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Interview - Adam Fabry

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This interview is part of a series of interviews with academics and practitioners at an early stage of their career. The interviews discuss current research and projects, as well as advice for other early career scholars.

Adam Fabry is a Lecturer in Economics at the National University of Chilecito, Argentina. Adam's research interests include the international political economy of neoliberalism, Marxist theory, social reproduction theory, the history and politics of Central and Eastern Europe in the twentieth and early twenty-first centuries (in particular the history and political economy of 'actually existing socialism' and the politics of the far-right in the region), and the contemporary history and politics of Latin America. He has published widely on the neoliberalisation of the Hungarian economy and the resurgence of the far-right in the same country since the mid-2000s. He recently published *The Political Economy of Hungary: From State Capitalism to Authoritarian Neoliberalism.* In addition to his ongoing research, he sits on the editorial board of the Journal of Contemporary Central and Eastern Europe and the corresponding editorial board of Historical Materialism: Research in Critical Marxist Theory.

What (or who) prompted the most significant shifts in your thinking or encouraged you to pursue your area of research?

This is a really interesting question, which I have often thought about over the years. I think that if we look closely at some of the greatest revolutionary intellectuals of the twentieth century, such as Leon Trotsky, Frantz Fanon, or Angela Davis, it is impossible to comprehend their work without bearing in mind the economic, intellectual political and social milieu in which they grew up and were active. In my own case, growing up in Hungary during the final years of the Kádár regime and then moving to Sweden, where I received a public education that was still very much based on social-democratic ideals, strongly shaped the way I think about the world.

In terms of academic research, my interest in the international political economy of neoliberalism in Hungary and elsewhere in Eastern Europe initially arose out of the glaring contradictions that I experienced between my BA studies in Economics (heavily dominated by neoclassical economics) and the bleak reality of neoliberal restructuring in Hungary during the 1990s and the early 2000s. Think only of the more than 1.3 million jobs (almost one-third of the labour market) that disappeared between 1990 and 1995! To most Hungarians, including myself, all talk about the political rights gained after the regime change paled in comparison to such depressing figures. This pushed me to ask whether the 'anomalies' of the transition were simply due to the inaccurate application of otherwise 'correct' policies (as many neoliberal scholars continue to argue to this day), or whether there were deeper, structural reasons for these inconsistencies?

Initially, my thinking was driven more by my real-life experiences in Hungary, than any abstract theories. But this slowly started to change when I enrolled to study an MSc in International Relations (IR) at the University of Gothenburg, Sweden, in 2003. To my great delight, most of my professors were strongly influenced by world-systems theory and neo-Gramscian IR and openly encouraged me to understand the economic, environmental, political and social challenges of globalization from a critical and interdisciplinary perspective. I still remember how my engagement with the classical works of the likes of Immanuel Wallerstein, Robert Cox, Stephen Gill, and so on, shifted the way I think about the dynamics of capital accumulation, class struggle, hegemony and state power under

neoliberal capitalism.

Another major moment was my encounter with Marxian theory. In terms of published works, I think that the classical writings of Marx, in particular *The German Ideology, The Eighteenth Brumaire of Louis Napoleon,* and the three volumes of *Capital*; Gramsci's prison writings; Trotsky's *Permanent Revolution* and *Results and Prospects*; Fanon's *The Wretched of the Earth*; and the brilliant essays of Hungarian Marxist philosopher G.M. Tamás, all helped me to develop a deeper understanding of the multiple structural inequalities that are inherent in capitalism. Having said this, I think that my growing interest in Marxism was a logical move following my studies in Gothenburg, but, at the same time, it was also facilitated by my growing involvement with radical left politics in Sweden, Italy, and later in the UK. I learned a lot from reading articles in left-wing journals, such as *International Socialism*, *New Left Review*, or the Hungarian quarterly *Eszmélet*.

In your book, you use the expression 'authoritarian-ethnicist neoliberalism'. Could you explain the term and how it applies to Hungary?

My usage of the term is an elaboration of the concept of 'authoritarian neoliberalism', developed by Ian Bruff in his article, entitled 'The Rise of Authoritarian Neoliberalism', published in *Rethinking Marxism* in 2014. At the time, I was thinking about how the consolidation of the Orbán regime in Hungary fitted within the broader shift towards the (far-) right across the world, in the wake of the 2008 global economic crisis. According to Bruff, this shift represented a new phase of neoliberalism, which was *qualitatively different* from earlier, pre-2008 forms of state practices of reproduction of capitalist social relations (see also Tansel 2017, 2018). In a recently published article in *Globalizations*, Bruff and Tansel define their usage of the concept as follows: 'we … utilize it [the term] to highlight how contemporary capitalism is governed in a way which tends to reinforce and rely upon practices that seek to marginalize, discipline and control dissenting social groups and oppositional politics rather than strive for their explicit consent or co-optation.'

