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The neoliberal hybrid in East-Central Europe. The 'treason of intellectuals' and its current re-assessment

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'The founding fathers of the European project were convinced that social convergence would arise spontaneously through economic convergence.'

(Eurofound 2018: 6).

Abstract: *The Europeanised, progressive intelligentsia in East-Central Europe (ECE) made a fundamental mistake in the nineties that amounts in some ways to the 'treason of intellectuals' and the basic re-assessment of these naïve illusions has only begun nowadays. Motivated by the radical change in the 'miraculous year' (1989) the progressive intellectuals uncritically accepted and supported the Europeanisation in that particular form as it entered into the chaotic days of the early nineties, since they naively thought that its negative features would automatically disappear. In good faith, they created an apology for the established neoliberal hybrid and they sincerely defended this perverse Europeanisation against the increasing attacks of the traditionalist-nativist narrative. With this action they have been unwillingly drifting close to the other side by offering some ideological protection for the 'really existing' neoliberal hybrid instead of criticising this deviation from genuine democratisation in order to facilitate its historical correction. However, due to the emergence of the neoliberal hybrid, the 'external' integration by the EU has resulted in the 'internal' disintegration inside the ECE member states. There has been a deep polarisation in the domestic societies and after thirty years the majority of populations in the ECE countries feel like losers, and they have indeed become losers. This controversial situation needs an urgent recon-*

sideration, which is underway both in the EU and in the ECE as a self-criticism of the progressive intelligentsia. Thus, this paper concentrates on the reconsideration of the main conceptual issues of Europeanisation and Democratisation in ECE.¹

Keywords: *neoliberal hybrid, external integration and internal disintegration, shared sovereignty with multinationals, upward convergence and empowerment of ECE.*

Introduction: The Economic Europe had defeated the Political Europe

The EU membership and the Euro-Atlantic integration of East-Central Europe has been a very controversial process with many successes and failures. Basically, and predominantly, Europeanisation and Democratisation (combined with the security integration by entry into NATO) has been a progressive process. The membership has meant a promising *shared sovereignty* with the EU through an increasing EU integration, as well as offering good opportunities for socio-economic and political development. At the same time, it has generated the inherent weakness of NMS as the original sin because it has been accompanied by the compromise of the foreign multinationals and the domestic political class that has created another kind of 'shared sovereignty' between them. This neoliberal hybrid has distorted and paralysed progressive development because the Western economic penetration has been producing and re-producing some kind of dependent semi-periphery. This process is often termed these days with the strong terms 'semi-colonization' or 'self-colonization'. So, as it will be explained below, Economic Europe has defeated Political Europe in the ECE region. Thus, after thirty years of systemic change and fifteen years of EU membership it is high time for the re-evaluation and reconceptualisation of this controversial process in order to understand the reasons for the divergence in the ECE region from the mainstream EU developments in the late 2010s.

This paper discusses conceptually the main lines of the ECE divergence within the EU from the point of view of the present self-criticism of the progressive intellectuals. The story of neoliberal hybrid started with its 'childhood disease' in the overheated period of original accumulation of capital, continued

1 In 1927 Julien Benda published his famous essay *La Trahison des clercs* describing 'the treason of the intelligentsia'. Since then the role of intellectuals in the political order has been discussed from different angles and periods, and right now it is very timely in the new member states (NMS). This analysis is about the NMS developments in general, but focuses on the ECE region in particular. It tries to encourage the self-criticism of the ECE progressive intelligentsia by indicating its current efforts for the self-correction.

with an uneven and combined development for two decades, and it resulted in the enduring alliance of the multinationals and the rising authoritarian political elite in the 2010s. There has been a recent eruption of the criticism about this kind of perverse Europeanisation in the international scientific as well as public debates with several ramifications. It is no longer an enigma as concerns the ECE public discourse how the EU has tolerated for so long the serious violations of the EU rules and values by the ECE authoritarian governments, since behind these authoritarian systems one can detect the protecting arm of their multinational strategic partners, and, in the last analysis, that of the Western governments concerned. This external protection comes in handy for the ECE governments, which have been facing EU criticism for their illiberal political course.

The ECE case has been Europeanisation through a neoliberal hybrid. Therefore the main interest of this paper is to explore the big historical trajectory of the Europeanisation and Democratisation processes in ECE by pointing out the intrinsic failures and inherent limitations of this process in order to prepare the way for the historical correction that can be termed as 're-entry' to the EU or to reach a real, effective membership instead of a formal-legal membership. It is an issue of high sensitivity for the pro-European intelligentsia, since it presupposes a deep self-criticism to a great extent. After the collapse of the bipolar world order the Eastern enlargement, as a substantial part of the EU deepening and widening policy, was an economic and political necessity on both sides. The EU needed the extension of its economic space and political system that had also been pre-programmed in the mission of the Rome Treaty, and the new member states needed the 'Return to Europe' for their reintegration to the developed world. Basically, the sufficient capacity for this extension was actually missing on both sides, and it has remained so in the last thirty or fifteen years. This controversial situation has produced a colourful picture of successes and failures in all new member states, albeit in large variety. It has to be mentioned that the Eastern enlargement has been a three-stage process, starting in the first stage with the 'internal' Europeanisation of new member states (NMS), followed by the 'external' Europeanisation in the Western Balkan and the Eastern European regions that have produced their own kinds of neoliberal hybrids.²

This time not only does the Eurosceptic, or nativist camp criticise the EU role, but also the pro-European, progressive camp, mainly the young generation. The issue of the neoliberal hybrid has been a taboo in ECE progressive circles by neglecting its importance and endurance in order to defend Europeanisation against nativist-traditionalist views, even when a large part of the population

2 Emphasising the common historical background, I have analysed the ECE development through the triple crisis in three periods in my papers (Ágh 2016, 2017, 2018 and 2019c, 2019d) and in my book (Ágh 2019a, 2019b) in great detail. For this book I have collected many tables as the basic information about ECE and put this collection on the Research Gate website, see Ágh 2019b).

has been frustrated by the deep polarisation/disintegration in the country: 'This attitude was also adopted by the liberal, affluent and educated elite of Eastern Europe, who detached themselves from the perceptions and lived experience of broad sections of their own population' (Kováts and Smejkalova 2019: 2). This new critical voice wants 'more Europe' in ECE by joining the EU mainstream, but it sees also the structural failures of the EU strategy and policy in ECE, and demands their correction. Actually, this EU strategic failure has also penetrated into the international literature on the EU crisis that can be demonstrated by the sharp turn in European Studies and its huge documentation about the defeat of Political Europe by Economic Europe, which created the neoliberal hybrid in ECE.

