

DOKUZ EYLÜL UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF INTERNATIONAL RELATIONS
INTERNATIONAL RELATIONS
MASTER’S THESIS

**ASSESSING THE POPULIST RULE IN HUNGARY AND
2008 ECONOMIC CRISIS**

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İZMİR – 2021

MASTER THESIS/PROJECT
APPROVAL PAGE

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ABSTRACT
Master's Thesis
Assessing the Populist Rule in Hungary and 2008 Economic Crisis
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Populism research in the International Relations literature has increased in the last decade particularly because populism is spreading globally and became more apparent with the global economic crises. The term “populism” which was used to describe specific political movements in the US and Russia in the 19th century, started to be used to explain movements against existing elites after the 1950s. An important point that the recent studies focus on is to determine the factors causing the rise of populism in different regions such as in Latin America, Eastern and Central Europe, Western Europe and the US. In this sense, two main factors are emphasized in the literature, namely economic insecurity which leads to socio-economic populism and cultural backlash which leads to cultural populism. This thesis evaluates the rise of populism on the basis of the 2008 Global Economic Crisis, which created an atmosphere for economic insecurity. The main case chosen for this evaluation is Hungary, which has already experienced a comprehensive economic transformation in the post-1990 period and was also devastatingly affected by the 2008 Global Economic Crisis.

In this thesis, the implications of the 2008 Global Economic Crisis for Hungary in different areas such as production, investment, unemployment and indebtedness are analyzed in parallel with the developments in the Hungarian politics in the same period. In 2010, Victor Orban took power in Hungary and his charismatic leadership facilitated the rise of populism. In fact, this analysis, demonstrates that the Hungarian Civic Alliance (Fidesz) party led by Viktor Orban rose to power by applying clearly populist policies. It is found out that the atmosphere of economic insecurity in Hungary after the 2008 Global Economic Crisis created a favorable space for the effective use of the populist

method in areas such as unemployment, immigration, foreign policy and social policies. Although there have been some changes in its main dynamics over time, the populist policy understanding of the Fidesz government led by Orban has continued until today. It is believed that the next general elections in Hungary will be decisive in terms of both future of Fidesz and populism research in the International Relations literature.

Keywords: Populism, 2008 Global Economic Crisis, Hungary, Fidesz, Viktor Orban.



ÖZET

Yüksek Lisans Tezi

Macaristan'daki Halkçı Yönetim ve 2008 Ekonomik Krizi Üzerine Bir

Değerlendirme

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Uluslararası İlişkiler Ana Bilim Dalı

İngilizce Uluslararası İlişkiler Programı

Uluslararası İlişkiler literatüründeki popülizm araştırmaları, popülizmin küresel ölçekte yayılması ve ekonomik krizlerle birlikte daha belirgin hale gelmesi nedeniyle son dönemde artış göstermiştir. 19. yüzyılda ABD ve Rusya'daki bazı siyasi hareketleri tanımlamak için kullanılan “popülizm” terimi, 1950'lerden sonra özellikle mevcut elitlere karşı gelişen hareketleri açıklamak amacıyla kullanılmıştır. Yakın dönemdeki araştırmaların odaklandığı önemli bir nokta; Latin Amerika, Doğu ve Orta Avrupa, Batı Avrupa ve ABD gibi farklı bölgelerde popülizmin yükselişine neden olan faktörleri belirlemektir. Bu anlamda literatürde iki temel faktör üzerinde durulmaktadır: Sosyo-ekonomik popülizme yol açan ekonomik güvensizlik ve kültürel popülizme yol açan kültürel tepkiler. Bu tez, ekonomik güvensizlik ortamı oluşturan 2008 Küresel Ekonomik Krizi temelinde popülizmin yükselişini değerlendirmektedir. Bu değerlendirme için seçilen ana örnek ise; 1990 sonrası süreçte kapsamlı bir ekonomik dönüşüm yaşayan ve 2008 Küresel Ekonomik Krizinden yıkıcı bir şekilde etkilenen Macaristan'dır.

Bu tezde, 2008 Küresel Ekonomik Krizinin Macaristan özelinde üretim, yatırım, işsizlik, borçlanma gibi farklı alanlarda yarattığı sonuçlar, Macaristan'da aynı süreçte meydana gelen siyasi gelişmelerle paralel bir şekilde analiz edilmiştir. 2010 yılında Macaristan'da Viktor Orban başa geçmiş ve onun karizmatik liderliği popülizmin yükselişini kolaylaştırmıştır. Aslına bakılırsa bu analiz, Viktor Orban liderliğindeki Macar Yurttaş Birliği (Fidesz) partisinin açıkça popülist politikalar uygulayarak iktidara yükseldiğini göstermektedir. 2008 Küresel Ekonomik Krizi sonrasında Macaristan'da oluşan ekonomik güvensizlik atmosferinin, işsizlik, göç, dış politika ve sosyal

politikalar gibi alanlarda popülist yöntemin etkin bir şekilde kullanılması için elverişli bir ortam yarattığı tespit edilmiştir. Zaman içinde temel dinamiklerinde bazı değişiklikler yaşanmış olmasına rağmen, Orban liderliğindeki Fidesz iktidarının popülist politika anlayışı günümüze kadar devam etmiştir. Macaristan'da yapılacak bir sonraki genel seçimin hem Fidesz'in geleceği hem de Uluslararası İlişkiler literatüründeki popülizm araştırmaları açısından belirleyici olacağı düşünülmektedir.

Anahtar Kelimeler: Popülizm, 2008 Küresel Ekonomik Krizi, Macaristan, Fidesz, Viktor Orban.



ASSESSING THE POPULIST RULE IN HUNGARY AND 2008 ECONOMIC CRISIS

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ABBREVIATIONS

CEE	Central and Eastern Europe
EE	Eastern Europe
EU	European Union
FDI	Foreign Direct Investment
Fidesz	Hungarian Civic Alliance
FKGP	Independent Smallholders Party
GDP	Gross Domestic Product
IMF	International Monetary Fund
ITDH	Hungarian Investment Promotion Agency
Jobbik	The Movement for a Better Hungary
KDNP	Christian Democratic People's Party
LGBT	Lesbian Gay Bisexual Transgender
LMP	Politics Can Be Different
LSE	London School of Economics and Political Science
MDF	Hungarian Democratic Forum
MIEP	Hungarian Justice and Life Party
MSED	Multi-Seat Electoral Districts
MSZP	Hungarian Socialist Party
OSCE	Office for Democratic Institutions and Human Rights
PiS	Law and Justice Party
SSED	Single-Seat Electoral Districts
SYRIZA	The Coalition of the Radical Left - Progressive Alliance
SZDSZ	Alliance of Free Democrats
TNCs	Transnational Corporations
UK	United Kingdom
UN	United Nations
US	United States
WTO	World Trade Organization

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INTRODUCTION

Populism is a relatively young concept in Social Sciences, especially in the field of International Relations. Although there have been important scientific studies on populism since the middle of the 20th century; it can be said that the concept has found wide interest in the literature and politics since the 2000s. In the past decades, discussions about populism have started to intensify with the appearance of some political parties and movements in different countries, especially in South America, Central and Eastern Europe (CEE). Hugo Chavez from Venezuela, Evo Morales from Bolivia, Hungarian Civic Alliance (Fidesz) led by Viktor Orban in Hungary and the Law and Justice Party (PiS) in Poland have constituted some examples.

Populism can be defined as the method of mobilization of the "people", who define themselves outside the status quo and see the status quo as an "elite" group, through the political movements usually represented by a charismatic leader. From which sources the populist movements are fed and how they increased their power are examined through different cases in the literature. At this point, it can be said that there are two basic approaches. The first approach is that populism has risen as a cultural and moral reflex on the basis of some segments of society, especially by the traditionalists and nationalists. According to this approach, it is essentially a conflict of values that drives populist political movements and causes society to support these movements and populist leaders. This conflict of values can arise in different forms and areas. For example; in a country with high immigration mobility, nationalists may show strong anti-immigration resistance fearing that their culture, lifestyle and national values could be threatened by immigrants. In another example, the election of an atheist or LGBT politician as a deputy in a country can be seen dangerous by the traditionalist and religious masses in the society. In this sense, the cultural-based populism approach argues that a sharp conflict of values forms the most favorable environment for the rise of populism. In such an atmosphere, some political parties and leaders may develop a strong populist method based on the values that are dominated by the belief that people are threatened; and they can bring together different segments of people who face the same value threat. Although this approach offers some effective evaluation in some cases; it alone fails to explain the rise of populism.

Due to the emergence of populism as a political method rather than an ideology, the populist approaches can be found in the political parties which have different ideologies. As will be examined in detail in the thesis, it is possible to

separate populism as right-wing populism and left-wing populism. At this point, although the culture-based approach can be said to be descriptive to some extent on examples of right-wing populism; it is difficult to say the same for the left-wing populism. For instance, in the left wing populist movements, the importance of moral and cultural values in the policy making process is a controversial issue. In this sense, it is important to examine in detail the second approach in the literature, which offers an explanation of how both types of populism rise.

The second approach that dominates the populism literature is the one often advocated by the scholars such as David Harvey and Dani Rodrik, explaining the rise of populism on the basis of economic conditions. According to this approach, the main factor for people turning to the populist political parties and leaders is the atmosphere of economic insecurity. As an economics-based academic, David Harvey said that the road to the rise of populism started with the neoliberal transformation process in the global economic system; and argued that this transformation process significantly increased the level of global inequality. (Harvey, 2007: 32) Factors such as unemployment, declining living standards, high inflation, which emerged especially during the economic transformation and economic crisis as in the 2008, caused people to feel economically insecure. Such an atmosphere creates a very convenient process for applying a populist strategy for both right wing and left wing parties. Although the examples of populism vary according to geography, parties and leaders, the reaction developed against the status quo, and its national and international stakeholders which creates an atmosphere of economic insecurity in a country, is basically similar. While the populist movements that feed on this reaction, progress in an integrated way with a left / socialist tendency in some countries such as Venezuela, Greece, Spain; in some other countries such as Hungary, Poland, they rise articulated to a right wing and conservative - nationalist ideologies. In this sense, it is also important to point out that it was quite difficult to make a generalizing and precise definition of populism for a long time.

It would not be correct to say that the above-mentioned approach based on economic insecurity completely ignores the influence of cultural and moral values. For example, the concept of "neoliberal globalization", which was basically introduced into the literature by David Harvey and frequently cited by many academics while studying populism, reveals the increasing economic inequality with the neoliberal economic transformation; on the other hand, it draws attention to the rising inequality of values and cultures with the phenomenon of globalization. At this point, it can be said that in

parallel with the spread of neoliberalism led by the Western countries, cultural and moral values belonging to the West also spread on a global scale. This situation undoubtedly led to the emergence of different cultural and moral reflexes in different countries. As mentioned above, of course these reflexes constitute one of the main pillars of populism. However, it would not be wrong to say that the approach based on economic insecurity has come to the fore more sharply, both because it is the factor that causes the emergence of these cultural reflexes and it creates the most favorable atmosphere for the populist parties and leaders. In this thesis the rise of populism is evaluated mainly in the context of the economic insecurity approach. In addition, the examples of populism fed by cultural and moral reflexes are examined in detail in an integrated manner with the main approach.

The most important reason for making an assessment on the basis of economic insecurity in the thesis is undoubtedly the determination of the 2008 Global Economic Crisis. As examined in detail in the thesis, the crisis that emerged as a banking crisis in the United States (US) in 2008 spread globally in a short time and left a devastating effect in many countries. In this process, many banks and multinational firms went bankrupt, a serious borrowing problem arose both in the private sector and households, and a global unemployment problem and a decline in investments, production and consumption spread to all areas of the economy over time. The devastating effect of a crisis that started in the banking field in the US on a global scale in such a short time, undoubtedly indicates the problematic dynamics of the structure of the global economic system. The most prominent among these dynamics is the dependence of the economic structures of many countries, especially in the field of finance. This dependency can be defined as the intense need for the financial structures of countries such as the US, Germany, England and France, which are the leaders of the Western capitalism, and the flow of foreign direct investments (FDI) that spread globally from these countries. Undoubtedly, the foundations of the emergence of such dependence lie in the understanding of neoliberalism that shaped the post-1980 global economic system.

As the main arguments put forward by neoliberalism, in the post-1980 period under the leadership of the US and the United Kingdom (UK), the obstacles to global capital movements were removed to a great extent, the role of the state in both international trade and public expenditures was reduced and FDI flows were greatly supported. As a result, multinational companies operating on a global scale have increased their power considerably, various financial institutions in economically

leading countries such as the US, the UK and Germany have reached the opportunity to expand to different regions, and underdeveloped and developing countries have great efforts to integrate with global capitalism. It has implemented the privatization strategy in order to support FDI entries and to reduce public expenditures in domestic policy. This situation led to the emergence of an intense dependence in all areas where capital has spread on a global scale, especially in the field of banking and finance. The countries where this addiction is felt the most are the former socialist and post-Soviet countries in CEE.

With the collapse of the Eastern Bloc, one of the biggest problems in front of global capitalism in the post-1990 period has been the problem of integrating the former socialist countries such as Hungary, Poland, Czechia, and Romania into the global system. The foundations of the strategy applied to integrate these countries into global capitalism were carried out in parallel with neoliberalism. As it is examined in detail in the case of Hungary within this thesis, during the economic transformation process experienced in CEE countries after 1990, there was a very intense foreign investment flow to the region. Also, the investments made in the field of finance, especially banking, were the leading columns in this sense. Beyond that, the debates about the success of the economic transformation process have been still alive. It can be said that such a sudden outward opening and integration with global capitalism is the main reason for the reality of dependence that underlies the destructive wounds of these countries from the 2008 Global Economic Crisis. In this context, neoliberalism should be underlined both constituting the roots of the 2008 Global Economic Crisis, which created an atmosphere of economic insecurity, and the main reason of why Hungary, came out of the crisis with deep economic impacts.

The focus of the thesis is on the relations between economic crisis and populism in Hungary. In the light of the political economic basis described above, the main research question of the thesis is: What is the relationship between the 2008 Global Economic Crisis and the rise of populism in Hungary?

With the dissolution of the Eastern Bloc, Hungary has switched from the Soviet-style single-party socialist rule to democracy. The economic and political transition process that began after this change is parallel to the global spread process of neoliberalism. In Hungary after 1990, although the governments have changed in every election, the effort of the country to integrate with global capitalism has always continued. One of the most important external anchors of this effort has been the European Union (EU). Fulfilling the political, economic and legal conditions required

to become a member of the EU has been complementary to Hungary's strategy to integrate with global capitalism. In this context, the fact that the neoliberal transformation in the economy, which was at the basis of the 2008 Global Economic Crisis, can be clearly observed in Hungary, especially in the post-1990 period, which made the country extremely suitable and interesting to choose as the main case to examine.

In addition to its experience of economic transformation, Hungary draws attention as one of the countries that deeply felt the destructive effects of the 2008 Global Economic Crisis. For example; in 2009, when the effects of the crisis began to be felt, the real gross-domestic product (GDP) growth rate of Hungary was recorded as -6.3%, the unemployment in the country experienced a significant increase compared to 7.8% in 2008 and approached 10%, exports decreased of -11.9%, and the FDI level, which is one of the important investment sources of country, declined from 47.5% in 2008 to -2.14%. (Wandel, 2010: 98) In addition, the Socialist - Liberal coalition, which rose to power in the 2006 General Elections in Hungary, disintegrated in 2008 due to its different approaches in economic policies. From this year until the 2010 General Elections, the country was governed by the Hungarian Socialist Party (MSZP) minority government. In addition, the voice recordings of Gyurcsany, Prime Minister of the time, in which he openly confessed to "lying to the public about economic reforms" has created a serious social reaction. (Korkut, 2007: 680) These audio recordings that emerged before the Economic Crisis have caused mass protests by the opposition bloc in Hungary. Prime Minister Gyurcsany has resigned in 2009 as this atmosphere of political chaos combined with the collapse of the coalition and the effects of the 2008 Global Economic Crisis. The fact that Hungary went through such a chaotic political and economic process between 2006 and 2010 is another important reason why it was chosen as the main case.

Following the chaotic period between 2006 and 2010, Fidesz led by Viktor Orban, has rose to power in the 2010 General Elections. In this thesis, Fidesz is defined as a "populist party" and thus the rise of populism in Hungary is evaluated on the basis of the rise of Fidesz. In this sense, Fidesz's rise to power in the first general elections after the 2008 Global Economic Crisis also makes Hungary an interesting case to examine. For example; The Coalition of the Radical Left - Progressive Alliance (SYRIZA), one of the left-wing populist parties in Greece frequently cited in the populism literature and PiS, one of the right-wing populist parties in Poland, have risen to power in the 2015 General Elections. Compared to these examples, Fidesz's rise

to power in the early year like 2010 constitutes a clearer case to evaluate its connection with the 2008 Global Economic Crisis. In short, the Hungarian case has to be examined within the research question of the thesis.

Besides the main research question mentioned above, the thesis aims to focus on various other research questions such as “What are the short and long term factors that brought about the 2008 Global Economic Crisis?”. In this context; on the one hand, the triggering factors of the crisis that emerged in the US and the factors that accelerate its spread in a global scale are examined; on the other hand, structural features that create dependency and financial fragility in the global economic system in the long run are revealed on the basis of neoliberalism.

“What are the factors that accelerate the rise of populism?” can be stated as another research question of the thesis. One of the main assumptions that the thesis puts forward to answer with these questions is the idea that populism is not an ideology, but rather can be defined as a political method or strategy. In this way, cases that constitute different examples such as left wing populism and right wing populism on a global scale are examined. In order to accurately define the factors affecting the rise of populism, different examples from regions such as South America, North America, Europe, and North Africa are selected and analyzed by revealing the similarities and differences between them. These differences help to identify the unique sides of the rising populism in Hungary.

Another research question is about the transformation of populism in a particular political movement. In this context, the Fidesz example in Hungary, is examined in a comparative and continuous manner, both in the pre-2010 period and the period it has gone through since 2010. This analysis provides an assessment of how a populist party has experienced transformations and how the political agendas it focuses differ.

The basic hypothesis of the thesis built on all these research questions can be stated as follows: Economic crisis processes that create an atmosphere for a large-scale economic insecurity in societies constitute a clear opportunity for the rise of the populist movements. This hypothesis is analyzed comprehensively through the impacts of 2008 Global Economic Crisis on the Hungarian politics.

In the thesis, quantitative and qualitative research methodologies are used together. The examination of the neoliberal economic transformation process and the 2008 Global Economic Crisis necessitates the quantitative research technique. In this context, the economic data obtained from reliable international institutions such as

the World Bank and International Monetary Fund (IMF) regarding the 2008 Global Economic Crisis. Overall, the focus has been on the macroeconomic data that are more suitable for explaining political transformation processes. In this sense, data such as unemployment, GDP growth, exports, inflation, FDI rates that emerged especially with the economic crisis process are studied in detail. Economic indicators are evaluated together with their impacts on the political transformation process in parallel with the rise of populism. In addition to macroeconomic data, microeconomic data such as household borrowing and banks' liquidity problems are included to a certain extent in order to reveal the destructive effects of the crisis more clearly. Undoubtedly, in order to show how the 2008 Global Economic Crisis, which emerged as a banking crisis, affected the economy in particular for the Hungarian society and how this reflected on political preferences, it is necessary to examine data that directly represent the economic situation and living standards of people such as borrowing.

As another pillar of the thesis, qualitative methodology has been used extensively while making evaluations on populism. In this context, especially in the theoretical framework section, research and views of different academics on populism are presented comparatively from the secondary literature. In order to reveal how the populism literature developed in academia, starting from the middle of the 20th century, the views of different scholars have been included, paying attention to historical continuity. The discourses and rhetoric of politicians are among the factors that require detailed qualitative research. From this point of view, different discourses and political party agendas, especially the discourses used by Fidesz leader Viktor Orban at different times, are evaluated comprehensively. Such an evaluation is also necessary in order to reveal what kind of evolution has taken place in Hungary's populism represented by the example of Fidesz.

The brief outline of the thesis is as follows. In chapter one, the theoretical and conceptual framework have focused on a detailed description of the two important pillars of the thesis, that are populism and economic crisis. First of all, various studies conducted in the literature on populism are reviewed in a comparative manner, especially starting from the mid-20th century. This method, which is also important in terms of seeing how populism studies have evolved, comes up to the current discussions of populism and at the end of the chapter, the definition of populism, which the thesis adapts and which is summarized above, is explained in detail. Then, some of the prominent populist movements in history and the differences they represent will be evaluated comparatively. Here, examples from different geographies

such as South America, Eastern Europe (EE), North America and North Africa are given; by this means, evaluations are made in order to understand the distinction between right and left populism more clearly and to show how the populist theories change according to geography, culture and different economic conditions. After examining the populism studies in the literature and the main populist theories that have come to the fore in the recent history, the concept of economic crisis, which is another pillar of the thesis, is reviewed in the light of the prominent definitions in the literature. At this point, the differences of concepts such as liquidity crisis, financial crisis and economic crisis are given as well as how a crisis process gradually evolves. Such a definition also helps to show through which processes the 2008 Global Economic Crisis went through. At the end of first chapter, whether populism is fueled by a cultural reflex or an atmosphere of economic insecurity is indicated. In this context, current debates in the populism literature are given. Based on the definition of economic crisis, the relationship between populism and the atmosphere of economic insecurity is clearly demonstrated.