While I found Bruff's original work very thought-provoking, his definition of the concept is problematic on at least two grounds. On the one hand, it fails to acknowledge the disturbing relationship between authoritarianism and neoliberalism, both theoretically and as a political project. On a theoretical level, the connections between authoritarianism and neoliberalism can be traced, as Werner Bonefeld, Ray Kiely, and others have convincingly shown recently, all the way back to the foundations of neoliberalism in the 1930s and the influence of Carl Schmitt on key neoliberal thinkers, such as Friedrich von Hayek, Wilhelm Röpke, and Alexander Rüstow. Similar to Schmitt, they disliked "mass democracy" and believed that a "strong state" was necessary in order to maintain capitalist "law and order." In terms of neoliberalism as a *political project*, we only have to recall the imposition of neoliberal reforms by the Pinochet dictatorship in Chile, to note that neoliberal economic policies have *always* been enforced through coercive practices when lacking sufficient support among local ruling classes and/or met with widespread popular resistance on the ground. While this element was downplayed between the late 1980s and 2007/8, during the period that Neil Davidson calls "social neoliberalism," when neoliberalism was "rolled-out" globally, I think it is vital to remember this point bearing in mind the immense level of violence, dispossession, and death that the imposition of neoliberal structural adjustment policies have involved.

On the other hand, Bruff's original concept does not discuss in any detail the growing 'racialization' or 'ethnicization' of class inequalities, which I think has become an increasingly important method through which states have legitimated neoliberal austerity in recent years Here I am drawing directly on the writings of G.M. Tamás, who in a groundbreaking essay published in 2000 (at the height of social neoliberalism à la Tony Blair), entitled 'On Post-Fascism', warned about the increasing ethnicization and racialization of class conflicts under neoliberalism. With hindsight, I think that, unfortunately, Tamás was right. Today, the Orbán regime arguably represents a vanguard example of the wider shift towards authoritarian-ethnicist neoliberalism across the world. As for Orbán himself, he is an extremely shrewd politician, who seems to have sensed that the neoliberal pendulum was swinging towards the (far-)right long before the rise to power of Trump, Bolsonaro, or Modi. In fact, as I show in my book, he already combined a right-wing, authoritarian rhetoric with neoliberal economic policies during his first period in power (1998-2002) and was only held back after suffering a narrow defeat to the socialist-liberal coalition in the 2002 general elections. However, after obtaining a two-thirds supermajority in the 2010 general elections, he moved with a

swiftness and assertiveness akin to Louis Bonaparte himself, to restructure the Hungarian state along authoritarian-ethnicist lines.

Sure, his anti-establishment rhetoric and "unorthodox" economic policies (e.g. breaking with the IMF in the summer of 2010, the introduction of so-called "crisis taxes" on banks, telecommunications and large retail corporations, the renationalization of Hungary's private pension system, etc.) nominally seem to go against Hungary's previous pro-Western course, and appeals to many people who have been *declassed* as a result of neoliberal restructuring (and rightly feel that the parties of the socialist-liberal opposition do not represent their interests). At the same time, the Orbán regime has pushed through extremely regressive fiscal and social policies (e.g. the introduction of a 16 percent flat tax on personal income, increasing VAT to 27 percent, or the implementation of what has become known as the "Slave Law," which allows corporations to demand their workers to work 400 hours of overtime per year, while delaying payments up to three years), without any regard for dissenting voices. As numerous studies have shown, these policies have benefited the wealthiest and most powerful sections of Hungarian society and transnational corporations (principally German-owned car manufacturing firms, who remain ardent supporters of the Orbán regime). Meanwhile, the government has erected a razor-wire fence along Hungary's borders with Croatia and Serbia (to keep out "illegal" migrants and ensure the "ethnic homogeneity" of Hungary), while any non-conformist voices in society have been openly persecuted or meticulously silenced. So, I would argue that the confluence of authoritarian-ethnicist politics with neoliberal economic policies under the Orbán regime is really quite exceptional in comparison with authoritarian regimes elsewhere.

