“Ivan Berend brings the sensibility of a leading economic historian whose personal history means he can see the European Union both from the inside and from the outside. He can see its promise yet note its failings. But he also sees that its current ‘existential crisis,’ as he calls it, means we must choose to either go forward with the bold experiment or slip back into the bad old ways that the EU in its origins was designed to transcend.”

— **John Agnew**, author of *Globalization and Sovereignty: Beyond the Territorial Trap*

“I highly recommend reading this book by a world-wide well-known expert author who presents a concise analysis of the given situation of the European Union, surrounded by enemies and attacked by populist-nationalists inside, but still strong enough to reinvent itself and positively influence the future history of Europe and the world.”

— **László Valki**, Professor of International Law, Eötvös Loránd University, Budapest

“The EU created peace, democracy, and prosperity in a war-torn Europe; yet, it is now troubled. Why? How can it be saved? Students, opinion leaders, and the wider public should read Ivan Berend’s elegant, succinct latest book to find answers.”

— **Daniel Chirot**, Herbert J. Ellison Professor of International Studies, University of Washington

“Populism is a political and ideological challenge to the EU — and potentially an existential threat. This book is a timely summary of its rise and how the EU can reinvent itself without sacrificing its core values.”

— **Jonathan Portes**, Professor of Economics and Public Policy, King’s College London
This book gives a complex description and discussion of today’s populist attacks against the European Union (EU) following the financial crisis of 2008, which opened the floodgates of dissatisfaction, and the migration crisis which destabilized the traditional solidarity basis of the EU. The problem of Brexit is also explored.

Each chapter presents one of the main elements of the crisis of the EU. These include West European populism, Central European right-wing populism in power, and the exploitation of the EU’s mistake during the migration crisis of the mid-2010s. These also include the discovery of Christian ideology against immigration and hidden anti-Semitic propaganda using a hysterical attack against the liberal billionaire philanthropist George Soros, and Brexit. There is a detailed discussion of the failures of the EU to pacify the neighborhood in the South and North, especially in Ukraine, and the rising hostile outside enemies of the EU, including Russia and Turkey; bad relationships with Trump’s America; the uncertainty of NATO; and the emergence of a new rival, China, that enters into the Central European edge of the EU.

The author explores strategies for coping with, and emerging from, this existential crisis and ends with the alternative plans and possibilities for the future of the eurozone. This will be an invaluable resource for understanding the crisis of the EU, one of the central questions of contemporary international politics for undergraduate and graduate students, and readers interested in the discussion surrounding an endangered European integration and difficult world politics.

Ivan T. Berend is a Distinguished Research Professor at the University of California, Los Angeles (UCLA), USA. He is a member of the American Academy of Arts and Sciences; the British Academy; the Academy of Europe; and the Austrian, Hungarian, Bulgarian, and Czech Academies of Sciences. He was President of the International Historical Association between 1995 and 2000, and is author of 35 books.
Economics in the Real World

1 Education Is Not an App
The Future of University Teaching in the Internet Age
Jonathan A. Poritz and Jonathan Rees

2 The Privileges of Wealth
Rising Inequality and the Growing Racial Divide
Robert B. Williams

3 Neuoliberalism
Behavioural Government in the Twenty-First Century
Mark Whitehead, Rhys Jones, Rachel Lilley, Jessica Pykett, and Rachel Howell

4 The Rise of Big Government
How Egalitarianism Conquered America
Sven R. Larson

5 Money
What It Is, How It’s Created, Who Gets It, and Why It Matters
Sergio M. Focardi

6 The Political Economy of Fracking
Private Property, Polycentricity, and the Shale Revolution
Ilia Murtazashvili and Ennio Piano

7 Reforming Global Economic Governance
An Unsettled Order
Carlo Monticelli

8 Against European Integration
The European Union and its Discontents
Ivan T. Berend

For more information about this series, please visit: www.routledge.com/Economics-in-the-Real-World/book-series/ERW
AGAINST EUROPEAN INTEGRATION