In the chapter two - about the historical background of 2008 Global Economic Crisis and the Rise of Populism, first the evaluation of the 2008 Global Economic Crisis is reviewed. In order to fully understand the structural problems in the global economy that constitute the crisis process, neoliberal economic system has to be assessed. Following that, the short-term factors that brought about the 2008 Global Economic Crisis and the spreading stages of the crisis on a global scale by creating a domino effect is examined. Afterwards, the impact of the crisis, especially across the European countries is analyzed in the lights of some macroeconomic data such as unemployment, GDP growth, inflation and exports, which present clearer signs of the general political-economic atmosphere of a country. Then, the thesis has focused on the economic restoration policies against the crisis implemented under the leadership of the EU and some international organizations such as the IMF and World Bank. This assessment, which reveals how much the wounds created by the 2008 Global Economic Crisis in societies can be healed, is also very important in terms of understanding the basis of populist movements that rose after the crisis. In the last part of the second chapter, the similarities and differences of populist movements that emerged in different countries of Europe such as Hungary, Greece, Spain, Poland, during the post-crisis period is evaluated on the basis of right wing and left wing populist movements. In the light of this comparative evaluation across Europe, the third chapter focus on the case of Hungary.

In the beginning of the third chapter, the turning points that took place in Hungary until 1990 and the prominent cultural and geopolitical features of the country are briefly summarized. This summary is necessary to make a clear sense of the political and economic transition from socialism to global capitalism that took place in the post-1990 country. Undoubtedly, the post-1990 transition period is one of the main factors that determine how much the country was affected by the 2008 Global Economic Crisis. At this point, the turning points such as political power changes observed until 2008, economic transformation strategies and EU membership are examined in detail. In the same context, Fidesz's transformations on the basis of the political spectrum is another point to focus on. Afterwards, the 2008 Global Economic Crisis, which has been examined in Europe in the second chapter, is evaluated in more detail in the case of Hungary. At this point, data such as unemployment, economic growth, consumption, household borrowing that directly affect the voting mechanism of Hungarian society are analyzed in parallel with the political atmosphere of the period. The populist policies implemented by Fidesz under the leadership of Viktor Orban in the atmosphere of economic insecurity created by the 2008 Global Economic Crisis, what political-economic resources they feed from and what kind of response they find in Hungarian society are analyzed. This part includes both the policies Fidesz carried out until its rise to power in 2010 and the policies it has carried out as the ruling party since 2010. The turning points of this era such as the adoption of the new constitution in Hungary, the change in the electoral system, and the developments such as the refugee crisis in the international arena, are evaluated comprehensively in terms of the connection with the Fidesz's populist method. At the end of the third chapter, the transformation of Fidesz as a political party during the examined process and the current political-economic atmosphere in Hungary are given briefly.

The thesis aspires to contribute to both the economic crisis literature and the current populism literature. Focusing directly on the 2008 Global Economic Crisis and its impact on the rise of populism in Hungary can be considered a more specific contribution of the thesis to the literature. It can be said that both the 2008 Global Economic Crisis and the populism studies specific to Hungary are relatively young and developing fields in the International Relations literature.

CHAPTER ONE

POPULIST THEORIES AND ECONOMIC CRISES

1.1. DEFINITION OF POPULISM

The word "populism" can be used in social sciences within many different meanings and would refer to different phenomena. The concept of populism first started to be expressed at the end of the 19th century. At that time, the term "populism" was independently chosen to describe different social phenomena in the Russian Empire and the US. (Canovan, 1981: 9) People's Party, which has advocated radical rural policies in the US, was known as the Populist Party; and in Russia, the "Narodnik" movement, which aimed at a peasant-led revolution against the Tsarist regime, was also translated as "populist". (Allcock, 1971: 372) Although it has been used at similar times, it is important to note that the definitions of "populism" in the US and the Russian Empire are not directly related to each other. In its example in US, while "populism" is defined an advocated view of the development of the rural areas in production and income; in Russia, it was referring to a strategy of a revolutionary group that was desired to be carried out under the leadership of the peasantry against the Tsarist regime.

The research on the concept of "populism" after its first use in the late 19th century remained limited until the 1950s. It can be said that an article published by the sociologist Edward Shils in 1954 started a new era. Shils, who evaluated populism as an ideological phenomenon, was the first academician to mention that populism is an important threat to the rule of law. (Allcock, 1971: 372–373) The starting point of Shils when defining populism is the criticism of McCarthyism, which is seen as one of the most important problems of US domestic policy of the period. While Edward Shils put the definition of populism on a more ideological line in this context; drawing attention with his book "Political Man" published in 1959, S. M. Lipset examined the social bases of the McCarthyism movement. Lipset defines McCarthyism as a populist movement that represented the fears and thoughts of groups that were not institutionalized on the political scene and remained in the minority in mainstream political parties in the US, especially in the context of the Cold War. (Allcock, 1971: 379) Edward Shils, who wrote an article on the subject again in 1960, began to shift his focus to the Third World countries rather than US domestic politics. At this point, Shils has chosen to define populism as a nationalist and traditionalist ideology that

stands against the Westernized ideas in the Third World countries. (Shils, 1960: 275) As parallel with the Shils' works about the Third World countries, examining the relationship of the former colonial empires with the great power blocks of the Cold War, Peter Worsley revealed the main features of populist ideologies in his works. The main actor in his definition of populism is state. According to Worsley, for the emergence of a populist ideology, it is not necessary for economic classes to be fully formed, as in developed countries that have completed their industrialization steps. (Worsley, 1969: 12) The important things are representation of a "self-help" which is based on rural areas, and providing the unity of the nation in a political party or philosophy as an ideological complex. (Allcock, 1971: 381)

In 1967, the first international conference on populism studies was held in the London School of Economics and Political Science (LSE) between 19-21 May under the title "To Define Populism". Many academics from many different countries attended the conference. In the conference, both the theoretical concept of populism and different forms of populist movements emerging in different regions were discussed. In this sense, it is possible to say that it was an important conference in terms of early populism studies in the field of social sciences. The first topic discussed was Lenin's comments on the example of populism in Russia in the first decades of 1900s. According to Lenin, "populism" is not a movement but it is a concept that defines the different aspects of a movement's ideology. (Berlin et al., 1968: 138) In this sense, it must be said that Lenin's efforts to define populism at the beginning of the 20th century inspired the studies on populism in the academy, which began to intensify in the 1950s. Lenin defines populism as a combination of ideologies which are an anti-feudal bourgeois democratism with a petty-bourgeois conservative reaction against bourgeois progress. (Berlin et al., 1968: 139) Taking the floor later, Andrzej Walicki stated that Lenin's definition of populism constitutes theoretically the first examples of the concept of economic backwardness. For him, populism in Russia should be seen not only as a response to capitalism, but also as a Russian reaction against Western socialism. (Berlin et al., 1968: 142) In this context, it can be said that Walicki's definition of populism is based on a peasant-oriented socialism which has generally emerged in economic backward countries such as Russia.

One of the academics who most strongly opposed Walicki's definition of populism was F. Venturi. Venturi argued that Lenin's definition of populism was not enough to understand it; because Lenin developed this definition as an instrument that he can use to fight against populism, and it was a very successful definition for

this purpose. In addition, Venturi strongly opposed Walicki's definition of populism and socialism as equated; and defended that populism can only be a stage of socialist movements. (Berlin et al., 1968: 143)

Long discussions were held on the different cases of populism in North America, South America, Africa and Asia during the conference. In the end, all participants tried to develop their own definitions of populism. In this context, one of the most prominent and detailed definitions was made by Donald MacRae. He has determined some basic elements necessary for a movement to be defined as populist. For him, the main elements of populism were the idealization of a "Volk", xenophobia, anti-militarism, a close affiliation with religion and anti-elitism. (Berlin et al., 1968: 146) It is important to note that a global-scale identification effort that MacRae was trying to put forward is well-intentioned. But it was aimed to develop a common definition of populism that all participants could support to some extent at the end of the conference. The proposed common definition was as follows:

"Populist movements are movements aimed at power for the benefit of the people as a whole which are alienated from the existing power structure. These movements are characterized by a belief in return to more simple and traditional forms and values emanating from people." (Berlin et al., 1968: 179)

Although a general approval has been obtained for the definition of populism, all participants of the conference agreed that the subject is very comprehensive. They all have defended that populism did not have a structure that can be reduced to a single and common definition. Nevertheless, it should be emphasized that the conference held at LSE was an important point in the history of populism studies, as it paved the way for the academic research that followed.

In parallel with the disagreements that arose at the conference held in the LSE, the political scientist Margaret Canovan also argued that it is difficult to develop an international definition of populism. For her, populism differs from the ideological concepts used on a global scale such as socialism or conservatism. (Canovan, 1981: 12) From this point of view, Canovan underlined the seven different types of populism: Three of these (farmers' radicalism, peasant movements and intellectual agrarian socialism) were evolved forms of "agrarian populism"; the other four (populist dictatorship, populist democracy, reactionary populism and politicians' populism) were forms of the "political populism". (Canovan, 1981: 13)

Although the academic definitions of populism have varied and seem disorganized so far, most of them have focused on the relationship between "people"

and “elite”. Also, with the populism studies of other academics such as Laclau, David Harvey, Mudde, the subject has gained much more depth.

Argentine academic Ernesto Laclau developed his own theory of populism during the period of Peronism, the policies led by the Argentine president Juan Peron. Apart from the context in which he lived, another important factor that had an impact on Laclau's theory was Antonio Gramsci, who contributed greatly to the Marxist literature in the 1920s and 30s.

Gramsci, as a result of his studies on the Bolshevik Revolution and Lenin's ideas, argued that the working class was not the only subject of the communist revolution in Russia, but that the working class assumed the leading role. In this sense, he has stated that "Peace, bread and land", known as the slogan of the revolution, includes not only the demands of the proletariat, but also of different social classes, especially the peasants. (Gandesha, 2018: 55) This contribution of Gramsci to the literature of Marxism also formed the basis of Laclau's definition of populism. For Laclau, socialism is the highest stage of populism. (Laclau, 2005: 57) It mobilizes different classes of society against dominant elites and plays a key role in changing the status quo. (Mudde & Kaltwasser, 2017: 64) It is important to note that; the book "Hegemony and Socialist Strategy", written by Laclau with Chantal Mouffe, has influenced many political parties on a global scale by proposing populism as a tool that can be used for left-wing parties. As will be analyzed in the next sections, Podemos¹ in Spain and the SYRIZA² in Greece are prominent examples in this regard.

Recognized as the most important representative of the post-Marxist movement, Laclau criticized the evaluations of other Marxists such as Lukacs and Althusser as class reductionist. According to Laclau, populism is a synthesis of heterogeneous elements with no necessary class belonging. (Gandesha, 2018: 59) It can be said that this definition is also the base of his left wing populist strategy.

Especially in the definitions of populism put forward after the 1980s, an important common dynamic draws attention: Neoliberalism. In other words, neoliberalism, which has caused fundamental changes in economic policies on a

¹ Podemos is a left-wing populist party that established under the leadership of Pablo Iglesias in 2014 as a result of protests against anti-austerity in Spain.

² SYRIZA, formed by many left-wing organizations, is a left-wing populist party led by Alexis Tsipras, which has increased its power especially after the devastating impact of the 2008 Global Economic Crisis on Greece.

global scale, has also become the focus of academicians who write about populism. One of these names is the British academician David Harvey.

According to Harvey, neoliberalism consists of four basic elements. These are: accumulation by dispossession, deregulation, privatization and an upward redistribution of wealth. (Harvey, 2007: 30) Because of all this characteristic, neoliberalism creates an increasing economic inequality on a global scale. This transformation that occurs in the economic field proceeds in parallel with the globalization phenomenon in the social and cultural field. David Harvey argued that this process, which he called "neoliberal globalization", created a unique opportunity for the rise of both right and left populist movements. (Gandesha, 2018: 62)

It can be said that the concept of "neoliberal globalization" used by David Harvey while defining populism constitutes the basis of the contemporary populism discussions. Current debates try to define populism on two main axes: economic insecurity and cultural backlash. In this sense, it is important to point out that David Harvey is one of the first academics to present both axes in his own definitions; and he focused a lot on the phenomenon of economic insecurity.

Against the systematic definition of populism made by David Harvey, Dutch political scientist Cas Mudde defines populism in a moralistic character rather than a systematic and programmed phenomenon. According to Mudde, populism consists of moralistic opposition between "pure people" and "corrupt elite"; and it is a combination of authoritarianism and nativism. (Gandesha, 2018: 65) At this point, it is important to note that Mudde's definition of populism constitutes a significant example of the "culturalist explanations" carried out on populism today. His definitions also have contributed to the populism definitions by Inglehart & Norris.

Pippa Norris and Ronald Inglehart have argued that populism shares three different concepts: anti-establishmentism contrasting with the established structure of representative democracy, authoritarianism opposing liberalism, and nativism contrasting with cosmopolitanism. (Inglehart & Norris, 2016: 6–7) They, taking Mudde's culturalist approach to a higher level, have defended that the rise of populism reflects cultural rather than economic factors. (Algan et al., 2017: 327) According to them, populist movements have a structure that feeds on the traditionalist middle-aged population, based on the white old males. In this sense, sexual orientations such as LGBT individuals, identity movements or various habits that are included in daily life with technology can be among the points where populism is nourished. All these factors can be seen as a threat to damage or change the traditional cultural structure

of the society. For Inglehart and Norris, factors that create such a cultural backlash are most accurate sources that can be used to explain populism.

A defense that stands in direct opposition to Inglehart and Norris' culturalist explanations of populism came from Dani Rodrik. For him, culture can play just an intermediate role in the context of developing of populist movements while the economy seems to be the ultimate driver. (Rodrik, 2020: 8) He defends that the rising of populism is based upon the economic globalization and concepts which occur as effects of globalization such as the erosion of labor market protections, decline of norms and rapid developments in technology. (Rodrik, 2018: 5) In this sense, the impact of David Harvey's views on Rodrik's definition of populism can be seen. Rodrik also underlines some regulations which are necessary for stopping the rise of populism. The factors that need to be rebalanced: from capital to labor and society, from global governance to national governance, from areas that have less economic benefits to more. (Rodrik, 2018: 5) As can be seen in this definition, for him, the underlying factors for the rise of populism must be sought in the unequal system resulting from economic globalization. Hence rise of populism can be stop if new regulations and balances established both between economic classes and countries.

The contribution of all the definitions of populism, analyzed historically above, to the field of contemporary social sciences literature is indisputable. In this context, it is useful to remind that the current debates on defining populism are carried out in two basic aspects, namely economic and cultural aspects. In this thesis, the focus is on the economic aspects. Although the processes of economic, cultural and political transformation that occur in a society seem to be complementary to each other; it is important to point out that economic transformations underlie two other social phenomena. Despite the influential role of cultural transformation in the rise of populist movements, it is the result of a deeper economic transformation.

While defining populism, it is impossible to make a reference to "ideology". Although the definition of "ideology" for populism appears in the early populism studies, some examples of which are examined above; it would not be theoretically correct to use such a definition today. Because one of the most basic features of ideologies is that they have universally valid principles. But it can be seen that there are many instances where two completely different political movements which have no common principles pursue a populist policy today. So, it is not be correct to evaluate that these movements have a common "populist ideology". In this context, it would be more correct to define populism as a method of making politics rather than

an ideology. Such a pre-definition will be more successful in explaining movements conducting populist politics from both left, right and central political lines.

One of the main features of the definition of populism to be used in this thesis is that it bases on the conflict of different groups in the society. Some of the authors who analyzed the views above argue a same point by highlighting the conflicts between the elites and the people. From this point of view, it can be said that populism is a tool used to mobilize the “people” against the “elites”. In this definition, it can also say that the elites seem as the status quo in a country by people who feeling themselves as outside the status quo.

As to be examined in more detail in the following chapters, it would not be wrong to say that populist movements have risen stronger in economically problematic societies. In this sense, it can be said that populism feeds in an environment of economic insecurity. Of course, social dynamics such as identity conflicts and religious differences are among the main determinants of populism. However, it should not be forgotten that all these cultural tensions are related to the reality of economic inequality emerging on a global scale as a result of neoliberal globalization, as David Harvey pointed out.

Another basic feature of populism, which emerges in an atmosphere of social tension, is a charismatic leader figure presented to the masses. As can be seen in the examples to be examined in the next chapters, populist movements are largely associated with the leading figures who can mobilize the masses in an impressive way. People who feel themselves outside of the status quo because of their different features establish a strong bond with the charismatic leader figure who is "just like them".

As stated at the beginning, populism, which cannot be considered as an ideology, can turn into a movement in which different social classes, identities, ideologies and lifestyles form alliances. As opposed to pure ideologies, populist movements that do not have indispensable principles can thus mobilize much larger masses. Especially when analyzing the current populist movements, acting in the light of the mentioned definitions and features of populism can provide a clearer result.

1.2. POPULIST THEORIES

The emergence of populism as a political method rather than an ideology has led to the experience of populist styles based on different triggering reasons in

different geographies on a global scale. In this sense, it can be said that different dynamics are effective in Europe, which is the primary field of study in the context of the case study chosen specifically for this thesis.

Many academic sources suggest that the populist movements, which were common throughout the 20th century, especially in the EE, were closely related to peasantism³. (Buzalka, 2008: 762) It would be correct to state that populism was used as a political method in peasantism. However, it is possible to say that populism has become much more visible in the European political scene, especially after the collapse of the Soviet Union.

Populist rhetoric came to the fore in the elections held in CEE countries during the 1990s following the breakup of the Eastern Bloc. Movements conducting populist politics here defined themselves as the true representative of the “people” against the communist “elites” representing the old governors. (Mudde & Kaltwasser, 2017: 36) Populist movements such as The Czech Civic Forum, operating in this way, argued that they could be leaders of transition from the communist order to a liberal democracy integrated with global capitalism.

After the 2000s, a different picture emerged across Europe with some failed examples of the transition process during the 90s. Especially in the CEE countries, the lack of enrichment as imagined pushes political movements to a transformation; as parallel to this, the main causes of populism have also transformed. The failure of the economic transformation process to be as successful as aimed led to the questioning of fundamental dynamics such as globalization and the EU, especially in CEE countries. By the mid-2000s, the problems were compounded by the steadily rising unemployment rates and eventually the outbreak of the 2008 Economic Crisis. As many academic studies on the subject reveal, a positive relationship has emerged between unemployment, one of the most striking macroeconomic data in these years, and support for populist movements. (Algan et al., 2017: 340) Societies that began to question the economic achievements of current rulers chose to turn to a variety of populist alternatives on the left and right of the political spectrum.

In the atmosphere of economic insecurity outlined above, left wing populist movements have gained strength in countries such as Spain (Podemos) and Greece (SYRIZA) while right wing populist alternatives increased their power in countries such as Hungary (Fidesz) and Poland (PiS). One of the common points of these

³ Peasantism is a doctrine which defends that power should be given to the peasant class.

movements that started on an economic basis is that they are Eurosceptic. While left-wing movements define this as a socialist attitude; in the right-wing populist movements it has been put forward with a nationalist perspective. (Mudde & Kaltwasser, 2017: 92)

Anti-immigration also became an important element of populist rhetoric, especially in countries where right-wing populist movements increased their power in the 2010s. However, as detailed scientific studies show, the main point of anti-immigration has been defined as a reflex based on an atmosphere of economic insecurity rather than a cultural and nationalist opposition. (Algan et al., 2017: 342) In this sense, it is important to note that populist movements, especially in CEE countries, are nourished by the concern that people's economic burden would increase and they may lose their jobs due to migration.

While dynamics such as peasantism, anti-communism, unemployment and immigration which are based on economy are the main factors that feed populism in Europe; different dynamics have given strength to populist movements in another continent, North America.

It can be said that agrarianism was the basis of the populist movements in North America, especially in the US, in the early 20th century. These movements waged a political struggle against a group of "elites" such as bankers and politicians, together with the "people" that included small and independent farmers. (Mudde & Kaltwasser, 2017: 94) During this period, populist movements sought an alliance with the urban working class and middle-class merchants. Because such segments in society, according to populists, are excluded from the definition of "elites". (Berlin et al., 1968: 158) However, starting from the 1920s and especially after the end of World War II, anti-communism has become the focus of populist movements in North America. In this process, the idea of McCarthyism, which acted on the basis of the dismissal of people who were seen to be "suspected" communists and marginalized from the society, was the most studied movement in the context of populism research. (Kazin, 2016: 1)

With the end of the Cold War, different transformations took place in the populist thought based on anti-communism in the US. The main tendency observed in the populist movements and politicians during this period has been towards building a more protectionist and nationalist politics. The most obvious and contemporary example of this was seen in the election campaign conducted by Donald Trump in the 2016 Presidential Election. During Trump's election campaign and presidency, policy

of standing against free trade deals such as the North American Free Trade Agreement and the Trans-Pacific Partnership was implemented as an addition to the nationalist policies. (Kaplan & Fontaine, 2016: 2)

In the South America, it is possible to follow the causes for the populist understanding through three different processes. The first wave of populism, rising on the basis of building a common "Latin American identity" and opposing any imperialist intervention from outside, was active from the Great Depression of 1929 until the end of the 1960s. (Mudde & Kaltwasser, 2017: 104) During this period, populist movements were on the rise, led by leaders such as Getulio Vargas in Brazil and Juan Peron in Argentina.

The second wave of populist understanding in South America, which took action to implement the IMF supported strategies on the basis of neoliberal economic policies in order to stabilize the economy and to end hyperinflation, has increased its power especially after the 1990s. (De la Torre, 2017: 379) This process does not have an anti-imperialist character. It is also important in terms of showing how the ideas of neoliberalism and populism, which seem to be basically compatible views, can form a partnership under certain conditions. Conjunctural features that made these two ideas rise together were the weakness of the political parties, a political structure based on the presidential system and most importantly, the atmosphere of deep economic crisis. (Weyland, 1999: 382) It should also be noted that South America is the region that most clearly reveals the cooperation between neoliberalism and populism. Carlos Menem in Argentina and Alberto Fujimori in Peru were important political leaders who acted with this understanding of populism.

