

## Drifting from Liberal Democracy: Traditionalist/Neo-conservative Ideology of Managed Illiberal Democratic Capitalism in Post-communist Europe

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### Abstract

Most European post-communist societies after 1989-1991 appeared to be on the road to liberal democratic capitalism. However, a quarter of century after the change of the system, at least some of the countries – Russia and Hungary in particular (arguably setting a trend for many other nations) – began to drift sharply away from liberal democracy. We treat liberalism and democracy as two distinct dimensions of “good governance”. We interpret liberalism as separation of powers and security of private property rights. We interpret democracy as majoritarian rule. As the regimes shift to illiberalism, secure private property tends to be converted into “fief” (neo-patrimonialism – like during the rule of Yeltsin), or eventually into “benefice” (neo-prebendalism, this turn happened with the rise of Putin to power). While the principle of majoritarian rule is retained, it is also “managed”. But as long as democratic institutions operate, as long as leaders are elected to office the ruling elites of illiberal democracies need a legitimating ideology which can appeal to a broader electorate. We call this post-communist traditionalist/neo-conservative ideology. Post-communist traditionalism/neo-conservatism emphasizes the value of patriotism, religion and traditional family values much like some of the socially conservative republicans in the USA do.

*Keywords: post-communist capitalism, managed and illiberal democracy, transition from communism to capitalism, neo-patrimonial and neo-prebendal forms of ownership, traditionalism/neo-conservatism.*

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## *Introduction: Political systems, forms of ownership, ideologies*

### *Formulating the problem*

Bálint Magyar, one of the leading Hungarian post-communist liberal politicians expressed his frustration with post-communist politics in the introduction of his 2014-edited book, "The Hungarian Octopus, Volume 2". He stated: "After the fall of the Soviet Empire many of us shared the illusion that communist dictatorships – at least in Europe – can only be succeeded by Western style liberal democracies" (2014:7). Many liberal democrats<sup>1</sup> in the former socialist countries of Eastern Europe shared this sentiment with him. Indeed in 1989-91 liberal democracy and market capitalism were the legitimating ideologies of the new political elites in most of the former socialist countries of Europe. Even in Russia, during the first year of Boris Yeltsin's presidency it appeared that Russia might be heading toward liberalism<sup>2</sup>. Yegor Gaidar who was acting Prime Minister of the Russian Federation for the second half of 1992 was widely recognized as a liberal and an advocate of shock therapy, a major neo-liberal economic policy tool. Some basic institutions of liberal democracy and market capitalism were indeed in the making. A multi-party political system was established. Reasonably free and fair elections were held. The media became substantially free in most formerly socialist European countries. The emergent new societies were governed by the rule of law. The executive branch (be it parliamentary or presidential) had to deal with freely elected legislatures. Constitutional courts checked whether the laws passed by the legislature were in accordance with the constitution (even in Russia a powerful Constitutional court operated between 1991 and 1993). It looked like the three branches of government (the executive, the legislative and the judiciary) were rather autonomous and some system of checks and balances were operating. At the same time, institutions of market capitalism were evolving. Private ownership was sacrosanct and attempts were made to pass legislation regulating the orderly conversion of public property into private wealth. Basic institutions of free market economy (bankruptcy laws, central bank with relative autonomy from the legislature and from the executive, free flow of labor and capital) were also designed.

A quarter of century after "Die Wende", as the above citation from Bálint Magyar indicates, the road to liberal democracy and market capitalism turned out to be rockier than expected. By the middle of the second decade of the 21st century one begins to wonder if the previously widely accepted doctrine "democratic teleology"

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<sup>1</sup> In this paper, we use the terms democracy in a narrower definition of the concept. Some authors use the term democracy to write about liberal democracy (rule of law, separation of powers, security of property and majoritarian rule), others merely define democracy as a system in which leaders were elected by majoritarian rule. We do not cast our vote one way or another in this complex theoretical debate, but we use the term in the second, narrower sense of the term.

<sup>2</sup> Some East European countries did not experiment with liberal democracy at all. Tudjman's Croatia or Milošević's Serbia, Bulgaria or Romania in the early 1990s were far from any conception of liberal democracy or even free market capitalism. As Ken Jowitt, a Romanian expert at UC Berkeley pointed out (1996) it was not quite clear, which direction post-communist societies would take: will they become "civic", or "ethnic" (and Jowitt predicted the ethnic turn would be more likely. Unfortunately almost 20 years later we have to concede: he made a good point, valid not only for Romania.)

(Carothers, 2002; Trencsényi, 2014; Levitsky and Way, 2002) is valid at all. “Transitology” and the “third wave of democratization theory” acknowledged that consolidation of democracy may take a long time, but usually it is assumed that deviations in early stages of the transition from models of liberal democracy are only transitional. At one point or another all societies would eventually arrive at the final destination, liberal democracy.

Francis Fukuyama, who exactly 25 years ago announced the end of history<sup>3</sup>, shares Bálint Magyar’s anxieties. Fukuyama, in his recent book, *Political Order and Political Decay* (2014)<sup>4</sup> did not only acknowledge that some countries in transit have not only not proceeded to democracy but he also shows that some even made U-turns and reverted to autocracy. Fukuyama successfully demonstrates that democratic intuitions do not only evolve, but that they can also decay, even in consolidated democracies (hence the title of Berman’s review of this book in *New York Times*: “Global warning”).

In this paper, our aim is not as grandiose as Fukuyama’s. We merely try to understand the nature of political economies of post-communist countries, which did embark on the road to liberal capitalism and which now appear to be diverging from liberalism. We pay particular attention to Russia and Hungary; however, the phenomenon may be taking place in several other countries as well.

One could of course follow Fukuyama’s argument and suggest that such a divergence from liberal democracy is taking place generally on the semi-periphery or periphery of the world system. This may very well be the case, but in this paper we face a challenging enough task to understand this shift in post-communist Europe.

Indeed, the drift from the road to liberal democracy in post-communist Eastern Europe occurs at different points in time, and the degree of deviation varies. Furthermore, the institutions affected by the changes differ from country to country. We also need to note that moving from one system to another is certainly not a one-way street; countries often shift back and forth between trajectories.

We describe the features of the emergent illiberal post-communist systems in political terms. Authors often write about “autocracies”<sup>5</sup>, “electoral or competitive autocracies” (Shevtsova, 2000, Levitsky and Way, 2002 and 2010, Levitsky and Way use the term also for some countries in Africa and Latin America), “managed democracies” (Anderson, 2007), “illiberal democracies” (Zakaria, 1997)<sup>6</sup> – we<sup>7</sup> wrote about “managed illiberal democracy” combining Gati and Anderson). Some analysts emphasize the features that distinguish these systems economically from free market

<sup>3</sup> His book, *The End of History* was published only in 1992, but he already presented the same ideas in an article in 1989.

<sup>4</sup> For a review of this book see Sheri Berman’s work in *The New York Times* („Global Warning. Francis Fukuyama’s ‘Political Order and Political Decay’”).

[http://www.nytimes.com/2014/09/14/books/review/francis-fukuyamas-political-order-and-political-decay.html?\\_r=0](http://www.nytimes.com/2014/09/14/books/review/francis-fukuyamas-political-order-and-political-decay.html?_r=0) Accessed: 30-10-2014.

<sup>5</sup> For a recent sophisticated formulation see Kornai, J. (2014) *Fenyegető veszélyek* (Threatening Dangers). *Élet és Irodalom*, May 23

<sup>6</sup> See also Gati, C. (2013) *Hungary’s Backward Slide*. *New York Times*, December 12.

<http://www.nytimes.com/2011/12/13/opinion/hungarys-backward-slide.html> Accessed: 30-10-2014.

<sup>7</sup> Ladányi J. and I. Szelényi (2014) *Posztkommunista neo-konzervatizmus* (Post-communist Neo-conservatism). *Élet és Irodalom*, February 2.

capitalism. Hence they call it “political capitalism” (Staniszki, 1990), “state capitalism”<sup>8</sup>, “crony capitalism” (Sharafutdinova, 2011). Others describe these systems as some sort of “neo-patrimonialism” or “neo-prebendalism” (King and Szelenyi, 2005). The most recent formulation of this concept – specifically applied to Hungary – calls the second and third Orbán government “mafia state” (Magyar, 2013, 2014, see also for an earlier and broader definition of mafia state Naim, 2012) Naim refers to Russia and Bulgaria, but also to countries in Latin America and elsewhere in the world).

The powerful theory of “mafia state” sees the recent Hungarian post-communist state not as the organized “under world” but rather as an organized “upper world”. In such a system the prime minister acts as a Godfather, (capofamiglia, the Don) and uses public authority to pursue his own economic interests and the economic interests of his real and “adopted” families (composed of all loyal followers) in an unpredictable (un-orthodox), illegitimate and un-ideological way (2014:10 and 14)<sup>9</sup>.

Less attention is paid in the literature to the ideology of the emerging post-communist system. We call it post-communist traditionalism/neo-conservatism<sup>10</sup>. We will elaborate in the last section of this paper what that ideology is and why it seems to have substantial popular support.

The aim of this paper is to offer a synthesis of various conceptualizations. Our aim is to propose a genealogy of what we call post-communist managed illiberal democracy where property relations shift from private property and market capitalism to neo-patrimonial and eventually neo-prebendal property relations<sup>11</sup>. Rather than dismissing the emergent system as illegitimate<sup>12</sup> we want to understand the

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<sup>8</sup> Wooldridge, A. (2012) The Visible Hand. *The Economist*, January 21.

<sup>9</sup> In this paper, we do not aim at a comprehensive review of the relevant literature, which is far too extensive for a short essay. We only picked some examples from the literature to illustrate the diverse ways post-communist deviations from liberal democracy are conceptualized.

