

## EU AND THE HUNGARIAN POLITICS. AN INTERVIEW WITH LASZLO BRUSZT

*Edited by Vincenzo Marasco*

*I: Professor Laszlo Bruszt, first of all I would like to thank you for accepting to give this interview for Cambio. As you already know, I 'd you help us to understand the hungarian situation, maybe starting from the major social and economic changes in the recent hungarian history, I don't know which could be the point that....*

B: Let's jump in the middle, it's always better to start like that. All these countries, not just Hungary but the Eastern European countries, had to undergo several major changes simultaneously, changes that were done in the rest of Europe in the frame of a hundred or a hundredfifty years sometimes: to create national independence, to create the functioning of market economy, to create democratic state, to get into a transnationalized European economic system in a global economy. And they had for that ten-fifteen years. This means that they could accumulate a enormous amount of problems, much more than countries in the West, that did this kind of changes in a so much wider framework. Actually, in the '90s there were fears that democracy might be part of the problem in order to realize this kind of changes, and there were predictions that people - the losers of this changes, first of all - might use democratic rights and democratic institutions to stop these changes and even turn them back. But this kind of predictions had proved to be wrong, so that in the 90s there was a very fast economic transformation, accompanied by a very deep recession. Most of these countries lost 20%-30% of the GDP in those years, when they transformed to market economies, and in many of these countries lots of people were just left completely out from the labour market; in Hungary, for example, nearly a quarter, the 25%, of the labour force was out from the labour market by the end of the '90s.

But several things seem to have eased this kind of problem until the early 2000s. One was the European Union; the people in these societies were nearly religiously believing that now they have the chance to join Europe, return to 'normalcy' and become members of the richest club of the globe. And that was very strong pull that allowed for patience, allowed lots of people to think that - even if they suffered, even

if they lost their jobs, even if they were thinking that their level consumption was declining - they still thought that they might be better or their children might be better in the European Union, and so there were a very strong and unambiguous support for the European membership. And you could not win election in this part of the world, without showing that you are the best pupil in Europe, so meeting all the requirements of the UE membership. That was one first thing; another thing was that for the West European major manufacturing industries, Eastern Europe and the fall of the Berlin Wall was God-given present, because they were competing with the Japanese and US firms and they were losing in this competitiveness, and then they have now received an army of cheap skilled labour. So the Eastern countries went over, and very fast, in participating in a transnationalisation of the production. It started in the mid '90s, but by the late '90s, early 2000s, in Hungary 89% of the banks and 67% of the major industries was in non-domestic hands, and these countries became members of the European value-chains.

And once these countries became members of the UE in 2004, the name of the game changed. Because before 2004, everyone was very passionate, people could accept any kind of hardship just to become member; now, after the entrance, the question became: «Who gets what from the Europe?», so “normal politics” came back, and all the different problems that were put aside before the 2004, all that amount of problems just came back with vengeance: it was like a tsunami of problems. Only around 30 - 40% of the people benefits from this integration into the European production chains, working in the multinationals and so on... lots of people experienced either a decline or stagnation in their living conditions. And that has not just material effects, but also raised questions of identity, a problem better realized and politicized by the right wing political parties. Parties in the left and the liberals took as granted that EU membership is a present that should make everyone happy. They have never asked the question «What is the position of these countries in the EU?». Until 2004 no politicians could win elections without saying «I'm the best pupil in Europe», even the extreme right was pro-European. In Romania, there was a journal of the extreme right called *Europe...* it is mind bubbling from the present prospective. After 2004, it was the left and the liberals that did not realize that the situation has changed dramatically. Just an example: after the 2008 financial crisis left-liberal intellectuals in Hungary were talking about the IMF or the technocrats of ECB or the Commission as if they would represent universal values that cannot be questioned in the peripheral countries like Hungary. They still believed that being the 'best pupil in the class' is the only possible strategy and did not realize that now they must deal with the task of defining and redefining what is national interest in this new era. What could be policies, courses of action that could allow to get in synch the requirements of being responsible (executing policies that reestablish economic balance, decrease the financial dependence of the country, etc.) and at the same time being responsive (decrease the number of losers, stabilize the position of the domestic firms, maintain or increase employment). In brief, in these countries it was the right - not just the centre right, but the extreme right (and in some countries, the populist left) - that could politicize these issues alone and could find new slogans for that. So, they could politicize many unanswered problems, not just social or economic problems, but about identity and many others things. And they smashed the