Third wave of populist understanding in South America, which is largely defending socialist programs against neoliberal economic policies and built on an anti-imperialist basis just like the first wave, has emerged strongly since the late 1990s. (Mudde & Kaltwasser, 2017: 114) Third wave populist leaders such as Hugo Chavez in Venezuela and Evo Morales in Bolivia, generally acted with the slogan "sovereignty back to the people" and constituted an important example of left-wing populist movements. (De la Torre, 2017: 380)

In the African regions, populism has generally been a rare phenomenon. According to many studies, precedents of populist politics began to be seen in these regions, especially after 1980. During this period, populist movements such as the leadership of Thomas Sankara in Burkina Faso often conducted propaganda on the basis of taking power from the imperialists and their domestic representative national

bourgeoisie to the people. (Resnick, 2017: 3) In North Africa, populism was frequently observed among leaders who remained in power for a long time in the second half of the 20th and the beginning of the 21st century. The administrations led by Gamal Abdel Nasser in Egypt and Muammar Gaddafi in Libya are the most obvious examples of this. In the neighboring Middle East, especially after the 2000s, various populist movements such as the Netanyahu in Israel began to be observed. In this sense, it should be noted that populist movements seen in North Africa and the Middle East benefit from regional power politics and increase their power at the same rate as their time in rule increases.

In Asia, the debates on populism started with Maoism. This discussion was also one of the main topics of the conference held at LSE in 1967. Participants such as Conrad Brandt and Macfarlane argued that Maoism cannot be considered as a populist movement; because the idea of "will of the people" in Maoism was developed with a proletarian understanding and as such it would be wrong to equate it with other populist movements. (Berlin et al., 1968: 152) However Maoism had a high effect of populism especially in its early periods. The slogan "the land to the tiller", which was frequently voiced in the early years of Maoism, is one of the most obvious examples of the populist politics in question. (Berlin et al., 1968: 152) Beyond the Maoism debate, the main boom in populist movements in Asia occurred after the 1997 Asian Financial Crisis. In this process, various populist movements led by Joseph Estrada in the Philippines, Roh Moo-hyun in South Korea, Thaksin Shinawatra in Thailand increased their power significantly. (Mudde & Kaltwasser, 2017: 102) In this sense, it is important to note that Asian populism, which started to increase its power after the 1997 Financial Crisis, is frequently fed by the atmosphere of economic depression, just like the examples in EE. In the next section, the concept of "economic crisis", which is clearly related to populism and the rise of populist movements, will be examined.

1.3. DEFINITION OF ECONOMIC CRISES

In the literature, one of the most controversial concepts in terms of developing a common definition has long been "economic crisis". Many examples of economic crises at local, regional and global scale, especially since the 1990s, has increased the interest in this field. Nevertheless, a definition could be developed on both the definition of economic crisis and the factors causing the economic crisis. In this sense,

a decrease in consumption and investment, loss of GDP and increase in unemployment rates that are occurring in an economy for various reasons, is called an economic crisis. (Marer, 2010: 12) However, it should be emphasized that it is not correct to see the economic crisis as a phenomenon that emerged alone. Crises that can occur at various points and in different types of economy are directly related to both private and non-private institutions within the economic management and the ability of the political structure to manage the process. To illustrate in this sense, if a crisis in the banking sector is managed successfully, it can be prevented before it turns into an economic crisis affecting large segments of the society. However, in the opposite scenario, it may turn into a structure that can affect all global economies. In history, there have been serious experiences such as the 1929 Great Depression, the crises that emerged in Asia, Russia and South America in the second half of the 1990s, and the 2008 Global Economic Crisis. Studies on historical examples argue that there are five different types of crises that trigger major economic crises. These are: balance of payments crises, banking crises, currency crises, debt crises and financial crises. (Ishihara, 2005: 4)

Balance of payments crises generally refer to a strong change in official foreign exchange reserves, triggered by a change in expectations for the future exchange rate. (Krugman & Obstfeld, 1997: 9) In this crisis situation, reserves are lost suddenly and currency pegs uncontrolled. (Kaminsky et al., 1998: 24)

Banking crises are defined as a crisis process in which important part of the banking system become illiquid or insolvent. (Demirguc-Kunt et al., 2000: 9) In this sense, the banking crisis is directly related to the liquidity crisis within itself. Liquidity crises emerge when a bank cannot pay its immediate contractual obligations to its creditors, even though its net value is positive. (Ishihara, 2005: 7) Although this problem refers to a future resolvable situation as in some of its examples; more dangerous thing is solvency crises. It is a situation where the bank's liabilities surpass its assets in present-value and the bank is effectively bankrupt. (Kumar et al., 2000: 12) As will be examined in the next sections, one of the important stages of the 2008 Economic Crisis was the shocking liquidity crisis.

Currency crises mentions to great changes in indicators of actual or potential currency values; it's a quick depreciation of the currency. (Glick & Hutchison, 2000: 6) However, in operational base, it's hard to see a common definition of currency crises. While some academics uses the term "currency crises" when a currency depreciates more than 25 percent from the previous year's (Frankel & Rose, 1996:

2); some others choose to using of real exchange rates to exclude the impacts of hyperinflation. (Esquivel & Larrain, 1998: 19)

Debt crises is an inability of debtors to make timely payments of interests and principals. (Ishihara, 2005: 8) However there are debates in the literature about the exact level of "inability" used in this definition. The debt crisis was also a common situation in South American countries, especially in the 1980s. Major debt crises occurred in Mexico in 1982 and in Brazil in 1987. Likewise, at the beginning of the 21st century, Argentina struggled with a debt crisis.

The last type, financial crises, can be specified as the most common type of crisis, especially since the 1990s. While some studies define financial crisis as a total of currency crises, banking crises and foreign debt crises (Aziz et al., 2000: 6); others defend that troubles of financial markets that, by damaging markets capability to function efficiently, can create huge problems on the real economy, and it can be defined as a financial crisis. (IMF, 1998: 4)

It is important to note that the types of crisis described above are not completely independent processes. Especially with the neoliberalism and globalization movements that spread on a global scale after 1980s, economic structures have intertwined. This situation has caused the crisis processes that may occur to become intertwined. The 2008 Global Economic Crisis is one of the clearest examples of this reality.

In the light of all the peculiar dynamics mentioned above, the concept of "economic crisis" to be used in this thesis will indicate the process of transformation and growth of crises that may arise for different reasons at different points of the economy management, in a way that can deeply affect the whole society. These social impacts can be summarized in broadest terms as a decrease in investment and consumption, an increase in unemployment and a loss in GDP. Economic problems that arise in this process can naturally lead people to criticize existing political systems. Such problematic economic and political atmospheres offer a unique opportunity to increase the power of the different movements and politicians that are out of the current status-quo.

1.4. POPULIST THEORIES AND THE RELATIONSHIP BETWEEN POPULISM AND ECONOMIC CRISES

As examined in the previous section, the economic problems that start in different types and turn into a big crisis in the process cause the emergence of economic insecurity in societies. In an atmosphere of economic insecurity, people begin to turn to new alternatives that will save them from this impasse. This can emerge as a civil society movement, a political party, or an independent political leader. The most up-to-date and clear examples of these changes have emerged in connection with the 2008 Global Economic Crisis. In this process, although a certain degree of political change has been observed all over the world, European countries have constituted the most remarkable cases. People in an atmosphere of economic insecurity started to criticize the EU and international institutions such as the IMF, while questioning the political and economic management in their own countries. As mentioned above, as a result of this change, left-wing parties were on the rise in some countries such as Spain and Greece, while right-wing parties increased their power in others such as Hungary and Poland. The biggest common point of all these political movements is that they generally adopt a populist understanding of politics. In this context, populism in post-crisis Europe has become a political phenomenon that brings together far-right and radical left parties on the basis of a Eurosceptic perspective. (Algan et al., 2017: 326) At this point, it is important to explain different views on the rise of populist movements.

The contemporary literature on populism generally discusses in terms of whether the issue is more relevant to the economy or to the processes of cultural change. Scholars such as David Harvey and Dani Rodrik argue that the economic basis of populism is stronger. In this context, current economic systems are evaluated within the framework of the neoliberal economic understanding that emerged especially after 1980. As discussed in previous sections, the neoliberal economic structure and the parallel globalization process have created a global system that is both interdependent and unequal. Therefore, an economic problem arising in a country or a region has become able to affect the entire global economic order. The economic crises that started to be seen frequently since the 1980s and reached their peak in the late 1990s and 2000s are the most obvious proof of this situation. Populism has increased its power in many places on a global scale by taking advantage of this problematic economic structure and unequal economic system. Of

course, in this process, populism's unique, non-ideological structure made it appeal to a very large segment of the society.

Scholars such as Mudde and Inglehart & Norris argue that they find the foundations of populism more at the point of cultural backlash. In this sense, populism is considered as a reflex against the deterioration of traditional cultural values and national structure, especially by more traditionalist and conservative groups. The anti-immigrant populist movements that can be seen in EE countries, act with these concerns. Likewise, it is argued that populist movements, which have a skeptical view of the EU, worry about the deterioration of Europe's demographic and cultural structure. But, at this point, it should be noted that there is an increasing support for right-wing populism, especially among the young generation in Europe. (Gandesha, 2018: 61) And the reasons underlying this support seem far from traditionalistic. In addition, left-wing populist movements, which have many examples around the world, also stay away from a conservative line. Besides, those who argue that there is a more intense relationship between the rise of populism and the concepts of economic insecurity do not completely ignore cultural reflexes. The "globalization" pillar of the neoliberal globalization concept, which is frequently encountered in Harvey and Rodrik, actually defines the dominant cultural value structure that is attempted to be created worldwide in the cultural context. Populist movements, especially right-wing populists, undoubtedly show protective reflexes against these changing cultural values. These two methods of explanation are also interrelated. However, it should be noted that the atmosphere of economic insecurity also has a sharp impact on values and beliefs. (Algan et al., 2017: 328) Just as the cultural hegemony to be established in any region is directly related to economic hegemony. In addition, it would not be well to explain populist movements, which have the ability to encompass very large segments of the society, only through cultural theses that worry a certain group more. In terms of both economic problems and cultural reflexes, people may tend to seek an alternative outside the current political structure. In this context, it can be said that the main motive that can direct people to populist movements both to the right and to the left of the political spectrum is a feeling of insecurity based largely on economic foundations.

In conclusion, in this thesis, it is argued that economic crisis processes that create an atmosphere of large-scale economic insecurity in societies constitute a clear opportunity that accelerates the rise of populist movements.

CHAPTER TWO

HISTORICAL DIMENSIONS OF 2008 GLOBAL ECONOMIC CRISIS AND THE RISE OF POPULISM IN EUROPE

2.1. 2008 GLOBAL ECONOMIC CRISES

In order to fully understand the global effects of the 2008 Economic Crisis, it would be correct to examine the pre-crisis global economic system. In this way, it is also possible to see the conditions under which a crisis can affect the whole world.

The most important reason why the 2008 Economic Crisis is defined as a "global" crisis is, indeed, it deeply shakes the economies of many countries on a global scale. The first factor here is undoubtedly the global economic interdependence. In this context, neoliberal policies that have been implemented especially since the 1980s are main factors which created this dependency. In the last decades, the most important features of the international financial system are globalization of capital, the increase in capital mobility, flexible exchange rates, more interconnectedness and growing financial interdependence. As parallel with this structure of global capitalism, countries have implemented privatization policies in order to produce income and reduce state expenditures. In addition, foreign direct investments (FDI) are generally supported by states with easing the trade barriers and providing some tax opportunities.

Factors such as the removal of all obstacles to capital and financial movements both nationally and internationally, and the emergence of a speculative stock market encouraged by low interest rates have caused staggering financial crises in various countries, especially after the 1990s. (Fülberth, 2014: 186) In this process; Mexico in 1994, Southeast Asia in 1997, Russia in 1998, Brazil in 1999 and Turkey in 2001, have faced various crises. The most important common point of all these crises is occurrence in the financial area, specifically in the banking system. (Fülberth, 2014: 188) Even if these crises have remained in regional impacts, it can be said that these are important indicators of financial fragility of economic systems. In the same years, the integration of many countries in CEE, which left communist administrations with the dissolution of the Eastern Bloc, into capitalism also emerged as another problem for global economy management.

The integration of the Post-Soviet countries that emerged after the end of the Cold War and many EE countries that were ruled under the influence of communism

during the Cold War, into the global capitalist system has been a difficult process. This process continued largely through the 1990s and the early 2000s; and two important economic dynamics came to the fore: Banking systems and FDI.

One of the fundamental pillars of the transformation experienced in the economies of EE countries in the 1990s is the change practiced by the banking sector. The banking sector, which was dominated by state banks before, has generally passed into the hands of global financial institutions with the economic transformation. (Bonin & Wachtel, 2002: 3) In this process, many transnational corporations (TNCs) have entered these new emerging market economies with different investments; and banking has been the most invested field. (Vliegenthart, 2010: 251) In addition, the existence of an important external anchor such as the EU for EE countries has affected the process. The implementation of banking regulations of the EU has accelerated the development of the market economy and the process of integration with global capitalism. (Kattel, 2010: 48) The table below is important to see the level of transformation that started in the banking sector of EE countries in the early 1990s and gained momentum especially in the second half.

Table 1: Foreign Ownership in Banking Sector of Visegrad Four

Year/Country	Czech Republic	Hungary	Poland	Slovak Republic
1998	28.1	62.5	17.4	33.4
2000	72.1	70.1	72.6	42.1
2002	85.8	90.7	70.9	95.6

Source: Vliegenthart, 2010: 251.

The table above shows the rate of foreign bank assets measured as percentage of commercial bank assets of the Czech Republic, Hungary, Poland and Slovak Republic between 1998 and 2002, all of which are EE countries and also defined as the "Visegrad Four". As the table clearly shows, the banking sectors in EE countries have been integrated into global capitalism in a shocking way. The rates of foreign-owned banks in the countries doubled or tripled in a very short period. As can be seen in Table 1, while the rates of foreign ownership in Poland's banking sector was 17.4 in 1998; it increased to 72.6 in just two years. Such a shock rise was also experienced by other Visegrad countries, especially by Czech Republic. However, how efficiently this process was implemented and how much economic success it

brought with it is an important debate. The transformation of the banking sector in the 1990s will be an important reference point in terms of the devastating effects of the 2008 Global Economic Crisis.

The second important step of the economic transformation in EE countries was FDI's. In fact, the growth strategy of these countries during the 1990s and 2000s is generally summarized as foreign savings-led growth that includes these three senses: FDI, cross-border lending and exports. (Kattel, 2010: 49) Regardless of how successful this economic growth strategy has been, the amount of FDI has undoubtedly been a very important financial dynamic for all EE countries. Some statistics will be useful to understand how important this has reached.

Table 2. FDI Stock in Visegrad Four

Year / Country	Czech Republic	Hungary	Poland	Slovak Republic
1994	10.4	16.6	3.5	5.7
1999	29.2	47.1	15.5	15.5
2003	49.6	57.3	26.7	44.2
2007	58.4	71.1	34.0	51.4

Source: Vliegenthart, 2010: 250.

The table above shows the FDI stock measured as percentage of GDP in the Visegrad countries. As the table clearly shows, the FDI levels, which was around 15% at most before the mid-90s, increased exponentially over the next decade. As can be seen in the Table 2, in Hungary, where 16.6% of its GDP was FDI in 1994, this rate reached a very high level of 71% in 2007; in the same year, the FDI rates of the Czech Republic and Slovakia also rose above 50%; on the other hand, Poland recorded a lower rate of FDI entries than others. In which sectors this FDI entry to EE countries is concentrated gives clues about what kind of economic growth strategy these countries prefer.

Table 3. Share of Foreign Ownership in Three Strategic Sectors

Country/Sectors	Automotive	Manufacturing	Electronics
Czech Republic	93.1	52.6	74.8

Hungary	93.2	60.3	92.2
Poland	90.8	45.2	70.3
Slovak Republic	97.3	68.5	79.0

Source: Vliegenthart, 2010: 250.

As can be seen in the table above, the highest density among the sectors where FDI flow occurs was in the automotive sector. In addition, Hungary, in particular, has been one of the countries that attracted high amounts of FDI in the electronics field. Of course, it should not be forgotten that the banking sector, which was previously analyzed, is also a very important FDI area in this sense. Historically, all these foreign investments have always been of vital importance for EE countries, which can be defined as "semi-periphery" alongside Central and Western European countries such as Germany, France, Austria. Semi-peripheral countries, which have different characteristics of both central and peripheral countries, are capable of operating their own manufacturing industries to a certain extent and processing raw materials from neighboring countries. (Chase-Dunn, 1998: 225) However, these countries also depend on an inflow of capital from core countries in order to achieve great economic growth and to realize more developed production processes. It is possible to evaluate the process of integrating EE countries into global capitalism during the 1990s - 2000s and the intensive FDI entry examined above in this context. From this point of view, it can be said that transformation of EE countries' economies is mostly a dependent development to the flow of Western capitalism. This dynamic, dependent development, which is one of the cornerstones of the neoliberal economic perspective, will be among the most discussed issues not only in EE countries but also globally when the 2008 Economic Crisis emerges.

All of the above-mentioned historical process constituted the history of neoliberalism in the EE countries and the long-term causes of the 2008 Global Economic Crisis. Although neoliberal policies reduce the burden of the state in many areas of the economy; international capital and financial institutions, which are the emerging new actors in this process, have built a deeply interconnected global economic system. From this point of view, as can be seen in the 2008 Economic Crisis, a financial crisis quickly turned into a real economic crisis that had an impact on a global scale.

The 2008 Global Economic Crisis, in general, consisted of three different stages and was examined within this scope. These stages are respectively: financial crisis, liquidity crisis and economic crisis.

Although the liberalization of international financial movements, the use of new speculative financial instruments and the incentives provided for trade significantly increase the profit rates in the field of finance; it also caused the emergence of large asset bubbles. (Marer, 2010: 12) In such an atmosphere, the collapse of the US subprime mortgage market in August 2007 was fundamental to the financial crisis. (Lane, 2010: 232) Financial instruments that connect global financial markets to each other played a "channel" role in the spread of the crisis. (Marer, 2010: 12) It is important to underline here that the emergence of the triggering crisis in US which is at the center of global markets is one of the important reasons underlying the spread of the crisis to the international dimension. In this context, the core of the global financial crisis was the sudden appearance of large volumes of non-performing loans and other assets at banks and other financial institutions. (Marer, 2010: 14) This situation has shaken the capital balances of financial institutions, especially banks, restricted their range of action and caused a decrease in the amount of loans that could be extended to the private sector. The credit crisis that emerged at this point was among the main factors that have an impact on the real economy.

The spreading of the financial crisis process described above to create a credit crisis has been a negative development for global markets. Investments made in banks as a source of income decreased considerably in the uncertain atmosphere that emerged during the crisis. As an indicator of this process, the bankruptcy of Lehman Brothers in particular can be stated as the main factor that led to the emergence of a global liquidity crisis. (Marer, 2010: 16) The bankruptcy of such a large bank posed a great danger to the entire international economy, especially the global borrowers.

The emergence of an uncertain atmosphere in international economies and the loss of credit ability of banks to keep the private sector alive seriously affected the real economy. During this process, there was a serious decrease in investment and consumption due to a general loss of welfare. An important unemployment problem emerged due to the extremely high levels of bankruptcy and layoffs in the private sector. When it comes to this stage, the process that started as a mortgage crisis only in the US has evolved into a global economic crisis. During this period, countries with no strong banking and finance sectors were the countries most affected by the

economic crisis. The fact that the financial structures in these countries are highly dependent on the finances of "developed" countries was among the factors that multiplied this effect. After the economic crisis brought global finance and private sector to a halt; the task of restoring the collapsed economies became the vital problem for states. International organizations such as the IMF, the EU, and the World Bank played an active role in this process.

2.2. IMPACTS OF 2008 GLOBAL ECONOMIC CRISES

The 2008 Global Economic Crisis, examined in the previous section, had devastating effects on the economies of many countries. As mentioned, countries that have fully opened their financial structure to global investors and have minimized economic control have experienced the most devastating effects. It can be stated that many EE countries are in this category. On the other hand, countries that have achieved a certain financial control have overcome the economic crisis with relatively less damage. Turkey that realized various regulations in the banking sector after the 2001 Economic Crisis, is one of the countries that can be given as an example in this sense. However, such a situation is not valid for many European countries such as Hungary, Lithuania, Greece and Romania. As can be seen in tables below, with the effect of the economic crisis, production and consumption in these countries decreased significantly, and many employees in the private sector, which lost their credit opportunities and had difficulty in repaying the loans they owed, were laid off. All these crisis effects in the real economy can be clearly observed in macroeconomic data such as unemployment, GDP, exports and imports.

2.2.1. Unemployment

Basically, one of the most important indicators to understand how a crisis that started in the banking field in the US spread on a global scale and turned into an economic crisis through different stages is unemployment. Unemployment is one of the data that directs people's voting processes, as well as directly showing the reflection of the economic crisis on the society. Criticism of the government is also inevitable in countries with high unemployment, a situation that directly affects people's living standards.

Table 4. Unemployment in Europe

Country / Year	October 2008	October 2009
EU 27	7.3	9.3
Austria	4.0	4.7
Bulgaria	5.1	7.9
Czech Republic	4.4	7.1
Denmark	3.6	6.9
Estonia	13.2	19.3
Finland	6.6	8.7
France	8.1	10.1
Germany	7.1	7.5
Greece	7.9	9.6
Hungary	7.8	9.9
Italy	7.0	8.0
Latvia	9.1	20.9
Lithuania	4.8	13.8
Netherlands	2.7	3.7
Poland	6.7	8.4
Romania	5.7	6.4
Slovakia	9.0	12.2
Spain	13.2	19.3

Source: Eurostat, 2021; TheGlobalEconomy, 2020.

