

The EU's Illiberal Challenge: Value Divergence in Central and Eastern Europe?

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Key Findings and Recommendations

- Our public opinion poll among 5253 citizens of six Central and Eastern European (CEE) countries (Poland, Romania, Slovakia, Slovenia, the Czech Republic, and Hungary) in spring 2021 shows that the rejection of liberal European values (Art. 2 TEU) and thus the degree of divergence from these values in those countries is only a partial explanation for the rise of illiberal governments in the region.
 - The illiberal positions of some governments do not correspond to the value preferences of the majority of the respondents in our public opinion poll. Instead, authoritarian-populist rhetoric usually serves to mobilise the ruling party's supporters (who do not represent a majority of the population) and to secure the government's grip on power through changes to the political system.
 - Illiberal, populist forces find support particularly among the self-perceived losers of globalisation/ Europeanisation (Cleavage Thesis), people with low educational qualifications (Thesis of Value Change), and culturally and politically illiberal as well as economically liberal minorities of the population (Anti-Liberalism Thesis).
 - Europeanisation (i. e., the effects of European integration) is perceived positively by most of the respondents, which means that there are more self-perceived winners than losers of Europeanisation. However, the inevitable structural change of industry-heavy economies as well as the social distortions that accompany digital and ecological transformation pose a risk to this positive assessment.
 - The public opinion poll also highlights the fact that the value divergence in the region is not likely to decrease in the coming years, as the younger generation is not particularly more liberal than older generations. Hence, value divergence is not a temporary problem that European decision-makers can sit out.
 - In light of these findings, the German government should permanently prioritise the protection of democracy and the rule of law on the European Union's political agenda and consider it in bilateral relations with the governments concerned.
 - If a government takes constitutional measures to secure its power that limit the freedom of the press and expression, party and electoral rights, or the independence of the judiciary, the EU should exhaust the full toolbox available for protecting the rule of law. In this regard, financial consequences in particular can have a major impact.
 - A successful European strategy also requires focusing on the losers of Europeanisation and taking into account the social implications of the digital and environmental transformation in the region in future policy-making to prevent this group from growing.
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- This policy paper draws on the extensive IEP-study "Value preferences and political trends in Central and Eastern Europe" (in German) by David Nonhoff, Julian Plottka and Julian Rappold. The authors would like to thank York Albrecht, Antonia Labitzky and Julina Mintel for their valuable support and research.

Introduction

Whereas the Russian war against Ukraine has increased solidarity and cooperation among EU member states, conflicts over core European Union (EU) values have increased sharply in recent years, inhibiting the Union's ability to act. Particularly in Central and Eastern Europe (CEE), illiberal and populist forces such as the Fidesz party in Hungary, the Law and Justice party (PiS) in Poland, or, until its recent electoral defeat, the Slovenian Democratic Party (SDS) had been gaining influence. Profound differences between some CEE governments and the rest of the EU are emerging on key issues of societal values and national identity, and are increasingly challenging consensual decision-making at the EU level. On migration, for example, CEE governments have been among the most vocal opponents of a reform of the Common European Asylum System.

Moreover, the conflict over adherence to the rule of law continues to intensify: The governments in Hungary and Poland are systematically undermining rule of law principles and calling into question the fundamental consensus of the EU as a community of values. At the end of 2020, this culminated in the conflict over whether to link EU financial payments from the Multiannual Financial Framework (MFF) to compliance with rule of law standards that almost risked the approval of the MFF. The ruling of the Polish Constitutional Tribunal on 7 October 2021, which negates the primacy of European law over national law and thereby calls into question an essential pillar of the functioning of the EU, represents a further escalation. The re-election of Victor Orbán shows that populism and diverging value preferences within the EU will continue to threaten effective policymaking.

In order to better understand the potential of authoritarian-populist and illiberal forces and to formulate policy recommendations, the Institut für Europäische

Politik (IEP) conducted a comprehensive study investigating values and value perceptions based on a representative public opinion poll of more than 5 000 respondents in six CEE countries (Poland, Romania, Slovakia, Slovenia, the Czech Republic, and Hungary). It analysed the extent to which value perceptions deviate from liberal European values as defined in Art. 2 TEU (value divergence) and scrutinised in particular the underlying causes.

Our research shows – inter alia – that the six surveyed CEE countries do not form a homogeneous bloc. In Hungary, Poland and, until recently, Slovenia there are clear tendencies towards strategic populism, which only partially align with citizens' prioritised values and which have already led to the dismantling of democratic institutions. Populist parties also play an important role in politics in the Czech Republic, Romania, and Slovakia, but functioning checks and balances have so far prevented autocratic tendencies.

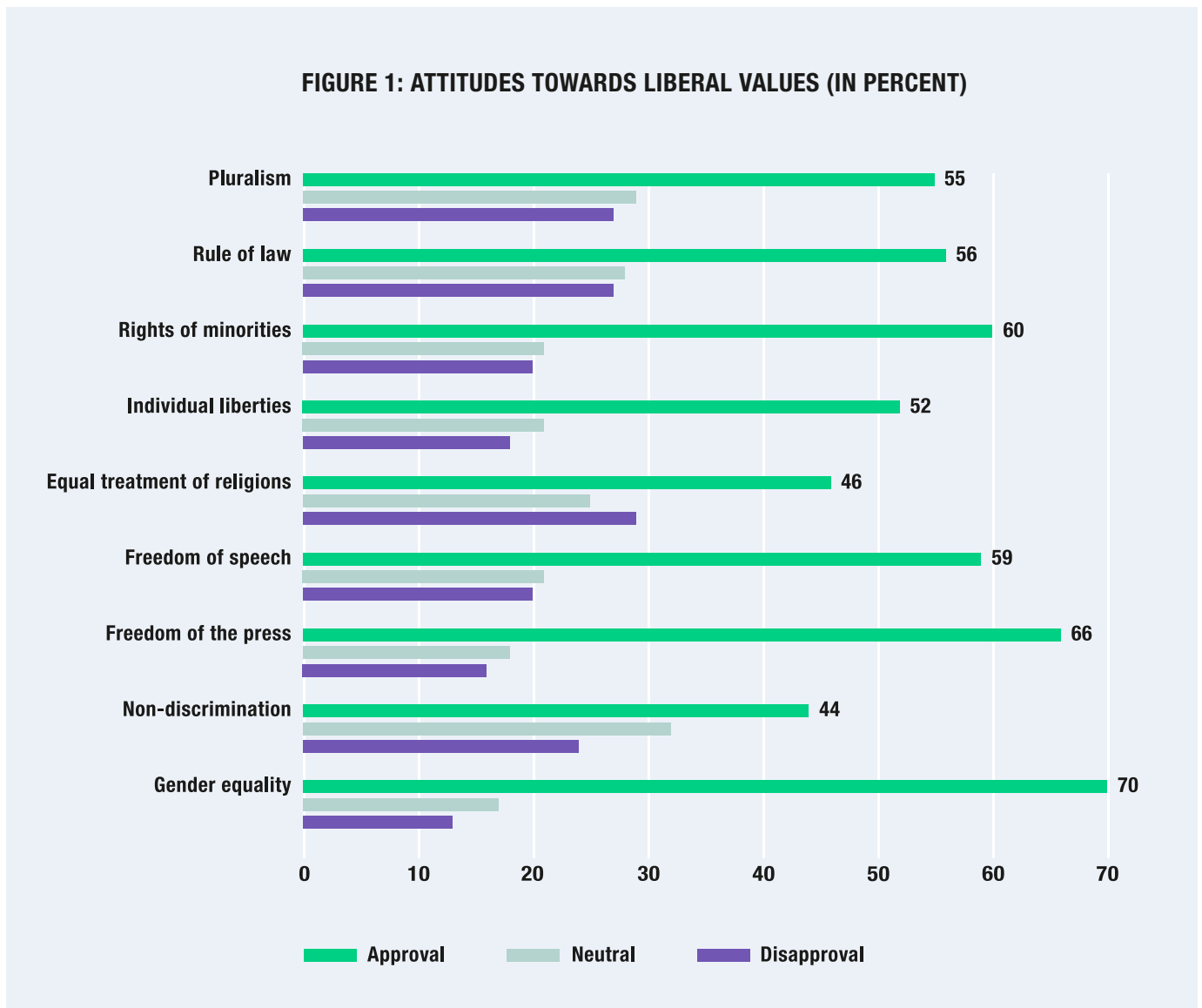
Looking at the political calendar underlines the need for a deeper understanding of the developments in CEE and the urgency for immediate action by the EU: Shortly after the European Parliament elections in the spring of 2024, Hungary and Poland will hold the EU Council presidencies in the second half of 2024 and the first half of 2025 respectively. This poses the risk that legislative processes will be hampered, if not completely interrupted, for an entire year – right at a time when a new EU leadership will take over following the 2024 European Parliament elections.

