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The European Union's authoritarian equilibrium

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ABSTRACT

While the European Union (EU) professes a commitment to liberal democracy, in recent years it has allowed some member governments to backslide toward competitive authoritarianism. The EU has become trapped in an 'authoritarian equilibrium' underpinned by three factors. First, the EU's half-baked system of party politics and its ingrained reluctance to interfere in the domestic politics of its member states help shield national autocrats from EU intervention. Second, funding and investment from the EU helps sustain these regimes. Third, the free movement of persons in the EU facilitates the exit of dissatisfied citizens, which depletes the opposition and generates remittances, thereby helping these regimes endure. While more fully developed democratic federations have the capacity to eventually steer autocratic member states back toward democracy, the EU appears to be stuck in an autocracy trap.

KEYWORDS European Union; authoritarianism; democratic backsliding; Hungary

Introduction

The EU professes a deep commitment to democracy. The first two conditions for EU membership listed in the 1993 Copenhagen Criteria are that applicants must have stable institutions guaranteeing (1) democracy and (2) rule of law. The Treaty on European Union (TEU) identifies democracy as a cornerstone of the Union, stating in Article 2 that, 'The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights ...'. The TEU even includes a mechanism (Article 7) to sanction states that engage in a 'serious and persistent breach' of Article 2 values.

And yet, for all its stated commitment to democracy, the EU has in recent years shown itself to be a hospitable environment for the emergence of increasingly autocratic member governments. Backsliding has proceeded the furthest in Hungary, where the Orbán regime has displaced democracy with 'competitive authoritarianism' (Levitsky & Way, 2010), a hybrid regime that maintains the formal democratic institutions but fails to meet the

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minimal standards for democracy. Indeed, the originators of the concept of competitive authoritarianism have said that the Orbán regime is a 'prime example' (Way & Levitsky, 2019). The erosion of democracy in Hungary has been detailed by international organisations (e.g., European Parliament, 2013, 2018; Venice Commission, 2013), scholarly studies (e.g., Bozóki & Hegedüs, 2018; Krekó & Enyedi, 2018; Pech & Scheppele, 2017), and in-depth media accounts (e.g., Kingsley, 2018; The Economist, 2019). In 2018, a damning report from the European Parliament (2018) on the situation in Hungary resulted in the triggering of the first stage of TEU's Article 7 sanctioning procedure. In 2019, Hungary became the first EU member state ever to be downgraded by Freedom House to the status of only 'partly free' (Freedom House, 2019, p. 13). Describing the full story of the erosion of democracy in Hungary is beyond the scope of this article, but in short the Orbán regime has managed to consolidate control over the judiciary and most of the media, to eliminate effective checks on its power, to rig the electoral system to ensure victory, to stifle independent civil society organisations, and to seriously limit academic freedom.

Since the Law and Justice (PiS) party's election in 2015, Poland has been moving quickly in a similar direction and the Polish government is currently embroiled in an Article 7 sanctioning procedure and a series of legal battles with the EU concerning its attacks on judicial independence (Sadurski, 2019). Finally, while Hungary and Poland are the most egregious cases, democratic backsliding is also occurring in other member states (Cianetti, Dawson, & Hanley, 2018).

This situation presents an obvious puzzle: why does a political union that professes a deep commitment to democracy allow member governments to backslide toward authoritarianism? The comparative politics literature on subnational authoritarianism sheds great light on this puzzle (Kelemen 2017). That literature shows that the survival of authoritarian enclaves within large federal-type polities is common, and explains both the political dynamics that support their survival and the conditions under which they are most likely to be toppled. This article builds on a concept I introduced in my earlier work on this topic, the *authoritarian equilibrium*: a politically stable equilibrium in which the EU paradoxically supports the survival of authoritarian member governments (id.: 214). Where my earlier analysis focused specifically on the role of partisan politics, this article provides a fully elaborated theory of the authoritarian equilibrium emphasising additional factors, and it presents evidence of how these dynamics have facilitated the consolidation of authoritarian rule in Hungary.

