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Carl Minzner



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HUNGARY'S U-TURN: RETREATING FROM DEMOCRACY

János Kornai

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Hungary is a small country, poor in raw materials, with a population of only ten million. It is free of civil war, popular uprisings, and terrorism. It has not become involved in any local wars, and it is not threatened by immediate bankruptcy. So why should we pay attention to what is going on there? Because Hungary, a member of NATO and the EU, is turning away from the great achievements of the 1989–90 transition—democracy, rule of law, a freely functioning civil society, and pluralism in intellectual life—and attacking private property and the mechanisms of the free market before the eyes of the whole world. And it is doing all this in the shadow of increasing geopolitical tensions.¹

Let us consider the following set of countries: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Poland, Romania, Serbia, Slovakia, and Slovenia. All these now-independent countries, which had been part of the communist bloc, reached a crucial turning point in 1989–90. The structure and pace of the transformations varied from country to country, and all of them suffered periodic setbacks. Yet until 2010, they all moved in the *same general direction*: toward a market economy based on the rule of law and private ownership.

Hungary is the first and so far the only one of these countries to make a sharp U-turn and set off resolutely in the opposite direction. In 2010, Viktor Orbán's coalition, formed by Fidesz–Hungarian Civic Alliance with the Christian Democratic People's Party (henceforth Fidesz), won

68 percent of the seats in the unicameral parliament, enough to change any part of the constitution.² Thus began the U-turn and the systematic destruction of the fundamental institutions of democracy.

In actual practice, the executive and legislative branches are no longer separate; both are controlled by Prime Minister Orbán, who has positioned himself at the very pinnacle of power. No worthwhile preparatory work on bills is being done either within or outside parliament. Parliament itself has become a law factory, and the production line is sometimes made to operate at high speed: Between 2010 and 2014, 88 bills were introduced and voted on within a week; in 13 cases, this all happened on the same day or the next. Investigations of scandals (which should be conducted by a parliamentary committee with opposition input) have, without exception, been thwarted. "Reliable" people close to the center of power occupy decision-making positions even in public organizations that, in a real democracy, should provide oversight of the executive and legislative branches: the Constitutional Court, the State Audit Office, the Fiscal Council, the Competition Authority, the Ombudsman's Office, and the Central Statistical Office.

Likewise, the basic institutions of the rule of law have been abolished or weakened since the U-turn. Hungary's new constitution, called the Fundamental (or Basic) Law, was drafted by a small group within Fidesz without any wide public discussion. Protests were ignored, and the document was pushed through the law factory in short order. It was signed by the president in April 2011 and went into effect in January 2012. The text abounds with shortcomings that both local and foreign legal experts pointed out (in vain) right away. It contained so many politically motivated clauses that the document has already had to be amended five times. Between 2011 and 2013, parliament also passed 32 "cardinal laws" that cover crucial aspects of Hungarian life. Future parliaments will be able to modify these laws only with a two-thirds majority.

One of the main principles of the rule of law is that no one should be above the law. Yet in Hungary, the holders of power are able to pass laws quickly and without hindrance. They pass retroactive laws, despite the prohibition of such legislation. If they wish to arrange especially generous treatment for an individual or organization, they pass laws using legal tricks that ensure *de facto* favoritism.

Hungary's Prosecution Service is a centralized organization that, in theory, operates independently from the rest of the government. In practice, the executive chooses the chief prosecutor, who is then formally appointed by parliament, which from then on is powerless to control him. With a few minor exceptions, the investigations of all public scandals and corruption cases involving people close to Fidesz have failed to progress beyond the investigative or prosecution phases. Yet the Prosecution Service has brought its full powers to bear on economic scandals

and corruption cases in which opposition figures are implicated. Dramatic arrests are carried out for the benefit of the cameras, which arrive in droves. Compromising facts are often leaked while investigations are still in progress. No effort is spared to make sure that these cases come to court, though charges often must be dropped in the prosecution phase for lack of evidence; in other cases, the court rejects the charges. Moreover, a leak, the bringing of charges, or a court hearing often is timed to coincide with some political event: The bomb that will destroy a rival's reputation is detonated just before an election.

