

THE TWENTIES OF
THE TWENTYFIRST CENTURY:
LIBERAL
ANSWERS TO
ANTI-LIBERAL
CHALLENGES

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Report and analysis by the Hungarian Europe Society

Introduction

At the end of last year - when the Hungarian Europe Society initiated this project entitled "The Twenties of the Twenty-First Century: Liberal Answers to Anti-Liberal Challenges"— we had in mind to restart a dialogue on the dilemmas what sort of solutions liberal-minded political actors, politicians, civil society activists need to find to the emerging new challenges of our era. At a high-level international conference and in related publications, we wanted to discuss the impacts of evolving global trends, especially the fast and deep transformation of politics in many contexts: a new age of identity politics, the rise (and fall) of populism that is both the cause and consequence of sharp social divide as well as ideological polarisation and new disagreements. We have realised that economic performance has been interlinked with a fast transition towards digitalisation and a green, sustainable development in the shadow of the threat of climate change. We also intended to focus on the ongoing realignment in the sphere of the global liberal order towards a differently structured disorder: the alteration of interplay between big powers, the European Union as well medium sized and small nations.

Certainly, a year ago we had no idea about a coming pandemic that made our life so different compared to our everyday reality before the break-out of COVID-19. The world became much more dangerous: a lot of people died and still many will pass away, unfortunately, before the vaccine arrives to stop the infections and to defeat the virus finally. Human reactions to the crisis have varied inside the population. Illiberal governments, just like the Hungarian Prime Minister found a peculiar opportunity to centralise and consolidate power with no respect to fundamental rights, the rule of law and European liberal democratic values. In general, lock-downs and restrictions have pointed out to new risks to our way of lives and freedoms even in liberal democracies both at national and global levels. Mutual rhetorical charges between the United States and China on the responsibility for spreading the disease made the international atmosphere more toxic. The communication battle was connected to an accelerated competition for the souls of citizens under previously unknown circumstances: do authoritarian regimes perform better with their law-and-order methods or have liberal democracies introduced necessary measures more effectively after consulting citizens of their free societies? Moreover, as for the European Union, the European institutions had to face internal difficulties how to bring member states in line in order to be able to react jointly to the dramatic health care

problems, the economic recession and to avoid travel bans inside the Schengen area.

Concerning this project, the corona virus has redesigned our plans as well. Instead of an event where participants could have met in person during the spring, we had to postpone the conference in the hope of a second chance later in the fall. Finally, we had to organise an online gathering, somewhat smaller in scope and with a shorter schedule than originally foreseen.

Adaptation to new conditions included the timing of the conference to the most crucial political development of the year: the US presidential election. So, we postponed the event to be able to analyse the consequences of the choice of the American people. Since the race and the vote count brought extraordinary excitements, the tension was tangible during the day of the conference when the election was still too close to call. Nevertheless, the shift was in the air and incoming news strengthened the feeling that the next president of the United Stated would be former vice-president Joe Biden, the candidate of the Democratic Party. Everybody agreed that the end of the Trump era would mean the appearance of radically dissent rhetoric and toolbox used by his successor's team on the field of international political relations: a new Democratic administration would have a very different approach to global conflicts and to the pressing challenges of our time. In case a pro-Atlanticist, multilateralist approach ends up in a more peaceful world, this success would include a desired weakening of aggressive nationalism, populism and nativism everywhere. Nevertheless, there was an overwhelmingly cautious mood amongst our participants not to overestimate the positive impact of the change on the top of the American politics: the current multi-polar global system suffers under structural-institutional problems, ethnic and religious tensions, social and economic inequalities, cultural-ideological confrontations as well as future uncertainties – just like it happened during this extraordinary year of 2020.

Multiple crises and liberal responses

What will be the impact of the pandemic on our life-style, on our human relations, on the economy, the environment and the global political system in the long run? Observers argue that we cannot return to the old world so familiar to us any more, whilst others emphasise that the age of living with risk and social reorganisation under the threat of COVID-19 cannot become the new normalcy. Instead, we have to prepare for a new era that combines sound elements of the past with fresh characteristics of the coming, partly foreseeable model of the twenties. Interestingly enough, the 1918 flu pandemic had little effect on the European continent, whilst the new geopolitical setting after the first Great War created another brutal catastrophe just in twenty years.

At our conference, our first keynote speaker started his presentation with a reference to a unique historical event. Karl-Heinz Paqué, Chairman of the Friedrich Naumann Foundation for Freedom reminded us: "Exactly 31 years or 31 years plus 3 days ago on the evening of November 9, 1989 a soccer match took place in Stuttgart, Germany. The result of that match became insignificant and even forgotten, while its atmosphere remained very vivid and memorable. This was the evening when words went around that the Wall had tumbled down in Berlin and the spectators began to celebrate it on the ranks." That night opened not only the Wall but the whole world giving a way to a new political program, a program of his generation, stressed Paqué. Freedom of Europe, unity of Europe and even unleashed globalisation were shaping that period and these were exactly the reasons why his generation, now in its 60-es, got involved in politics. As a parallel development India and China entered the world economy, old alliances broke and even war returned as a mean of politics. Over the course of decades tremendous global upturns took place, among them the reduction of poverty and the transformation of the world due to internet and digitalisation.

According to Paqué, it is time to design a new political program by the next generation, the one entering the stage and taking responsibility. An awful lot is on the agenda and much is at stake: climate change, trade policy, migration, digitalisation, competition with China and US, shrinking space for human rights and our values, threats to our security from terrorism and political conflicts. Liberals have many good answers and concepts for the above-mentioned challenges. It is important to work together especially in Europe but also in the

transatlantic relations which were and remain important no matter who would move soon into the White House.

"No one raises his or her voice for freedom as vehemently as we liberals do, but we have to do it wisely" he warned. It should be done "With an eye on opportunities offered by innovations, with a will to mobilise forces of civil society, with due respect for those whom we must first convince and with empathy with the ones who would go with us on a rough ride towards liberal society" he added. In particular cross-generational and cross-cultural barriers have to be overcome in a network of young and old, to use all experiences, knowledge and creative energies. Liberals need to reach new allies!

Paqué referred to the historical concept called the "hinge year", an example of 1989 when an unexpected game changing event was able to swing the whole world and our understanding of it into new directions. The big question is whether 2020 is also a hinge year, he wondered. "We instinctively think of corona virus and the gruesome world we live at present" he continued. "And yes, pandemic is an urgent matter, we have to concentrate our efforts to overcome it but we shouldn't forget that we were confronted with game changing political challenges and crises already before Covid-19" he reminded the audience. Among those the most outstanding, in Paqué's opinion, are

- i) the position of Europe in the world,
- ii) the danger of losing Europe's unity domestically, and
- iii) the threat, not only in Europe, to freedom due to a range of new and some longer known incursions in political reality and in daily life of the citizens.

These crises extend from climate change, migration, fake news, disinformation, lost of trust in institutions, shrinking space for democracy and human rights, just to name a few.

i) In elaborating the issue of Europe' position in the world, Paqué looked at the relations with the United States of America, Russia, and China. First, he posed the question if freedom in Europe can be secured from its increasingly aggressive Russian neighbour while also securing the significant part of its energy supplies. In addition, he said, the joint actions with or against Russia may also be hampered by special position of certain younger Member States, which had and have distinct relations with that country. Concerning the United States, the big

issue is how to develop a new Atlantic relationship after appropriate renovation of its weakened pillars and connected pieces. As he emphasized, this bridge is based on common economic and political interests and values, which are exactly as indispensable in the 21st century as they were in the past. Finally, Paqué raised the question whether we could learn to deal with China without fear and naivety, but at the same time with soft confidence and with a sense of opportunities based on even relations with this huge country. The above applies to the economy, trade policy, security, climate policy and the values we want to see to be protected and preserved.

- ii) The unity of Europe, however, has been endangered internally as well, according to the speaker. The question is how to avoid divisions, between North and South, East and West, between poor and rich, between cities and countryside, everywhere. The planned Conference on the Future of Europe should bridge the above-mentioned differences and set up a better and more efficient EU structure and institutional system. As far as the concerns over the outcome of Brexit, Paqué emphasised the importance of building a solid and secure foundation for common future with the United Kingdom despite its decided separation. Europe should welcome a healthy competition with Great Britain and enlist for collaboration based on massive common efforts and interests especially in the fields of security, research, civil rights and the future of the economic system. "It would be a tragedy if Brexit leads to bigger split across the Chanel", Paqué pointed out his personal conviction.
- iii) Climate policy is also a highly controversial key issue framing the future. How to design a climate policy that is effective and compatible with freedom? How can Europeans protect citizens against terrorism and violence while preserving the tradition of helping war refuges? How to translate the will of those who want to make a better life in Europe into a consistent immigration policy without naivety and with benefits for the future prosperity of the European Union? How to protect the freedom of opinion and free speech and to ensure respect for debate about conflicting political ideas?