<sup>10</sup> We struggled in this paper to find the proper label for the post-communist ideology of “Putinism”. Initially we were attracted to the concept of neo-conservatism, but in itself it proved to be too multifaceted. The term neo-conservatism was coined in the US in the 1960s and its meaning changed over the past half century and is still contested. (See for instance Hunter, J. (2011) What is a Neoconservative? *The American Conservative*, June 23. <http://www.theamericanconservative.com/whats-a-neoconservative/> Accessed: 30-10-2014.) The term used for Hungary by Zoltán Gábor Szűcs (2012). Given the inconsistencies in the term neo-conservatism we also add the concept of “traditionalism”, the term Putin’s major US supporter, the conservative Buchanan likes to describe himself with. In the relevant section of this paper we will define our use of the terms.

<sup>11</sup> In this paper, we use the terms “patrimonial” and “prebendal” in the weberian sense of the terms. Under “patrimonial” authority, property holders receive their property at the grace of their master (fiel), but their property rights are usually secure and their property is inherited. Under prebendal authority, property (benefice) given to the followers for their services, but rulers can revoke this property at any time (Weber, 1978:235). We use the terms neo-patrimonial and neo-prebendal to distinguish the post-communist property relations from traditional authority. Under post-communist conditions property is allocated by political bosses, not by personal masters.

<sup>12</sup> Following Max Weber, we regard all domination as legitimate as long as those subordinated to authority obey orders without being coerced to do so. Illegitimate power, involuntary compliance is only a “limiting case” (Weber, 1978: 212-215). Hence we are reluctant to call any political system from Putin’s Russia to Orbán’s Hungary (or for that sake Kádár’s Hungary or Deng Xiao Ping’s China) which attracts,

mechanisms, how the system legitimates itself, hence what the ideology of the system is (that is what we call “post-communist traditionalism”/ neo-conservatism).

We have three sets of “variables”: economic institutions, political organization and ideologies. These variables or dimension, interact with each other. To put it with Weber: we want to explore the elective affinities<sup>13</sup> between political systems, economic institutions and ideologies. Most attempts to explain the nature of post-communist system do focus on one of these dimensions. We, on the other hand, try to explore the interaction of them.

Before we proceed further, we have to define our terminology.

### *Defining the concept of liberalism and democracy*

We make a critical – and we concede: controversial – distinction, much like Montesquieu ([1748] 1989: 157), John Stuart Mill ([1859] 1993: 72-73) or recently Zakaria (1997: 24-25) between democracy and liberalism. In this paper we define democracy and liberalism as two distinct dimensions of “good governance”. In fact we distinguish between four types of governance: liberal democracy, illiberal democracy, liberal autocracy and illiberal autocracy (which in extreme cases can be called despotism or dictatorship). These are of course ideal types in the weberian sense of the term. Liberal vs. illiberal; democratic vs. autocratic are two opposing poles on a scale. There is hardly any actually existing system which perfectly fits one of these polar concepts. Hence we are reluctant to use a 2x2 table and fit individual cases into each of the boxes<sup>14</sup>, our aim is not to fit individual countries into one of the boxes, but try to estimate the distance of these cases from two or even from each of these boxes.

### *Democracy*

We start this definition of democracy with Samuel Huntington, who offered a “minimalist definition” that can accommodate both liberal and illiberal practices and in this paper we follow Huntington’s conception:

“Elections, open, free and fair, are the essence of democracy, the inescapable sine qua non. Governments produced by elections may be inefficient, corrupt, shortsighted, irresponsible, dominated by special interests, and incapable of adopting policies demanded by the public good. These qualities make such governments undesirable but they do not make

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or attracted a great deal of “voluntary compliance” and even some degree of “belief” in the system as “illegitimate”.

<sup>13</sup> Weber did not believe in the possibility of causal explanation in the study of social life. Relationship between economic interests and ideologies can be best understood as “elective affinities” (Wahlverwandschaften, see Gerth and Mills, 1946: 62 and 284)

<sup>14</sup> It is useful to use the democracy index of the Economist Intelligence Unit to distinguish between “democracy” and “liberalism”. They measure “democracy” in five dimensions: 1/electoral process; 2/functioning of government; 3/political participation; 4/political culture and 5/civil liberties. For this paper we use dimension 1/ as a definition of democracy and especially dimensions 2 and 5 as definition of liberalism. For details, see

[http://www.eiu.com/public/thankyou\\_download.aspx?activity=download&campaignid=demo2010](http://www.eiu.com/public/thankyou_download.aspx?activity=download&campaignid=demo2010)

Accessed: 30-10-2014.

them undemocratic. Democracy is one public virtue, not the only one, and the relation of democracy to other public virtues and vices can only be understood if democracy is clearly distinguished from other characteristics of political system” (Huntington, 1991:9; cited by Zakaria, 1997: 25).

In agreement with Huntington and Zakaria, we use the term democracy merely to refer to “majoritarian” legitimation of domination, selection of leaders by votes of the majority. Even this simple definition has many complex issues with many miniscule details. Whose majority? What are the rules, which guarantee “open, free and fair” elections?

In the late 18th century, the United States was close to the ideal type of liberal democracy, despite the fact that women and blacks did not have the right to vote. There were severe restrictions even on white men’s electoral rights that conditioned the power to vote on property ownership or the ability to pay taxes<sup>15</sup>. There never were and most likely, there never will be elections, which are completely “open, free and fair”. Although democracies are generally becoming more inclusive, there are still major fluctuations in terms of fairness and openness of elections, both in the positive and negative directions. At one point, some electoral rules may become so restrictive that one begins to wonder whether this system is still “democratic”. In addition, the notion of democracy is relative. In the world today, the liberal form of democracy is hegemonic. Thus, Putin’s and Orbán’s illiberal democracies are questioned whether they are democratic at all (Levitsky and Way challenged Zakaria and see illiberal democracy as a contradiction in terms, 2002 and 2010). Freedom House for the last decade re-classified for instance Russia from democracy to autocracy (indeed there were reasonably credible claims of fraud in recent elections, nevertheless Russia held regular elections and the ruling party at its last elections almost lost its parliamentary majority – hence elections, even in Putin’s Russia are not without stakes).

### *Liberalism*

We define liberalism as the political system in which various branches of power (the executive, legislative and judiciary and arguably in our time a fourth branch, the media) are separated from each other and private/individual freedom and property is sacrosanct.

In July 26, 2014, Prime Minister Orbán in the Romanian resort Băile Tuşnad (Tusnádfürdő) called the political system he is dedicated to construct – in our terminology quite accurately – an “illiberal democracy”. He used the term “illiberal” in a somewhat different way than we use it. “Liberalism” for Orbán means the excessive emphasis of individual interest over the “national” interest. One can interpret “national interest” as “public interest” (we will explain later the potential difference between “national” and “public” interest). George Schöpflin also criticized what he calls the “liberal consensus” for ignoring “collective identities” (among them

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<sup>15</sup> Around 1790 about 60-70 percent of white men had voting rights in the newly formed USA under the arguably most liberal constitution in the history of humankind. No women, no blacks and no people without any property, or at least no people who did not pay any taxes could vote.

“national” identity appears to be the most critical for him) and advocates “illiberalism” (2014:12; 17).

Viktor Orbán is quite right: how much emphasis we put on individual liberty and national (public) interest is a key question of good governance.

There are neo-liberals who indeed can be seen as believing that public interest is merely an aggregation of individual interests. Adam Smith is often interpreted as an advocate of this view. Indeed, in *The Wealth of Nations* he wrote “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but their regard of their own interest” (Smith [1776] 1977:15). This seems to be what Orbán sees as “liberalism”.

However, what is “self-interest”? In classical liberal theory (and in the practices of the most liberal political regimes of our times) it is nothing opposed to public interest, as Orbán’s speech seems to imply. Smith in his *Theory of Moral Sentiments* is very clear about this: “No matter how selfish you think man is, it is obvious that there are some principles in his nature that give him an interest in the welfare of others, and make their happiness necessary to him” (Smith [1759] 2006: §1).

The critical point of reference of Smith’s “sympathetic theory of human nature” is not the “nation”, but it includes into the concept of self-interest the interest of all “others” we interact with, irrespective of their ethnic or national identity. In this sense, such a public interest results from the interest of individuals, rather than from the interest of some “imagined community”, like the “nation” (Anderson, 1991). Furthermore, who can question the 20th or 21st century liberalism of the Swedish or Danish state and acknowledge they have a well-developed notion of the “public good”, which arguably is consistent with Adam Smith’s sympathetic theory of human nature.

The emphatic reference to national interest is of a different order. National interest does not stem from interests of interacting individuals, but from the interests of the “imagined community” of the nation (if imagined communities can have interests) to use Benedict Anderson’s theory (Anderson, 1991).

Hence, it is possible to argue that for Putin (or Orbán) the emphasis on national interest drives their desire to achieve the dominance of the executive branch over the other branches of government. It is the executive branch which sees the national interest and should not be bogged down on this effectively by a politically divided legislature or a bureaucratic judiciary. Similarly, the media must also be constrained not to question the national interest in the name of individual liberties.

