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The Crisis and Euroscepticism in Central and Eastern Europe

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The international economic and financial crisis and the present eurocrisis have had a long-term impact on the Central and Eastern European countries (CEECs). Besides economic figures, there are historical and sociocultural factors that may provide a better understanding of the complex relationship between the crisis and Euroscepticism in the case of the CEECs.

Transformation and EU-accession in context of the post-communist society

The reasons why societies in the CEECs share a sceptical view on the EU-integration today have much to do with their experiences gained from the economic transition of the early 1990s. The economic transition took place rapidly and in a painful way. Between 1991 and 1992, only in Hungary and Poland, more than 680.000 people (328.000 in Hungary and 354.000 in Poland) became officially unemployed.¹ 500.000 Hungarians never returned to the labour market again. This number corresponded in average to 13% of the Hungarian working popu-

1. Karol Fazekas at al., "Statistic Tables," in *The Hungarian Labour Market. Review and Analysis*, ed. Karol Fazekas and Gábor Kézdi (Budapest: Institute of Economics, HAS, Hungarian Employment Foundation, 2007), 164., 177. Keune Marteen, "Youth Employment in Hungary and Poland," *Employment and Training Papers* 20 (1998): 8.

lation between 1993 and 1999. On an annual basis, the rate of unemployment increased dramatically in the other countries of the region.²

The post-communist society was not exposed to fundamental structural changes. Workplaces were protected in the socialism and the state strove for full employment. In the transformation process, the feeling of being protected by the state suddenly disappeared³ and was replaced by value crisis, uncertainty of existence and the rise of an egocentric thinking.

All of these explained why a general distrust for the newly established democracy, the political parties and the market economy increased radically within the society. Growing distrust was accompanied with antipathy, prejudices, apathy and absence of solidarity for people who deepened more into social crisis during the transformation. The society adopted a sceptical view of the present and the future. Mental opposition to further comprehensive structural reforms strengthen.

A nostalgic feeling for the socialism arose. According to a survey in 2004, 50% of the respondents in the CEECs evaluated the previous communist regime positively.⁴ The share of positive answers per countries: Slovenia 68%, Lithuania 59%, Hungary 58%, Estonia 55%, Poland and Slovakia 51%, Latvia 50% and the Czech Republic 32%. The average of the number of answers in favour of democracy was 57%. The share of the positive answers per countries: Estonia 75%, Lithuania 70%, the Czech Republic and Slovenia 69%, Hungary 64%, Poland, Latvia and Slovakia 51%.

By entering the European Union, life seemed to still be difficult for individuals to follow the rapidly changing world. The CEECs joined the EU in those hectic times when a big part of the society was not able to and it was not willing to adopt changes of the transformation.

Before the accession, the society also placed important questions on the agenda. What does the EU-membership mean in the daily life? What does it mean to be a winner or a loser of the accession? Who will be winner and who will be loser then? These questions had been answered, but not all of them. Moreover, other important questions were raised, but remained fully open, such as: where is the place for the individuals in the transformation process? How to adopt new changes? What does free market competition mean?

Unanswered questions and those answers that were given by bad experiences in the transformation process led to misperceptions and cognitive problems of the meaning of the Western-oriented modernization, the values of democracy

2. Kornai János, *Szocializmus, Kapitalizmus, Demokrácia és Rendszerváltás* ["Socialism, Capitalism, Democracy and System Change"], (Budapest: Akadémia Kiadó, 2007), 100.

3. Ibid.

4. Kornai, *Szocializmus*, 106.

and the functions of market economy.⁵ Misperceptions and cognitive problems strengthened the sceptical view on life in general.⁶

Characteristics of the post-communist political elites

The CEECs were more than 40 years under communist rule. In sociocultural and socio-psychological terms, the legacy of the communist past had strongly influenced the behaviours and attitudes of the new political elites that were elected into power after 1989. In public thinking, the elites are connected to a certain group of people who gain a beneficial position. Accordingly, there are beneficiary groups belonging to the cultural, scientific and the political elites.⁷ In economic terms, a similar group can be identified. Thus, the general impression is that the political elites cover a certain group of people within the power structure who are provided with the main tools for exercising power.⁸

The post-communist political elites, facing the double challenge of modernization in the early 1990s, had to manage the transformation and the EU-accession process at the same time ('modernization pressure', 'integration anchoring'). Adaptation of adequate policies was part of a learning process of establishing democracy and a functioning market economy. Big progress as well as big mistakes were made in the learning process. The shift from a one-party regime to pluralistic democracy and the shift from a centrally commanded economy to market economy heavily affected the sociocultural and socio-psychological development of the new political elites.