According to Paqué, the liberal answers to these issues consist of two parts. First it is the economy. "It is the economy, stupid!" as Bill Clinton put it eternally in the 1990s. It was the single market and the international free trade that always helped Europe in overcoming crises, in rebuilding prosperity,

competitiveness and social cohesion. Both have paramount importance in facing current corona virus crisis and the time thereafter. Without preserving and strengthening them neither speedy recovery nor future prosperity will stand for a chance. Due to their importance to Europe both internally and externally, they are simply two sides of the same coin that determine the EU's future. On the one hand, the conditions of strengthening them are favourable since they are woven into the EU's genetic code. On the other hand, restarting the Internal Market and rule based international trade is now more urgent than ever and also more difficult than ever. It is difficult since the United States, a traditional ally and champion of free trade has abandoned its support under the current administration. And we shouldn't have illusions that even when Biden comes to power the protectionist instinct of the US could stay with us, reminded the speaker. It is difficult because the other economic heavyweight, the state capitalist China is more interested in expanding its own power than maintaining a rule-based trading system. It is difficult also because multinational institutions whose role is to support and promote free trade are under pressure and weakened, too. They no longer reflect the current political structure and their comprehensive reform are badly needed. Finally, it is difficult because the single market is also coming under pressure from inside the EU. Political forces in some member states are voicing criticism against globalisation and by favouring national, in some cases even anti-European programs, posing internal danger to the common European future.

The second part of the liberal answer, according to Paqué, is the protection of democracies under the pressure of crisis. The Covid-19 era put a pressure on many democratic rights. Personal and civil liberties such as freedom of movement, freedom of enterprise, freedom of assembly have been severely restricted. Democratic life has also been curtailed and pushed back including postponing election and suspension of parliamentary work or organised it online. The over-politicised pandemic in combination with the devastating effects of lockdown created fertile ground for domestic misinformation and for measures to further limit the scope of independent media. As public life is pushed back all over in Europe just to slow down the speed of the corona virus, worries are on rise that if the measures are not proportionate and time limited they could infringe fundamental rights and the rule of low. There is already evidence regarding the rise of toxic polarisation in European societies between those who supports restrictive measures and those who don't believe in the existence of the corona virus. This potentially explosive situation risks to undermine the key foundation

of democracy, namely, trust, when there is not enough belief of the public in the legitimacy of government actions.

"What liberals can do in this situation?", asked Paqué. "Democrats need to advertise democracy" as he immediately answered the question. They should support literacy of democratic decision-making at both local and national levels. They have to try as much as possible to keep parliaments working especially if the balance of power has shifted towards the ones who occupy executing positions. They need to demand proportional government measures that are indeed necessary and non-discriminatory. They need to ensure that societies don't lose critical views and voices on government's actions during the pandemic.

Paqué asked liberals for a little modesty in handling public affairs in the forthcoming future. Although there is a lot to criticise in the politics of populists, he argued that with a less arrogant attitude and more empathic listening of those who are on the other side of the discussion table, it would be possible to prevent the society from an irreparable split. Answering to a question, however, he disagreed with the charge – and with the term - that "neoliberalism" caused current economic turbulences and growing inequalities within societies. Liberal economic policy has not much to do with the denial of the regime called social market economy. Insisting on market fundamentalism, to use a proper category, would hinder necessary economic recovery in Europe when we need flexible solutions facing the new challenges of the twenties of the 21st century.

The second speaker at the conference, Šárka Prát, Director of the Institute for Politics and Society in Prague and elected member of the Board of the European Liberal Forum, continued along the line of the keynote speech by discussing some additional issues to be raised to analyse our rapidly changing world. As she introduced her main points, "many challenges are being faced in Europe today, as well as increasing political divides. There are industry 4.0, democracy crisis, social division and ethnicity crisis, and, most recently, health and safety issues related to the COVID-19 pandemic. "Concerning the later one, Prát highlighted the crucial role the current crisis can play in the future fate of governments. In the next 2-3 years, trust in governments will depend on (i) the way governments responded to the pandemic, (ii) the state of economy, and (iii) the state of employment. If the majority of citizens approve respectively the way their government addressed the pandemic, the collective trust in government

would increase immediately. This would broaden the governments' scope to act and their re-election could be taken almost for granted. However, the opposite is also possible, when the voting population is dissatisfied with the state of affairs created by pandemic. Declining trust would be interpreted as a lack of efficiency of the government. As she argued, "decisions will be scrutinised and criticized. Ruling parties could be voted down." Populist politicians would blame the establishment for mismanaging the pandemic meanwhile showing themselves as people's rescuers.

In this regard she outlined some features of the Czech situation which may illustrate the possible scenario of political polarisation caused by the pandemic. She referred to the latest opinion polls that show the rapid decrease of confidence in the Czech Prime Minister and his government in general, especially in big cities, among the highly educated, and within the higher income population groups. However, they also show that the fateful supporters of the current administration are seemingly more tolerant. The Czech opposition is in the process of creating two distinct coalitions. "All in all, the 2021 election would be a challenge for the Czechs. If the government handles the pandemic properly and people are satisfied, then, the government would benefit from it, if not, the government could lose".

One of the major challenges standing ahead of us, according to Prát, is what she called Industry 4.0. AI-driven automation is expected to hit not only low and middle-wage jobs, but some traditional high-wage ones as well. But it does not equate to lack of job opportunities. The transformation of the labour market is inevitably coming and we must adapt to these progressive changes. She believes that the best way to do this is via educational and re-skilling systems which can help the European workforce to adapt. Technology changes of Industry 4.0 likely result in increased income inequalities in the labour market. As a consequence, trade unions presumably would be divided, mitigating their ability to conclude collective agreements. In Prát's opinion, under these circumstances, governments have to introduce certain combative measures related to the impact of automatisation in order to maintain basic worker's rights, compensate for inequality and loss of jobs. Among the solutions that can be considered she mentioned the negative income tax (NIT) and the universal basic income (UBI).

Prát considers that the future of the European Union can be jeopardized if politicians and bureaucrats are not careful enough. She reminded us that at the end of this year the United Kingdom set a precedent by leaving the EU. One of its many impacts could be an increased contribution of member states to the budget that in turn may increase Euroscepticism. Many Europeans fear already the future as they no longer supposed to maintain their employed status if the global economy sinks into a deep crisis. In order to ensure overall wealth and prosperity, it is more important than ever to stay united and supportive of each other. Cooperation is a key, especially in times of economic downturns. In this present climate however, in quite a few member states it might be difficult, even dangerous for governments or parties to support the EU agenda in terms of their possible re-election if nationalistic forces are gaining popularity.

Sárka Prát stressed that governments need to implement the right measures to avoid the crises triggered by rapid technological advancement. "A crucial move is to revise current unemployment benefits to make sure they will provide the jobless with a possibility to hold out in calm until they re-enter the workforce. In addition, governments must ensure a suitable educational system so that the unemployed do not enter the market completely inexperienced and that they are given an opportunity to re-skill. Governments must make sure their citizens are given the possibility to skill themselves in order to be able to enter the workforce. The new digital era will create new job opportunities and new types of jobs requiring new skills." She also expressed her hope that the current European welfare system might transform as a different approach is possible with negative income tax. Nevertheless, she expressed her doubts concerning the efficiency of the minimum wage system – currently on the EU agenda - as well as any new roles for the labour unions. Finally, she underlined that Europe can find the right answers and might benefit from the rapid transformation when looking at successful model countries. In this context, and in general, it is fundamental that Europe keeps its globally strong diplomatic position. "No matter how ideologically divided in certain areas Europe may be, maintaining our current allies and neutral partnerships are necessary. Working together and building mutual trust is the best way to live through the next decade while profiting the most out of it" she concluded.

A brief overview of the 'rule of law' principle in the recent scientific literature

Introduction

During the last couple of years, debates on the state and role of the rule of law have come to the forefront of interest in the political, academic¹ and public life as well as in scientific literature and the news. It happened especially because there has been a backsliding regarding the respect to the principle of the rule of law in some member states of the European Union – especially in Hungary and Poland. The emerging debates and conflicts include the conceptual interpretation of the rule of law, the exploration of its layers of meaning, the elaboration of its terms, the circumstances of its enforcement, the possibilities of coercion and the possibility of applying sanctions. The discourse on the rule of law is extensive and still includes questions about what the European Union and its institutions can do if a member state persistently and systematically violates its values^{2,3}, what new types of rule of law mechanisms can be developed^{4,5}, while of course these issues are not inseparable from the reality of politics. Populist, "anti-Brussels" voices often argue that there is a double standard in the evaluation claiming that their unique legal measures and constitutional solutions are under attack because of partisan and ideological reasons. In the light of relevant literature published on the issue of the rule of law in recent years, including policy papers, reports by national and international organizations and authorities, NGOs, think tanks and research groups.

¹ See for example Bárd, Carrera, Guild and Kochenov, 'An EU mechanism on Democracy, the Rule of Law and Fundamental Rights' (2016) https://www.ceps.eu/ceps-publications/eu-mechanism-democracy-rule-law-and-fundamental-rights/

All links accessed on 16 November 2020.

² Hegedűs, I., Végh, 'Illiberal Democracies: What can the European Union do in case a member state regularly and systematically breaches European values and regulations?' (2015) Policy paper, Hungarian Europe Societyhttps://europatarsasag.hu/sites/default/files/open-space/documents/magyarorszagi-europa-tarsasag-illiberaldemocracies-policypaper-finalversion.pdf

³ Kochenov, Pech, 'Upholding The Rule Of Law In The EU: On The Commission's Pre-Article 7 Procedure As A Timid Step In The Right Direction' (2015), European University Institute Working Paper RSCAS 2015/24.