As usual, this new critical approach in ECE about the unholy alliance has some exaggerations but the shift of the emphasis has been remarkable from the 'neutral' EU concept to the analyses of power relations within the EU, when discussing the reasons for the benign neglect in the EU decision-making bodies for the rule of law violations in ECE. The 'freedom fight' from the side of Political Europe as the new EU strategy can offer a remedy for the serious 'childhood disease' of the neoliberal hybrid in the incoming new institutional cycle of the EU with its general reform course prepared by the end of the Juncker Commission. The missing point in both the East and the West is that while a huge literature has been discussing the refugee crisis as an *immigration* issue the mass exodus of the talented young people and the more dangerous process of *emigration* has only barely been analysed as the major bleeding out of NMS societies (see e.g. Waterbury 2018). In fact, this mass exodus of the citizens' millions has been the worst problem for NMS with its fatal socio-economic, political and cultural-psychological consequences for the further developments and it is the symbol of the historical failure of the Europeanisation and Democratisation of the first thirty years, endangering also the opportunities for the next thirty years.³

Upward convergence: the false start of ECE within the EU

In the 2010s there have been serious efforts for the reconsideration of the false start in ECE within the EU, as to the emergence of the neoliberal hybrid in the accession process. Better late than never. These processes were crystallised into two clear theoretical positions by the late 2010s. *First*, the EU reform efforts have resulted in a new socio-economic map of the Union, which can be summarised in the conceptual shift from the *cohesion* to the *convergence* paradigm. This new

3 On the positive side see EC, 2013, and afterwards the 'positive legacy' or 'added value' of Juncker Commission e.g. in Bloj and Schweitzer (2019) and Maurice and Menneteau (2019). Its new Strategic Agenda see EESC, 2019 and European Council, 2019. On the negative side, the EU has never dealt with this mass exodus and the Core countries have just enjoyed the advantages not only of the 'free' markets, but also the millions of 'free' imported skilled manpower.

research wave, based on the concept of upward convergence, has discovered that (contrary to the former domestic self-ideology of the EU about the tendency of ‘cohesive Europe’) instead of convergence there has been a divergence in Europe producing an increasing gap between the Core and Periphery. This discovery has been the consequence of the global crisis and its long-lasting effects, and it has led to the conclusion that this divergence has belonged to the inherent nature of the dominance of Economic Europe versus Political Europe. Namely, in European Studies there has also been a negative tradition of the ‘splendid isolation’ between the economic and the social analyses on one side, as well as between the socio-economic and the political analyses on the other. Therefore, the decline of ECE democracy has been a big surprise for the conventional wisdom, although not directly criticising the abstract and naively optimistic-simplistic initial approach. Nonetheless, they have been drawing the lessons from the ECE accession, and also more and more from the pre-accession in the Western Balkan region and the external Europeanisation in the Eastern Partnership (EaP) process. Actually, the separation and isolation of the socio-economic and political analyses has served as some kind of apology for the EU by arguing that supposedly the economic development in ECE has been rapid due to the membership, but the political issues have been out of EU competence, and the EU has no responsibility for the political divergences, including the extreme violations of rule of law.⁴

Second, the Copenhagen criteria have been the cornerstone of the Eastern enlargement for three decades, but they have proved to be improper, since ‘the model works with highly abstract...underspecified background conditions’ (Schimmelfennig and Sedelmeier 2019: 1). Thus, there has been a Copenhagen learning process in the EU, rethinking step by step the original Copenhagen criteria of accession. This learning process can also be felt in the official documents, but the real regional studies are still missing in the European Studies owing to the spirit of an over-generalised ‘cohesion’ drive, and the fact that the Copenhagen learning process has also not been region-specific (Carrera et al. 2013). The EU official documents have never systematically made any ‘inter-regional’ comparison, not even between the ‘East’ and the ‘South’, forget about the Core-Periphery Divide. The main deficit of the EU officialdom (and the European Studies) has been the lack of the region-specific, close organic link between the socio-economic and political ‘divergence’. This lack may be considered the second ‘splendid isolation’ in the EU conceptual framework caused by the neglect of the regional specificities. Due to this double splendid isolation, the EU has not connected the rule of law violations of the authoritarian

4 Although the EU authorities and experts have not criticised the general ECE political and legal developments directly, they have done it indirectly by drawing its lessons in the documents prepared for the adjustment of the further Eastern enlargement see EC 2013 and recently EC 2019.

ECE regimes with the increasing socio-economic divergence in ECE, although they have been organically interwoven and the socio-economic disintegration is the final reason for the ECE divergence from the EU mainstream. The real conclusion about the present situation is that the Copenhagen criteria have not contained any features of ECE regional specificity for the catching-up strategy in terms of the ECE countries' structural incapacity and lacking competitiveness as compared to the developed member states. This original sin has gone through the entire history of the Eastern enlargement, i.e. also in the case of the Western Balkan (WB) and East European (EE) regions.

Actually, radical political changes had already commenced in ECE in the late 2000s with the transition from soft to hard authoritarian populism even at the government level. This transition was noticed and theorised in ECE by the many publications of regional studies, but it remained 'home affairs' of the region for a long time. It was summarised and supported later by some serious efforts in the European Studies, paying attention to the deepening Core-Periphery Divide. Two edited volumes of this joint effort have paved the way for the reconsideration of the new members' story within the EU. The first one, edited by Magone, Laffan and Schweiger (2016), explored the growing gap and widening divergence between the Core and the Periphery in the aftermath of global crisis. In this volume Ágh (2016) has already focused on the fatal divergence of the 'East' from the EU mainstream and Galgóczi (2016) has put the question 'is convergence a lost cause?' The second volume, edited by Schweiger and Visvizi (2018), has only dealt with the 'East' and demonstrated its drift from the rest of the EU in the entire process of eastern enlargement. This volume has offered a comprehensive analysis about the tendency of divergence in a much larger view and from various sides, including the regionalisation through the Visegrád Four (V4) organisation (see on V4 also Cabada and Waisova 2018).⁵

The *Conclusion* of Schweiger and Visvizi has summarised 'the mixed success' of the EU integration 'overshadowed by a lack of socially balanced growth' which has been 'enhancing dependent development' and producing 'persistent gap between the wage levels'. Conversely, 'The region is consequently considered to be an economically dependent periphery, which is very volatile to external shocks...At the same dependent growth as an externally financed low-wage economic periphery...in the EU has also resulted in the persistent peripheral position of the region in social terms, with high levels of inequality, abject poverty and young worker emigration prominent features across the region' (Schweiger and Visvizi, 2018: 208–209). This political economy of transition (as the editors argue) has remained a neglected field for a long time, since European Studies

5 In ECE there have been many efforts to overview to region-specific crisis, covering all five countries, see e.g. the special issue of *Problems of Post-Communism*, (Vol. 63, Nos 5–6). Especially, there has been a wide literature on the V4 as a regionalisation process.

have developed ‘little concern for the CEE interests and perspectives’, although a more profound research is needed to explore the reasons behind the recent political developments. Therefore, the ‘voices from the East need to be listened to when Berlin and Paris try to rebuild the EU’. Namely, ‘This also requires that, both in political discourse and in future academic research, more attention is given to the full complexity of the political, economic and social reasons behind the trend towards authoritarian backsliding in the region.’ It is a strong message, indeed, since ‘A viable future of the EU cannot be built without the Central Eastern Europeans’ (Schweiger and Visvizi 2018: 211).

