNg02F6FY_0

basis to act on it. Their response to domestic and global events are purely based on obtaining popular vote and protection of it. This sole purpose is the compass of populist strategy, they do not have a political backbone to guide them. Therefore, scholars all over the world having hard time to put populists into political camps. Populists are political chameleon of a sort, changing their political position to maximize electoral gains under any circumstances. Though it is pictured by them as they are the representators of nation and defender of values – which changes according to version of the political myth they created as it is described in earlier pages -, their success depends on overstimulation of public fears. In this context, populist strategy changes according to anxieties of society, whenever society feels uneasy about something, populists change rhetoric too. Shifts from moderate Islam to political Islam, then to nationalism for Recep Tayyip Erdoğan, from liberal/centre-right to a far-right position for Viktor Orbán, and softening of anti-Semitism in Front National through Le Pen family feud¹⁹ are instances of described methodology. It can be suggested that it is in nature of politics to be the mirror of public and act accordingly to increase portion of votes. Yet, populist shape shifting is beyond common, traditional plots of politics for popular vote; to illustrate it is unthinkable for a liberal to talk lightly about human rights publicly or a socialist asking huge budget cuts on health care. Occurrence of such thing would let exclusion of individual from its organization or dramatic loss of votes if it is a movement. Populists on the other hand, are capable of enough to achieve sudden turns without many consequences.

Pragmatism we described contrasts with literature on populism on some points as well. It is argued normativity is a key component of populist strategy. Populist slogans about conflict against non-national & treacherous elite taken as a normative stand of populists. Müller adds “populism... is a particular moralistic imagination of politics, a way of perceiving the political world that sets a morally pure and fully unified...”.²⁰ On Central and Eastern Europe, Mudde claims one of the reasons of political populism is “dichotomy between moral non-Communist people versus the corrupt Communist elite”. He combines this dichotomy with anti-politics of

¹⁹ Angelique Chrisafis, “Front National family feud goes nuclear as Jean-Marie Le Pen disowns Marine,” *The Guardian* May 5, 2015, <https://www.theguardian.com/world/2015/may/05/front-national-family-feud-goes-nuclear-as-jean-marie-le-pen-disowns-marine>

²⁰ Müller, 19.

masses and absolute righteousness of populist actors.²¹ Argument of morality raised by both names misses the point is that morality of an action can only be defined by its aim. Values of our actions are identified by the intentions we have in order to follow them. Without necessary actions to match, use of moral language equates to empty rhetoric²²; something to cover up benefit seeking, pragmatic behaviour. Therefore, one needs to follow actions taken and results achieved to judge integrity of party policies; at both matters populist movements are far from keeping their promises. This is of course not done only by populists; it is a structural defect of representative democracy lets this sort of approach, but it shouldn't make populists exempt from inspection. Although empowerment of lower and middle classes always guaranteed in populist statements, their realization is highly questionable. In fact, picture is quite the opposite; structural inequality created by neoliberal policies are continued by new set of elites gathered around populist parties. Allegations regarding EU funds shows consolidation of populist rule by an oligarchic system resembling to Russians' and widening gap between lower and upper classes, for instance.²³ Moreover, it is related with people and elite dichotomy as well, especially for the populist parties which are at the government. By obtaining the power, populist propaganda against elite weakens since populist circle starts to become new elite replacing the old ones. New political shift needed by masses is mostly provided with changes in the political direction. This can be either done taking a milder or more radical approach, or amalgamation of both for extreme cases. Orban's stand on anti-Semitism and Holocaust is quite good example of ambiguous approach; Orban sees no contradiction to glorify Admiral Horthy while trying to have top notch relations with Israeli prime minister. Remarks done on the contradiction by Agnes Heller, Hungarian philosopher and Holocaust survivor summarizes what has been pointed out earlier: The question is not whether Viktor Orban is anti-Semitic, because he has

²¹ Cas Mudde, "In the Name of the Peasantry, the Proletariat, and the People: Populisms in Eastern Europe," *East European Politics and Societies*, 15, 33 (2000), 45-46.

²² It is not only about statements of course; ceremonies, memorials, political visits etc. should be considered as well. In short, every communicative behaviour done by political elite for construction of political myth is part of it.

²³ Tim Gosling, "The Subsidy Paradox: How EU Cash Props Up Populists" *Balkan Insight* February 27, 2020, <https://balkaninsight.com/2020/02/27/the-subsidy-paradox-how-eu-cash-props-up-populists/>

no ideology. ... His only goal is power. And whatever means is going get him more power, he is going to use it.”²⁴

Definition: Populism, as an ideal type, is a political strategy which polarizes society into two camps of ‘people’ and ‘others’ by reinforcing culturally based political myths with anti-plural attitude and applying politically amorph pragmatist approach to maximize power in the process.

1.4. Grassroots

Populist movements do not base on any particular social class. This is because populist parties choose not to appeal to any particular social class, rather they prefer to address whole nation on their strategically. Thus, populist movements always claim they represent the nation as a whole. In addition, due to their disinterest on being aligned with any class-based movement, their promises and agenda consist ambiguous, abstract concepts and bases on cultural historical values accepted by the majority, which makes populism a difficult case to study in terms of its grassroots.

I suggest core basis of populist parties can be addressed by Arendt’s term, ‘the mob’. The mob defined as residue of all social classes; it despises society it lives within due to conditions it has and rejection it faced. This hatred is towards the institutions created by same society, towards parliament, political actors and other political institutions. Favoured political instrument of it described as plebiscite, and it will not ask for true representation but shout for strong man and great leader.²⁵ Despite Arendt formulated the mob to discover social basis of anti-Semitism and pan-movements, it is described as an instrument of popular support which lost its constrains with any form of morality. The concept speaks out about majoritarianism, a political system without pre-attained values. In fact, Arendt also remarks it was mistake of the time accepting voice of people as voice of God.²⁶ Their affection for politics as a simple yes or no question displays anti-politics approach, non-existence of patience for a political process.

²⁴ Patrick Kingsley, “A Friend to Israel, and to Bigots: Viktor Orban’s ‘Double Game’ on Anti-Semitism” *New York Times* May 14, 2019, <https://www.nytimes.com/2019/05/14/world/europe/orban-hungary-antisemitism.html>

²⁵ Hannah Arendt, *The Origins of Totalitarianism* 107.

²⁶ Arendt, 106.

Finally lack of social trust, hatred towards political institutions embodies anti-establishment nature and low level of civil activism.

It should have been aware of that the mob does not able to picture most of populist base rather small centre, an initial group needed to pursue the movement. Its capabilities on the other hand, surpasses the majority of populist basis. The mob should be considered as a radical core who are able act against norms of society – which in most cases liberal norms in a liberal society – with determination. These are the forces poking through fabric of society: keeping surveillance on minority groups, discriminating ethnic others, applying emotional or/and physical violence. Without such group as this, populist slogans would be blank, a claim, a promise without its actual manifestation. Political motivation of the mob might be found under their rejection of them through healthy, functioning circles of society, in a way their exclusion. It is also nurtured by an idea of being part of something greater and marvellous, some other version of society they could not fit in on their own terms.

2. Crisis of Neo-liberalism

In order to understand why there is an outcry against the political order, its problems should be addressed. Like any other political order, neo-liberalism was far from being perfect. It created winners and losers alike in societies it affected, damaged cultural/national bonds, dismantled local communities, weakened public institutions but maybe most important of it all materialized the lives of people even further. Surely, these effects are not experienced over a day; besides, as it is well known, neo-liberal order is in our life more than fifty years. Gaining its clear and most famous political manifestation with the likes of Ronald Reagan and Margaret Thatcher, its ideological roots can be traced till the post-war period, most notably in the works of Friedrich Hayek.

There was resistance as well, most famous ones being revolutions of 1968, labour movements, hippies etc. Yet, due to particularities of bipolar world order, construction/protection of the hegemony in Western hemisphere was easier and possible during Cold War. Mobilization of masses and intimidation of opposition was achievable under the pretext of fight for freedom and certain lifestyle. Arguably, neo-liberal hegemony was in its most powerful state in last decade of 20th century, being able to defeat Eastern bloc, proving efficiency of Western ways. It was even argued, infamously by Francis Fukuyama, that collapse of Soviet Union was an announcement for end of history and politics.