Table 4 shows the unemployment rates in October 2008 and October 2009 of most of the EU countries, which are striking in terms of being affected by the 2008 Global Economic Crisis. In this sense, it can be said that the October 2008 data indicate a period in which the economic crisis has only just appeared and its effects on the real economy are not felt much. Only one year after this period, the effects of the economic crisis began to be seen on a social scale and this was reflected in macroeconomic data. According to the average data of 27 EU member countries in 2008, the unemployment rate increased from 7.3 in October 2008 to 9.3 in October

2009. As can be seen in the Table 4, the European countries whose unemployment rates increased the least were Austria (from 4.0 to 4.7), Germany (from 7.1 to 7.5) and Romania (from 5.7 to 6.4). During the one-year period shown in the table, the countries with the highest increase in unemployment rates were Latvia (from 9.1 to 20.9) and Lithuania (from 4.8 to 13.8); and the countries with the highest unemployment rate in October 2009 were Latvia (20.9) and Spain (19.3). Table 4 shows that the Visegrad Four countries also experienced a significant increase in unemployment within the first year of the economic crisis: The unemployment rates rose from 7.8 to 9.9 in Hungary, from 6.7 to 8.4 in Poland, from 9.0 to 12.2 in Slovakia and from 4.4 to 7.1 in the Czech Republic. It is important to note that this increase in unemployment rates is not limited to the first one-year period after the crisis examined in the table and continues in the following years.

2.2.2. FDI

As mentioned in the previous sections, the effects of the crisis have been devastating, especially in the banking field, due to the dependence of EE countries to global capital. Because of the liquidity problem in banks, sudden increases were observed particularly in interest rates of Visegrad countries. According to September 2008 data, interest rates are measured as 900 base points in Hungary, 700 b.p. in Poland, 500 b.p. in Czech Republic and Slovakia. (Vliegthart, 2010: 251) These values caused an increase in the risk ratings determined for the countries, therefore, FDI rates entering the region also decreased.

Table 5. FDI Inflow in Visegrad Four

Year/Country	Czech Republic	Hungary	Poland	Slovak Republic
2007	9.3	6.1	23.0	3.3
2008	6.5	4.4	21.0	2.4
2009	3.5	3.2	15.0	1.2

Source: Vliegthart, 2010: 252 (Data measured in \$ Bln.)

As can be seen in the Table 5, there has been a significant decrease in the dollar-denominated FDI figures entering the region after 2007, when the fundamentals of the crisis emerged. It is also not surprising that this decline has a devastating effect

on the economic level of the society, given the dependence of these countries on foreign investment and global capital. The economic devastation that emerged on a social scale is undoubtedly reflected on economic growth values, one of the most important macroeconomic data.

2.2.3. Economic Growth

Economic growth, calculated on the basis of the change in a country's GDP, is very important to follow the effects of any crisis, as it is one of the most comprehensive macroeconomic data. The economic growth data presented in the EU countries after the 2008 Global Economic Crisis also clearly show the destructive impact of the crisis.

Table 6. Economic Growth Rates of European Countries

Country/Year	2007	2008	2009
Austria	3.73	1.46	-3.76
Bulgaria	6.56	6.09	-3.37
Croatia	5.07	1.89	-7.32
Czech Republic	5.57	2.69	-4.66
Denmark	0.91	-0.51	-4.91
Estonia	7.57	-5.09	-14.43
Finland	5.3	0.78	-8.07
France	2.42	0.25	-2.87
Germany	2.98	0.96	-5.69
Greece	3.27	-0.34	-4.3
Hungary	0.24	1.06	-6.7
Ireland	5.32	-4.48	-5.8
Italy	1.49	-0.96	-5.28
Latvia	10.03	-3.33	-14.26
Lithuania	11.11	2.61	-14.84
Poland	7.06	4.2	2.83

Portugal	2.51	0.32	-3.12
Romania	7.23	9.31	-5.52
Serbia	6.44	5.66	-2.73
Slovakia	10.83	5.57	-5.46
Slovenia	6.98	3.51	-7.55
Spain	3.6	0.89	-3.76
Sweden	3.44	-0.45	-4.34
United Kingdom	2.43	-0.28	-4.25

Source: World Bank, 2009.

The table above shows the economic growth data for the leading European countries in 2007, 2008 and 2009. In the World Bank statistics, where data are taken, economic growth represents the change in a country's GDP value. In this sense, positive growth data are seen in all countries in 2007, when the economic crisis did not occur yet. In 2008, when the economic crisis started to affect many countries on a global scale; it is noteworthy that especially Northern European countries such as Denmark (-0.51), Sweden (-0.45) and the United Kingdom (-0.28) and Southern European countries such as Greece (-0.34) and Italy (-0.96) recorded negative economic growths. Although there has been a decrease in the economic growth values in other countries, it is seen that the 2008 Global Economic Crisis has severely affected the Northern and Southern European countries in the first place. When it comes to 2009, it has become clear that the devastating impact of the economic crisis has surrounded all European countries. Negative economic growth data were recorded in all European countries except Poland that its data also decreased from 4.2 to 2.83. Table 6 shows that Estonia (-14.43), Lithuania (-14.84) and Latvia (-14.26) experienced the most serious losses in this process; in addition, significant economic loss was noted in EE countries such as Hungary (-6.7), Romania (-5.52), Slovakia (-5.46) and Czech Republic (-4.66).

2.2.4. Export

Although export is an important income item for every country; it is even more important for countries that have experienced a comprehensive economic transformation after 1990, such as the Visegrad Four. As it will be examined in more

detail specifically for Hungary in the following chapter, it is seen that export-oriented production areas are preferred as much as possible for former communist countries to integrate with the global capitalism after 1990. (Böröcz, 2012: 23) So, the decline in export after the 2008 Global Economic Crisis actually means the loss of the vital income items in these countries.

Table 7. Export Growth in Visegrad Four

Country/Period	2008 Overall	3Q 2008	4Q 2008	1Q 2009
Czech Republic	11.3	15.9	-7.7	-23.9
Hungary	5.2	5.8	-10.8	-26.3
Poland	11.7	17.8	-9.8	-23.3
Slovak Republic	13.7	18.0	-2.0	-21.5

Source: World Bank, 2009.

As Table 7 reveals, with the last quarter of 2008, Visegrad countries have started to experience the effects of the economic crisis in the field of exports. In this period, Hungary was the country with the highest export loss with a value of -10.8, while Poland lost -9.8, Czech Republic -7.7 and Slovakia recorded -2.0. In the first quarter of 2009, export losses reached almost -30, showing how deep the effects of the crisis had deepened. At that time, Hungary experienced the biggest decrease in exports with a value of -26.3.

Due to the nature of the EE countries dependent on global finance, national currencies also became more volatile during the crisis period. Then, devaluation practices began to be seen at a considerable rate. According to 2009 data, the value of currency was declined by 20% in Estonia, Lithuania and Bulgaria, 26% in Hungary, 32% in the Czech Republic and 41% in Poland; while the value of the Euro fell by 19%. (Lane, 2010: 227)

In the interesting sociological studies on the crisis process; it has been determined that there is an increase in the bribery rate in EE countries, which were heavily affected by the economic crisis. (Ivlevs & Hinks, 2015: 429) In these countries, it has been observed that victims of the economic crisis, especially those who cannot fulfill their legal obligations in economic terms resort to bribery. (Ivlevs & Hinks, 2015: 429) Undoubtedly, this has brought about allegations and cases of corruption. In order to eliminate the destructive effects of the 2008 Global Economic Crisis, governments,

the EU and international institutions such as the IMF, World Bank have implemented various plans, which will be examined in the next section.

2.3. RESTORATION POLICIES

After the effects of the 2008 Global Economic Crisis began to be felt intensely, the correction of fragile economic structures has become an international problem. In this context, one of the first steps taken before the end of 2008 was the establishment of a lobby group where the European banks came together. In the group that came together to raise funds for CEE countries whether members of the EU or not: Bayern Landesbank, EFG Eurobank, Erste Bank, Intesa Sanpaolo, KBC, Societe Generale, Raiffeisen International, Swedbank and Unicredit has taken place. (Vliegenthart, 2010: 256) In this process, calls have been made to all European states to contribute to the fund of lobby. Zoellick, the President of the World Bank at the time, made statements that “the European countries should come together so that the economic crisis does not turn into a human crisis for the whole of Europe.” (Vliegenthart, 2010: 258) However, this process has turned into a process that created quite important discussions within the EU. Many European countries, especially Eastern European’s, started to express criticism that the fund was not adequately contributed. In France, one of the strongest economies in Europe, which is at the center of criticism, the government led by Sarkozy has primarily followed a strategy to compensate the economic losses of the French. (Vliegenthart, 2010: 260) In this sense, a great burden was left to Germany, another big economy in Europe, to support the fund. Germany, which has many FDIs in EE countries, has provided support to countries that have almost completely lost their export items. Nevertheless, this process brought about significant differences of view within the EU. Furthermore, Eurosceptic ideas began to find support in countries heavily affected by the crisis, as a result of all these discussions and disagreements.

In 2009, it was observed that the Western banks mentioned above started to make long-term investments in EE countries. (Marer, 2010: 17) One of the biggest motivations in this process has been the concern that the economic crisis turns into a social and political crisis. In such a scenario, the possibility of a high migration wave from EE countries to the West has also made it necessary to stabilize EE again. Bank CEOs, World Bank, European Central Bank, IMF and EU worked in an integrated manner in the process of healing the wounds in the EE economy, especially in

countries such as Hungary, Latvia, Romania and Serbia. With the substantial rescue packages provided by the IMF in the first months of 2009, the banking and finance sector in EE has recovered to a certain extent. (Marer, 2010: 19) However, following the IMF's involvement in the action with these aid packages, strong criticisms started to rise that the EU left all the responsibility on the IMF. (Galgoczi, 2009: 24) Especially in countries that joined the EU in the 2004 Enlargement⁴ and were heavily affected by the 2008 Global Economic Crisis, a great distrust towards the EU began to occur. Since the aid packages implemented under the leadership of the IMF can have a limited positive effect on the social level, the dose of social criticism in these countries has increased. This economic insecurity atmosphere and the growing support of Eurosceptic thinking have significantly accelerated the rise of populist movements in these countries, as will be examined in the next section.

2.4. RISE OF POPULISM AFTER CRISES IN EUROPE

After the 2008 Global Economic Crisis, many European countries experienced significant changes in their domestic politics. Especially the governments in Eastern and Southern European countries, which were severely affected by the crisis, have been harshly criticized by the society for mismanaging the crisis. Opposition parties in these countries and various political movements that emerged as a result of the reaction in the society started to increase their power in this process. One of the common points in many of these examples is that the movements have populist characters.

As stated in the previous sections, different fundamental dynamics came to the fore in different periods in the rise of populist movements in Europe, especially in EE. While it emerged as peasantism during the Cold War; the main dynamic of populist movements changed into the thought of anti-communism after the 90s. With the beginning of the first half of 2000s, the main social dynamic that fed the populist movements was the atmosphere of economic insecurity. Social criticism started to rise because of the policy of integration with global capitalism and neoliberal system implemented throughout the 1990s, not achieving the desired success especially in EE; and also creating more dependency. In this sense, the 2008 Global Economic Crisis caused the social reaction to reach its peak. It has been observed that populist

⁴ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia have become members of the EU on 1 May 2004.

political movements in many countries such as Hungary, Poland, Greece and Spain increased their power with the devastating effects of the crisis. Although in some instances it takes time for these parties to rise to power; many of them have become one of the important actors of the political arena, with great support from the public.

2.4.1. Left-wing Populism

As it discussed in the first chapter, populism can rise integrated with different ideologies and political parties. 2008 Global Economic Crisis has also created appropriate atmosphere for the rising of different political parties which applied populist strategy. In Europe, while there was an increase in left-wing populism in some countries such as Greece and Spain; some other countries such as Hungary and Poland have experienced a populism integrated with the rising right-wing parties.

The first of these examples is SYRIZA that emerged in Greece. Founded in 2004, the party has entered the political scene by including many left-wing organizations. SYRIZA, which initially followed a radical left policy, including many different ideologies, from Trotskyism to Maoism, has increased its votes after the 2007 General Elections in Greece. Having reached 4.6% in 2009, 16% in 2012, and 26.5% in 2014, the party has been one of the most important forces of the opposition under the leadership of its leader Alexis Tsipras. (*Party Encyclopedia & Polling Averages: Greece*, n.d.) Also, in this process, the party started to evolve from a radical left politics to a more populist character. The party, which received 36.5% of the votes in the January 2015 elections, rose to power. (Babington & Maltezou, 2015: 3) SYRIZA, despite being a secular and democratic socialist party, had many Christian members in its staff during this political process that reached power from opposition. (Dabilis, 2013: 2) In addition, the party has been clearly defined by many political scientists as anti-establishment and populist. (Nedelcu, 2012: 12) After the 2008 Economic Crisis, and especially after their coming to power, the party implemented a "Eurosceptic" policy and made many statements about the possibility of leaving the Eurozone. In fact, leader Tsipras made clear his stance on the issue by saying "Euro is not my fetish". (Newsroom, 2014) Undoubtedly, the foundations of this Eurosceptic policy are based on the 2008 Global Economic Crisis and the criticism that the Greek economy was not adequately supported by the EU after the crisis. In this process, as a requirement of the left-wing policy, the mass who lost their jobs after the economic crisis and who criticized that the government and the EU could not manage the crisis successfully, became the group that SYRIZA basically fed. In this sense, it can be

said that SYRIZA follows a policy that is quite close to Laclau's left-wing populist strategy, which was explained in the previous chapters. However, evaluations have been made that the party could not successfully manage the economic bottleneck that had already deepened during its period in power. Likewise, the party was defeated by the liberal - conservative New Democracy party in the 2019 Elections and took the opposition again.

Similar to SYRIZA, another political party described as left-wing populist by many political scientists is Podemos in Spain (translated into English as "We can"). What is different about Podemos is that it emerged directly as a result of the social reaction created by the 2008 Global Economic Crisis. As examined in the previous section, Spain has been one of the countries most affected by the economic crisis. Various protests started in Spain in 2011 due to the fact that the crisis was not adequately managed both by the governments and the EU. This anti-austerity movement in Spain, also known as the 15-M Movement, has generally emerged against the billing of the economic crisis on the Spanish people, inequality and corruption. (Schofield & Caballero, 2015: 2) Podemos was born in 2014 within the chain of protests that continued until 2015 and led by Pablo Iglesias. In the general elections that took place only one year after its establishment, the party managed to get 21% of the votes and became the third largest party in the parliament. (Kassam, 2015: 4) In this process, Podemos, applying a left-wing populist strategy through its main starting point anti-austerity, made an alliance with different left-wing parties. They have now reached the feature of being the second largest party in Spain with the most members (Podemos, n.d.) Podemos is an important case in populist research, as it is a party that rises directly in the atmosphere of economic insecurity in the society. In the course of its rise, Pablo Iglesias emerged as a clearly "charismatic leader" with his young, active and bold attitude in his discourse. In addition, the effective use of many social media platforms, especially Twitter, in the management of the protests and party organization is a good example in terms of new tools in the populist strategy.

2.4.2. Right-wing Populism

In Poland, another country heavily affected by the 2008 Global Economic Crisis, it can be said that a political strategy exemplifying right-wing populism was implemented by PiS. Founded in 2001 on a national conservative basis, the party took power as a coalition partner between 2005 and 2007. PiS, which was conducting

politics in the opposition between 2007 and 2015, moved towards a populist line at the same process. The party is described by many political scientists as illiberal, authoritarian and right-wing populist. (Piotrowski, 2020: 199) As with the populism elements listed in the previous chapters, it can be stated that PiS is literally taking a Eurosceptic view. In addition to this strategy, which gained strength especially after the 2008 Economic Crisis, the party has adopted an openly anti-immigration policy since the early 2010s. Because of its adoption of a nationalist ideology, both economic and national security stresses have been the basis of PiS's anti-immigration policy. (Jaskulowski, 2019: 6) The party, which rose to power with 37.6% of the votes in the 2015 General Elections, added Islamophobic elements to its anti-immigration policies throughout the election campaign. (Leszczyński, 2015: 1) The aforementioned party policies have continued throughout their actions in the government since 2015. PiS has set an important example of a right-wing populist party by adopting a more protective economic policy against the liberal economy; and also expressing its open opposition to LGBT rights, along with Eurosceptic and anti-immigrant policies. (ILGA Europe, 2019: 4)

Another example of a right-wing populist party that increased its power in the atmosphere of economic insecurity created by the 2008 Global Economic Crisis in the society is Fidesz in Hungary, which will be examined in detail in the next chapter.

CHAPTER THREE

RISE OF POPULISM AND IMPACTS OF ECONOMIC CRISIS IN HUNGARY

3.1. POLITICAL AND ECONOMIC HISTORY OF HUNGARY UNTIL 1990

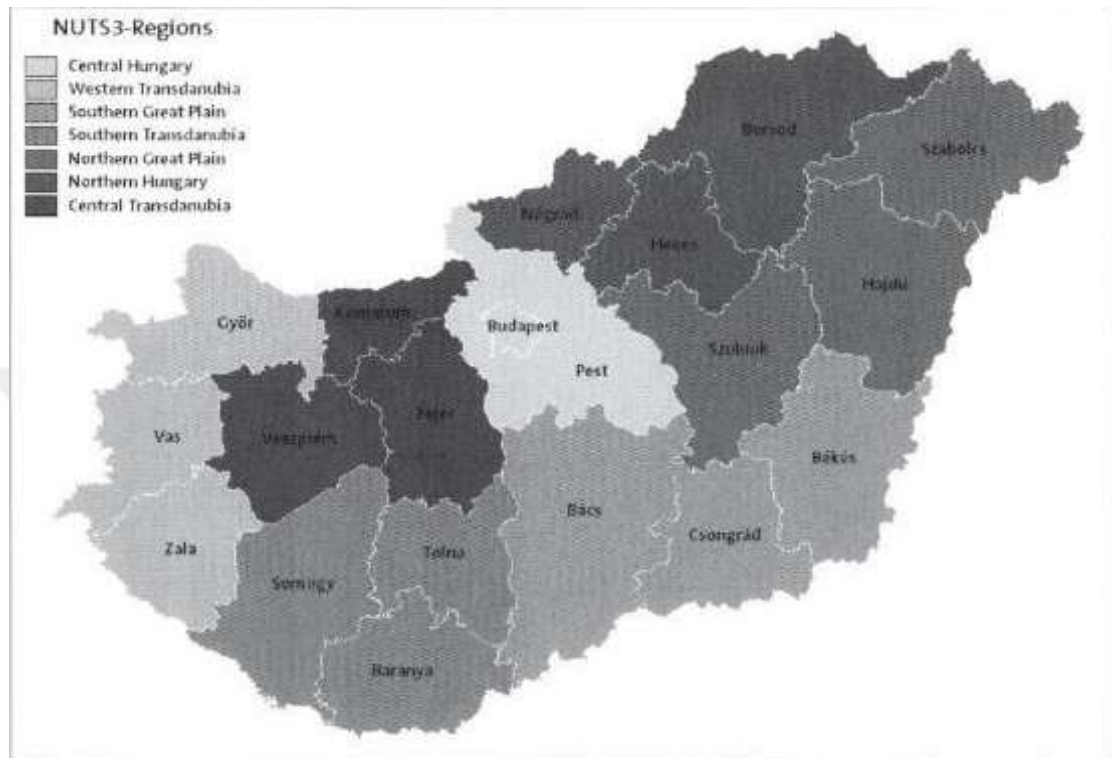
Hungary has a very dynamic political and economic history. As the second country after Italy to adopt the Renaissance, Hungary has made an important contribution to the European culture. Many people from different cultures lived in Hungary, including Celts, Romans, Germanic tribes, Huns, West Slavs, and Avars. The foundations of the Hungarian state were laid by the Hungarian grand prince Árpád in the late 9th century AD, following the conquest of the Carpathian Basin. (Gubcsi, 2017: 3) His grandson, Stephen I, has ascended the throne in 1000 AD and turned the country into a Christian kingdom. (Wandel, 2010: 82) As a country located in CEE, Hungary has long been one of the European states that struggled with the Ottoman Empire. The Battle of Mohac constitutes an important turning point with the collapse of the central kingdom in Hungary and the division of the country. (Boreczky, 2019: 26) The establishment of the Austro-Hungarian Empire in 1867, following centuries of division and mostly under the Ottoman rule, has initiated a rapid economic development process for the region. In this process, the integration of industrialization, urbanization and capitalist production has accelerated. However, the Trianon Agreement, which was signed with the defeat of the First World War, has led to the loss of 71% of the country's borders. (Bernstein, 2003: 1) Having undergone an economically and politically unstable period between the inter-war years, Hungary has joined the Axis States in 1940; and as a result of their defeat in the Second World War, Hungary has totally subjugated under the influence of the Soviet communism.

Due to its geographical location, Hungary has served as a buffer zone for Europe between East and West for many years. It has constituted the western border of the Eastern Bloc during the period under the communist rule. In the post-Soviet period, it has become the most important pillar of the migration route from East to West. At this point, Hungary can be defined as a transit state in the context of immigration mobility. (Molodikova, 2014: 159)

Within itself, Hungary consists of seven regions: Central Hungary, Western Transdanubia, Southern Great Plain, Southern Transdanubia, Northern Great Plain,

Northern Hungary, Central Transdanubia. Within these regions, Hungary has 20 Nuts-3 and 7 Nuts-2 regions.⁵

Figure 1. Hungary's Regions



Source: Wandel, 2010: 86

The Central Hungary region, holding the capital city of the country Budapest, is among the most economically developed regions of Hungary, where many government institutions, corporate headquarters and international airports are located. Central Transdanubia region, on the left of Central Hungary, is one of the regions preferred by many foreign investors due to its geographically favorable structure. In addition to the presence of a developed industry, especially in the metallurgy, food, machinery and chemical industries; 550 international companies also have investments in that region. (Wandel, 2010: 88) The Western Transdanubia region, located just west of Central Transdanubia, is also one of the industrial production locations preferred by many foreign investors and national companies due to its geographical advantages and qualified workforce. The Southern Transdanubia region consists largely of small villages; and due to its undeveloped transportation

⁵ Population of NUTS: Nuts 1: 3 million - 7 million, Nuts 2: 800.000 - 3 million, Nuts 3: 150.000-800.000.

options, it is a region where the service sector and manufacturing production such as textile and leather are intense rather than an industrial economic structure. (Maffioli, 2003: 150) The Northern Hungary region, which can be seen as the center of heavy industrial production in the country, is defined as one of the regions that cannot attract sufficient FDI due to infrastructure problems despite its relatively qualified workforce. For this reason, it can be said that unemployment rates are higher than ideal in this region where the metal processing industry is intense. (Wandel, 2010: 89) The North Great Plain region is considered as one of the least developed regions of the country due to its economic problems, inadequate infrastructure and transportation facilities, low living standards and high unemployment. Likewise, the South Great Plain region is one of the economically problematic regions due to its unskilled labor-intensive production branches and high unemployment. (Wandel, 2010: 90) The region, as a disadvantage of its geographic location, is also one of the most destroyed and depopulated regions in wars throughout history. However, it is important to note that some characteristics of regions and powers of local governments in these regions differed significantly under the communist rule and in the Post-Soviet Hungary.