⁴ Initiative to strengthen the rule of law in the EUhttps://ec.europa.eu/info/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/initiative-strengthen-rule-law-eu_en#strengthening-the-rule-of-law-in-the-union

⁵ Argyropoulou, 'Enforcing the Rule of Law in the European Union, Quo Vadis EU?' (2019) https://harvardhrj.com/2019/11/enforcing-the-rule-of-law-in-the-european-union-quo-vadis-eu/#_ftn11

In harmony with its mission and its previous⁶ activities, the Hungarian Europe Society intends to contribute to the understanding of the current and vibrant rule of law discussion.⁷ This issue has become a fundamental dividing line between liberal and illiberal states within the European Union and there is a lot at stake regarding its future development. A new rule of law conditionality mechanism to be introduced at the end of this year brought to surface this crucial cleavage and if the problem is not solved through negotiations, the conflict might develop into one of the deepest crises inside the European Union in the next decade. That is why our conference devoted a special presentation to the concept of the rule of law and that is why we focus on it now in a more detailed way.

Polak, Węgier- dwabratanki

The democratic backsliding in the EU member states has well-documented, and the European institutions are well aware of the seriousness of the situation in Hungary⁸ and, in Poland⁹. Although these two countries can be seen as laboratories of illiberal democracies and creators of a new type of illiberal political regime within the European Union, worrisome signals have been arriving from other member states as well.¹⁰ Consequently, democratic- and rule of law-backsliding is thus on the rise in the EU and there is no guarantee that Poland and Hungary would not be joined by more member states failing to adhere to the

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⁶ For example, Hegedűs, I., Radnóti, Szelényi, Végh, Uszkiewicz, Bruszt 'A pro-European vision for the European Union – the perspective of the Visegrad countries' (2018) Summary discussion paper of the V4Europe Projecthttps://europatarsasag.hu/sites/default/files/open-space/documents/magyarorszagi-summarydiscussionpaperv4europefinal20180816.pdf

Populism, Visegrad, Europe https://europatarsasag.hu/en/blog/populism-visegrad-europe

Bayer, Bárd, Dezséri, Dieringer, Hegedűs, I., Lőrincz, Nagy, Ónody-Molnár, Petőcz, Piroska, et al., 'Tyranny and Hope: Report of the Hungarian Europe Society to the Invitation of the V21 Group' (2019)https://europatarsasag.hu/sites/default/files/open-space/documents/hungarian-tyrannyandhope.pdf

Turning the Tide of Populist Authoritarianism Mobilizing a pro-European agenda in Central Europehttps://europatarsasag.hu/sites/default/files/csatolmanyok/gmf hes event brussels 2018 0.pdf

⁷ It is important to emphasize that the literature cited in this paper is not intended to be exhaustive.

⁸ COMMISSION STAFF WORKING DOCUMENT2020 Rule of Law Report Country Chapter on the rule of law situation in Hungary https://ec.europa.eu/info/sites/info/files/hu rol country chapter.pdf

⁹ COMMISSION STAFF WORKING DOCUMENT2020 Rule of Law Report Country Chapter on the rule of law situation in Polandhttps://ec.europa.eu/info/sites/info/files/pl_rol_country_chapter.pdf

¹⁰ In his article Bojan Bugarič argued that for example Hungary and Slovenia were until very recently among the most successful transition countries in the CEE region, furthermore the most advanced CEE democracies. However, even these countries were not immune to the democratic backsliding. In a relatively short period of time, both countries regressed from consolidated democracies into two distinct forms of semi-authoritarian and diminished democratic regimes. Particular worrying is the ease with which this regression occurred.

Bugarič, 'A Crisis of Constitutional Democracy in Central and Eastern Europe: "Lands In-Between" Democracy and Autoritarianism' (2015) 13 International Journal of Constitutional Law 219.

values of Article 2 TEU. Problems related to the judiciary system¹¹, lack of transparency and high level of corruption¹², attacks against the independent institutions and bodies¹³, other institutional issues related to checks and balances, extreme media concentration¹⁴ are just some of the problematic phenomena in these two countries. The state of minorities¹⁵ and human rights, attacks against the

https://reconnect-europe.eu/blog/pech-platon-poland-ecj-rule-of-law-reform/

https://mertek.eu/wp-content/uploads/2020/01/MertekFuzetek18.pdf

https://www.europarl.europa.eu/news/en/press-room/20191212IPR68923/parliament-strongly-condemns-lgbti-free-zones-in-poland

European Commission intervenes on "LGBT ideology free zones" in Poland

 $\frac{https://notesfrompoland.com/2020/06/03/european-commission-intervenes-on-lgbt-ideology-free-zones-in-poland/}{}$

In her September 2020 State of the European Union speech, EC President Ursula von der Leyen stated: "So I want to be crystal clear – LGBTQI-free zones are humanity free zones. And they have no place in our Union. And to make sure that we support the whole community, the Commission will soon put forward a strategy to strengthen LGBTQI rights."

https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655

¹¹ In connection with the questions related to the judiciary issues, see, Kochenov, Bárd (2019), 'The Last Soldier Standing? Courts vs Politicians and the Rule of Law Crisis in the New Member States of the EU', University of Groningen Faculty of Law Research Paper Series No. 5/2019.

¹² (Transparency International) The 2019 CPI in Western Europe and the European Union https://www.transparency.org/en/news/cpi-western-europe-and-eu

¹³ In connection with the highly debated judicial reform, in Poland, see for example, Pech, Platon, 'The beginning of the end for Poland's so-called "judicial reforms"? Some thoughts on the ECJ ruling in Commission v Poland (Independence of the Supreme Court case)'

¹⁴ In connection with the high level and extreme media concentration in Hungary, see (Mérték Media Monitor): Centralised Media System. Soft Censorship 2018

¹⁵ In connection with the 'LGBT-ideoology-free' zones, see

⁽Press release) Parliament strongly condemns "LGBTI-free zones" in Poland

academic freedom^{16,17}, arts¹⁸ and civil society organisations¹⁹ are seen by many as further deterioration of the common EU values and principles.^{20,21}

Generally speaking, as Scheppele and Pech argued, EU institutions' responses have been made so far seem to be ineffective at bringing these member states back into line with European values²², Kochenov took a stronger position on the issue as he expressed: "[...] inaction helps the political elites in the backsliding Member States to consolidate their assault on the values of democracy and the Rule of Law even further, entrenching the breach of EU values".²³

Dániel Hegedűs argued, signs of the democracy and rule of law crisis in the EU are undeniable. He further added, autocratising member states, like Hungary

https://europatarsasag.hu/sites/default/files/csatolmanyok/bard_petra_rule_of_law_and_the_ceu.pdf

https://reconnect-europe.eu/blog/a-strong-judgment-in-a-moot-case-lex-ceu-before-the-cjeu/

 $\underline{https://verfassungsblog.de/defending-the-open-society-against-its-enemies/}$

or Bárd, Grogan, Pech, 'The Democratic and Pluralist Society and its Enemies: The Court of Justice to the Rescue of Civil Society in the Member States' (2020)

 $\underline{https://reconnect-europe.eu/blog/the-democratic-and-pluralist-society-and-its-enemies-the-court-of-justice-to-the-rescue-of-civil-society-in-the-member-states/$

https://www.helsinki.hu/wp-content/uploads/HUN_NGO_contribution_EC_RoL_Report_2020.pdf

Kochenov, Bárd, 'Rule of Law Crisis in the New Member States of the EU. The Pitfalls of Overemphasising Enforcement' (2018) RECONNECT Working Paper No. 1.

 $\underline{https://reconnect-europe.eu/wp-content/uploads/2018/07/RECONNECT-KochenovBard-WP~27072018b.pdf}$

¹⁶ Related to attacks against academic freedom, especially in connection with the Central European University case, see, Bárd, 'A schoolbook case of eliminating dissent by an illiberal regime: rule of law backsliding and attacks against academic freedom' (2019)

¹⁷ In connection with case C-66/18 Commission v Hungary (Higher Education), in which on 6 October 2020, the Grand Chamber of the CJEU made unequivocally clear that a 2017 amendment to the Hungarian law on higher education is contrary to the GATS (General Agreement on Trade in Services of the WTO), the Lisbon Treaty, the Services Directive 2006/123, and the Charter of Fundamental Rights (Lex CEU), see Bárd, 'A Strong Judgment in a Moot Case: Lex CEU before the CJEU'

¹⁸ Related to the latest attack on academic freedom, free expression and artistic freedom, see the case of University of Theatre and Film Arts in Budapest. https://euobserver.com/political/149891

¹⁹ In connection with the case of Commission v Hungary (Transparency of associations), in which on 18 June 2020, the Grand Chamber of the Court of Justice held that Hungarian authorities "introduced discriminatory and unjustified restrictions on foreign donations to civil society organisations" when it adopted a new legislation in 2017 "on the Transparency of Organisations which receive Support from Abroad" (Lex NGO), see, Bárd, Grogan, Pech, 'Defending the Open Society against its Enemies: The Court of Justice's ruling in C-78/18 Commission v Hungary (transparency of associations)' (2020) VerfBlog, 2020/6/22

²⁰ See for example, 8 Hungarian NGOs, Contributions of Hungarian NGOs to the European Commission's Rule of Law Report, May 2020.