Let us return to Montesquieu and Mill. The problem of the post 2010 Hungarian regime (or post 2000 politics of Putin) is not so much that it violates the rules of majoritarian (democratic) policy (it actually does do that too). United Russia and Fidesz did manipulate electoral rules and United Russia may have even cheated during the 2011 elections, but the unique feature of these regimes is that they exercise power in an illiberal, non-moderate manner.<sup>16</sup> Are Russia under Putin or Hungary

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<sup>16</sup>The critical question is whether an opposition party, which at least in principle can rotate governmental power, exists or not. In a parliamentary system if the ruling party has a two-third majority, the separation of the executive and legislative branches basically becomes a fiction. If such a supermajority manipulates electoral rules so the ruling party keeps winning elections, the system is on the verge of becoming undemocratic, or autocratic. Freedom House does not regard Russia since 2004 as democratic, but listed Hungary even in 2014 among the democracies.

under Orbán illiberal democracies? Even Putin or Orbán would not contest the “illiberal” label, they are proudly illiberal. But are their regimes “democratic”? There is no simple yes/no answer to this question. With counter-factual reasoning we would suggest they can be regarded as democratic as long as according to the established electoral rules those in position of authority can be removed from power in regularly held elections.

There are also liberal autocracies, those are typically constitutional monarchies. Zakaria gives the Austro-Hungarian Monarchy as an example (1997:29) of a liberal autocracy. Nevertheless even the Hobbesian “good monarch”, hence an absolute monarch can act in reasonably liberal (moderate) ways. We are pushing our luck now: for instance the rule of Crown Prince Mohammed bin Zayed al Nahyan, the absolute ruler of Abu Dhabi is quite “moderate”. Well, the record of Abu Dhabi on civil liberties is miserable, but it certainly has a sort of “rule of law”, it offers a predictable environment to business and security of private property. It is “legal-rational order”... While the ruler is the source of law, the law is upheld, predictable and though Abu Dhabi does not offer much individual liberty it operates with a quite efficient and non-corrupt government. We certainly would not call UAE “liberal”, but it is somewhat inbetween the “liberal” and “illiberal” poles of governance. What about Singapore? Singapore is of course not much of a democracy (though it does have a more and more competitive electoral system), but it certainly has some “liberal” features. It falls short of liberalism in guaranteeing individual liberties, but it performs reasonably well in terms of rule of law, predictability of the legal system and property rights and non/corrupt, efficient functioning of the government. While Putin’s Russia and Orbán’s Hungary are illiberal managed democracies, Singapore is an autocracy with some liberal features. While we are in some pain in calling any of the existing autocracies in the world today liberal in the full sense of the term, some autocracies tend to have more “liberal” components than some of the “managed democracies”.

John Stuart Mill believed that separation of powers, or liberalism, the guarantee of individual liberties is more important for good governance than majoritarian approval of the person in authority. Mill (just like Tocqueville, [1835-40] 2003) was greatly concerned about the “tyranny by the majority”, a situation in which a democratically elected leader is not bound by liberal principles and by the separation of powers (J.S. Mill [1859] 1993: 72-73).

By the late 20th and early 21st centuries, however, there is a consensus in the North-Atlantic region: the “best government” is liberal and democratic, a combination of the two dimensions of “good governance” (see Levitsky and Way, 2010 and others<sup>17</sup>). In our view it does not make the analytic distinction between these two dimensions redundant, but explains the hegemony of the ideology of liberal democracy.

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<sup>17</sup> Kornai, J. (2014) Fenyegető veszélyek (Threatening Dangers). *Élet és Irodalom*, May 23



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*Shift from individual private property rights to neo-patrimonial or neo-prebendal property system*

A critical question of liberalism is that individual/private property rights are sacrosanct. Liberalism turns into illiberalism, when one questions the security of individual property rights.

In post-communist capitalism, there are at least two challenges for the legitimacy of individual private property. These are arguably unique features of post-communism, which may not be found in all, or even most semi-peripheral or peripheral economies.

First, the conversion of public property into private wealth happened over a short period of time, 500 days or five years. Especially when there is a legal vacuum, how to do it, upholding principles of legal-rational authority is extremely complex. It is next to impossible to do this in market consistent and legally/morally legitimate ways. Most - if not all of those - whom benefited from this conversion process have a "skeleton in their closet", if not in legal, then at least in ethical terms.

In principle, the conversion of common property into individual wealth could have occurred if the new owners could have purchased the collectively owned assets in competitive bidding at market prices. However, that was often impossible for two reasons. 1/ The domestic bidders did not have the capital to pay the value of common property and 2/ even if they did (foreign large investors certainly did), then they did not have good enough information to evaluate the real value of the property they would have purchased. So even with the best intentions the emergent legal-rational authority, the liberal system needed to rely on some sort of neo-patrimonial support to decide who the new owners would be (domestic investors needed "connections" to get credits, foreign investors needed "connections" to obtain information about the real value of the firms they wanted to purchase).

In this paper, we distinguish between three systems of property right allocation: 1/ A market driven system, supported by a secondary neo-patrimonial mechanism: public property was sold on the competitive market place, but access to credit for domestic investors (with little or no capital) and access to information for foreign investors depended on some neo-patrimonial connection to those who controlled credit/and information. In Central Europe during the 1990's the dominant system of property allocation was mainly market driven.

2/ Neo-patrimonial allocation of public goods to private investors within a legal-rational framework: political authorities operate in a democratic framework (even if it is somewhat already managed) and have to win elections so they need loyal supporters especially among big businesses who controlled the media hence they "appoint" the new grand bourgeoisie, anticipating their loyalty. The property allocated this way was at the grace of political powers. Nevertheless property rights were rather secure. This was like fief, however unlike classical fief this was closer to private property since it was alienable. The new property owners felt empowered by the security of their newly acquired wealth aspired even for political power. The archetype of this system was Yeltsin's Russia. Some commentators of Yeltsin's Russia suggested that by the end of Yeltsin's rule some oligarchs had de facto privatized the state. This was a case of state capture.

3/ Attempt by a new generation of political leaders to turn neo-patrimonial property into neo-prebendal one: once the “commons were enclosed”, there was no more public property to be privatized, nevertheless the (quasi) democratic framework of politics still required the political rulers to create political support. Under such conditions, they had no option but to redistribute property already allocated. They did so by withdrawing property from owners who were not seen as sufficiently loyal, or suspected to have too high political ambitions and reallocating this property (as “benefice”) to owners who were believed to loyally serve the political powers. We call this the system of neo-prebendalism, which operates with a much-reduced system of legal-rational authority. It appears to be a system of rule of law, but since the legislative branch is not sufficiently autonomous the laws change easily if the executive branch needs this, occasionally even retrospectively. If the opposition is too weak and rotation of government becomes difficult. The political regime – even if there are regular elections – may cease to be democratic and can turn into an autocracy. Putin’s Russia comes close to this type. The Orbán government in Hungary is next in line. Arguably, the road from democracy to autocracy is paved with the “stones” of illiberalism. While illiberalism does not necessarily eliminate democracy, it creates conditions (given the weakness of Constitutional Courts and the legislative branch) for particularly powerful political leaders to flirt with abandoning democratic procedures if they may sense their electoral support eroded and they may not win the next elections.

*The ideology, which legitimates the illiberal neo-prebendal system of post-communist capitalism: traditionalism/neo-conservatism*

However, as long as the political rulers operate in a democratic framework the elites need more than just the support of big money (they are important especially due to their control over the media). They also need the popular vote. Hence, they have to come up with an ideology, which would appeal to “ordinary people”, and especially to people with very strong national (and religious) collective identity.

The extraordinary success Putin and Orbán had at the polls has a lot to do with their ability to formulate an ideology fitting into the world view of a substantial proportion of their electorate. Manipulating the rules of elections is only part of the story. The other part is finding an ideology that is appealing to people who would later vote. We call this ideology post-communist traditionalism/neo-conservatism.

What are the key elements of traditionalism/neo-conservatism?

These were the major building blocks (and remain so) for all conservative/traditionalist movements: patria, the church and the (traditional) family. What is “neo” or “post-communist” about them?

Mainstream conservatives (such as the CDU in Germany or the “moderate” Republicans in the US) are often critical of left-wing, JFK, liberalism (especially on their efforts to build “excessive” welfare systems – hence they tend to stand by “small states” – and they were critical of “affirmative action” programs). Classical conservatives however, tend to retain respect for individual liberty and if there is a conflict between traditional values and individual liberties they may defer to individual

liberties and stand by the separation of powers. (Ironically the traditional conservative opposition to affirmative action is cast in “liberal” terms”: it violates individual liberty of whites against underprivileged African-Americans or Latinos)

As Skocpol and her co-authors (Williamson, Skocpol and Coggin, 2011) pointed out, there has been a revival of conservatism in the US (and we may add, elsewhere in the advanced world). In the US this was especially prominent with the rise of the so called Tea Party (which is of course no “party”, just a movement within the Republican Party), especially in its “socially conservative wing”<sup>18</sup>. We call this new conservative revival – and we will argue it has a great deal of affinity with the ideologies emerging in some post-communist countries – as traditionalism/neo-conservatism. In the US the main characteristics of this conservative revival according to Skocpol and he co-authors are: 1/ they identify themselves primarily as social conservatives (Pat Buchanan – one of the forerunners of the movement – as we will show, calls himself paleo-conservative/traditionalist); 2/ they are “populists” in the sense they do inspire a popular movement, stage “culture wars” – extra parliamentary actions – around socially conservative issues (like abortion, gay rights etc.); 3/ they make a critical distinction between “workers” and “people who do not work” and they oppose only government which gives “hand-outs” to the “undeserving poor” (hence they are not as anti-statist as it appears in their rhetoric); 4/ they are anti-immigrants, most of their support comes from white males and tends to be opposed to racial/ethnic affirmative action; 5/ they tend to be patriotic and religious, advocate teaching of creationism, prayers in school etc.

The value system of post-communist traditionalists/neo-conservatives and the palinites wing Tea Party values are rather similar<sup>19</sup>. However, there are some differences. The Tea Party neo-conservatives/traditionalists are at least rhetorically against “big governments” though they use governmental powers to promote social conservative causes and some universal insurance schemes such social security and Medicare. Post-communist traditionalists/neo-conservatives are rather statist, not only in social issues but also in matters of economic policy.