Today we know that it is far from the truth. Although it is somewhat still dominant and powerful, neo-liberal way of politics is increasingly getting questioned. Both political and economic principles of neo-liberalism is under attack by alternative movements. Populism is one of those alternatives, shaking the hegemony most. To be able to understand effects of the crisis certain aspects of neo-liberal thought should be examined.

2.1. Political Philosophy Behind Neo-liberalism

To fully understand nature of a counter-hegemonic movement, political features of the hegemon ideology should be studied. Dawn of 21st century is a good period to be taken as a starting point due to solidarity shown by people and disintegration of old political system in Central and Eastern Europe. Further events and efforts caused loose of the solidarity gained through independence and spread of neo-liberal ideology. Hungarian example is special even within the region due to being one of the most radical followers of neo-liberal ideology at a time and starting its transformation even before collapse of communism.

Necessity to study features of the hegemonic ideology does not only comes from the point to see the contrast between hegemon and counter-hegemon movements but realize the similarities as well. Since alternative movements to neo-liberalism culminated within its hegemony, they will constitute some of its features. Like Hegel's dialectic, reaction between the thesis and anti-thesis will create a synthesis, which shares features from both counter positions.

2.1.1. Overturning of Vita Activa

In *Human Condition*, Hannah Arendt unveils relation between humans and world. She states as humans we have a conditioned relation with the space, we are living in. By human condition, reference is given to connection established with world through certain set of human activities, *vita activa*. Clear distinction between human condition and human nature has been made as well; by contemplating on human condition Arendt does not answer questions like what we are or who we are. Rather her focus is on which kind of human activities and how influence our relations with the world around us and the world we created.

Vita activa is consisted of three distinct human activities. Labor is the activity connects people to biological processes inside and around us. It represents bond we have with nature, raw power and abilities we possess. Work, on the other hand, is related with unnatural existence

in the world we inhabited. Greatest monuments, products created by humanity, things “artificial” to the natural process of the planet are made through work. It represents imagination and designing abilities of human mind. Last, action is the human activity which does not need any other medium than human mind. It represents social aspect and capabilities of human life. Labor, work, and action corresponds to life, worldliness, and plurality on human condition, respectively.²⁷

There is a clear hierarchy among above explained human activities. Although all human activities are prominent and represents certain aspect of human condition, hierarchically action surpasses work, and work surpasses labor. Throughout the book, Arendt points out action being essential for society. In the political realm this is even more obvious, she states “...the plurality (of action) is specifically *the* condition – not only the *conditio sine qua non*, but the *conditio per quam* – of all political life.”²⁸. Latest glorification of work over action in the name of functionality and practicality is also mistaken. Progress made by humanity over the course of history is caused by useless search for knowledge, not by the purpose of some functionality. Further realization for practical use opened up knowledge to activity of work but still today ground-breaking developments are motivated by theoretical studies and abstract knowledge, in other words from the activity of action²⁹

Argument is that neo-liberalist understanding of politics is overturning hierarchy of *vita activa*. Neo-liberalism is an ideology, which preaches precision in every sphere and politics is not an exception. Neo-liberalism values measurability and precision over abstract notions and long debates. It always points out ‘right man’ for the job, who has the exact capabilities to enact the ‘right program’. It is no coincidence that neo-liberal leaders have a messiah like aura and their programs are followed as holy scripture. Approach taken by neo-liberals corresponds to work in *vita activa*. Arendt repeatedly uses example of a carpenter making chair in order to explain the nature of the work. Before starting to make the chair, carpenter needs to design every detail of the chair in his/her mind. Without having an imaginary version of the chair, carpenter cannot bring one into our world. Like the carpenter, neo-liberals design the perfect

²⁷ Hannah Arendt, *The Human Condition* (Chicago: University of Chicago Press, 1958), 7-12.

²⁸ Arendt, 7.

²⁹ Arendt, 289.

program, conditions for the society. They run their vision of ideal society in their mind, which is driven by profit seeking behaviour, and try to maximize the benefits can be got. Like the carpenter, they use their craft to build the society by measuring the needs and necessities. In this version of politics, political realm is not constructed by thoughts and statements but mostly numbers and statistics. As carpenter has full control over his final work thanks to his/her craft, political arena tried to be controlled by neo-liberalism through programs guided by absolute precision.

In contrast, political action is quite different than the work equipped by neo-liberals. Arendt portrays action with spontaneity³⁰, bringing something anew³¹, taking the initiative³². One of its most key features is uncertainty, which is seen both as strength and weakness. Humanity has ability to start social processes capable of creating something new by acting. Yet, its control over the processes started is non-existent. Due to this lack of control, action is seen also as a danger, possible threat to society's sustainability. It is the main contrast between work and action in political realm caused by action's ambiguity. Neo-liberalism's pursuit for measurable processes does not go well since outcomes of action is uncontrollable even, and in fact especially, by its initiators.

Unfitness of work as the locomotive activity in politics comes from its pursuit of certainty and clear vision for what has to be done; by its obsessive application other participants of the political realm gets ignored, even silenced. Because the vision is crystal clear, negotiation and discussion are regarded as a waste of time and resources; thus, other opinions and their supports gets a secondary role on the process. If we get back to carpenter example; like s/he uses wood to make the chair, in neo-liberal social projects people became raw material for the sake of the project and as wood has no saying in the making of the chair, people lose their voice in the society they live in. It doubtlessly undermines the quality of democracy since *demos* is the backbone of any functioning democracy. Transformation caused by work in political realm slowly shapes public opinion towards long-last institutions constructed and supported for the sake of democracy and diminishes democratic tradition. Calculable and result oriented approach

³⁰ Arendt, 230-231.

³¹ Arendt, 9.

³² Arendt, 177.

gives way to reduction of ‘the people’ to mere numbers, stripped from their personality, features, and backgrounds.³³ For instance, a growth in GDP of a country is most likely seen as a clear indicator of success in neo-liberal eyes without further consideration on how some portions of society is affected by steps taken to reach the goal.

Another contrast between work and action does emerge around dichotomy between individuality and plurality. Action is a human activity powered by plurality of humanity, which makes it unpredictable and uncontrollable due to its plural agents. Very existence of politics comes from the same roots; without a plural body humanity does not need any means to set certain rules or negotiate, politics ceases to exist without plurality. Work, on the other hand, gains its importance from another root, which is individuality. As described above, work relates to designing capabilities and imagination of humans; carpenter does not need anyone else to think about the chair. Within similar logic; neo-liberal programs designed, enacted by handful of advisors and ministers - most likely an elite technocrat group equipped by neo-liberal axioms - are also not representing a plurality by any means while influencing wide groups without having sufficient representation. Application of such program - independent from its functionality and factuality - results in lack of representation.

2.1.2. Vision of Post-politics

Position of the West at end of the Cold War was that there was no viable alternative left against neo-liberal ideology. (In)Famously theorized by Fukuyama in *The End of History and Last Man* that political confrontations are over simply because liberal world has won. Today political circumstances show it was clearly wrong to argue such thing, but many believed at the time it was actually end of politics for good. Weaknesses created by the end of politics vision addressed by Mouffe with the term post-politics, which can help further evaluation.

Mouffe remarks claim for ending the history and labelling liberalism as only viable alternative created an artificial paralysis for political realm. She describes this as ‘politics without adversaries’, giving practically no chance of existence for other political thoughts. It was the neoliberal hegemony controlling socioeconomic sphere and political decision making. Also, democracy was stripped from popular sovereignty through years; she states, “popular

³³ This point should be taken into account with definition of citizenry for liberalism, which is an abstract one, a notional being, has equality in discrete terms but does not exist in real life.

sovereignty is now usually seen as an obsolete idea, often perceived as an obstacle to the implementation of human rights.” Mouffe also supports the idea that liberalism and democracy are separate values, both has their distinct traditions. They had a strong connection in 19th century³⁴ due to much needed alliance for revolt against monarchs - where we can find the starting point for liberal democracy as a concept - but did not merge and bring something unified. Both were in a contention over the centuries, but recently liberalism gained a hegemonic position and latter started to be perceived as outdated.³⁵ Result is that every other political movement, set of values and even way of life become irrational since it does not coincide with hegemonic norms.