The European Union and its Discontents

Ivan T. Berend
# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td><strong>1</strong> Existential crisis, the possibility of disintegration, and the</td>
<td>7</td>
</tr>
<tr>
<td>European Union in the 2010s</td>
<td></td>
</tr>
<tr>
<td>The rise of an existential crisis: the economic factors</td>
<td>7</td>
</tr>
<tr>
<td>Migration crisis and its connection with Europe’s demographic crisis</td>
<td>11</td>
</tr>
<tr>
<td>Terror attacks</td>
<td>14</td>
</tr>
<tr>
<td>Populist attacks against the EU</td>
<td>16</td>
</tr>
<tr>
<td>Recognition of the existential crisis</td>
<td>17</td>
</tr>
<tr>
<td>The outside factor: loosening alliances and hostile neighbors</td>
<td>19</td>
</tr>
<tr>
<td>Deep crisis is over, but are new ones coming?</td>
<td>20</td>
</tr>
<tr>
<td>Escaping forward?</td>
<td>23</td>
</tr>
<tr>
<td><strong>2</strong> Inequalities within and among member countries</td>
<td>27</td>
</tr>
<tr>
<td>undermined homogenization and became a source of discontents</td>
<td></td>
</tr>
<tr>
<td>Capitalism and inequality</td>
<td>27</td>
</tr>
<tr>
<td>Increasing inequality within the EU countries</td>
<td>28</td>
</tr>
<tr>
<td>Inequality among member countries of the EU</td>
<td>29</td>
</tr>
<tr>
<td><strong>3</strong> The political representation of discontent: disappearing</td>
<td>40</td>
</tr>
<tr>
<td>traditional political parties and rising populism</td>
<td></td>
</tr>
<tr>
<td>From class to national parties</td>
<td>40</td>
</tr>
<tr>
<td>Old mass parties are disappearing</td>
<td>40</td>
</tr>
<tr>
<td>Melting down of the social democratic parties</td>
<td>41</td>
</tr>
<tr>
<td>Rising populist parties</td>
<td>44</td>
</tr>
<tr>
<td>Central political issues for populists</td>
<td>47</td>
</tr>
<tr>
<td>Chapter</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Brexit and its possible impact</td>
</tr>
<tr>
<td></td>
<td>Joining late—leaving early</td>
</tr>
<tr>
<td></td>
<td>“Hard” or “soft” landing? The Chequers plan</td>
</tr>
<tr>
<td></td>
<td>The consequences of Brexit</td>
</tr>
<tr>
<td>5</td>
<td>Anti-European Union populism in Western and Southern Europe</td>
</tr>
<tr>
<td></td>
<td>Liberal democracy and its multiethnic culture</td>
</tr>
<tr>
<td></td>
<td>Why populism became triumphant in Britain</td>
</tr>
<tr>
<td></td>
<td>Wilders, Le Pen, and others</td>
</tr>
<tr>
<td></td>
<td>Populist defeats and victories, 2017–18</td>
</tr>
<tr>
<td>6</td>
<td>Populism flooded Eastern Europe and the Balkans—undermining the EU</td>
</tr>
<tr>
<td></td>
<td>A real home for populism</td>
</tr>
<tr>
<td></td>
<td>The eastern part of Germany</td>
</tr>
<tr>
<td></td>
<td>The region left behind</td>
</tr>
<tr>
<td></td>
<td>The reverse migration crisis of the region</td>
</tr>
<tr>
<td></td>
<td>The crisis of 2008 and austerity policy—authoritarian nationalism</td>
</tr>
<tr>
<td>7</td>
<td>Christian Europe? The use and abuse of Christian values and the populist debate</td>
</tr>
<tr>
<td></td>
<td>Populism and Christianity</td>
</tr>
<tr>
<td></td>
<td>A special feature of East European nationalist interpretations of Christianity</td>
</tr>
<tr>
<td></td>
<td>What are Christian values, and how do they influence European life?</td>
</tr>
<tr>
<td></td>
<td>Pope Francis’s differing interpretation of Christian Europe</td>
</tr>
<tr>
<td>8</td>
<td>The demonization of George Soros and its real meaning in Central and Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>Right-wing anti-Soros hysteria all over</td>
</tr>
<tr>
<td></td>
<td>Putin’s Russia gave the signal</td>
</tr>
<tr>
<td></td>
<td>“Let’s not leave Soros the last laugh”</td>
</tr>
<tr>
<td></td>
<td>Anti-Soros mania in Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>Soros’s view on immigration in Europe</td>
</tr>
<tr>
<td></td>
<td>The “Secret Message” of anti-Soros hysteria</td>
</tr>
<tr>
<td>9</td>
<td>Is the European Union a neoliberal construction that deserves to be destroyed? A debate with left-wing attacks</td>
</tr>
<tr>
<td></td>
<td>Does attacking the EU equate to anti-neoliberalism?</td>
</tr>
<tr>
<td></td>
<td>Globalization or regionalization?</td>
</tr>
</tbody>
</table>
End of globalization? The increasing importance of regionalization 114
Austerity policy as exploitation of peripheral countries? 115
Serving the oligarchs? 116
The straitjacket of euro and national sovereignty 118
Real causes of revolt: social shock caused by complex societal changes 118