After 1989, the formation of new parties was among others characterized by ideological cleavage.⁹ The parties had been divided over how to accomplish the national modernization process. Certain political parties turned to paternalistic nationalism, social and political populism and right-wing extremism. In line with the ideological changes, the respective parties became supportive of antimodern traditionalism and anticolonisation attitudes connected to the opposition of the EU-accession and the rejection of the membership as well.¹⁰

Extremist and populist parties' ideologies targeted big social groups who became frustrated over the high costs of the economic transition and opposed fur-

5. Kornai, *Szocializmus*, 104.

6. Ibid.

7. Hankiss Elemér, *Kelet-európai Alternatívák* ["Eastern-European Alternatives"] (Budapest: Közgazdasági és Jogi Könyvkiadó, 1989), 30.

8. Ibid.

9. Hertbert Kitschelt, "Formation of Party Cleavages in Post-Communist Democracies," *Party Politics* 1/4. (London-Thousand Oaks-New Delhi: SAGE Publication, 1995), 460.

10. Søren Riishøj, "Europeanization and Euroscepticism," *University of Southern Denmark – Political Science Publications* 25 (2010): 5., 13-15.

ther reforms. At this point, an important link is to see between the social demand for populist, radical party ideologies and the society's misperceptions and cognitive problems regarding the meaning of "catching up to Europe".

Most of the people were not in the position to influence politics in times of state socialism. Making a political career was a benefit only for a selected group of communist party members. After the changes, the newly established parties were committed to capture power. Adherence to power was marked by the obsession with the pursuit of a political career. Suppressed ambitions and obsessions, adherence to power were in favour of short-term political thinking. Short-term thinking made the adoption of broad consensus on long-lasting, unpopular reforms impossible. The post-communist political elites adopted the view that the domestic costs in the short run were supposed to be higher than the costs of long-term reform policies. Short-term thinking started to dominate the political culture and became one of the biggest obstacles against the completion of the modernisation and Europeanization process in the post-accession era.¹¹

The civil society organisations

The civil society organisations (CSOs) provided an important contribution to the democratization process in the CEECs.¹² Democratization inspired citizens to establish CSOs and the non-profit sector strengthened significantly. Similar to the political elites, the CSOs in the CEECs also underwent a learning process. Through getting European and international financial support, the civil organizations became familiar with partnership networking, strategy-making and project management. Those skills were required to implement programs funded by the EU pre-accession funds and the Structural Funds between 2004 and 2006 and 2007-2013.

An important phase of the learning process of the CSOs was the communication campaigns for the accession. A significantly large part of the civil organisations campaigned for the membership. Other organisations were against it and they communicated with a more down-to-earth language. For citizens who paid high price for the transformation and distrusted further reforms, anti-Western slogans (patriotic feelings, vision of colonisation by the entry to the EU, buying up agricultural land etc.) were more attractive and easier to follow than the European Union project, which the citizens of the CEECs never participated in before. This communication gap still exists and not only anti-European civil organisations, but also party representatives of Euroscepticism benefit from it.

11. Frank Schimmelfennig, "Europeanization Beyond the Member States," in: *Zeitschrift für Staats- und Europawissenschaften* 8:3 (2010): 319-339.

12. François Bafail, "East European Civil Societies in the '90s A Legacy of Solidarnosc or Different Historical Paths?," *Governance and Globalization, SciencesPo in China, Working Paper Series* 18 (2010): 3-4., 8.

Dependence from the domestic affairs made another obstacle to the effectiveness of the civil organisations. A significant part of income of the CSOs comes from national funds supervised by the state administration, which is often exposed to domestic political changes. This situation caused difficulties for the CSOs to sustain a steady partnership with the public administration.

Because of the problems of dependence, as well as structural weaknesses, the bottom-up processes led by civil organisations couldn't play a leading role in the Europeanization process after the accession.

The crisis and crisis management policies

The economic performance of the new members had strongly influenced their crisis management policies.¹³ Moreover, crisis management had also its political and social consequences, which became decisive by analysing changes in the attitudes of the political parties and that of the citizens towards the European Union.

Before the crisis, the CEECs provided different performances in terms of economic growth, employment, inflation, budget deficit and public debt. Between 2004 and 2008 almost all countries showed economic growth and unemployment dropped in the region considerably. Only Hungary recorded economic slowdown and growing unemployment during that time. The absorption of the EU Structural Funds and the Cohesion Fund significantly contributed to the economic growth in the respective countries. Particular regions lagging behind, like Eastern Poland, Eastern Slovakia and Eastern Hungary, benefited much from using the funds. Nevertheless, despite the dynamic economic growth in the past decade, the CEECs are still lagging behind the EU average.

The CEECs responded differently to the financial crisis and implemented different consolidation measures.¹⁴ The EU-accession brought a regulatory approach into the fiscal policies of some of the countries. Fiscal regulation helped launch effective consolidation measures, for example, in Estonia, Latvia and Lithuania.