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<sup>18</sup> The Tea Party is a multi-faceted movement within the Republican Party. Ron Paul, a libertarian who was in foreign policy matters an isolationist initiated the movement. By 2010 Sarah Palin become one of the most influential figure of the Tea Party and she is a rather extreme social conservative and a foreign policy hawk. During the 1960'-1990's, before Palin neo-cons were merely that wing of the Republican Party which were foreign policy hawks and advocated that the US has play its role at the great power of the world, but most neo-cons did not take strong stances in social conservatism. Palin combined now the two and emerged as a Tea Party version of neo-conservatism combined with traditionalism. Nevertheless, Rand Paul retained the libertarianism and isolationism of his father, so the Tea Party movement has two wings: the palinites and the paulities. Post-communist traditionalism/ neo-conservatism is the closest to the palinite version of Tea Party: emphasis on patria and religion combined with social conservatism (See Hunter, J. (2011) What is a Neoconservative? *The American Conservative*, June 23. <http://www.theamericanconservative.com/whats-a-neoconservative/> Accessed: 30-10-2014.), and they are also “hawks” in foreign policy. See Putin's policies in Ukraine or Orbán's position towards the EU and USA and his emphasis on “freedom fight”.

<sup>19</sup> Clifford Gaddy wrote: “I am sure I could put together a long list of quotes that would make Putin seem like a card-carrying member of the Tea Party” (Cited by Taylor, A. (2013) Pat Buchanan Tells the Truth about Vladimir Putin that American Conservatives Don't Want to Hear. *Business Insider*, December 17. <http://www.businessinsider.com/is-vladimir-putin-a-us-style-conservative-2013-12> Accessed: 30-10-2014.)

### *Challenges of liberal democratic ways to capitalism in Central Europe*

As we pointed out earlier, in 1989-1991 the legitimating ideology of the new political elites was liberal democracy and free market capitalism in most European post-communist societies.

It is important though to see that these societies were at least for the first decade “transitional”. These societies struggled with the rather extraordinary challenges to build “capitalism without capitalists” within a very short period of time (Eyal, Szelenyi and Townsley, 1998) – a non-trivial task indeed.

While free market capitalism was the hegemonic ideology, even the most liberal countries of the region faced some difficulties to grow up to their ideals. The single most important challenge was the rapid conversion of property rights. Most neo-classical economists believed that the crucial step was to create identifiable private owners for the formerly public property. The Yeltsin-Gaidar team promised to “create” capitalism in 500 days. Central Europe may not have been in quite such a rush but was not far behind. While in England the “enclosure of the commons” took hundreds of years, in post-communist societies the original accumulation of capital took place within a few years. This inevitably brought some “neo-patrimonial” elements even in the liberal version of post-communist systems. While this greatly varied from country to country the legal rules which regulated the conversion from public goods to private property were not sufficiently well defined and left a great deal of room to discretion of political authorities, personal networks to create private ownership.

In countries where vouchers were critical in the process (like in the Czech Republic, Poland and most of all in Russia) there was much more room for clientelistic manipulation of the process. The new private property was secure, but the new owners needed the good will of political powers, bureaucratic office holders to acquire their property. Privatization agencies, banks had to decide who would qualify for loans and they could not use the classical mechanisms of creditworthiness since virtually no one had a credit history.

Even in the case of the most liberal country, Hungary during the 1990s it was useful to have some “patrimonial” connections. We give here two examples (see Kolosi and Szelenyi, 2010). One could have had enormous advantage given sufficient inside knowledge what the real value of the public good offered for privatization was. For the purposes of privatization, one could borrow up to 90 percent of the purchase price in the form of a very low interest rate government loan. It is obvious that people with authority could “help” that the „right” people would get the privatized assets. Hungary was arguable the weakest or at least one of the weakest cases of neo-patrimonialism. Russia under Yeltsin was the strong case.

We will suggest in the next section that Russia played a leading role in shifting property allocation from one primarily based on the market and turn its democratic system increasingly illiberal. In retrospect, one can see some early signs in a number of Central/East European countries – even in the more liberal ones – to move in this direction. The crucial issue was privatization, to what extent governments/political powers can/or shall leave privatization to the “blind” forces of the market. Some “neo-

patrimonial” element inevitably played a role<sup>20</sup> hence some office holders (politicians, especially managers) and their “clients” (children, kin, acquaintances) had better than average access to privatized assets (through the mechanisms we just described).

There were also some early “illiberal” attempts to limit the separation of powers. The media was especially an early target. Politicians elected to office (often conservatives) resented the criticism by media, often controlled by people from the socialist times (usually liberals). Hence attempts were made (often nasty fights fought, like under the Antall government in Hungary) to bring the media under governmental control. But with the exception of the South East (Serbia, Macedonia, Albania, Bulgaria, Romania) generally in the region checks-and-balances and the rule of law were the names of the game (even under the rule of Mečiar in Slovakia, Klaus in the Czech Republic or Antall in Hungary).

### *The neo-patrimonial way to capitalism in Yeltsin’s Russia*

The privatization practices of Russia during the 1990’s were overdetermined by the desire to “create capitalism” in 500 days. Advocates of voucher believed that it is a democratic mechanism to achieve fast and fair privatization. The vouchers mailed out to every citizen of Russia were supposed to represent a certain share of the public wealth. When Yeltsin announced the program, he stated the following: “We need millions of owners rather than a handful of millionaires”<sup>21</sup>. He might have believed that, but that was not the case in reality. In 1996, just five years after the collapse of the USSR Yeltsin was facing a challenging re-election with a serious communist candidate (Zyuganov). The seven biggest financiers of Russia, who otherwise were fighting each other, combined forces to help his re-election, just to prevent the victory of a communist in the presidential elections ... and they achieved their aim. The seven claimed – just five years after the collapse of communism – that they owned half of all the wealth in Russia<sup>22</sup>. These seven oligarchs owned most of the media as well ...

How could that happen? Yeltsin “managed” the privatization process from the Kremlin. It turned out most Russian did not know what to do with their vouchers (like most Hungarians did not know what to do with the “compensation tickets” – and the

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<sup>20</sup> Hence in year 2000 unsurprisingly only two major Central European countries, Hungary (#32) and the Czech Republic (#42) were ranked by Transparency International (TI) among the 50% least corrupt countries (out of the 90 countries they investigated), Poland, Slovakia, Romania, Russia were in the bottom half. The ranking remains the same in 2008 while by 2013 out of 177 countries Poland (#38) overtakes Hungary (#47), but Hungary remains solid #2 since it is ahead of the Czech Republic (#57) and is way ahead of Slovakia and Romania. Russia is close to the bottom all along. Russia ranked as #82-83 out of 90 in 2000. Its ranking improved slightly to # 127 out of 177 by 2013. ([www.transparency.org/country](http://www.transparency.org/country)). The degree of corruption is substantial, but especially in Poland, Hungary and the Czech Republic rather constant and “mediocre” over the past 25 years. October 29, 2014 Miklós Ligeti the Hungarian director of TI in Népszabadság (p.5) suggested Hungary is now #119 out of 144 countries, but these data are not yet on the official website of TI so we have to take this with a grain of salt. A fall from #44 to #119 in one year sounds like a stretch – if true it would support a rapid fall into the mafia state category very recently.

<sup>21</sup> Cited by Aslund, 1995: 235

<sup>22</sup> See World Bank (1998) The Big Seven.

story is similar in the Czech Republic and Poland with various types of vouchers) hence they sold those well under nominal value to various investors.

These investors turned up at privatization auctions and the Kremlin had to decide who would win those auctions. When theory turned into practice, Yeltsin de facto “appointed” a handful of billionaires. According to Klebnikov Yeltsin relied mostly on advice from his beloved daughter, Tatyana. When a major auction was coming up Tatyana told Yeltsin: this is a good man, should get the property, this is a bad man, should not get property (Klebnikov, 2000: 202-203). Public property was often grossly undervalued. There were also various mechanisms of manipulating the process of privatization<sup>23</sup>. This was the way in which very young people like Abramovich (who eventually moved to live in the Kremlin, with the “family” as the Yeltsin circle was referred to) and entertained Tatyana for weekends in his dacha. Similar was the trajectory of Deripaska who married Tatyana’s stepdaughter, the beautiful Polina Yumashev so he indeed joined the family (Tatyana’s second husband was Yumashev, a journalist who became an influential adviser of Yeltsin and Polina was his daughter from an earlier marriage).

Was the Russian state in the 1990s a “mafia state”? Not quite. Klebnikov uses terminology not unlike the one used by Magyar, hence he calls Yeltsin the “godfather” and refers to his circle of protégées as the “family”. In some ways it was an organized “upper world”, Yeltsin appointed a new grand bourgeoisie, one may be tempted to call it a class of “boyars” – now referred to as “oligarchs” – but he did this in order to consolidate his political power rather than maximize his personal wealth. Under Yeltsin’s neo-patrimonial system, the oligarchs did indeed behave like the boyars. They not only felt that their property rights were secure but also they had political ambitions, control over the media, taking public office (like Berezovsky was for a while Yeltsin’s national security adviser). How much Yeltsin benefited financially from the system is hard to tell – Tatyana after Yeltsin’s fall from power moved to London and lives obviously comfortably but in all likelihood these financial benefits were trivial in comparison with the enormous wealth of the oligarchs Yeltsin appointed.

