

Invitation

Tamás Bauer

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Hungary's Authoritarian U-Turn – Background and Prospects

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Abstract

Professor János Kornai provided an extensive description of Hungary's U-Turn back to an authoritarian system during the last years. I add to Kornai's analysis some considerations concerning the causes of such development. While Hungary used to be the pioneer of decentralising reforms during the last two decades of communism and seemed to have the best starting positions in 1989, it has turned to be the pioneer of dismantling democracy and market economy since 2010. The roots of this surprising development are found by some authors in the cultural pattern of the Hungarian society. Not questioning such explanations, some direct causes of the U-turn can be identified in the developments of the two decades of Hungarian transition. Due to the three waves of austerity measures (1990-91, 1995-96 and 2006) which were difficult to explain and were in clear contrast with people's expectations supported by promises of the new political élite, Hungarians were strongly frustrated and turned against market principles and against economic opening earlier and more strongly than other nations in the region. Moreover, the new political élite proved to be extremely corrupt, and responsible persons have neither been identified nor punished. This explains how a populist political movement could win the elections in 2010. The next question is, however, how it consolidated its power and how it wins consecutive elections without relying on foreign support and applying systemic violence. Historical anticommunism, double nationalism, anti-capitalism and social exclusion are identified as ideologies which enable the new régime to gain support of a sufficient segment of the population and to prevent the emergence of a political alternative. Since economic nationalism and resistance to international integration are key features of the régime, a

disintegration of Hungary from the rest of Europe and economic and social degradation are likely developments in the near future.

Tamás Bauer was a senior research fellow at the Institute of Economics, Hungarian Academy of Sciences (1968-2009) and Professor of Comparative Economics at the Goethe University Frankfurt am Main (1988-2011). He used to be a Member of the Hungarian Parliament on behalf of the Alliance of Free Democrats (1994-2002) being a founding member and leading economist of this party from 1988 on. In 2011 he co-founded the new party Democratic Coalition and was its vice-president until 2014. Mr. Bauer studied at the Karl Marx University of Economics (1964-68).

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