Compared to the other CEECs countries, the Baltic states and Bulgaria reacted rapidly to the crisis and implemented strict fiscal consolidation measures. As part of the crisis management policy, Latvia received a loan within the EU/IMF loan programme. Cuts in the public sector such as reduction of staff, re-organisation of central administration and certain social benefits showed fiscal discipline maintained by all of those countries. As result, Lithuania recorded a steady recovery in 2010 and Latvia and Bulgaria showed economic growth the same year. Estonia joined the eurozone in 2011, which underlines the importance

13. EBRD Transition Report. Country Assessments (2011): 120-121., 124-125., 130-131.,136-139., 146-149., 153-157, Palócz Éva, *Fiskális politikák a válság tükrében* ["Fiscal Policies in view of The Crisis"] (Budapest: Kóping Konjunktúra Kutatási Alapítvány, 2010), 18-28.

14. Ibid.

of the political willingness for fulfilling the convergence criteria through upholding strict fiscal discipline during the crisis.¹⁵

Poland, the Czech Republic, Slovakia and Slovenia implemented less severe fiscal consolidation measures. Poland is the only country that could avoid economic recession in the region. The Polish macro-economic policy focused on enhancing economic growth through which a sound fiscal position was intended to maintain. For this purpose, the country also received loan in the EU/IMF framework. Poland recorded GDP growth in 2010 and it continued in 2011. At the same time, the reduction of government deficit and reforms in social expenditures, particularly the early retirement of farmers and employees at police and military forces, are today's challenge to maintain an effective consolidation policy.

Policies of the Czech Republic had the aim of diminishing the speed of the economic downturn. Soft fiscal consolidation measures were taken when the recession became deeper. Therefore, the effectiveness of those measures was criticized by the international organisations. Recently there is still a strong need for adopting a sound fiscal consolidation policy.¹⁶

Similar to Poland, Slovakia concentrated on preventing the economic slowdown and did not launch a strict fiscal consolidation. However, measures were taken soon due to the growing budget deficit. The country showed a strong economic recovery in 2011, but the unemployment still remained high (14% in 2011). Therefore, Slovakia needs to adopt further consolidation measures. Slovenia also took less severe fiscal consolidation measures and focused on improving competitiveness and employment through capitalization of the bank sector and the support of training programmes of employees. The country recorded a slow economic recovery from 2011, but the economy remained vulnerable to further external shocks.¹⁷

Romania was hardly hit by the crisis. The country was in worse economic situation than the other new EU-members. Therefore, more radical consolidation measures were required. Because of the worsening crisis, Romania introduced strict austerity measures (e.g. cuts in the public sector, freeze of pensions and state employee's salaries). At the same time, the country was also granted a stand-by loan by the EU and the IMF, but those measures were not substantial to manage the crisis. Therefore, more severe measures were taken in 2010, such as cuts in the state employee's salaries to 25% and the social benefits to 15%. Also, there was a further reduction of staff in the public sector. As result, Romania showed a lower inflation rate and a modest economic growth from the middle of 2011.¹⁸

15. EBRD Transition Report, 120-121., 124-125., 136-137., 138-139.

16. EBRD Transition Report, 146-149., Palócz, *Fiscal*, 24-25.

17. Palócz, *Fiscal*, 25-26., EBRD, Transition Report, 153-157.

18. Palócz, *Fiscal*, 19-20., EBRD, Transition Report, 153-154.

Politics and Euroscepticism during the crisis

The political culture varies from country to country in the region. Differences in the political culture are associated with the legacy of the communist past, reconstruction of national sovereignty and overnarrations of national identity after 40-years under communist rule, as well as socialization problems relating to the political and socio-psychological learning process of the democratization after 1989. Ideologies of new nationalism and populism became part of the politics. Before the recent crisis, government policies ruled by those ideologies were represented by the Kaczynski era in Poland and the prime minister, Robert Fico, in Slovakia. Currently, the FIDESZ government led by Viktor Orbán provides a unique mix of anti-Western positioned political populism and economic nationalism in Hungary.

Different opinions, behaviours and attitudes also influence government policies in relation to the Europeanization process. The political parties in the CEECs today are divided over the European integration. In this regard, the party systems in the respective countries do not show any political left-right divide. There are left- and right-wing populist and radical parties, moderate as well as protest parties rejecting or opposing the EU-membership.¹⁹

The crisis brought divide over the EU-membership in the political agenda, which caused essential changes in politics in some countries, e.g. political crises and slowdown of reform policies. Concerning the political parties between 2008 and 2012, some of the populist and far-right parties weakened e.g. in the Czech Republic, Poland, Slovakia, Romania and Slovenia, whereas some of the eurosceptical parties became more influential e.g. in Hungary, Bulgaria, Latvia and Lithuania. In the Baltic states and Bulgaria, populist and radical anti-European parties gained more public support because of the strict consolidation measures mentioned above.