Attitudes toward liberal values in Central and Eastern Europe

While authoritarian-populist parties are on the rise across Europe, illiberal trends are particularly evident in CEE countries, especially Hungary and Poland. The term “value divergence” refers to the degree of rejection of European values as defined in Article 2 of the Treaty on European Union (TEU) by the citizens and governments of these states. The lower the level of support for liberal European values, the greater the value divergence and the challenge for the European community of values.

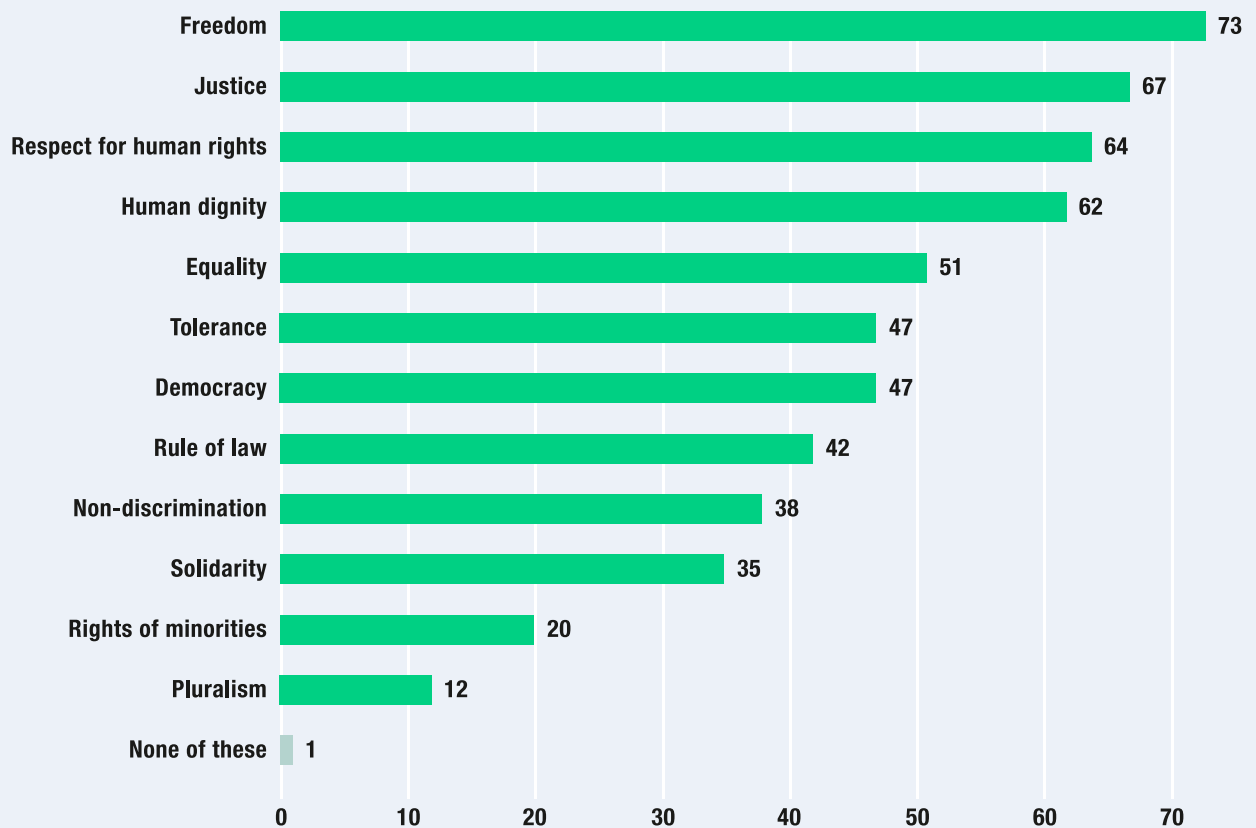
According to our public opinion poll, there is strong support in the CEE countries for some of the values associated with traditional democratic theory, such as freedom, justice, human rights, and human dignity. Only a minority within the range of 15–29 percent of respondents explicitly rejects liberal European values (figure 1).

However, when asked about the most important values, respondents explicitly listed liberal or post-materialist values such as minority rights and non-discrimination significantly less often than values related to traditional democracy (figure 2).



Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

**FIGURE 2: VALUE PRIORITIES OF RESPONDENTS IN CEE COUNTRIES
(IN PERCENT)**



Question: “Which of the following values are most important to you?”

Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

Our analysis of the underlying causes of value divergence is based on four theses:

First, we analyse whether there is a generational effect on value priorities (Thesis of Value Change). Second, we test whether different value priorities are a sign of social polarisation (Cleavage Thesis). Third, we discuss whether value divergence should be understood as a counterrevolution against liberal European values (Anti-Liberalism Thesis). Fourth, we test our counter-thesis, whether the illiberal values propagated by authoritarian-populist governments do not represent citizens’ value priorities but are driven by other strategies (Strategic Populism Thesis).

Changing Values:

Is the younger generation more liberal than their parents?

The Thesis of Value Change argues that the value divergence should be understood primarily as a generational conflict. In Western countries, economic security, the education revolution, post-industrialisation, and urbanisation have led to the emergence of liberal post-materialist values (e.g., environmental protection, individual self-development, political freedom) among younger generations. According to this thesis, materialistic values (e.g., security, patriotism, religiosity) are increasingly supported only by a conservative minority that is largely represented

in older generations. This minority is the driving force behind the currently observable autocratic tendencies. Its members feel threatened by a rapidly changing moral order and, therefore, engage in a defensive reaction that manifests itself through high voter turnout as well as a dominant position in national discourses. About 30 years after the end of the Cold War it is worth asking whether the younger generation in CEE today is also more liberal than their (grand)parents.