The ruling coalition seems to be trying to take control of the courts as well, having dismissed the president of the Supreme Court before his mandate expired, created a new institution (the National Judicial Office) and endowed it with vast powers, and lowered the judicial retirement age from 70 to 62, forcing hundreds of judges out of the courts (a measure that was subsequently overturned by the European Court of Justice). Moreover, certain lawsuits have political ramifications, and impartial experts in the field believe that some judgments are biased in ways that favor Fidesz policies. Despite all this, the government has not managed to subjugate the judiciary to the same extent that it has the other spheres.

The Overreaching State

Since the U-turn, private property has come under frequent legal, economic, and ideological attack, while the state sector's influence is rising again. The nationalization of private pension funds financed with obligatory contributions, which was carried out using unique legal tricks, dealt a heavy blow to the principle of respect for private property. A similar form of indirect nationalization took place with savings and loan cooperatives. Private ownership is also shrinking in the areas of banking, energy, public works, transportation, media, and advertising, where property rights were purchased rather than underhandedly confiscated. But in many such cases, the previous owners were made to feel that their only option was to sell their property to the state, and at a price well below the market value.

Since the U-turn, Hungary has seen increasing centralization, particularly in terms of government administration. For example, schools and hospitals are no longer run by local authorities, but rather by the central government. It is unprecedented—even outside Hungary—to have a misshapen bureaucratic giant make staffing, curricular, and financial decisions for thousands of schools over the heads of teachers, parents, and local governments.

The obsession with centralization, which is intertwined with the tendency to nationalize, affects almost all spheres of society. Increasingly, questions are decided at the highest level. A pyramid-like hierarchy has emerged and solidified, with Orbán at its summit. Below him, ready to

obey his every command, are handpicked henchmen. As we move down the pyramid, people in every position are chosen for their loyalty to the regime.

Each subordinate is tightly bound to his or her superior. Only the top leader does not depend on a superior, and only those at the very bottom do not give orders to anyone. Everyone else is simultaneously servant and master, trying to move up the pyramid. Their positions are determined not by elections, but by winning their superiors' trust with services, flattery, and uncritical obedience. Hundreds of thousands of public employees feel defenseless. Because they fear losing their jobs, few dare protest. The regime is robust, partly because it can count on the fear of most people who depend on it, as well as on the "keep a low profile and obey" mentality.

Civil society, comprising a number of non-market-based organizations and associations outside the control of the state bureaucracy, has developed over the last twenty years to become a crucial source of scrutiny, without which it would be impossible to expose and fight abuses of power. One manifestation of the U-turn is the methodical harassment of civil society. When parliamentary bills are being drafted, trade unions and other relevant organizations are not consulted. When concerned parties express their points of view through declarations or demonstrations, their voices are disregarded. The indignant protest of the Norwegian government against the Hungarian government's plans to interfere in their generous offer of assistance to Hungarian civil society is widely known.

With respect to the economic sphere, we cannot apply the U-turn metaphor; it would be more precise to call it a *half-turn*. Market mechanisms became dominant in Hungary in the first two decades after the transition and remained so even after 2010. As in all modern economies, in Hungary today the state and market coexist symbiotically, just as they had before. Every sensible economist knows that the state cannot be a passive observer of market processes. The state must set legal limits, regulate the financial sector and certain prices, intervene in the distribution of income, and influence production through macroeconomic policy and the like. In Hungary under Orbán, the interaction between state and market has been seriously distorted by political interests, with the state impinging on the economy more aggressively than it did under previous governments.

This is not a case of "state capture" carried out by oligarchs in order to establish regulations and pass measures in their own interest. Rather, it is the state that is in command. Orbán and his inner circle decide who should become or remain an oligarch, and how far that oligarch's sphere of authority should extend. Something similar takes place at lower levels. The natural selection of market competition is overridden by political considerations. "The important thing," so the thinking goes, "is that our man wins the public-procurement tender, gets permission to run a

tobacco shop or casino, or obtains tenure of that state-owned piece of land." A kind of feudal master-servant relationship exists between the politician or bureaucrat and the capitalist entrepreneur.