Three factors underpin the EU's authoritarian equilibrium: partial politicisation, money and migration. The first pillar of the equilibrium stems from the half-baked character of EU-level politicisation. The EU has politicised enough that there are now strong incentives for Europarties (EU level political

parties) to protect the national member parties of autocrats that deliver them votes, but it has not politicised sufficiently that autocrats' Europy allies pay meaningful reputational costs for supporting them or that the autocrats' EU-level opponents can intervene in ways that might help dislodge them. The perverse incentives created by this half-baked politicisation are exacerbated by the dominant role national governments play in EU governance and enduring influence of sovereignty norms, both of which discourage EU intervention against backsliding regimes. Second, EU funds help sustain national autocracies. Autocratic rulers can use their control over the distribution of EU funding to help prop up their regimes. Moreover, the stamp of approval that comes with EU membership helps them attract Foreign Direct Investment that might otherwise be more concerned about the risks of investing in an authoritarian regime. Third, free movement of persons within the EU facilitates emigration by dissatisfied citizens, which tends to deplete the ranks of the domestic opposition, thereby supporting autocratic regime survival. Moreover, to the extent that emigrants send remittances to family members back at home, this may bolster the domestic economy and help sustain the incumbent regime.

In fully developed democratic polities, these three factors can support the survival of authoritarian enclaves, but under certain conditions they can also help dislodge them. The danger for the EU today is that its half-baked, semi-politicised institutional order appears to generate only the first half of the equation: it produces conditions that can support the consolidation of authoritarian member governments, but not the incentives that might eventually help displace them. To be sure, there are limits to how far a backsliding regime may go within the EU without provoking a meaningful reaction (Bozóki & Hegedüs, 2018). If a member government installed a full-blown, violent dictatorship, then the EU would likely attempt to restore democracy. However, it seems that so long as a member government limits itself to the softer, non-violent techniques of 'competitive authoritarianism' and 'autocratic legalism' (Scheppele, 2018) – such as packing courts, buying and closing newspapers, and rigging elections so that are unfair but appear free – then it can persist comfortably within the EU.

The remainder of this article is divided as follows. Section 2 elaborates the theoretical arguments introduced above. Section 3 applies the three-part framework to analyze how the authoritarian equilibrium has helped sustain the EU's first competitive authoritarian regime – that of Viktor Orbán's Fidesz party in Hungary. Section 4 concludes.

The three pillars of Europe's authoritarian equilibrium

Europe's authoritarian equilibrium rests on three pillars: partial politicisation, money, and migration. First, even as the EU becomes more politicised, its

underdeveloped system of party politics and its engrained reluctance to interfere in the political affairs of its member states help shield national autocrats from EU intervention. The EU has politicised enough that it generates incentives to protect national autocrats, but not enough that it generates compensating pressures on EU leaders to dislodge them. In the EU, as in other federal-type polities (Gibson, 2012; Mickey, 2015), partisan politics at the federal (EU) level creates powerful incentives for federal parties (Europarties) to protect state-level authoritarian leaders who belong to their parties and deliver them votes in federal institutions (such as the European Parliament and the Council) (Kelemen, 2017). Ironically, as I (*ibid*) have argued previously, the incentives for Europarties to protect local autocrats increased as reformers sought to address criticisms of the EU's 'democratic deficit' by injecting more partisan contestation into EU politics. Efforts to strengthen EU-level political parties, increase the power of the European Parliament, and increase the salience of European Parliament elections, for instance through the *Spitzenkandidaten* (lead candidates) process have increased the rewards to Europarties for maximising their size, thus increasing their incentive to tolerate autocratic parties in their groups.

However, in the EU's incomplete system of politicisation, EU level partisan politics and Europarty brand identities have not developed to the point where Europarties are likely to pay a political price for supporting autocrats. The comparative politics literature emphasises that if a local autocrat's behavior becomes so egregious that it imposes significant reputational costs on its federal party, that party's leaders may withdraw their support and even press for the ouster of the autocrat (Giraudy, 2015). But in EU party politics, because few voters even realise that Europarties exist, voters are unlikely to punish them (or their national member parties) for allying with autocrats. Likewise, EU level party politics has not developed to the point where other Europarties can intervene directly in domestic politics of backsliding states to break the autocrat's 'boundary control' (Gibson, 2012) and support the local opposition with the resources they would need to compete. Such direct intervention would likely be seen as illegitimate foreign meddling and, in any case, it is illegal for Europarties or their party foundations to fund national parties.¹