In the so-called post-politics era, politics itself becomes an unnecessary human activity because supremacy of liberalism has been proven. Reduction of other political thoughts to just as wrong set of options, which do not need further discussion, transforms the nature of human activity, which construct social relations. Earlier, action was responsible for such a thing but with the monolithic understanding of politics its extent gets limited. As described earlier action corresponds to plurality; therefore, political life gets trapped into one way of thinking. This non-plural line mostly coincides with human activity work since it seeks a certain version of society purified according to neo-liberal norms. Outcome of post-politics is an imagined, designed version of a society rather than plurally, spontaneously constructed by free communities. As Arendt insists³⁶ and Mouffe agrees³⁷ politics being in realm of opinion rather than realm of truth.

Politics without adversaries is problematic since concept is alien to political realm. Politics in its nature is a multilateral practice, a form of human activity based on dialogue, negotiations, making concessions and having conclusions. Without a political other it would be mirage; either it will create a rule of a powerful class /individual or will create its counter movement on the undemocratic basis it created. For Central and Eastern Europe outcome is the latter: Populist parties offered an alternative to disgruntled masses of their countries and masses

³⁴ Here, 19th century taken as described by great historian Eric Hobsbawm, the long century consisting all political turmoil of Europe from 1789 till 1914.

³⁵ Francisco Panizza, ed. *Populism and Mirror of Democracy* (Great Britain: Verso, 2005), 52.

³⁶ Hannah Arendt, *Between Past and Future* (New York: The Viking Press, 1968)

³⁷ Chantal Mouffe *The Return of the Political* (London: Verso, 1993) 13-15.

offered back in return the only power they have left with in neoliberal hegemony, the popular support. Because political stage was tilted and democracy was undermined, populist parties share same mirror opposite of undemocratic nature. Neoliberal hegemon powers were guided by liberal notions than democratic ones and their populist counterparts guided by popular support, only remembering name of democracy it is close to election times. Here it should be also added that anti-political stand, political antipathy of populism's supporters is actually inherited by political climate formed by neoliberal hegemons.

By denying further confrontations on political sphere, vision of post-politics creates an atmosphere that identities can only be expressed with ethnic, nationalist, and religious nature. Because political identifications – such as class based or related with a status group etc. – are ignored, more culturally based norms are chosen to by public, which also copied by populist strategy.³⁸ Any opposition in political arena gets defined by same way as well; therefore, what used to be an adversary in politics, becomes the other, the enemy. Another outcome of this split is that minority groups of any sort, gets chosen as a target by counter-hegemonic movements. Because opposition is defined by majoritarian cultural values, people of different colour, ethnicity, gender, sexual orientation, or religion are chosen as outsiders of the society. Last, concepts traditionally set the borders of nation-state being used for definition of political enemy loosens the binds of nationhood further. Description for a nation seeks the other outside of the state not inside. Yet, with populist interpretation of post-political vision, proto-national concepts like religion, ethnicity, language etc. are reduced to political tools to obtain power, which is contradictory to essential pillars of nation-state. If we use famous maxim of Ernest Renan nation being a plebiscite repeated every day, strategy followed by populists leads complete exclusion of certain groups due to change of heart on the plebiscite.

2.2. Material/Structural Reasons for the Crisis

If liberalism can be explained with two essential norms, they would be human rights and free market. Political values of liberalism do not take criticism directly, its economic values are constantly being picked on. Economic liberalism has seen as a threat for certain aspects of social order throughout history. It is argued that forces let loose by *laissez-faire* are capable of bringing social consequences.

³⁸ Chantal Mouffe, 5-6.

Emergence of neo-liberalism only escalated amount of criticism coming on the mentioned basis. Argument is that material/structural constraints brought by neo-liberalism are reasons causing the crisis for same ideology. Reforms enacted and programs followed by neo-liberal cadres lead to advantaged position for certain classes in the government and created economic insecurities within the society. Especially within Central and Eastern Europe, influence became more severe due to earlier practice of communism. More strikingly, pace of transformation seems to affect results as well, like it can be seen in Hungary.

2.2.1. Economic Liberalism

With fall of communism and people of Central and Eastern Europe gaining their independence, governments and social order get into an overhaul in the region. Necessity of transformation was clear for everyone and direction was towards West. Although change and re-construction was mandatory at the time, there were no other alternatives to neo-liberal programs. Principles of transformation were based completely on neoliberal ideology. Thus, it can be said that neo-liberal agenda is followed without further thinking, mostly through global supervision. Drastic measures are taken mostly behind closed doors by few experts, in the name of proper and rapid decision-making.

Problem of technocratic governance is that it tends to skip necessary steps for a functioning democracy. It is essential for democratic tradition to follow institutional steps to limit possible exploitation of the system for a group or individual. It gains its highest principal representation as rule of law, which exists to protect interest of the society against a *fait accompli*. In a technocratic government, regardless from the intentions of the perpetrators, two side products are imminent. First, due to weakening of check and balance mechanisms within the system, certain political status groups gain the opportunity to push their demands in the expense of public. Second, and more importantly, elimination of essential steps for decision-making makes public untrustworthy against public institutions and state apparatus in general. The case was much more dramatic in the aftermath of collapse of communism because technocratic governments were working as primary constituent power - at least in the economic sphere – building state and social order. Problem is that this much of power without enough representation does bring question of legitimacy to the picture.

In addition, use of economic indicators over everything else is a further undermining on role of politics; make some new form of scientific approach emerge, which is called “national

economy” or “social economy” by Arendt. Equating political and socioeconomic realms brought matters of private realm into the public one. Arendt describes it as borders of private and public became blurry, creating the “social” between them, which co-exists with public and private without replacing them, but also invading both at the same time. Thus, behaviours such “housekeeping”³⁹, gets compatible within public realm and politics gets replaced with “collective house-keeping”. Society becomes a one super-family which its needs are taken care by a political representation of the super-family, “nation”.⁴⁰

Over the course of years transformation process took lot of criticism. At this point, nature of independence movements in Central and Eastern Europe should be pointed out. National cohesion was high despite of many years of Soviet occupation and administration. It can easily be said movements were supported nation-wide; in fact, there was even sympathy between countries for each of their struggle who were rebelling against Soviet leadership. Therefore, both national and regional solidarity was intact which was offering an enthusiastic scenario for development of democracy in Central and Eastern European countries. Yet, this most valuable solidarity started to decay with time, affected by outcomes of neoliberal projects. One of the most apparent result was distrust on political institutions and actors. Political apathy was common, resulting in discontent towards existing alternatives at the time. Especially radical transformation packages were causing fluctuations in society, making people unable to cope with rapid changes within economic sphere. High inflation rate, high unemployment, shrinkage of public sector was few of the problems caused by reform policies. It is argued it was a necessity for the formation of capital, yet in public’s eye it was formation of a new elite, replacing the Soviet one. For example, income inequality data on Czech Republic⁴¹ and

³⁹ Arendt refers to answering economic necessities of private realm with the term by simply providing the bare minimum to biologically survive. Her analysis on private property in this context coincides with the same logic, seeing private property as a location to survive in the public realm. Necessities of private realm seen as life; therefore, corresponds to labor in *vita activa*, biological burdens need to be fulfilled in order to survive. Differentiation of private and public realms and their analysis mostly based on Arendt’s interpretation of Ancient Greek philosophy, specifically Aristotle’s and Plato’s work.

⁴⁰ Hannah Arendt, *The Human Condition* 28-30.

⁴¹ Filip Novokmet, *Between Communism and Capitalism: Essays on the Evolution of Income and Wealth Inequality* PhD dissertation, Paris School of Economics, 2017.