²¹ Kochenov and Bárd described four key techniques deployed by the autocratic regimes in order to consolidate the constitutional capture and massive assault on European values. According to them these techniques to achieve, legitimise, and consolidate the destruction of the rule of law include: appeals to national sovereignty; fetishisation of 'constitutional identity' taken out of context; appeals to national security complete with the harassment of the media, NGOs, and independent educational institutions; and international disinformation campaigns.

²² Pech, Scheppele, 'Illiberalism Within: Rule of Law Backsliding in the EU' (2017) Cambridge Yearbook of European Studies 19:3-47.

²³ Kochenov, 'Busting the myths nuclear: A commentary on Article 7 TEU' (2017) https://europatarsasag.hu/sites/default/files/open-space/documents/magyarorszagi-europa-tarsasag-euiarticle7.pdf

or Poland, block important EU policy initiatives, and their governing parties, Fidesz and PiS are key members of the European People's Party and the European Conservatives and Reformists, consequently have significant impact on European party politics.²⁴ It's important to not eat this point that Hegedűs wrote all this without being in a position to foresee the Polish and Hungarian veto due to the rule of law conditions related to the EU next budget, which will be discussed briefly later.

Kochenov and Bárd said in their common working paper that the situation seems to be evolving extremely fast and only in the direction of the deterioration of the rule of law and abuse by the executive of the independent institutions. It seems that there is a total disagreement among essentially all the actors involved concerning what should be done, and the political will to sort out the current impasse is lacking at the level of the Member States, too. Supranational political party groups, instead of helping, seem to aggravate the situation. This inaction helps the powers of the backsliding Member States consolidate their assault upon EU's values even further.²⁵

Short history of the rule of law

Related to the short history of the rule of law as a key principle of the European project we have to recall Dmitry Kochenov's presentation held on 18 March 2017 in Budapest, during a workshop organised by the Hungarian Europe Society entitled 'Reforming the EU - Central European Perspectives'. In his presentation Kochenov argued the three main principles, namely democracy, rule of law and protection of human rights found in Article 2 were relevant from the starting point of the EU, although the EU cannot be seen as a constitutional project. If we look through the history of the European integration, we can see that all political declarations clearly reflect that these three principles are not only suggested values, but basic principles of the EU and it could be a clear point for all of us, mostly in the Central European region, and, in Hungary. Also, if we look at the history of the EU enlargement, these principles are listed as criteria of the enlargement so it is obvious that from the 60s onwards, these fundamental elements, core principles are the ones which the EU based upon. These principles are also seen as orientation points for all country which would have liked to apply

²⁵ Kochenov, Bárd, ibid.

²⁴ Hegedűs, D., 'What Role for EU Institutions In Confronting Europe's Democracy and Rule of Law Crisis?' (2019) The German Marshall Fund of the United States Policy Paper No. 4.

for membership. That's why we can also say that countries not respecting or guaranteeing the protection of human rights, the liberal democracy or the rule of law, are simply not able to apply for a membership in the EU. These helpful signs are clear evidences that these are historic principles and not case law (mostly the European Court of Justice) decided to create them under the pressure of a national court and/or constitutional court. This is one of the fundamental and historic presumptions which is very deeply rooted.²⁶

In his research paper, one of the speakers of this year HES conference Christophe Hillion expressed similar view elaborating that the rule of law features prominently in EU primary law, as it is listed both among the founding values of the Union, and as an objective that EU institutions are specifically mandated to pursue. Hillion argued that "according to Article 2 TEU, the EU is founded on a set of values, one of which is the rule of law. Further, the Preamble of the EU Charter of Fundamental Rights mentions the rule of law as a founding principle of the Union, while Article 21(1) TEU establishes that it has inspired the EU's 'own creation, development and enlargement'. The values of the Union are 'common to the Member States' and as such they must be respected for states to keep their membership rights intact". He added that the necessary and inevitable respect for "the rule of law as EU objective means that the rule of law must not only be respected for a state to become and remain a member of the EU, it must also be actively promoted. Article 3(1) TEU foresees that the Union is to 'promote... its values and the well-being of its peoples'. Article 13(1) TEU reiterates this broadly defined EU value-promotion mandate, by stating that the EU institutional framework 'shall aim to promote [the Union's] values' (emphasis added). As in Article 3(1) TEU, value-promotion spearheads the list of institutions' duties, preceding that of advancing the Union's objectives, serving its interests, those of its citizens and those of its Member States. As he expressed with other words, ensuring respect for the rule of law in the EU legal order is not exclusively a judicial task. It is mainstreamed into the activities of all EU institutions. Thus, the protection and promotion of EU values (including the rule of law) inform and determine the way in which the EU pursues its objectives and uses its competences, and how its institutions exercise their powers. The 2014 Conclusions of the Council: member states, on ensuring respect for the rule of law, did recognise this when emphasizing 'that the European Union and its

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²⁶ This opinion was expressed by Kochenov during a workshop organised by the Hungarian Europe Society entitled 'Reforming the EU - Central European Perspectives' on 18 March 2017 in Budapest. For the full report, please visit

institutions are committed to promoting EU values, including respect for the rule of law as laid down in the Treaties' (emphasis added)".²⁷

The EU's Rule of Law toolbox²⁸

As it was abovementioned the rule of law is one of the common values upon which the European Union is founded and is enshrined in Article 2 of the Treaty on European Union. Together with the values of democracy and fundamental rights, and the control of independent and impartial courts, the rule of law is one of the binding principles for the EU. According to the European Commission's interpretation, the rule of law includes principles such as legality, implying a transparent, accountable, democratic and pluralistic process for enacting laws; legal certainty; prohibiting the arbitrary exercise of executive power; effective judicial protection by independent and impartial courts, effective judicial review including respect for fundamental rights; separation of powers; and equality before the law.²⁹ The European Commission, together with other EU institutions is responsible together for guaranteeing the respect of the rule of law as a fundamental value. The currently available mechanisms of the EU's rule of law toolbox are, the following:

- Article 7 Procedure³⁰ (so-called 'nuclear option³¹')
 - procedure 1.: a clear risk of a serious breach by a Member State of the values enshrined in Article 2of the Treaty on European Union. Before making such a determination, the Council shall hear the Member State in question and may address recommendations to it, acting in accordance with the same procedure.
 - rocedure 2.: determining the existence of a serious and persistent breach by a Member State of the values referred to in Article 2,

https://ec.europa.eu/commission/presscorner/detail/en/ganda 20 1757

²⁷ Hillion, 'Overseeing the rule of law in the European Union Legal mandate and means' (2016) European Policy Analysis 2016:1.

²⁸ For a detailed typology of the already existing EU rule of law existing instruments, see Hegedűs, D., ibid. Furthermore, in this paper Hegedűs argued that not the deficiencies of its legal framework hampered the EU in addressing the developing crisis appropriately, but rather the political settings, the institutional traditions, and the role concepts of the main European institutions, especially the European Commission.

²⁹ 2020 Rule of the Law Report - Questions and answers

³⁰ In connection with a detailed analysis of the Article 7 procedure, see, Scheppele, Kelemen, 'Defending Democracy in EU Member States: Beyond Article 7 TEU', IN.: Bignami (ed) EU Law in Populist Times (Cambridge University Press, 2020).

³¹ In connection with the Article 7 procedure and for the argumentation from Kochenov that there is nothing nuclear in this instrument, see Kochenov, (2017), ibid.

- after inviting the Member State in question to submit its observations.
- ➤ procedure 3.: suspending certain of the rights deriving from the application of the Treaties to the Member State in question, including the voting rights of the representative of the government of that Member State in the Council.
- Commission's Infringement Procedure
- EU Rule of Law Framework^{32,33,34}
- Rule of Law Dialogue / Rule of Law Peer Review
- Comprehensive Annual Rule of Law Review Cycle³⁵
- Rule of Law Conditionality in the new MFF.³⁶

In connection with the EU's Rule of Law Toolkit according to Śledzińska-Simon and Bárd we can say the EU has mainly two options to address problems with the rule of law in the Member States, political and legal as they say. "The political response may trigger the Article 7 TEU mechanism, while legal action may take the form of infringement proceedings pursuant to Article 258 TFEU. While infringement proceedings must involve an EU law element, the Article 7 procedure may also cover matters falling outside the scope of EU law. Yet, the infringement procedure may be employed to tackle any failure within EU law of whatever gravity, whereas the Article 7 TEU mechanism is there to address a "serious" or a "serious and persistent" breach of the values enshrined in Article 2 TEU, including the rule of law."

³² Press release: European Commission presents a framework to safeguard the rule of law in the European Union https://ec.europa.eu/commission/presscorner/detail/en/IP_14_237

³³ In connection with the evaluation of the Rule of law framework adopted by the Commission in March 2014, see Kochenov, Pech, 'Monitoring and Enforcement of the Rule of Law in the EU: Rhetoric and Reality' (2015) European Constitutional Law Review, 11, pp 512-540.