10 Outside discontents: the weakening alliance with the US, a hostile Russia, and Turkey and China at the borders 122
A loosening alliance with the US 122
The failure to keep Turkey in the EU’s orbit 128
The failure of the Balkans’ policy toward the EU 130
The failure of the EU’s southern and eastern neighborhood policies 134
Russia against the EU: its counter attacks and provocations 140
Europe’s dangerous oil dependence on Russia and the EU’s plans to eliminate it 144
China is entering the ring: the Balkan Silk Road 146

11 Out from crisis or between crises? The EU of the future 155
Steps of further integration: the road toward a fiscal and banking union 155
First steps toward a European army 161
Alternatives for further integration 167
Plans for the future of Europe 169

Index 179
INTRODUCTION

The European integration process is the most important and positive development in the history of Europe. It started the process of establishing peace and collaboration between countries that had been warring against each other for roughly half of the last 400 years. It introduced unprecedented economic cooperation, free trade, flow of capital, and labor migration in a single market of 500 million people. According to certain calculations, between 1993 and 2003, the European Single Market has boosted the European Union’s (EU’s) Gross Domestic Product (GDP) by nearly €900 billion, increasing per household income by €5,700. EU membership increased the per capita GDP of poorer member countries by about 12 percent. According to the European Commission, more than 15 million EU citizens have moved to other EU countries to work or permanently settle after retiring. Further, 1.5 million young people have completed part of their studies in another member state through the EU’s Erasmus program.

The relationship between the rich Western and poorer Eastern member countries is not undisturbed and harmonious, but it still provides tremendous economic advantages from integration for both advanced and less-developed member countries. Poorer peripheral countries have received billions of euros from the EU budget as assistance for underdeveloped regions, which have a per capita GDP less than 75 percent of the EU’s average. In 2014, for example, 11 Central and Eastern European member countries paid €16.7 billion to the EU budget but received €43.7 billion from it, thus gaining €27 billion. The advanced Western member countries invested in the poorer ones, establishing branches, subsidiaries, and value chains, and exported modern technology to less-developed member countries in order to exploit the possibility of much lower wages. This strategy helped to create modern high tech and semi-high tech sectors in countries previously without those industries and offered increased job
possibilities. Workers from poorer regions also moved to find jobs in wealthier countries and sent money home, strengthening consumption. Consequently, several of the less-developed member countries began catching up with the most advanced ones. Spain and Ireland’s income levels had previously belonged to the middle-income zone but eventually elevated into the high-income zone, defined as the top 20 percent of incomes from all countries in the world. Ireland emerged as one of the richest countries in Europe. This trend of catching up—which elevated the average income level of the peripheries by 15 percent (from 40 to 65 percent of the average West European level)—characterizes the Baltic and some Central European countries. Meanwhile, the stability of the EU also attracted more investment from outside. Inward investment grew from €23 billion in 1992 to €159 billion by 2005.2

The rich Northwestern European member countries also greatly benefited from selling their products on the huge, 500 million strong EU Single Market. Selling in and producing for a large market made it possible to exploit the advantage of scale and scope, decrease the cost of production, and increase productivity and profit. They also profited from providing credit for peripheral countries and building a Europe-wide banking network. Western banks are monopolizing the capital markets of the Eastern member countries, owning 87 percent of the banking sector in those countries. Western countries also benefited from the cheap labor in poorer countries by producing parts of their output in those member countries.