The authoritarian equilibrium is also sustained by the enduring influence of norms of national sovereignty and the intergovernmental character in much EU decision-making (Jabko, 2020). The literature on authoritarian states within federal unions emphasises that variation in the power of federal governments to intervene in state affairs influences the durability of state-level authoritarian regimes, and that autocratic states use their access to federal institutions to promote their interests (Bateman, Katznelson, & Lapinski, 2018; Gibson, 2012; Mickey, 2015). Member states play a much more powerful role in EU decision making than they do in more fully developed federations, and the EU's authority to intervene in domestic politics of its members is far more

limited. Not even the most powerful upper chambers representing states in federations have anywhere near the leadership role of the European Council. Also, fully developed federal polities generally do not use decision-making procedures that require unanimity among member states, whereas the EU does on a number of important issues, including for sanctioning attacks on democratic values. Finally, EU governance is heavily influenced by norms of respect for national sovereignty, mutual trust, and the assumption that member states will respect the duty of 'sincere cooperation' (TEU, Art. 4(3)) in fulfilling their EU obligations. These factors explain why the EU's authority to intervene in autocratic member states remains limited compared to that of central governments in more developed federal systems.

The second factor supporting the authoritarian equilibrium involves funding from the center. The literature on subnational authoritarianism shows how federal funding to authoritarian member states often helps sustain them; effectively these local autocracies function as *rentier* states, where the 'rent' supporting them comes not from oil or gas revenue, but from their control of the federal funds that flow into their state. As Gervasoni (2010) notes, authoritarian enclaves often develop in states with less developed economies, and these states will tend to be major recipients of fiscal transfers in federal-type systems. Thus, local authoritarians may be able to use federal transfers to support clientelist networks that perpetuate their rule, even as they flout the federation's democratic norms. However, another lesson from the literature on such regimes is that federal governments may eventually use their control over funding to place pressure on local authoritarians.² So while funding may help sustain local authoritarian regimes, it may also help constrain or even dislodge them.

But in the realm of funding, as in the case of partisan politics, the EU may find itself in the worst of all worlds: Governments may receive EU subsidies as they backslide into competitive authoritarianism, but – due to the political dynamics discussed above – the EU may find itself blocked from using the threat of suspending funds as a way to pressure these governments to respect democratic values. Finally, EU membership helps autocratic regimes access financing in a more indirect sense, by encouraging the inflow of Foreign Direct Investment (FDI). A large literature on the determinants of FDI suggests that regimes attract more investment as they strengthen rule of law and democracy (Jensen, 2008). Inversely, we might expect them to lose investment if they dismantle democracy and the rule of law. However, EU membership may provide a kind of ongoing 'seal of approval' (Gray, 2009) reassuring investors and supporting the continued inflow of economically beneficial FDI that might otherwise be discouraged by the regimes' attacks on rule of law and democratic institutions.

The third factor supporting the authoritarian equilibrium involves emigration. A number of studies have explained how emigration can help autocratic

regimes survive. As Hirschman (1978, p. 95) noted forty years ago, the easier it is to emigrate from an autocracy, the more likely it is that dissatisfied citizens will choose to exit instead of remaining and exercising voice. In short, emigration can serve as a kind of pressure release valve, whereby citizens who are most dissatisfied – and most likely to mobilise to challenge the regime – can simply move away, thereby eroding the potential base of the opposition. More recently, Miller and Peters' (2018, p. 2) empirical study of the impact of emigration on autocratic survival concluded that, 'emigration can be a boon to autocratic leaders ... Allowing citizens to leave can also drive out political opponents and the unemployed, leaving behind a more loyal population (*Ibid*: 7)'. With all this in mind, we can see how the free movement of persons within the EU can contribute to the authoritarian equilibrium. Citizens in autocratic member states who actively oppose their regimes or are simply dissatisfied with conditions can readily avail themselves of the freedom of movement the EU provides and emigrate to other member states. Moreover, unlike in fully developed federal polities, emigrants in the EU do not gain the right to vote in national elections in the states they move to, while autocratic regimes can make it very difficult for them to vote in elections back home, effectively depriving them of the franchise.

Emigration may have a secondary effect that serves to stabilise autocratic governments. The literature on remittances suggests that when emigrés remit money to their families, it tends to increase their support for the incumbent regime. The key driver here is the phenomenon of 'misattribution' (Tertychnaya, De Vries, Solaz, & Doyle, 2018, pp. 758–60), whereby recipients will often (wrongly) link the improvement in their circumstances that results from remittances with some action taken by the authoritarian incumbent. Similarly, comparative studies of the political impact of remittances, show that remittances positively influence recipients' approval for incumbents (e.g., Ahmed, 2017). Given the great economic disparities between EU member states and the fact that autocratic regimes are more likely to emerge in less developed states (Gervasoni, 2010), we would expect that emigrants would often relocate to wealthier member states and send remittances to relatives back home, which would tend to increase recipients' support for the incumbent.