***Thesis of Value Change:** European values are supported by a majority, particularly younger respondents and people with a high level of education, and rejected by a minority, particularly older respondents and people with a low level of education. Electoral victories of authoritarian-populist parties can be explained by a lower voter turnout of younger and uneducated citizens.*

Overall, however, the results of our public opinion poll do not show a clear correlation between age and support for liberal values. We observed almost no generational differences in most of the inquired values (gender equality, non-discrimination, freedom of speech and the press, and equal treatment of religions). It was only in the area of asylum policy that a slight effect appeared: While 41 percent of the younger generation (younger than 37) were in favour of accepting refugees, this approval was a bit lower among the respondents older than 37 (35 percent). We can state that, according to our data, there is no young liberal and pro-European generation to counter illiberal trends and advocate for liberal values more decisively in the foreseeable future than older generations would do.

However, we can arrive at a different conclusion when taking the level of education into account. We observe a strong correlation between people with higher educational qualifications and support for liberal values. For example, 46 percent of respondents with a high level of education favour the acceptance of refugees, while this is the case for only 29 percent of those with little or no education. The education level also makes

a difference regarding the values of Art. 2 TEU, even though a strong correlation only applies to attitudes towards freedom of speech and the freedom of the press, non-discrimination, and gender equality. Respondents with a higher education level also perceived the effects of EU accession for their country more positively than those with a lower education level. 58 percent of them stated that society has improved as a result of EU accession, while only 37 percent of the less well-educated respondents shared this opinion.

We can observe that the Thesis of Value Change does not provide a full explanation for the current trends in CEE. More importantly, we cannot expect convergence of values to increase automatically in the future due to generational changes. At best, an education revolution can increase the current level of support for European values. Thus, sitting out the divergence of values and hoping for automatic liberal change through younger generations is not likely to yield success.

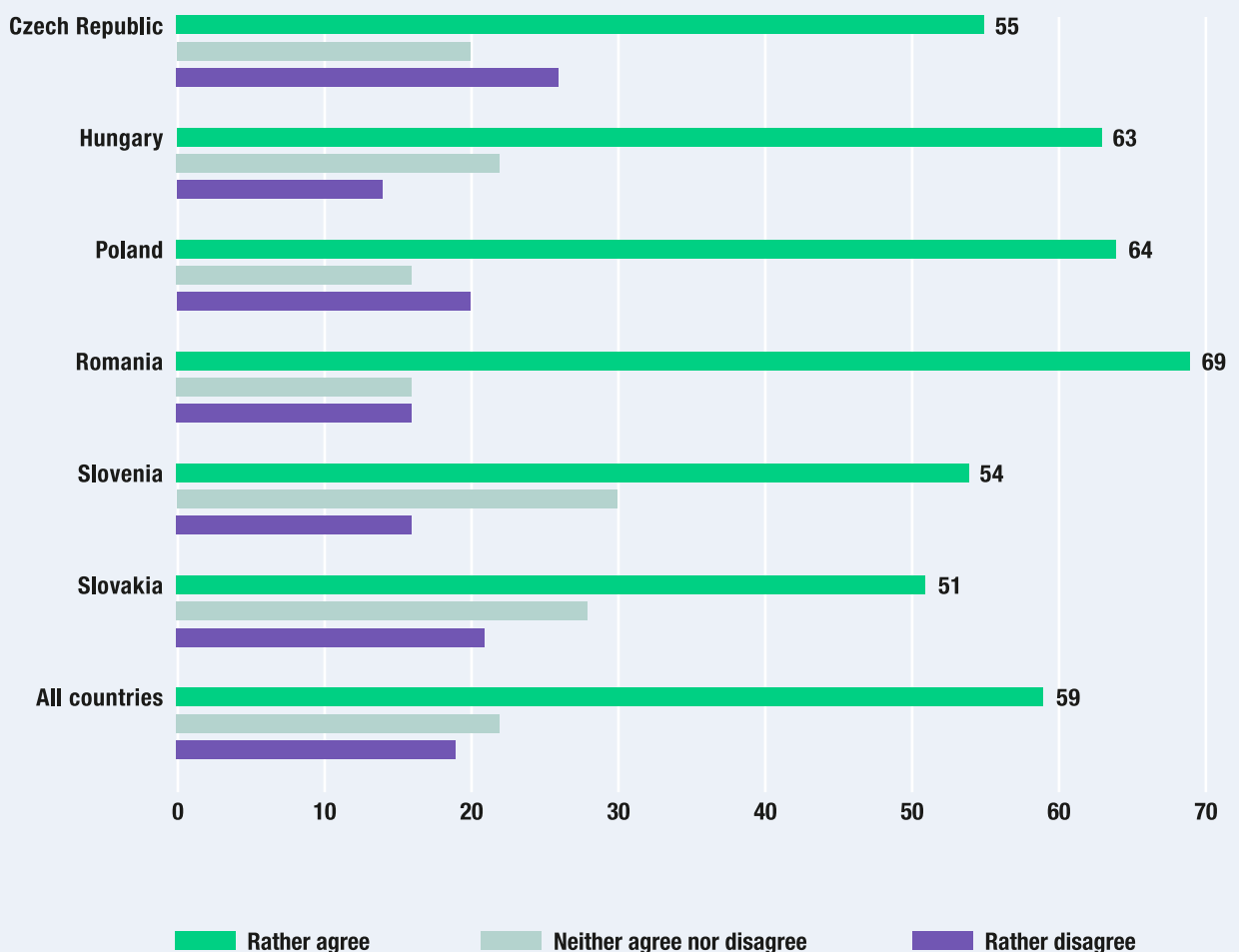
Cleavages: Limited polarisation, but a core of Eurosceptic losers of Europeanisation

Contemporary cleavage approaches assume that the impact of globalisation causes increased economic and political competition as well as more social diversity, leading to increasingly pronounced intra-societal value divergence between the self-perceived winners and losers of this development. An important basic assumption is that different parts of society are affected differently by these developments and therefore perceive them differently. They may see themselves either as losers who feel threatened by globalisation and reject it accordingly, or as winners who benefit from the changes and welcome them. In the context of CEE, we refer to the effects of globalisation as Europeanisation, given the formative societal and economic impact of EU accession for these countries. In this regard, the Cleavage Thesis claims that attitudes towards liberal European values must be explained along the lines of the cleavage between the winners and losers of Europeanisation.

Cleavage Thesis: European values and EU accession are supported by winners of Europeanisation and rejected by its losers. Election victories of authoritarian-populist parties can be explained by a majority of citizens who perceive themselves as losers of Europeanisation.

We asked respondents to rate the impact of European integration on their societies and economies. A majority of 59 percent across all CEE countries agree or fully agree that their country has benefited economically from the EU, while only 19 percent disagree or fully disagree. Agreement is strongest in Romania (69 percent), Poland (64 percent), and Hungary (63 percent) (figure 3).