Russia under Yeltsin started to shift away from the liberal model very early on. Russia did retain to some extent the “democratic system” (if that merely means leaders are elected in reasonably free elections to office – as Yeltsin was in 1996 and as Putin was in 2000 and later two more times). True, the system was “managed”; in 1996 by the oligarchs who controlled the media stood behind Yeltsin (some of them also supported Putin in 2000). The system was turning “illiberal” under Yeltsin not only by overruling the procedural, market driven logic of property allocation by a paternalistic or neo-patrimonial way to do it, but also by limiting the powers of the legislature. In 1993 Russian parliament intended to impeach Yeltsin, Yeltsin counterattacked, stormed the parliament by military force. He adopted a new constitution that gave him greater powers. He dismissed parliament and called a new election. This election (December 1993) did not go his way and resulted in a parliament, which was opposed to many of his policies – an ironic reminder of the

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<sup>23</sup> Klebnikov gives a detailed description how the Kremlin manipulated auctions. He also gives an interesting example of undervalued assets. According to Klebnikov Gazprom was valued to be worth \$250 million when privatized in 1994. It was estimated to be worth \$40 billion in 1997 (Klebnikov, 2000:135).

importance of “democracy” even in Yeltsin’s Russia. Elections in Russia still had a stake. Yeltsin also dissolved the Constitutional Court and when he re-established the Court, he greatly diminished its powers. The key point is this: Yeltsin not only exercised illiberal, non-market ways to allocate property, he also moved in an illiberal direction by reducing the separations of powers of the executive, the legislative and the judiciary and greatly increasing the powers of the executive. The Yeltsin (and later on Putin) regime was drifting away from liberalism, but was retaining at least some elements of majoritarian rule (hence democracy in our terminology) as the way office holders are selected and as the (most important or at least one of the most important) legitimating principles of the system.

### *The neo-prebendal turn: Putin’s redistribution of property rights and managed illiberal democracy*

As Putin came to power, in 1999 as Prime minister and in 2000 as President he was rather uncomfortable with the excessive power of the “boyars” or “oligarchs”. While the oligarchs supported him, they did not know whom they supported. They expected another Yeltsin and they anticipated money would stay in power. The dominant oligarch of the Yeltsin’s years, Berezovsky learned otherwise really soon and the hard way. Berezovsky was the owner of one of the most popular TV channels. According to one anecdote (whether it is true or not, who can tell? – it is a case of he-said-so-she-said-so) once Putin was elected as President asked Berezovsky – one of his strong supporters – to visit him in his office. He told Berezovsky who the CEO of TV6 should be. But Mr. President, Berezovsky responded, this is a capitalist society, the owner appoints the CEO ... Well, you wanted me to be president; you got me – responded Putin. Berezovsky got the message – unlike Khodorkovsky – so he got on the plane and went to London. He passed away there in 2013 – the circumstances of his death are rather mysterious.

There are two points we would like to raise at this time. 1/ The “oligarchs” were becoming too powerful, Putin wanted to put them on a leash and persuade them to keep out of politics. 2/ All the commons were already “enclosed”, the only way one could recruit new followers to redistribute to wealth allocated to the first round of oligarchs to a second round of oligarchs. Putin was ready to face both challenges. He was ready to submit the first round of oligarchs to a loyalty test and to dismiss them if they did not pass. He was also ready to redistribute the fortunes confiscated from the disloyal oligarchs to a new set of owners. The political genius of Putin was to convert the neo-patrimonial property relations to neo-prebendal ones. Under Putinism only those who served the political boss well could keep their property. He converted the “boyars” into “pomeshchiks”, into “serving nobility.” His mission was to complete the transformation started by Ivan the Terrible and Peter the Great: to create an obedient class of property holders and make property rights much less secure and much more dependent on the political authority: the first, fatal step toward illiberalism.

However, there were major constraints Putin faced in accomplishing what he had set out to do. He was dancing in the chains of “democracy”. He tried to combine democratic procedures of election of political leaders with illiberal practices.

Given the worldwide hegemony in 1991 of liberal democracy that was as far as Putin could back-pedal: while he could place severe restrictions on liberalism (such as a stronger executive and weakened legislature and judiciary), he still needed the majority approval of his leadership. He needed regularly held, reasonably free and fair elections to legitimate his rule as prime minister or president.

Putin did stay fairly close to “democracy” or “republican rule” as defined by Montesquieu or Huntington (see description of both in the Introduction) though he tried to “manage” the process as much as possible.

We should acknowledge that democratic processes are “managed” in all “actually existing democracies”. In the United States, for instance, if one of the parties gains sufficient electoral majority they often change the boundaries of electoral districts. Criteria of when one can cast a vote are repeatedly renegotiated (can ex-convicts vote – if not, that is clearly a restriction of the Democratic Black vote<sup>24</sup>), do people have to identify themselves when registering or actually voting with their driver’s license (clearly a disadvantage for Black/Democratic voters). Putin “managed” the system not only with such technical procedures. Since the political system was not consolidated, he “manufactured” his own opposition, kept his “opposition” parties, like the communists alive (Anderson, 2007). Zoltán Ripp makes a similar argument about the incorporation of political opposition into the Fidesz system, Ripp, 2014: 97) to make sure the system looks like a genuine “multi-party system” (whether it is or not, is hard to tell).

The main point is this: given the “democratic constraints” on his rule and the iron laws of capitalism and market economy Putin needed a bourgeoisie that would support him unconditionally. While the claim, or “pretense” of democratic/majoritarian legitimacy is so important for “illiberal democracies” would need further elaboration, given the constraints of space here it should be sufficient to note that in the “third wave of democratization“ it is hard or impossible to achieve international reputation without holding regular and apparently free elections of political leaders.

There were various technologies at the disposal of political authority to achieve the aim of redistribution of wealth acquired in the first stage of the accumulation of capital: 1/ the (selective) criminalization of his enemies and 2/ the “transit nationalization” of firms (Békési, 2004:248, also Magyar, 2014: 37). There are some other technologies of power, such as giving concessions of profitable businesses (such as offering monopolistic rights to the sale of tobacco or alcohol to certain merchants) to a network of loyal followers; imposing extraordinary taxes (such as taxes on banks or advertisement, or internet users) – often retroactively, hence contradicting the basic principles of liberal legislation, etc. However, focusing on these two should be sufficient for the time being.

Early in his rule, Putin launched an anti-corruption campaign (noble cause indeed). However, this anti-corruption campaign turned very soon into a campaign against political enemies. This is happening in China, for instance, the campaign against Bo Xilai. His imprisonment is politically motivated, but it was justified by “economic corruption”. Bo Xilai received a “present” of \$3.5 million from a

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<sup>24</sup> Manza and Unger, 2006



businessperson and is now serving a long jail term for this, while the former Prime Minister, Wen Jiabao whose family supposedly accumulated \$2.7 billion during his premiership was never investigated and never prosecuted. This is what we mean by “selective criminalization”. Authorities use criminalization against oligarchs who grew too big and started to have their own political ambitions. Commentators on Russian politics did see in this more like a change in the nature of corruption rather than a real attempt to eliminate corruption. According to Perry Anderson corruption became the essence of the system (Anderson, 2007). Putin put oligarchs, who acquired billions of dollars under Yeltsin, to a “loyalty test”. Those who renounced political ambitions and swore loyalty to the new “tsar” could go on (even people like Abramovich and Deripaska, who were in Yeltsin’s “family”) who did not face either emigration or jail. Bálint Magyar’s mafia state theory makes a similar point. He does not deny corruption existed in previous post-communist regimes, but he claims that after 2010 under the Orbán regime it became government policy, it became the essence of the system.

Undoubtedly, all oligarchs have “skeletons” in their closets. Many nouveau riche cheated on taxes. They paid high officials for their “help” and even if they did not break laws, at least they certainly manipulated them. Authorities can criminalize anybody. However, criminalization is a system or technology of governance (to put it with Foucault). It is a selective process in which some are prosecuted while others are not. Criminalization as a technology of power creates a sense of fear. You never know when they will come after you, unless you express your loyalty all the time.

The technology of criminalization is not restricted to the very rich. Authorities can criminalize even middle class bourgeoisie or small entrepreneurs. According to some estimates, the number of entrepreneurs in jail in Russia can be several hundreds of thousands<sup>25</sup>. According to other estimates, during the past ten years, up to three million entrepreneurs may have gotten jail sentences<sup>26</sup>. If a small entrepreneur has an appetite for the property of his/her neighbor and does have some connections to the police/prosecution they may bribe them in order to prosecute their competition/neighbor so they can put their hands on their property. In the system of Putin, corruption – and criminalization of neighbors or competition – became government instruments (Perry Anderson. 2007).

Another technology of redistribution of wealth from “boyars” to “pomeshchiks” is (from the “bad” oligarchs” to the “good” oligarchs) “transitional nationalization” (see Békési. 2004:248). The re-nationalization of private property in Russia caught the attention of commentators, but at least according to the data by Perry Anderson during the Putin regime public ownership of productive assets grew only by some 5 percent. While no reliable data are available, it is reasonable to assume that most of the re-nationalized property is re-privatized. The government first works on bankrupting a firm. Once it is in serious trouble, they help the firm out by “nationalizing” it and once this is done it is sold again – often supposedly under-priced – to the new, by now loyal oligarchs.

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<sup>25</sup> Lobello, C. (2013) Why Being an Entrepreneur in Russia Could Land You in Jail? *The Week*, August 9, Accessed: 30-10-2014.

<sup>26</sup> Kesby, R. (2012) Why Russia Locks Up So Many Entrepreneurs? *BBC News Magazine*, July 4, <http://www.bbc.com/news/magazine-18706597> Accessed: 30-10-2014.

Putin's firm hand in fighting corruption turned out to appeal to the public. His popularity rose to the stratosphere into the 70's. It was in part driven by the rising oil prices in the early 2000s, which led to annual GDP growth of 6-7 percent and some improvement in the living standards of most classes, especially of the upper middle class (whose members are the most likely to vote during national elections).