In fact, in the institutional cycles of Barroso I. and II. Commission the EU was deeply involved in the direct crisis management, and the entering Juncker Commission as well only focused on the reform of the EU in general and its Core in particular. The strategic horizon of the EU has widened since the mid-2010s, and the new strategic area has been entitled *Monitoring convergence in the European Union*. By 2018 it became evident that such marked differences of the socio-economic developments within the EU were unlikely to be sustainable. Along this line, in December 2018 the *Eurofound* published an icebreaking document entitled *Upward convergence in the EU*. It elaborated the paradigmatic shift from cohesion to convergence, and it largely documented the converging and diverging tendencies on the socio-economic map of the EU. This research document has consciously turned against the dominant tendency of the EU scholarship with the above mentioned ‘splendid isolation’ between the economic and social analyses in the spirit of Economic Europe, since its main conclusions formulated the social and political consequences of the economic developments. This picture has been completed by another Eurofound document *Living and working in Europe, 2015–2018* (2019) that has provided a large overview of the socio-economic situation in the EU, not only supporting the former document with a more detailed social map, but also indicating the opportunities for a breakthrough towards the genuine upward convergence. Again, it is better late than never.

In these EU research documents the focus has moved from the ‘nominal’ basic economic convergence to the comprehensive ‘real’ social convergence. This paradigm shift from cohesion to convergence is so important that it needs a closer presentation from this icebreaking document, first of all emphasising its ‘revolutionary’ character in EU thinking: ‘while the concept of economic convergence is embedded in the European treaties and has been at the forefront of European policy discussion for some time, the importance of upward social convergence has only recently gained traction. Central to the current debate is the need to foster socioeconomic convergence at all levels; there exists a shared conviction that the future of the EU lies in preserving diversity but correcting possible asymmetries while moving closer together. In this regard, supporting upward convergence among Member States in socioeconomic outcomes is the

ultimate goal of the European Pillar of Social Rights and is central to the discussion on reforming the Economic and Monetary Union (EMU)' (Eurofound 2018: 1).⁶

Thus, the whole problem lies in the deep contradiction between the EU mission of convergence on one side, and its abstract functionalism with the magic of the positive spill-overs on the other. Namely, 'the full history of the concept of convergence in the EU can be found in the origins of the European project' that has been confronted in practice with the over-generalised trickling down effect of the economic growth on the other. Actually, instead of empowerment of the new member states (according to the logic of automatic upward convergence represented by the officialdom), the accession process has resulted in their disempowerment and in an extremely uneven development. It has been according to the logic of the negative externalities of the EU and to the huge competitiveness advantage of the core states: 'While market integration tends to bind Member States together and can potentially increase living standards in all participating countries, it by no means guarantees convergence in their performance. Some wealthier Member States or regions may benefit more than others from the process of integration – in part due to the effects of specialisation and of centre–periphery dichotomies' (Eurofound 2018: 5). In fact, abstract, general rules of competition have been working in favour of the more developed states and creating ever deeper division between the member states.

This Eurofound research document has pointed out that the global crisis has brought a turning point in this process, and it has concluded that 'the 2008 financial crisis halted or even reversed some of these converging trends, leading to dramatic social and economic divergence between countries'. Hence, the 'consequences of divergence between Member States are potentially grave. Economic divergence undermines the promise of shared economic prosperity, which was central to the creation of the EU in the first place... Such marked differences are unlikely to be sustainable' (Eurofound 2018: 5, 7). The evident conclusion of this EU document is that (for overcoming the uneven and divergent development) the EU needs a strategy to implement upward convergence, and not only in words but also in deeds: 'It is a legitimate expectation of Member States and their citizens that the EU supports them to reach various economic and social objectives. If only a few countries benefit from the single market and the Economic and Monetary Union (EMU), the EU ceases to be a union and risks fragmentation. If there is a feeling that the single market impedes the growth of Member States and prevents low-income countries from developing,

6 The idea of upward convergence formed part of Juncker's agenda (EEAS 2014), accompanied later by the series of 'reflection papers', but the concept of economic and social convergence was only elaborated on in the late 2010s.

efforts will be made to undermine its functioning (Andor 2017)' (Eurofound 2018: 5).⁷

In the spirit of the Eurofound 'convergence' documents, the European Policy Centre (EPC) has presented the description of *Fragmented Europe*: 'there are structural differences among the EU27 – divergences between North-South, East-West, older-younger member states, euro and non-euro countries (...) These divisions do not only affect political elites in national capitals, but also societies as a whole'. Further elaborating this criticism, it has pointed out that *Fragmented Europe* has produced deep social polarisation with a 'high degree of economic divergence and rising inequalities' and a 'widening economic gap between and within EU countries', to the extent that *horribile dictu* 'it seems as if Europeans are almost living on different planets'. The global crisis management of the EU has deepened the Core-Periphery Divide by the prioritising the Core and the 'market', representing Economic Europe in general. Therefore, in this Core-oriented *Fragmented Europe* the populists 'are successful when they can tap into people's grievances and fears about the future, when the citizens are deeply frustrated with those who have been in power, and when they are dissatisfied with the existing state of representative democracy'. Consequently, it is not enough to have a theoretical discussion with the neopopulism in the EU, but it is necessary to solve the basic problems leading to the increasing fragmentation. The EPC document, summarising the EU experiences at the end of the Juncker Commission, has suggested further federalisation without a preference for 'core Europe' in order to 'counter the sources of fragmentation and polarisation' (Emmanouilidis 2018: 17, 20).⁸

No wonder the recent systematic overview of Europeanisation and Democratisation (*Europeanization Revisited* (Matlak et al. 2018)) has concluded in the *Introduction* that 'the earlier literature studied Europeanization as a process with a uniquely positive direction and outcome. (...) Negative Europeanization or "de-Europeanization" appeared irrelevant', although 'the adjustment to the EU economic model required many invisible changes that were suboptimal for transition countries'. This impressive volume calls the alternative term for the critical analysis of the negative side-effects 'invisible Europeanization'. It notes that the new member states right after accession 'were willing to adopt EU policies indiscriminately – and remained relatively insensitive to the potential costs' (Wozniakowski et al. 2018: 10, 15). Hence, in first fifteen years of the EU membership the EU negative externalities (caused by the unfair competition between

7 This document refers to the concept of László Andor (2017), the former Commissioner of Social Affairs, who elaborated and urged the implementation of the upward convergence strategy in 2013, see recently Andor (2019) and *Intereconomics* (2019).