left; and they created a split in the political field, a huge polarization, calling themselves the “National side”, declaring “non-national”, “non-Hungarian”, “non-Polish” all the other sides, stating that they were enemies of the Nation, people who basically are not ready to defend national interest. That is very important fact: just by the economic or social factors you cannot understand what was going on, it is very important to acknowledge that the political field changed, the name of the game changed. The left and the liberal were not able to politicize that in a normal way. Of course, in a situation in which so many changes are happening simultaneously, there is a need for innovation, there is a need for political learning, there is a need for coming up with solutions that fit the needs of the country. Solutions that might be wrong, deadly wrong too ... for example the answers given by the right, the extreme right, are deadly wrong, but there is no competitor, in Poland, or in Hungary even more: the left is in disarray, is nearly disappeared, and could not come up with any kind of new answer, could not suggest a new deal, so to say, a new social and economic alliance, that would be pro-European, but at the same time defending and advancing national interest. So, in a nutshell, that is an intro in a way, that’s the broad background.

*I : Well, actually you touched all the main focuses I was going to ask you, so I'll try to get deeper little by little. Amongst all the points you made, first I'd like you could explain better what the effect of these changes on the Hungarian society was: how the social composition of the Hungarian society changed? Who are the winners and the losers of all these changes and what are the major fractures inside the society ?*

LB: One of the problem with the economic transformations in Hungary or in Poland, in all these countries, was that there was no capitalist class, there was no strong bourgeoisie. As many times in history, bourgeoisie came from outside: the real large owners, the real holders of capital, are Austrian, Italians, French, German, there’s a very high level of transnationalization of capital. These are of course the ‘90s and early 2000s. Then there was the emergence of the right wing, of these more nationalist fronts, and they try to put into a new position a new national bourgeoisie, so they - sometimes with protectionism, sometimes with corruption, sometimes with patron-client relations - but they try to create and strengthen a national bourgeoisie. And that might not be a problem if they would not do that in a very corrupted way, creating a patrimonial regime in which the bourgeoisie is dependent on the politicians, in the way they are getting access EU moneys, to the State procurement and so on. So, you create a situation in which there is an emerging upper class, and an emerging national bourgeoisie, that is, unlike in the West, not forming and trying to strengthen rule of law and democracy, but exactly the opposite: it is dependent on the political class. Below that, there is an emerging middle class, it is not large, to say the least, this middle class - that is people who either by education or by the participation to small medium enterprises, they are not dependent on the State, and they have some property. That is small, and the right have basically tried to strengthen these groups, at the price of the huge lower middle class, basically introducing a flat tax system - where poorer people pay now more taxes and basically where there is a redistribution from

the poorer to the richer ones or to the middle class. So, they tried to strengthen this middle class, and unfortunately the left never could not carry out a counter-strategy of “middle-classification”, that is to try to elevate the enormous lower middle class or poor with improved education, family or housing support etc. In these countries, this lower middle class takes 50-60%, in Hungary for example, and around 1/3 of them basically below the poverty level, they are not employed, or they are employed only on temporary bases, without contracts, or are completely outside of the labour market. Now the interesting thing is that the political class, better: the right wing political class, could create alliance - not the first time in history in Hungary - between the richest, national bourgeoisie, and these losers, lower middle class, giving more identity issues to the lower classes and basically rents to the upper.

*I: If I understood well, the right succeeded to, in the meantime, strengthen middle class position, and to maintain the consensus on the top ...*

B: Well, yes the middle class basically got benefits in the last 10 years in Hungary: they pay much less in taxes, this is a very important thing, and they get more in social welfare redistribution than the lower classes, and basically they had a very strong ideology of the “deserving middle class” versus the “non-deserving poor” majority. But the trick is that the lower middle class, or the poor, gets national feelings: instead of getting food they get flag! This is an alliance in which nationalism is combined with redistribution from the poor to the rich, that returned several times in the history of Central Europe. It's important to say that, speaking about Hungary, this very strange alliance is not very successful electorally: even at the best times, the ruling right wing could not get more than one thirds of the votes of those who are eligible to vote. They win elections, and they could get sometimes 66% of the seats in the Parliament, partly because the disproportional electoral law and partly because the left and the liberals are weak, fragmented and they cannot mobilize votes. Around one third of those who are eligible to vote never go to vote. So, you can understand the link between the social structure and the political institutions only knowing that there is basically a falling apart of the left and the liberal side.

