

# POPREBEL

## Re-embedding neoliberalism: neoliberal populism in ECE

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# The purpose of the proposed paper

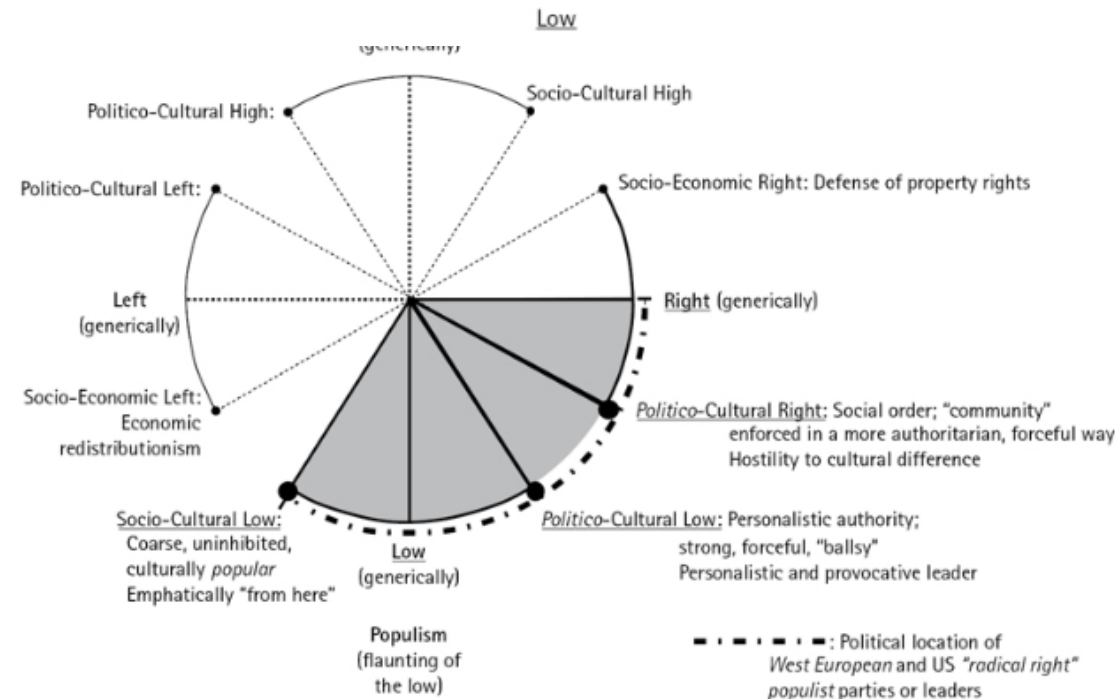
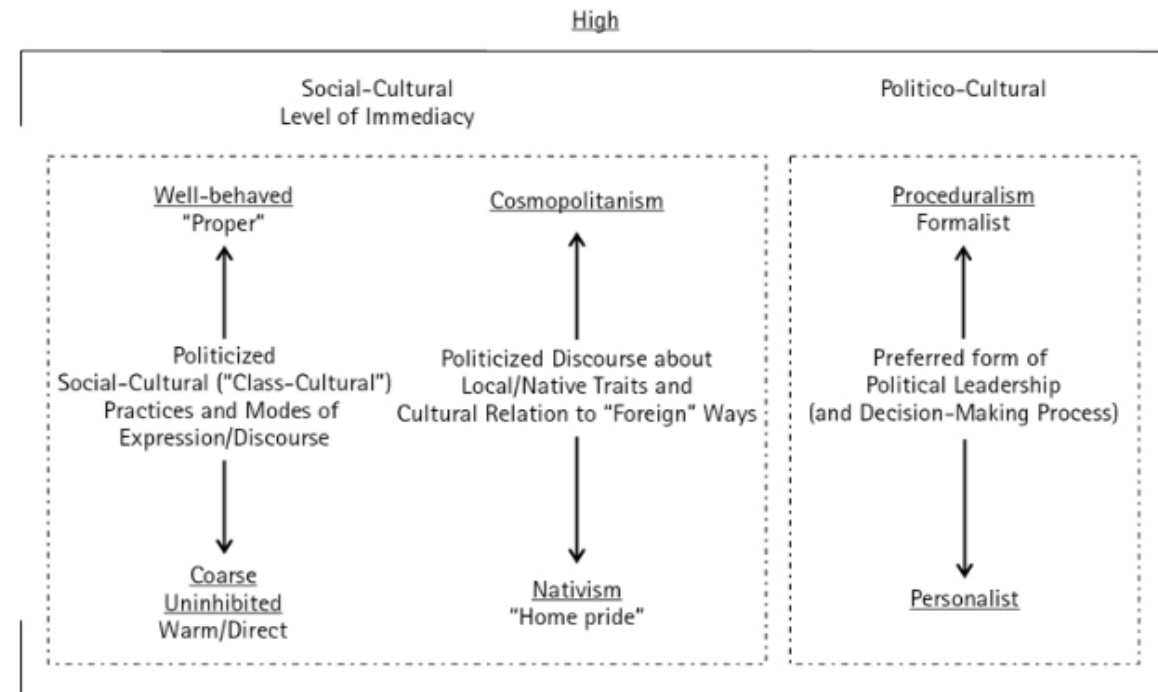
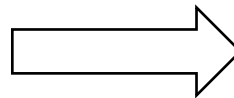
- To review and evaluate the existing literature on the applicability of the „double movement” theory on Central and Eastern Europe
  - The regime change
  - The crisis of 2008
- To evaluate „populist” political movements within this framework