You have argued in your book that processes of economic and political change in Central and Eastern Europe have been pigeonholed into neoliberal and institutionalist approaches. Can you explain this and how it influences our understanding of Hungarian and world politics?

I argue that the so-called 'transformatology' literature has been heavily dominated by neoliberal and institutionalist approaches. For the last three decades the representatives of these two approaches have argued about the causes of the demise of 'actually existing socialism', which economic policies the 'post-socialist' governments should pursue in order to 'jump-start' their economies and increase living standards, and whether the outcomes of the transformation in the region have been successful or not.

While these debates have, at times, been relatively heated, I believe that both approaches suffer from theoretical and empirical shortcomings, which limit our understanding of the economic, political and social transformations that have taken place in the region and their relationship to wider changes that have taken place in the capitalist world economy since the mid-1970s or so. For example, both neoliberal and institutionalist approaches employ a static comparative framework to explain the transformation in Eastern Europe and the former Soviet Union. Simply put, they both utilise a model that conceives 'Soviet-style socialism' and 'capitalism' as two separate systems, rather than as parts of a totality mediated by the world market. In my view, this model fails to recognise the striking *similarities* that continued to exist between 'East' and 'West' throughout the Cold War. Although the Soviet bloc regimes referred to themselves as 'socialist' regimes, they were characterised by the persistence of capitalist features, including: the separation of the means of production from the producers, wage labour and its 'subsumption' to capital, exploitation, a feverish drive to accumulate capital, a hierarchic division of labour, money economy, rent, and the brutal repression of working class resistance (e.g. Hungary 1956, Czechoslovakia 1968, and Poland 1980-1). Neoliberal and institutionalist approaches fail to recognise these similarities, which effectively leads to an ahistorical understanding of the transformation. Also, both approaches fail to recognise that many of the problems that Soviet-style economies faced from the 1970s onwards (crisis of capital accumulation, overproduction, budget imbalances, state indebtedness, etc.) appeared in the West at roughly the same time too.

A second problem with neoliberal and institutionalist approaches is that they are not very helpful in explaining the ascendancy of neoliberalism in the region. In neoliberal accounts, the transition from 'socialism' to (neoliberal) capitalism is relatively straightforward: since the socialist states were unable to compete with the West, neoliberal ideas and policies were, by and large, voluntarily embraced by political and economic elites in the region *after* 1989. However, not only does this explanation go against a growing consensus within the scholarly literature that neoliberal ideas existed in embryonic form inside the region *prior* to 1989, but also it fails to acknowledge that the consolidation

of neoliberalism after 1989 was far from straightforward. In fact, often it was only achieved following open economic and political pressures by Western governments and international financial institutions, or thanks to extensive investment in the ideological underpinnings of neoliberalism by the EU and Western-based corporations and think tanks. Institutionalist approaches do not contest the periodisation of the ascendancy of neoliberalism in the region, but do at least recognise the coercive elements involved in this process.

My third, and final, problem with these two approaches relates to the explanations they offer of the 'anomalies' of the transformation and the different policy-proposals that they provide for overcoming them. Three decades after the transition, I think that the balance sheet of neoliberal capitalism in the region, in terms of overcoming problems of low economic growth, inequality, poverty, and authoritarian rule has been far from convincing (to put it mildly). The most zealous market fundamentalists, like Anders Åslund, simply choose to downplay the colossal slump in economic output that the economies of the region experienced after 1989. In contrast, most institutionalist scholars are critical of the empirical track-record of neoliberalism in the region. Having said this, they tend to argue that these failures are *not* intrinsic to capitalism itself, but rather, as Alice Amsden has argued, the result of 'copying the wrong capitalist model'. Thus, over the years, institutionalists have advocated the pursuit of 'gradual' market reforms and a 'return of the state' in economic planning and development, pointing to the Asian 'Tiger economies' and China as successful examples to follow. However, in my view, this argument misunderstands the role of the state under capitalism; the state is not an 'honest broker' between capital and labour, but rather seeks to guarantee the reproduction of capital within its borders. Also, as Stuart Shields has noted, if we do accept the Tiger economies or China as successful development models to follow, then we need to ask whether the spectacular growth rates achieved by these states can be achieved under democratic regimes? And, even if the answer to this question is yes, at what cost for the environment?

What are the origins of the far-right in Hungary?