Poland⁴² shows that there is a sharp hike for wealth of top 1 percent, reaching just below 10 percent for Czech Republic and more than 10 percent for Poland. Data on Lithuania,⁴³ Latvia,⁴⁴ Hungary,⁴⁵ and Slovakia⁴⁶ display similar results. It shows privatization of public properties enriched a close circle of people and did not change the life conditions of masses on a dramatic manner. Only in Slovakia there are some returns for bottom 50 percent, other countries maintained mentioned income and wealth inequality. Claim we make here is that neoliberal reforms caused a formation of new oligarchy, resembling to the Soviet one – some of the old officials actually protected their powerful positions and become new economic elite -; it was rerun of what Marx called ‘original sin of capitalism’. This formation of new elite circles has utmost significance since it is one of the most common problems addressed by populist movements in order to use theme of elite-people dichotomy in their strategy. Although we do not have the means to measure public reaction against socioeconomic inequality, recent research suggests Western European countries are more tolerant on socioeconomic inequalities than East.⁴⁷ It has been suggested egalitarian nature of Eastern bloc comes from Soviet experience. Therefore, it might have claimed, inequality cause much wilder political reaction in Central and Eastern European countries than the Western ones.

Neo-liberal reforms enacted also done so in the name of free market. Neo-liberals believe - much like classic liberals of 19th century or even more so – on the myth of self-regulating markets, which pictures a natural order of the market guided by price of goods (including services), labour, land, and money. Prices for those are respectively; commodity prices, wages, rent and interest. Unless it is disturbed, market works smoothly and for the good of all. It is suggested that intervention by a higher entity – such as state – disrupts the

⁴² Novokmet, 111.

⁴³ World Inequality Database, “Income inequality, Lithuania, 1980-2016,” data, <https://wid.world/country/lithuania/>

⁴⁴ World Inequality Database, “Income inequality, Latvia, 1980-2016,” data, <https://wid.world/country/latvia/>

⁴⁵ World Inequality Database, “Income inequality, Hungary, 1980-2016,” data, <https://wid.world/country/hungary/>

⁴⁶ World Inequality Database, “Income inequality, Slovakia, 1980-2016,” data, <https://wid.world/country/slovakia/>

⁴⁷ Marc Suhrcke, *Preferences for inequality: East vs. West* HWWA Discussion Paper, No. 150, Hamburg Institute of International Economics (HWWA), Hamburg, 2001

functionality of market forces and results in greater damage than the intervention was seeking to prevent. Thus, all sort of regulations gains a negative connotation in the eyes of economic liberalism, summarized in term *laissez-faire*. Yet, self-regulating market is far from being free of external regulation, markets need government supervision to built initial stage of economic sphere. It revolves arounds a concept called as “commodity fiction” by Karl Polanyi, seeing goods, labour, land and money can be organized in the market and they’re interchangeable between each other. It is certain that goods are organized, produced and in the market but as Polanyi states “...labor, land and money are obviously not commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them.”. Because labor is a human activity corresponding to life⁴⁸, and land is inseparable part of the nature and money is a fictional medium of exchange, they cannot be part of the economic system as marketable products in natural ways.⁴⁹ Therefore, self-regulating markets need a vital initial push and constant supervision from the government simply because so-called commodities of labor, land and money are cannot be functionalized within market without a guidance of a higher power than the market. It is more essential for Eastern European case to acknowledge false prophecy of neo-liberalism regarding *laissez-faire* since at the time of economic transformation people of the region were coming out from a drastically different society. With all its flaws Leninist/Marxist ideology was offering an egalitarian, controlled economic sphere, which was adopted to a degree by the subject countries. Radical transformation of that vision into a competitive self-regulating one had difficulties similar to transforming from feudal society to industrial one.

Hungary’s post-millennial political aftermath reflects public’s anger against neo-liberal agenda. Adoption of neo-liberal programs by all political actors other than far-right created an opportunity for populists to gain popular support. Even the so-called left political parties were supporting neo-liberals and keeping away from class-oriented politics, which was observed during governments between 2002 and 2010. Especially 2008 economic crisis cemented shift towards Orban’s Fidesz, causing hundreds of thousands of Hungarians to suffer from escalating payments, depreciation of forint and skyrocketing debts. By 2010, it was evident that Fidesz was the only alternative to neo-liberalism in Hungary. Echoes of economic transformation led

⁴⁸ Worth pointing out that Arendt uses the same way to describe labor within *vita activa*.

⁴⁹ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001) 71-76.

Hungarian public to stand behind far-right. Government was almost offered on a silver platter, due to being only viable alternative to hegemonic norms. It was almost too easy since while left-liberal governments can be affiliated with Soviet ideology on the surface, their economic program was a neo-liberal one so Orban's Fidesz was able to attack on both fronts. Low level credibility of the government further broke down by exclusionary actions, such as brutal oppression of protests in 2006.⁵⁰

2.2.2. State Apparatus

Attitude of populism towards governance is an interesting point needs covering since populist strategy mainly revolves around warmongering against state elite. So, what happens when populists became a part of government? Because they are not able to criticize the portion of the state they rule, populists turn their focus on other portions of state, which usually causes slow but sharp transformation of actors ruling the state, in other words the state elite.

Traditionally, socialist state theory splits into two camps regarding views on state apparatus. One side describe state and its power as an 'instrument', which can help any class to increase their odds in the society. While state power can be used as an exploitative force against lower classes by higher ones, it can also be used as a leverage to cope with socioeconomic inequalities. Therefore, once the state power is obtained, which can be done within rules of the system (such as through electoral power of public) or outside of rules (such as through a revolution), it can be used as an instrument of empowerment. On the other hand, second camp sees state as a mechanism in evidently helping only to dominant classes due to its 'structure' being carved for the very purpose of ensuring dominance on the others. This debate among socialist academic circles on the role of state on society, is addressed as 'instrumentalism' versus 'structuralism'.

Nicos Poulantzas, a structuralist, postulates a mid-level version of the view. He argues two points; first, state has a specific structure in itself, relatively independent from the one in economic sphere. It points out the autonomy the state circle has over the influence of socioeconomic activities. Second, form of social classes is addressed, by stating classes do not have an abstract unified consciousness but exist as a political force within the state system.

⁵⁰ Rosa Schwartzburg and Imre Szijarto "When Orban Was Liberal," *Jacobin* July 24, 2019, [When Orbán Was a Liberal \(jacobinmag.com\)](https://www.jacobinmag.com/2019/07/orban-was-liberal/)

Because state is a set of social relations, every class has their political capability or incapability within political arena. Also, these classes far from being consistent, meaning there is constant competition within dominant and dominated classes alike; thus, notion of hegemony becomes applicable for intra-class relations as well.⁵¹

Re-interpretation of hegemony as an intra-class relation clarifies counter-hegemonic nature of populist movements even further. In this retrospect, bourgeoisie groups do not satisfied by neo-liberal programs becomes the fraction within dominant class supporting the alternative. While a subject country, in our case Hungary, experiences a change in the political sphere (change in governing political actors), economically another set of elite replaces the old ones in the economic sphere. Fractions of dominant class provide their social strength as political power within state structure not necessarily determining but leading to replacement.⁵² Also, two-headed change of elites is mostly possible due to split created in capitalist system between economic and political spheres; a notion supported by supporters of neo-liberalism as well. Despite empowerment of public against the elite in every way is one of the common promises of populist strategy, it has been seen repeatedly that public gains are set to minimum – in some areas even declined. Yet, clear formation of a wealthy circle around governing party is present, proving a change of elites within the state. Transformation of the state elite is caused by confrontation between hegemonic and counter-hegemonic movements, result of lack of alternatives within the political order.

Polarization of economic elite in Hungary matches with above analysis. Elite factions in Hungary split into two regarding their political affiliation. One affiliated with post-communist left and liberals is more connected with international economic circles, working on multinational sectors such as information and communication technology (Matav, Graphisoft, Cellum, Elender), secondary financial services, large chemical companies (Nitrokemia, Pannonplast), and investment companies (Wallis, Altus). It should be noted that international features of this faction are highly connected with the huge privatization efforts followed during economic transformation program. Second faction, in contrast, affiliated with right-wing parties

⁵¹ Bob Jessop, *Nicos Poulantzas Marxist Theory and Political Strategy* (London: Macmillan, 1985) 53-57.