With the de facto end of the Second World War, the Soviet army has entered Hungary in September 1944 and captured the country completely until April 1945. After a series of elections held until 1949 with unstable results, the Hungarian Constitution of 1949, was prepared by the Parliament and adopted on 18 August 1949. The name of the country was designated People's Republic of Hungary, and the Stalinist-type single-party-led communist regime was implemented. Matyas Rakosi, chief secretary of the Hungarian Working People's Party has ruled Hungary as de facto leader until 1956. However, in this process, as in Stalin's Soviets, an extremely repressive administration was applied in many areas such as economy, politics and education; in this case it has eventually gave rise to the social reaction known as the 1956 Revolution. A series of demonstrations, which began in 1956 mainly as student protests, were inflamed by the harsh intervention of the Hungarian administration and began to be supported by a wider crowd. Imre Nagy, who was seen as the leader of the social movement, declared himself as the leader of the new government with the eventual seizure of the administrative buildings in Budapest. Soon after Nagy announced that Hungary had left the Warsaw Pact and declared its neutrality, the Soviet tanks harshly intervened in the capital Budapest, Nagy was arrested and Janos Kadar, a Soviet-loyal communist, was brought to the head of the country. After this change, the communist regime which was defined as "Goulash

Communism" that would last until 1989 under the leadership of Janos Kadar has started.

The peculiar communist period that was carried out under the leadership of Janos Kadar from 1956 to 1989 in Hungary was called Goulash Communism. During this period, it was observed that Stalinist policies, which were clearly implemented harshly until 1956, has become moderate. While the process under the rule of Rakosi before the 1956 Revolution was largely summed up by the motto "He who is not with us is against us"; under Kadar's rule, this policy has been changed to "He who is not against us is with us". (Stokes, 1996: 84) Goulash Communism, which was responded in such a way in the politics, has emerged as a process of moderation in the economy field. Strong economic reforms were initiated especially in 1968; the statist-planned economy, which has already established, has been tried to be integrated with the elements of the market economy. (Wandel, 2010: 91) In this sense, it can be said that Hungary has actually entered a period of transition from communism to liberal economy since the late 1960s. (Györffy, 2009: 150) The Goulash Communism has been continued decisively throughout the 1970s and 1980s. In this process, although various anti-reform groups emerged within the Communist Party, the Kadar administration has continued to apply economic policies in which Hungary would integrate with the Western capitalism and carry out more trade activities. In fact, it can be said that Hungary was the first country to start integrating the Western capitalism among the countries under the influence of the Soviet communism. The first companies with foreign investor participation in Hungary have started to be established as early as 1972. (Antalóczy et al., 2011: 185) However, a big boom in FDI amounts into the country was realized after 1990 with the collapse of the communist regime and transition to liberal democracy.

Another reform movement under the administration of Kadar was realized regarding the definition of counties. The category of "county cities" has been created in accordance with the moderate understanding that reduces oppressive policies and to maintain the balance between major cities and counties. (Csomos, 2012: 602) In this process, some important places such as Debrecen, Szeged, Pecs were started to be defined under the category of county cities. These county cities have had more freedom in their local affairs than other large cities and towns. Since 1989, all settlements with a population of over 100,000 have been taken under the county city category. (Csomos, 2012: 603) It can be said that this administrative policy, implemented under the administration of Kadar, had a positive effect on economic

development in county cities by accelerating the decision-making processes and granting a certain degree of freedom.

Finally, it can also be said that the process under Kadar's rule has constituted a unique example of the Communist populism. Janos Kadar, who rose to power after a bloody process in 1956, has resorted to moderation in order not to repeat the mistakes made by Rakosi in the previous period; and parallel to this, he has followed a left-wing populist policy that could keep the Hungarian society as homogeneous and peaceful as possible. (Antan, 2018: 629) Kadar's rule has implemented harmonious policies for this purpose in political, economic and administrative fields. In fact, Hungary was defined as the "happiest barrack" of the Eastern Bloc as the populist policies aimed in this process. (Antan, 2018: 629) However, especially after the 1980s, the demands for radical reforms in the political and economic fields have started to increase. In 1988, the radical reform supporter Imre Pozsgay has replaced Janos Kadar as the General Secretary of the Communist Party. After that, democratization packages have started to be implemented rapidly. In 1989, as the Soviets lost their power completely, Hungary has also adopted democracy. On 23 October 1989, the Hungarian Republic was officially declared by the provisional President of the Republic Matyas Szürös.

3.2. MILESTONES IN THE RISE OF POPULISM IN THE POST - COMMUNIST HUNGARY

3. 2. 1. General Elections from 1990 to 2002

With the collapse of the communist regime and the start of democratic elections in Hungary, it was observed that some common values were defended by political parties, albeit their different ideologies. As of 1990, when the first democratic elections were held, the leading left-wing parties could be described as follows: The MSZP, which has shifted to a certain social democratic line; and the liberal economic advocate Alliance of Free Democrats (SZDSZ). Right-wing parties which have conservative and nationalist tendencies were as follows: Hungarian Democratic Forum (MDF), Independent Smallholders Party (FKGP), Fidesz, Christian Democratic People's Party (KDNP) and the Movement for a Better Hungary (Jobbik).

Although the positioning of the parties in the political spectrum in Hungary as of 1990 was as above; it can be said that all the major parties were standing at a

similar point in terms of nationalism and economic liberalism to a great extent. (Palonen, 2009: 322) Some factors such as the collapse of the communist regime which created a long-term polarization in the country, the necessity of integration with global capitalism and the desire for democratic politics in all segments of the society have brought them together on some common points.

Such a political atmosphere, dominated by a strong and common discontent with the communist regime, has undoubtedly prepared the ground for the rise of new political actors in Hungary. One of the strong and young political actors in 1989 – 1990 was Viktor Orban, who was only 26 years old at the time. In 1989, Orban gave a powerful speech, which was broadcast live on the Heroes' Square in Budapest, when his party Fidesz was only 1 year old. Orban, the young and dynamic leader of Fidesz, which carried out a liberal policy at that time, has attracted the attention of the Hungarian people with his agitative and radical speech that emphasized the spirit of national unity by saying "If we believe in our strength, we will be able to end the communist dictatorship and force the ruling party to undergo free elections." (Szilágyi & Bozóki, 2015: 158) This speech can be seen as the cornerstone that took Orban strongly into the Hungarian political scene. It can also be said that the first signs of Orban's charismatic leader characteristics that can mobilize large masses, which will become sharper in the following years, have become visible here. In addition, it would not be wrong to say that he has showed the traces of populism with this speech as it represents those people outside the status quo of the period in Hungary and demand a regime change against the communist rulers who had the dominant power but lost popular support. Viktor Orban's breakthrough as a young and ambitious political actor was undoubtedly one of the most important factors that led his party, Fidesz, to become the fifth largest party in the country in the first democratic elections in 1990.

In the 1990 General Elections in Hungary, the center-right conservative MDF with close to 25% of the votes and the SZDSZ which defends liberal policies, with close to 22% of the votes, have become the two most successful parties. (*Hungary: Parliamentary Election 1990*, n.d.) Fidesz which managed to get 9% of the votes in this election, has started its political life as the fifth largest party in Hungary. The MDF, led by Jozsef Andall, has formed a center-right coalition with the FKGP and the KDNP, achieving a significant 60% advantage in the Parliament. (*Hungary: Parliamentary Election 1990*, n.d.) The SZDSZ, MSZP and Fidesz have also took part in the Hungarian parliament as opposition parties. (*Hungary: Parliamentary Election 1990*, n.d.)

In the general elections held in 1994, the socialist party MSZP has received 33% of the votes with the election strategy largely focused on economic problems; while the liberal SZDSZ has become the second party with nearly 20% of the votes and the MDF, the leader of the previous government has declined to 11%. (*Hungary: Parliamentary Election 1994*, n.d.) The MSZP, the winner of the election, has chosen to form a coalition with the liberal SZDSZ. In Fidesz, which lost votes in the election and regressed to the sixth largest party, a transformation process from the liberal line to the conservative line has started under the leadership of Viktor Orban. This transformation was the main factor that brought Fidesz to power in the 1998 General Elections.

Reaching 28% of the votes in the 1998 General Elections, Fidesz has become the second largest party after the MSZP which received 32%. (*Hungary: Parliamentary Election 1998*, n.d.) Subsequently, Fidesz has formed a center-right coalition with the FKGP and the MDF succeeded in taking over the administration of the country under the leadership of Viktor Orban. Under the rule of Fidesz, which came to power with the promise of solving unsolved economic problems, Hungary has joined NATO in 1999.

In the 2002 General Elections, the MSZP has won 42% of the votes and became the first party; while Fidesz which entered the election in alliance with the MDF, has remained with 41% of the votes. (*Hungary: Parliamentary Election 2002*, n.d.) After the election, the MSZP rise to power by forming a coalition with the liberal SZDSZ just like the 1994 Elections. What came to the fore in the 2002 General Elections was that the multi-party structure seen in the previous elections was reduced to only two camps in that time. In alliance with the MDF, Fidesz has led a western-oriented nationalist conservative election campaign by using "The future has started!" slogan. (Palonen, 2009: 327) In this context, it can be said that Fidesz campaign has focused on the critique of both the communist era and the early years of transition from communism to democracy and liberal economy. Against the nationalist stance of Fidesz, the liberal-socialist side has rose to power with an election campaign to embrace all the ethnic origins living in Hungary and reconsider the transformation process focused on market economy. (Palonen, 2009: 327) In addition, it can be said that Orban has frequently used the "we and they" rhetoric in 2002 General Elections as in 1989 mentioned above. (Szilágyi & Bozóki, 2015: 159) The nationalist-conservative strategy of Fidesz under the leadership of Orban has continued to grow stronger despite losing the election. The existence of an election

process based on such polarization has prepared the environment for the formation of radical right groups in Hungary. The Sixty-Four Counties Youth Movement, which became popular with various violence actions throughout the 2000s, was founded in 2001. (Mares, 2018: 126) Jobbik which transformed as a very important political actor of election processes especially after the 2010s was also founded in 2003. (Mares, 2018: 128) Under the rule of the socialist-liberal coalition that rose to power in the 2002 Elections, a referendum to join the EU was held in Hungary in 2003 with 83% of the votes in favor. (*Hungary: Referendum on the Accession to the European Union 2003*, n.d.) On May 1, 2004, the country has officially joined the EU, constituting one of the most important milestones in its history.

3. 2. 2. Economic Transformation in Hungary

As analyzed above, it is not possible to talk about a stable political process in the elections held between 1990 and 2002 in Hungary. All parties that rose to power in this process were similar in that they put the promise of solving economic problems at the center of their election campaigns. Undoubtedly, the biggest reason for this was the difficulties of the economic transformation process in Hungary. In fact, Hungary has the distinction of being one of the countries that initiated the economic transformation process early, compared to many former communist countries. It can be said that a certain scale economic transformation started in Hungary since the end of the 1960s with the Goulash Communism period as analyzed above. It would not be wrong to say that Hungary had a quasi-market economy before the communist system collapsed, especially with the regulations made in the 1980s. (Berend, 2009: 36) So much so that before communism collapsed in 1989, one third of Hungarian GDP was already produced by the private sector; and 90 per cent of the prices was also liberalized. (Bokros, 1993: 317) In the 1980s, Hungary have already had tax regulations that encouraged foreign investors and free capital transfers in foreign currencies. (Wandel, 2010: 106) Thanks to all these factors, Hungary has been defined by foreign investors as a "less risky" country compared to many Eastern Bloc countries. (Antalóczy et al., 2011: 197) It is also important to note that the majority of FDI entries mentioned were concentrated in the western part of the country. The main reasons for this decision were that the region had sufficient transport facilities, constituted the border with Austria and had a relatively skilled worker population. As stated, even though Hungary has taken quite important economic transformation

steps under communist rule, whether these lead to large-scale economic development in society is debatable. Undoubtedly, the transformation process has started to progress different after 1989.

After the collapse of communism and the implementation of democratic elections in Hungary, the most important issue on which all political parties agreed to a great extent, was that the country had to be strongly integrated with global capitalism and the market economy. For such an economic transformation, there was a large agreement on regulations in three areas: privatization of state-owned enterprises, liberalization of prices and foreign trade, and price stabilization. (Wandel, 2010: 107) In addition to these three main pillars, exports had also an important place in Hungary's economic transformation. The effective performance of the country in exports, especially since the second half of the 1990s, has been one of the important factors that increased its international competitiveness. For instance, in the European Commission's 1997 Regular Report, Hungary was defined as a functioning market economy. (Wandel, 2010: 109) It can be stated that Hungary's effort to integrate with global trade has progressed largely through the exports and imports with the EU. (Böröcz, 2012: 23) As will be examined in detail in the following sections, exports and EU anchors have really played an important role in Hungary's economic transformation. However, it can be stated that policies such as privatization and encouraging foreign investors have more serious consequences in terms of determining the balances in domestic politics and the public's reaction to governments throughout the 1990s.

Although it was implemented to a certain extent in the 1980s, the system of generating revenue from the privatization policy has mainly been valid since the 1990s. One of the biggest social impacts of this has been layoffs in privatized organizations. With the addition of some other reasons such as involvement of foreign investors to the country's economy on a wider scale and the increase in the value of qualified workforce; a serious unemployment problem has emerged in Hungary in the 1990s. 1.3 million people have lost their jobs between 1989 and 1993; and in 1996, Hungary has recorded the lowest employment rate in its history. (Wandel, 2010: 112) One of the most important reasons for the emergence of these data is undoubtedly the economic transformation strategy preferred by Hungary. In other countries such as Poland, Romania, Bulgaria, which experienced economic transformation in the same period; the strategy of privatization and attracting foreign investors to the country have focused on sectors such as low technology production and textiles

where cheap labor can be used. (Berend, 2009: 38) However, in Hungary, this strategy was mostly planned for the high technology sector; and this has negatively affected the rate of employment of the unskilled labor force. Nevertheless, the preference of such a strategy has enabled the country to make positive progress in many macroeconomic indicators. Until 1995, Hungary has been the country that benefited the most from privatization and foreign investors among the CEE countries undergoing economic transformation. (Györffy, 2009: 155) Furthermore, Hungarian Investment Promotion Agency (ITDH) which played an important role in the economic transformation, was established in Hungary in 1993 to regulate and manage FDI entries to the country. (Antalóczy et al., 2011: 201) The policy of sectoral distribution of FDI entries, especially preferring high technology and export-oriented sectors has been largely carried out by ITDH.

The countries that experienced an important economic transformation in the 1990s were not limited to CEE countries. The same years coincided with the period of great economic transformation in some Asian countries, specifically China. However, the most striking differences in China's economic transformation process are that the economic transformation is progressing gradually and is carried out entirely under state control. So much so, although reforms in agriculture in China have begun to take place in the late 1970s; the privatization policies were adopted only after 1993. (Berend, 2009: 39) As a result of this gradual and controlled economic transformation, China has joined the World Trade Organization (WTO) in 1999 and became a part of the international free trade system. While there is such an example on the one hand; in the examples of economic transformation in Europe, a much faster process was observed with the involvement of multinational companies. Even the definition of "shock therapy"⁶ was made for the strategy of such a rapid integration into the neoliberal economic system. (Berend, 2009: 40) On the other hand, Slovenia, as the country that implemented the economic transformation strategy closest to the example of China among the European countries, has carried out privatization policies much more cautiously. It is also a remarkable detail that Slovenia has been seen as the country that has carried out the economic transformation process most successfully and that it is the first country among this group to use the Euro. (Berend, 2009: 40)

⁶ The definition of shock therapy is especially used for the transformation process in Poland.

Another important factor of the transformation process that continued throughout the 1990s was the problems of ethnicity and national identity that emerged in many post-Soviet countries. However, in the case of Hungary, it can be said that this social tension was successfully managed. As examined above; although different governments took office in the 1990s, the common point of all of them was to attach importance to the process of economic transformation and to avoid ethnic problems that could damage social peace. This process, which proceeds similarly in Poland as well as in Hungary, has been defined as 'social patience'. (Rychard, 2001: 52)

One of the most important external anchors of the economic transformation process in Hungary was undoubtedly the EU. Soon after the first democratic elections in 1990, negotiations have started between the EU and Hungary on the way to become a candidate country; Hungary has applied for full membership in 1994, and became a member of the EU in 2004. In this sense, while Hungary went through a transformation process focused on privatization and attracting foreign investors in the first half of the 1990s; it can be stated that after the application for EU membership, the export has become one of the important dynamics that form the basis of economic transformation. For example, while the share of the EU in the total export item of Hungary was 46% in 1994, this ratio has reached 80% by 2008. (Wandel, 2010: 115) The customs-free zones policy applied in this process has also been successful especially in the field of industrial production. While the share of industrial customs-free zones in Hungary's exports was 18.1% in 1996; this figure has increased to 43% in 1999. (Wandel, 2010: 115) It is also important to underline that the customs-free zones are concentrated in the Western part of the country neighbor to the EU and that the main export partners are the EU countries.

3. 2. 3. Hungary after the EU Membership

In the first years of the 21st century, Hungary has gradually strengthened its ties with the EU as an economically semi-periphery country with strong exports based on industrial production. In this sense, the process of the country's integration with global trade has largely progressed through its export and import transactions with the EU. In such a situation, it can be said that Hungary was largely integrated with the EU in geopolitical and economic terms before becoming an EU member. (Böröcz, 2012: 23) This has been officially proven with full membership in 2004.

One of the most important impacts of the EU membership on Hungary has been on the migration field. After its membership; Hungary, which has historically served as a transit country as stated above and generally receiving intense immigration, has formed the eastern border of the EU. This situation has increased the number of applications made to Hungary by people who want to immigrate to an EU member country as well as causing more illegal border crossings. As an indicator; the number of asylum applications made to Hungary increased from 1,600 in 2004 to 4,672 in 2009. (Molodikova, 2014: 158) Since then, migration reality has also become one of the important dynamics for Hungarian domestic policy. As can be seen in the following sections, some political parties such as Fidesz and Jobbik, came to the fore during election periods with their anti-immigration nationalist campaigns.

As explained above; the fact that the investments coming to the country are mostly concentrated on the west side of the country and around Budapest, has caused regional economic inequalities, especially on the eastern side. The New Hungary Development Plan was prepared in 2006 in order to find a solution to this problem and to balance the regions. (Csomos, 2012: 604) However, due to the global economic crisis that emerged just two years later, the success of the plan has remained controversial. Nevertheless, in the FDI policies implemented after the EU membership, priority was given to projects that could create great job opportunities. For this purpose, incentives such as providing a 10-year tax holiday for large foreign investments to be made in the less developed regions of the country have applied. (Antalóczy et al., 2011: 185) At this point, the funding assistance provided by the EU in fields such as R&D and tourism have likewise aimed to increase job opportunities and to revive the economy in less developed regions.

In the 2006 General Elections, MSZP receiving 43% of the votes, came to power by passing Fidesz, who received 42% of the votes and by forming a coalition with the SZDSZ. (Korkut, 2007: 679) This party has stayed in power for two consecutive terms in Hungary for the first time. In 2006 General Elections, the Hungarian political scene was divided between the two camps. Fidesz's shift from a liberal line to a nationalist-conservative line has become clearer in this process. Viktor Orban's definition of the MSZP as an "elitist" party and his frequent use of this argument in the television program with the participation of party leaders two days before the election have also proved that it started to evolve into a stronger populist character. (Palonen, 2009: 327)

Soon after the election, although the coalition government started to implement the above-mentioned Development Plan on the most criticized economic issues, things did not progress as positively as predicted for government partners this time. In September 2006, with the spread of a voice recording belonging to Prime Minister Gyurcsany to public, an indispensable political tension has started in the country. In response to Gyurcsany, who openly criticized previous economic reforms in the records and stated that they "lied to the public" about them, mass protests, largely supported by Fidesz, has started. (Korkut, 2007: 680) In this process, Fidesz began to get a much larger scale public support; even in the local elections held in the same year, it has succeeded in increasing the general vote rate above the MSZP. Another problem for Gyurcsany and the coalition government, which continued to remain in power by losing a large amount of popular support, has arose when the liberal SZDSZ left the coalition in 2008. In this process, the MSZP's tendency to implement a more left-wing economic policy was the most important reason that triggered the departure of the SZDSZ, which defends economic and social liberalism. (Palonen, 2009: 328)

The budget deficit, increased inflation and the slowing growth rate of the country which became more unmanageable due to the political turmoil in 2006, were the main economic problems between 2006 and 2008. (Berend, 2009: 39) Although an acceptable success has been achieved in fiscal consolidation, especially in the budget deficit; the economic transformation process of the country that has been continuing to a certain extent since the 1990s and the structural reforms promised to be made could not be implemented. (Györfy, 2009: 168)

As mentioned above; the socialist-liberal coalition, which came to power with a serious problem in 2006, have failed to provide a relatively stable atmosphere unlike between 2002 and 2006. With the liberals leaving the coalition in 2008, even if the MSZP continued to rule the country as a minority government, this was a de facto unsuccessful period. Therefore, the 2008 Global Economic Crisis has hit Hungary at such a time when it was so troubled both economically and politically. On the one hand, there was a lack of a strong political power that could take decisive economic steps against the crisis; on the other hand, for Fidesz, who was in the opposition, there was an atmosphere in which it could be fully supported by the public. In fact, Prime Minister Gyurcsany's final resignation in 2009 was one of the last proofs that the MSZP government had come to the point of collapse.