In Bulgaria, the National Union Movement (ATAKA) got 9,36% of the votes at the parliamentary elections in 2009 and the party could increase its support thereafter. The National Alliance in Latvia consisted of the For Fatherland and Freedom Party (TB/LNNK) and the *Visu Latvija!* (All for Latvia!), which received 7,84% at the elections in 2010. Similar trend were seen in Lithuania where the party Order and Justice (OJ) got 12,68% at the 2008 parliamentary elections and became the third biggest party afterwards. The OJ could preserve its position (9,4%) in 2011. The Estonian Independence Party (EIP) gained 0,4% of votes in 2011, which corresponds to a slight increase compared to the last election.

19. Aleks Szczerbiak and Paul Taggart, *Opposing Europe? The Comparative Party Politics of Euroscepticism* (Oxford University Press, 2008), 52-127., 181-208., 238-263., Riishøj, *Europeanization*, 19-26.

Overcoming the left-right divide, as it was mentioned before, the ATAKA identifies itself neither left nor right, but Bulgarian.²⁰ TB/LNNK represents Latvian nationalism and radicalism linked with the ideology of conservatism and economic liberalism.

In Poland between 2003 and 2007 the ruling right-wing party, Law and Justice (PIS), led by prime minister, Lech Kaczyński, represented national conservatism and soft Euroscepticism. The PIS lost the elections in 2007 and 2011. However, the party could keep its strong position in rural and underdeveloped regions mainly in Eastern Poland. In these areas, the rhetoric of hard Euroscepticism, anti-Western slogans and conservative values gain bigger support than in the urban areas of Western Poland. The right-wing populist party, Congress of the New Right, represents hard Euroscepticism. With its anti-European rhetoric, the party got 1% of the votes and remained outside the parliament after the elections in 2011.

Contrary to the development of domestic politics in other countries, the Polish case demonstrates rational and pragmatic interest-driven policies.²¹ This way of doing politics during the crisis highlights the qualitative changes in the national identity-centred Polish Euroscepticism.²² Nevertheless, the ruling right-wing liberal, party Civic Platform, led by Donald Tusk, is supporting the launch of further comprehensive reforms. Demand for adopting more reform policies became a hot issue on the Polish political agenda for many years. Outcome of the reform policies will prove the political maturity of the Polish political elite.

Euroscepticism and divide over Europeanization of the ruling parties in the Czech Republic became more apparent before the crisis than in the other new EU-members. Traditions of preserving national identity and sovereignty in the history, refusal of hierarchy (originating from the Middle Age's religious movement of Husitism) and the awareness that the country is located historically and culturally in the centre of Europe, had deeply influenced the thinking of the Czech political elite.

Notions of *Europeness with reservations* and *Eurorealism* may better illustrate the unique pattern of the Czech Euroscepticism. Euroscepticism was manifested in the position of president Václav Klaus, who held on the opt-out from the Charter of the Fundamental Rights, questioned the joining the Eurozone and refused to support the new European Constitution. Klaus's former party, the right-wing Civic Democrats (one of the ruling parties) refused to join the EU fiscal

20. Markéta Smrčková, "Comparison of Radical Right-Wing Parties in Romania and Bulgaria: The National Movement of Ataka and the Great Romania Party," *Central European Political Studies Review* 11. 1. (2009): 50., 57.

21. Andrzej Marcin Suszycki, "Polish nationalism in transformation," *ISPI Commentary* 30 October 2011. 2.

22. *Ibid.*

compact in January 2012. Although the political elite remained divided over the European topics, the newly founded Anti-European party, Free Citizens, could not be influential on the domestic politics. The party campaigned against the ratification of the Lisbon Treaty and later for the withdrawal from the EU. The Free Citizens party gained only 0,74% of the votes at the 2010 legislative elections.

Euroscepticism has strongly dominated party politics in Slovakia during the crisis. Between 2006 and 2010, the ruling parties SMER ('Direction'), the Slovak National Party and the People's Party Movement for a Democratic Slovakia represented a mix of ideologies from left-wing populism to far-right nationalism. Nevertheless, the ruling coalition led by Robert Fico (SMER) did not suspend important structural reforms launched by the previous right-wing government. The Fico government maintained a macroeconomic policy aimed at fulfilling the criteria for introducing the Euro. As a result, Slovakia joined the Eurozone in 2009. Divide of the political elite over Europeanization became obvious when one of the ruling parties of the new right-wing liberal government voted against to join the rescue package for the Eurozone in autumn 2010. This led to new parliamentary elections in March 2012, in which the SMER gained absolute majority. Far-right extremist, radical, and anti-European parties remained outside the parliament. The case of Slovakia has provided two important remarks:

1. Divide over Europeanization resulted in domestic political crisis and the ruling coalition dissolved,
2. By refusing the Euro rescue package, the normative vision of Europeanization and the EU-compliance, in terms of fiscal cooperation of the member states, fell short.