The agricultural sector and the peasant-farmer population in both the advanced and less-advanced member countries gained from the significant subsidies that the EU paid for them. In certain periods, these subsidies constituted about 40 percent of the EU’s budget. In 2014, from the budget of €143 billion, agriculture and natural resources received €60 billion; in the budgetary period of 2014–20, these sectors have received 42 percent altogether. It especially helped countries where the agricultural sector was more significant: thus, Poland and Bulgaria gained relatively much more than Germany or Belgium.

According to Andrei A. Levchenko and Jing Zhang’s calculations, the main winner from East-West integration is mostly the East.

For West European countries, the mean welfare gain from trade integration with Eastern Europe is 0.16 percent. For East European countries, the mean gains from trade are 9.23 percent … [but] 20 percent for Estonia. For the West European countries the welfare gains from intra-West European integration are on average 16 times larger than the gains from integration with Eastern Europe. The nearly 8-fold expansion in East European exports between 1990 and 2007 far outpaces the growth of overall world trade. For geographical, historical, and political reasons the share of Eastern Europe in total West European imports from the rest of the world remained stable at about 10 percent from the early 1960s to the early 1990s, but it reached 24 percent by 2007.3
Citizens of all member countries, meanwhile, are not burdened by the EU for those impressive political, social, and economic advances. The amount member countries’ citizens are paying to the joint budget of the EU is, according to *Politico’s* simple calculations, on average, equivalent to the price of a half cup of cappuccino per day. The citizens of the least developed Central European and Balkan member countries are paying only 15–25 percent of the price of a cup of cappuccino per day.4

Nevertheless, in spite of the tremendous advantages, the integration process is a rather difficult historical experience, and the EU has always had discontents. This is quite evident, especially considering European integration started after the climax of nationalist confrontations that had been occurring for more than a century. Although these conflicts culminated in World War II, which, in turn, generated an anti-nationalism reaction after the war, nationalist sentiment evidently did not disappear; indeed, in various countries, it accompanied the entire history of the European Economic Community (later the European Union).

Less than a decade after its foundation, the first major crisis hit the Community in the form of President Charles de Gaulle’s “empty chair” policy, boycotting the Community’s meetings protecting national sovereignty in protest against the plan to change the voting system, and introducing the weighted majority vote instead of the veto right of each member country. That was the very first significant discontent with supra-nationalization and future federalizing plans. This crisis almost paralyzed further development for nearly two decades.

In the 1980s, Margaret Thatcher, British prime minister, viciously opposed every additional integrating step of the Community, characterizing such efforts as attempts “to create a European superstate exercising a new dominance from Brussels” that ultimately aimed to realize a “utopian goal.”5 When the common currency was introduced at the turn of the millennium, Britain, Denmark, and Sweden opted out, and did not join the eurozone. In the 2010s, David Cameron, then British prime minister, strongly opposed steps toward integrating the member countries’ armies and suggested the reorganization of the EU as a simple free trade zone.

In the spring of 2005, the newly created draft Constitution of the EU was voted down by France and the Netherlands. “The rejection,” reported the *New York Times*, “could signal an abrupt halt to the expansion and unification of Europe, a process that has been met with growing disillusionment among the wealthier European Union members as needier countries like Bulgaria and Poland have negotiated their entry.”6 The EU’s immigration policy met with the harshest possible resistance by Hungary, Poland, and the Czech Republic in 2015–16. These countries flatly rejected obeying the EU’s decision.

Discontent accompanied almost every major attempt or step toward further integration or enlargement. Indeed, it actually increased as the scissor of income inequality started opening from the 1980s onward after a half century of the opposite trend. Inequality became rather significant within the member countries, closely following the general trend in the capitalist world from the late twentieth
century. Meanwhile, the aggressive enlargement toward the European peripheries dramatically transformed the EU. By the early twenty-first century, the EU, after several waves of enlargements in 1973, 1981, 1986, 1995, 2004, and 2007, already had 27 member countries. (In 2013, the 28th also joined.) The relative homogeneity of the economic and income levels in the six founding member countries already belonged to the past. A “suicidal over-enlargement” has broken the economic and social homogeneity of the EU. Less-developed members often revolted against the rich Western member countries that dominated “Brussels”, saying in public speeches that they are “exploitative” and “dictating,” even “colonizing.”