This is a very complex question, but two factors are key for the formation of the modern far-right. The first was the enormous economic and social transformations that Hungary experienced from the mid-nineteenth century, as a consequence of its integration into a rapidly expanding capitalist world economy. Until the early 19th century, Hungary was essentially a feudal society. This changed rapidly in the second half of the century, as high economic growth contributed to rapid industrialisation, modernisation, and urbanisation. Industrialisation combined with a number of liberal political reforms introduced following the 1867 *Ausgleich* (e.g. freedom of press, assembly and religion) contributed to the emergence of a modern Hungarian bourgeoisie, many of whom were of Jewish origins. There was a massive increase in the industrial working class, many of whom would become militant members of the Hungarian Social Democratic Party. The second factor was the surge of Magyar nationalism following the 1848-9 Revolution and War of Independence against the Habsburg empire. As Benedict Anderson shows in his brilliant book, *Imagined Communities,* this was not a straightforward process. The revolutionary regime, led by Lajos Kossuth (1802-94), had promoted a form of 'popular nationalism', which threatened not only Vienna's geopolitical interests, but also the economic and political privileges of the Magyar nobility in the countryside (e.g. serfdom was abolished together with the nobility's tax-exempt status, and all citizens living in the Kingdom of Hungary were declared to be equal citizens, as long as they spoke Magyar). In order to cling on to its dominant position in society, the small, but vehemently reactionary Magyar nobility began to promote an 'official', Magyar nationalism after Kossuth's revolutionary regime had finally been crushed (thanks to the intervention of Czarist Russia). By striking deals with the aristocracy and cracking down on the popular classes and ethnic minorities they managed to construct an *extremely regressive political system*: in 1910 a mere 7 percent of the population(!) was entitled to vote (the working class and the peasantry were excluded from representation in parliament, as were the national minorities – although nearly 50 percent of the population were non-Hungarian speakers).

It was against this background that a number of antediluvian far-right movements and parties emerged in the last three decades of the nineteenth century. The most important were the National Independence Party (founded in 1874), the Hungarian Anti-Jewish Association (founded in 1880) and the National Anti-Semitic Party (founded in 1883), which even won 4 percent of the votes in the 1884 elections (17 mandates). While the National Independence Party fantasised about reclaiming the 'historical territories' belonging to Hungary during the Middle Ages, including Bosnia and Dalmatia, the leaders of the latter two were openly anti-Semitic and sought to stop the growing Jewish

influence over Hungarian society (Győző Istóczy, the leader of the Anti-Semitic Party, even touted the idea of resettling Jews to Palestine). Although such ideas resonated within the higher echelons of the Catholic Church, declassed members of the nobility and the petit bourgeoisie, as well as peasant smallholders, they were opposed by the bureaucratic state (controlled by the Liberal Party), and thus failed to make any major electoral breakthrough at the time.

Consequently, it was not until the interwar years that far-right and openly fascist movements came to seriously influence Hungarian politics. As I have argued elsewhere, three factors were key for this process. The first was the very real threat of *socialist revolution* that the supporters of the *ancient régime* felt during the turbulent period between the end of World War I and the establishment of the short-lived Hungarian Council Republic in 1919. The second was the *economic, political, and psychological shock* caused by the punitive Treaty of Trianon – the peace agreement signed in 1920, which resulted in the loss of more than 70 percent of Hungary's pre-World War territory, as well as two-thirds of its population. The third was the *social dislocation* caused by the 'Great Depression' and the geopolitical ascendancy of Nazi Germany in the 1930s. It was in response to these pressures and dynamics that far-right and fascist movements, such as the Hungarian National Defence Association, the Scythe Cross Movement or the Arrow Cross Party, emerged, promoting a toxic mix of authoritarian, chauvinist and conspiratorial politics, based on Magyar irredentism, virulent anti-Semitism, anti-liberalism and anti-communism, and para-militarism.

Such ideas resonated with many of the policies pursued by the right-wing authoritarian Horthy regime. For example, left-wing parties were either banned altogether or subject to state repression, while anti-Semitism was already institutionalised in 1921 – long before the Nazi occupation of Hungary in 1944 –, when the Horthy regime introduced the *numerus clausus*, limiting university access to students of Jewish origin. This said, the influence of the far-right on the Hungarian political system was, by and large, contained by Horthy and the national-conservative elite during the 1920s. This changed after the 1929 Wall Street crash and the 'Great Depression' that followed in its wake. On the one hand, the Great Depression squeezed those social layers – small landholders and property owners, lower and middle layers of the state bureaucracy, but also poor agricultural workers and sections of the industrial working class – that would end up being drawn towards, and mobilized by, far-right and fascist forces. On the other hand, it heightened inter-state competition, and, ultimately, conflict, pushing the Hungarian state further and further to the far-right, until the Horthy regime finally caved in to domestic and external pressures and formally entered World War II on the side of the Axis Powers on 27 June 1941.