8 In European Studies there have been some other similar efforts, first of all in the big policy institutes, also beyond EPC, e.g. in CEPS and Bruegel, that I have presented in my 'parallel' paper about the Rocky Road of ECE (Ágh 2019d).

stronger and weaker member states) were not compensated or balanced by the cohesion policy. Just to the contrary, this huge distance among the member states has increased socially, resulting in the deep polarisation between winners and losers, the educated and low skilled strata in the new member states. The rules of competition have been ‘misleadingly’ equal, therefore the ‘contradiction of economic Europeanization (...) namely that EU policies and regulatory models have been mostly created by and for advanced capitalist economies and thus might lead to suboptimal (or at least unanticipated) outcomes for transition countries’. Therefore, as another chapter of the *Europeanization Revisited* volume points out, the negative externalities have been strongly hitting the ECE economies because the EU ‘has exercised remarkable control over the economic transformation in ECE’ (Bohle and Jacoby 2018: 92, 95) that can be seen most directly and radically at the emerging neoliberal hybrid in the nineties.⁹

The emerging neoliberal hybrid as the childhood disease of ECE

The neoliberal hybrid, emerging in the nineties, has basically developed the same features in all ECE countries, and these common features have been strengthened and ossified by EU membership. Its specific socio-economic structure has had some important changes in this turbulent period, but its essence has been kept despite these changes and the countries’ varieties. The antidemocratic and ‘anti-European’ merger of economic and political interests leading step by step to oligarchisation has gone through the entire historical trajectory of ECE in the last thirty years, and especially in the last fifteen years. The conditionalities of EU accession have been set by the Copenhagen criteria (1993) in which democracy and market economy are the main principles, and supposedly they support each other automatically. However, the opposite case has happened from the very beginning, since due to the merger of the economic and political elites and following the logic of the negative spill-over, the perverse market economy has also distorted the democracy. Actually, the Copenhagen criteria are too general and too abstract for any real development program. This short document has been based on the Western fallacy that the virtual new member states are substantially (West) European who can reach the Western situation rapidly. It does not contain any specific regional program for catching up with the old member states as the long and painful Copenhagen learning process of the EU clearly demonstrates. The basic mistake is that, while the former enlargements in the South embraced a relatively Europeanised society, the new Eastern member states were historically on the periphery of European

⁹ This issue has also been described in the wider international democratisation literature, see e.g. Krastev and Holmes (2018) criticising the forced ‘imitation’ of the West in the ‘East’ that later provoked a political backlash, and in the last years not only damaging but ruining democracy.

development and, moreover, were isolated from Western development after WWII for a half century.¹⁰

Thus, for the discovery of the intrinsic structural problems in ECE, it is necessary to return to the 'original sin' in the early nineties. The entry to the process of the Euro-Atlantic integration was a big achievement, a real historical turning point, but the new 'Europeanised' system was borne with a serious childhood disease. It has accompanied the entire ECE historical trajectory in different ways and through several stages of neoliberal transformations. There has been a massive literature describing the sunny side of the Europeanisation process that is shockingly misleading because without presenting and analysing the shadowy side of this process the present dire crisis cannot be understood. In the EU leadership, Western public opinion and European Studies there has been a contrast of basically positive official reports and the indignation or outcry of the ECE populations about the present ECE situation. Even looking later at the contradictions between the previous dominant optimistic views and the naked recent political reality, the first EU reactions, rather strangely, have considered the present ECE political regimes as temporary aberrations masterminded by some 'bad guys' and not as the product of three decades of controversial development. This superficial approach would and could also prevent any solution of this divergence by re-democratisation, since what was considered a transitory phenomenon has proven to be a standard basic feature of the new social and political systems. So, without the exploratory analysis of the original neoliberal hybrid, the present situation (and the divergence of ECE from the EU mainstream) cannot be understood.

Still, thirty years after systemic change and fifteen years after accession, the re-assessment process has begun. The negative externalities of EU membership have sparked intensive debate in ECE, mostly by the incoming young generation, which is not Eurosceptic but wants to paint a more realistic picture about Europeanisation and Democratisation. The European Studies still carry an overload of taboos from the previous generation, inherited from the early systemic change about the necessity of the radical transformations (taking shape in the form of the emerging neoliberal hybrid) as a necessary price for a bright future. Therefore, the brief presentation of the transformation crisis of the nineties is needed to explain the built-in contradiction of EU membership, since during this big social turmoil the progressive thinkers and politicians were convinced that the deep contradictions of the new society were transitory and would soon disappear automatically. The early recession ended and turned to economic

10 As Tomáš Valášek (2019), the Director of the Carnegie Europe think tank notes, 'both parties underestimated just how different the 2004 enlargement process would be from the previous rounds. In the past, enlargement was mainly about bringing in countries from the same Western political bloc'.

growth in the late nineties, indeed, but these contradictions stayed and deepened and which became evident in the 2000s, in the pre-accession process.

This rather sketchy description of the ‘self-colonizing’ process in the economic and political systems in NMS, however, can rely on the detailed research on the topic. It has to start with the profound analysis of David Stark (1992, 1996), who was a close observer and expert of the emerging neoliberal hybrid, and follow with the books and papers that describe the entire history of the neoliberal hybrid. In the early nineties Stark was already pointing out that the recombination of the old and new segments took place in the systemic change as the alliance of traditional nativist strata with the incoming multinationals. Decades later Fabry (2019) developed the idea that state capitalism has gone through contemporary ECE history, and it has only changed its forms from the ‘state socialist’ stage through the neoliberal transformations before finally reaching the current ‘authoritarian neoliberalism’. This type of new critical approach succeeds at describing how people for a long time believed in the Western recipes as the shortest pathway to prosperity and freedom before realising their inherent contradictions and intrinsic failure in the long term. Thus, the paradoxes between the bright and dark sides of Europeanisation needs a very sophisticated analysis with recalibration/rebalancing at every stage.