*I: The economic situation you described was an effect of the tumultuous changes of the 90s, but in your opinion, how the way in which these changes were governed influenced the process?*

B: I think that one can understand that in the 90s and early 2000s, people were very patient, really very patient, and they did not care about what really matters in politics, meaning about “who gets what”, they were looking about a bright future being members of the UE. So neither the EU, nor the domestic governments cared much about the consequences of the transnationalisation of the economy or being a member of the EU. The whole thing was done in a very technocratic way, that is national bureaucrats negotiating with EU bureaucrats in sectors or policy areas, but not any kind of political debate took place, about of what could be the developmental consequences of taking over the rules of EU in nearly 40 policy areas, ranging from “state aid” to” food

safety regulations". These are questions that are highly politicized in any kind of normal trading negotiation, you can see that in Brexit, or if you look at the making of any free trade agreements in other parts of the world you could see that parties can bargain over seemingly minor issues like food safety standards or fishing rules for years until they find a settlement that can bring some benefits to key groups of producers or consumers in all involved countries. None of this politicization happened before 2004, the Central and Eastern European countries had to take nearly 80.000 pages of EU regulations on a 'take it or leave it' basis. Of course, all these things were coming back with vengeance after that, in a very confused way. You would need sociologists or political scientists to trace back how, for example, the strict food safety rules have played a role in squeezing out several hundred thousand peasants from the market in this part of the world. Or how the EU regulations of transportation have redistributed wealth and opportunities between drivers in the two parts of Europe. Or how the regulation of banking has allowed for non-prudential lending strategies by the Austrian or Italian banks putting in terrible debts hundreds of thousand families. One could go on and on. All this boils down to a situation in which economic nationalism can flourish very much helped by an EU that cares primarily about enforcing the rules of the single market but has very weak institutions to anticipate and manage the potential negative developmental consequences of the free market in many diverse member state economies. I am just giving you an example for economic nationalism: the utilities: 60 to 80 % of the utilities are owned by non-Hungarian firms, some of them state owned companies in the West. Of course, they are profit oriented and don't care about longer term developments, or about the prices... So, then, the nationalists politicized that they focused on the distributive consequences of ownership and they have re-nationalized the utilities. Now the renationalization of banks is on the agenda - Hungary went down from 80-85% of foreign bank ownership to 50%... which is still inconceivable in Italy, where there would be a popular uprising if there was 50% of foreign bank ownership, but Hungary came down from 85%. So, we see the negative consequences of this technocratic implementation of economic integration, that were taken basically without any kind of political discussion. If you want to put that in a comparative frame just think of the TTIP negotiations that, after several years of bargaining basically broke down. Even despite attempts at having these negotiations behind closed doors, parties on both sides of the Atlantic could politicize its specific parts of it, challenging them based on their redistributive consequences. The accession of the Central and Eastern European countries covered many more policy areas but, in most of the cases, without much consideration of the longer term developmental consequences. It was assumed that after accession it will be the access to the 500 million large market that will on its own solve eventual developmental problems. Official EU documents have called attention to such problems several times since the 1970s. The Werner Report or the Delors report or the Agenda 2000 have already urged to manage at EU level the potential negative developmental consequences of applying the same market rules in economies at dramatically different levels of development. But the EU, in its present setup, does not have effective institutions to do so.

*I: I'd like to understand better these changes in the perception of the political issues. Do you think this is a change of the shared political culture of the Hungarian parties, a new political culture that is affirming itself, or it is a revival of something that was already there?*