FIGURE 3: ASSESSMENT OF THE IMPACT OF EU MEMBERSHIP ON NATIONAL ECONOMIES (IN PERCENT)



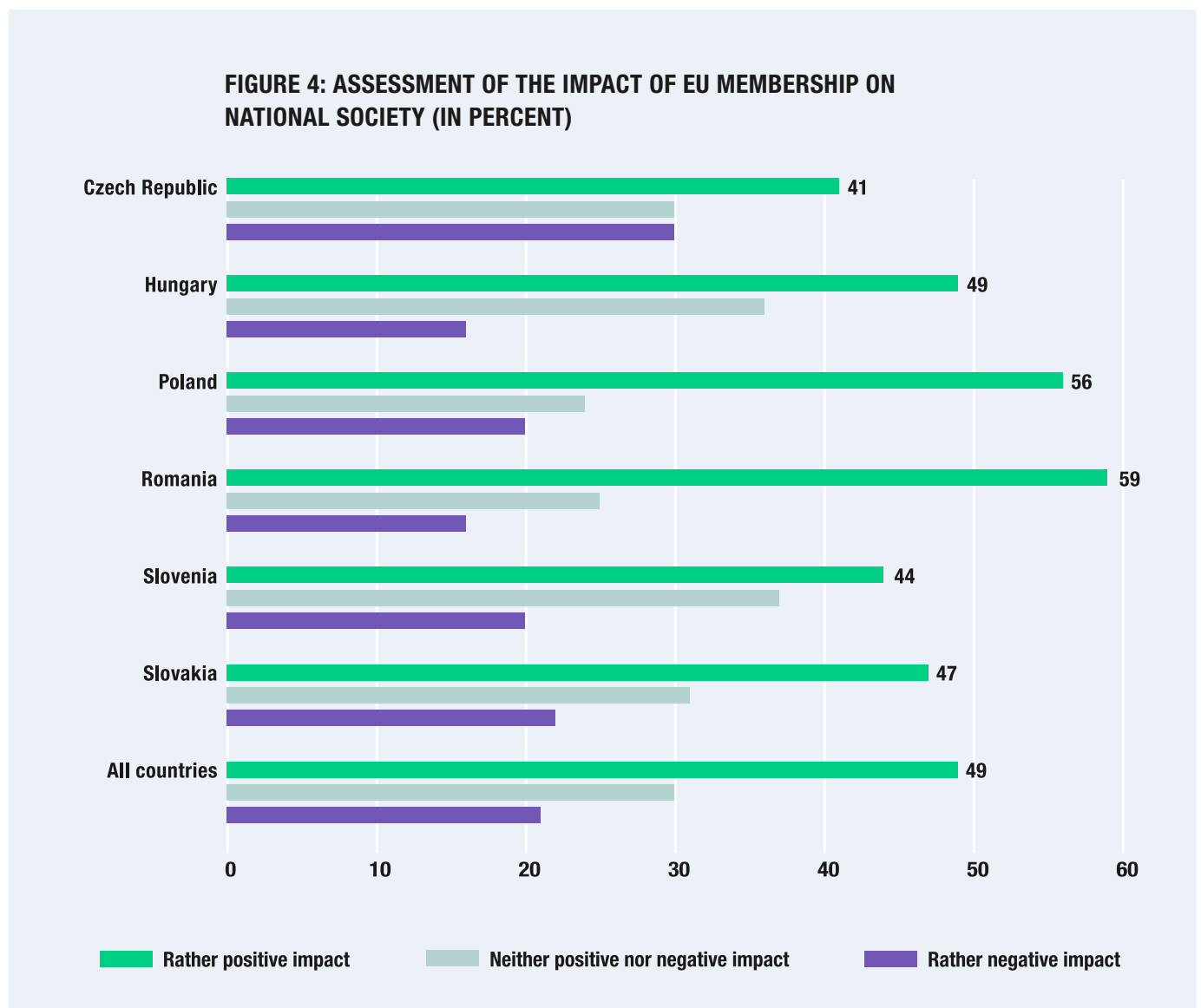
Question: “To what extent do you agree with the following statement:

My country has economically benefited from EU membership.”

Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

The perception of the EU's influence on national societies is slightly less positive on average across all countries: 49 percent of respondents perceive the influence of the EU as very or rather positive on their respective societies, while 21 percent perceive it as rather or very negative. Breaking the information down to the individual countries, we can observe that the overall positive assessment also applies to the individual country level. In all countries, the negative assessment of EU accession on society is lower than the positive or neutral assessment (figure 4).

The fact that the assessment of the EU's impact on societies is less positive than the assessment of its economic impact shows that the limits of European integration are more likely to be found in other policy areas, especially migration. The difference between the positive assessment of the impact of EU membership on the economy as well as on societies indicates a more instrumental understanding of European integration. Support remains strong as long as EU membership generates benefits but does not impose costs. This is not a stable basis of solidarity within the EU.



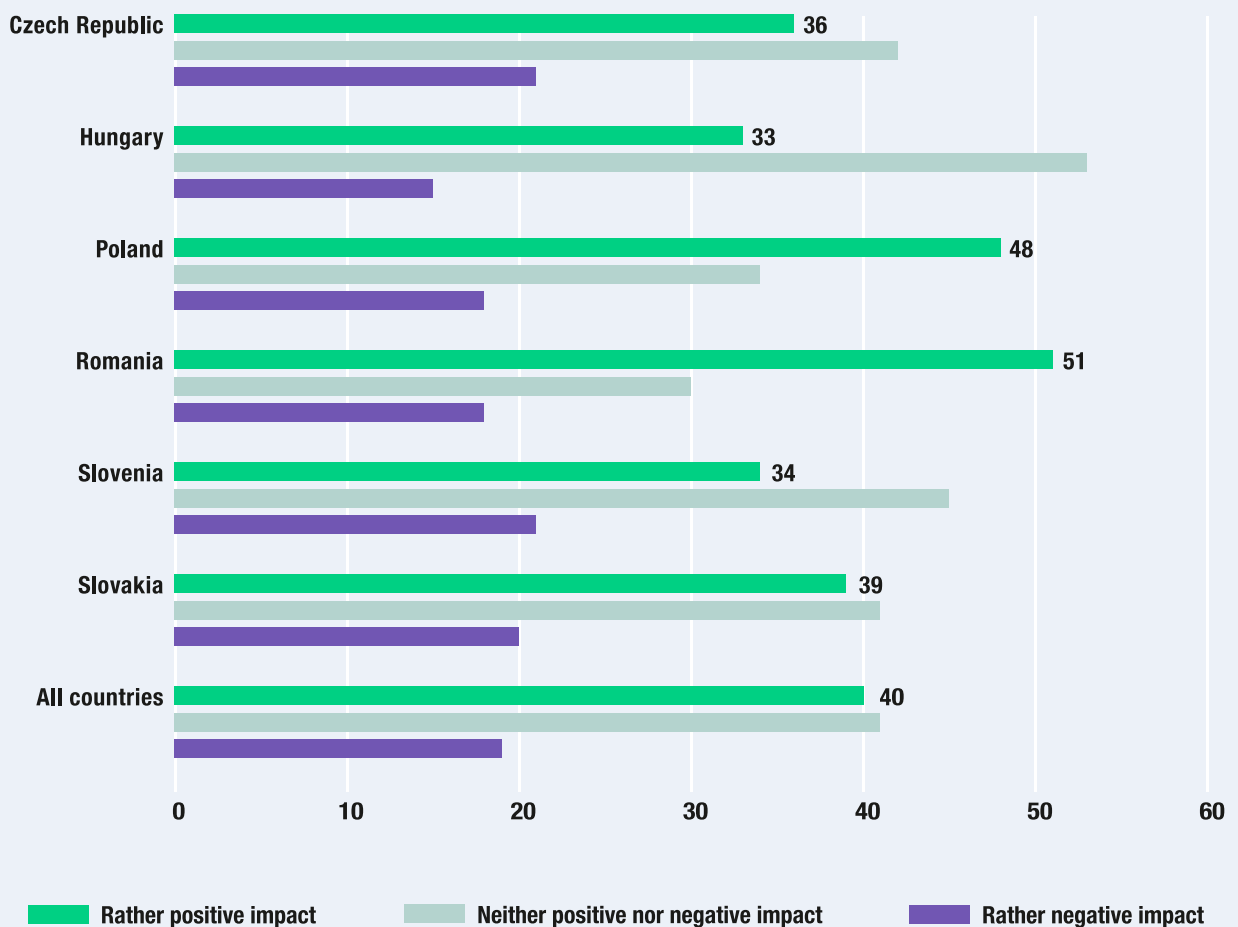
Question: “In your opinion, did EU membership have a positive or negative impact on society in your country (e.g. more or less social cohesion, more or less freedom)?”

Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

If the generally positive assessment of European integration in all six countries was caused by a majority of respondents perceiving themselves as winners of Europeanisation, the results would clearly support the Cleavage Thesis: Indeed, our opinion poll illustrates that across all six countries, 40 percent assess the effect very or rather positively, 41 percent neither positively nor negatively, and 19 percent very or rather negatively, pointing towards a split between winners and losers of Europeanisation (figure 5). When dividing the respondents into these groups (40 percent winners and 19 percent losers) and further analysing their answers,

a societal division becomes visible: 77 percent of the winners assess the influence of EU accession on their national society positively and 86 percent of them see a positive effect on the national economy. The losers state the opposite: only 25 percent believe that EU accession has been beneficial for the national economy and only 15 percent regard it as having had a positive effect on national society. In addition, the winners show significantly higher approval ratings than the losers for values such as pluralism (35 percent of the losers reject pluralism, but only 25 percent of the winners do), individual liberties (35/26 percent), and the acceptance

FIGURE 5: ASSESSMENT OF THE IMPACT OF EU MEMBERSHIP ON PERSONAL ECONOMIC SITUATION (IN PERCENT)



Question: “Has EU membership of your country had a positive or negative impact on your or your family’s economic situation (e.g. new career prospects, job security, lower income, or loss of job)?”

Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

of refugees (57/29 percent). No significant differences regarding other values (rule of law, minority rights, freedom of speech and the press, non-discrimination, and gender equality) were observed.

It is important to note that 41 percent of the respondents regard themselves as neither winners nor losers in the process of Europeanisation. Consequently, the split between the winners and losers of Europeanisation contributes to the observed value divergences. However, the effects are not strong enough to fully explain them. There is a small group of self-perceived losers of European integration who clearly evaluate Europeanisation negatively and reject European values. The tendency of governments in some of the states studied to fundamentally criticise the course of European integration or even to wage a campaign against the EU finds strong resonance among this group. Targeting this group with measures that mitigate the negative effects of Europeanisation could potentially increase support for European values in CEE. Considering societies as a whole, however, EU integration continues to be perceived by a majority as a force for “good” in economic and societal terms. The fact that the 40 percent of respondents who can be considered as winners assess the societal and economic impact of European integration positively is an encouraging signal. From a European perspective, this group requires special attention and support.

Limited Anti-Liberalism: Clear majority willing to learn from the EU

The Anti-Liberalism Thesis has a broader focus than the Cleavage Thesis. It explains the rejection of European values in CEE by observing historical experiences in the aftermath of Soviet rule. The basic assumption is that the liberal transformation of the economy and society and the associated rapprochement with Western Europe after 1989 led to great, at least perceived, losses and provoked fear of personal social decline, a loss of identity, and inferiority complexes. The EU's values are, therefore, rejected as part of the liberal social and economic model introduced in the CEE countries after 1989.

Anti-Liberalism Thesis: *European values are rejected by the total population in CEE because they associate them with negative consequences of the implementation of cultural, political, and economic liberalism in their countries after 1989. Electoral victories of authoritarian-populist parties can be explained by their successful counter-narratives to liberalism and their popular support.*

If the respondents are divided into culturally, politically, and economically liberal and anti-liberal respondents, the following picture emerges: Only slightly less than 13 percent of the respondents show a closed politically illiberal attitude, i.e., they largely reject the rule of law, pluralism, and freedom of the press. 47 percent can be described as consistently politically liberal. The remaining respondents gave partly contradictory answers in this regard and, for example, supported the rule of law but favoured restrictions on the freedom of the press. Thus, their responses fell into neither category.

Those who reject non-discrimination, gender equality, equal treatment of religions, individual liberties, and minority rights can be described as culturally illiberal. They represent slightly more than 7 percent of the respondents in our public opinion poll, whereas 36 percent are considered as being culturally liberal. The remaining respondents gave partly contradictory answers by, for example, supporting gender equality but rejecting the equal treatment of religions.

With regards to economic liberalism, the trend is reversed: 62 percent reject the need for income disparities to create performance incentives and strong state intervention in the economy and take thus an economically anti-liberal stance. Only slightly less than 19 percent approve such components and can be classified as economic liberals.

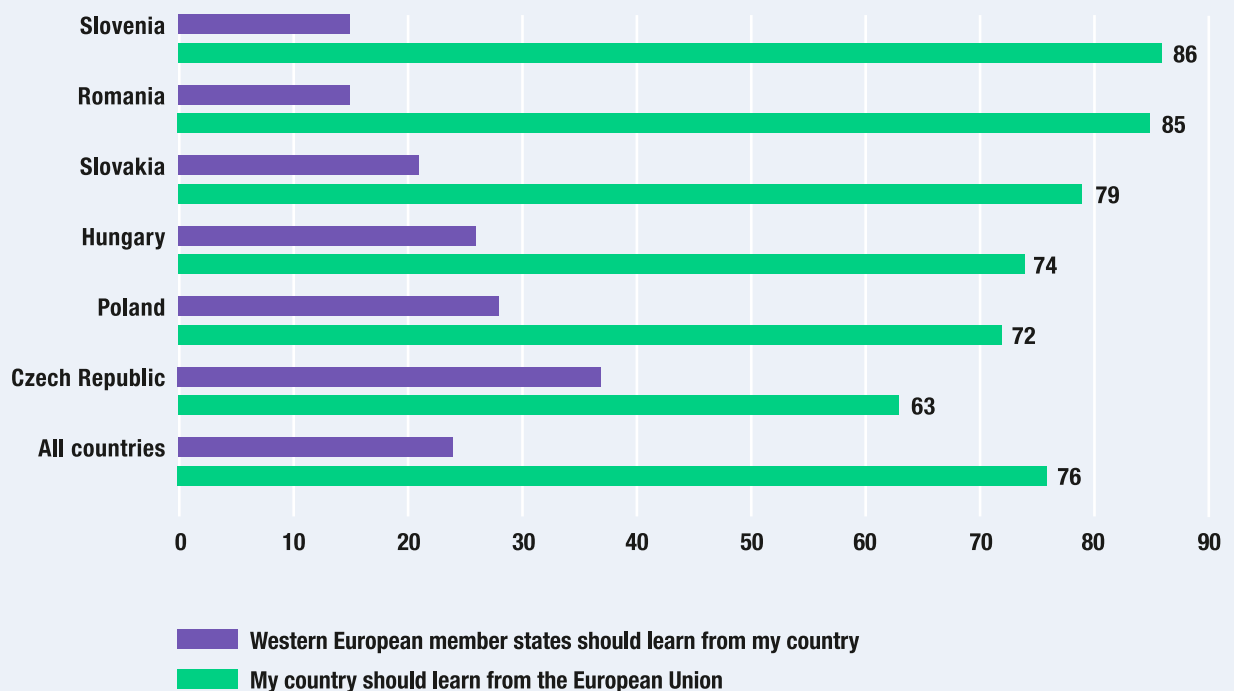
Only a small minority of the CEE population holds explicitly illiberal cultural and political attitudes, which strongly contradicts the Anti-Liberalism Thesis. It is only with regards to economic liberalism that a majority expresses a negative opinion. According