³⁴ For a detailed analysis related to the rule of law backsliding within the EU, the rule of law framework and its first activation against Poland and the limits of European institutions in protecting European values, see, Pech, Scheppele, ibid.

³⁵ The 2020 Rule of Law Report presents a synthesis of both the rule of law situation in the EU and an assessment of the situation in each Member State.

https://ec.europa.eu/info/publications/2020-rule-law-report-communication-and-country-chapters en

³⁶ Halmai, 'The Possibility and Desirability of Rule of Law Conditionality' (2018), Hague Journal on the Rule of Law 11(1).

³⁷ Śledzińska-Simon, Bárd, 'The Teleos and the Anatomy of the Rule of Law in EU Infringement Procedures' (2019) Hague Journal on the Rule of Law 11:439-445.

Our conference speaker, Hillion explains in a very detailed way the substantial differences between these two mechanisms reflect the distinct yet arguably complementary function they fulfill in the system of the Treaties.

"First, they are deemed to respond to different types of Member States' deviances from Article 2 TEU. While the infringement procedure purports to tackle any failure, the sanction mechanism of Article 7 TEU is crafted specifically to address a 'serious and persistent' breach of Article 2 TEU, whose effect is more corrosive on the EU legal order as a whole. In the case of the infringement procedure, the failure is more limited and circumstantial, whereas in the context of Article 7 TEU, the breach has become systematic, denoting that the State's contentious behavior has an intentional systemic character.

Second, and as a result, the Union's responses vary under each mechanism. In the context of the infringement procedure, a state's failure to fulfil an obligation may lead to a judicial sanction, and eventually to the payment of a lump sum and/or a penalty payment, if the state concerned fails to comply with the Court's judgment. The purpose is to respond to a contentious action (or inaction). By contrast, the 'persistent and serious' breach under Article 7 TEU, if established by the European Council, leads to the suspension of some of the prevaricating state's membership rights, including its participatory rights. Thus, the target is the state's overall behavior, by way of quarantine, 54 to protect the functioning of the Union.

The notion of complementarity of the procedures of Article 258 TFEU and of Article 7 TEU, respectively, appears to be endorsed by the Council and the Member States. Their joint Conclusions not only suggested that the rule of law could be safeguarded through both procedures; they also indicated that the infringement procedure is not excluded from the 'field of the rule of law', where it coexists with the Article 7 procedure."³⁸

Hillion added that the obligations deriving from Article 2 are articulate enough, as discussed above, the Commission should therefore be able to enforce the values of Article 2 TEU in case of a state's failure, before it becomes such as to qualify for an Article 7 procedure.

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³⁸ Hillion, ibid.

Quo vadis Hungary?

Related to Hungary, it was the Tavares Report³⁹ approved by the majority of the European Parliament which accurately investigated and condemned the political "laboratory" experiment in Hungary led by Prime Minister Viktor Orbán back in 2013.

Still, the European Union was not able to stop the building of an illiberal state: Jean-Claude Juncker, former President of the European Commission made self-critical remarks about this period recently. The initial debates whether the European institutions had enough (legal) competences to intervene into the affairs of member states are finally over. By now, it has become evident that it was the lack of political will (especially inside the center-right political family) at European level, which peculiarly contributed to the escalation of the Hungarian case. Sure, the European institutions have tried to react using some of the instruments at their disposal: the European Parliament condemned the Hungarian government at several occasions, infringement procedures have been triggered many times, political pressure has been used: the results of these efforts have been limited and often led to cosmetic legal changes. Following the approval of the Sargentini Report by the European Parliament⁴⁰ in September 2018, it was especially important to trigger Article 7 procedure against Hungary⁴¹: still, the process has become extremely slow and might not have any real consequences having in mind the current political-partisan composition of the Council.

Namely, a new trend of emerging authoritarian populism in East-Central Europe made the political room of maneuver even thinner for the European institutions - whilst populist radical parties have strengthened their electorate in other parts of the EU as well. As Poland followed the Hungarian route, the virus of populism spread over at the level of member states governments - and the disease can cross boarders in the future. Mutual trust has been already undermined inside the EU and an unfriendly political climate has jeopardised common decision-making mechanisms - just like other, perhaps more salient, internal

³⁹ REPORT on the situation of fundamental rights: standards and practices in Hungary (pursuant to the European Parliament resolution of 16 February 2012) (2012/2130(INI)) https://www.europarl.europa.eu/doceo/document/A-7-2013-0229 EN.pdf

⁴⁰ Report on a proposal calling on the Council to determine, pursuant to Article 7(1) of the Treaty on European Union, the existence of a clear risk of a serious breach by Hungary of the values on which the Union is founded (2017/2131(INL))

https://www.europarl.europa.eu/doceo/document/A-8-2018-0250_EN.html

⁴¹ For the detailed description of the pre-Article 7 procedure in the Polish and especially the Hungarian case, see, Bárd, 'EU responses to rule of law backsliding in the Member States – the Hungarian case' (2017) https://europatarsasag.hu/sites/default/files/open-space/documents/magyarorszagi-europa-tarsasag-rolmet.pdf

conflicts have negative impacts on the functioning of the multi-level EU governance.

Therefore, European institutions should use a clear and strong language when condemning the most dangerous tendencies in the member states. Moreover, inaction has a chilling effect: populist authoritarian leaders understand inertia as receiving free hand for strengthening their illiberal regimes. Political dialogue with such governments is not enough. It would be urgent, especially in the times of a pandemic, to rely on Article 2 of the Treaty and using old and new methods to stop, isolate and even sanction some member states which violate the common rules. New form of conditionality in case of transfers from the EU budget might be the way forward, whilst targeted support to cities and civil groups, instead of governments - based on the analysis of the situation of the rule of law-can have a positive influence on the recipient country and its citizens. In general, European institutions should show more solidarity with pro-European and anti-populist political as well as civil actors living and working in a shrinking space of liberties.

However, as Bárd explained and justified in details there are several arguments against EU interference into member states' matters, whenever the rule of law is violated. "One of the common counterarguments against EU action is that the people shall democratically change their government if it violates the rule of law, instead of primarily relying on the EU to intervene. But it is naïve to believe that this is doable in a State with distorted election laws, state captured supervisory authorities overseeing the elections, or a distorted media landscape.

Another counterargument is pragmatic: if the EU pushes too much, too forcefully, the outcome - rather than bringing these Member States in line with the rule of law - may be providing these governments with additional ammunition for gaining popular support to leave the EU, which would likely be even worse for their citizens in terms of the future rule of law. It is an argument well known from international organisations including the Council of Europe: better keep problem children of the international community inside than not to have any influence over them. This is a matter of balancing: is the benefit of keeping them in greater than the harm that may come from dismantling of EU values and potential proliferation of rule of law backsliding to other states?

A further counterargument against EU intervention is that the EU is lacking competence, since issues such as elections or judicial powers are national matters. But the EU must acknowledge that it does have powers to enforce its own values

enshrined in Article 2 TEU, and it should not shy away from using them. With respect to the principle of conferral, the EU can intervene to protect its constitutional core, and what is more, it is also unequivocally obliged by the Treaties to act.

Violation of the rule of law in any member state is an EU matter. A state's departure from European consensus on rule of law standards will ultimately hamper the exercise of individuals' rights EU-wide. All EU citizens beyond the borders of the Member States concerned will to some extent suffer due to the given state's participation in the EU's decision-making mechanism. Rule of law violations become contagious. Once the values of Article 2 TEU are not respected, the essential presumptions behind the core of the Union do not hold any more. Respect for the rule of law is essential for an investment-friendly environment and, in general, for the internal market to be functional. It is also vital for the effective cross-border judicial cooperation in criminal matters. Apart from these substantive problems, the principle of primacy would also be jeopardised. Member states would invoke various arguments in order to permit exemptions from the principle of primacy of EU law."⁴²

Uncertain days: budget-and-recovery package

The EU's historic EUR 1.82 trillion budget-and-recovery package's destiny is unclear at the time of writing this report. On 16 November 2020, Hungary and Poland blocked the package during a meeting of EU ambassadors citing opposition to a new mechanism that would allow the EU to cut off funds to a country found to be violating the rule of law in certain circumstances tied to the budget. Hungary and Poland vetoed after COREPER approved the rule-of-law conditionality mechanism that will tie the disbursement of EU funds to the quality of rule of law. Despite these votes, ambassadors were able to approve the rule-of-law mechanism itself because it required only a qualified majority, against the budget-and-recovery package which required a consent of the member states. But Hungary and Poland then used their veto power to block a step toward finalizing the so-called Own Resources Decision, a prerequisite for the bloc to borrow money for its new EUR 750 billion recovery fund. As Dániel Hegedűs has written "Poland's and Hungary's main goal is most likely to extort further concessions

⁴² Bárd (2017), ibid.

from the Council that may render the rule of law conditionality mechanism merely symbolic or even non-existent".⁴³

However, the final decision will be made at the December meeting of the EU Heads of States and Governments. The German presidency, the presidents of the European Parliament, the European Commission and the European Council have started the behind the scenes negotiations with Warsaw and Budapest. During these turbulent days messages from all parties involved accelerated and it's hard to predict the most likely scenario. Donald Tusk, President of the European People's Party (EPP) has written on his Twitter⁴⁴ that "Whoever is against the principle of the rule of law is against Europe. I expect a clear position on this from all the EPP parties. The opponents of our fundamental values should no longer be protected by anyone." It can be seen as a strong message to Orbán, related to the Fidesz' membership in the EPP which has been suspended since March 2019. Although an Evaluation Committee, the party group's ad-hoc body of so-called 'three wise men' has examined the Hungarian situation, the EPP has not decided irrevocably on the question of Fidesz membership. This message predicts the end of a long-lasting dubious game.