In summary then, on the one hand, we can see that the movements that emerged in Hungary in the second half of the nineteenth century shared many of the ideas promoted not only by far-right and openly fascist parties in the interwar years, but also by the authoritarian Horthy regime. On the other hand, I think Hungary is a good example of how the ascendancy of far-right and openly fascist parties in the interwar years was propelled by the wider pressures and tensions of uneven and combined capitalist development.

What alternatives and forms of resistance to the far-right and authoritarian neoliberalism can you visualise?

This is arguably one of the most urgent political challenges of our day (together with the looming climate apocalypse that is facing humanity). I don't have a magic formula for this, but I think that we can develop some basic political principles by looking at past experiences of successful mass mobilisations against far-right and fascist parties. These would include:

Internationalism and solidarity with minority communities. From Brazil, through Hungary, to the US, the deepening crisis of neoliberal capitalism is being used by authoritarian, far-right leaders and parties across the world to scapegoat ethnic minorities and migrant communities. Fighting xenophobia is an essential element in the struggle for a more equal, free, and habitable planet for all people, irrespective of colour, gender, religious belief, or sexual orientation.

Mass mobilisation of communities to oppose far-right and authoritarian movements. I think that history has shown us over and over again that far-right and fascist movements can only be defeated if they are combatted head-on. On

the one hand, this means that explicitly fascist organisations, like Ukraine's Svoboda Party or the pan-Scandinavian Nordic Resistance Movement (to mention an example from Sweden, my other home country), should be denied a platform for the spread of their propaganda, and confronted directly by mass mobilisations on streets and public squares. On the other hand, organisations, such as the Dutch Party for Freedom, the Sweden Democrats or the United Kingdom Independence Party, that are not openly fascist, but are propagating anti-migrant policies, need to be opposed through different tactics. Rather than direct confrontation, the toxic ideas of such organisations need to be contested through unwavering political campaigns, solidarity with targeted communities, and by promoting progressive alternatives.

Opposing racism, national chauvinism and xenophobia in all its forms. Chauvinism, racism, and xenophobia need to be exposed and opposed wherever they appear – in the media, on the streets, or, as in the case of Viktor Orbán's authoritarian-ethnicist regime in Hungary, regurgitated *ad nauseum* through official state propaganda. Trade unions and left-wing political parties historically played a key role in this by combatting racism in the workplace and in communities. We only have to think of the great Battle of Cable Street in 1936 to remember how working-class solidarity can defeat movements promoting far-right and authoritarian ideas. The problem today, of course, is that, at least in much of Europe, the political left is very weak on the question of 'migration' and politically fragmented into countless organisations.

What are you currently working on?

I am currently working on a number of outstanding projects, including a journal article (co-authored with Cornel Ban) that analyses the alleged rise of 'economic nationalism' in contemporary Hungary and Romania through a critical political economy perspective, and a book chapter (co-authored with Zoltán Pogátsa) on how the idea of 'transition' has been conceptualised in Hungarian intellectual and political debates from the end of World War II to the present. Besides this, I am interested in broadening the theoretical and empirical scope of my research on the international political economy of neoliberalism, away from the 'transitional' economies of Eastern Europe and the former Soviet Union to Latin America. In particular, I am interested in looking at the domestic origins of neoliberalism in the region, as well as the political dynamics and social conflicts arising from the imposition of neoliberal structural adjustment policies.

What is the most important advice you could give to other early-career scholars?

Well, I am not sure whether I am in a position to give advice to anyone, given that I am an 'early-career scholar' myself (and not necessarily the most 'successful' one either). Having said this, I think that the most important thing for us to remember is to always maintain a critical perspective to our disciplines. Related to this, I think it is crucial that we speak truth to power; my experience, over the years, is that the best academic work is not that which seeks to remain politically 'neutral', but that which is written from the heart. Thirdly, at a time in which the academia is increasingly characterised by the commodification of knowledge and growing individualism, I think it is important for early-career scholars to bear in mind that knowledge is never a personal 'achievement', but always a collective effort. Finally, I think it is important to remember that there is also life outside the academia! Spend less time boasting about your work on academia.edu, and more time interacting with your local collectives.