⁵² Being a structuralist and ultimately a Marxist, Poulantzas's vision might differ from this work. Here, explanation of change in political climate has been tried to be given not only by structural/economical constrains, but also immensely influenced by cultural elements and voluntary actions. Thus, classes not determining but being a leading force for the outcome.

and has a more nationalistic features and focus. Their specialization is often in small and medium domestic companies, law firms, tourism, health industry, construction (Közgep), industrial companies (Videoton, Ikarusz), and some smaller financial businesses. Also, while left-liberal elite is mostly working in innovative, high-tech sectors, nationalist elite involves in less technology intensive, more labour based domestic companies.⁵³ Hegemonic position of left-liberal elite became questionable due to negative effects of neo-liberal program followed, specifically between 2002 and 2010 during governments of left-liberal coalitions. Destructive aftermath of 2008 global crisis accelerated the process, making it easier for nationalistic elite to take a critical position. With the support of labour's demands this critical position prepared an advantaged environment for Orban's Fidesz to counter the hegemony.

2.3. End Result of the Crisis: Populist Surge

So far philosophical and material/structural constrains caused by neo-liberal hegemony addressed and how those constrains lead to growth of populism is tried to be explained. These tensions created a rich basis for populist strategies to be successful in the atmosphere of hegemony crisis. Rise of populism had many effects on the modern societies it is being part, here two of them would be discussed to exemplify their functioning for the Hungarian political environment.

2.3.1. Para-fascism

Roger Griffin defines fascism as an ultra-nationalist ideology which has palingenetic visions for the subject country.⁵⁴ Different from ordinary right-wing movements it has both anti-liberal and anti-socialist attitude. It seeks to change the society by revolutionary means. Since prefix para- adds meaning of perversion, alteration to the words it describes, with para-fascism a government is portrayed which has some similarities and elements dissolved in its ranks from its fascist contemporaries but ultimately not following the ideology itself.⁵⁵

⁵³ Gabor Scheiring "Political Economy of Illiberalism: A Relational Class Analysis of the Tensions between Capitalism and Democracy in Hungary." Paper Presented at the Political Economy Workshop February 2018, University of Massachusetts Amherst, Amherst, US. Conference Paper.

⁵⁴ Roger Griffin, *Faşizmin Doğası* 86.

⁵⁵ Roger Griffin, 199.

Point is that certain versions of right-wing populism have many similarities with fascist movements of the past. Illiberal tendencies, xenophobic attitude, political myths created, and values supported by populism expresses frightening resemblance towards fascist past of Europe. Hungarian populism offers rich material on that regard, Fidesz has shown many features which connects itself with para-fascism.

Fascism was a response to crisis of liberalism experienced in Europe during inter-war period. After it became obvious order restored after World War I is far from being stable and secure, confidence towards liberal institutions and values become questionable as well. Liberal governments of the time could not cope with the aftermath of war. Masses kept under discipline thanks to securitized atmosphere of wartime, unleashed their anger on the system. Inability of governments to stabilize and solve the problems led to decline on legitimacy. Masses started to see liberalism as the obstacle on their country's path for improvement. For losers of the war, it was also seen as the reason of defeat; betrayal of liberals was a common term used widely by non-systemic opposition throughout Europe. Finally, Great Depression accelerated things much further, it was another sign of failure of liberalism for the oppositional groups, in addition to catastrophe it brought to the life of millions of households. Result was rise of fascism in almost every corner of Europe, cementing the crisis.

If a parallel is made from inter-war period to post-millennium some common grounds can be observed. Higher hopes on neo-liberal ideology began to wither on the aftermath of Cold War. Masses kept under control during Cold War stripped from their ideological constraints and freed from securitized atmosphere of politics started to question wrongdoings of the system more vigorously. Lack of alternatives in politics offered by system made politics lose its elasticity against difficulties emerge. Especially in Central and Eastern Europe political rigidity became more obvious due to devilish image of political left and comparatively weaker political institutionalization. Last, global crisis of 2008 increased the pace of decay resulting further loose of faith on liberal political economy. Similarities we tried to picture here is to show non-systemic features of the opposition against liberalism on both cases. Since the ideas and values offered by non-systemic opposition are out of the box most of the time - as suggested by Griffin as well – it needs a crisis to be able to appeal masses.⁵⁶

⁵⁶ Roger Griffin, 79.

After this short comparison of inter-war and post-millennium periods, reason for describing Hungarian government as para-fascist should be explained. Para-fascism, in practice, usually refers to conservative or/and nationalist dominant political actors absorbing a proto-fascist/fascist movement by intimidating or/and assimilating it. In order to achieve this goal, dominant political actors embrace certain rhetoric and values of the minor movement such as xenophobic agenda, nationalist myths etc. Xenophobic attitude was already in Fidesz's playbook, which became more apparent during the peak of refugee crisis in an effort to obtain far-right votes considered owned by Jobbik. Similar point can be made about irredentist visions as well.⁵⁷ To look nice to Hungarian far-right it is known Victor Orban made comments about Admiral Miklos Horthy, labelling controversial figure as a national hero. Moreover, Christianity of Hungary is overexpressed by the prime minister to a point of rejecting other values present both in Hungary and Europe.⁵⁸ Yet, Fidesz cannot be described as an example of fascism; it is a mere conservative/ultra-nationalist political actor. Main difference of Fidesz from being a fascist power is that it lacks the revolutionary aspect of fascism, by no means Fidesz seeks to transform the society they govern into a new one but simply use ultra-nationalism to obtain and secure power in a conservative manner. To illustrate, although non-systemic positioning expressed repeatedly as being illiberal and opposing socialist camp, Orban's party stays aside from revolutionary aspect of fascism such as para-military organizations and envisioning of a new society but simply continues the old order with an ultra-conservative nature and its own set of elites.

Absorbing of proto-fascist Jobbik by Fidesz can be evaluated in bit more detail. Jobbik is a far-right party, currently having second largest group in the Hungarian parliament.⁵⁹ It has been seen since Viktor Orban's second government that due to Jobbik's rise of power and being potential threat to Fidesz on grabbing far-right votes, there is a strategy revolving around

⁵⁷ "Viktor Orban provokes neighbours with historical map of Hungary," Youtube video 2:11 posted by "euronews (in English)" May 12, 2020, [Viktor Orban provokes neighbours with historical map of Hungary | #TheCube - YouTube](#)

⁵⁸ "We openly divulge and acknowledge our objectives. We want a Hungarian Hungary and a European Europe. This is only possible if we also affirm that we want a Christian Hungary in a Christian Europe." "We regard it to be a value that Hungary is a homogenous country and that it shows a very homogenous face in its culture, way of thinking and customs of civilization." "Does anybody refer to Horthy as a dictator? Ferenc Szalasi was a dictator." The Orange Files, [Notable Quotes: Prime Minister Viktor Orbán « The Orange Files](#)

⁵⁹ Hungarian National Assembly, [Parliamentary groups of parties and independent members of parliament - House of the National Assembly - Országgyűlés \(parlament.hu\)](#)

intimidation of Jobbik and assimilation of its voters into Fidesz's. In this retrospect, already existing exclusionary elements of Fidesz's strategy become more apparent and dominant, which includes new provisions on Fundamental Law regarding cultural/national identification⁶⁰, refugee crisis of 2015 and vision of illiberal democracy⁶¹. Comparison to other subjects, stance on anti-Semitism indirect. It was well known at the time Jobbik had anti-Semitic stance⁶², which was denounced by Orban himself on many occasions. Yet, Fidesz recasts anti-Semitism into anti-Sorosism by condemning Hungarian born businessman George Soros and his activism. In this portrayal, George Soros fills stereotypical Jewish mastermind of evil role individually by being accused funding anti-government organizations. By following this way, Orban seems to please far-right supporters and avoiding charges of anti-Semitism at the same time.⁶³ Analyses reveal that Fidesz strategy is a success, being able to achieve party to attract Jobbik votes. 2015 data shows 42.9% of far-right supporters were supporting Fidesz while Jobbik support is 22.3%. In only two years numbers change dramatically, being 62.6% and 14.2% respectively, representing almost over 20% increase for the ruling party at Jobbik's expense. Although being the second largest group currently, Jobbik's influence is on the decline in comparison to early 2010's. It has lost its organizational strength and public interest, experienced agenda change and fragmented between radicals and moderates. Its decline; however, worked well for ruling party that proves point regarding assimilation of proto-fascist movement into a para-fascist one.⁶⁴