to the Anti-Liberalism Thesis this group would have to show a strongly negative attitude towards the EU, since they associate it with an open and defenceless national economy and hold it responsible for the decline of the welfare state. However, the opposite holds true: Our public opinion poll shows that those with an economically anti-liberal attitude regard their country's EU accession and its effects on the economy and society very positively. Additionally, they express far more positive opinions about many EU values than those with economically liberal attitudes. For example, only 6 percent of them reject gender equality, while 37 percent of economic liberals do so, and only 9 percent of them want to restrict the freedom of the press, which is opposed by 34 percent of economic liberals. These findings offer the EU room for manoeuvre: large parts of the population of the CEE

countries are likely to approve the EU promoting an active social policy, which could potentially improve the reputation of the EU and its values.

It is the politically and culturally liberals, together with the economically anti-liberals, who assess EU values and influence as extremely positive. In this way, they reflect a general trend in the societies of the CEE countries. Large segments of the region's overall population support EU integration and point to its positive impact on the economy and society (figures 3 and 4 above) as well as on their personal economic situation (figure 5 above). Additionally, an overwhelming majority rejects interfering with EU values, such as freedom of speech, the freedom of the press, and anti-discrimination legislation. 76 percent state that their country should learn from the EU (figure 6).

FIGURE 6: LEARNING FROM THE EU (IN PERCENT)



Question: “Following 1989, Western European countries expected your country to learn from the EU. Today, who should learn from whom?” Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

This stands in stark contrast to Hungarian Prime Minister Viktor Orbán's statement that nowadays an alternative model of society exists in CEE from which the rest of Europe should learn, not the other way around. A majority of respondents want the EU to provide greater protection for individual freedom (58 percent) and democracy (61 percent) in their country. Only about 20 percent think that EU accession has worsened their personal situation and that of their country.

In view of those findings, the Anti-Liberalism Thesis does not apply to the population of the CEE countries in general. Only those respondents who negatively evaluate the effects of the EU on their society, economy, and personal situation are also more likely to reject the values of the EU. They cite tolerance, non-discrimination, and democracy less frequently as their most important values compared to those who consider EU accession a success. They are much more strongly opposed to pluralism, individual liberty, and migration, and are more likely to believe that Christianity should have a privileged position in their country compared to other religions. They are also more likely to believe that gender equality is undermining traditions and that the EU should not support freedom and democracy in their country. It is solely for this group, which is only represented by slightly less than 10 percent of respondents, that the Anti-Liberalism Thesis holds true. For this group, the rejection of EU values appears to be a backlash against the liberal transformation after 1989 and its consequences.

Strategic Populism: Anti-EU elitism is not based on citizens' preferences

In contrast to the other theses discussed, the Strategic Populism Thesis does not assume that the values espoused by citizens are the reason for the autocratic tendencies observed in the region. Governments and parties that propagate illiberal values are not responding to the wishes of the population. Instead, they are primarily pursuing the goals of securing power and rent-seeking.

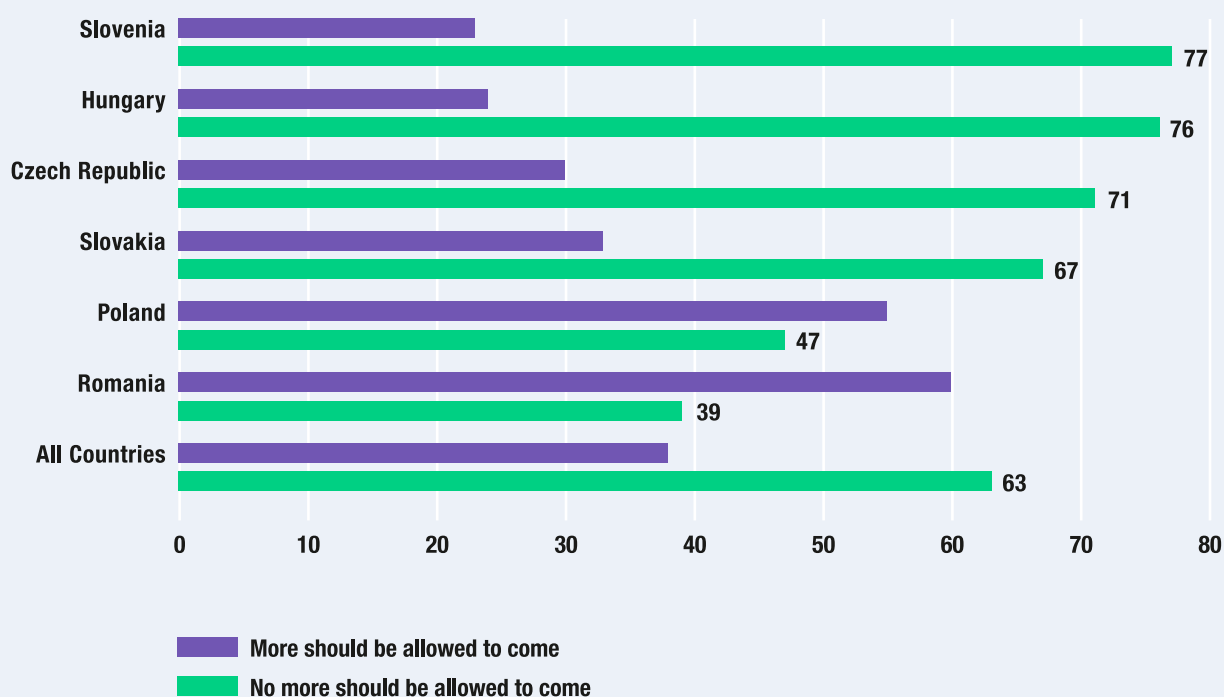
Strategic Populism Thesis: The populist policies of some governments and parties in the countries studied, which show illiberal and authoritarian tendencies, are a strategy to secure power by a leading personality or party that does not correspond to the values of the citizens.

The overwhelming support for European integration and the strong support for most EU values in all six countries supports the Thesis of Strategic Populism, which proposes that the illiberal positions of some CEE governments do not represent citizens' interests.

By constructing "Brussels" as the reincarnation of an "elite", illiberal governments are not representing the limited Euroscepticism of citizens. They are using their populist rhetoric for strategic reasons to discredit political opponents who support European integration and to secure power instead. The rhetorical exclusion of certain members of society corresponds to the views of only a rather small proportion of respondents who reject values such as pluralism, minority rights, and anti-discrimination measures. Yet, the strategy of hostility towards foreigners, and especially refugees, corresponds to the opinion of a majority of respondents in the Czech Republic, Hungary, Slovenia, and Slovakia. In Poland and Romania, however, majorities of 55 percent and 60 percent of respondents believe that more refugees should be allowed to come (figure 7).