On 18 November 2020 the Conference of Presidents (EP President and political group leaders) met and reaffirmed the European Parliament's position regarding the deal reached with the Council on the Multiannual Financial Framework regulation, the related Inter-institutional Agreement (IIA), the related set of unilateral and joint declarations, and the regulation on Rule of Law conditionality. As they have said "the agreements reached (on both the MFF and the Rule of Law) are a closed deal and can in no way be reopened"45, what probably Orbán and Morawiecki want to achieve. As Orbán said "nothing is agreed until everything is agreed." The Polish PM also added in an interview that "Today you think this instrument is directed against us, against Hungary, maybe against Slovenia, maybe against some other country in central Europe. In a few years, in two or three years, it could be directed against someone else [...] This is a turning point in the history of the EU. Making decisions based on arbitrary provisions in the regulations can lead to its collapse." "In Brussels today, they only view countries which let migrants in as those governed by the rule of law. Those who protect their borders cannot qualify as countries where rule of law

⁴³ Three EU exits from Poland and Hungary 'hostage crisis' https://euobserver.com/opinion/150098

⁴⁴ https://twitter.com/donaldtuskEPP/status/1328382816489533441

⁴⁵ (Press release) Statement by EP Conference of Presidents on long-term EU budget and Rule of Law https://www.euronews.com/2020/11/18/morawiecki-and-orban-step-up-attacks-on-eu-over-rule-of-law-debate-on-eve-of-summit

prevails," Orbán said in a statement. Orbán also claimed that rule of law conditions lack objective criteria and don't allow countries sanctioned under the mechanism to seek legal remedies. "Once this proposal gets adopted, there will be no more obstacles to tying member states' share of common funds to supporting migration and us(ing) financial means to blackmail countries which oppose migration," 46 he added.

The aim of Budapest and Warsaw may be to weaken the rule of law criteria until its practical application becomes almost impossible. In contrast, the majority of net contributing Member States and the European Parliament would only agree to an effective rule of law mechanism. Furthermore, Orbán's aim is for EU conditions to apply only to cases that actually and directly affect the EU's financial interests and that Council decisions can be challenged before the European Court of Justice, which would have suspensory effect. He is confident that Hungary will be able to use EU money without interruption during the years of EU court proceedings. Such a bargain is hardly acceptable to net contributor states, as their voters expect their leaders to protect the contributions they pay. Negotiations may drag on, but over time it will also be vital for Hungarian governing parties preparing for the 2022 elections to be able to attract as many resources as possible to the Hungarian economy in the last full year before the election.⁴⁷

Summary and declaration

As a summary, we can refer to the common statement of Scheppele and Pech: "The popular anger and party malfunctions that brought Fidesz to power in Hungary and PiS to power in Poland are not confined to those two countries. Across the EU, we see signs of increasingly popular autocratic leaders coming closer and closer to power. EU Member States need to wake up to the fact that the actions of Hungary's Orbán and Poland's Kaczyński provide a model that can easily spread to other EU countries led by populists with autocratic ambitions. Even apart from a desire to preserve the rule of law in Poland and Hungary, EU

The EU can resist Orbán and Kaczynski's budget blackmail. Here are five things it can do. https://article7.eu/eu-budget-hungary-poland-veto/?fbclid=IwAR1R-

vdTCYPIr7KLnWaq7SwWsqY2vELECn7HIChrEDjAivCoVsH5vuqI95g

Analysis: an effective veto? https://polandin.com/50833282/analysis-an-effective-veto

EU faces crisis as Hungary and Poland veto seven-year budget

https://www.theguardian.com/world/2020/nov/16/eu-hungary-veto-budget-viktor-orban

⁴⁶ Morawiecki and Orbán step up attacks on EU over rule of law debate on eve of summit https://www.euronews.com/2020/11/18/morawiecki-and-orban-step-up-attacks-on-eu-over-rule-of-law-debate-on-eve-of-summit

⁴⁷ For further analysis, see for example,

institutions ought to take seriously the threat these countries represent to liberal constitutional democracy as such. The more states fall victim to the siren song of populism, the harder it will be to solve the problem within EU institutions. Better to fix the problems while the EU still can."⁴⁸

In accordance with the above ideas, the Hungarian Europe Society issued a declaration entitled "No Concession" on the rule of law at its general meeting on 27 November as a reaction to the threat communicated by the Hungarian and Polish governments to veto the approval of the Multiannual Financial Framework and the NextGenerationEU program. This is our statement:

- 1. The Hungarian Europe Society insists on the concept of the rule of law as a cornerstone of functioning liberal democracies of our time and a fundamental value in the political-constitutional set-up of the European Union and its member states. The rule of law in the EU is a non-disputable, firm category as elaborated in the Copenhagen criteria for accession countries, the Charter of Fundamental Rights, the Venice Commission's opinions and its Rule of Law Checklist; and the European Commission's documents since the introduction of the Rule of Law Framework. It is not a vague idea as suggested by its enemies and there is nothing like an Eastern (or regional) rule of law versus a Western version.
- 2. The European institutions, the democratic European political actors, political parties and civil groups should realise that ongoing attacks against the principles and practices of the rule of law jeopardise the existence of the European Union. Pro-European forces should react in a definite way defending and fighting for the common European values against representatives of illiberal and populist claims.
- 3. Learning from the failures of the last decade not being able to stop the creation of an illiberal regime later two within the European Union, it is high time to use old and new instruments and mechanisms at disposal to safeguard the basic values of the historic European project as well as to confine the spread of the political virus and to defeat it at the end.
- 4. We welcome the fresh and long-awaited EU decision on a new regime of rule of law as a conditionality to use the benefits of the Multiannual Financial Framework and the NextGenerationEU program! We urge the European Council, the Council Presidency, the European Commission and the European Parliament

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⁴⁸ Scheppele, Pech, ibid.

not to accept any further concessions in order to avoid a veto by the Hungarian (and Polish) government(s). Orbán and Kaczyński have already gone too far in the past: the EU must not become the hostage of new authoritarians.

5. In case Hungary loses some financial support from the EU budget and will be even more isolated inside the European community than today, it is the Hungarian regime to be blamed, not "Brussels" and the protagonists of a united Europe.

Populism and Global Order

a) Populism, tribes, misinformation, social movements

One of the most striking phenomena that expressed the transformation of our political spheres was the emergence of populist, illiberal, nationalist, nativist parties and politicians in free and open societies, that is in liberal democracies (and beyond). The debate about how to call these specifically twenty-first century political organisations, personalities and entrepreneurs and weather they possess a coherent ideology on our common future is still in process. It is evident; however, that many political formations existed as fringe groups before and marched from the "cold" to the focus point of public discourse and life, others turned from mainstream liberal-democratic parties towards extremism, whilst we also have brand new successful gatherings seducing a significant part of the electorate. It is a peculiar development in the history of the European continent that the populist wave started mostly on the East-Central side, first of all in Hungary, where from new ideas travelled towards the West. Viktor Orbán, who grasped power (again) in 2010, became an idol in the eyes of a new cohort of likeminded political actors with similar ambitions who intended to join a global rebellion against the ruling cosmopolitan elites. Following the Brexit referendum and Trump's victory at the US presidential elections, Orbán proclaimed the year of riot in 2017 as well as a cultural counter-revolution spreading from the Central European region, the Visegrád countries. This prophecy failed and populists did not break through in general, especially at the last European (Parliament) elections in 2019. With the defeat of Trump in November 2020, a negative scenario about a total collapse of the former liberal global rule-based order as well as the derailment of the historic project building a united Europe seems to evaporate at the moment.

Nevertheless, it would be too early to call the defeat of worldwide populism since political forces on the far right (using the category preferred by Cas Mudde) have strong positions worldwide and authoritarian as well as rightwing populist leaders occupy executive power in big and influential states outside Europe. Evidently, it is still an important task to understand why so many citizens vote for them – even if the populist claim that they, and only they, represent "ordinary" people should not be acknowledged based on fact-checking and electoral surveys. As Thibault Muzergues, political analyst, author of *The Great*

Class Shift, argued at our conference: "a cool-headed analysis of the situation and the more profound reasons of our democratic crisis are more important than ever". Acknowledging the importance of the approach to study "how elites can kill democracies in the long-run rather than in a spectacular, Reichstag-burning type of event", he moved the focus from the sins of elite circles and selfish partisan political manoeuvres towards a "bottom-up look at our democratic crisis, and to explain this popular malaise" with historical analysis and through sociological lenses. "Democratic crisis is not a new phenomenon", he reminded us, and especially the twentieth century brought "much polarisation in European politics, leading to a rise in political violence and authoritarian tendencies, a large movement of contestation against political liberalism and the emergence of two proto-ideologies that were to come to age between the two world wars and almost entirely destroy Europe".