Taken together, the three pillars of the authoritarian equilibrium can make the EU a surprisingly hospitable environment for the consolidation of hybrid authoritarian rule.

The authoritarian equilibrium in action

In this section, I assess the extent to which we can observe the dynamics described above playing out in the contemporary EU with respect to Hungary. An abundance of evidence suggests that all three pillars of the

authoritarian equilibrium have played a role in supporting the consolidation of the EU's first non-democratic government in Hungary. There is little indication it will escape this equilibrium any time soon, and ample reason to believe these dynamics will spread to other member states.

The politics of authoritarian protection

The EU's distinctive form of half-baked politicisation has provided a supportive environment for the consolidation of authoritarian rule in Hungary. First, just as the theory of subnational authoritarianism anticipates, the EPP has shielded Orbán because his regime delivers them seats in the European Parliament and (usually) serves as an ally of EPP governments in the Council. At the same time, because public awareness of Europarties, and of the alliances of national parties that underpin them, is so low, the EPP has paid little if any price for its association with Orbán's autocratic ruling party. The political dynamics surrounding the 2019 European Parliament election provided a kind of stress test of the resilience of the authoritarian equilibrium in the face of the increasing politicisation of the EU, and to date the equilibrium has proved stable. Second, the powerful role of national governments in EU decision-making and the enduring influence of norms of national sovereignty in the EU also shielded the Orbán regime from EU intervention – providing further support for the authoritarian equilibrium.

Partisan politics have played a key role in shielding the Orbán regime from EU intervention as it rolled back democracy (Kelemen 2017). In short, the EPP protects the Orbán regime because it delivers seats in the European Parliament that have helped the EPP remain the most powerful force in EU politics. For instance, in the last session of the European Parliament, Orbán's Fidesz party delivered twelve seats to the EPP faction (of its total of 221 seats) helping it sustain its narrow lead over the second largest party, the social democratic S&D group. Being the largest party enabled the EPP to nominate Jean-Claude Juncker as Commission President and to take a leading role in legislative processes in the Parliament. In exchange for Fidesz' loyalty, leaders of the EPP for years defended the Orbán regime against EU intervention despite its blatant violations of the EU's fundamental democratic values (Kelemen, 2017). As Meijers and van der Veer's (2019) study of roll-call votes confirms, despite some dissent within the party, most EPP MEPs have voted against censuring their Fidesz co-partisans. EPP protection extends to other institutions as well. EPP leaders in the European Council have generally resisted calls for EU action on the situation in Hungary. Finally, the political power of the EPP may also help explain why the European Commission (which has been led by EPP Presidents since Orbán took power) has been restrained in its response to developments in Hungary, not only refusing to

trigger Article 7, but refusing even to launch an inquiry through the 'Rule of Law Framework'.³

With the EPP's relationship with Orbán attracting more scrutiny in the run-up to the 2019 European Parliament elections, there was some reason to believe the authoritarian equilibrium dynamics linking the EPP and Fidesz might break down. And indeed, there was dissent within the party about its alliance with Orbán. However, to date, the EPP has chosen to maintain its support for Orbán's regime and it has not suffered politically as a result. Quite to the contrary, the votes of Orbán's MEPs proved crucial for the EPP's eventual nominee for the Commission Presidency, the German CDU politician Ursula von der Leyen, to win confirmation in the European Parliament.

The convoluted story of Fidesz' relationship with the EPP in the 2019 election is detailed elsewhere (Kelemen, 2018, 2019), but for present purposes the following points are essential. First, in 2017 and 2018, the EPP set out several 'red lines' – for instance concerning the expulsion of the Central European University – the violation of which it promised would prompt action against the Orbán regime. The Orbán regime repeatedly crossed these red lines, and yet the EPP took no meaningful action in response (Kelemen & Pech, 2019). Matters finally came to a head in February 2019 when – as part of his European Parliament election campaign – Orbán ran advertisements promoting a conspiracy theory involving the outgoing President of the European Commission Jean-Claude Juncker (an EPP member) and George Soros (Rankin, 2019). This provocation prompted the Swedish Moderate Party and quickly a dozen other EPP member parties to call for a vote on expelling Fidesz from the EPP (de le Baume, 2019a). However, even in the face of this provocation, Manfred Weber (leader of the EPP group in the European Parliament), Joseph Daul (EPP President), and other EPP leaders refused to allow a vote on expulsion. Instead, they agreed with Fidesz that it would voluntarily 'suspend' its membership pending an investigation by a committee of EPP 'wise men' – which would only report back only after the European Parliament elections. This so-called suspension was quickly revealed to be a ruse: Most importantly, it turned out that the suspension did not apply to Orbán's Fidesz MEPs in the European Parliament, and that their seats would still count towards the EPP's tally (de le Baume, 2019b).⁴