These fascist tendencies had a chance to be succeeded due to wild aftermath of collapse of Soviet Union. Early as 1993, Roger Griffin states it would be unexpected and politically naïve to think ethnic tensions and social anxieties suppressed and frozen by a totalitarian order

⁶⁰ Gabor Halmai "Fidesz and Faith: Ethno-Nationalism in Hungary," *Verfassungsblog* June 29, 2018 [Fidesz and Faith: Ethno-Nationalism in Hungary \(verfassungsblog.de\)](#)

⁶¹ "I don't think that our European Union membership precludes us from building an illiberal new state based on national foundations," Zoltan Simon "Orban Says He Seeks to End Liberal Democracy in Hungary," *Bloomberg* July 28, 2014 [Orban Says He Seeks to End Liberal Democracy in Hungary - Bloomberg](#)

⁶² Marton Dunai "Anger as Hungary far-right leader demands list of Jews," *Reuters* November 27, 2012 [Anger as Hungary far-right leader demands lists of Jews | Reuters](#)

⁶³ Vassilis Petsinis "The rise and fall of Jobbik," *openDemocracy* October 27, 2020 [The rise and fall of Jobbik | openDemocracy](#)

⁶⁴ Katherine Kondor "The Hungarian paradigm shift: how right-wing are Fidesz supporters?" *openDemocracy* January 30, 2019 [The Hungarian paradigm shift: how right-wing are Fidesz supporters? | openDemocracy](#)

would not re-emerge after disintegration of such system. Preaching of 'end of history' by liberal-capitalist West and celebration of year 1989 as *annus mirabilis* (perfect year) represent Western-centric world view reinforced by utopianism proves how incapable neo-liberal thought was to grasp the forces in motion.⁶⁵ Thus, when neo-liberal crisis became inevitable, organized xenophobic/racist movements appeared over time and became a reality in political life. It was the case for inter-war period as well, crisis of liberal-capitalist nation state led to rise of anti-Semitism, imperialism and ultimately fascism and totalitarianism.

Finally, it should be addressed how so certain segments of society was so enthusiastic to follow xenophobic/racist movements. It should be searched on the feeling of *anomie* appeared in the aftermath of 1989. Although it was a totalitarian system Soviet Union was still offering a sense of security and stability to the masses. Once it was gone, it could not build strongly enough by neo-liberal ideology. Rapid liberalization of economy increased public's reaction further, adding resentment of elites and system to the sense of *anomie*. Destroying social bonds in the name of self-regulating markets, left people uneasy about the new order and enthusiastic for a new way out.⁶⁶ Moreover, totalitarian experience of the masses made them fragile to political currents, leaving them unable to *act* due to years of suppression and terror, which was applied to hinder human capacity for *action*.⁶⁷ People stripped from their sense of belonging because of the collapse of political order had only their cultural features left to them to identify themselves. As stated in his evaluation of fascism by Umberto Eco, which he names as Ur-Fascism:

“Ur-Fascism derives from individual or social frustration. That is why one of the most typical features of the historical fascism was the appeal to a frustrated middle class, a class suffering from an economic crisis or feelings of political humiliation, and frightened by the pressure of lower social groups. In our time, when the old “proletarians” are becoming petty bourgeois (and the lumpen are largely excluded from the political scene), the fascism of tomorrow will find its audience in this new majority.”

⁶⁵ Roger Griffin, 282.

⁶⁶ “In order to comprehend German fascism, we must revert to Ricardian England.” Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* 32.

⁶⁷ Hannah Arendt, *Origins of Totalitarianism* 474.

Eco continues:

“to people who deprived of a clear social identity, Ur-Fascism says that their only privilege is the most common one, to be born in the same country. ...at the root of the Ur-fascist psychology there is the *obsession* with a plot, possibly an international one. The followers must feel besieged. The easiest way to solve the plot is the appeal of xenophobia. But the plot must also come from the inside...”⁶⁸

Above points raised by Eco, summarizes what has been tried to be explained, the economic and political basis for the appeal of xenophobic/racist movements. After the destruction of social order, groups left outside of a meaningful social identity (or a class) became vulnerable to affection populist movements. Appeal of these movements was/is that it offers a way for those outcasted by their society. By becoming something great, those groups feel worthy again in the society. Therefore, populists always preach about gigantic projects, glorious national myths because it provides an exit for the individuals lost in the mass society. It coincides with what Arendt points out about the mob; group of people rejected by the society who could not be part of any class, seeking a meaning through mirage offered by populists.

2.3.2. Crony-capitalism

Another example of populism in power in Hungary is the crooked market relations built by populist government. Hungarian capitalism seemed to be transformed under Fidesz government into an oligarchic circle much like one created by Vladimir Putin’s Russia. It is ruled by prime minister Viktor Orban and consists of his political allies and friends, business circles close to party and some family members. Oligarchic system mainly raises above three columns, which are state power, European Union funds, and personal relations with government officials, specifically with Victor Orban.

Crony-capitalism revolves around European Union funds. Every year European Union distributes 65 billion dollars in funds to provide support for agriculture all around Europe. It is the biggest portion of organization’s budget, covering for 40% percent of expenditures. Despite funds are accumulated to help rural life and emancipate local farmers, studies suggest 80%

⁶⁸ Umberto Eco “Ur-Fascism” *The New York Review* June 22, 1995 [Ur-Fascism | by Umberto Eco | The New York Review of Books \(nybooks.com\)](https://www.nybooks.com/articles/1995/06/22/ur-fascism/)

percent of money goes to the biggest 20% of recipients. This is where state power comes into the play; because subsidies are allocated according to the amount of land owned, state can manipulate the process by redistributing the land.⁶⁹ Orban's government manages to offer funds through land grabbing. State owned land gets privatized to benefit oligarchy or/and obtaining land is made easier for supporters of government through push from local authorities. State's ownership of agricultural lands is legacy of communist (around 23% of country's overall land) and tenure system, which is based on long term leases, in post-communist Hungary. Privatization efforts, which benefit business circles close to Orban, has been defended with state power as well. Government claims that it is a process of modernization within the economy in order to create a chance for national entrepreneurs against the big foreign investors. It is also assumed that lands need to be owned by greater economic player rather than small rural farmers to be able to compete in the world market. Moreover, nationalistic, xenophobic approach is taken to preserve populist appeal with narratives such as 'lazy Roma' who is the receiver of subsidies or 'valiant Magyar' who represents the humble, rural, proudful Hungarian. Above mechanisms is used to cover change on rural policies that makes oligarchic groups richer at the expense of public.⁷⁰

Personal connections play a vital role in the crony-capitalism, opportunities appear or disappear with respect to strength of relation with Victor Orban. Till couple years ago, only business behemoth in Hungary was Lajos Simiscka, who also had personal ties with the Fidesz leader. By 2015 things seem to change slowly, Simiscka gets crossed off and start to lose lucrative business deals. In return, smaller businessmen seem to replace his role, names like Lorinc Meszaros, Andy Vajna, Istvan Tiborcz (Orban's son in-law) and Istvan Garancsi. Investments differ in sectors like sports, media, agriculture, energy, entertainment, finance, and real estate. Four Fidesz-linked businessmen – Simiscka, Meszaros, Tiborcz and Garancsi - together won five percent of public contracts between 2010 and 2016, which worth €1.88 billion. In 2013, four won twelve percent of all contracts. Despite it has been rejected by the government, system created highly resembles to Russian oligarchic circle. It offers low-risk

⁶⁹ Gebrekidan Apuzzo Novak et al. "The Money Farmers: How Oligarchs and Populists Milk the E.U. for Millions" *New York Times* November 3, 2019 [The Money Farmers: How Oligarchs and Populists Milk the E.U. for Millions - The New York Times \(nytimes.com\)](https://www.nytimes.com/2019/11/03/europe/money-farmers.html)

⁷⁰ Noemi Gonda "Land grabbing and the making of an authoritarian populist regime in Hungary", *The Journal of Peasant Studies* 46, 3 (2019) 606-625.

business deals to friends and allies of Orbán, with the protection of state power, by legislation, executive power and support of state funds.⁷¹