The original problem is that the starting situation of the nineties was meant transitory, since it would supposedly disappear automatically, but the neoliberal hybrid has become the basic feature of the new system. The general picture viewed in retrospect is that there was an idea of ‘instant Westernization’ to overcome ‘the essential divide between the two halves of the continent’. Namely, the key term is the return to ‘normality’, since ‘A liberal revolution of normality was thought to be a leap in time from the dark past to the bright future’ (Krastev and Holmes 2018: 122, 126). This controversial period until the late 2000s may be characterised by the lack of innovative ideas, since the systemic change was treated like a ‘rectifying revolution’ as Habermas (1990a, 1990b) termed it, indicating the return to (Western) normality by the ‘historical correction’ in East-Central Europe. Therefore, this distorted form of Europeanisation has also been accepted and protected by the progressive forces. Moreover, it has become a taboo in scientific debates and popular discourse, and even questioning the improper Europeanisation has long been considered a major sin for progressists, although this tabooisation has prevented its correction for a long time.

In ECE the West has always been the reference point, but that abstract Western model (as the new critical approach asserts) just needs to be reproduced in different geopolitical contexts. Nevertheless, the repetition of the Western model promised an immediate and radical improvement in the early nineties: ‘There was a desire to become “part of Europe” again, but it was only possible to join following the rules set by the West. Democracy came as part of a package that also included precarisation’. The reference to the German case has come up

out of necessity in this new approach, since ‘the introduction of a militant neo-liberal capitalism that would have been politically unthinkable in west Germany at that time; the alteration of entire living and working environments from one day to the next... all of this has left its mark. All the more so since it radically dampened the optimistic spirit of change, the hopes and the dynamism of the peaceful revolution of 1989’ (Kováts and Smejkalova 2019: 1).¹¹

The crux of the issue is that EU integration presupposes also domestic integration, but in ECE it generated disintegration between winners and losers on one side, and between the regions of ‘West of East’ and ‘East of East’ on the other. The economic price of this social transformation and the integration into free markets, however, were downplayed in the conventional theory and public discourse as a necessary evil of civilisation: ‘it just happens to be part of that picture to acknowledge that the West profited from the way in which reunification took place...Both in East-Central Europe and east Germany, the question of who profited from the transition is very similar... Among the political class in Western Europe, there’s a prevailing feeling that the East has been nursed for long enough and now just shows a “lack of gratitude”. But the profits derived by Western economies from this region of low wages and low taxes often exceed the structural aid paid out by taxpayers several times over, as Thomas Piketty clearly and convincingly demonstrated with regard to the Visegrád Four. This imbalance has certainly been noticed in East-Central Europe. Of course, there are investments of foreign capital in East-Central Europe, but most of the profits are being taken out again’ (Kováts and Smejkalova 2019: 2).¹²

The rise of the neoliberal hybrid has been termed a ‘self-colonizing’ process in the new literature that has also contributed to the better understanding of this controversial Europeanisation, although this concept taken from the developing countries cannot be applied directly to the NMS case. This approach has markedly pointed out that the sweeping modernisation gestures arriving from the West have been mismanaged by the ECE institutions that have been accommodated locally by the similar bricolage: ‘All this fostered a controversial nation-building process: one that borrowed models’ hand in hand with resistance against the models. Such borrowings were meant to “Europeanise” yet at the same time they stood in the way of actual cultural emancipation as they never failed to recycle the secondary, submissive, and opaque role of small peripheral nations on the world scene, thus failing to acknowledge their sovereignty,

11 It leads to the German case, discussed later: ‘The so-called “Treuhand” policy, which entailed an enormous transfer of wealth from east to west through the privatisation of most state enterprises and real estate to west Germans...what happened within Germany applies to East-Central Europe in relation to the European Union.’ (Kováts and Smejkalova 2019: 1).

12 In his recent publications for the larger public, Piketty (2018) argues that the increasing East-West Divide is a big challenge for the EU. Piketty’s many other shorter-popular publications on the controversial economic role of the EU in the new member states have evoked great resonance in ECE.

authenticity, and autonomy’ (Kiossev 2011: 4). At the same time this approach warns about the tension or gap between the formal and informal institutions that may be indicating some important similarities between ECE and developing countries: ‘Networks of the premodern, postmodern, and even global kind were functioning underneath, alongside, within, and through them, based on kinship, clanship or friendship solidarity, which sometimes branched out into the diaspora. Behind the official publicity, these networks as quasi-modern communities established another realm – of what anthropologists call “cultural intimacy” – the hidden solidarity of those who systematically exploited both national values and European civilization standards to their own ends. And they did it selfishly, in an opportunistic and hybrid way, thus shaping a resilient image of ‘our own’, which was both self-ironic and hostile toward others’ (Kiossev 2011: 5).

All in all, as these characteristic standpoints formulate with their strong statements: in the EU accession there was no real recognition or actual empowerment of the ECE or NMS countries as genuine actors within the EU. These countries were extremely weak and vulnerable in the power vacuum of the nineties to control the changes in their own homeland, therefore they became dependent on the multinationals based on their marriage with the emerging local ‘comprador’ political class. Hence the participation of these countries in the EU decision making and its transnational bodies was (and still is) limited as formal-legal, but not yet effective-active members of the EU. Europeanisation through the adaptation to the neoliberal hybrid imposed upon them not only disadvantageous economic models but also perverse social structures, resulting in the increasing social disintegration and the rise of authoritarian populist politics. The drift to authoritarianism was already pre-programed in the initial neoliberal model because it involved a deep socio-economic and political polarisation process that generated a widespread social frustration. Therefore, a large part of the population lost faith step by step in this naively optimistic and misleadingly simplistic Europeanisation scenario and developed a desire for a genuine Europeanisation with redemocratisation.