B: Political culture changes... I am thinking, because it is a very big question, the one of the political culture. So, let me start with a few things. Once again in these countries, democracy and democratization came from above. There were very few countries where there was national fight for democracy. At the time of the regime change, in 1989, in Hungary, only 2% of the population were part of any kind of political organization, social movements, political parties, trade unions, independent trade unions and so on. Most of the people became supporters of democracy only after the regime change. In regards of democratic values there are, to my best knowledge no qualitative differences from this perspective from other more developed democracies. But what might have changed is that several of the questions that were pushed aside, were put in the refrigerator, so to say, until 1989 - major questions of national identity, major questions of "hungarianess" and its role in Europe, and its relationship to other countries - were not discussed: «What was the role of Hungary in Central or Eastern Europe?», or «What role it played with the more than 20 nationalities that were part, or partially part, of Hungary, until the defeat in the first world war in 1918», when the size of Hungary was three times bigger than now, and «What role was Hungary playing in the Holocaust, during the Second World War?». Many of these questions were not discussed. After 1989, these questions came back, they were politicized and not in the best ways. On the one hand, until the early 2000s, nationalism meant being pro-European and that has softened the voice of even the most racist or nativist political forces. After 2004, when the right wing created the political divide between the 'national forces' and the cosmopolitan rest it also went back for ideas to the roots of the reactionary right wing between the two World Wars: so they basically re-politicized the issue of Trianon, the peace agreement of 1918, re-politicized the issue that Hungary, they described Hungary's participation in the II World War and the killing of more than 500.000 Hungarian Jews as being part of the victimhood of Hungary in the hands of the Germans, and things like that. More importantly, the extreme right started to politicize, still slowly in the 90s, but then, in the early 2000s, strongly, anti-Semitism and anti-Roma feelings... so, what was still unthinkable in the early 90s that became a daily practice ten years later. Now how that affected the overall society? I think that, so to say, people who "buy" these things are in the minority among the voters of the right, and less of the extreme right and more in the voters of *Fidesz*. So, in general about political culture, on the one hand you have a vacuum - people who would love to identify themselves with a new political party that can give them a progressive or longer term prospective on democracy, national feeling or Europeaness, but there is no supply side for that now. On the other hand, there is a strong and visible minority, that is reactionary, and even, I would say, nativist and at time racist. The problem is that now that extreme right is more in the *Fidesz* party, in the centre, and not in the other parties that used to be extreme right.



*I: On this topic I'd like to ask: I don't know if it is correct to say so, but looking at it from the outside, it seems that in Fidesz you can see a switch... towards more "aggressive" politics, or an exacerbation of its political positions: it is just an electoral strategy or it is a deeper change in the culture of the party?*

B: Well, Fidesz has a very long route, because it started as a liberal party; then in the 90s experienced briefly with the social-democratic or at least center-left policies; then, in the mid 90s, they realized that there is a big vacuum on the right, and they became a very pragmatic party, that is interested only in political marketing and in occupying the political field and polarizing it. So they are very pragmatic, they used some of the most polarizing and political marketing experts on earth and... they are cynical. I don't say that any of them has any kind of ideological conviction, they are self-made political professionals, interested in getting to power and staying in power, and they are very good at that.

*I: The other question that came to my mind listening you is that you described a right wing that try to build a new right culture, taking even old topics and then... what remains of the left culture?*

B: Nothing. The problem is that changes were very fast, and authentic left - meaning with that the new left - did not come about. The communist party of Hungary, for example, was already moving in the direction of conservative liberalism in the 80s. The secretary of the communist party in 1988, the last national congress of the party, declared that the biggest problem of the communist party is this «sticking to social solidarity», that's the biggest problem, you know? And so now it is a mixture of neo-liberal or conservative liberal, and some leftish remnants, but without any kind of serious ideological consideration. Now, in a way, Hungary and Poland, is suffering from the long-lasting death of this "old left" or this pseudo left or whatever. It is not even left, except for very few periods - they tried to put in Hungarian soil Tony Blair's ideas, riding the dead horse of Blairism in the Great Hungarian Plain [*laugh*]... just a few years after Blair got out of power. Otherwise, there are no serious things, not even a slogan, not even a simple narrative about what to do with 60-70% of the voters who would love to have change, and they hate or they despise Fidesz, but they would not vote for them. So, that's a long, long process, in which lots of people were thinking still few years ago that you should look at Italy, looking on how a new dominating left party could come about. Hungarian situation of the 2010s, was somewhat like the situation of Italy in early 2000s, were for each colour you have three parties on the left, with big divisions and no one wanted to have concertation or alliance. And a lot of people fear now, that in the Hungary the next elections might produce the "Prodi government", meaning ten or twelve parties in the government - in case they win, and the chances for that are very, you know, minuscule... - but if they win then you could have a situation where, like in Italy, Berlusconi came back for several more years, and in Hungary Orban would come back for twelve more years, because he learned a lot from Berlusconi.