Crony-capitalist circles explained above is another example of change of elites, which was an issue addressed earlier. Since populism is a counter-hegemonic movement, it is modifying political environment to fit its needs. It is replacing the political elite according to its values as neo-liberals were doing the same during economic transformation. In the aftermath of communism neo-liberal elite formed by individuals and groups that believed in privatization and deregulation. Main difference for new populist economic elite is the loyalty (to the leader) and nationalism. Thus, it is justified as formation of new nationalist bourgeoisie against greater corporations. Yet, facts tell us it uses loyalty as a currency since it is in populism's nature to have powerful figure to lead and followers to pursue him/her; the movement is only as decisive as its leader. It is in correlation with the fact that the mob always shout for 'strong man' and 'great leader'. In addition to this, circles of replacement in elite circles proves without a doubt that lack of ideological core in populism. While both communism and neo-liberalism has fundamental ideological cores – Marxist-Leninism and liberal capitalism, respectively - guiding them, because of its pragmatist nature populism cannot offer something in comparison.⁷² Same logic applies to societal sphere as well, communism and neo-liberalism is able to offer a functioning picture of a society consisted by 'comrades' or 'citizens'; in contrast, populism falls short. It only manages to split the society such as the people and the elite, or more generally us versus them, creating an imaginary split; therefore, weakening the nation-state structure. Finally, populism's ride without a compass in politics restrains it from being able to vision a future. Prior governments to populists have their own version of future – utopias of 'communism' and 'end of history' (or harmony of conflicts if approach more economically). Yet, in return populism preaches something about the past whether being irredentist images of a country or glories of the past, it cannot provide a meaningful plan for future.⁷³

⁷¹ Buckley and Bryne "Viktor Orbán's oligarchs: a new elite emerges in Hungary" *Financial Times* December 21, 2017 [Viktor Orbán's oligarchs: a new elite emerges in Hungary | Financial Times \(ft.com\)](https://www.ft.com/content/8c8c8c8c-8c8c-8c8c-8c8c-8c8c8c8c8c8c)

⁷² It can be (rightfully) argued that Soviet experience was also highly dependent on strong leader image. It is of course true, but this related more with the use of terror and totalitarian features, not connected with ideological background of Soviets.

⁷³ Populism's use of past images as an utopia remarkably similar to palingenetic myths followed by fascism, which is undoubtedly connect with para-fascist features of Fidesz's populism.

3. A Way Out of the Hegemonical Crisis

So far, rise of populism tried to be explained by political and economic environment created by neo-liberalism. Then, it is followed by some examples of populism in power to understand how they act on government to understand reason and logic behind certain populist activities. Direction of this study suggests, next step should be offering a solution to the problem since otherwise it would be pointing out the obvious, the crisis, and leaving the quest open ended. Thus, to connect the unique string we created into a loop, a possible scenario to cope out with the problem can be provided mainly by focusing on the problems addressed and offering possible solutions for them. Also, hopefully by doing so, we can reach to some conclusions.

Main reason for the recent hike of populism is lack of alternatives created by the hegemony of neo-liberalism. Political rigidity caused by intolerance against other political opinions created a wild outcome. Therefore, it is only logical that plurality within political sphere would be an answer to the current problem. It is important to figure out followers of populism is far from being a unified bloc, it is actually an accumulation of fragmented pieces. It is hard to define a specific voter basis in society because it does not have one. The mob only corresponds to core radical group of supporters, masses following the movements are only persuaded by the appeal of popular images and myths, which are partially belong to the nation rather than a political actor. Appeal of popular images also connects us to a point, which can clarify our analysis further. Because class politics is not fulfilled, people are forced to identify themselves by cultural/national terms in political arena. Yet, those values are shared by whole nation, claim of possessing those values - such as flag, nationality history etc. - only by a one political fraction damages integrity of values and solidarity of nation. It should be noted lack of alternatives created by the declining hegemony damages political life regardless of its content and features, its intolerance becomes the core of the problem. In any sort of political environment, it is an absolute necessity that there needs to be a chance for change. There should be a motivation to be in the system created by the hegemon; otherwise, opposition would get non-systemic qualities. It is a feature of politics, which can be traced back even for the political

systems other than democracy. Because politics needs adversaries (not enemies) to be able function, nonexistence of an alternative results to a political catastrophe.⁷⁴

Earlier points regarding hegemony's influence on rise of populism is not related with features of neo-liberalism. Yet, some features of the ideology also affected recent hike due to its undermining legitimacy of government. As it has been addressed earlier political tools provided by neo-liberals usually aims to skip traditional political processes. In the name of efficiency and expertise, nationwide decisions have been taken during early years of Central and Eastern European countries. Regardless from their aim and performance, it had a negative effect on the public institutions and political traditions that was essential for the subject the countries. First, legitimacy of political system becomes questioned. Because certain individuals being able to take drastic decisions without enough representation, political processes lose their significance in the public eye, which leads political apathy and anti-establishment. Second, above explained events experienced by subject countries during their early years. Normally, these years are the ones which creates the political character and endurance of a nation. To illustrate, it can be said that values of French Republic come from the practices of revolutionary parliament or civic societal strength of United States is related with semi-independence and unique conditions of the continent. In contrast, Central and Eastern European countries wasted these valuable years with decline on legitimacy, decline on public trust, lowering civic societal activity and increasing political apathy. It is significant to realize that subject countries gained their independence from a totalitarian experience, which ignores almost all political activism. Thus, necessity of those early period experience was vital, to establish a strong tradition.

At this point, question arises: how these necessary bonds can be forged to improve public trust, civic society, strength of public institutions and ultimately legitimacy? Frankly, there is no clear answer for the question, but aim of this work is to point republicanism's value for such quest. Republican tradition is a product of modern ages, getting its influence from European revolutionary experiences - most importantly French revolutions but also notably Mazzini's vision of Risorgimento and others - and American revolution. Its birthplace; however, is Ancient Greek city life and then Rome - *res publica*. It has a strong dependence on the values of a subject society and institutionalization. Reason for that is Athens' democracy

⁷⁴ Only exception of a social system surviving without any political flexibility is tyranny, and it does not involve with politics. Tyranny survives with use of terror, reduction of people with use of terror. Because liberalism seeks to create consent and raises on social contract, it cannot be the case for it.

was evolved around good citizens, there were certain principles expected by the participants of public life. It must be remembered involving political activities was not only a privilege but also a duty needs to be done to perform necessities of public sphere. This is how freedom was also defined in works of Aristotle and Plato as being a functioning part of public life – being a citizen. Institutions were the other side of the coin, as public debate within Greek cities and finding its most famous representation in Roman Senate. This theoretical root is significant because it is the main source of republican political thought, which saw a dramatic revival in past fifty years. Republicanism is not an ideology but more of a tool set for analysis of political outcome based on participants of a society, its values, and institutions.

It is quite useful for us since it offers an opportunity to be able to discover the roots of the problem and focus on weaknesses create it. It must be mentioned that Arendt herself was a republican, which makes our reasoning to choose Arendtian framework to analyse populism and choose republicanism as possible, partial solution to our problem. Her work was immensely based on Aristotle and Plato, which also affected the concepts we used.

Final point is that republicanism offers a quite useful toolbox in order to distinguish features of hegemon ideology and counter-hegemonic movement and how to address and possibly solve them.

Conclusion

Idea of this work appeared due to author's interest on two main issues: rise of populism in Central and Eastern Europe and its reasons. It sees both points as two parts of an endless loop: one creating the other. Repeatedly, but in different ways, it is tried to be proven that most essential reason for rise of populism in the region is a crisis of the hegemonic ideology, which is neo-liberalism. Because there is a crisis of hegemony, a counter-hegemonic movement appears due to unique and rigid conditions prepared by neo-liberal thought; then counter movement deepens the crisis – hence the appearance of the loop.

Populism is not a new phenomenon, but its wild rise is a novelty. Due to concept's contested nature, a clear definition tried to be found, mostly using very well debates revolved around it but also trying to offer some minor novel features. Definition raised on three main pillars, which are ideal typology, polarization, and pragmatism. With ideal typology populisms ambiguous structure is accepted and it is taken as an ideal, imaginative concept, distanced by its real-life counterpart to a degree. Polarization is used for populism's most obvious element,

antagonism it created against the elite. Yet, its non-plural meanings also tried to be covered. Finally, non-ideologic nature of populism is determined with pragmatism, its chameleon like qualities is featured.