Similar to Poland, the new Slovakian government shall prove whether it is capable to launch long-lasting structural reforms or declare populism escorted with an insufficient consolidation policy.

In case of Slovenia, hard or soft Euroscepticism did not bring essential changes into the domestic affairs during the crisis. The Slovenian National Party representing nationalism and right-wing extremism with anti-European slogans and ethnic, anti-Roma prejudices gained 1,8% of the votes at the 2011 parliamentary elections. That showed a clear decline compared to the previous elections (5% in 2008, 19.45% in 1999). Nevertheless, similar to other countries, the Slovenian political elite has been divided over reform policies and a broad domestic consensus on further reforms e.g. pension system.²³

The domestic policy agenda of Romania was subordinated to an effective crisis management and eurosceptical party attitudes didn't gain any dominant position.

23. EBRD Transition Report, 156-157.

One of the reasons for it is because the radical right-wing, Great Romania Party, with its soft eurosceptical course is no longer represented in the Parliament since the 2008 elections.²⁴

The implementation of hard austerity measures taken from 2009 enormously burdened the society. Protests against those measures escalated in mass demonstrations in 2010. Social protests led to changes in the government, but the strict consolidation policy was maintained. In addition, despite the protests against austerity measures, the access to the stand-by loan granted within the EU/IMF framework was seen as a guarantee for economic, social and political stability of the country. Contrary to some other countries in the region, this conviction was stronger than any short-term political thinking that would jeopardize the country's political stability in the long run.

Public opinion in the European Union during the crisis

The crisis had a strong impact on citizen's belief in Western democratic values, the market economy and the European integration. According to the survey of the EBRD, democracy in the new member states is less supported by the citizens now than before the crisis. The survey highlighted a more widespread sceptical view on democracy and the market economy than scepticism relating to the European Union membership. In line with this, the majority of the citizens blamed the Western democracy and the markets for causing the crisis.²⁵

In regards to Euroscepticism shared by the citizens, it can be analyzed in the view of the public's attitudes towards the EU-membership in the first three years of the crisis. Because of limitations of the contents, it is hard to state now whether internal factors (e.g. dissatisfaction with government policies) or external factors (e.g. non-adequate crisis management measures of the EU) or a combination of both factors have incurred certain quantitative changes in the public's trust in the Union. Therefore, it is required to conduct more comprehensive researches on the topics. Measurement of the public opinion in the CEECs in the period 2010-2011 provides statistical data that are suitable to identify significant quantitative changes.

According to the statistics, until 2011 citizen's trust in the EU was still higher in all the new members than the EU-average, which was 43% in 2010.²⁶ In 2011, the number of citizens who didn't trust the Union for the first time after the EU-accession gained majority in three new member states (Slovenia, Latvia and

24. Smrčková, *Comparison*, 59-60.

25. EBRD Transition Report, Chapter 3. (2011): 70.

26. Eurobarometer 74. (2011): 43-44.

the Czech Republic).²⁷ Distrust of the European Union was on a rapid rise in the CEECs in 2010-2011 with the only exception of Romania, where the trust in the EU increased significantly. After positive trends remained constant in the past 7 years, public trust in the European Union declined in the Baltic states and Bulgaria. (Estonia: -3%, Lithuania: -9%, Latvia: -8% and Bulgaria: -5% in 2011) Thus the support of Latvian citizens fell to 42% against 48% who didn't trust the Union.

Compared to last year, public trust in the European Union dropped for 6% in Poland in 2011 giving the final figure of 52%.²⁸ Public trust in the European Union dropped also in the Czech Republic, Slovakia and Slovenia during the crisis (Czech Republic: -5%, Slovakia: -20% and Slovenia -4% in 2011). Same for Latvia, citizens who did not trust the EU also gained a majority in the Czech Republic (48% versus 45%) and Slovenia (49% versus 44%) in 2011.

Slovakia showed the sharpest decline with -10%, however, 61% of Slovaks were still trusting the EU, compared to 34% who distrust the Union.²⁹ Concerning Romania, 54% of the respondents trusted the Union in 2010 and their support raised up to 62% in 2011.³⁰ It is necessary to investigate whether there is a causal link between the use of the EU/IMF stand by loan and the rapid raise of public trust in the Union.

The case of Hungary

Hungary faced the crisis in a worse economic situation than the other new EU-members. The reform process slowed down before the accession and the country recorded a rapid rise in public debt and budget deficit.