The neoliberal hybrid in the recent authoritarian period

The NMS-type of neoliberal hybrid has reached its climax in the recent authoritarian period in which we have been witnessing ‘The Third Wave of Autocratization’ as a reverse wave after the often mentioned Third Wave of Democratization (Lührmann and Lindberg 2019 and Youngs et al. 2019). The 2010s may be characterised in NMS by the crony capitalism and systemic corruption combined with authoritarian rule. The multinationals representing the ‘liberal’ economic world order have made a mixed marriage, as their ‘shared sovereignty’ with the nativist political class and/or local oligarchs representing the ‘illiberal’

democracy in the domestic political order. This will be presented mostly in the ECE case, in which there has been a strong merger of multinationals with the domestic political elite producing the overheated nativism or identity politics that has become the self-styled ideology of the illiberal counterrevolution with extreme right colours. The seminal research paper in this field (Lührmann and Lindberg 2019) has mentioned Poland and Hungary as eminent cases in this authoritarian trend. All in all, due to the global authoritarian turn, and especially in NMS, the ‘autocratization’ has become an ‘emerging research field’ in political science (Tóth 2019 and Daly 2019, see also the summary of the recent debate in Youngs et al. 2019).¹³

It is too well-known that Western investments have supported the economic growth and triggered a modernisation effect. No doubt that despite the repatriation of the large part of the profit, the increasing activity of these foreign multinationals in this controversial situation has still kept some positive features. Thus, in an abstract, over-generalised approach, the growing participation of Western multinationals is advantageous in many ways. The multinationals integrate the domestic economy into the most developed part of the world economy since they also introduce modern production processes. Nonetheless, at the current level of socio-economic development the negative effects of neoliberal hybrid have prevailed over its positive effects. Above all, this construct of the shared sovereignty has promoted the *quantitative* catching up to some extent, although without a robust economic growth, but it has turned out to be a hindrance to the *qualitative* catching up because it has basically created a low skill / low wage economy that has lowered the level of education system accordingly and prevented the transition to the ‘innovation driven’ economy. The neoliberal hybrid has been an important factor in distorting the entire social structure for decades because it has polarised society and disintegrated the territory of the country by building the bigger and smaller islands of the ‘West of the East’ versus the ‘East of the East’. In general, the Europeanisation through the neoliberal hybrid has recreated the long term historical external dependence with this low wage / low skill type of semi-peripheral development, at a higher level and in a ‘modern’ form. While in the West the social investment has figured more and more as the main driver of the economic development (see recently Hemerijck and Santini, 2019), in the ‘East’ the critical revision of cohesion policy has been high on the agenda (Gorzela 2019) and the question mark has also been put on that controversial issue in the West, too (Bachtler and Ferry 2019).¹⁴

13 This autocratisation has been deeply embedded not only in NMS (see Cianetti et al. 2018), but also in the global trend of declining democracies (see e.g. Levitsky and Ziblatt 2018) that has been described in the European Studies (see e.g. Michelot 2018, Scharpf 2015, Schimmelfennig and Winzen 2017 and Schimmelfennig and Sedelmeier 2019).

14 The set of Tables in Ágh, 2019b includes also the data about the missing qualitative catching up, see e.g. the R & D figures in ECE (Table 2/III.), which are regularly well below the EU average.

In the last years the controversial effects of Europeanisation, including the ‘red carpet’ treatment of huge foreign investors by the ECE governments, has become a frequent topic in the international press and the public discourse. Parallel with the ‘heavy artillery’ of the international scientific literature about ECE, the ‘light cavalry’ of the wide blog literature has also appeared as the popular resistance among the young intellectuals. The young generation has initiated a debate about the role of the EU in general and its economic policy in particular, discussing this ECE divergence from mainstream developments. Moreover, the transition between the two EU institutional cycles has provoked a large debate in ECE about the reasons for the EU’s long-lasting tolerance versus the brutal violation of rule of law in some new member states. Basically, it has been a regional issue in ECE, not exclusively but prominently in Poland and Hungary. In the 2010s Hungary has turned out to be the worst case scenario of the neoliberal hybrid in ECE, where the foreign economic participation is heavily associated with the authoritarian populism and representing a special quality within the ECE neoliberal hybrid (see recently Antal 2019). Namely, this neoliberal hybrid has been organised in all ECE countries as more or less a partial and spontaneous process, but in Hungary in the period of authoritarian populism it has been a conscious, well-planned and holistic process systematically embracing the whole society. No wonder the Hungarian case has lately been high on the agenda of both the European studies and in the EU public discourse as ‘the unholy alliance’ between the multinationals and the incumbent Hungarian government: ‘Viktor Orbán, who always claims to be defending Hungarian sovereignty against one enemy or another, exercises “shared sovereignty” with Audi, BMW and Mercedes’ (Kováts and Smejkalova 2019: 3).¹⁵

Focusing on the ECE regional features, Zoltán Pogátsa and Adam Fabry (2019) have argued that the Visegrád countries constitute Germany’s economic hinterland: ‘Since its Eastern enlargement beginning in 2004, the European Union has integrated countries with almost no welfare states, weak trade unions, and labour market conditions heavily tilted in favour of capital... Since 1989, German capital has invested heavily in these countries because of their geographical proximity to core European states, extremely weak trade unions, and relatively low labour costs (currently, wages in the Visegrád countries are one-quarter of German levels).’ In this new critical approach Hungary has also been presented as the worst case where the common regional features have appeared in the sharpest form: ‘One extreme example of this phenomenon is Hungary, today ruled by authoritarian, ethnic-chauvinist premier Viktor Orbán. His government combines paleo-conservative nationalism with neo-

15 Hungary in the latest Rule of Law Index (WJP, 2019) is by far the worst case in ECE, beyond WJP see also Fund for Piece (2019). Yet, the violations of rule of law cannot be reduced to the Hungarian story, for the advanced study of rule of law violations in NMS see Bogdandy and Sonnevend (2015) and Jakab and Lórinz (2017), Buras (2019), Carrera et al. (2013) and recently e.g. Michelot (2019).

liberal economic policies undermining workers' conditions.' It is at the same time the discovery of the false argument behind the nativist ideology of all authoritarian regimes in ECE, since 'In addition, Prime Minister Orbán, who frequently publicly rails against German "economic colonization," has given German corporations (from Audi to Mercedes and BMW and beyond) more direct government subsidies than any other previous Hungarian government. He has also signed 'strategic partnerships' with multinational corporations, such as Coca-Cola, General Electric, and Microsoft, the contents of which have been declared a state secret' (Pogátsa and Fabry 2019: 2).