A new term has been introduced into everyday Hungarian: "Fidesz-közeli cég," meaning "a near-to-Fidesz company"—one owned by a government crony or cronies. The intertwining of the worlds of business and politics is a global phenomenon, and provides fertile soil for corruption everywhere. But in Hungary since the U-turn, the very organizations that should be fighting (with the state's backing) against the entanglement of business, politics, and government and against corruption are not independent. Instead, they are cogs in the same machine. A corrupt politician or bureaucrat knows that his powerful political friends will protect him, while whistleblowers lack protection and often become the targets of harassment and character-assassination campaigns.

The government stresses that if the state needs more revenue the burden will not fall on the people, and there will be no "austerities." Companies will pay new taxes out of their profits. The word "profit" has as negative a connotation today, as it did back when Marxist political economics was an obligatory school subject. In addition to the usual forms of taxation, special supertaxes have been used to pillage whole sectors, including banking, telecommunications, insurance, and household energy. The unpredictable tax policy, legal uncertainty, and anticapitalist rhetoric discourage private investment. While the extraordinary tax burden ensures a balanced budget (which reassures international organizations and credit-rating agencies), it undermines long-lasting growth and technological development. Moreover, businesses pass these extra costs on to consumers whenever possible.

While companies are held to ransom, the individual tax burden has been sharply reduced. One of the Fidesz government's first acts was to abolish the progressive personal-income tax and replace it with a 16 percent flat tax, while at the same time raising the value-added tax to an unprecedented 27 percent. These tax rates impose a much heavier burden on poorer people. Government propaganda proclaims as a great achievement the reduction of household spending on utilities due to price-cap regulations. In reality, the price caps benefit the rich far more. After all, the bigger the apartment, the greater the use of electricity, gas, and water; hence, the bigger the savings.

Restricting the functioning of the price mechanism is an important feature of the general phenomenon which has just been discussed: The state leans heavily on the private sector, using administrative micro-interventions and excessive regulation. Every economist who has studied the theory of market failure knows that appropriate regulation and well-aimed intervention can correct many problems caused by an uncontrolled market mechanism. But this theory assumes that the state is serving the public interest, and that regulation is carried out profession-

ally and without bias. What happens if incompetent or corrupt people seize the levers of regulation? What happens if the masters of the state interfere in the economy in order to enhance their own power? Such interventions happen so frequently and affect the coordination process of the economy so deeply that sooner or later the half-turn will become a U-turn in this field as well.

Fidesz's economic policy cannot win the approval of the conservative economist because it causes upheaval in market mechanisms and threatens private property. It likewise arouses the indignation of the liberal economist, who is sensitive to injustice in the distribution of income—and not only because of tax policy. Keynesian economists must not be deceived by aggregate employment statistics. The private sector is creating few new jobs. The growing number of people in “public work” is supposed to make up for this. But they work for rock-bottom wages (31 to 33 percent of the average salary) under degrading conditions. As poverty and social exclusion climb dramatically, the poorest are stigmatized and the homeless are chased out of cities by mayoral decree.

Any attempt to neatly classify Hungary's economic policy as “right wing” or “left wing” is off-track. Although some phenomena are reminiscent of the socialist era, the Orbán regime is not only compatible with capitalism, but all the members of the power pyramid use the opportunities offered by capitalism to their own advantage. When they launch an attack on the banks or some other sector, they immediately conclude a special deal with this or that bank, or sign a “strategic agreement” with this or that large company, in front of television cameras.

Intellectual Fallacies and Misunderstandings

Hungary's friends abroad—intellectuals, journalists, diplomats, and politicians—seem to operate under various misunderstandings about the country. One of these is to overestimate the value of the letter of the law. To illustrate, the Fidesz government created a law that failed to guarantee the central bank's independence. The media as well as some international organizations pressured Hungary to change the law, which it did. Budapest used this capitulation to prove the government's willingness to compromise. Practically speaking, however, the change to the law was irrelevant. The finance minister, Orbán's “right hand,” was still able to resign from his position and walk a few hundred yards to the Hungarian National Bank, where he now serves as its theoretically independent governor. Without exception, every member of the central bank's highest body, the Monetary Council, was hand-picked by Orbán and his advisors. Although by law each selection process is supposed to conform to certain regulations, does that matter when the majority of parliament, its committees, and even the president of the republic are all cogs in the same machine?