### *Post-communist traditionalism/neo-conservatism*

Nevertheless, even before the global financial crisis there were commentators – mainly on the political right, but not all of them right-wingers – who were reluctant to attribute the popularity of Putin only to high oil prices and increased living standards. Some observers argued that Putin managed to restore the traditional system of domination in Russia: an “autocratic” system in which citizens do not have to take responsibility for public affairs. Instead, they can rely on a caring government that would defend them against some real economic perils and some imaginary foreign enemy. Since this new regime was pro-business, it was more reasonable to see it as retro-tsarist rather than neo-Stalinist (Anderson, 2007; Pipes, 2005; Cannady and Kubicek, 2014). The manufacturing of a common enemy is a common feature of the Central European post communism neo-conservative right wing parties. The Fidesz regime in Hungary, after 2010 is a rather extreme case of this, blaming the IMF, Brussels and more recently the USA for many of the country's troubles. This strategy is not only capable of pacifying the public, it is also capable of mobilizing masses and can result in pro-government and anti-foreign enemy demonstrations.

The Russian economy was hit hard by the global financial crisis, hence it is not surprising that Putin and his United Russia party – despite the weaknesses of its opposition and the lack of an alternative view of the future – lost a great deal of support. Under these circumstances, it became more and more obvious that the regime needs an ideological self-justification. In October 2013 Nikita Mikhalkov, a movie director with good ties to the Kremlin demanded a reinvention of a national ideology, what in his view became a “national security question”<sup>27</sup>. Putinism up to this point was sort of latently conservative. It needed an aggressively adopted neo-conservative/traditionalist ideological stance.

Putin began to build his ideological image already when he became prime minister in 1999. He published his “Turn of the Millennium” manifesto<sup>28</sup> which was the first step to get rid of his KGB past and to create for himself a new political and ideological identity (Cannady and Kubicek, 2014). Already in the Turn of Millennium Putin laid down the principles of his future governance. These were patriotism, order and effective governance (he is reluctant to call it autocracy).

Those who suspect a “communist restoration” behind this project, when the chips come down, may be wrong. The Putin regime is far from being anti-business. The assets of the wealthiest Russian grew fast during the Putin's years. Forbes reports

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<sup>27</sup> Cited by Whitmore, B. (2013) Vladimir Putin, Conservative Icon. *The Atlantic*, December 20. <http://www.theatlantic.com/international/archive/2013/12/vladimir-putin-conservative-icon/282572/>  
Accessed: 30-10-2014.

<sup>28</sup> [http://www.ng.ru/politics/1999-12-30/4\\_milleneum](http://www.ng.ru/politics/1999-12-30/4_milleneum)

year after year more dollar billionaires in Russia. Today more billionaires live in Moscow than in London. (Perry Anderson, 2007).

At least the appearance of democracy and constitutionalism is also rather important for the Putin regime. Communist regimes also had constitutions and held elections – but none of those were in any way consequential. Under communist regimes, usually no one can sue the executive and the institution of a Constitutional Court typically does not exist<sup>29</sup>. Elections are not competitive and the executive appoints candidates for the legislative branch. That is certainly not the case for Russia under Putin. Putin took the appearance of the constitutionalism so seriously that he did not alter the constitution (though legally he could have done so) to enable him to run for a third consecutive term of presidency. Instead, he swapped places for one term with Medvedev. The emphasis on Christianity or orthodoxy is also important in the constitution of several other Central Eastern European countries, such as Poland, Hungary, Serbia, Croatia, Bosnia and Bulgaria.

Given the weaker performance of United Russia in 2011 and Putin in 2012 (and the subsequent anti-Putin demonstrations), it was indeed justified to call for a stronger ideological appeal. On December 10, 2013 the major Kremlin think-tank The Center for Strategic Communication issued a report entitled Putin: World Conservatism's New Leader (Center for Strategic Communication, 2013)<sup>30</sup>.

Putin gave his annual presidential address just two days later<sup>31</sup> and he aggressively followed the ideology proposed by the Center for Strategic Communication. In our times – stated Putin (we do not quote him verbatim but try to capture the essence of his message) – several nations (he does not name any of them, but he obviously has the “West” and especially the USA in his mind) are re-evaluating their moral values. In the name of globalization, they tend to undermine the cultural differences among people and nations. The destruction of these traditional values has significant negative consequences for the societal order. Putin in fact claimed this process is not only destructive but it is also anti-democratic since it attempts to impose the value system of a militantly secular, multicultural and transnational elite. On the other hand, Putin had some good news for his audience: The number of people who are ready to defend those traditional values, the foundation of spiritual and moral values is increasing in every nation. Among those values, Putin names the traditional family. In the address he did not elaborate but given his well know objection to homosexuality he obviously meant family among heterosexuals), he also emphasized the need the defend “life” (likely a somewhat coded objection to abortion) and he emphasized the need to see the primacy of religious life and spirituality over material

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<sup>29</sup> According to Gábor Hamza only Yugoslavia had a Constitutional Court since 1963. Hungary created an “embryonic” constitutional court in 1984, followed by Poland in 1985. China also created a Constitutional Court with limited powers in 1982 (Hamza. n.d: 5)

<sup>30</sup> See also Whitmore, B. (2013) Vladimir Putin, Conservative Icon. *The Atlantic*, December 20. <http://www.theatlantic.com/international/archive/2013/12/vladimir-putin-conservative-icon/282572/> Accessed: 30-10-2014.

<sup>31</sup> Putin, V. I. (2013) Presidential Address to the Federal Assembly. December 12, 2013. *Johnson's Russia List*. December 16. (Transcript from Kremlin.ru) <http://russialist.org/transcript-presidential-address-to-the-federal-assembly-transcript-concluded/> Accessed: 30-10-2014.

existence. “This is of course a conservative position” – this is almost a verbatim citation from Putin.

The Center for Strategic Communication and Putin’s 2013 presidential address were trying to find an ideology which would unite Putin’s supporters and divide his opponents, not only in Russia, but globally. There are two camps in the world: the conservatives (and Putin would like to think in this address even of Merkel as someone belonging to this camp) and the left-liberal “populists”. What a fascinating twist in terminology. Neo-liberals normally use this term to discredit opponents on both ends of the political spectrum. However, Putin is explicit who are on his mind: Obama and Hollande, the two politicians who are losing popular support despite their populist promises.

Putin wants to kill two birds with one stone: he wants to gain the sympathy of Western, especially American neo-conservatives and traditionalists and at the same time he wants to offer an ideology for Russia, which restores its messianic vocation faced with the declining West. Russia becomes again the “third Rome”, the most dedicated defender of traditional values: the values of religion, orthodoxy, family and patriotism.

However, which are the historical precedents, models for such a leader and such an ideology? (Pipes posed this question already in 2005, and see Cannady and Kubicek, 2014)<sup>32</sup>? None of the Soviet leaders – especially not Stalin with whom Putin, given his KGB past, is so often compared – fits the bill. As Pipes already noted (2005) the closest historical precedent is Tsar Nicolas I the ruler with an iron fist, who mercilessly cracked down on Decembrists and re-established “law and order”. Nicholas I in his doctrine released in 1826 legitimated his rule by three principles: orthodoxy, autocracy and patriotism (as Cannady and Kubicek point out Nicholas I is not “nationalist” in the sense of the French revolution, it is the “narod” which constitutes “patria”). Already in 1999, Putin recognized the importance of religion (he now claims his mother secretly baptized him when he was a young boy) and he managed to establish cordial relationships with the Orthodox Church, which has a long history in accepting state authority. It is intriguing that Yelena Mizulina, a representative of United Russia Party in Duma proposed on November 13, 2013 to include in the preamble of the Russian Constitution that Russia is an Orthodox country. Mizulina also proposed the bill to ban gay “propaganda”. For her staunch support of Putin President Obama penalized her in March 2014 by freezing her assets in the USA.

Some commentators (Whitman, 2013) interpret the report by the Center for Strategic Communication and Putin’s December 2013 address as a call to create a new “International”. This time, however, this would be an “International of Conservatives” supposedly led by Vladimir Putin.

Can this become reality, or is (was) Putin daydreaming? Before the Ukrainian crisis blew up Forbes listed in 2013 Putin as the most influential person in the world, ahead of President Obama. Forbes retained his position as #1 even for 2014, after the

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<sup>32</sup> See also Whitmore, B. (2013) Vladimir Putin, Conservative Icon. *The Atlantic*, December 20. <http://www.theatlantic.com/international/archive/2013/12/vladimir-putin-conservative-icon/282572/>  
Accessed: 30-10-2014.

crisis in the Ukraine. Interestingly on the 2013 and 2014 lists of 10 leaders there are only four politicians and only two were democratically elected (Obama listed as #2 and Merkel, listed as #5). The “free and fair” election of Putin to office was contested in Russia and President Xi has no claim to have democratic credentials. On this list of “ten most influential people in the world there is only one person who can be vaguely associated with the political left (Obama). The others (with the exception of the popular new Pope, Francis) are representatives of the business world, people like Bill Gates, Bernanke, or Mario Draghi in a way indicating the limited – and arguably weakening – importance of democratically legitimated power in the world.