*I: And what about social movements, or grassroots movements?*

B: Politicization in Hungary is at lower level, in comparison to Poland for example. In Poland, you can see that, when right wing government makes some decision that would reduce independence of the judiciary, or repress something, then tens of thousands of people go out; or in Romania, you could see hundreds of thousand going out, with minus 20 degrees' of temperature, and staying at night in the main squares of Bucharest. In Hungary, the average demonstrations have from five to ten thousand of people: that is very low. And behind that there was a bigger problem, that is that the right was much more successful to mobilize social movements, to mobilize and politicize society, so you can't understand the coming to power of *Fidesz*, in 2010, and even earlier, without the enormous amount of mobilization they did in the countryside. So they created local associations, local groups - based on the Church, based on local associations, the friends of the museum, or whatever... - hundreds and hundreds of them, they created national network of these alliances, until at some point they can organize mass demonstrations that were unthinkable in Hungary before. The biggest mass demonstration after in 1945, in Hungary, was organized by *Fidesz*, where five hundred thousand people came out supporting Orban's struggle against "European colonization", five hundred thousand! The oppositions of the left, or the liberals, one day mobilized ninety thousand: that's the difference between the two, the mobilizing capacity of the left and of the right is still dramatically different. But, of course, that might change.

*I: Well, connected to that, even if maybe part of the answer is already there in what you said: in the recent issue of our journal, Touraine - reasoning about the major social changes in France - made a statement about the loss of the political sphere as place of debate, so I 'd like to ask what's, in Hungary, the state of the public sphere, this space that should connect politics and citizens?*

B: Well, part of the answer is already said: the mobilization capacity of the right is much, much bigger than the one of the left. Part of the reason is that the left or the liberals did their best to destroy unions, or marginalize them, and they never cared about this kind of mobilization or offering spaces for political participation. After *Fidesz* came to power, it would try to weaken even more their mobilizing capacity by demolishing the freedom of press in the countryside, so all the major newspapers on the countryside are owned by *Fidesz* directly or indirectly. But still, the left or the liberal could in principle reach civil society, *via* internet, or *via* radio, and so on, but that's weak. and again, you need a mobilizing frame, that could have people to listen to that, and that frame is absent. The other thing is that internet growingly became part of the problem; because it creates bubbles, right wing bubbles and left wing bubbles, in which people who are in the same small tribal groups listen to people who have the same opinion. They are basically in echo-chambers, where they listen to each other voice, but they are not talking, not discussing and not hearing other perspectives. And this is both in the left and in the right. So, Facebook, and the other social networks, played a very important role in further separating the public that the *Fidesz* tried first to



polarize. And now the public sphere it's dramatically fragmented: no conversation, no dialogue, no opportunity, or very few at least. And moreover there are very few public spaces for debates between people from the left and the right. The debates on policy issues among politicians that you see nearly every day in Italian TV, is rare in Hungary. You have a fragmented political sphere in which people who watch TVs of the right wing are in their echo-chamber. The left and liberal leaning TV stations at least invite journalists from the rights to their debates but the politicians of the right and *Fidesz*, don't go there to give an interview or to enter into debate.

*I: Let's now switch to the last topic, that actually was one of the main "character" of our talk, that is the EU, the character in background of all what you said, and, to put it directly, how was that the European Union failed all these hopes before 2004 that you mentioned?*

B: Well, "EU bashing" is very popular in the south now, but there is a time, that it is coming slowly, that "EU bashing" comes to the East too. The biggest problem of the EU is that is technocratic regime, that does not allow for an orderly politicization of developmental problems in the different parts of Europe. So, ministers of finances, and economists, and experts and central bankers are the main decision makers in the EU and they have growing power to impose their worldviews and their prospective on the member states, and limit their room for experimentation and adjusting general opportunities in the EU to the national situation. So, when EU talks about unity and diversity, unity works while the room for diversity is every time less and less. That's more visible in the north-south relationship, but that allows also enormous room for the right wing and to nationalist wing to dominate and politicize issues in the East, so therefore the "EU bashing" is a very good investment, in politics, in the East now. It is very important to see that the EU partly deserves what it gets. I think that the basic problem of the European integration is that it talks a lot about creating a level playing field, it talks a lot about creating a situation in which everyone is benefiting from the integration of markets, but it has no effective mechanism to deal with the correction of the developmental consequences of the 500 million large market. The 'single USA market' of the 50 states is in several ways less integrated than the EU single market. It leaves in several fields more room for experimentation. At the same time, it uses around 20 percent of US GDP to maintain and correct the single market. In the EU, member states it is nearly unthinkable to depart from a common budget that is around 1 (yes one) percent of EU GDP. The EU of today became a very sad scene that is now dominated by market integration, and not caring much about developing institutions that could allow for advancing the common interests of the Europeans while at the same time caring about the specific needs and interest of the societies of the member states. And in a way EU, hopefully, is standing before major reforms, that could allow to politicize the developmental consequences of this level playing field... because it's everything but leveled. And it is not only a problem for the East or the South, is a problem for the West, for everybody.