The regime also leans on the media, threatening the independence of the “fourth branch of government”—one of the key checks on power in a real democracy. As a result of international complaints that the powers allocated to Hungary’s centrally appointed media authority were excessive, some aspects of the media law were amended. Critics considered this a victory. But again the changes were irrelevant. What really mattered was that Fidesz leaders had put their own people in charge of all the state-run television channels and radio stations. The new bosses purged the staffs of these outlets and turned them into a collective mouthpiece for the government. The state media are obliged to use material provided by the government news agency, which

Political legitimacy is not a binary variable: No government is simply legitimate or not. But on the continuum of democratic legitimacy, support for the Orbán government is low.

also offers news free of charge to privately owned media. Although they are permitted to use other sources, doing so is costly. It is hardly surprising that the privately owned media generally are reduced to using the free material. Self-censorship, behavior all too familiar from the communist era, is becoming widespread.

It is important to note that there are newspapers, television channels, and radio stations that are both independent and critical of the government. But they face many obstacles, such as securing broadcast frequencies and selling advertising. Government agencies as well as private firms that wish to maintain good relations with the political masters refrain from advertising with the independent media.

Although the authorities try hard to control the bodies that shape public opinion, the IT revolution has made their task more difficult: Computers, tablets, and mobile phones connect the individual to the world, and people can express their opinions and organize themselves online. The Fidesz government would love to find a way to stop this. Not long ago, it proposed an Internet tax of roughly US\$0.55 per gigabyte. Within a few days, there were mass protests, and photographs of demonstrators circulated in the international press. Orbán retreated halfway. As I write this, it is not yet clear if the plan has been abandoned for good or merely postponed. Whatever happens, the image of tens of thousands of protesters raising their mobile phones to the sky has become a symbol. It would be difficult for any regime today to raise impassable barriers to the flow of free speech.

Another source of misunderstanding results from certain recently established institutions or procedures that, at first glance, seem similar or even identical to the parallel institutions or procedures of a traditional Western democracy. Many changes have been made in the Hungarian judicial system. What is wrong with that? After all, even after these

changes it still resembles the systems of some other European countries. The tobacco trade used to consist of small shops competing with each other. Now the government issues licenses to sell tobacco. What is wrong with that? After all, in Sweden a state monopoly with similar or even greater powers covers the trade in alcoholic beverages.

What we have is a mosaic, of which many pieces originated in Hungary, while others were imported from democracies abroad. But if we look at the mosaic *as a whole*, the outlines of Orbán's Hungary emerge. Of course, it is not a fixed state that we are interpreting, but a dynamic process. What we must discern is the *direction* that each component of the machinery has followed since 2010. Justices of the U.S. Supreme Court are appointed for life, but this is within the framework of a stable democratic order with many checks and balances. In Hungary, by contrast, the current prime minister has chosen the majority of Constitutional Court justices. Soon they will all be Orbán appointees, contributing to an irreversible shift in the country's power relations. Under these conditions, the recent extension of the terms of Constitutional Court justices tends in the same direction, namely toward strengthening central power. Thousands (this number is no exaggeration) of such discrete changes, all moving together along the same course, create a new *system*.

Understandably, the Budapest correspondent of a foreign newspaper might write about only one outrageous measure without putting it into the whole context of Orbán's system. An international organization or a foreign government might protest against a specific action taken by the Hungarian government and try to pressure Hungary into modifying or withdrawing the measure. This essay is meant to help both those who form public opinion abroad and those who plan and implement global measures that concern Hungary to understand that more is at stake than an isolated act; this is now a strongly forged system, whose essential properties cannot be altered by partial modifications.

Another intellectual fallacy is the faulty evaluation of the legitimacy of the Orbán government. The belief that Hungarians support what is happening is reinforced by the official propaganda, which is busy announcing that the regime won a two-thirds majority for two successive parliamentary cycles; there is no other government in Europe that enjoys such strong support. Let us take a closer look at the facts.

In the last election in 2014, only every fourth person entitled to vote cast his or her ballot for Fidesz. The others either voted for another political faction or abstained. Political legitimacy is not a binary variable: No government is simply legitimate or not. But on the continuum of democratic legitimacy, support for the Orbán government is low.