While the EPP emerged from the election as the largest party with the presumptive claim to the Commission Presidency, they needed the support of socialist and liberal Europarties to form a majority coalition. Initially, a senior MEP from Emmanuel Macron's party indicated that the liberals would not join a coalition with the EPP unless it expelled Fidesz (Simon, 2019). However, they did not stick to this demand. The socialists and liberals in Parliament did block the EPP's initial candidate Manfred Weber,

but after leaders agreed to replace him with a different EPP politician (Ursula von der Leyen) the socialists and liberals supported her even though Orbán's MEPs remained in the EPP (Kelemen, 2019). Ultimately, the votes of Fidesz MEPs were instrumental in helping von der Leyen win confirmation, and Orbán eagerly claimed credit for her victory (Kelemen, 2019). Strikingly, in the aftermath of the election, the EPP rewarded Fidesz by promoting some of its MEPs for leadership positions in the Parliament, and von der Leyen gave an Orbán loyalist control of the powerful enlargement portfolio in the Commission and indicated she would try to deescalate tensions with governments in east central Europe regarding rule of law (Rettman, 2019).

In the EU's half-developed party system, it appears that the EPP paid no meaningful political price for its alliance with Orbán. Europarties like the EPP have no real 'brands' that can be tarnished by their association with autocrats. Though there is no systematic polling on voter knowledge about Europarties, clearly few voters are aware of their existence or the alliances they entail. Europarties never appear on ballots in European Parliament elections, and they are only very rarely mentioned in campaign advertisements (Alemanno, 2018). Not only is voter awareness of Europarties low, knowledge of their leaders is as well. A YouGov poll taken a month before the European elections in 2019 found that only 26 per cent of Germans knew who Manfred Weber was, even though he himself was a German and came from the most highly institutionalised Europarty (Gehrke, 2019). Likewise, a 2019 study (Grande & Vidal, 2019, p. 5) that investigated whether voters could match lead candidates to their Europarties found dismal results: on average, only 15 per cent of voters across six EU member states were able to identify that Manfred Weber was the candidate of the EPP (and results for other candidates were even lower). If very few voters know about Europarties and their leaders, then naturally fewer still must know about their alliances with autocrats. As a result, the EPP and its member parties pay a little if any political price for supporting the Orbán regime.

The EU's half-baked party system is not the only aspect of EU politics that sustains the authoritarian equilibrium; the intergovernmentalism and norms of mutual trust and deference to national sovereignty that continue to dominate politics within the European Council and the Council of Ministers (Puetter, 2014) also play a vital role. As noted above, the imposition of sanctions under the Article 7 procedure requires unanimous approval of other governments in the Council. Thus, autocratically inclined regimes can protect one another through their veto power, which is precisely what the governments of Hungary and Poland have pledged to do (Shotter & Hopkins, 2018). More generally, the European Council and Council have demonstrated a marked reluctance to take action to address democratic

backsliding, thus far refusing to even vote on the initial stage of the Article 7 proceedings launched against Hungary and Poland.

Funding autocracy

Ironically, while the EU has spent large sums promoting democracy in candidate states and in countries around the world, today it is a major funder of democratic backsliding by EU member governments. For the 2014–2020 period the total budget of the European Structural and Investment Funds (ESIFs) was €450 Billion. For those member states that are the largest net beneficiaries of EU spending, the amounts involved can be massive – amounting to between three and four per cent of GDP annually. In the last budget, Poland was the largest overall recipient, taking in 86 billion euros (European Commission, 2015, p. 45). Hungary meanwhile was the largest recipient on a per capita basis. For instance, in 2017 EU spending in Hungary amounted to over €4 billion (over €3.2 billion net accounting for Hungary's budget contributions), amounting to 3.43 per cent of gross national income. Strikingly, more than 95 per cent of all public investments in Hungary in recent years have been co-financed by the EU (Keszthelyi, 2017).

