

Umut Korkut: *Liberalization Challenges in Hungary: Elitism, Progressivism, and Populism*

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This book attempts to answer the question: how did it come to pass that the political elite that swept into power in the 2010 election set a new direction and, in fact, announced a new regime, the 'system of national cooperation' to replace liberal democracy? What are the underlying causes of this anti-liberal turn? Recent developments have been rather unprecedented as Hungary has been a member of the European Union since 2004, when it acceded to all the conditions of the organisation and joined the 2009 Treaty of Lisbon setting out commonly shared EU values.

Anyone trying to come up with a relevant answer to this complex question must take a close look at the nature of the Hungarian communist system, have an understanding of the process of the 1989 regime change, and understands its dynamics and the major forces motivating its participants. The question can be answered properly by someone with a grasp of the dual nature of post-communist transformation, the contradictions of the simultaneous adoption of democracy and capitalism, the dominant ideologies and shifting public climate of the past 25 years, changing social expectations, and the dominant political forces. Moreover, the process cannot be understood without situating it in a larger context, for the transformation of Central European post-communist democracies often followed parallel and in some cases diverging paths. While some historical patterns were repeated in all these countries, other developments, like state-building, show radical differences.

Korkut argues convincingly that, notwithstanding the expectations of the students of democratic transition, 'the relationship between liberalization and de-

mocratization is not a cumulatively progressive one, but one that disaggregates due to, first, that morally-justified-yet-elitist liberalization and, second, the lopsided nature of the simultaneous liberalization of the economy and politics that speeds up the former and brings disrepute to the latter' (p. 57).

The tradition of elitist modernisation has a long history in Hungary. The Hungarian communist system changed relatively early, following the 1956 revolution: totalitarianism was replaced by a post-totalitarian system. Private life was spared direct political control, high culture enjoyed respect, the majority of the prisoners of 1956 were released early, and there were efforts to facilitate their social integration. Travel restrictions were lifted and in the economic sphere the authorities experimented with decentralisation and quasi-market reforms. Learning the lessons of 1956, János Kádár offered social peace and, to hold on to political monopoly, eased central controls over society. Permanent political mobilisation was replaced by the neutralisation of the population, a model typically followed by authoritarian systems. This was accompanied by an economic expansion lasting into the mid-1970s. Korkut demonstrates that a receptiveness to reforms helped technocrats, advancing the country's modernisation with their expertise, to develop closer ties to the political elite – contributing indirectly to the survival of the system. In personnel policy, absolute party loyalty was replaced by the promotion of politically reliable experts. This political shift made the Kádár regime more tolerable because it created opportunities of social advancement for the poor in large numbers, while it tried to maintain the social safety net, one of the cornerstones of its ideological promises. With the exception of Yugoslavia, other East- and Central-European communist systems developed deep cracks and engendered strong anti-government feelings (as

the rulers had little or no intention of surrendering totalitarian control). But by the time Hungary arrived at the threshold of the 1989 regime change, reform-minded technocrats found themselves on common ground with the liberal opposition. Whereas in other countries changes took the form of 'velvet' or violent revolutions, Hungary experienced a peaceful and negotiated transition through dialogue with the opposition parties.

Although wide segments of Hungarian society supported the democratic changes of 1989, for the most part the population followed developments from the sidelines. Fighting for democracy did not become a personal experience; instead, most people had the impression that democracy has been dropped in their lap thanks to a fortunate shift in the historical tides. It was also believed that quick privatisation had no alternative, as at the end of the 1980s Hungary was one of the most indebted countries in the world.

In the first decade of the post-communist era, cooperation between the liberal political camp and former reform-socialist technocrats became closer, and in fact they worked side-by-side in the socialist-liberal Gyula Horn administration that was in office between 1994 and 1998. The question of the day was whether political and economic reforms could take place simultaneously, whether a fledgling political democracy would encourage the rise of forces intent on blocking the transition to a liberal market economy. Conversely, when accelerating privatisation creates new power centres, what guarantees their commitment to the consolidation of democracy? Is there such a thing as a fair and equitable privatisation? Can the process of privatisation be kept within the framework of democracy? Since in Hungary the political transition took place without bloodshed, the primary beneficiaries of the new democracy were technocrats acquiring assets through 'spontaneous' privatisation, often

relying on networks with roots in the previous regime. Their experiences stood in sharp contrast to those of the majority population. In the 1990s a rift started to form in Hungarian society.