Hannah Arendt's work offered a great value to the work. Being a victim of totalitarianism herself, Arendt discusses deeply about oppressive governments and offers unique analysis on crises of the time. Her mindset is rather unique, which makes her great to evaluate such discussed topic theoretically.

Work offers a great deal of theoretical evaluation which differences it from a practical case study. Yet, it should be noted that this evaluation is far from being comprehensive; it only offers an explanation of the issue from one side with one mindset. Furthermore, theoretical grasp has its limits, proving examples comes from only country of the region, Hungary. Thus, it sits on a difficult spot neither a practical case study nor a fully theoretical one, but for sure latter is more explanatory than the former.

Because populism is described as result of a crises of neo-liberalism, political thought of neo-liberalism is addressed. Weaknesses emerged due to neo-liberalism's obsession for precision and efficiency and contradiction of these values with political activity is pointed out. After addressing of political background of neo-liberalism, economic reasoning of the crisis is figured out by focusing on economic liberalization program and structural defect of liberal capitalism. Later, question of how populism act in power is answered by examining two cases, one is underlined by its xenophobic nature and other is underlined by its cronyism. Finally, a possible out for the loop of a crisis is offered, by not strong political reinforcement or a clash but with an analytical tool, which is republicanism.

Political features of neo-liberalism create problems in four ways. First, neo-liberal thought preaches precision and measurability, which contrasts with political action. Politics is a realm of *action* rather than *work*. *Work* is part of human condition but have never been a locomotive of political activity since its nature offers an exactness, a feature does not exist on politics. Political activity is mostly connected and guided by human activity, it is spontaneous and uncontrollable; therefore, powerful but also dangerous. *Action* corresponds to men in the world, to plurality while *work* is an individual process most of the time. Political projection of *work* can be seen as technocrat governments of neo-liberal ideology, lacking representation and ultimately diminishing political institutions and traditions. Second, neo-liberalism's attitude of

acting on the benefit of whole nation has a damaging effect on nation-state. Neo-liberalism brags about use of scientific, bulletproof data to decide on social manners, which is believed would work for the best of society, nation in the end. Yet, it is not true since social relations cannot be determined in a crystal-clear way, they can only be guessed, often with a great margin of error. Claiming acting for the benefit of whole nation is an offensive act on the state itself, since traditionally and institutionally only state has the power and capability of action for all. By replacing a duty of the state, neo-liberals undermine the state power; thus, creates a vital blow for nation-state's existence. This is a feature shared and picked up by populists, populism also aims for the representation of whole nation by defining nation in its own terms and leading a split within nation-state; a split of us versus them. Third, neo-liberal thought has tendency to its insistence on exactness. More on point, with collapse of communism and victory over Soviets, neo-liberals created a mirage of end of politics and history and ideology since there is no war left to win. It is argued liberal ways proven themselves to be superior, making politics an unnecessary human activity. Most notable outcome of this an intolerance against any other political affiliation than liberalism, which forces any opposition to work outside system, at least partially. Inevitably, in a matter of crisis whole system becomes questioned rather than only neo-liberalism. Fourth point is related with last evaluation; intolerance of other political affiliations creates another mirage, politics without adversaries, which is an absolute reject of human condition because political action corresponds to men (not man). Without plurality politics becomes meaningless due to being a form dialogue, an art of negotiation and arrangement.

Economically, points are much simpler and clearer. Income inequality data shows that economic liberalization programs did not change the life of the masses or worked for the best of the nation as a whole. In fact, it has been seen that it is a rather changing of elites, which can be started from collapse of communism. With the end of the Cold War, communist elite gets replaced by a neo-liberal one and with a populist surge they get changed by the populists. In the public eye, it is observed as changing circle of elite since their lives are do not change in comparison to the elites. Moreover, mentioned economic transformation process has social consequences on the nation by creating winners and losers, damaging the most valuable solidarity achieved re-foundation of subject countries. It should be also pointed out that due to communist past of the region and country, rapid transformation efforts ruptured the social fabric even further due to non-existence of prior capitalist market. Therefore, an initial push has to be given to regulate the market - which is in contrast with the myth of self-regulating markets –

causing social chaos on related matters with land, labor and money. Because land is the location humans live and the environment we cherish, it cannot be used a commodity. Moreover, labor is manpower which cannot be restored or moved without the individual; thus, its evaluation as a commodity has a tendency to cause social anxieties. Finally money is means of exchange, its realization as another commodities strips the meaning of economic relations, which was only followed to survive but now cherished for the sake of more money.

Effects of neo-liberalism can be seen on cultural identification as well. Because political affiliations are deeply limited, masses define themselves with cultural or/and national terms, which misses the point to address certain issues such socially based ones. To illustrate, economically, class based, problems and contradictions tried to be solved with cultural identification due to lack of alternatives. It leads to cases of discrimination and increase on xenophobic nature, which created a basis for proto-fascism in Hungary. Hungarian populism shows a unique ability to assimilate those fascist tendencies due to xenophobic rhetoric it uses and features it possess.

Crises of neo-liberalism spreads to economic relations as well, populist power creates inaccuracies within market economy by replacing liberal capitalism with a crony one. In this version loyalty to the leader becomes a currency since there is no ideological core for the populism. As a strategy it specializes on use of populist images to obtain public consent. In an economic sphere this corresponds as crony-capitalists being a national bourgeoisie of Hungary. Due to lacking ideological backbone populism has not been able to offer a future vision like liberalism or communism but only has the power to glorify past shared values and ask for their repetition as other suppressive political movements.

Throughout this study reason for populism is seen as crisis of neo-liberalism due to difficulties it created, limitations it brought within political order, and inequalities it caused within society. These features of the hegemonic ideology give way to strengthening of opposition, finally being powerful enough to turn into counter-hegemonic movement. Due to their connection and contrast they have a Hegelian relation as well. Neo-liberalism - the thesis - forced an opposition from itself, the anti-thesis. Synthesis of two political movements is an undemocratic one till now. Their political similarities on certain points are on point with this evaluation. They both ignore political traditions and tendencies, weaken public institutions, create political apathy, weaken civic society, ask for the right man (or powerful man) for the job rather than anything, decline legitimacy and undermine nation-state. An out of the crisis

lays within consolidation of political system. Because it has been undermined by neo-liberal thought so long public institutions are quite weak and because people are preached about politics being unnecessary, people started to believe it. With the declining power of neo-liberalism, populist used the opportunity. Lack of democratic tradition and vibrant civic society opened the way for populism to show themselves as the nation (to the majority of Hungarians, at least). Healing is possible but it needs a strong support for institutionalization and embracing of citizenship as duty (with certain principle and virtues). It is offered as republicanism in our analysis since it both improves power of public institutions and society.

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Summary

Political aftermath of collapse of communism led to rapid economic and political transformation efforts within Central and Eastern Europe, guided by neo-liberal thought. Hegemonic position of neo-liberalism decayed over time, leading to a crisis of hegemony. It is argued that rise of populism after post-millennium is a counter-hegemonic reaction to mentioned crisis. Arendtian analysis of counter-hegemonic movement offers rich possibilities waiting to be discovered. For this purpose, Hungarian populism is an interesting case to study. For this purpose, definition of populism has been given raising above three main pillars of ideal typology, polarization and pragmatism. Then, grassroots of populism tried to be addressed by Arendtian concept of mob to describe features of populism further. Analysis of neo-liberal political thought is also focused on in order to discover certain difficulties risen by it, which evolves around concepts of *vita activa* by Hannah Arendt and *post-politics* by Chantal Mouffe. Further material/structural constraints have been evaluated to be able to see economic particularities giving way to rise of populism within the country by focusing economic liberalization and state apparatus. Later, populism in power is observed by examining para-fascist features of Hungarian populism and crony-capitalist circles within the country. In the end, republican political thought is seen as a tool to empower democracy within region and country. This is in correlation with the analysis made by Arendtian concepts and focus on institutions and civic society. Last, concluding remarks have been given about each chapter to finalize the analysis for rise of populism in Hungary and Central and Eastern Europe.