While EU funding is intended to serve laudable goals, it sometimes has perverse consequences. For decades scholars studying the impact of EU funds on Greece and other cohesion countries noted that these funds might act as a form of 'resource curse' fueling corruption and clientelism (Huliaras & Petropoulos, 2016). When faced with a democratic backslider, this resource curse has proven even more damaging: instead of simply funding a public sector bloated with patronage jobs, EU funds have helped prop up authoritarian member government in Hungary. As scholars such as Magyar (2016) and journalists (e.g., Dunai, 2018; Rankin, 2018) have revealed, a significant portion of the EU funding allocated to Hungary has been channeled by the Orbán government into the pockets of Fidesz cronies.⁵ Incredibly, member states who benefit from EU funds have been allowed to opt-out of being subject to the scrutiny of the new European Public Prosecutor's Office, whose job it will be to combat fraud against the EU budget. Unsurprisingly, Hungary is among the six member states that have opted-out.

In a more politically developed federation, the center might use the dependence of a regime like Orbán's on its funding as a source of leverage to defend democracy. There has been recent debate about attaching more stringent rule of law conditions to EU funding, and the Commission has proposed a regulation along these lines (Bayer, 2019). However, suspending EU funding ultimately requires the political will to act, and the political dynamics discussed above continue to prevent this. In particular, other governments with grave rule of law problems oppose funding conditionality designed to address the situation in Hungary or Poland, fearing it could one day be

used against them (AFP, 2018; Gotev, 2018). Given the intergovernmental character of so much EU decision-making, these governments can likely block reform along these lines.

In addition to the EU's direct funding, EU membership also makes it easier for autocratic regimes to attract international capital. EU accession provided an important seal of approval of good governance that helped new member states attract FDI (Gray, 2009). So long as these states remain EU members, they retain that seal of approval and unfettered access to the EU's single market, which should presumably reduce the risk foreign firms associate with investing in them. Developments in Hungary suggest that this has indeed occurred. Even as the Orbán regime has undermined the rule of law and democracy, Hungary continues enjoying robust inward FDI from the EU. Inward flows and stocks of FDI in Hungary were higher in 2017 than in 2010 when Orbán was first elected. Foreign owned firms remain major players in the Hungarian economy, accounting for a quarter of all jobs in the private sector (OECD, 2017, pp. 1–6) and nearly 80 per cent of all exports (*Ibid.*). For instance, a 2017 survey by the German-Hungarian Chamber of Industry and Commerce indicated that over six thousand German companies operate in Hungary, employing a total of over 300,000 people, and that more than half of these firms plan to increase their investment in the near future (Kovács, 2017). German automakers in particular maintain close relationships with the Orbán government (Klawitter, 2018) and, strikingly, in the midst of the Hungarian government's intensifying attacks on liberal democracy and just months after the European Parliament adopted the Sargentini Report calling for the invocation of Article 7 against the Orbán government, German carmaker BMW announced plans to build a new, one billion euro car factory in Hungary (Taylor & Than, 2018). In short, EU membership has helped the Orbán regime continue to fuel its economy with FDI, even as it has installed a hybrid authoritarian regime.

Enabling exit

Has emigration helped the Orbán regime survive? While the case is not conclusive, there is substantial evidence to suggest that the easy exit option provided by EU membership is acting as a pressure release valve, encouraging hundreds of thousands dissatisfied citizens who might otherwise support local opposition parties to emigrate, and that the remittances they send home then act as an important stimulus for the local economy. Data on emigration are notoriously unreliable and tend to understate the phenomenon. The most reliable longitudinal data come from Eurostat. We can use these as a conservative gauge of emigration. Based on these data, there were 120,100 Hungarians living in other EU member states in 2010, the year that Orbán came to power. By 2018, there were 348,500. The increase in

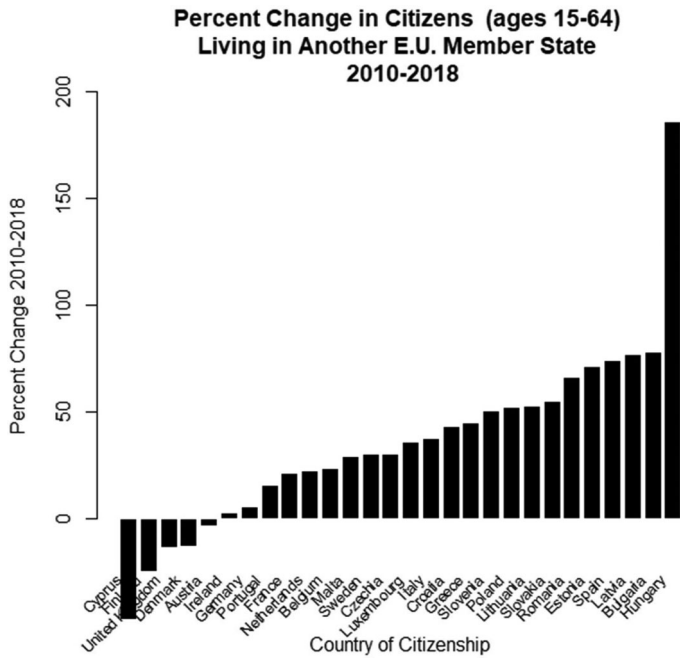


Figure 1. Percent Change in Citizens (ages 15–64) living in another E.U. member state 2010–2018. Source: Eurostat.