Looking at the demand for new mobilising political ideas rather than simply unmasking an intra-elite conflict created by populist claims of revisionist, rioting unsatisfied public figures from inside the ruling strata, Muzergues argued that "the crisis of confidence in our institutions and our governance is very linked to the 2008 financial meltdown and its consequences, both moral and social". In different ways, "public despair and anger" emerged in Central as well as in Southern Europe and "the result has been a populist explosion, on the left as well as the right that has polarised our political landscape ever since". According to our guest speaker, this process during the last decade led to a transformation of the ideological-political public sphere: "our changing political landscapes are now less defined by ideological polarization, as the -isms and other ideologies that defined 20th century politics continue to fade away, but rather by social polarisation, which itself could actually be re-defined as extreme atomisation".

As he outlined in his book *The Great Class Shift*, the pattern of the societal realignment can be described as the emergence of "four classes that have changed political discourse and cleavages". These classes, or tribes, as Muzergues often refers to these social groupings, the new Creative Class, the traditional Provincial (actually Provincial and Suburban) Middle Class, the old White Working Class and the leftist New Minority clash with each other on the economy, diversity or social values not only in the United States, but in many other post-industrial societies "ending up to the current polarisation, with four political poles instead of two". The ongoing conflicts amongst them can easily

strengthen because they "are now increasingly living apart from each other". Moreover, "social media has also played a part in the increasing social segregation (some even call it "secession") we have lived over the past ten years" as an instrument to fragmented self-radicalisation. As often discussed, internet and especially the social media do not simply liberate and democratise public debates and support autonomous thinking, but its role proved to be "a double-edged sword" through "the creation of preference bubbles that have in turned brought individuals to entrench their visions of the world and become less prone to compromise" in ideological confrontations. This differentiation between us and them happens "since the fault lines often correspond, as a result of individual experience, to the social and identity cleavages".

As Muzergues concludes, pessimism does not help in finding liberal answers to the current problems, but a wake-up call in order to avoid future hardships has become urgent. "Learning to live with our differences, just as protestants and Catholics learnt to live with each other in their states after the exhausting Wars of Religion, will require a lot of efforts on all sides – and will sometimes include agreeing to live apart from each other in order to avoid confrontation, while we search for new ways to bring ourselves together."

This program will not be easy to be implemented. From the perspective of his scientific discipline, our special guest, Stephan Lewandowsky, Chair in Cognitive Psychology at the University of Bristol analysed the behaviour and attitudes of people, first of all the populist voters, in case they face misinformation. Since people tend to believe information, even if they are told that it was not correct, the first belief often sticks, especially since we build a coherent mental model about the world for ourselves. This whole narrative is in danger if just one element of the construction has been questioned and that is why alternative explanation might work better than a simple correction of fake news. Actually, politicians always – even in ancient times - had problems with the truth, however, they used to lie because of a reason. For example, Bill Clinton and Richard Nixon wanted to escape of the consequences of their misbehaviour. As Lewandowsky considers the current situation, what Donald Trump and other populists are doing now is not to convince the public about a different reality, but to throw out so much misinformation creating a shocking chaos that people say at the end: we can't believe anything. In the last five to ten years, populist political leaders shift from contesting reality to making the public confused. But why

people accepting lies spread deliberately by populists and demagogues? As some research shows, a lie has a feature as a bug in the populist program based on the assumption that there is an antagonism between a presumed bad elite and an equally fictional purist, good people. Playing this game as an authentic champion of the people against the elite you can violate everything representatives of the elite have ever told - meaning I am lying to show how much I hate the elite... So, lying has become a signal of anti-establishment authenticity. From this perspective, even a sort of "honesty" can be detected by supporters of a populist leader as an opposition to the same public phenomena they do not like making him very attractive.

People, who feel left behind or out as their solid living foundation has been eroded, believe in populist claims more than others as some solid research evidence has been found in this argument, according to Lewandowsky. Nevertheless, it is also true that Donald Trump was elected by privileged, rich and white Americans who felt threatened by some out-groups like women and emigrants as well as multiculturalism in general. How to cope with the attraction of populists to these two specific groups? The example of the COVID-19 crisis might help since it caused an "infodemic" as conspiracy theories gained ground, but also strengthened belief in expertise in many countries like in Germany. By and large the public has recognised that managing the pandemic needs more than just attacking migration. Actually, trust in the European Union has also increased as a consequence of managing the disease in a more united way than it happened in the United States. On the other hand, one problem that is rather unappreciated in our societies is the case of less educated people without cognitive capabilities required in our new age. As Lewandowski sharply formulated, not everybody is equally smart. Inequalities make opportunities uneven for those with less cognitive knowledge and below average intelligence. This gap results in a negative impact on our societies and might even grow bigger as technological sophistication advances. The tension has been exploited more successfully by those right-wing parties, which moved to a radical conspiracy theorist position as well as towards nationalism and not so much by some left-wing exotic politicians.

Political scientist Stijn van Kessel, Senior Lecturer in European Politics at Queen Mary University of London analysed a similar problem as an invited contributor to the debates at our conference, namely the issue of successful

mobilisation for and against Europe in times of populism and nationalism. Recently, social movements became stronger and more active as political conflicts about the European Union have come to the surface: both Eurosceptic and pro-European or even in-between groups had a voice. Since the majority of European citizens still support European integration and membership in spite of the rise of populism and illiberalism, plenty of activists are ready to defend European ideas and principles explicitly. As van Kessel emphasised, it is not enough to defend the status quo: social movements need to have an optimistic message about the necessity of change. Whilst the Brexit movement did not face this dilemma basing its rhetoric on discontent and anger, fragmented pro-Europeans had to frame their positions carefully including their diagnosis whom to blame as well as their progressive vision not criticising the current situation too deeply. Moreover, an active grass-root anti-Brexit movement appeared only after the referendum in the United Kingdom in 2016 – too little, too late...In their progressive, factual messages they concentrated on the advantages of EU membership and were reluctant to engage in issues like immigration, which were so important for the Leave campaign. Blaming rather the Eurosceptic media in the UK, the problem remained the same that they did not address main concerns of Eurosceptic citizens, who wanted "to take back control". The lack of a prognostic frame was the weakness of pro-European movements in the public debates.

In Germany, under very different political circumstances, a pro-European movement, Pulse of Europe, had positive, idealistic pro-European messages about freedom and togetherness. However, they share the dilemmas with the anti-Brexit movement: their diagnosis to blame emerging nationalism is more convincing than their offered weak solutions how to reform the European Union instead of simply defending the status quo. German social movements did not want to formulate a program arguing that this is the task of pro-European political parties and that is why their contribution to the debate on the future of Europe was small.

As it was raised in the debate after van Kessel's presentation at our conference, conflicting-competitive relationship between civil society representatives and mainstream democratic parties often create a stalemate offering, unfortunately, more space of manoeuvre for populist, illiberal forces.

b) Presidential elections in the United States and the global order

The outcome of the presidential elections in the United States in November 2020 proves that it is possible to win against a populist far right leader with the help of a strategy that brings together different social tribes, left-wingers and moderate centrists based on the energy of social movements and professional campaigning. In contrast to the pessimistic approach, which emphasises that more citizens voted for Trump than four years ago, it has to be realised that at a record turn-out millions more voted for a liberal democratic and openly inclusive candidate. Moreover, Trump supporters actually wanted to re-elect an incumbent president, the official candidate of the Republican Party. The party has a recent history to move towards a more conservative and right-wing position in the last twenty-thirty years, with some ups and downs. It is not evident; however, whether Republican voters prefer a far right or a more moderate political line since their party identification seems to matter decisively against a candidate representing the other political tradition. Just like according to an old anecdote: the little elephant asks his father, "Why do we vote for the Republicans"? The answer: "Because we always vote for the Republicans". It might be a chicken-egg problem: the electorate on the conservative side followed the shift of its chosen political elite towards more extreme political positions, or, the other way round, their GOP and the Republican leadership have caught up with the radicalisation of the basis of the party. What we can observe at the first sight is that Republican candidates for Congress generally outperformed their polls by more than Trump did and this solid margin gives hope for a future moderate political line that becomes more dominant inside the Republican camp.

As for the victory of the candidate of the Democratic Party, well, there was nothing like a Soros Plan as Viktor Orbán's propaganda machinery misinterpreted and falsified an article published by George Soros on the peak of the refugee crisis in 2015, but now we really have a Biden Plan. This plan includes significant ideas that are connected to Europe and to Central and Eastern Europe. Biden speaks on his website about the Coalition of Democracies, saying that the objective is to "revitalize our national commitment to advancing human rights and democracy around the world". That is why he wants to "organize and host a global Summit for Democracy to renew the spirit and shared purpose of the nations of the Free World". During his first year in office, Biden will bring together the world's democracies to strengthen democratic institutions, "honestly confront the

challenge of nations that are backsliding, and forge a common agenda to address threats to our common values". According to his objectives, the Summit "will prioritize results by galvanizing significant new country commitments in three areas: (1) fighting corruption; (2) defending against authoritarianism, including election security; (3) advancing human rights in their own nations and abroad. The Summit will include civil society organizations from around the world that stand on the frontlines in defense of our democracies."