Nevertheless, sometimes stopping, sometimes slowing down, sometimes dropping certain plans for the future, the EU still continued down the road of integration. The discontents based on the defense of national sovereignty often opposed further integration beyond political alliances and/or free market agreements, and, in some cases, opposed further enlargement. The crises, however, never endangered the existence of the Union.

The 2008 financial crisis opened a new chapter (one might say floodgates) for a continuous wave of devastating opposition and extreme discontent. True, the financial crisis hit the entire Union and spread from the financial sector to the real economy as well. Nevertheless, the impact of the Great Recession was rather different in the Northwestern European core than on the Southern and Eastern peripheries. The latter areas declined into an extremely deep crisis for nearly a decade: they were rendered unable to repay their debts, their banks collapsed, and the countries suffered tragic economic deterioration. Instead of formal equal membership, a sharp divide started separating the Western creditor and Southern and Eastern debtor member countries. This divide shattered the entire integration process and threatened the beginning of disintegration.

Since some of those peripheral countries had already introduced the common currency, their deep crisis endangered the euro as well. For the first time in the history of the EU, the possibility that the common currency, one of the major institutions and the symbol of unification, would collapse and that countries would drop out or deliberately leave the Union became a real possibility. Anti-EU parties in Britain and several other rich countries including France, the Netherlands, and Finland broadly propagated and discussed proposals for either excluding Greece from the eurozone or leaving the Union. As seen with “Grexit,” “Brexit,” and similar terms coined to denote the possible withdrawal of countries from EU, a new set of anti-EU terms appeared in the global vocabulary and were used in media discussions every day.

In those difficult times, as a consequence, the entire political representation system of Europe was also shattered and undermined. The old center-right and center-left parties started losing large swaths of their members and voters as a substantial number of people felt betrayed and not represented by their old parties. In some countries, the entire old party system collapsed. The center-left parties—government parties for decades that had often cooperated with center-right parties in grand coalitions—lost the most, and started disappearing completely.
The birth of new, sometimes leftist but mostly right-wing, populist opposition parties created a new political representation regime. They revolted against the establishment in their home countries but also strongly revolted against the EU. Its most shocking consequence was the British referendum to leave the EU.

The popularity of and the trust in the EU among the citizens of the member countries gradually hit rock bottom. As the “Eurobarometer 74,” the EU’s polling institution, reported in 2010, “For the first time in its history, the spring 2010 Eurobarometer (EB73) recorded a situation where distrust in the European Union outweighed trust.” While in 2004, 50 percent of the member countries’ citizens trusted the EU institutions, and 36 percent did not, from 2009, confidence started changing; by 2010, 47 percent did not, and only 43 percent trusted the EU. Distrust was 64, 60, and 55 percent in Britain, Greece, and Austria, respectively.

By 2015 and 2016, however, a further dramatic decline characterized peoples’ view of the Union. Besides years-long economic problems and unemployment, new and crucial crisis factors emerged: the migration crisis combined with Islamist terrorist attacks in several of the countries. These latter factors became the top consideration of the people. Instead of 50 (2004) and then 47 percent (2010), only 34 percent of the citizens of member countries had a positive view, and 35 percent trusted the EU, while 62 percent believed that their voice did not count.

Despite being at the nadir of public opinion on the Union, two-thirds of people still thought of themselves as EU citizens, and half of the population remained optimistic in the future of integration. The decade after the 2008 financial crisis became the darkest decade of alienation from and discontents in the EU.

This time, discontents and hostility against the EU, disturbances, and uncontrollable conflicts emerged in the Southern and Eastern neighborhoods around the EU. In spite of the efforts of the Union to pacify those neighborhoods and assist their development by signing association agreements and making efforts to admit as new members neighboring countries from the Western Balkans, Turkey, and the Eastern neighbors of former Soviet republics such as Ukraine and Moldova, all of those efforts failed. For various reasons, hostile neighbors such as Russia and Turkey appeared at the Eastern and southeastern borders during a time of cooling down in the relationship with the US. Combined with a weakened NATO alliance, this moment marked the first period of endangered security in the EU. China, an elevating new world power, also entered the ring with a huge investment against the EU in its soft Central European and Balkan belly, and attacked the cohesion of the member countries.