The fact that differences exist between the value priorities of governments and citizens in CEE countries is crucial in order to successfully counter autocratic developments with targeted measures. In some policy areas, such as migration policy, the rejection of common European solutions by CEE citizens must be taken into account, while in other policy areas, such as the common internal market, CEE governments would lose citizens' support if they jeopardised the benefits of European integration. Therefore, economic integration is a powerful lever to facilitate trade-offs in EU decision-making that has not been sufficiently exploited so far.

FIGURE 7: ATTITUDE TOWARDS ASYLUM POLICY (IN PERCENT)



Question: "In your opinion, how many refugees should be allowed to seek refuge in your country?"

Source: Own public opinion poll and presentation. Data is weighted and excludes missing answers.

Value divergence in CEE and the role of strategic populism

The analysis of the developments in the six countries studied, as well as the testing of the theses, cannot provide a definitive conclusion about the role and effects of value divergence in view of Art. 2 TEU. One open question concerns the exact scope and extent of such a value divergence. The issue of refugees represents the liberal European value with the highest rejection rate among the respondents: 63 percent in total. Equal treatment of religions is questioned by 29 percent of respondents, which is far from a majority. Rejection rates for all other liberal European values are even lower (only about 15-25 percent of respondents). Hence, the question actually is whether we can observe any value divergence at all among CEE countries. A majority at least does not explicitly reject liberal values. If we cannot observe a decisive value divergence, the question remains how, under these circumstances, illiberal

governments, which openly disregard EU values, could come to power in countries like Hungary and Poland.

To explain this phenomenon, the Thesis of Strategic Populism offers great explanatory potential. It shows that the illiberal positions of some governments do not coincide with the values of the population. Rather, authoritarian-populist rhetoric serves to mobilise supporters (who, however, do not represent a majority of the population). This group consists primarily of self-perceived losers of Europeanisation (Cleavage Thesis), persons with low educational qualifications (Thesis of Value Change), and culturally as well as politically illiberal and economically liberal minorities of the population (Anti-Liberalism Thesis).

In some countries, by building up friend-foe schemes, exploiting existing discontent, and staging large, coherent political narratives, governments have come to power despite their values

being rejected by the majority of the population. In Hungary and Poland, these governments subsequently began to restrict the mechanisms of the rule of law, the independence of the judiciary, and the freedom of the press in order to secure their long-term hold on power.

Policy recommendations

Countering illiberal policies and combating the dismantling of democracy and violations of the rule of law must be a priority for the German government and the EU. While the extent of illiberal and anti-EU tendencies differs across the region, the situation in Hungary and Poland has already reached a breaking point given the ongoing dismantling of the rule of law. Governments are using “Brussels” as a scapegoat for domestic political discourse and are presenting themselves as veto players who protect national sovereignty. This impairs European decision-making processes and calls into question the cohesion of the EU as well as its internal and external capacity to act. The political calendar shows how urgent immediate action is: Shortly after the European Parliament elections in the spring of 2024, Hungary and Poland will hold the EU Council presidencies in the second half of 2024 and the first half of 2025 respectively. This poses the risk that legislative processes will be hampered, if not completely interrupted, for an entire year – just when a new EU leadership will be taking over following the 2024 European Parliament elections.

In light of our research findings, we recommend a set of preventive and corrective measures aimed at demonstrating quick and effective action in areas of conflict, but also stronger engagement in cooperative areas. The proposed toolbox builds on existing mechanisms for safeguarding democracy and anticipating violations of the rule of law. However, since this study focuses on the aspect of value divergence, we are widening the scope of recommendations by adding the economic and civil society dimensions to the legal and political ones.

Making full use of the toolbox to protect the rule of law

Any policy against strategic populists must be presented with clarity, coherence, and assertiveness. The results of our poll highlight the fact that an overwhelming majority of the populations of the countries studied has a positive image of the EU. In fact, 76 percent believe that their country has something to learn from the EU, and almost two-thirds would like to see the EU become more involved in their country in order to support freedom and democracy. The construction of “Brussels” as a scapegoat thus finds little resonance among the overall population. Consequently, the EU can and should have a clearer and rigid stance towards the governments in question and eventually put them under domestic political pressure.

The German government should, therefore, urge the full exploitation of all existing mechanisms to effectively counter systemic threats to the rule of law in individual member states. In particular, Art. 7 TEU should be applied, even if in practice the activation of its measures is very unlikely, as the mutual protection of Hungary and Poland makes it impossible to achieve the required unanimity in the Council. Nevertheless, assessing the clear risk of a serious breach of the rule of law would have a high symbolic value and would send the strong political signal that the remaining 25 member states disapprove of the dismantling of democracy in both countries. This is particularly important because the Council’s inactivity in the proceedings against Poland and Hungary is increasingly undermining the EU’s credibility both internally and externally.

In addition to these political instruments, the European Commission should, where possible, make full use of the legal instrument of infringement proceedings. The Commission has already done so successfully in the case of Hungary and Poland. In the event of refusing to implement the judgements of the Court of Justice of the European Union (ECJ),

the Commission should also be further encouraged to propose to the ECJ that it impose fines, as was implemented for the first time in the case of the ECJ judgement on the Polish judicial reforms. However, decision-makers should not shy away from political responsibility or rely too heavily on the ECJ, as this, in the long run, could undermine the court's legitimacy. In essence, the question of the rule of law in the EU remains a political problem that cannot easily be solved in purely legal terms.

Implement rule of law conditionality and sharpen the mechanism for the future

In addition to Art. 7 TEU and the legal instrument of infringement proceedings, the economic interests of strategic populists in particular provide the German government and the EU with leverage to exert influence. In all of the CEE countries studied, there is widespread social acceptance of the positive influence of the EU on the respective national economies. Funding from the EU's structural, cohesion, and agricultural funds is an important factor for economic growth, employment, and economic convergence in the region. The Rule of Law Mechanism adopted with the new MFF 2021–2027 and in force since 1 January 2021 is a key instrument of the EU to act against the dismantling of democracy and violations of the rule of law. The mechanism applies to certain violations directly linked to the EU budget in order to protect against abuse and safeguard the EU's financial interests. In April 2022, two days after the renewed electoral victory of Hungary's Prime Minister Viktor Orbán, Ursula von der Leyen announced that the Commission is going to trigger the conditionality mechanism against Hungary. Against this background, the German government should support the Commission's effort to safeguard the rule of law in accordance with the new mechanism. Furthermore, it should already initiate a dialogue to sharpen the mechanism for the following budget period.

Anchoring the rule of law as a priority on the EU agenda

The problem of the dismantling of democracy, particularly in Poland and Hungary, is attracting increased public attention. It is becoming clear that the restriction of the rule of law affects the entire EU and is not a purely national matter. Therefore, the German government should proactively advocate the protection of democracy and the rule of law, making it a permanent topic on the EU's political agenda. The Commission's Rule of Law Report is a first important step towards a permanent dialogue to discuss the safeguarding of the rule of law in the Council and thereby prevent the dismantling of democracy. An evaluation of the instrument, which was introduced in 2020, should be carried out quickly. It is a positive signal that the Council has demonstrated the willingness to consider the possibility to include policy recommendations in the next set of reports. In addition, in the long term, the evaluation of the rule of law in the member states should be carried out by an independent agency in order to refute the accusation of politicisation and double standards. In addition, a possible linking of the reports to financial consequences should be examined.