The posttransition electoral system allowed for a considerable gap between actual political support and seats in parliament.³ Electoral laws have been modified seven times since 2010, further widening that gap.

TABLE—RESULTS OF 2010 AND 2014 PARLIAMENTARY ELECTIONS

Parliamentary Election	Fidesz Voters as a share of . . .		Fidesz Share of Parliamentary Seats
	all people entitled to vote	all voters	
2010	41.5%	53.1%	68.1%
2014	26.6%	44.9%	66.8%

Source: The aggregate numbers of votes and mandates published by the Nemzeti Választási Iroda (National Election Office). The 2014 results are calculated including ballots cast abroad (in 2010, dual citizens without permanent Hungarian residency were unable to vote). The figure in the second row of the first column is an estimate calculated by the research institute Political Capital.

While Fidesz received half a million votes fewer in 2014 than in 2010, the regime used legal tricks to maintain (barely) its two-thirds majority.⁴ The party lost its supermajority in February 2015, when an independent candidate won the by-election for a seat previously held by a Fidesz deputy who left to join the European Commission. Public-opinion surveys reflect these voting trends: Monthly surveys conducted in late 2014 and early 2015 show Fidesz losing hundreds of thousands of potential voters, challenging the government's assertion that the vast majority of Hungarians support the current system.

Another intellectual trap is often expressed in this way: "While it is true that the Fidesz regime has abolished many democratic achievements, the present form of government must still be considered a democracy." It is at this point that the debate about the meaning of "democracy" begins. There is no consensus on this matter among political philosophers and political scientists, and the terminology used by people who are actively engaged in politics is interwoven with elements of political rhetoric. Observers award or deny the term to Hungary depending on whether or not they view the present Hungarian system favorably. The terminological confusion remains even when "democracy" receives a defining adjective. The expression "illiberal democracy" originally had negative connotations, but Orbán proudly describes his own system as an "illiberal state."

Recent history has seen three broad categories of regimes. In one group we find *democracies*—pre-enlargement EU member states, the United States, Canada, Australia, and the like—where the essential features of democracy exist not only on the page, but in actual practice. In such countries, "checks and balances," for example, really do exist and can be observed, and minority rights are protected. At the opposite extreme we find *dictatorships*. For me, and for millions of others, this is no abstract theoretical concept—it is a cruel, personally experienced reality. Thirty years ago, 28 countries belonged to one particular kind of dictatorship: totalitarian communism.

In between these two extremes lies a subset of countries that are neither democracies nor dictatorships, though they bear characteristic features of both. In my own work, I have joined other authors in calling them *autocra-*

cies. This class is made up of a colorful multitude: In it, I would place the prewar Hungarian regime of Admiral Miklós Horthy, the postwar regime of Argentine president Juan Perón, and in our own time, Vladimir Putin's Russia, Belarus, and many of the post-Soviet Central Asian states.

I believe that under Orbán Hungary has already moved from the subset of democracies into the subset of autocracies. To consider Orbán a dictator would be to misread Hungary today. It has a multiparty system; opposition parties function legally; newspapers opposing the government can be published. Political opponents are not imprisoned en masse, nor are they liquidated. We know all too well what real dictatorship is; we have experienced it. What we are experiencing now is different. Yet to consider Orbán the leader of a democracy would also be wrong. I do not even want to raise the question of whether Orbán, in the depths of his heart, is a true democrat or not. We must focus on what has actually happened. And what has already happened is enough for us to say that Hungary is now an autocracy.

It would be a mistake to believe that Orbán is copying Putin. Autocracies have emerged in different domestic and international environments, and the personalities and aspirations of their highest leaders differ. Hungary is the first of the postsocialist democracies to join the autocracies, but there is no guarantee that it will be the only one. The balance of power could shift in other countries in such a way that they turn into autocracies. Some foreign politicians see Orbán as a model, and there is a real danger that this contagion will spread.

The Dangers of Nationalism

Many support Orbán because they see him as a staunch defender of Hungary's sovereignty and independence. Yet the problem cannot be shrugged off by simply labeling Orbán a nationalist. Worldwide, we see two opposing trends: Globalization is making the world increasingly international, yet at the same time nationalist sentiments are growing stronger.