As a result, it is important to examine in more detail the profound effects of the 2008 Global Economic Crisis in the country and the conditions that brought Fidesz to power in 2010 Elections under the leadership of Viktor Orban.

3. 3. EVALUATING THE IMPACT OF 2008 GLOBAL ECONOMIC CRISES

In the process of economic transformation that continued from the beginning of the 1990s until the 2008 Global Economic Crisis, important economic gains, as stated above, have undoubtedly been achieved. As in many countries in the transition period, production and consumption values have grown and commercial activity has revived in Hungary. The country has also gained competitive power in the international market and integrated into the global system. However, it should not be forgotten that this economic transformation process, as required by the global neoliberal economic system, was largely led by foreign investors. The transformation which Hungary experienced has significantly increased its dependency to foreign investors and global capital in important areas such as banks, industrial facilities and service sectors. The basis of the country's serious impact from the 2008 Global Economic Crisis, as in many European countries, has lied at this point. As explained in the previous chapters, the 2008 Global Economic Crisis can already be defined as a crisis of neoliberalism that affects the whole world through neoliberal global networks.

In a determination made by Agnes Csermely, the president of the National Bank of Hungary at time, on the 2008 Economic Crisis process, the country's main weaknesses were summarized as follows: The accumulation of large external imbalances in the public and private sectors and insufficiency in terms of both investment and employment levels. (Jankovics, 2012: 270) In addition to this assessment, it should be noted that EU membership in 2004 is also important for Hungary. It can be said that EU requirements for maintaining macroeconomic stability, which have become more important with the formalization of membership, has limited the economic maneuver room of Hungary, especially during the crisis period. (Szikra, 2014: 489) As stated in the previous section, considering that there was a very weak and questioned political power in the country especially after the 2006 Elections, it can be understood more clearly that Hungary was caught in the economic crisis under difficult conditions. One of the most important and common consequences of the Crisis on a global scale was a critique of political power that has arisen on the basis

of the questioning towards coordination of state institutions, the phenomenon of globalization and national sovereignty. (Lane, 2010: 224) In this context, considering the extremely weak political power and already increased social opposition in Hungary, it is not surprising that economic and political criticisms have spread to a much wider audience and paved the way for Fidesz to power.

Table 8. Overview of Selected Macroeconomic Data for Hungary

Hungary	2007	2008	2009	2010
Real GDP Growth	1.1	0.5	-6.3	-0.3
Unemployment rate	7.4%	7.8%	9.5%	11.2%
Exports	15.9%	4.6%	-11.9%	0.8%
Government gross debt (as % of GDP)	65.8%	73.0%	80.8%	82.3%
FDI (as % of GDP)	50.46%	47.5%	-2.14%	-15.75%

Source: Wandel, 2010: 81.

The table above shows the change in some important macroeconomic indicators in Hungary between 2007 and 2010. While the real GDP growth rate in the country was 1.1 in 2007, it has declined to 0.5 in 2008. It is important to note here that the economic crisis has not yet fully spread on a global scale and has not hit the Hungarian economy devastatingly, while recording the 2008 data.

The data seen at this point, as stated above, proves that Hungary was already in a depressed political and economic process after the 2006 Elections. Considering the 2009 data, the real GDP growth of the country has decreased to a very low level, -6.3. This shows the devastating effect of the crisis on the country's economy and production processes. Table 8 also shows that in unemployment, which is another important macroeconomic data, although there was an increase of 0.4 in 2008 compared to the previous year; the real boom has taken place in 2009, when the effects of the economic crisis began to be felt directly; and in 2010, this ratio has increased to 11.2%. As it will be analyzed in the next section, rising unemployment has become one of the most mentioned topics by Fidesz, who has been increasingly supported by society in this process. In addition, the sector with the highest number of layoffs and the highest decrease in the rate of employment due to the impact of the crisis was industry, especially the construction industry. (Egedy & Uzzoli, 2016: 99) Another important problem that emerged with the increasing unemployment and

falling incomes in this process was the increase in the household indebtedness ratio. According to the data in 2001, 14% of the households in Hungary have paid one-fifth of their income as bank loan; however, this ratio has increased to 40% in 2009. (Egedy & Uzzoli, 2016: 100) This shows that households had to borrow more and their quality of life has decreased due to the impacts of the economic crisis. The slowdown in the industrial area has also caused the service to slowdown in areas such as infrastructure and social services. These have also been among the important factors that reduced the quality of life.

As stated in the previous sections, Hungary has undergone an economic transformation process focused on producing export-oriented goods since the 1990s, especially in line with its goal of becoming an EU member. In this sense, the importance of the export item for the country's economy is indisputable. However, as seen in the Table 8, the 2008 Global Economic Crisis had a negative impact on exports in Hungary, as in many other countries: Growth in exports has decreased from 15.9% in 2007 to 4.6% in 2008; and -11.9% in 2009. Therefore, a loss in a very important source of income for the Hungary has occurred.

Although government gross debt is expected to be high for countries experiencing a process of integrating from a socialist economy into the global capitalist system; the Table 8 shows that an average increase of 8% in the data of 2008 and 2009 in Hungary is important in terms of understanding the impacts of the economic crisis. It is undeniable that the most important thing for countries is the successful management of government gross debt. However, while negative values are recorded in basic areas such as production and exports in the atmosphere of economic crisis, the increasing debt undoubtedly has negative consequences for the economy.

Another common feature of countries undergoing economic transformation can be stated as the dependence of the countries on the FDI value. Moreover, when evaluated specifically in Hungary; it can be easily said that the country is one of the countries that attracted the most FDI among the CEE countries. According to 2007 data, the country has constituted 0.65% of the FDI stock in the world; this value is greater than Hungary's share in world trade. (Galgoczi, 2009: 24) However, as seen in Table 8, the FDI level, which constituted more than 50% of the Hungarian GDP in 2007, has declined to -2.14 in 2009 and -15.75 in 2010. It is important to note that in addition to the complete cessation of new FDI entries in this process, many foreign investors who had previously arrived in the country have went bankrupt and shut down

their factories. In Hungary, which has mostly preferred FDI alternatives focused on heavy industry since the beginning of the economic transformation process, the sectors that experienced the most intense impacts of the crisis were the automotive and electronics. (Antalóczy et al., 2011: 201) Businesses in these sectors, which somehow managed to survive despite the crisis, have reduced their operational capacities. This situation has significantly reduced the contribution of foreign investors to the economy in the country.

As in other CEE countries, one of the most important areas where foreign investors clearly stand out in Hungary has been banking. So much so that the banks, which started to operate in the countries of the region, have made more profit than in their home countries in the pre-crisis period. (Galgoczi, 2009: 25) Nevertheless, after the 2008 Global Economic Crisis which has already emerged in the banking field, the banking sector has gone through a very difficult process with the inability of citizens to pay the bank debt. While 49% of those who had bank debt in Hungary in 2009 have thought that it would take a lot of effort to pay this debt and therefore, they were hopeless; 11% of debtors have stated that it was impossible to pay their debts. (Galgoczi, 2009: 25) Such a process has not only created a problem for financial stability; it has also been one of the signs of a more serious social impoverishment.

In terms of policies developed to fight against the destructive effects of the 2008 Global Economic Crisis, the assistance provided by various international actors, especially the IMF, has been very important for Hungary, as for all the countries of the region. In the report published by the IMF in 2009, when the effects of the crisis were clearly felt, Hungary was defined as an early victim of the crisis with its large fiscal deficit, high inflation and external debt. (IMF, 2009: 3) At this point, in order to compensate for the loss in the economy, Hungary has started to use international channels to obtain loans at the end of 2008, together with countries in the region such as Romania and Latvia. Following this process, an emergency loan package of 20 billion Euro was given to Hungary, to be provided by 12.5 billion Euro by the IMF, 6.5 billion Euro by the EU and 1 billion Euro by the World Bank. (Galgoczi, 2009: 26) Although this credit package had a positive effect on healing the wounds in the economy, it has also caused another debate on the social scale to come to light. The criticisms that the EU has been following a more institutionally faltering strategy in developing policies against the crisis and that it has placed its responsibility on the IMF to a large extent have caused the Eurosceptic thought in the society to gain strength. This social reaction has also become one of the points frequently referenced

by political movements such as Fidesz which act in a national conservative and populist line.

The banking sector was one of the areas where the credit package, which was largely undertaken by the IMF, was mostly used in Hungary. Considering that many European banks are included in the country as foreign investors; it is predicted that a possible banking sector collapse in the CEE countries will affect the Western countries as well. For this reason, all of the Western countries, the IMF and countries in the region have come to a common opinion that banking is the first sector that should be kept alive. In this process, the IMF has taken another initiative and held various meetings with bank CEOs in countries such as Hungary, Romania, Serbia and Bosnia, and encouraged them to continue their activities by promising that the financial situation would improve. (Marer, 2010: 18) Besides, the main point focused by the Hungarian government while creating policies against the crisis has been the management of the fiscal deficit which was also stated as one of the important conditions of the emergency credit package. The government has tried to steer this strategy by largely cutting housing subsidies which is an important part of the fiscal adjustment program. (Hegedüs et al., 2011: 319)

It has always remained controversial how successful the policies tried to be implemented by the Hungarian government have been and how much they can persuade the Hungarian people. As stated above significant political developments such as the political instability between 2006 and 2010, the dissolution of the liberal-socialist coalition in 2008 and the resignation of Prime Minister Gyurcsany in 2009 have negatively affected the effort to develop a stable and reliable strategy against the economic crisis. In this sense, policies aimed at healing the wounds of the economic crisis have been shaped on the basis of international aid to a great extent. In this process, if there was anything stable and reliable about the Hungarian domestic politics; it was Fidesz, led by Viktor Orban, who has been increasing his power day by day by taking popular support.

3. 4. RISE OF FIDESZ'S POPULISM

3. 4. 1. Fidesz's Populism until 2010 General Elections

It can be clearly said that the 2006 General Elections were the beginning of an important process in terms of rise to power of Fidesz. Although the party led by

Viktor Orban lost the elections and remained the main opposition party; they have played a significant role in the mass protests that followed the emergence of the voice recording scandal of Prime Minister Gyurcsany. During this period, in which Gyurcsany lost his credibility and legitimacy in the eyes of the majority of the people, Fidesz has established a close relationship with social opposition. The chaotic atmosphere that occurred due to dissolution of the socialist-liberal coalition and the resignation of Gyurcsany in 2009 as a result of the increasing political and economic pressures, has created a very important opportunity for Fidesz to increase its power. Following Gyurcsany's resignation, Gordon Bajnai, the economy minister, has took the Prime Minister's seat and formed a cabinet mostly of people close to the business world as parallel with the aim of dealing with the intense effects of the economic crisis. (Becker, 2010: 33) Despite this effort, it would not be wrong to define Hungary between 2006 and 2010 as chaotic and depressed in political and economic terms. In this sense, it is not surprising that one of the most used slogans of Fidesz on the way to the 2010 Elections was "Single - Party Rule". (Becker, 2010; Hutmacher, 2010: 34) The ruling of the country by coalition governments since the 1990s, the questioning economic transformation especially after the 2008 Crisis and the problems of corruption that increased with the socialist-liberal coalition have caused that the Hungarian society approached Fidesz's emphasis on "one party" positively.

During the crisis process and on the way to the 2010 Elections, another important factor that Fidesz frequently emphasized and gained widespread social support was the anti-EU rhetoric. In this period, questioning the EU identity was not unique to Hungary; it has become a reaction seen in all European countries heavily affected by the economic crisis. As stated in previous chapters, the strategies of developed EU economies which consider their country's economies as a priority; and assuming greater responsibility by the IMF in order to heal the wounds of the crisis and provide financial support were the main factors that created this reaction. Fidesz's anti-EU approach has started to become apparent in this process even if they supported the EU membership in 2004 despite some reservations. In fact, Fidesz's leader Viktor Orban said in a speech in 2009 that European banks investing in the country only think of their own pockets and that their only goal is to make a profit through the Hungarian banking system. (Vliegenthart, 2010: 254) In this process, he has frequently stated that the EU did not show the solidarity it promised after the crisis and that the financial aids provided through other supranational organizations did not heal the wounds of the economic crisis. In this context, one of Fidesz's greatest

promises on the way to the 2010 Elections was the intergovernmental economy management shaped on the basis of anti-EU discourses. (Göncz & Lengyel, 2016: 109)

The problem of unemployment, which increased significantly during the crisis, has been one of the main agendas of Fidesz. Party leader Orban, while developing his analyzes and discourses on unemployment, has also emphasized a nationalist approach as well as the economic failure of the process carried out by the supranational organizations mentioned above. At this point, Orban, who also signaled his anti-immigrant policies, has often developed statements such that it should be avoided from the cheap labor force, job opportunities should be left to the Hungarians and the country should be managed by the Hungarians. (Lugosi, 2018: 215) The adoption of such a nationalist-populist approach in the field of social policies has brought with its rapprochement with far-right organizations such as Jobbik in the field of civil society.

Since the Hungarian Justice and Life Party (MIEP) example of the 1990s, it can be said that there was no strong radical right movement / party in Hungary: until the example of Jobbik, which gained power after the mid-2000s. (Mares, 2018: 128) The mass protests that took place after the 2006 General Elections, which were mentioned in the previous sections, has also turned out to be an important opportunity for radical right-wing groups like Jobbik to emerge and present an alternative to society. Jobbik, who gradually became one of the important actors of the Hungarian politics since these years, has largely based its policy making on extreme nationalist foundations. Although the 2008 Global Economic Crisis mainly affected the rise of Fidesz which is a populist party with conservative and nationalist tendencies; reaction to the socialist MSZP which failed to manage the crisis, and sympathy for right-wing alternatives have accelerated Jobbik's rise as a far-right option. (Buzogany, 2017: 4) At this point, factors such as Hungary's historically heterogeneous social structure and high immigration have created an environment where Jobbik can effectively apply its far-right ideology. One of the most used propaganda tools in this type of far-right movements is anti-immigration in the labor market. (Karácsony & Rona, 2011: 66) Jobbik has argued that immigrants were the main rival for Hungarians in the already shrunken labor market.

It can be said that Fidesz has also touched on immigration policies and gathered a nationalist policy based on this; however, it is also important to note that the main strategy of the Fidesz in 2010 Election campaign was more focused on the

economy. On the other hand, in a report published by the liberal-socialist coalition government in the mid-2000s, it was stated that more immigrants were needed in the labor market in order to increase the economic performance of the country. (Molodikova, 2014: 162) However, the draft law prepared in the light of this report was shelved due to a strong counter-reaction led by Fidesz as the main opposition party.

As mentioned in previous sections, migration has historically been an important dynamic that has always maintained its warmth in the Hungarian politics. This situation has continued in the same way after the 2010 Elections which resulted in the victory of Fidesz.

3.4.2. 2010 General Elections: The Victory for Fidesz

In the 2010 General Elections in Hungary, a mixed system was implemented to distribute a total of 386 parliamentary seats, as in the previous elections. Majoritarian and proportional election tools were used together in this system. In the majoritarian contests, 176 MPs were elected in single-seat electoral districts (SSED); while 146 MPs were elected on the basis of proportional representation with party lists in 20 multi-seat electoral districts (MSED⁷). (OSCE Office for Democratic Institutions and Human Rights, 2010: 8) The remaining 64 MPs were elected in a countrywide constituency through compensatory party lists on the basis of proportional representation. (OSCE Office for Democratic Institutions and Human Rights, 2010: 8) These lists have been prepared to represent the candidates who were the members of a party that succeeded in exceeding the 5% electoral threshold, but could not find the right to be represented and whose votes were unused despite receiving significant votes in the SSED and MSED. Although this mixed system has been used since 1990, it has been the focus of various criticisms from time to time. Similar concerns were expressed in Office for Democratic Institutions and Human Rights (OSCE) reports; while it was stated that some MSEDs such as Buda were over-represented, it was also underlined that some MSEDs such as Pest remained under-represented. (OSCE Office for Democratic Institutions and Human Rights, 2010: 9) Also one of the issues directly discussed by Fidesz that won the 2010 Elections, after they came to power, was the electoral system in Hungary. As a result of this process, a radical change about the electoral system was made in 2012.

⁷ MSEDs borders are the administrative borders of the counties and Budapest.

Table 9. 2010 General Elections in Hungary

Party	Votes (%)	SSED seats	MSED seats	National Compensatory seats	Total seats	Share of seats (%)
Fidesz - KDNP	52.73	173	87	3	263	68.14
Socialist Party (MSZP)	19.30	2	28	29	59	15.28
Jobbik	16.67	0	26	21	47	12.18
Politics Can Be Different (LMP)	7.48	0	5	11	16	4.15
Democratic Forum (MDF)	2.67	0	0	0	0	0
Independent	-	1	-	-	1	0.26
Other	1.13	-	-	-	-	0
Total		176	146	64	386	100.00

Source: Batory, 2010: 6.

As seen in Table 9, the 2010 General Elections resulted in an absolute victory for Fidesz in Hungary. Although Fidesz and KDNP entered the election by alliance, it is undisputed that 52.73% of the votes and the election victory was the success of Fidesz to a great extent and that the KDNP contributed as a “small partner”. The fact that the MSZP, which was in power by getting 43.21% of the votes in the 2006 Elections, has fell to 19.30% as a clear indication of how much the political and economic chaos atmosphere between the years 2006-2010 harmed the party. Jobbik, who managed to get 16.67% of the votes, has proved that it rose as an alternative to the radical right during the crisis era. Politics Can Be Different (LMP), on the other hand, has joined the Hungarian political scene as a new actor; in the light of the party program, it has emerged as the new alternative to which liberal votes have turned.

The main topics that came to the fore for all parties during the 2010 election campaign were: the 2008 Global Economic Crisis, the policies developed against the crisis, the performance of the MSZP government and the fight against political and economic corruption. (OSCE Office for Democratic Institutions and Human Rights, 2010: 5) In this respect, it can be said that the campaign processes of the parties competing in the election focus on national issues rather than local ones.

It would not be wrong to state that the previous ruling MSZP's 2010 election campaign has largely pursued a defensive strategy against Fidesz's critical policy; and it has focused on promoting the Bajnai cabinet's efforts to stabilize the economy, which took office in 2009. The party said, "We had successes and mistakes; however, we had a difficult period in which the whole world was struggling with the crisis."; however, this argument has failed to persuade Hungarian society. (Batory, 2010: 7)

Jobbik's election campaign was shaped on some much more radical promises. The party has stated that if the party is in power, it will prosecute former Prime Minister Gyurcsany on corruption charges, impose taxes on multinationals, ensure public order and police domination; and they also carried out a campaign with the slogan "Hungary belongs to the Hungarians." (Batory, 2010: 7) As the election results show, Jobbik's radical right policy was supported by a significant segment of the Hungarian society that held the socialist government responsible for the atmosphere of economic and political crisis. As a result, Jobbik has succeeded in entering the parliament as a significant political actor.

"Politics Can Be Different", whose founders were largely based on the green movement, has conducted an election campaign focused on environmentalism and sustainable development. In addition, in the election manifestos, they have defined the three main problems in the current political atmosphere in Hungary as "corruption, clientelism and inequality"; and managed a strategy basis on this agenda. (Katalin, 2010: 1008) Against Jobbik which stated that they rejected the 2009 Lisbon Agreement and that there should be an EU transformation in which national interests are fully represented, the LMP has criticized the EU institutions as an anti-democratic line and argued that the EU decision-making mechanism should be democratized. (Batory, 2010: 8) It can be said that the LMP, which managed to collect more than 7% of the votes and enter the parliament with such an election campaign process, has received votes mostly from liberals and some socialists as a new political actor.

In terms of the MDF, one of the important actors of Hungarian politics in 1990's; it can be stated that they failed to develop policies that would enable them to rise as an alternative during the crisis period. They have fallen to 2.67% from the 5.04% vote in the 2006 Elections and remained outside the parliament.

In the 2010 General Elections, discourses were very important in terms of the election campaign of Fidesz led by Viktor Orban. Even though he lost the elections in 2006, Orban who increased his "leader charisma" day by day afterwards, has implemented a political strategy similar to the "young and brave leader" photo of 1989

mentioned in the previous chapter. Orbán who said that "the communist rule will end and a new history will be written in which the power will pass to the Hungarian people through democratic elections" in 1989, has had the opportunity to repeat the same slogans with the benefit of the context occurred in 2010. (Szilágyi & Bozóki, 2015: 161) Orbán has built his election campaign rhetoric on the unsuccessful political and economic crisis management of the socialist MSZP government. He has frequently stated that "2010 will be the beginning of a new and historical process, just like in 1989". (Szilágyi & Bozóki, 2015: 161) Orbán, who entered the political scene in 1989 as the young and courageous leader of Fidesz which advocated democratization and liberal economy, has appeared to be the experienced leader of "another Fidesz" which promised much more nationalist conservative policies in 2010. However, he has clearly emphasized that the communists are the "elites" of the current system and formed a political discourse based on opposition to them in both 1989 and 2010. But of course, the main difference has stand out as the change in party ideology from 1989 to 2010. The similarities and differences in these two examples are interesting in terms of pursuit of the strong populist leader character of Viktor Orbán from the very beginning of his political career.

Another interesting point in Orbán's 2010 election rhetoric was his constant emphasis on 'national cooperation'. Orbán has not developed almost any political strategy that would cause controversy regarding other right-wing parties with which it competed in the election. Undoubtedly, the 2010 General Elections was a clear victory of the right-wing parties in Hungary; such that 80% of the parliamentary seats have been won by right-wing parties (Fidesz, KDNP, Jobbik). During the election process, Orbán has often underlined the point of "The Hungarians showed that the old system should be destroyed and a new system should be built on the basis of national cooperation". (Korkut, 2012: 167) This rhetoric, which emphasized solidarity with other nationalist and conservative segments, was not surprising when considered in the context of Orbán's political strategy, which saw socialists as the elites of the old system and his main rivals.