Even before the explosion of the Ukrainian crisis, Putin had little chance to win the classical conservatives like Merkel or Cameron over into his International. However, the right wing of the American spectrum heard his message. Pat Buchanan, one of the smartest and most articulated voices on the far-right of the Republican Party, expressed sympathy or even admiration for Putin and his presidential address. This is a non-trivial endorsement. Buchanan was adviser to Presidents Nixon and Reagan. He also ran in the Republican presidential primaries in 1992 and 1996 (running against G.H.W Bush he got 23% of the votes at the Republican convention in 1992 and in 1996 he got 21% against Dole). Hence, he is a serious conservative American voice. On December 17, 2013, just five days after Putin’s presidential address he put a piece on his blog “Is Putin one of us?” and his answer at that time was: yes. Buchanan sees in Putin the leader in the world who is fighting against militant secularism, abortion, gay marriage, pornography, promiscuity and against the whole “Hollywood panoply”. Buchanan sees a new global “culture war” emerging (The term “culture war” is usually attributed to Buchanan, who used it in 1992 in the Republican Convention). In Buchanan’s own words: “President Reagan once called the old Soviet Empire “the focus of the evil in the modern world”. President Putin is implying that Barack Obama’s America may deserve that title in the 21st century”. He continued: during the second half of the 20th century, the struggle was vertical: The West fought against the East. In the 21st century, the struggle becomes horizontal: today the conservatives, the traditionalists are fighting the militant secularists, the multicultural and trans-national elite. The similarity of the terminology of Buchanan and Putin is striking. Buchanan poses the question: why don’t we call Putin “paleo-conservative” (a term he likes to use to describe himself). In his blog<sup>33</sup> he already acknowledged at the end of December 2013 that his position can be seen as “blasphemy” by Western intellectuals, but if you read Putin’s 2013 presidential address, he has a point.

Buchanan did not cross the “red-line” which marks the difference between Republicans and the far-right for the first time in Republican politics. (In fact in 1999 he quit the Republican party, in 2000 he was trying to get a “third party” nomination for the presidency”, but eventually he decided to endorse in 2004 G.W. Bush and 2012 Mit Romney as presidential candidates though he is closer to the Tea Party than the Republican main-stream. He did not identify himself as a neo-con. He sees himself as a paleo-conservative, traditionalist independent). Unlike Buchanan, most

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<sup>33</sup> Buchanan, P. (2013) Is Putin one of us? Patrick J. Buchanan - Official Website. December 17, <http://buchanan.org/blog/putin-one-us-6071> Accessed: 30-10-2014.

American conservatives and British Tories were not thrilled to welcome Putin to the family even before the Ukrainian crisis<sup>34</sup>.

Nevertheless, it is indisputable that the world is shifting to the Right. The palinite wing of the Tea Party shares almost the same values as Putin on social issues and that is also true for Le Pen's FN, which in May 2014 at the EU parliamentary elections turned out to be the largest party in France and Marine Le Pen is a serious contender for the next presidential elections. There are many indications that Putin is rather close to the traditionalist far-right in Europe (and in the US).

Nevertheless, Republican Party conservatives do not have to be Tea Party social conservatives to express admiration for Putin. Rudy Giuliani, the popular former mayor of New York City noted after Putin invaded Ukraine without debate and deliberation: "That is what you call a leader"<sup>35</sup>.

For the time being we focus on the social conservatives within the Tea Party. Indeed if one reads the texts of Putin, he sounds like a card-carrying member of the Tea Party. However, at least in two respects Putinism is sharply different from American social conservative neo-cons in the Tea Party. Sarah Palin may agree on many issues with Putin: on the question of traditional family, gay rights, the role of religion (the need to teach creationism in schools). However, at least in two respects there are fundamental differences between the palinite Tea Party and Putinism and that is the question of the state and illiberalism.

The Tea Party – even in its most radical version – subscribes to a Jeffersonian view, anti-federalist, anti-statist position. Skocpol and her co/authors (2011) pointed out that the palinite wing of the Tea Party has a complex attitude toward the government. Its rhetoric is against "big government", but most Tea Party supporters only object to hand-outs to the "undeserving poor" and to affirmative action for racial minorities. They support social security and medicare, the "working people" deserve governmental support. Furthermore on ethical issues, such as abortion, prostitution, pornography, drugs, gay rights traditionalists in the Tea Party acknowledge a critical role for governments – there is some "etatism". The formula for Putinism, or to put it more generally the post-communist neo-conservatism is: Tea Party + East European statism

No matter how much Putin would have loved to, it seems unlikely characters like Thatcher, Reagan or Merkel would consider themselves part of his International. Putin has better chances appealing to the "new right" of Le Pen or Jobbik in Hungary. There is indeed some evidence that Putin is working hard to attract the anti-EU far-right in Europe to his camp. Some American and British neo-conservatives before the Ukrainian crisis distanced themselves from Buchanan's endorsement of Putin<sup>36</sup>. Some

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<sup>34</sup> Franklin, P. (2013) Vladimir Putin: Not, in fact, a Tory. *Conservative Home: The Home of Conservatism*. December 23. <http://www.conservativehome.com/the-deep-end/2013/12/vladimir-putin-not-in-fact-a-tory.html> Accessed: 30-10-2014.

<sup>35</sup> Krugman, P. (2014) Putin's Bubble Burst. *New York Times*, December 18, <http://www.nytimes.com/2014/12/19/opinion/paul-krugman-putins-bubble-bursts.html> Accessed: 21-12-2014.

<sup>36</sup> Franklin, P. (2013) Vladimir Putin: Not, in fact, a Tory. *Conservative Home: The Home of Conservatism*. December 23. <http://www.conservativehome.com/the-deep-end/2013/12/vladimir-putin-not-in-fact-a-tory.html> Accessed: 30-10-2014.

US neo-conservatives also distanced themselves from Putin “autocratic” tendencies” (as David Frum stated, Putin is a coldblooded murderer but at least he hates the gays<sup>37</sup>).

With the confrontation between the West and Russia, the US and Russia the positions have changed somewhat. Now for the “interventionist” subsection of the right wing in the US, Russia is emerging as public enemy number one and they attack the Obama administration not being forceful enough on the issue of Ukraine. But the Tea Party and the right wing of the Republican Party have their “isolationist” elements as well. Pat Buchanan (and Rand Paul, a presidential hopeful for 2016) is one of the leading forces in this respect and Buchanan remains committed to Putin (see his blog: “Is Putting worse than Stalin?” July 28, 2014. Buchanan’s answer is: Common ... he is no Stalin, he is just playing the geo-political game, only Obama does not understand this). Nevertheless the Ukrainian crisis undoubtedly damaged badly – if Putin ever really had – the ambitions to create a new “conservative international” for short-term benefits (cashing in the support he gained from Russian patriotism for regaining the Crimea for Russia and standing up for Russians in Eastern Ukraine).

However, unlike the West, post-communist Central and Eastern Europe may be much more receptive to that type of conservatism which combines traditionalism, the trinity of “family, patria and God” with some version of statism. Such an ideology is appealing in the whole region. Many elements of the statist neo-conservatism/traditionalism could be spotted as early as 1990 (in Poland, Slovakia, Hungary) Zoltán Gábor Szűcs is quite correct locating the definite discourse change – using Hungary as a case study – in the 2000s (Szűcs, 2006: 99-128; Szűcs, 2012: 133-141). However, this is far from just a Hungarian receptivity to Putinism. There is virtually no country in the region not open to this idea. Think of Mečiar, Roberto Fico (who is often seen just a more sophisticated version of Vladimir Mečiar), Traian Băsescu, Bojko Borisov, the Kaczyński brothers and most recently the Czech “Berlusconi”, Andrzej Babiš and of course Belarus under Lukashenko and the Ukraine under Yanukovich (and arguably under Poroshenko as well), Serbia under Milošević, Croatia under Tuđman. In terms of their ideology, they are soul brothers of Putin’s and of course of Orbán’s.

It is reasonable to assume that this may at least in part be some *longue-durée* effect. Conservatism had a somewhat different meaning during the 19th century or during the inter-war years than in the West. What we consider East or West is another question. Was Bismarck East or West? Certainly Hungarian conservatives by the end of the 19th and early 20th century (István Tisza or Miklós Horthy) were not particularly loved by the Tories or other Western conservatives<sup>38</sup>; even by conservative tastes they were not sufficiently tolerant towards minorities. They also tended to be “statist”, especially the Horthy regime during the premiership of Gyula Gömbös. Interestingly the Fidesz ideologues are silent about Gömbös, leaving this heritage to the far-right Jobbik, and searching for their historical precedents more in

<sup>37</sup> See Taylor, A. (2013) Pat Buchanan Tells the Truth about Vladimir Putin that American Conservatives Don’t Want to Hear. *Business Insider*, December 17. <http://www.businessinsider.com/is-vladimir-putin-a-us-style-conservative-2013-12> Accessed: 30-10-2014.

<sup>38</sup> Tamás G. M. (2014) Az ellenzéknek is le kell váltani (The Opposition Also Should Be Changed). *Élet és Irodalom*, January 3.

Horthy, Bethlen and Tisza. However, we can have non-Hungarian examples. Marshall Piłsudski was hardly more acceptable to the Tories in Britain. The Kaczyński brothers would not mind to see Piłsudski as their historical predecessor. Stepan Bandera – a Horthy or Piłsudski kind of Ukrainian politician – is also the hero of the Ukrainian right wing.