Of course, there has been a wide range of multinationals well beyond Germany, yet the predominance of the German multinationals is clear in ECE. They have been by far the most active partners in this 'shared sovereignty', therefore the presentation of this complicated dependence network in the new critical literature focuses on the ECE relationship with Germany. This merger of German economic giants and the ECE political class has been confirmed for instance by the special correspondents of *Deutsche Welle* in impressive detail through several articles and reports both about the common ECE case and the versions that come from each country within the region. The key issue is that ECE has become an attractive location for German carmakers which have pumped huge investments into the East-Central European countries over the past decades. For the investors, it is important that they get tax incentives and a pool of well-trained workers; in addition, the German carmakers enjoy special protection in ECE, as Stephan Ozsvath (2019) argues. This 'shared sovereignty' means that the external economic dependence is the interest of the domestic political class not just by the foreign investments, but first of all getting the political protection through the multinationals from their governments concerned as a shield against the disciplining effects of the EU.¹⁶

However, Daniel Hegedűs (2019) has argued that this process has been counterproductive for Germany and it cannot be kept any longer, since (although it may be suitable for the German multinationals in the short term) it does harm to the German 'Eastern policy'. He departs from the statement that this region is part of the wider German *gocioeconomic* space, the German-ECE manufacturing core, thus the ECE countries are the direct *geopolitical* neighbourhood of Germany. Obviously, the pre-eminence of the *gocioeconomic* approach is the central characteristic of German foreign policy overall, since Germany has invested enormous resources to protect Germany's core *geopolitical* interests in the region. Despite the dominance of the particular *gocioeconomic* interests,

16 As Ozsvath (2019) points out about the relationship of foreign multinationals and the ECE governments that 'They're exempt from the government's propaganda campaigns against major foreign investors. The most important condition: they must not get in the way of the Hungarian government and the interests of its oligarchs.' About the long series in *Deutsche Welle* see the references in this Ozsvath article.

Germany was able to pursue its general geopolitical interest for the first decades, but this changed in the crisis period after 2008. As Hegedűs points out, the global crisis further increased the 'economization' of German foreign policy, which took centre stage and had clear primacy in the decision-making over the compliance with the Copenhagen political criteria of democracy, rule of law and human rights. This shift opened the way for conscious autocratisation strategies by ECE elites that wanted to get rid of any checks and balances that could constrain their power and benefit from corruption. Thus, the deepening geo-economisation has turned away from enforcing democratic rules and values in the ECE region, therefore Germany has failed to deal adequately with long-term non-compliance with democratic values in ECE.¹⁷

In short, the geopolitical dimension of German engagement has faded away and a geoeconomic approach has become dominant. However, the challenge of 'illiberal democracy' in ECE has posed a threat to German geopolitical interests because Germany has not been ready to counter the erosion of European values in neighbouring countries as Russia and China start to gain greater influence in the region. Following the argumentation of Hegedűs: the internal developments and external actors are undermining the democratic stability in the ECE countries and their cohesion with the EU, although both are the key to German geopolitical interests in ECE. In such a way, the geoeconomic approach has been the source of a major rupture, since it has contributed to the overall crisis of Germany's role as 'normative power' in the political sense. The re-politicisation of Germany's strategic approach toward the ECE countries appears to be inevitable, as a self-critical reflection on past failures. Hegedűs concludes that the German policy stakeholders should draw two important lessons. *First*, the existence of stable, liberal democratic regimes and pro-European governments in the ECE countries best serves Germany's strategic interests because it is an important issue of regional stability and security. *Second*, Germany's political and business spheres need to understand that their interests in the medium and long term are not guaranteed but threatened by these illiberal regimes. If Germany acts strategically, it could use the geoeconomic ties to the ECE countries to ensure their compliance with its geopolitical interest, instead of abandoning geopolitics in favour of short-term (and short-sighted) 'geoeconomics'.¹⁸

This argumentation is a good illustration of the process I have introduced above: Economic Europe has defeated Political Europe. It has been described

17 The concept of Kundnani (2011, 2019) on the contrast between geo-economic and geo-political interests plays a big role in the argumentation of Hegedűs.

18 On 19 August 2019 Angela Merkel and Viktor Orbán had an official meeting in Sopron (Hungary). After the stormy period between the EPP and Fidesz Merkel had actually no critical remark on the violations of the EU rules and values by the Hungarian government. Instead, her statement was filled with empty rhetoric: 'Let us continue on the path of freedom, democracy and unity' (see Kovács 2019), which caused deep disappointment in Hungarian democratic public opinion. Economic Europe has defeated Political Europe, again.

in Hegedús' paper as some kind of German paradox between the short term geoeconomic and long term geopolitical interests. In my view, the recent stage of the complicated relationships between the EU Core and the ECE region can be characterised by the Juncker Paradox (Ágh 2019a: 217–219). At the EU level, the Juncker Commission had to cope with the 'polycrisis', with the multitude of problems threatening the global competitiveness of the Core. The Juncker Commission prepared a reform program, which focused upon these 'core issues' by marginalising all other issues, including the crisis management of the 'East'. My thesis is that paradoxically this benign neglect by the EU has caused more problems than it has solved, since the neglect has deepened the Core-Periphery Divide to a great extent. The ECE development has derailed from the main road, since the selfish and short term-type Economic Europe (represented in this case by the above discussed multinationals) has very soundly defeated the normative and long term-type Political Europe in ECE, and downgraded Cohesive-Converging Europe to a rhetorical device. Yet, it is still crucial to distinguish between the need for recognition of the specificity of the ECE region in order to elaborate a proper strategy for its 'upward convergence' and the present permissive tolerance of the EU authorities towards the autocratic regimes in ECE. The correction of the EU's long term neglect of ECE's specific problems should not mean that the EU has to accept and tolerate these autocratic regimes, for which the mantra about the regional specificity is just an occasion to concoct an ideology for their own self-legitimacy.

The key issue is that there has been an unsuccessful 'cultural war' in the EU against the neopopulist movements, rhetorically confronting the authoritarian governments within the EU. Nevertheless, despite the repeated political declarations, neopopulism is thriving in ECE because the abstract verbal arguments against the neopopulism will not convince the ECE population suffering from deep social frustrations. The increasing socio-economic disintegration in ECE has been generating the decline of democratic political order and the fatal weakening of democratic pro-EU actors. So the authoritarian neopopulism will not disappear due to the theoretical arguments and diplomatic rhetoric, or at most by the half-made measures of the EU authorities. Concrete actions are needed for the 'upward convergence' to overcoming the ECE socio-economic crisis that has raised this nativist movement and triggered political backlash putting these 'illiberal' regimes in power. This is why the young generation views the EU cohesion policy with its empty rhetoric about populism with dissatisfaction and, for some, even boredom. The experts point out that abstract arguments against the emerging neopopulism often do more harm than good (see Andor 2019). Indeed, these arguments have only been producing an abstract dichotomy between federalists and sovereigntists, or between liberals and populists. Instead, one has to grasp the underlying socio-economic causes of populism resulting in the self-colonisation of the ECE elites.