This program is music for the ears of liberals and democrats all over the world and a sort of last notice to populist and authoritarian leaders within the Euro-Atlantic communities. But will this rhetoric be combined with real actions based on soft and hard power in the near future? Veronica Anghel, Political Science Researcher, Fellow in the Max Weber Programme at the European University Institute in Florence, the second key-note speaker at our conference, made a presentation entitled Divided They Stand: US election outcomes and Foreign Policy in Central and Eastern Europe. In a nutshell, she answered the question the following way: "A Joe Biden presidency will differ markedly in its foreign policy strategy from that of a second term under the leadership of President Donald Trump. However, regardless of the elections' outcome, there are transformations underway in the transatlantic relationship that go beyond the Trump administration and independent global processes with long running implications in the future. This observation is also valid in the case of Central Eastern Europe, which has faded from the US foreign policy agenda under subsequent administrations. Most US policies that affect Eastern European countries will be contingent on US - EU relations. Fewer will address the region specifically, with an eye on balancing competing interests from other active actors in the region, Russia and China in particular."

Having in mind "America's long-running strategic narcissism and reliance on the myth of its exceptionalism", as she argued, the United States of America has gradually lost its unique influence on the global order since the nineties. The objective to regain its role as the leader of the free world will be supported by many governments on the other side of the Atlantic, the traditional European democracies, which "are the most stable and legitimate ally alongside whom the US can rebuild its standing in the world. Contingently, the hybrid regimes of Central and Eastern Europe and their national-populist leaders are likely to feel the pressure of American-style calls for respect of the rule of law."

This hope of the opponents of these regimes in the region can be supported by the special interest of the will-be president: "His personal connections and experience in Central and Eastern Europe during his mandate as US vice-president provide him withs ome diplomatic advantages." Nevertheless, priorities of the US foreign policy might not give space for a privileged place of the region on the future agenda: "it is unlikely to see Joe Biden as actively engaged in the troubles of the region as during his vice-presidency given the multiple fronts he needs to engage in domestically".

In contract to the isolationist views on international relations often proclaimed by the outgoing president, Democrats, as always, will prefer multilateralism and will show cooperative attitudes towards foreign partners and international organisations. According to Anghel, whilst Trump's style was a "stress test for US-NATO relations" it is huge difference to be emphasised that the Obama-Biden rhetoric on NATO is punctuated by a strong belief that 'NATO nations never stand-alone", even if the Biden administration will also insist on an increased defence spending - as agreed before up to 2 percent of their GDP by the European members of the North-Atlantic Alliance. Regarding the need for joint action in a number of pressing issues globally, climate change is probably the most significant challenge of our age. Certainly, Joe Biden will return to the Paris climate agreement (as well as to many other relevant international fora and commitments). "Having once more the US on their side, the EU could strengthen its climate change agenda. Collaterally, Eastern European countries, for which this has not been an important policy focus, will now be under more pressure to deliver policy change."

It was not without precedence how Donald Trump tried to weaken the unity of the European nations on the global stage — even openly supporting hard Brexiteers. As Anghel reminded us, it was another Republican President, George W. Bush, who tried to exploit the Europe Union's internal divide during the Iraq war when creating a coalition of the willing. This time, "transatlantic relationship also depends on the extent to which a Biden presidency aims to take on Russia and the rolling disinformation and misinformation that circle in the public space. The two policies are intimately connected." Moreover, Asia, especially China will remain a priority for US foreign policy-making independently from the office-holder's partisan affiliation in the White House: this is not so good news for Europeans including Central Europeans. "The fading importance of Eastern

Europe from the US foreign policy agenda also continued under the Obama administration, which had placed unprecedented importance on Asia. The focus on Asian countries necessitates continuous reassessment and re-evaluation of US military and economic capabilities in the region and it is likely to also be at the centre of Joe Biden's foreign policy."

Hajnalka Vincze, Senior Fellow at the Foreign Policy Research Institute in Philadelphia analysed transatlantic ties in the fields of defence and security focusing on the risks of lacking European sovereignty within the alliance. Thirty years after the end of the Cold War, "most European governments hope to continue to free-ride, as much as possible, on the U.S. for their defence". According to Vincze, Europe needs to wake up. A least, "the long-time taboo idea of strategic autonomy" broke through in the title of the State of the European Union speech of the President of the European Commission, Jean-Claude Juncker in 2018. The next president of the institution, Ursula von der Leyen called her Commission geopolitical and the notion of ""technological sovereignty" became part of the vocabulary. The issue of European sovereignty, meaning "internal protection and external autonomy" as Vincze defines the term, "raises strong opposition from allies and partners, as well as deep divergences" between EU between member states. Traditional differences between France and Germany are well-known. Today French President Emmanuel Macron states "that without asserting and protecting itself, Europe 'will only have the choice between two submissions', i.e. under China or under the United States. He is also one of those who warn that the fundamental imbalance of the West - European dependence on the US and the objective American interest to prevent Europe from emancipating and ending this tutelage - will not change no matter who is in the White House."

Vincze argued that it is the European Union, which should start to rebalance the asymmetrical transatlantic relationship emphasising that "the imperative of autonomy does not come from some mythical Anti-Americanism". Macron even proclaimed: "If it can't think of itself as a global power, Europe will disappear." Moreover, our speaker made a direct link – in accordance with the French ideas - between European autonomy and democracy saying that citizens should be able to vote for their leaders who are able to make autonomous decisions on security and diplomacy. She even made a point about the rise of populism claiming that citizens have legitimate concerns, "a clear and present

dissatisfaction with 'Europe as it works today'. Tellingly enough, these critics see Europe as too powerless and too powerful at the same time."

The next guest speaker at our conference, Volodymyr Dubovyk, Director of the Center for International Studies at Odessa Mechnikov National University emphasised that liberalism has not overcome worldwide as it was supposed back in 1989. That is why it is important that liberal values connect the both sides of the Atlantic. For four years, we were looking for the new leader of the free world and now we might triumph the victory of democracy following the US presidential elections. It means that we can go back to civilised dialogue about values and policies on the global stage instead of an ongoing street fight. Obviously, Trumpism has not gone: the views of the outgoing president have been normalised and can be presented openly as well as the rebellion against political correctness will continue. Moreover, there are attacks against liberalism not only from the far right, but also from the far left. On the other hand, a reform of the American electoral system should be on the agenda of the new administration. And as for the liberals on both sides of the Atlantic, there is a question for the future how far to go in our efforts to fight against terrorism having in mind our respect to human rights.

As a reaction to the previous presentation on European autonomy, Dubovyk raised the question whether everything will go back to normal between the two partners or there is a strain bigger than Trump's figure that would make Europe walk along. The United States had moved away in many ways before Trump. It was Obama, who called the Russia-Ukraine conflict a European problem located in its backyard and some other differences were not caused simply by "America first-ism". On the other hand, an Illiberal International has not been created as originally planned by Steve Bannon, but the game is not over, yet. The Hungarian government not only successfully blocked Ukraine's approach to the NATO in the dialogue process, but Orbán's views have shaped how Trump dealt with a "corrupt country and bad people". As Dubovyk added, liberalism is weak in Ukraine and there has never been a party based directly on liberal values. Although nationalism is not so strong, the conflict at the border with Russia strengthened it in a country where survival has often been at stake in a war started more than six years ago. Nevertheless, this is not simply a Russia-Ukraine war, but an ideological conflict between post-Soviet values and antiauthoritarian sentiments. Russia still successfully strengthens anti-liberal attitudes of people whilst the influence of the Church(es) is also huge. In the coming decade we have to be ready to a fight for liberal ideas in this Eastern part of the world as well!

Some short conclusions

Looking ahead what the twenties of the 21st century would bring to us after the pandemic, instead of a clash of civilisations, we will probably witness the survival of strong cultural and political cleavages within societies, nations and large international communities as well as a sharpening polarisation among different social strata and "tribes". Still, liberal-minded political groups, civil society organisations and individuals believing in political liberties and pro-European ideas seem to have real chances to deal with our current trends and challenges successfully whilst insisting on the core values of liberal democracy and the rule of law in parallel.

After spending virtually - and in spirit - a week in the United States in November 2020, when the votes for the presidential candidates have not yet been fully counted, we can come to the conclusion that the result of the race is definitely not a domestic American affair. As it was proclaimed at our conference, the victory of the Democratic Party meant probably the first defeat of an incumbent populist at elections in the 21st century. This success gives us hope about the fast decline of some other semi-authoritarian leaders worldwide and especially in Central Europe. Another exciting aspect of the victory of Joe Biden is the role of the social media in politics. Donald Trump seemed to be the master of easy-going mass propaganda – perhaps he was not so efficient at all, or, even better, liberals and democrats might have finally learned how to fight back using their own methods in a new era of political communication and competition.

"With less preponderance and facing a more complex world, the United States must exercise power with as well as over others, and use its soft power to attract their cooperation. To do that, the US will have to rediscover the importance of the institutions Donald Trump's administration abandoned", as international relations expert Joseph S. Nye formulated after the presidential elections. Realistically, the transatlantic alliance remains the core of a liberal rule-based order where geopolitical power struggles will continue, but hopefully mostly in a peacefully constrained frame.

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