After a decade-long crisis, however, the EU emerged from the complex crises in 2017–18. The economy started growing again, the common currency was stabilized and regained its strength, and immigration came under control again. In key countries the most dangerous anti-EU populist parties could not break through in the West, although some became dominant in several of the Mediterranean and Central European member countries. New and more flexible
plans were prepared and discussed, and further new integration steps were undertaken within the eurozone. While a new chapter was seemingly opening for the development of the EU, new clouds also gathered on the horizon again. Anti-EU populism did not lose strength; to the contrary, it gained new steam and conquered countries such as Austria and Italy. Anti-Brussels populist groups and governments had a strong grip on Central Europe, penetrated by hostile rivals of Russia and China. While new plans were in the making, conflicts and discontents remained potentially devastating dangers.

Notes

2 Ibid.
4 Politico, January 16, 2018, “The Capuccino Index”.
3 Ibid.
5 “With respect to earnings, those who are unemployed for 26 months before age 22 earn $1,400 to $1,650 less than their peers at age 26 and $1,050 to $1,150 less at age 30. This ‘wage scar’ has been found in other studies too. One finds that if a young person spends a year unemployed before the age of 23, they will earn 23 percent or 16 percent lower wages ten years later for men and women, respectively.” Archive of European Integration, Blame it on my youth! Policy recommendations for re-evaluating and reducing youth unemployment. CEPS Research Report No. 2018/01, January 2018.
7 16,486 articles from the *Süddeutsche Zeitung*, 9,566 from *Le Monde*, 6,416 from *La Stampa*, and 19,246 from *El País*.


11 *Archive of European Integration*, Alan Barrett and Anna Rust, “Projecting the Future Numbers of Migrant Workers in the Health and Social Care Sectors in Ireland.” ESRI WP275. January 2009. [Working Paper] Due to the lack of Irish nursing graduates, 90 percent of new nurses came from India and the Philippines. Calculating the demographic changes, including aging, Ireland needed, as the 2009 calculations concluded, a net inflow of about 30,000 nurses per annum up to 2016, 20,000 per annum between 2016 and 2026, and 15,000 per annum thereafter. The analysis added that almost every European country is experiencing a shortage of registered nurses. For example, Britain had 57,000 fewer nurses than needed to staff the National Health Service in 2001.


16 See the editor’s introduction to the volume: Michael Emerson, ed., Ethno-Religious Conflict in Europe: Typologies of Radicalisation in Europe’s Muslim Communities (Brussels: CEPS Paperbacks, 2009).


28 Ibid.
33 Ibid.
10 Ibid.
11 Ibid.
15 Piketty, Capital, 90–91.
16 Piketty, Le Monde blog.
20 Calculated based on data in Angus Maddison, *Monitoring the World Economy*.
21 Calculated based on data in *The Economist, Pocket World in Figures 2017*.
6 Taub, “Paving over Differences.”
20 Critics immediately noted that Front National leaders had suffered collective historical amnesia in choosing the name of a Nazi-supporting party. Others recalled that it was a deliberate use of the name of Charles de Gaulle’s party, Rassemblement du Peuple Français (RPF), which was founded in 1947, or of Jacques Chirac’s Rassemblement pour la République (RPR) party, which was created in 1976. Nicolas Sarkozy renamed his party Le Rassemblement in 2014.
7 “Boris Johnson Joins Forces with Liam Fox and Claims Brexit Will Let Britain,” The Sun, October 1, 2016.
10 The Economist, January 19, 2019, “The mother of all messes” and “Brexit and Parliament. The Noes have it.”


11 Ibid., 7, 37–38, 203, 204.


16 Ibid., 179, 43, 48.


19 Johnson and Gove, “Getting the Facts.”

20 Boris Johnson, “This Is a Turning Point: We Have to Fly the Flag for Britishness Again,” *Telegraph*, July 14, 2005, https://goo.gl/u2HNID.


3 The Four Visegrád countries, the Czech Republic, Slovakia, Hungary, and Poland, signed an agreement of collaboration after the collapse of communism in the small Hungarian township of Visegrád.
8 Nations in Transit is Freedom House’s research arm covering 29 formerly communist countries in Central and Eastern Europe and Central Asia. Freedom House is a US-based nongovernmental organization, established in 1941, that conducts research and advocacy on democracy, political freedom, and human rights.