After the 2008 Economic Crisis deeply affected social policy areas such as health, work and education in Hungary, as did in many countries, it has become inevitable for Fidesz's 2010 election campaign to focus on these points. Under the leadership of Orbán, Fidesz, whose main strategy in the field of social policies is criticizing the failure of the MSZP government and building his own policy on this point, has determined five topics that are most important for the daily life of the Hungarian

people: work, home, family, health and order. (Lugosi, 2018: 216) Fidesz has focused more carefully on health among these five topics. In its 2010 Election Manifesto, the party has cited the main reasons for this as follows: failure of the MSZP government to manage the economic crisis process, the closure of many health institutions due to economic reasons and the disruption of health services, the most basic human right, throughout the country. (*Fidesz Manifest*, 2010: 63) In this sense, one of the main propaganda points of Fidesz has been the promise that they will catch up with Western European countries in the field of health if they come to power.

Another important topic in the field of social policies has come to the fore as the problem of unemployment. As analyzed in the previous chapters, the emergence of an intense unemployment problem with the effect of the 2008 Crisis has caused this area to become the main agenda of people. Fidesz, on the one hand, has promised that they will create new business lines and job opportunities for people; on the other hand, it has also promised that the transformation of the labor market into a much more family-friendly structure. (*Fidesz Manifest*, 2010: 74) At this point, Fidesz has claimed that in its rule, part-time job opportunities will be increased throughout the country and that these new opportunities will be generally created for women, young mothers, disabled people and students. (Fidesz, 2007: 33) This propaganda strategy has clearly shown that Fidesz's views about social policies were totally based on holistic and conservative foundations. This was also the first example of the broader conservative-populist social policy view that Fidesz began to develop after they came to power, such as that families should have more children in order to increase the population. In addition, it is important to note that although it had nationalist elements, Fidesz's main strategy in the field of social policy has based on a more conservative basis. At this point, they differed from the far-right Jobbik which produced social policies based on anti-immigration and xenophobia.

One of the main topics Fidesz focused on during the 2010 election campaign was EU criticism. As analyzed in the previous chapters, the criticism that the EU was not successful in combating the effects of the 2008 Economic Crisis and even did not take an adequate role in helping member countries was expressed not only in Hungary but also in many European countries that were seriously affected by the crisis. Fidesz has also carried out an intense propaganda that the EU did not show enough solidarity on the management of the crisis. Fidesz, which actively used the skeptical attitude towards the EU, has also criticized the MSZP government's policy that focusing on supranational solutions against the crisis. At this point, Fidesz has

emphasized that the crisis process that managed not only by the EU but also by international supranational institutions such as the IMF and the World Bank was not successful; and stated that there should be a crisis management on an intergovernmentalist basis. (Göncz & Lengyel, 2016: 110) This discourse has been quite persuasive for the Hungarian people, who feel the effects of the crisis intensely in every field. In addition, the anti-supranationalism strategy developed on the basis of EU skepticism has created a consistent and strong effect on Fidesz's nationalist - conservative ideological structure. Even though the far-right parties like Jobbik has criticized intergovernmentalist solutions and stated that the economic nationalism approach should be adopted completely, Fidesz's main strategy has remained in the focus of intergovernmentalism in the 2010 Elections. (Göncz & Lengyel, 2016: 110) It can be said that this method has enabled Fidesz to go beyond the nationalist and conservative base and get votes from left-liberal groups that criticize the crisis management. However, it is also important to state that after Fidesz came to power, there was a gradual transformation from intergovernmentalism to economic nationalism within the scope of the party strategy.

3.4.3. Populist Policies of Fidesz

One of the first areas where Fidesz made radical changes after coming to power was the tax system. In this area, as promised in the election campaign process, the supranational economic structure was abandoned; while the local bourgeoisie and the middle class were supported with various tax cuts and a high tax policy has been applied to foreign investors, multinational financial companies and banks in order to balance the state budget. In addition, sales taxes were increased to 27%: this was recorded as the highest rate among European countries at that time. (Bozóki, 2011: 652) These tax policies were also a clear proof that the economic nationalist line started to gain considerable strength rather than intergovernmentalist line in Fidesz's government. The Orban government has also supported the mentioned tax policy with conservative social policy tools. For example, various tax advantages have been provided to working parents with children, support payments to mothers who temporarily leave their jobs after their children have been increased, and social expenditures for homeless and unemployed people have been reduced. (Bozóki, 2011: 653) This strategy, which was developed by referring to the importance of the traditional family structure, has been criticized many times because it causes an

increase in cultural polarization in society on the one hand, and also worsens the situation of the unemployed. (Szivos & Toth, 2013: 18) In this context, it can be said that Fidesz has taken the tax burden from the national bourgeoisie and put it on the international investor, it aimed to balance the budget by reducing the social expenditures made for those who think they do not contribute to the economy and are outside the traditional lifestyle of the Hungarian society.

During the period from 2010, when Fidesz rose to power, to 2016, the share of social expenditures in the Hungarian GDP declined from 23% to 20%. (OECD, 2016: 5) In this process, regulations were made regarding the pension system, which constitutes a significant part of social expenditures; the retirement age was increased, and the area of social insurance, which mostly deals with the private sector, was nationalized. (Hermann, 2014: 9) At this point, even though certain segments of the society opposed the nationalization plan and argued that this reduces freedom of choice to zero, Fidesz has implemented the policy resolutely; and the income from the pension insurance field was used to close the budget deficit, which increased with the impact of the crisis. (Bozóki, 2011: 652) Although the first focus of Orban government was on social policies to generate resources faster against the effects of the crisis; much more radical changes were made in the ongoing process.

In his speeches after the 2010 election victory, Orban has emphasized that the previous constitution was a constitution prepared under the influence of communism and therefore a new constitution that would develop democracy and reinforce the power of the people, far from elitism, was necessary. (Bruszt & McDermott, 2011: 12) For this purpose, a new constitution was prepared within one year after the election, approved by the Parliament on April 18, 2011 and entered into force on January 1, 2012 under the name "The Fundamental Law of Hungary". However, the new constitution has also been the source of many new controversies. The reference to "all ethnic Hungarians and those living under Hungarian law" in the Constitution has led to the development of criticism that minority rights are disregarded. (Korkut, 2012: 25) In a broader sense, the Constitution has also been viewed as a one-sided social engineering and the view that it serves the purposes of the state rather than social rights is advocated. (Fleck et al., 2011: 2) In the new constitution, the reference to "Hungary as a country based on Christian values" and the change of the country's name from "Republic of Hungary" to "Hungary" have led to the view that the constitution does not stand at an ideologically neutral point. (Bozóki, 2011: 657) Opposition in Hungary has argued that the Constitution was a

one-sided "Fidesz Constitution" that tried to highlight religious, traditional and nationalist values. After the Constitution came into force on January 1, 2012, more than 100,000 people have organized protests "against the new constitution, autocracy and restricted rule of law" in Budapest and other major cities. (Bozóki, 2011: 658) Just as in the 2010 election campaign, the headings that Fidesz frequently emphasized in the new constitution were family, nation, work and order; the fact that the concept of "equality" remained out of this focus was one of the main reasons that increased social reaction. (Szikra, 2014: 489) In the "New Labour Law", which entered into force in conjunction with the new constitution, on the one hand, amendments were made to restrict the right to strike of the employees; on the other hand, new coercive regulations were introduced that the unemployed people could be employed in hard work with the decision of the local authorities. (Fabry, 2019: 131) Also, with the new constitution, Hungary has become the first country to explicitly define homelessness as a criminal offense. (Udvarhelyi, 2013: 2) In addition to the social policies aimed at strengthening the traditional family structure mentioned above, the disregard for gender equality and LGBT rights in the new constitution has also been another lacking factor that has increased the "equality" based inquiries and criticisms. The new constitution prepared under the leadership of Fidesz was generally promoted with the promise that it will increase the economic competitiveness of the country and create a work-based society. (Fabry, 2019: 132) However, how successful this was and to what extent it included large segments of the society has remained controversial.

The skepticism about the EU, which was frequently expressed by Fidesz during the 2010 election campaign, has continued to increase in rule. The new Constitution, which has received intense criticism for its conservative tenderness, has been shown as an important proof that the concepts such as human rights and equality, which the EU represents on an international arena, have been abandoned. In addition to this cultural and ideological divergence, the Fidesz government's move away from an intergovernmentalist line in the economic administration towards economic nationalism is another indicator of the increasing skepticism about the EU. In the process of managing the effects of the economic crisis, the EU, especially some members such as Italy, Spain and Greece, have gave importance to the improvement of social policies in general; while the Fidesz government has prioritized Hungary's regaining economic competitiveness as a top goal. (Göncz & Lengyel, 2016: 112) In this context, the main focus of Fidesz's plan to manage the crisis has been to recognize the support and privileges that will bring the national bourgeoisie back to

life. As stated above, for this purpose, policies have been developed to obtain high tax revenues from foreign investors while reducing social policy expenditures. Undoubtedly, the loss of confidence in liberal democratic institutions such as the EU, IMF and World Bank after the economic crisis has become an international reality. However, this suspicion and criticism has come to the fore more intensely in Hungary, which has the 2/3 majority of the right-wing parties (Fidesz, KDNP, Jobbik) in the Parliament. During his prime ministry, Viktor Orban has often used the rhetoric that "We will not accept dictas from the EU and the IMF. They are not our bosses!". (Fabry, 2019: 133) The EU has also expressed its concerns about Hungary's rapprochement with authoritarian regimes such as Putin's Russia. (Foy & Buckley, 2016: 1) Despite this strained relationship between the EU and Hungary, the Cohesion Funds provided by the EU against the effects of the crisis has continued to reach Budapest. In addition to populist and nationalist attitudes in the discourse, the Fidesz government has also signed strategic agreements with important multinational companies such as Audi, Coca-Cola, General Electric, Microsoft, Samsung and Suzuki. (Fabry, 2019: 134) This point has proved that it is not possible to completely move away from international markets in order to heal the wounds of the economic crisis, even if there is a conservative and nationalist emphasis in all areas of politics and economy.

Media, which played an important role in Fidesz's rise to power and enhancing Viktor Orban's leadership charisma, has also been another fundamental focus of the Fidesz government. With the legal amendment made in 2010, the media supervisor authority was established; and most of the people involved in the decision-making processes of the institution were selected from people close to the Fidesz government. (Bozóki, 2011: 660) The media authority's power over television and radio broadcasts as well as electronic media and the internet has created a wide area for Fidesz to control the mainstream media to a large extent. In this process, the fact that media organizations mostly include radical right-oriented policies in their flows clearly reflects this control power of Fidesz. (Szabó et al., 2019: 36) Another area that mainstream media organizations focused on under Fidesz's administration was to publish criminalizing broadcasts aimed at people who served as high-level state officials during the former liberal - socialist coalition period. (Bozóki, 2011: 660) In addition to these broadcasts, which are mainly focused on corruption allegations, a similar approach has been adopted for intellectuals known to be left-wing or liberal. In the same period, many academics and artists who were opposed to the conservative-nationalist understanding represented by Fidesz, such as filmmaker Bela Tarr,

economist Janos Kornai, sociologist Zsuzsa Ferge, pianist Andras Schiff, were also exposed to the criminalizing broadcasts of the mainstream media. (Bozóki, 2011: 661) Another group that got their share from Fidesz's criminalization policies, albeit to a smaller extent, was immigrants.

Ethnic Hungarians were the basis of the Fidesz government's migration policy between 2010 and 2014. With the Hungarian Citizenship Law, which came into force in 2010, the government has made it clear that it will give priority to ethnic Hungarians who want to immigrate from third-party countries to their "motherland". (Molodikova, 2014: 162) It should be noted that this selective migration strategy has caused some neighboring countries to react at that time. In 2013, with the effect of these reactions, the Fidesz government has put into effect the "Migration Strategy"; and announced that it will support all regular migration forms and ensure their integration into the country. (Juhasz, 2017: 2) However, this strategy has remained largely a promise and has not been fully implemented. (Melegh, 2016: 91) Although Fidesz's conservative-nationalist attitude can be followed in migration policies, it would be wrong to say that immigration was among the primary agenda items for the Fidesz government between 2010 and 2014. For Orban, who frequently criticized the migration policy economically while going to the 2010 Election process, it was only after the 2014 General Elections that migration gained importance again and became one of the primary agenda items.

Besides, important changes have occurred in the election system of Hungary with a new law adopted in 2012. The two-round electoral system was reduced to a single round / double ballot; and the number of deputy seats was decreased from 386 to 199. (OSCE Office for Democratic Institutions and Human Rights, 2014: 6) Also while unused votes were proportionally distributed among the parties exceeding the 5% threshold in the previous system; it has been decided that these votes will go to the winning candidate in the constituency with the new law. This situation was interpreted as a change that would make it difficult for smaller parties to gain seats in the parliament and would provide a great advantage to the winning party. (Bozóki, 2011: 655) This election system was applied for the first time in the 2014 General Elections.

Table 10. 2014 General Elections in Hungary

Party	Votes	% of Votes	National List Seats	Constituency Seats	Total Seats	Total % of Seats

Fidesz - KDNP	2.264.780	45.04%	37	96	133	66.83%
MSZP - EGYÜTT - DK - PM - MLP	1.290.806	25.67%	28	10	38	19.10%
Jobbik	1.020.476	20.30%	23	0	23	11.56%
LMP	269.414	5.36%	5	0	5	2.51%
Total	5.027.820	100%	93	106	199	100%

Source: OSCE Office for Democratic Institutions and Human Rights, 2014: 31.

The 2014 General Elections, in which the new election system put into effect by Fidesz caused controversy, is interesting in many ways. As can be seen in Table 10, the Socialist MSZP has entered this election in alliance with four minor parties (EGYÜTT, DK, PM, MLP) and managed to increase the voting rate of 19.30% in 2010 Elections to 25.67% in 2014. Fidesz, which rose to power by receiving 52.73% of the votes in the 2010 General Elections, has recorded a voting rate of 45.04% in 2014. However, although Fidesz received 45% of the votes, thanks to the changes made in the election system as mentioned above, they have managed to get 66.83% of the seats in the Parliament. The second party MSZP, which received 25% of the votes, has gained just 19.10% of seats in the Parliament. Another interesting point is that the radical right-wing party Jobbik has got 20% of the votes and could achieve a 4% increase compared to the previous election. In this context, it can be evaluated that a significant part of the new votes received by Jobbik are the votes Fidesz lost. The LMP which received 7.48% of the votes in the 2010 General Elections, has managed to pass the threshold despite the decline in voting rates in 2014. However, in light of the fundamental economic, political and legal changes made by Fidesz between 2010 and 2014, it has been a controversial issue to what extent the 2014 General Elections took place in an environment of equal competition. According to the international organizations that followed the election process, Fidesz was in an incomparably advantageous position, especially in the context of media coverage. (OSCE Office for Democratic Institutions and Human Rights, 2014: 15) In addition, during the election campaign of Fidesz, the distinction between Fidesz and state institutions regarding the use of economic and political tools has been significantly blurred. (OSCE Office for Democratic Institutions and Human Rights, 2014: 16) While many billboards, TV channels and social media platforms across the country were filled with posters of Fidesz, the access of other parties in the race to these instruments was extremely

limited. The main point Fidesz focused on during the election campaign was changes made under the rule of Fidesz; and they have used the slogan of “Hungary is performing better!”.

Table 11. Macroeconomic Indicators of Hungary between 2009 – 2014

Hungary	2009	2010	2011	2012	2013	2014
GDP Growth	-6.60%	0.68%	1.66%	-1.64%	2.10%	4.23%
Unemployment	10.03%	11.17%	11.03%	11%	10.18%	7.73%
Growth of Exports	-10.72%	11.12%	6.41%	-1.7%	4.1%	9.2%
Government spending (% of GDP)	22.07%	21.44%	20.62%	20.01%	19.76%	20.03%

Source: World Bank. www.data.worldbank.org, (12.11.2020).

As stated in the previous chapters, the basic elements that brought Fidesz to power were economically based. Under Fidesz, the economic structure was kept under relative control compared to the years of 2008-2009 when the effects of the 2008 Economic Crisis were felt most severely. As can be seen in Table 11, GDP growth was at the level of -6.60% in 2009, it increased to 0.68% in 2010 when Fidesz came to power, and positive economic growth was recorded in the following years, except 2012. As stated above, considering that the main purpose of the Fidesz government is to restore economic competitiveness of the country, this seems to be consistent data. In line with the economic nationalist view, the export data in the country started to grow under the rule of Fidesz. As can be seen in Table 11, except for 2012, exports have grown continuously. On the other hand, while unemployment was 10.03% in 2009, it increased to 11.17% in 2010, when Fidesz rose to power, and there was no significant decrease until 2014. This data also reveals that Fidesz is committed to an economic competitive understanding rather than social policies in the context of solving the effects of the economic crisis. Again, in this context, while the level of government spending has increased in many countries affected by the crisis, it can be seen that these data have decreased in Hungary. As stated in previous sections, the main saving item at this point has been social expenditures. The adoption of such a development strategy against the effects of the economic crisis has undoubtedly created discussions about what extent positive data in the economy have had a positive effect on the Hungarian people. It is possible to explain the 7% loss of votes that Fidesz experienced in the 2014 Elections with this strategy, in

addition to the social reaction created by the increasing authoritarianism tendency during Orban rule.

After it came back to power in 2014, a very important change took place in the basic policies of Fidesz under the Orban administration. As stated in the previous sections, the issue of immigration, which Fidesz sometimes focused on and developed a nationalist-populist discourse, has become the main agenda item after 2014. The European Refugee Crisis which emerged as a result of hundreds of thousands of Syrians, Afghans, Iraqis and other Middle Eastern and North African citizens who migrated due to civil war and human security concerns in their countries, has formed the basis of Fidesz's anti-immigration policies. (Timmer, 2017: 50) The vast majority of these refugees have used the Hungary transit route in hopes of reaching developed European countries such as Germany and France. However, the Orban administration's immigration policy has developed in an extremely nationalist line. Under the administration of Fidesz, which took a radical anti-immigration position especially after the Charlie Hebdo attacks in Paris in 2015, xenophobic slogans have started to appear on billboards, TV channels, press and social media in many cities of Hungary. Examples of these slogans are: "If you come to Hungary, you have to keep our laws.", "If you come to Hungary, don't take Hungarian jobs!", "Did you know? The Paris attacks were committed by migrants." (Timmer, 2017: 51) In this process, the Orban administration, instead of investing in migration policies and the integration of refugees as the EU demands, has devoted its resources to building border fences. Following the reaction against this policy both from within Hungary and internationally, Prime Minister Orban said, "This is not a resistance of the Hungarian government: This is the request of the Hungarian people! The government represents the wishes of the Hungarian people!"; and has continued to defend the anti-immigration attitude of his party. (Bocskor, 2018: 556) At this point, it can be said that the anti-immigration policy of the Fidesz government is based on pumping fear in the fields of economy, culture and security. The pumped fear that the refugees, after their arrival in Hungary, will take the jobs of the Hungarians, change the Hungarian culture and organize terrorist acts as in Paris, has been the main Fidesz policy between 2014 and 2018. More interestingly, as noted in previous chapters, Jobbik has advocated a similar anti-immigration policy after the 2008 Economic Crisis. Acting in a more moderate line at that time, Fidesz has become an advocate of a very radical xenophobic policy by 2015. Jobbik, the other major actor of the right-wing political line in Hungary, has undergone a significant transformation within the party since 2015 and has evolved

from a radical right party to a moderate conservative party. (Csaky, 2016: 1) At this point, a similar atmosphere as in 2008 emerged for the right wing in Hungary; but this time Fidesz and Jobbik's anti-immigration stance has shifted. This transformation was also one of the main factors that paved the way for Jobbik to become the second largest party in the 2018 General Elections.

Table 12. 2018 General Elections in Hungary

Party	Votes	% of Votes	National List Seats	Constituency Seats	Total Seats	Total % of Seats
Fidesz - KDNP	2.824.647	49.28	42	91	133	66.83
Jobbik	1.092.671	19.06	25	1	26	13.07
MSZP - Dialogue	682.605	11.91	12	8	20	10.05
Democratic Coalition	308.070	5.37	6	3	9	4.52
LMP	404.428	7.06	7	1	8	4.02
Together	37.562	0.66	-	1	1	0.50
Independent	-	-	-	1	1	0.50
German Minority	-	-	1	-	1	0.50
TOTAL	5.694.750	100.00	93	106	199	100.00

Source: (OSCE Office for Democratic Institutions and Human Rights, 2018: 32)

Fidesz, which focused largely on his actions on rule in the 2014 General Elections and conducted an election campaign in this context, has chosen to determine a completely anti-immigration strategy in 2018 General Elections. In general, it can be said that the election atmosphere focuses entirely on immigration policies. Parallel to its anti-immigration stance, Fidesz has drawn attention with its anti-EU and anti-UN rhetoric. (OSCE Office for Democratic Institutions and Human Rights, 2018: 18) At this point, it can be said that Fidesz under Orban has evolved into a completely radical-nationalist line. In addition, the Hungarian origin international finance investor George Soros has been one of the figures criminalized by the Fidesz campaign. Opposition social groups which criticize some points such as media independence, transparency in economic resources and reliability of the election, were defined by Viktor Orban as "mercenaries of Soros" and marginalized. (OSCE

Office for Democratic Institutions and Human Rights, 2018: 19) Hundreds of thousands of people staged protests, especially during the week after the Election, who expressed concern about the reliability of the election results, was blamed as being an organization of Soros. However, the majority of the political parties have accepted the election results at the end of the day. Apart from the criticisms about the electoral system, the anti-foreign discourse developed by the Fidesz administration after 2015 has become the main subject of the 2018 Elections, and caused a socially highly polarizing process. Another interesting point about the 2018 General Elections was the relative diversity in the opposition parties. As seen in Table 12, in addition to the MSZP, Jobbik, and the LMP which managed to pass the threshold in the previous election, Democratic Coalition which was founded by the former Prime Minister Gyurcsany and carries out a center-left policy; Dialogue for Hungary based on the green movement founded by those who left the LMP; and Together which was founded by Gordon Bajnai who was the prime minister during the 2008 Economic Crisis, have gained seats in the Parliament. It can be said that this diversity has also formed the basis of the relative success achieved by the opposition in the 2019 Local Elections in Hungary. For example, the joint candidate supported by the MSZP, Jobbik, Democratic Coalition and Momentum, has won the local elections against the joint candidate of Fidesz and KDNP in Budapest. (Manzanaro, 2019: 1) In addition, opposition candidates which won 3 of the 23 cities in the 2014 Local Elections, have increased this number to 10 in 2019. (Novak, 2019: 1) At this point, it can be said that the 2019 Local Elections is an important breaking point against the Fidesz authority that has been going on since 2010.