In 2006-2010, the ruling parties were split in maintaining long-lasting reform policies³¹ and the left-wing coalition dissolved in the middle of the crisis. The new socialist minority government launched its effective fiscal consolidation policy and as part of it, austerity measures were implemented from 2009. Hungary also received a stand-by loan in the framework of the EU/IMF agreement. The loan was crucial to maintain economic stability of the country.

After the parliamentary elections in May 2010, the right-wing party, FIDESZ, formed the new government led by Viktor Orbán. The party received 52,7% of the votes (2,7 million voters) and gained 2/3 majority in the parliament. The

27. Eurobarometer 75. (2011): 44-45.

28. Ibid.

29. Ibid.

30. Ibid.

31. Charles Gati, *Backsliding in Budapest*, *The American Interest*, January/February issue, 2012, <<http://www.the-american-interest.com/artide.cfm?piece=1166>>

right-wing extremist party, Jobbik ('The Better One' or 'More Right'), became the third biggest one with 16,67%. (990,428 voters)

The reason why right-wing populist and radical parties received almost 70% of the votes in Hungary had a lot to do with the increase of social demand for radical changes. Between 2007 and 2010, the FIDESZ and the Jobbik benefited much from the failed reform policies of the ruling left-wing governments. Yet, in opposition, the FIDESZ launched its populist project 'Social Referendum' on already adopted reforms (hospital daily visit cost, health care fee and tuition fee), however, the vast majority voted against those reforms and they were suspended. The FIDESZ was captured by the outcome of the referendum that showed the people's will of opposing further unpopular reforms. Consequently the FIDESZ adopted a populist, antireform course.

At the same time, the Jobbik also became influential. The party used a simple language of anti-Western slogans and anti-Semitism with hostile ethnic prejudices against the Roma population.³² The party declared also a fight against organized crime, the international financial oligarchy and the colonisation of the country by the European Union and emphasized the protection of agricultural land. All these were attractive to the population, particularly to those who were living in the underdeveloped regions and poor rural areas of Eastern Hungary. As result of its successful campaign, the Jobbik delegated three representatives to the European Parliament (EP) after the 2009 EP elections.

The sweeping electoral victory of FIDESZ in 2010 brought fundamental changes of power politics in Hungary. The ruling ideology of the new FIDESZ government united populism and new nationalism with an antiglobalization and anti-Western course.³³

With a mixture of economic nationalism and patriotism, the FIDESZ announced an 'unorthodox economic policy' and 'economic freedom fight' against the outside world.³⁴ The warlike rhetoric expressed national sovereignty and the financial independence of the country. In fact, the FIDESZ rejected to follow the fiscal regulatory principles of the EU, which was maintained by the former left-wing governments. The main reason for declaring the 'unorthodox economic policy' and 'economic freedom fight' was that the FIDESZ government failed to convince the European Commission of relaxing its strict fiscal discipline regarding the high budget deficit of Hungary.³⁵

32. Riishoj, *Europeanization*, 19., Gati, *Backsliding*.

33. Bogdan Góralczyk, "Az Üres Közép" ["The Empty Middle"] *Népszabadság* 18 December 2012.

34. Lajos Kósa, *On the 'economic freedom fight'*, *The Debrecen Sun*, 17 January 2012, <<http://www.debrecensun.hu/eco/2012/01/17/12984/>>

35. Lakner Zoltán and Szigetvári Viktor, "Törött Cserepek," ["Broken Roof Tiles"] in: *A Forradalom Fogságában. Tanulmánykötet a második Orbán kormány első évéről*, ["Caught by the Revolution. Studies on the First Year of

The warlike rhetoric of the government was also connected to the patriotic feelings from Hungarian history when Hungarians were fighting for their freedom and independence against the Habsburg Empire and Russia. The meaning of 'We' versus 'Them'³⁶ and 'not to obey the orders of Brussels and Moscow', the conspiracy theory attached to the international media and the European left-wing parties that 'attacked' Hungary were seen as part of a communication campaign. In addition, the campaign wasn't targeted to only Hungarian citizens, but it served as tool for convincing the international media of the political justification for the government's ideology. In accordance with the announced, 'economic freedom fight', the contact with the EU and the IMF aimed at receiving a further loan was broken.

In regard to domestic affairs, the ruling ideology led to the centralization of power. The legislation system had been fundamentally restructured³⁷ and subordinated to a centralized administration. Using the 2/3 majority in the legislation, the government adopted a new constitution suited to ensure its power further after the four-year period of mandate to rule. At the same time the international economic crisis had to be managed. Concerning the crisis management the 'unorthodox economic policy' focused on increasing the fiscal income in order to reduce the deficit and public debt. This was done by imposing financial sector levy and 'crisis taxes' on sectors of telecommunications, energy and retail services.³⁸

It became clear that such policy is controversial, not sufficient and not compatible to the European standards either. The 'unorthodox economic policy' was aimed at avoiding unpopular reforms that would place a heavy burden on the society.³⁹ This was hard to achieve due to the rapidly rising public debt and deficit and the short-term measures for increasing fiscal income. The alternative for adopting sufficient crisis management policies and further reforms had been eliminated by the announced economic nationalism and populism. The adopted policies led to an insufficient crisis management.