## Main hypotheses

- In CEE „populist” policies are a counter movement against marketization – from the demand side (late transitional fatigue)
- In CEE „populist” policies are tools to re-embed neoliberalism after the 2008 crisis – from the supply side
  - A special type of populism emerges: neoliberal/transitional populism?
  - Direct continuation of pre 2008 competitive signaling (Appel – Orenstein, 2018)
- Disclaimer: current version of the paper with a focus on Hungary!

# Populism

- Various approaches – Handbook of populism
- (The economic populism approach of Dornbush and Edwards)
- Mudde and the ideational approach:
  - us versus them – people versus the elite
  - thin centered ideology
  - focuses on supply
- Weyland and the political strategy approach:
  - political strategy of a leader without broad institutional background
  - focuses on demand
- Ostiguy and the socio-cultural approach
  - flaunting of the low
  - Political and social low and high
  - Combined with left and right
  - Demand and supply together
- Successful populism: supply meets demand



# The pieces of the puzzle – the regime change in CEE

- The debate between shock therapy and gradualism (Kornai, 1989/1990 and Kornai, 2000,
- The neoliberal recipe and the recession
- The impossibility of simultaneous transition (ie. Offe, 1991) and the reality
  - Changes in government suggest dissatisfaction with governments
  - No significant changes in policies
  - Demand there, but no supply?
- The political coalition of traditional parties (neoliberalism even stronger on the left!) – The competition state
  - Bad equilibrium: low quality democracy and capitalism (Greskovits, 1998)
  - Ideas, values: the role of reformists, and the special type of economic nationalism (Helleiner, 2018)
  - Non-economic divide across political parties more important – at least in Hungary (Gedeon, 2004)
  - Europeanization (Orenstein, 2001)
  - Appel and Orenstein (2018): competitive signaling - political cartel in pursuing foreign capital
- Embedding neoliberalism and varieties of capitalism in ECE (Bohle - Greskovits, 2007)
- (Hungary in the first decade of the 21st century – the „classic economic populism recipe a’la Dornbush and Edwards?)

# The pieces of the puzzle – the great recession

- Recession – the second economic shock after the regime change
  - Increasing dissatisfaction of citizens – increasing demand for populism
- The new political elite behind the Fidesz government
- Changing external environment – neoliberalism as the cause of the crisis
- The break up of the political cartel in the US and Western Europe
- The break up of the cartel in CEE: new parties, new political dimensions
  - The role of recessions and growing unemployment: Poland in 2001 – 2003, in rest of CEE after 2008 mostly
  - No external point of reference, lack of enforcement strength of EU
  - However, differences from Western European patterns: less protectionist, more business friendly

# The investigation – reasons and evidence for differences

- The dependent development of the region
  - Reliance on foreign capital, know-how, entrepreneurship
  - This causes also problems, criticism, and sometimes anger
  - Late comers, and the need of development policies
- The direction the „populist” need to take
  - Working together with foreign capital owners
  - Establish a new local industrial elite – as part of a traditional catch-up process
  - Embed these pro-business policies
    - Labour standards, support for FDI, strategic partnerships, tax system, bad FDI and good FDI (Bohle-Greskovits 2019)
    - Redistribution of capital, supporting capital accumulation
    - Still a competition state? – neoliberal?
- The mix of this could be called as transitional populism
  - Differences from developed countries
  - Differences from traditional Latin-American populism – the reliance of foreign partners (Bohle – Greskovits, 2019)
  - The non-economic dimension (ie. Migration)
  - A separate approach is needed

# Thank you!

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