The democratic actors in ECE emphasise the need for the radical change in the EU strategy, not in words but by deeds: ‘So in the struggle against the populists, we need a discussion about power – instead of morality and abstract values: the power of the market over politics, the West over the East, the centres over the peripheries. This conflict also takes place within the states of East-Central Europe, and it’s tearing them apart: they have their own wealthier, liberal centres that caught up to the West and feel they’re equals’. Furthermore, there has been some condescending talk about the peripheral regions that have been left behind and where (given the huge gap between the ‘institutionalization’ and ‘socialization’) ‘European values’ have not yet been internalised. Therefore, the democratic actors consider the EU mantra about the dichotomy between ‘pro-Europeans’ and ‘Eurosceptics’ to also be counterproductive. The main fault-line runs between the winners and losers in ECE, and between their prosperous centres and peripheral regions, since large parts of ECE have been left behind both materially and symbolically, and this leads to social disintegration and identity politics. Some concerned authors end up with an angry conclusion that ‘We were, are and remain on the periphery, and cannot really catch up with the West materially, and are not treated as equals by the West. East-Central Europeans remain “second-class citizens”’ (Kováts and Smejkalova 2019: 4).

Conclusion: the opportunity for the recognition of the ECE region

The change of the EU institutional cycles in 2019 have activated the debate about the EU role in the ECE development in general and about the ECE neoliberal hybrid in particular. In this conceptual framework ‘the betrayal of the intelligentsia’ has also been discussed from different angles, by different generations and with different intensity. It has become clear that the initial conventional wisdom on the good start and the linear development of Europeanisation and Democratisation has been false and self-cheating since the ECE development has derailed and deviated from the Western Road from the very beginning. Although the evaporation of the conventional wisdom as the Western fallacy may be described from several sides, it leads to the same basic conclusions about the following shortcomings:

(1) The lack of recognition of the ECE specificity (the long term deficiency of the Eastern enlargement in general) has led to the Juncker Paradox with its counterproductive effects. Both the virtuous and vicious circles have worked in ECE, but the disintegrative factors have got the upper hand more and more, thus the magic of trickling down with its over-generalised convergence effect has only been an ideological device of neoliberalism. The strategic priorities focusing on the idea of GDP-based economic growth have been a fake program, serving only to reach the ‘past’ of developed countries instead of turning to the

innovation driven economy as the 'future' of the EU with social investment and well-being as a contrast between quantitative and qualitative catching-up.

(2) With the recent authoritarian brand of neoliberal hybrid, after the era of the external Easternisation under Soviet rule that of 'the internal Easternisation' has come. The authoritarian systems usually rely on the three pillars of legitimacy, repression and co-optation, and the ECE version has become very sophisticated to hide the authoritarian content behind democratic scenery. *First*, the particular ECE version has a democratic façade for legitimacy combined with a soft dictatorship through the media. *Second*, they have elaborated a complex system of the indirect form of repression by paralyzing the institutions of 'checks and balances'. *Third*, there has been a partial co-optation of society through the political integration, supported by the combined devices of the state-controlled redistribution of income, privileged public services and special socio-political career opportunities. Thus, on one side, for both international and domestic reasons (due to the legitimacy given by the EU membership and the widespread control of the popular mind by the media's soft power) the repression is highly sophisticated. It is almost invisible and usually hardly perceived by the population, since it has been practiced by seemingly democratic institutions with democratic slogans and demagoguery. Nevertheless, on the other side, the co-optation by the radical socio-political polarisation of the society from above is very much visible and felt by the population as the widening gap between the winners and losers, and also through the increasingly luxurious consumption habits of the politico-business oligarchs and moguls.

(3) At the beginning of the new EU cycle the ECE region is nowadays in the waiting room, at the same time the region is under the pressure of the domestic social and political upheaval due to the widespread frustration of the populations. The robustness of crisis is already very big, if no radical steps will be taken, then it will trigger a process of dramatic changes and the deep-seated fault-line between the winners and losers will be widened. The new political class has been favoured and protected by the authoritarian regime as its social support and is directed strictly from above by the authoritarian elite. The activity of this new political class has been closely coordinated within the system of the shared sovereignty with the Western multinationals and it has turned gradually into the 'normal' workings of society. This unholy alliance keeps and ossifies the peripheral situation and will rise inimical feelings in ECE against the Economic Europe, particularly against Germany. Paradoxically, the authoritarian political elite makes deals with the Western multinationals for business and protection, at the same time it needs and creates Western enemies (Brussels and the 'liberals') to maintain its rule by the soft power of hatred against aliens. The vicious circle will only be broken if the large majority realises that this split in society between the common people and the political class has been based on the neoliberal hybrid with the combined power of the authoritarian elite

politically and the multinationals economically that has to be defeated for the recognition and empowerment of the ECE countries in the EU.

(4) In this historical moment the main task of the ECE progressive intellectuals is the serious self-criticism for looking back, and the wise EU criticism for looking forward. Above all, it has to be pointed out that nowadays the biggest threat is the depopulation of ECE, since the mass exodus of the energetic and talented young people diminishes the chances of the ECE countries for the above mentioned 'future' scenario of knowledge economy in order to make the historical correction of the fake catching-up process by re-democratisation and re-Europeanisation. The emigration of this significant part of the ECE population threatens not only the qualitative catching-up, but even quantitative by the loss of large mass of educated/skilled manpower. Mass exodus is terrible, it ruins the prospects of the ECE region for a better future, since it means the loss of the most precious achievement in the last decades: the Europeanised youth.

(5) On the EU side, a vigorous revitalisation of the strategic planning has taken place in the period of the Juncker Commission. It has been indicated first by its declared priorities and followed by the reform efforts that have been elaborated upon extensively in theory and in great detail. This new conceptual framework has only been the preparation for the future EU, but without commencing its implementation by the Juncker Commission. Moreover, it has been watered down from time to time in the official documents and in the rhetoric of EU leaders. Still, the new strategy offers a big historical opportunity for the next institutional cycle of the Leyden Commission. This big opportunity can also open the recognition and empowerment for the ECE region as the first step that has to be followed by the second step as the implementation of region-specific reforms in ECE.

(6) The final point in the Conclusion is that at the start of the new institutional cycle the EU has two options: delaying or doing. It can opt for the *neutralisation* of the ECE crisis by pseudo-activity or for the *activation* of its particular reform program by concrete steps on both socio-economic and legal-political fields in the spirit of Cohesive-Converging Europe. It can build new formal institutions as special committees dealing with the ECE decline in long discussions and by killing all propositions in the phase of the Council bodies, or doing real crisis management in the spirit of the dominance of Political Europe over the Economic Europe that has to be the main road for the EU further developments anyway.

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