In addition, the power concentration broke the system of checks and balances of the democratic institutions. Several adopted rules contradicted the democratic norms and the EU-membership obligations as well.

The Hungarian case has raised important questions: Is it possible to maintain politics that are out of the normative vision of Europeanization? Is it possible to go beyond the limits of Europeanization? Where are the limits then?

the Second Orbán Government"] ed. Szeredi Péter and Szigetvári Viktor Attila (Budapest: József Foundation, 2011), 21.

36. Riishøj, *Europeanization*, 22.

37. András Bozóki, *The Crisis of Democracy in Hungary*, accessed 3 February 2012, <<http://www.deliberatelyconsidered.com/2011/02/the-crisis-of-democracy-in-hungary>>.

38. Gati, *Backsliding in Budapest*

39. Ibid.

It is not possible to maintain such policies in the long run. The international community, including the European Union, has stated that the adopted Hungarian laws and measures are contravening the rule of law. Moreover the European Commission has launched infringement procedures against Hungary on the following areas: independence of the data protection supervisor, judicial reforms lowering of the retirement age of the judges, prosecutors and public notaries. Regarding independence of the Hungarian Central Bank and the judiciary, the Commission is seeking for further clarifications.⁴⁰ In addition, the adopted Hungarian Media Law also became a subject of criticism from European and international organisations including the European Commission, the Venice Committee of the European Council and the Freedom House.

In February 2012, the EP adopted a resolution in which the Parliament expressed its concern over the political development in Hungary concerning the exercise of democracy, the rule of law, the respect and protection of human and social rights, the systems of checks and balances, equality and non-discrimination.⁴¹

At the end of 2011, the economic policy of the government caused turmoil and increased the vulnerability of the country to further external shocks. All these brought the issue of state bankruptcy on the agenda. In January 2012, the government contacted the European Commission and the IMF again to start to negotiate on a possible loan. On the edge of bankruptcy, the government preferred to communicate on a 'safety net-type' of flexible credit line or a precautionary line in order to avoid a discussion on a stand-by loan.

In order to receive loan, Hungary will have to meet conditionality criteria and change policies.⁴² In line with this conditionality, the criteria set by the EU and IMF is associated with the compliance of European rules and standards. The Hungarian government showed certain flexibility in controversial matters of the on-going infringement procedures. An additional instrument of the European regulatory mechanism is connected to the Excessive Deficit Procedure that was launched against Hungary by the European Commission in 2004. This procedure has stressed the government to adopt a sound short-term budgetary policy in order to reduce its deficit below 3% in 2012. Otherwise, one third of the Cohesion Fund used by Hungary will be frozen from 2013.⁴³

All those instruments highlight the regulatory role and functions of Europeanization in practise. External economic factors and supranational regulations are

40. European Commission Press Release, 7 March 2012.

41. European Parliament Resolution on the recent political development in Hungary P7_TA-PROV (2012) 0053.

42. IMF Country Report Hungary 12/13 January, (2012): 8-17.

43. EU suspends Cohesion fund for Hungary *European Voice* 13 March 2012.

adequate to enforce member states to adopt sufficient policies and to ensure their conformity to the European standards.

Political parties representing hard Euroscepticism have currently gained big public support in Hungary. The Jobbik holds a more radical anti-European position associated with increased Anti-semitism and ethnic prejudices against the Roma community. As a result, the support of the party rose significantly in the first three years of the crisis.⁴⁴ At the same time, support of the ruling FIDESZ dropped to 30% compared to the number of supporters at the 2010 elections.⁴⁵ Economic turmoil and increased social protests against the government policies led to radicalization of the party's anti-European rhetoric.

Public trust in the European Union also dropped to 8% in 2011, when it used to be 54%. At the same time, the number of citizens who don't trust the political parties increased considerably in the past two years.⁴⁶ Similar to other countries, changes in public attitudes towards the EU in Hungary show correlation with the general scepticism and the growing distrust of the European Union.

What kind of solutions?

Social attitudes towards Euroscepticism in the CEECs are closely attached to the sceptical way of thinking in general. It seems to be enormously hard to change people's mind, especially during the recent crisis. Nevertheless, scepticism shall be replaced by optimism. Citizens of the CEECs are less aware of their values and innovative capacities that could be mobilized and added to make a strong Europe. Additionally, the Central and Eastern European region has its competitive assets like the e.g. inflow of capital, accessibility to a big amount of EU Funds, central geographic location with excellent logistical connections. For making use of those competitive advantages, a solid basis shall be made by policies preserving economic prosperity and social stability. All these will boost human capital and social innovations strengthening citizen's belief in Europe, European norms and values.