emigration from Hungary during this period (up 186 per cent) was more than double the increase from any other EU member state (the next highest being Bulgaria, which experienced a 78 per cent increase in its emigrant population). (See [Figure 1](#)) To be sure, citizens from east central European states were moving in large numbers to western member states for economic reasons long before the current democratic backsliding crisis began, and emigrants include people with a wide spectrum of political views – including supporters of authoritarian regimes. Also, Hungary by no means has the highest proportion of its population living in other EU member states. However, since Orbán came to power, emigration has clearly accelerated in Hungary far faster than it has in other EU member states, and this happened despite the fact that unemployment in Hungary was decreasing substantially (from roughly 11 per cent in 2010–3.7 per cent in 2018).

Is there reason to believe that this exodus has supported the durability of the Orbán regime? While we lack the data to reach a definitive conclusion, there is substantial circumstantial evidence to suggest that emigration does benefit the Orbán regime politically. First, we must recognise that Hungarian emigrants are substantially younger and better educated than the general population (Csipkés & Nagy, 2018), demographic attributes that make them less likely to support Fidesz than the general Hungarian population. The

exodus of hundreds of thousands of voters who would disproportionately tend to favor the opposition might not matter much if they still voted once residing abroad, but in fact only a small fraction of them do. For instance, in the 2018 parliamentary elections, only 51,854 Hungarians living abroad (not just in other EU countries but across the world as a whole) voted. The low rate of electoral participation by these emigrants is no accident but is the result of deliberate policy by the Orbán regime, which suggests that the Orbán government believes that non-voting by these emigrants benefits it. Consider the contrast in the voting procedures the Orbán regime established for emigrants – whom we have strong reason to believe would disproportionately support the opposition – and the procedures it established for the nearly 400,000 ethnic Hungarians in neighboring countries whom the regime granted citizenship – and whom it expected to vote overwhelmingly for Fidesz.⁶ In short, the Orbán government has made it difficult for emigrants to vote from outside the country by requiring them to vote in person at a diplomatic mission (i.e., consulate or embassy), whereas ethnic diaspora Hungarians could vote by mail. This distinction in voting procedures was criticised by OSCE election observers because it, ‘challenged the principle of equal suffrage, and ... the distinction was based on partisan considerations’ (OSCE, 2018, p. 1).

Did this outflow of likely opposition voters influence the election outcome? Given the Orbán regime’s other electoral manipulations and its large margin of victory, emigration was certainly not key to winning a majority. However, the Orbán government has placed great emphasis not simply on winning but on maintaining a two-thirds majority in Parliament, as this enables it to adopt constitutional changes. In the 2018 election, the Orbán regime hung on to its two-thirds majority by just one seat in Parliament. If the emigration of hundreds of thousands of potential voters shifted the election outcome just slightly in the government’s favor – which seems very plausible – that could have given it the margin it needed to secure two-thirds.

Finally, emigration does seem to be benefiting the Orbán regime in the other, indirect way anticipated in the literature discussed above, through remittances. Not only do many likely Orbán opponents leave, they send home significant remittances, and the level of remittances being sent to Hungary has increased dramatically since Orbán took office. In that period, remittances to Hungary have increased in value from \$2.16 billion to \$4.6 billion (Comes, Bunduchi, Vasile, & Stefan, 2018, p. 251). As Figure 2 illustrates, remittances to Hungary have increased from 1.6 per cent of GDP in 2010 (the year Orbán was elected) to 3.5 per cent in 2018.