*I: You foresee some possible solution, for this kind of european impasse?*

B: Oh, we are in Italy, there is the Ventotene Manifesto! The politicization means to bring the European people back in, create political institutions that could give a chance to find balances between national interest and supra national one.

*I: But, in your opinion what kind of subject could be the bringer of this new...*

B: There are a lot of policy areas where you could start. Just as an example, let's talk about creating a Ministry of Finances at the EU level, ok? This is still a technocratic thing, that says basically: «if you have a monetary union, you have to have also a supra national control over finances». Fine. But of course, as anyone who deals with national level economies knows, control over monetary and fiscal policy means that you should control economic development, you need economic policies, and EU level institutions that at the European level can see what might be the problems in the East, South and West of this transnationalized economy. For the West, might be the labour migrations, might be the social dumping; for the East, might be, for example, conserving of low value-added production in European value-chains; for the South, the fiscal rules, or whatever else. Institutions are needed that do not wait until the common market will solve on its own the manifold diverse local developmental problems. Making the common market a common good is not for free. Supporters of the EU status quo think that it is possible to sustain a 500 million large common market for basically free, leaving to solve distributive consequences solely to markets and to the member states. But at the same time the EU creates more and more rules that dramatically limit the room in the member states. And the EU has very weak mechanisms that could increase the capacity of the member states to benefit from playing by the rules. So instead of more and more technocratic rules that try to make the EU market work better, there would be a need for political institutions that could make the EU to work for the Europeans, that would have the capacity to make the common market a common good.

This cannot be done in the present inter-governmental system that does not allow for searching for the common interests of Europeans and furthers instead economic parochialism both in the richest and the poorer member states. Actually, lots of Italian political scientists or sociologists were working on these issues, on how moving towards a federal polity might allow for an orderly politicization of these topics. That would imply giving stronger representation both to the nationally diverse values and interest, and, at the same time, to the common interests of the Europeans. And for that there are solutions, that is the federal solution, where you must have a strong representation of members, and people of the members, but also you must have the representation of the people of Europe. And people of Europe can only be represented if you have political parties that run on competitive European platforms. Macron has suggested something like that lately but his proposal was fast killed by the conservatives in the European Parliament. If you have only representation of the member states, like now in the EU, that will not work. And that was not invented now, that was invented in the

late 1780s in the US, or in the Ventotene Manifesto, which was, basically, about moving towards a federalist system, that can institutionalize ongoing negotiations between national and European interest. Until that you only will have a situation in which the strongest economies in Europe and the strongest member States can dictate what is going on, or prevent reforms that might allow for mutually beneficial long term solutions.

*I: Well, we arrived to the last question. Recently Hungary came at the centre of attention for the formal opposition to the relocation system of the immigrants; I'd like to know what's the situation pertaining immigration in Hungary and the immigration policy?*

B: The issue of migration is both about intra-EU and extra-EU migration. To start with the first, that's a big question now, because until a few years ago, labor migration was very low in Hungary, one of the lowest. Now Hungary it becomes national issue ... It means that you have hundreds of thousands of Hungarians now working in U.K, Germany, in Europe. So here again comes this problem of how to find a balance between this national interest of the central-eastern Europeans, and the interest of core countries that don't want to have social dumping. As normal, the Hungarian right wing, as the Polish one, voted against any kind of stronger regulation of these things. But this is what I was talking about. That is why you need orderly politicization of economic issues at European level, because issues of labor migration are interrelated with issues of social welfare, they are interrelated with issues of human capital investments that support skills or the regulation of state aid. Most of the state aid, a means of protectionism, is spent in the core countries, not in the East, not in the South. So, if you have problems with the free movement of labor you should also look at policies that constrain the free movement of goods or capital and consider what kinds of EU level policies could create win-win solutions both for the West and the East. A very different question is the issue of the migration from outside of the EU and the problem of refugees. Hungary leads a coalition of Central European countries that is against any kinds of EU level redistribution of refugees. That is a very popular strategy all around this part of the EU and it brings lots of vote to parties that can politicize this issue in an 'anti-Brussel' political frame. This strategy will be the dominating one, I think, until the EU will be able to work out common principles and policies on what could be the right way to deal with the general problems of extra-EU migration. I am not sure that this can be done in the present intergovernmental system, that cannot handle the at least as pressing social and economic problems of Europe.