Civil organisations play a crucial role in that process. In addition, pro-European civil organisations shall take a much bigger part in communicating EU-related topics to the citizens and speak a credible and more down to earth-language.

In recent times of the eurocrisis, the EU member states shall continue a closer economic and monetary cooperation. The CEECs will support these common efforts. Completing their modernization process is one of the main prerequisites of the contribution. Therefore, the post-communist political elites will break with

44. "Előzés jobbról" ["Overtaking from Right"] (Budapest: Medián, 2012), accessed 29 February 2012, <www.median.hu>

45. Ibid.

46. Eurobarometer 75., 44-45.

short-term thinking and strive for concluding broad consensus on reform policies. Furthermore, compliance linked with the Europeanization process will be enforced by regulatory means, e.g. infringement procedures and sanction mechanism if national policies are contravening the *aquis communautaire*.

Summary

The CEECs provide unique patterns of Europeanization. At the same time, there are big differences in the respective countries in regards to political culture, national and cultural identity etc. In the period from 1990 to 2008, some countries could achieve better performance in implementing structural reforms, adapting sound budgetary policies and introducing the euro. Some countries had their modernization process slowed down.

The international financial and economic crisis has highlighted the strengths and weaknesses of the different adaptation policies. The crisis forced the CEECs to launch crisis management policies. This revitalized, among others, questions of the sociocultural and socio-psychological aspects of the Europeanization process. Some of those questions go beyond the normative and regulatory approach to conditionality and compliance. High social costs, arose from the rapid economic transition of the early 1990s and those kinds of social and socio-psychological problems were not handled adequately. This led to disappointment, decline of trust in democracy and heavy loss of credibility of the political elites. Euroscepticism in the CEECs originates from the people's sceptical view of life in general. Populist and radical parties benefited much from these sceptical attitudes.

Concerning the political and public attitudes towards the European Union during the crisis, citizen's trust in EU declined considerably. On the other hand, political parties representing hard Euroscepticism became weaker in the majority of the respective countries. All these show that the crisis didn't launch any automatism that would have strengthened the position of anti-European political parties and the eurosceptical public attitudes at once.

The divide of the post-communist elites over the European Union membership led to significant political changes. In most of the countries, there are parties not committed to share the norms and views promoted by the European Union. In the vast majority of the countries in the region, those parties didn't gain any influence on the domestic agenda. Recent developments have also shown that some of the parties adopted policies that are marked by nationalism, populism, ethnic prejudices, anti-European and antiglobalization rhetorics. It also became obvious in which cases the European Union will launch sanction mechanism against a member state when its policies are contradicting the *aquis communautaire*.

Furthermore, a dynamic and innovative approach has to apply to the civil society organizations. Civil organizations in Central and Eastern Europe have

already made added-value contributions to several policy fields such as social policy, education, environment. Those organizations have reliability, innovative capacities and human capital to contribute to a strong and unified Europe.

Abstract

Besides political and economic topics, there are also sociocultural and socio-psychological aspects of the transformation and the EU-integration process. The legacy of a communist past, history, culture, national identity and policy-making are among those factors that provided the CEECs different patterns of Europeanization. Accordingly, the post-communist political elites adopted different attitudes towards the integration. The elites had been divided over EU issues because of short-term political thinking and lacking national consensus on reform policies, which affected the crisis management policies and resulted in significant domestic political changes in some of the countries during the crisis. On the other hand, the elites couldn't manage the social crisis that arose from the rapid economic transition of the early 1990s. The societies have adopted a general sceptical view of life. Apart from the economic crisis, the public's current scepticism still dominates social attitudes towards the EU.

Résumé

Outre les questions politiques et économiques, il faut également prendre en compte dans le processus de transformation et d'intégration à l'Union européenne les aspects socioculturels et socio-psychologiques. L'héritage du passé communiste, l'histoire, la culture, l'identité nationale et la prise de décision politique font partie des facteurs qui ont établi dans les pays d'Europe centrale et orientale différents modèles d'europanisation. Les élites ont été divisées sur les questions européennes, en raison d'une pensée politique à court terme et du manque de consensus national sur les politiques de réformes, ce qui a affecté les politiques de gestion de la crise et a conduit à des changements politiques intérieurs significatifs dans certains de pays. D'un autre côté, les élites ne pouvaient pas assurer la gestion de la crise sociale issue d'une rapide transformation économique au début des années quatre-vingt-dix. Les sociétés avaient adopté une vision de la vie généralement sceptique. Au-delà de la crise économique, le scepticisme actuel de l'opinion domine toujours les attitudes sociales envers l'Union européenne.