Taking this process for granted has reinforced a globally accepted economic orthodoxy. The reforms in post-communist countries took place at a moment when the world was beholden to a neo-liberal economic paradigm attributed to Hayek and Friedman, and epitomised by neo-conservatism associated with the Reagan-Thatcher era. All this had an influence on the left in the West that later, under Clinton, Blair, and Schröder, led to a market-friendly, social democratic experiment and 'third way' policies after Giddens. The latter promoted flexible labour policies, and instead of an old and waning working class, it built its social base on an emerging new middle class. Central Europe's new elite, wishing to join the European Union, opted for shock therapy and quick privatisation in an effort to catch up with the West. The new elite were convinced that the positive effects of privatisation would quickly trickle down to the lower social classes and preserve social peace. Hungarian society had no desire to become the subject of yet another major experiment. It had hoped that economic expansion would be followed by an equitable redistribution of assets for, as it had been told time and time again, democracy and the market economy go hand in hand. According to the *Zeitgeist*, a civil society built on the basis of a market economy and political democracy are closely interrelated, i.e. eventually everyone will enjoy the benefits of these parallel and dual changes.

Umut Korkut gives an accurate description of the rise and fall of Hungarian liberalism, without which one could not understand the nationalistic resurgence in 2010. The liberal opposition played a crucial role in the regime change and acquired significant moral capital as a result. The

liberal SZDSZ (Alliance of Free Democrats) won 20% at the polls in 1990 and 1994, making it the second-largest party in Hungary through to the end of the 1990s. Its commitment to liberal democracy predestined it to promote the development of a system built on checks and balances and sophisticated legal institutions. The Horn administration did not abuse its two-thirds parliamentary majority because it had no need to. The constitutional system legalised spontaneous privatisation and, understandably, its beneficiaries had a vested interest in its consolidation and not its further reform.

According to Korkut, the demise of Hungarian liberalism, with its rich tradition, was caused by the following factors. First, 'at the inception of transition, the aims of elite democracy and economic liberalism virtually coincided' (p. 60). Secondly, 'de-politicization of fundamental decisions was the outcome of removing political decisions away from political control and making them the exclusive responsibility of the expert politicians. This was a way of looking for policy without politics as if there were no adversaries to liberal transformation' (p. 65). Finally, step by step, the era of capital accumulation in the 1990s became mired in corruption. The coalition with the socialists became more and more uncomfortable for the liberals when the electorate came to believe that they were increasingly using their moral capital to legitimise the personal enrichment of former communists. The fact that the 'left' privatised national assets (in popular perception benefiting former communists) pushed the vast majority of the electorate to adopt simultaneously anti-communist and anti-capitalist attitudes. The visible rise in foreign direct investment (FDI) only reinforced a perception of liberal elitism and cronyism between a 'comprador bourgeoisie' made up of former communists and multi-national capital. A growing number of people came to believe that the dominant

'modernisation ideology', as the smallest common denominator, simply served as a cover for the exploitation of uneducated, disadvantaged groups and wage earners with no hope of joining the global economy. They drew the conclusion that the left betrayed its ideals and voters when, taking advantage of economic opportunities, it pursued a conservative-neoliberal economic policy. This, in turn, provided fodder for all kinds of conspiracy theories with the usual suspects: the left ('communists'), liberalism, multi-national capital, and cosmopolitans (Jews). This historical development created an ideal climate where calls for re-nationalisation and nationalist/populist policies found a receptive audience.

The direction of change was already outlined by the first Orbán cabinet (1998–2002), although at the time the new right-wing elite pursued orthodox economic policies and, anyway, business prospects were still bright. The first Orbán cabinet made but modest attempts at rewriting the rules of redistribution, although it clearly broke with the classic/liberal concept of the state. It recognised that democracy cannot work without an efficient state apparatus. In opposition to the 'nightwatch state', it promoted the idea of a 'small but strong' state, and it hoped to shape it to its own image. It had believed in the need for state reform and not 'social revolution'. At the time it had sufficient funds to satisfy its supporters and had no intention of risking accession to the EU, for which it had done much itself.

In the first term, the socialist-liberal governments ruling between 2002–2010 pursued social democratic and in the second term 'late third-way' policies. The first term was a success because on the whole living standards improved, the country joined the European Union, and the population looked to the future with optimism. In 2006 the incumbent party was re-elected, the first time in the history of Hungarian democracy. However, the second term's

'Blairist' policies failed, essentially for the following three reasons: (i) the political class found itself in a moral crisis, (ii) it was decimated by corruption scandals, and (iii) following the eruption of the 2008 global financial crisis the government had just enough energy to manage the crisis. The financial sources supporting progressive policies dried up, first the economy slowed and then it went into a nosedive. A resurgent opposition, including an openly racist far-right operating paramilitary organisations, blocked all reform efforts. At the same time, the view that social solidarity fetters the country's competitiveness also gained currency in liberal circles. They were also the ones calling for 'a change of culture', suggesting that culture gets in the way of modernisation and that, with sufficient determination, it can be eliminated in one fell swoop. 'Factions of the power group came to perceive their role as that of pastors and civilizers' (p. 63), which became increasingly anachronistic at a time of escalating political confrontation. Public debt jumped sharply and ordinary people came to have the impression that the state could no longer maintain law and order.