The fall of communism brought the restoration of Hungarian sovereignty—a happy separation from the East, an expectant turn toward the West. Western imports and exports became increasingly significant. Foreign capital began flowing into the country. Hungary joined NATO in 1999 and the EU in 2004, both after popular referendums. In the campaigns leading up to the votes, all the parliamentary parties, including Fidesz, encouraged their followers to support these moves. For twenty years the *direction* of changes in foreign policy remained clear: Hungary must be an organic part of Europe; it must unambiguously belong to the Western world and further strengthen its political, economic, and cultural ties to the West.

Since the U-turn, however, ambiguity has replaced this clarity. Leading politicians grieve at public meetings about the crisis of worldwide capitalism and Western civilization. Regime leaders exploit the anti-Western atmosphere, sometimes going so far as to compare directives

from Brussels with the pre-1989 dictates of Moscow. But if today they speak of the emasculation of the West and the great things to come from the East, tomorrow they will say the opposite. Orbán is proud of his Janus face, which he considers a sign of his shrewdness. The content and tone of

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his message change depending on who his audience is—whether, for example, it is the party faithful or European businessmen. Thus it is hardly surprising that Orbán's supporters and opponents, along with Hungarian and foreign observers alike, are mightily confused.

Hungary is still a member of NATO and the EU; the government has never suggested that it intends to leave either body.⁵ Hungary is happy to accept the EU's financial support (but insists on full control over its distribution), even

as regime representatives regularly support Euroskeptic declarations. Meanwhile, Hungarian diplomats resolutely attempt (without much success) to promote business relations with various Asian autocracies and dictatorships.

The present Hungarian and Russian forms of government share certain features, and both belong to the subset of autocracies. But what of their economic ties and foreign-policy relationship? How far can Hungary's sovereignty be maintained? To what degree is Hungary committed now and in the future to its Russian partner? The corollary is another question: How far do these present tendencies endanger Hungary's commitment to the EU, NATO, and the Western world?

In order to answer this question, we would need to know more about the conditions under which Hungary and Russia reached their January 2014 agreement on the expansion of Hungary's largest nuclear power plant. The deal was signed without any public debate among experts; the government's plans were pushed through the parliamentary law factory without the least publicity. On this crucial issue, which will have a deep impact on the lives of many future generations, on European integration, on Hungary's foreign affairs, and on its commitments to its allies, the government presented the public with a *fait accompli*.⁶

Reflecting on the relationship between Hungary and other countries, we must ask: What can Hungarians who worry about the U-turn and fear for democracy, the rule of law, and human rights expect from their Western friends? I am afraid to nourish false hopes. It takes years for foreign observers to realize that there is anything wrong, and even longer before they put the different elements of the phenomenon into the right context. Moreover, regional organizations are at loss about how to force an allied state to abide by the rules of democracy. The EU is unprepared for

dealing with a member state that rejects EU norms and values.⁷ And, of course, the special interests of countries, political groups, social classes, and professions pull the main actors in many different directions.

I have left to the end changes that have taken place in the “ideological sphere.” A fundamental characteristic of communist dictatorship is the existence of an “official ideology,” the roots of which go back to Marx and Lenin. The Communist Party adapted this ideology to the propaganda needs of whichever party line prevailed at the time. When the old regime fell, “official ideology” was replaced by *pluralism*. But here, too, there has been a U-turn. The government now strives to limit and discredit the principle of pluralism and to use public institutions to force on society those theories, beliefs, and norms that it champions.

Pluralism and diversity are essential to the worlds of art, science, and education. As for arts, the Fidesz government has selected a small group and endowed it with vast powers under the auspices of the Hungarian Academy of Arts and other agencies, public institutions, and foundations, which distribute most publicly funded cultural grants and bestow most of the prizes that are accompanied by financial awards. Other arts organizations still exist, but the bodies close to Fidesz enjoy a privileged status.

As for the Hungarian Academy of Sciences, it boasts a long history. Although the communist party-state had severely curbed the academy’s independence, its autonomy grew after the transition, and it exercised considerable influence over decisions about which research projects the state would fund. But through the creation of a new government agency, the National Research, Development and Innovation Office (NRDIO), the long arm of centralization has reached the field of science too, and severely curtailed the influence of the Academy of Sciences. Although the academy and other scientific organizations might offer opinions, the NRDIO president, currently the minister of education from the first Orbán government, has sovereign decision-making power over funding allocations.