## **Postscript: Is Hungary after 2010 a Case of Putinism?**

The Hungarian ruling party and its prime minister, Viktor Orbán (since 2010) deserve special attention. While in world-view, ideology Fidesz is close, at least since 2010 there is one feature that makes Orbán different from Fico, Kaczyński, Borisov etc. (and similar to Putin). Namely, Orbán can win and recently has won elections with overwhelming majorities. No-one can doubt that at least the 2010 election when Fidesz won a two third majority in parliament was free and fair – only Putin’s popular appeal can be compared with this (though how “free and fair elections” of Putin and his party ever were is disputed by the opposition and Hungarian and non-Hungarian political scientists). De facto Fidesz only secured 53% of the votes, in an election where only 64% of the electorate voted. With this result – given the curious nature of Hungarian law (never challenged by any of the major political forces as long as it served their interests and not unprecedented in other democracies) Fidesz obtained 68% of the parliamentary seats, hence had a virtually unchecked and almost unlimited power to change laws, pass a new constitution etc. The party, now with a two third majority, passed a new constitution, which expressed the traditionalist/neo-conservative worldviews of the new government – amongst others insisting that Hungary lost its sovereignty on March 19, 1944 when Germany militarily occupied Hungary – hence the country is not responsible for the 600,000 Jews who perished mainly in Auschwitz after the German invasion.

The two third majority of Fidesz in Hungarian parliament was used to legitimate the adoption of a new constitution and to change it at any time since. The political opposition indeed had a good point that the government adopted the new constitution without sufficient consultation with opposition parties and the electorate. Parliament approved it in 18 months.<sup>39</sup> Finally, the new Constitution (now officially called the Fundamental Law) also limited the powers of the Hungarian Constitutional Court.

There were also attempts to bring the judiciary and the media under executive control (see for detailed, outstanding account of the limitations of divisions of powers in Vörös, 2014).

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<sup>39</sup> The US constitution was not adopted by a body (Continental Congress) elected by universal suffrage, but the writing of the constitution was a long process and it had to be ratified by all of the 13 members states. Incidentally the US constitution was amended 33 times in its history in its more than 200 years history in a very complicated process. In the first 20 months the Hungarian constitution was amended five times with a simple two third majority again without any requirement of consultation (we should note the first ten amendments to the US constitution also took place in the first year, but each time with a complex process of consultations).



János Kornai in his excellent paper<sup>40</sup> already announced the end of democracy, mainly arguing his case by the limitation of separation of powers. It may be useful to cite Montesquieu, Huntington and Zakaria once again. If democracy (republic) only means the rule by the majority, it is hard to contest that Fidesz acted at least between 2010 and 2014 according to democratic principles (that does not mean it ruled with “moderation”). During the times when Fidesz had two third majority in parliament Fidesz passed legislation – in accordance with the regulations of existing constitution – what incidentally served its party interest (it is not unheard of in the history of democratic governance when parties when they have legal justification change the boundaries of electoral districts, regulations who is eligible to vote etc.). The change in electoral laws, which had the most significant impact on the election results, was the introduction of the single round elections for individual candidates (previously if a candidate did not win 50%+1 vote in their first round, there was a second round of election between the top candidates). This obviously benefited the party, which had a strong majority ... though it is an electoral rule followed in many countries. The Fidesz government also pushed through legislation that gave voting rights for Hungarians living abroad – since the liberal parties and the Left wing party opposed such legislation in an earlier plebiscite this also gave an advantage Fidesz. Fidesz supported voting right for all Hungarians irrespective of their residence for a long time. Hence: no one can doubt Fidesz won the 2010 elections by rules accepted by all parties as “democratic”. While by 2014 they managed those rules to their own benefit, those new electoral technologies existed in other “democratic” countries and all those changes passed according the legislative and procedural rules. Hence to call this regime “dictatorship” or “autocracy” can only be based on its limitations of liberal separation of powers, but it is hard to question the majoritarian legitimacy of the Fidesz government (which was reconfirmed by three elections in 2014 – one for the national parliament, one for European Parliament and one for local governments – all handsomely won by Fidesz).

If we call the systems of Putin or Orbán “democracy”, it is a far cry from calling it “good”, or “moderate” governance. Good governance implies a moderate/liberal rule by democratically elected polity.

The bottom line of this paper: Putin’s United Russia and Orbán’s Fidesz are rather close to each other and it is reasonable to describe them as post-communist neo-conservatism/traditionalism and managed illiberal democracies.

However, there is also a unique feature of Central European traditionalism/neo-conservatism that makes them different from Russia. Putin accused Obama and Hollande to be “left-leaning and liberal populists”. Putin is strongly pro-business. One cannot accuse him of being a “populist”. The liberal opposition in Central Europe often calls the Orbán regimes “populist” and indeed some of their economic policies (that is especially true for Orbán, but also relevant for Mečiar/Fico, Kaczyński, Borisov or even Klaus) can appear to be “left-wing” (being anti-EU, anti-globalization, nationalist in economic policies). Zsuzsa Hegedűs went so far<sup>41</sup> as to call Mr. Orbán

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<sup>40</sup> Kornai J. (2011) Számvetés (Taking Stock). *Népszabadság*, January 6.

<sup>41</sup> Hegedűs Zs. (2013). Orbán igazi szociáldemokrata (Orbán, a Genuine Social Democrat), *Heti Válasz*, December 4.

“the true social democrat”. In the political mess post-communist Eastern Europe finds itself it is hard to tell who is “left” and who is “right”.

G.M. Tamás<sup>42</sup> (according to the local popular abbreviation "TGM") offered some persuasive arguments and Ágnes Gagyi (2014) echoes his thoughts. The right wing, or center-right parties of Eastern Europe often express more understanding of popular needs and demands rather than the somewhat missionary liberals (see Eyal, 2000). As Gagyi puts it the competition between “democratic anti-populism and anti-democratic populism” is the catch 22 of post-communist politics. The framing of this question as democracy vs. anti-democratic may not be the most accurate but the dilemma is well formulated. There is certainly a strong anti-populist commitment of liberals (and the “left” if it can be called by this name) and the populism of the patriotic right-wing movements. Who will win elections? Of course, the populist, nationalist right (or center right). Why should one vote for a party, which promises only sweat, and blood, while the other party promises to be responsive to popular needs (they will promise to tax banks, rather than the borrowers, will reduce costs of gas, electricity and heating at the expenses of the profit of monopoly companies etc.). Whether the Center right is “populist” or just using a populist rhetoric is another question. The Fidesz government in Hungary for instance proved to be responsive to problems people had on their minds. Eyal is undoubtedly right: the former dissidents turned liberals by insisting to “live in truth” seem to be doing a self-defeating job in democratic politics. They lose elections, and after not knowing how to play the democratic game better, they tend to label their opposition as anti-democratic or even dictatorial. The game of democratic politics is about winning votes, and this practice does not achieve this for them.

Are the right-wing parties genuinely “for the people” and “against business”? Hard to tell. The Fidesz government in Hungary after 2010 certainly impressed the observer as “exemplary student” in “austerity”. It reduced budget deficit well beyond 3% required by the EU, reduced inflation, cut welfare spending (in the Clintonian name of workfare from welfare policies) and did not increase the national debt in times of recession when governments are supposed – at least according to Keynes or more recently Krugman<sup>43</sup> – to increase public debts and budget deficits. So “populist” rhetoric’s policies were carried out with the anti-populist policies of “actually existing” neo-liberals.

Let us conclude with the question of ideology and search for historical precedents. Image creation is a crucial component of politics. This is one of the fatal weaknesses of theories, which try to label the Centre-right post-communist neo-conservative/traditionalist regimes as “fascist”, “dictatorial,” “neo-communist”, comparing them with Hitler, Mussolini, Stalin or Kádár or just designating them as “mafia”. These regimes make a desperate effort to find reasonably respectable historical precedents and a respectable ideology. Traditionalism is at least as important to their self-identity as neo-conservatism. Nothing can be further from truth

<sup>42</sup> Tamás G. M. (2014) Az ellenzék is le kell váltani (The Opposition Also Should Be Changed). *Élet és Irodalom*, January 3.

<sup>43</sup> Krugman, P. (2014) Putin’s Bubble Burst. *New York Times*, December 18, <http://www.nytimes.com/2014/12/19/opinion/paul-krugman-putins-bubble-bursts.html> Accessed: 21-12-2014.

than the claim: they are unideological... Nicholas I for Putin, Piłsudski for Kaczyński, Admiral Horthy (emphatically before the German occupation of Hungary in March 19th, 1944) and especially its roots in Bethlen and Tisza are extremely important ideological exercises. The post-communist traditionalists/neo-cons want to legitimate themselves with the (rather right-wing) conservatives of the pre-communist times, just as US neo-cons want to reach back to Jefferson. These claims require careful analysis and balanced evaluation.

Both for analytical purposes and for political aims it is crucially important to make a distinction between the post-communist traditionalists/neo-cons and the radical far-right, which does not have – at least so far – a chance of electoral victories. Post-communist Central and Eastern Europe is not (yet) the Weimar Republic, ready for a revolutionary radical right (or left). The post-communist traditionalists/neo-cons with their populist rhetoric are capable of winning elections as long as they only have to compete with an anti-populist left/liberal opposition, which can only promise a painful treatment by the good doctor<sup>44</sup>.

Post-communist traditionalism/neo-conservatism, a neo-prebendal system of property re-allocation and a managed illiberal democracy is the new model formulated by Putin and Hungary seems to be the closest case to such a system for the time being. The Fidesz government expressed support for Putin on more than one occasion. They supported the “Southern Stream” and even in the Ukrainian crisis tended to side with Russia (Slovakia, Serbia and Bulgaria – and most recently Greece under the new Syriza government – took similar stands). However, who is next in line? While none of the other Central European countries have charismatic leaders who can win elections with such a program – especially not with two third majorities – the potential is there in virtually every country. This is a sobering lesson of history.

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<sup>44</sup> Bokros L. (2014) Kár az orvosra haragudni (Do not blame the doctor). *Vasárnapi Hírek*, October 19. [http://www.vasarnapihirek.hu/fokusz/bokros\\_kar\\_az\\_orvosra\\_haragudni](http://www.vasarnapihirek.hu/fokusz/bokros_kar_az_orvosra_haragudni) Accessed: 30-10-2014.

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