By 2010 Hungary found itself in a situation where the term 'liberalism', identified with 'technocratic policies', became a word of abuse. As Korkut rightly states by referring to David Ost: 'The problem was not just the liberal policies and politicians but the whole progressive edifice founded on "reason". By presenting their policies not so much as "good" but as "necessary", not just "desirable" but as "rational", liberals left their supporters no acceptable way to protest or express dissatisfaction. Their insistence on "there is no alternative" made the liberals label all resistance as irrational and illegitimate. This denigrated opponents as irrational' (p. 76). Liberal intellectuals took their fair share in all this. 'The liberal intelligentsia exploited their cultural capital as a means of providing legitimacy for reform. Thus, complementing

the political process of disempowerment caused by the liberalization, there had also been a discursive process of disempowerment' (p. 144). 'The liberal intelligentsia used "crisis" in an objective sense; as if the nature of the economic crisis were an obvious, universal reality, as were the solutions to it. As such they dominated the social space with claims to universality and provided new paradigms with claims of universality' (p. 150).

Coming to power in April 2010, the conservative-populist new political course embodied by Fidesz's two-thirds parliamentary majority turned against this universalistic ideology as well when it proclaimed a new particularism: 'national self-centeredness', 'national cooperation', a change of the elite, 'revolutionary change', and power politics played out in a centralised field. The new administration sent the implied message that in a time of crisis democracy must be curtailed, especially when it comes to its liberal and social components: freedom of the press, the right to education, freedom of religion, competent civil rights organisations, the freedom of association, judicial independence, the legally sanctioned right to referenda and popular initiatives, the right to strike, union rights and social-security benefits. The government also radically reduced eligibility for unemployment benefits and tied access to follow-up welfare payments to public works. The changes go beyond state reform and go to the foundation of social relations. Not only has the autonomy of the public administration sector been eliminated, but several categories of public servants have been ordered to join professional chambers. According to Prime Minister Viktor Orbán, the liberal constitution had been replaced by a Christian constitution, as if the two were necessarily and mutually exclusive. A policy of 'national unity' changed the concept of nation by moving the emphasis from a political to an ethnically-defined body politic. Work, home, or-

der, and family became the regime's catchwords.

The current re-nationalisation drive is presented as reclaiming all the assets 'unfairly' distributed during an earlier privatisation, assets that ended up in the hands of a small economic/political coterie. As re-nationalisation has been simultaneously accompanied by a strong centralisation of the state structure, the concepts of national interest, national culture, etc., have come to be defined by a narrow circle, in fact by the prime minister himself standing at the top of the hierarchy. He has the last word on the distribution of EU funds as well. It cannot be ruled out that nationalisation will be followed by a new wave of privatisation (e.g. the sale of recently granted long-term land leases), where political forces currently in power attempt to make the new status quo irreversible. This political ebb and flow has much in common with the elitist/populist rotation in Slovakia, where Mečiar, Dzurinda, and Fico followed each other in power, or Poland where successive political systems supporting various interest groups have been associated with Miller, Belka, Kaczyński, and Tusk. However, the changes in Hungary go deeper than that because Orbán is backed by a constitutional majority waging a 'national freedom fight' against the European Union, of which Hungary is a member.

Umut Korkut's work describes with great insight the nature of Hungarian changes, the swings of the elitist vs populist pendulum. The analysis is built on a solid theoretical basis, including relevant works by Bourdieu, Dahl, Eyal, Foucault, Laclau, Mouffe, Offe, Szelényi, and others, and the book represents a new and substantial contribution to the critical school of the sociology of knowledge. Moreover, Korkut has a comprehensive and intimate knowledge of the dominant political discourse of the past 30 years in Hungary, which he read in the original. More than a mere description of the subject at hand, the

work is an interpretive structural analysis that, aside from Hungarian specialists, may rightfully claim the attention of researchers of post-communist transformation, political ideologies, new democracies and hybrid regimes, as well as that of experts in political theory.

András Bozóki

Central European University, Budapest

bozokia@ceu.hu

Suvi Salmenniemi (ed.): *Rethinking Class in Russia*

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It is a paradox that while capitalist class creation has been fundamental to the re-making of social relations in Russia, class processes have been virtually effaced in analyses of post-socialist transformations. This situation is now beginning to change. With the present volume, Suvi Salmenniemi has brought together a rich and diverse set of papers which address class creation in Russia in some of its many guises. All of the chapters make available the findings of recent qualitative research. The book addresses class in three ways: as an imaginary notion in public discourse; in the organisation and outcomes of practices linked to the labour market, consumption, social work, education, party politics, and the law; and finally, as a physically and emotionally embodied phenomenon, shaping subjectivities and identities in daily life. Throughout, class is conceptualised both as a category with material/economic reference, and as a classificatory process that works through symbolism and emotion. The theoretical framework for much of the analysis in the book is Bourdieusian with generous reference to the work of new class theorists such as Bev Skeggs and Steph Lawler – the latter provides an afterword to the book.

The collection begins with a review by Harri Melin and Suvi Salmenniemi of ap-