Competition is dying in the education sector as well. Textbook writers and publishers used to compete with one another. Schools and even individual teachers could decide which books to use. But the government has now set up a mammoth state-textbook publishing house and granted it a near-monopoly.

What ideas is this increasingly centralized, nationalized, standardized machinery trying to promote? A return to an earlier ideological past—a revival of the official ideas of the Horthy period (1920–44)—seems to be under way. Shorthand descriptions such as nationalism, chauvinism, ethnic or religious prejudice, or family values do not adequately capture these ideas because they appear in different shades. Politicians never make open and extreme declarations that would offend the ears of the civilized world; rather, they hint at them quietly and indirectly. But in that muted music, a marching tune for boots can be heard. To the ears of my generation, the sound is familiar and frightening. Luckily, there are many writers and art-

ists, scientists and teachers, and free-thinking intellectuals who will not allow themselves to be intimidated or bought by money and rewards. Any visitor to Hungary can testify that intellectual life is thriving.

Possibilities for the Future

A number of readers of earlier versions of this essay asked why I did not discuss the antecedents of the U-turn and reveal the *causes* of the reversal. I realize that there were several key factors behind the reversal: the grave mistakes made by the governments and all political parties between 1990 and 2010; growing corruption; mass unemployment; rising social inequality; and disappointment in the transition. The maturation of democracy is a long historical process, and Hungary has only just begun it.

I also know that if the causes are to be explained, we must go back further than 1990 and delve into the final period of Hungarian socialism (which the West called “goulash communism”), when the population became accustomed to the paternalism of a heavy-handed regime. An even deeper layer of historical memory that shapes today’s dominant way of thinking is the nationalist, racist, and anti-Semitic ideology of Horthy’s autocratic regime, with its foreign policy that prioritized the revision of the unjust dismemberment of the country after the First World War, and turned Hungary into a loyal ally—to the bitter end—of Hitler. We could go on digging for centuries. It is not my habit to deal with such complex issues in one or two paragraphs. I prefer to tell readers quite frankly: Do not expect from this essay a discussion of the antecedents of the present regime.

Several readers also asked why I merely list the problems rather than outlining the ways to overcome them. In medicine, it is often one physician who tests for cancer, and another who decides if or how to treat the disease. In this study, I am trying to provide a diagnosis. I dare to go only this far. Giving political advice is a special profession that requires different points of view and works according to different norms. My intention here is only to reveal the situation: I wish to contribute to a better understanding of the Hungarian case on the part of our friends abroad.

What does the future hold for Hungary? One theory of democracy deserves close attention. It considers democracy primarily as a *procedure* that makes possible the dismissal of a government—not through the murder of a tyrant, a military coup, or a bloody popular uprising, but through elections that are well-defined legally and include a plurality of competing parties. This capacity for peaceful dismissal is not a sufficient condition for democracy, but it is a necessary one.

It will be some time before we can say whether this minimum condition is met or not. In Sweden, it took forty years before the social-democratic government was voted out in the 1976 elections. In Britain, the Conservative Party ruled for eighteen years before losing the 1997 elections. In both cases, the winners of a fair political contest that offered a chance

for victory to all parties replaced the former government. History will reveal whether this minimum condition of democracy can be met in Hungary. The outlook is bleak. Viktor Orbán and his party have “cemented themselves in,” to translate an expression that has become commonplace in Hungary. The many modifications made to the electoral law were intended to favor a Fidesz victory, or rather to make it a near certainty.

Fidesz is prepared for the unlikely but not impossible event that it fails to win a parliamentary majority in the next election. The 32 cardinal laws can be modified only by a two-thirds parliamentary majority. Even if Fidesz were to lose, no such majority would be possible without its participation.⁸ The terms of many key officials—notably, the chief prosecutor, the president of the republic, and the heads of the central bank, audit office, and judiciary—extend beyond the current parliamentary cycle; they can all sit tight, even if the opposition wins. The Fiscal Council, a body appointed by the current government but which would remain in office even in case of its electoral defeat, has not only an advisory role but also veto power over the budget submitted by a new government. If it were to exercise that veto, the president of the republic could dissolve parliament and call for new elections. In other words, a few Fidesz loyalists would be able to overturn a successor government.