Of course, remittances increased across much of the region in this period with the opening up of the EU labor market to workers from accession states. However, if we compare developments in Hungary to those in the other Visegrad countries (which are its closest comparators) the rate of

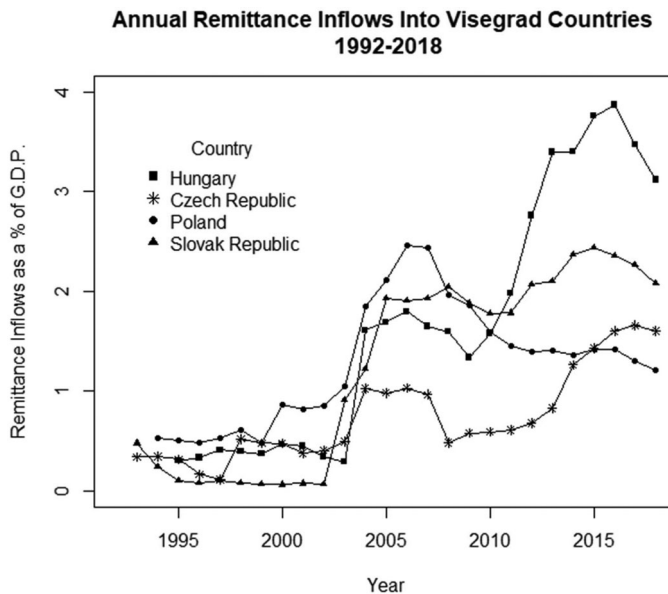


Figure 2. Annual remittance inflows into Visegrad countries 1992–2018. Source: Migration Policy Institute, using World Bank available here: www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data

acceleration of remittances from Hungary is striking, and it has now become the clear leader in the region in the importance of remittances to its economy. As the literature discussed above reminds us, remittances generally lead recipients (relatives who remain in Hungary) to improve their assessments of the incumbent regime – thus providing the government another indirect benefit from the emigration of dissatisfied citizens to elsewhere in the EU. Finally, there is little reason to believe the outflow of dissatisfied Hungarians will decline in the foreseeable future: a recent survey found that 15 per cent of Hungarians – including 41 per cent of 18–29 year olds – plan to move abroad to work in the future (Flachner, 2018).

Conclusion

This article explains how and why authoritarian member state governments may endure within the EU. It paints a bleak picture. Though the EU was intended to be a union of democracies, its half-baked institutional order is now providing a hospitable environment for aspiring autocrats. Developments in Hungary demonstrate a formula that may enable other aspiring national autocrats to consolidate power within the EU. In short, the EU appears to be stuck in an autocracy trap, and there is little reason to believe it will escape it any time soon. Quite to the contrary, worrying

recent developments in Poland, Bulgaria, Malta, and elsewhere suggest that other regimes across Europe have taken note of the lesson that the EU may tolerate significant backsliding on democracy and rule of law.

Those who despair at this conclusion may perhaps find of solace in one final consideration: the literature on authoritarian states inside democratic unions suggests that these regimes tend to practice soft forms of authoritarianism – so as to avoid prompting federal intervention. While EU membership may not assure that member states remain democracies, it will likely prevent them from becoming full-blown dictatorships. And indeed, the autocratic regimes that are emerging in the EU are far milder than the dictatorships of the fascist right or communist left that existed in many European states in the past century, and also milder than the authoritarian regimes on the EU's doorstep today in Russia or Turkey. That will surely not satisfy principled democrats, but those who set their sights low enough and consider the ugly history of governance in much of Europe may still view it as modest progress.

Notes

1. See Article 22(1) of Regulation 1141/2014 on the statute and funding of European political parties and European political foundations, 22 October 2014, OJ L 317/1.
2. For instance, the US federal government has used the threat of suspension of federal funding to pressure subnational governments to respect fundamental values such as civil rights laws.
3. Though see Closa (2019) who argues partisanship has not played a role in the Commission.
4. As this article goes to press, the EPP 'wise men' committee has yet to issue its report on Fidesz' membership, but Orbán has already indicated he is considering quitting the EPP and instead joining the European Conservatives and Reformists (ECR) – the Europarty which is home to Poland's ruling PiS party. Though protection from the powerful EPP was crucial for Orbán to consolidate his grip on power, at this point even a weaker party like the ECR could provide Orbán's regime with adequate political protection to sustain the authoritarian equilibrium.
5. A recent New York Times investigation found that the Orbán regime also uses EU agricultural subsidies to support its patronage network and punish rivals (Gebrekidan, Apuzzo, & Novak, 2019).
6. Ninety-six percent (216,561 of 225,471) of the ethnic diaspora Hungarians who voted by mail in the 2018 election voted for Fidesz. Data available from Hungary's National Election Office at <https://www.valasztas.hu/levelsavazas-jegyzokonyv>.

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