The following paragraphs on corruption are based on Ivan T. Berend’s “Populist Demagogues in Modern European Politics, forthcoming from Central European University Press,” 2018–19.


The Corruption Perceptions Index measures corruption on a scale between 0 and 100: 100 means no corruption at all, while 0 signals the worst possible corruption.


24 The facts and figures are shocking similary in Latin America, the other traditional home of populism. The 32 countries of Latin America had, on average, virtually the same per capita GDP as that of Central Europe in 2016. For them, the natural comparison is their northern neighbor, the US, which is even somewhat richer than Western Europe. The Latin American average per capita GDP is only 27 percent of the US’s income level.


28 Ruben Atoyan et al., Emigration and Its Economic Impact on Eastern Europe, IMF Staff Discussion Note SDN/16/07 (International Monetary Fund, 2016), Washington D.C.

29 Batsaikhan, Darvas, and Raposo, People on the Move.


43 Kingsley, “Taking an Ax to Democracy as Europe Fidgets.”


45 Ibid.


1 Marine Le Pen, Identité, No.6 (April 1990).


11 “Poland’s Prime Minister Gets the Chop.”


5 Bondarenko, “George Soros Is a Favorite Target of the Right — Here’s How That Happened.”
16 Valki, “Lex CEU – a felsőoktatási törvény módosítása.”


27 Lyman, “After Trump Win, Anti-Soros Forces Are Emboldened in Eastern Europe.”


29 AFP, “Israel Envoy Urges Hungary to Halt Anti-Soros Campaign.”

30 Than, “Hungary’s Anti-Soros Posters Recall ‘Europe’s Darkest Hours’.”


3 Ibid., 16.

4 Ibid., 17.

5 Ibid.

6 Ibid., 93.


9 Cillizza, “Here’s What Was Missing from Donald Trump’s Foreign Policy Speech.”


19 Secretary of State Tillerson was replaced by Mike Pompeo, and Security Adviser H. R. McMaster by John Bolton, in March 2018.


42 Erlanger, “In a New Cold War with Russia, Balkans Become a Testing Ground.”

43 Ibid.


47 See Berend, The History of European Integration.


70 Steven Rosefielde describes the Muscovite Model in the following way: postcommunist Russia is sustained by modernized forms of autocracy, sovereign authority over private property (patrimonialism), de facto tenure grants to servants (pomestie), rent seeking (kormlenie), network mutual support (krugovaya poruka), plunder (duvan), protectionism (Slavophilism), subjugation, and extreme inequality … Putin grants revocable charters or sinecures to lesser favorites, who are also required to serve the state. They are “dismissible without cause … their properties and privileges aren’t protected by the rule of law. They must play the Muscovite game or fall from grace.” Steven Rosefielde, Russia in the 21st Century: The Prodigal Superpower (Cambridge: Cambridge University Press, 2005), 68–69.


72 In spite of the massive immigration of about five million people from neighboring former Soviet republics into Russia, the country has lost more than six million people, and the Jewish and German populations of the country have been halved. See Timothy Helenaik, “Migration and Restructuring in Post-Soviet Russia,” Demokra-


79 See Bechev, “Russia in the Balkans.”


81 Ibid. 


6 “The Retreat of the Global Company.”
7 Ibid.
8 “The Multinational Company Is in Trouble.”
9 “The Retreat of the Global Company.”
10 Mario Draghi, “European Banking Supervision Three Years On” (Second ECB Forum on Banking Supervision Welcome Address, November 7, 2017), www.bis.org/revue/r171107g.htm.
13 Sandbu, “Banking Union Will Transform Europe’s Politics.”
41 Emmott, “EU Signs Defense Pact in Decades-Long Quest.”
42 Reittman and Tani, “EU Takes Step toward Joint Army.”
49 Gotkowska, “The Trouble with PESCO.”
53 The Eurobarometer started regular polls in 1974, asking 1,000 people from each member countries questions in face-to face interviews.
58 Ibid., 20.
59 Ibid., 22.
60 Ibid., 24.
64 Ibid.


Erlanger, “Macron Had a Big Plan for Europe. It’s Now Falling Apart.”