All this leads to the conclusion that it would be difficult to dismiss the government through elections. In this sense, the situation is nearly irreversible. Historical experience shows that an autocracy can be brought down only by an “earthquake” that rocks the very foundations of the system.

There are other possible scenarios. The great events of history cannot be predicted on the basis of mathematical probabilities; every constellation is unique and unrepeatable. The situation could become much worse than it is today. The Fidesz autocracy could react to the growing protests by hardening its repression, as Turkey’s government has done. Another succession of events is also possible. Jobbik, the party of the extreme right, already represents a significant force; more than one city has elected a Jobbik mayor. What would happen if, in a future election, Fidesz failed to win a parliamentary majority? Would it be prepared to form a coalition with the extreme right? There is a historical precedent: Toward the end of the Weimar republic, the moderate right-wing conservative party entered into a coalition with Hitler’s party; together they constituted a parliamentary majority.

At the same time, favorable scenarios are not impossible. What if more moderate groups within the ruling party start to gain the upper hand—groups that are ready to stop moving along the wrong track and want to reverse course back toward democracy and the rule of law? What if opposition political parties and civic movements are reenergized? What if new political groups and movements emerge and win over millions of citizens? What if, despite an electoral system that almost guarantees the defeat of future democratic forces, the tables are somehow turned? Let us not give up hope.

NOTES

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1. A few months after Fidesz took control, I wrote an article entitled "Számvetés" ("Taking Stock"), which gave an overview of the changes that had already taken place and that could be expected. The volume of literature on the Hungarian changes is increasing year by year and is mainly in Hungarian. I would like to single out Bálint Magyar and Júlia Vásárhelyi, eds., *Magyar polip—a posztkommunista maffiaállam* [Hungarian octopus: The post-communist mafia state], 2 vols. (Budapest: Noran Libro, 2013, 2014), which contains essays by eminent Hungarian experts.

2. See Miklós Bánkúti, Gábor Halmi, and Kim Lane Scheppele, "Hungary's Illiberal Turn: Disabling the Constitution," *Journal of Democracy* 23 (July 2012): 138–46.

3. About half the seats are divided among the parties in direct relation to their vote share. The other half are allocated in every constituency following the first-past-the-post principle. This secures a large number of seats for a party that has only a small relative advantage over its rivals in several districts.

4. Compare these figures with German data from 2013. The CDU/CSU received 29.7 percent of the vote (41.5 percent of those eligible actually voted). This is only slightly lower than the Fidesz results. But the actual vote shares are represented by parliamentary proportions in the Bundestag. Thus Merkel did not have a majority, and a coalition with the Social Democrats is governing that country.

5. A noteworthy exception is the Speaker of Parliament, a founding member of Fidesz, who once publicly stated the possibility of "backing out" of the EU.

6. The Paks power plant is not the only case where this problem has arisen. The government, without proper reason, often classifies some procedure as secret, thus preventing open debate and transparency in public affairs.

7. The Tavares Report commissioned by the European Parliament states that Hungary's post-2010 "reforms" do not observe the shared fundamental principles and values of the EU. The report suggests that a monitoring process should be worked out, not only for Hungary but for all countries failing to meet European norms. This process would reveal problems and facilitate reparatory measures. The Tavares Report drew attention to the problem, but it was not followed by any efficient EU measures. See Rui Tavares, "Report on the Situation of Fundamental Rights: Standards and Practices in Hungary (pursuant to the European Parliament resolution of 16 February 2012)," A7-0229/2013, 2013.

8. Orbán said in an early interview after taking office: "I will expand the circle of two-thirds laws only at one point: in the field of economic legislation. And let me make no secret of the fact that I would like to tie the hands of the next government in this regard. And not only that of the next, but of the following ten governments." Viktor Orbán, "Orbán: 'Nur toter Fisch schwimmt mit dem Strom,'" *Kronen Zeitung* (Vienna), interview, 10 June 2011.