3.4.4. Assessment of Fidesz as a Populist Party

After explaining in detail Fidesz's rise to power and important policies in power under the leadership of Viktor Orban, it will be useful to make a general evaluation of Fidesz in the light of the definition of populism mentioned in the first chapter.

Starting from the point that populism is not an ideology, it should be evaluated as a political method instead; it is important to note that Fidesz maintains its populist character even though there have been certain changes in its ideological line. Despite losing the 2006 General Elections, Fidesz which managed successfully the social reaction against the liberal - socialist government and found a wide response in society, has caught the sharp momentum that will bring it to power with the 2008

Economic Crisis. It can be said that the search for a new alternative in the society has reached the highest level with the addition of the devastating effects of the economic crisis on the atmosphere of political and economic insecurity that already existed in Hungary in the mid-2000s. At this point, Fidesz has started to pursue a strong populist policy on the basis of its conservative-nationalist ideological stance. The main propaganda of the populist movement was to criticize the socialist government for its failure in economic management. As shown in previous sections, the socialist MSZP government and the institutional structure under its leadership were described by Fidesz leader Viktor Orban as "the elites of the old era"; and he has frequently used the propaganda that a new system would be established under the leadership of the Hungarian people.

Against the MSZP government, about which many corruption allegations have emerged since the mid-2000s and had an economically unsuccessful crisis period, conservative-nationalist majority who feel themselves outside of the current status quo and experience the harsh effects of the crisis, have largely approved of Fidesz's "assertive" populist propaganda. The foreign policy part of this anti-elitist propaganda in domestic politics has largely occurred in an anti-EU line. Fidesz has argued that the EU did not provide enough support to Hungary during the economic crisis; and claimed that the crisis process policies carried out by the IMF could not achieve sufficient success. On this basis, the party led by Orban stated that if they come to power, they would not obey supranational pressures; instead, they would implement an intergovernmentalist crisis management. In addition to the xenophobic and fully economic nationalist agenda of Jobbik, which can be defined as another rising party in radical right of Hungarian politics in the same period; it can be said that Fidesz has stood at a much more moderate and central point in the 2010 Elections. Such a political atmosphere and the populist discourse developed by Fidesz through the criticism of the socialist government have also enabled it to expand towards the masses who criticized the old administration, though not conservative or nationalist. As another important feature of populist movements, it is important to underline that the charismatic leader figure was fully represented by Viktor Orban. Undoubtedly this feature has started to be seen with the active role he took in the social reaction process that emerged after the 2006 Elections; and it came to the top level with the anti-elitist and 'revolutionary' discourses that he developed after the 2008 Economic Crisis.

It can be said that Fidesz's populist policies has continued under Orban's prime ministry after he came to power in the 2010 Elections. At this point, it can be seen that populist practices in both economics and politics progress in a complementary manner. Policies that gradually evolve into a nationalist direction on the basis of opposition to supranational institutions in the field of economy have been supported by the emphasis on the ideal of "work-based society" in the field of cultural politics and the implementation of populist regulations that emphasize the traditional family structure. However, it can be said that this situation has also moved Fidesz from its political position that could represent large segments in 2010 to a sharper conservative-nationalist right-wing party.

During its rule, Fidesz's populist policies that criticized the old status quo on an economic and political basis have continued in the same way. With the legal regulations made and the new Constitution enacted in 2012, the media field has become largely under the control of Fidesz; it has caused many criminalizing publications about former socialist government officials to be shown. At this point, it has become gradually apparent that Fidesz, under the leadership of Viktor Orban, has begun to become authoritarian as well as populist. Likewise, the 2014 General Elections, as the first election realized with the new election system put into effect, was the first example where the authoritarianism tendency in Hungary was clearly expressed and criticized by both domestic and international environment. In Fidesz, which has evolved into a radical right line in the post-2014 period, the main focus of populist policies has been the anti-immigration. Especially after 2015, anti-immigration populist discourses based on fear and xenophobia was developed by the leadership of Viktor Orban. Fidesz has managed a propaganda that if immigrants come to the country, Hungarians could lose their jobs and culture; moreover, immigrants could organize terrorist attacks against Hungarians. At this point, the continuity of populist policies can be shown as a distinctive feature of populism; although Fidesz evolved from its ideological basis that stood at the center of the political spectrum in the post-2008 period to a radical right line after 2015. In addition, Fidesz's anti-elitist stance has also continued in the post-2015 period. But this time the "elite" opposed was not the former socialist administrations, but the Hungarian-American financial investor George Soros and international actors such as the EU and the IMF. The definition of the masses who took to the streets by criticizing the transparency of the elections in 2018 as "the mercenaries of Soros" by Viktor Orban has also clearly proved this populist policy. The criticism of the Fidesz government

and Prime Minister Viktor Orban's anti-immigration radical right policy and authoritarianism is still hot in Hungary and the international arena.

As a result, Fidesz has risen to power under the leadership of Viktor Orban with the strong populist policies developed in the environment of political and economic insecurity during the 2008 Economic Crisis in Hungary. Moreover, throughout its rule, although the actors and topics to policies changed, the populist structure represented by Fidesz has continued until today.



CONCLUSION

The rise of populism is one of the relatively young research areas in the literature. Although the definition of "populism" was used to describe different political movements in the US and Russia at the end of the 19th century; the concept has been studied extensively in the social sciences, especially since the 1960s and 1970s. Specifically, the conference series titled "To Define Populism" on an international scale, held at the LSE in 1967, can be stated as the first date that the concept found such a wide place in the academic literature. However, the debates on whether populism is an ideology continued for a long time, both at the conference and in the following period. Nevertheless, the prominent academics such as Edward Shils, Peter Worsley, Andrzej Walicki and Margaret Canovan have given mostly common points in the definition of populism emphasizing on "people" and "elite".

Populism studies diversified and gained more depth in the following years with the contributions of important academicians such as Ernesto Laclau, David Harvey and Cas Mudde. Especially in the theoretical debates after 1980, the link between the rise of populism and neoliberal economic transformation is emphasized. Harvey stated that neoliberal globalization created an economic inequality on a global scale by redistributing wealth, making privatizations and deregulations. Furthermore, he told that this economic inequality was ~~also~~ the main factor in the rapid rise of populism.

After Harvey's contribution, populism literature is divided into two. On the one hand, a group of academics including Harvey and Dani Rodrik argued that the main reason for the rise of populism has been the atmosphere of economic insecurity that emerged as a result of neoliberal globalization and economic inequality. On the other hand, another group of academics including Mudde, Pippa Norris and Ronald Inglehart evaluated the rise of populism as a "cultural backlash" and stated that groups worried about the erosion of moral traditions or cultural values in a country are the foundation on which populism is nurtured. However, the second view is not enough to explain the rise of populism. Although the cultural backlash is a frequently cited point especially by the conservative - nationalist grassroots right-wing populist parties; it is not possible to say the same for left-wing populist parties which focus more on democratic, socialist or liberal base. In addition, the cultural response does not occur on its own; just as Harvey pointed out, it can be said that the neoliberal globalization idea that emerged after the 1980s was the side pillars of the system that basically has presented economic inequality. At this point, it is inevitable for societies

that are economically weak and insecure would be threatened by the economic forces that also dominate their cultural and moral structures. The importance of cultural backlash in populism is certain; nevertheless, this thesis focuses on economic insecurity as a factor for the rise of populist parties in the Europe.

The definition of populism is stated as follows: Populism is a political method which emerges especially under the economic insecurity atmosphere, and mobilizes those people who define themselves outside the status-quo and see status-quo as an elite group. Since populism is not an ideology, it can be seen simultaneously as a political method for the right and left parties. In addition, populism is often noticeable in the political parties which are dominated by a charismatic leader; a strong leader comes forward as a unifying element and is able to bring together different groups in society beyond economic, ethnic or ideological considerations.

Undoubtedly, the 2008 Global Economic Crisis is one of the greatest events in the recent history that created economic insecurity. Initially, a financial crisis that arose due to the collapse of the subprime mortgage market in the United States soon caused a liquidity crisis and then turned into an economic crisis on a global scale. The reasons why the crisis spread and became global in a short time by creating a domino effect are unquestionably in the structure of the global economic system. At this point, the effect of the neoliberal globalization period is obvious. In this economic transformation process, which has been carried out under the leadership of the US since the 1980s, the obstacles to global trade and capital mobility have been removed to a great extent, foreign direct investments have been encouraged, and the regulatory role of states in the economic structure has been reduced by both laws and methods such as privatization. In such an environment, the free movement of capital movements such as banks, multinational companies and large factories created a deep dependence on the economic structures. Moreover, the fact that the crisis in 2008 occurred in the US, which can be defined as the center of the global economic system, caused the crisis to turn into an economic crisis on a global scale through the mentioned dependency networks. One of the countries most severely affected by the 2008 Global Economic Crisis is Hungary.

Hungary, which was governed by the Soviet-style single-party socialism until 1990, transformed to democracy and multi-party system with the dissolution of the Eastern Bloc. The post-1990 period has been a political-economic transformation process in Hungary, as in many former communist countries. In this process, although different parties rose to power in every election, the aim of integrating with the global

capitalist system was continuous in Hungary. The country's economic transformation took place within the framework of neoliberalism, which was the dominant economic view of the period. Although there has been a positive development in main economic items such as economic growth, investment, production and exports during this period; it is important to point out that the same process is a factor that increases Hungary's dependence on global capitalism. Especially the western part of the country, which is neighboring to the EU countries, has managed to attract many FDIs and multinational company enterprises. In addition, many EU-based banks have started to operate in Hungary. However, this entire transformation process has also formed the basis for Hungary's destructive impact by the 2008 Global Economic Crisis. In addition, in the wake of the 2006 General Elections held before the crisis, a voice recording of Prime Minister Gyurcsany confessing that they "lied to the public about the economy" was leaked to the press; this situation caused mass protests in the country. In addition, the coalition government formed by the socialist MSZP and the liberal SZDSZ after the 2006 General Elections was disbanded in 2008, citing the difference in economic perspectives. From this date until the 2010 General Elections, the country was governed by the minority government of the MSZP. Thus, it is important to underline that Hungary is already caught in the 2008 Global Economic Crisis in a very politically chaotic period.

With the effect of the 2008 Global Economic Crisis, a serious depression occurred in Hungarian economy in 2009 and 2010. The FDI and export levels, which are the most important sources of income of the country, decreased to negative values, and unemployment rose above 10%. As found through the analysis of data, the household bank debts have also multiplied in the same period and the economic crisis created a social impoverishment. In 2009, with the resignation of Prime Minister Gyurcsany as a result of the pressure that has been going on since 2006, the economic and political crisis atmosphere has deepened. After the crisis, a rescue package was provided to Hungary by the international community. In this context, a total of 20 billion Euros urgent loan packages was offered to Hungary, including 12.5 billion Euros from the IMF, 6.5 billion Euros from the EU and 1 billion Euros from the World Bank. Although this package helps to heal the wounds of the economic crisis to a certain extent; the passive role of the EU in both the political management of the crisis process and the contribution to the economic aid packages caused an anti-EU reaction in Hungary, as in many European countries.

All this process of economic insecurity created a very suitable atmosphere for Fidesz under the leadership of Viktor Orban, the main opposition party of the period, to increase its power through populist policies. In this process, it would not be wrong to state that Viktor Orban stands out with a strong charismatic leader, in line with the definition of populism. Orban, who has been actively involved in Hungarian politics since 1989, has strengthened his charisma with the populist rhetoric he developed after the economic crisis. At this point, one of the main points that Orban focused on was the failure of the MSZP administration on economy; and he blamed the communist elites for the failure. Orban has stated in many of his speeches that the 2010 General Elections will be a new and a historical turning point, just like in 1990. The statement that the power of the communists would be destroyed and the power of the Hungarian people would be established on the basis of national cooperation has been one of the populist discourses frequently used by Orban. The populist policies of Fidesz under the leadership of Viktor Orban, based on the criticism of the "communist elite", resulted with the support of a wide range of people, from the liberal groups who experienced the effects of the economic crisis and expressed their dissatisfaction with the MSZP government, to the conservative - nationalist groups.

The foreign policy leg of the Fidesz campaign was the anti-EU stand. Eurosceptic thinking developed against the EU, which is claimed to behave passively in the process of combating the economic crisis. This thinking has also gained strength in other countries that were seriously affected by the crisis such as Greece, Spain and Poland. This criticism has been one of the most referenced points of the populist discourse in Hungary as well as in all these countries. Developing a policy against the international organizations such as the IMF and the World Bank, in addition to being opposed to the EU, Fidesz has promised that if they came to power, they would focus on an intergovernmentalist economic restoration process rather than a supranational one. Acting with a populist strategy against the rising unemployment problem, Fidesz has developed the discourse that "the search for cheap labor should be avoided and job opportunities should be left to the Hungarians". Although the issue of immigration did not become Fidesz's main agenda until 2015; this nationalist discourse can also be considered as the first signals of the populist anti-immigration policies that would be defended later by Fidesz.

Fidesz rose to power with a populist propaganda process that it followed between 2008 and 2010 and win 52% of the votes in the 2010 General Elections; afterwards it continued to follow a populist strategy during the prime ministry of Viktor

Orban. Consistent with its propaganda claiming that the 2010 General Elections would be a turning point, the Fidesz government drafted and enacted a new Constitution in 2012. In the new constitution, the influence of the nationalist-conservative populist strategy, which Fidesz more and more acutely represented, is clearly visible. In the constitution, Hungary is defined as "a country devoted to Christian values". In addition, the definition of "Ethnic Hungarians and those living under Hungarian rule" is used for the society existing in the country. Besides the new constitution, which attracted national and international reactions and was defined as the "Fidesz Constitution"; the field of social policies is one of the areas where the populist strategy of Fidesz under the leadership of Orban can be seen. The Fidesz administration, which mainly reduced social spending in order to heal the wounds of the economic crisis, cut social assistance to the unemployed and homeless people. In fact, by defining homelessness as "criminal offense" in its new Constitution, Hungary has become a first in the world in this sense. Underlining the importance of traditional family structure, various tax amnesty policies are implemented for married, child and working mothers. Fidesz has also applied nationalist economic policies by imposing extra taxes on foreign investors and multinational companies while providing various tax amnesties to Hungarian companies in the business world. These nationalist - conservative economic policies were supported by Viktor Orban's populist discourses, just like in the period before the general elections. At this point, Orban has stated many times that they will not accept "dictas" from the EU and the IMF because they are not their bosses. In this process, the media has also played a very important role for Fidesz in order to tell the populist policies and discourses to the public effectively. The majority of the mainstream media organizations have come under the influence of Fidesz, the media supervisor authority has chosen names close to Fidesz and the control of the media has been strengthened. In the mainstream media, criminalizing publications were frequently used for the former socialist state officials and other opposition groups such as academics and artists. It would not be wrong to say that this policy of Fidesz under the leadership of Orban is a reflection of the anti-elitist discourse in the media sphere. In addition, in parallel with this authoritarian tendency that can be followed in the field of media, the Fidesz administration has implemented a new election system. In this new system, the change in the direction that the remaining unused votes are written directly to the winning party and candidate after the winning candidates were determined, was interpreted as the winner of the election would win many more seats in the parliament

than its original vote rate. So, it caused harsh reactions from the opposition parties. Despite the reactions, the 2014 General Elections took place on the basis of this new election system; and Fidesz, who received 45% of the votes, came to power again with a 66% seat in the Parliament.

After coming to power under the leadership of Viktor Orban in 2014, it can be said that the dynamics at the center of Fidesz's populist strategy have undergone a significant change. The European Refugee Crisis, which emerged in 2015, has become the center of Fidesz's populist strategy in this sense. Both historically and because it constitutes the Eastern border of the EU, Hungary has been the transit route of the immigration wave from the Middle East and North African countries. However, in this process, parallel to the authoritarianism of Fidesz and its shift towards the radical right line; a populist strategy has been followed, which can be said to be based entirely on anti-immigration or even xenophobic foundations. In this context, media propaganda was carried out in a large part of the country, especially in Budapest, that if the immigrants came to the country, "Hungarians would lose their jobs and culture, and immigrants would organize terrorist attacks". In addition to the anti-immigrant attitude becoming the center of Fidesz populism, another important dynamic that changed in the post-2014 period has been the concept of "elite" which is referenced by Orban. During the 2008 Global Economic Crisis and the Fidesz government between 2010 and 2014, the concept of the elite, which was constantly criticized and produced anti-policy, has been left-wing groups, former socialist state officials and intellectuals. However, in the period after 2014, the figure that Fidesz populism pointed to as an elite and produced anti-policy was George Soros, an American financial investor of Hungarian origin. In this process, the opposition group, which criticized the government's anti-immigrant policies and organized mass protests to express their concerns about the electoral transparency especially after the 2018 General Elections, was described by Viktor Orban as "the mercenaries of Soros" and declared as "a threat to the Hungarian people". In addition to Soros emphasis inside, the anti-EU attitude has also been one of the external dynamics that the Fidesz administration uses when developing populist policies. Finally, it is a matter of curiosity how Fidesz, led by Orban, who lost important big cities, especially Budapest, to the opposition candidates in the 2019 Local Elections, will perform in the General Elections to be held in 2022.

In the context of the whole process summarized above, it is important to note that Fidesz under the leadership of Viktor Orban has developed policies as a clear

example of the definition of populism mentioned at the beginning. The Hungarian "people" formed by the group that basically supported Fidesz against the "elites" which caused the emergence of the corrupt status quo, was the basis of Fidesz's populist strategy. In fact, in terms of showing how populist strategy can transform, although the figures represented by the "elite" rhetoric used by Fidesz changed over time, the populist character in the political movement has continued its existence in the same way. This is important in terms of showing that populism, a political method, can emerge with different dynamics and different forms even within a single political movement, beyond being seen simultaneously in both right and left wing parties.

Based on the definition of populism, another feature that can be clearly seen in the example of Fidesz is the charismatic leader figure represented by Viktor Orban. Orban, who has been already a strong politician since 1989, and has been a charismatic leader figure thanks to the discourses, policies and media dominance he developed in the post-2008 period. It is also important to note that these strong leadership characteristics are one of the factors that accelerate Fidesz's authoritarianism, step by step, during his time in power.

It is clear that the negative effects of the 2008 Global Economic Crisis in Hungary have prepared an extremely favorable environment for the rise of Fidesz populism. As examined above, Hungary, caught in the economic crisis in an environment of political crisis that it has struggled with to a certain extent, has been one of the countries that felt the crisis in the harshest way, with its financial structure completely dependent on the global economic system. Data such as unemployment, economic growth, borrowing, and FDI shows that the Hungarian economy was seriously damaged in this process and the living standard of the society decreased significantly. It can be said that all these negative economic effects were endured with the resignation of Gyurcsany, the prime minister of the period, in 2009. Such a conjuncture in Hungary has undoubtedly created an atmosphere that is completely economically insecure and unpredictable. This atmosphere of economic insecurity contributed to the rise of Fidesz, led by Orban, who offered an alternative to Hungarian society through populist policies.

Fidesz, who stood at a relatively more center-right point between 2008 and 2010, managed to get the support of a fairly large segment with the help of populist policies. A wide variety of social groups, from liberal democratic groups dissatisfied with the management of the economic crisis, to conservative-nationalist groups that can be defined as the natural base of Fidesz, supported Fidesz's populist policies;

and in 2010 General Elections it brought Fidesz to power with a very high rate of 52.73%.

Throughout this process, although the main factor that made Fidesz rise as a populist party is the atmosphere of economic insecurity; its policies about the cultural and moral values, especially during its time in power, has also been one of the other dynamics of Fidesz populism. The emphasis on "Christian society" in the new constitution put into effect by Fidesz and emphasizing only "Hungarians" instead of different ethnic groups can be considered as examples of populist policies in this context. These policies can also be stated as important indicators that Fidesz led by Orban is gradually evolving into a radical right line and becoming authoritarian.

As a result, this thesis has examined the rise of Fidesz led by Orban as a populist party and the policies developed during its period in rule over the negative effects of the 2008 Global Economic Crisis in Hungary. As stated at the beginning, the main factor driving the rise of populism is an atmosphere of economic insecurity. The 2008 Global Economic Crisis is also very important in terms of creating this atmosphere of economic insecurity not only in Hungary but also in the whole world. In this atmosphere of economic insecurity, Fidesz which increased its power and won the 2010 General Elections by exhibiting a political method that is fully compatible with the definition of populism mentioned at the beginning, clearly confirms the basic hypothesis of the thesis. It is also important to note that Fidesz under the leadership of Viktor Orban, who continued its populist policies despite certain transformations during its period in rule, has moved towards a much more radical right and authoritarian line today. In this context, the performance of Fidesz led by Orban in the next general elections to be held in Hungary is a matter of curiosity both in terms of Hungarian politics and in terms of the content of populism studies in the international relations.

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