In general, the German government should cooperate more closely with like-minded member states and institutionalise the group of the "Friends of the Rule of Law" more strongly. Additionally, together with its partners, it should seek open discussion with the governments concerned, both at the European level and in bilateral relations, whenever the risks of the dismantling of democracy become apparent. This applies in particular to the case of a government taking constitutional measures in the areas of freedom of speech and the freedom of the press, party and electoral law, and the independence of the judiciary. Where possible, the European party families' channels should also be used to repeatedly address democracy and the rule of law and to sanction violations in this area if necessary. This would send an important signal of solidarity to the pro-European civil society in the region and demonstrate that it is not on its own fighting against democratic recession.

Preventing blockades, exploiting the potential of the Lisbon Treaty

Making use of the potential of differentiated integration is another instrument against strategic populists: The governments in Hungary and Poland in particular act as veto players in order to present themselves as protectors of national sovereignty at the national level. As a result, European decision-making processes are suffering and the risk of an institutional blockade is growing. The German government should, therefore, actively promote initiatives that aim to make the EU institutional framework more resilient by making full use of the provisions of the Lisbon Treaty. These include extending qualified majority voting to foreign policy and increasingly applying the instrument of enhanced cooperation as a flexible form of treaty-based cooperation. However, this should be handled with care, as differentiated integration could also develop centrifugal forces that could deepen existing rifts in the EU.

Our public opinion poll shows overwhelming support for economic integration among the CEE population. As the respective countries are highly dependent on the economic benefits of the single market, differentiated integration in certain policy areas, especially on internal market issues, offers leverage to reach compromises and to push for necessary reforms. In the area of migration, differentiated integration is not suitable as a means of exerting pressure, as the CEE societies support the positions of their governments and also tend to be sceptical about accepting refugees.

Exploiting economic potential

For all the countries examined in this study, Germany is by far the most important trading partner. German companies have created thousands of jobs through numerous investments and have thus contributed significantly to the economic growth of the region and to good bilateral relations. These developments are to be welcomed and promoted wherever possible.

However, in states like Hungary, where the dismantling of the rule of law, the undermining of democracy, and the restrictions on the freedom of the press continue to progress, the dependence on large-scale German investments should be used as a lever to counter illiberal trends. Large German automobile companies in particular maintain good relations with Hungarian government circles and, with their investments, are an essential pillar of the stability of the Hungarian economy.

German companies thus bear political responsibility and should use their good relations and significant investments to support the rule of law and democracy in the region. The German government should, therefore, consider possible steps to show German companies their room for manoeuvre and make them aware of their responsibility. At the European level, mechanisms could be established that make it difficult to invest in countries against which rule of law proceedings are underway until the proceedings have been successfully concluded.

Make fighting corruption a priority in the EU

Fighting corruption and the rule of law are closely intertwined. In all the countries studied, corruption is regarded as a fundamental problem that undermines trust in political institutions. Therefore, the German government should actively advocate a comprehensive European anti-corruption strategy at the European level, which should be anchored as a cross-cutting issue, for example within the framework of the European Semester. The mandate and independence of the European Anti-Fraud Office (OLAF), which investigates cases of corruption in the use of EU funds, should be further strengthened.

The newly established European Public Prosecutor's Office, which is to investigate and prosecute the corrupt use of EU funds, currently only includes 22 member states. The German government should urge all non-participating member states, including Poland and Hungary, to sign up.

Create opportunities: Promote digital, environmental, and social transformation

In the coming years, CEE countries will face a difficult transformation of their industries due to digitalisation, climate policy, and the economic consequences of the COVID-19 pandemic and the Russian war against Ukraine. For Germany, which has strong economic ties to the region, it will be crucial to support the respective countries at an early stage. Otherwise, there is a risk that the economic dimension will become another divisive issue on top of the existing political conflict over values and the rule of law.

More attention must also be paid to the social aspects of the new post-industrial revolution. The costs involved should not prevent the necessary steps being taken towards a digital and carbon neutral economy. However, the impact on the economic situation of citizens must be mitigated. The new transformation entails opportunities for further economic growth. The EU must seize this opportunity to create new jobs and allow citizens to take part in the potential economic growth. If the economic transformation fails and more people are lost in this process, the still rather small group of self-perceived “losers of Europeanisation” in the region may grow significantly and the post-industrial transformation could thus become a driver of value divergence.

The German government should actively promote bilateral and multilateral partnership dialogues with the CEE countries in order to strengthen innovation and investment in the fields of climate and energy policy and digitalisation, and actively involve them in the debate on the strategic autonomy of the EU with regards to essential economic infrastructures. Furthermore, the German government should recognise the demands of the CEE countries to mitigate the social effects of the new post-industrial revolution and support appropriate measures at the European level. It should also actively advocate the further development of a European social policy.

Strengthen civil society as well as local and regional cooperation

This study shows that an overwhelming majority of respondents who perceive themselves as winners or not affected by Europeanisation assess the effects of European integration on the economy and society positively. On the one hand, this added value of the EU needs to be communicated better, thereby strengthening the pro-European orientation of the societal majority in the CEE countries. On the other hand, civil society as well as municipal and regional cooperation should be expanded in order to build on these positive attitudes. Connecting and fostering exchanges between civil society organisations as well as between municipalities, cities, and regions should be promoted as long as this is still possible. The German government should, therefore, explicitly focus on promoting bilateral and trilateral dialogue formats, especially for younger generations, including young leaders, and provide municipalities, cities, and regions in Germany with additional funds for bilateral cross-border projects.

At the European level, financial support for civil society projects in CEE countries that defend European values in the respective countries, as proposed by the European Commission in a series of action plans and the new programme “Citizens, Equality, Rights and Values,” should also be expanded. In addition, EU funding should be distributed directly to civil society organisations independent of the approval of national governments or other state authorities.

Rethinking coalition building: Preventing the formation of a Eurosceptic bloc

Governments in CEE continue to see Germany as a key European partner and would like to see it become more involved in the region. The German government should, therefore, take the initiative and specifically

approach pro-European governments in the region to intensify bilateral relations. Maintaining and rebuilding trust are the basis for shaping the digital and ecological transformation and countering the formation of a unified Eurosceptic bloc.

Consequently, and more importantly in view of Hungary's increasing veto positions, the German government should rethink its approach to coalition-building and engage more actively in bilateral and multilateral formats to push for stronger cooperation, particularly in the economic sphere. It should start and support initiatives that cross existing lines of conflict, e.g., involving representatives from the European South, such as Spain or Italy, or from the "Frugal Four," such as the Netherlands or Austria. To this end, several bilateral and multilateral fora should be established in which these kinds of dialogues take place. Due to its geographical and historical proximity to the CEE countries, Germany should see itself primarily as a bridge builder.

Such coalitions can help to communicate credibly to those societies affected by the dismantling of democracy exactly why the fundamental EU standards are worth protecting and, furthermore, that the EU will objectively take action against any government that undermines EU law. Strong statements from other CEE governments would also be very helpful in this regard.

Methodology

This paper is based on a study investigating values and value perceptions based on a representative public opinion poll in six CEE countries (Poland, Romania, Slovakia, Slovenia, the Czech Republic and Hungary) that the Institut für Europäische Politik commissioned from Latana.

The public opinion poll was conducted in April and May 2021 with an overall sample of 5253 respondents. The online poll was conducted in the Czech Republic (n = 881), Hungary (n = 899), Poland (n = 900), Romania (n = 880), Slovakia (n = 798) and Slovenia (n = 895).

The results are nationally representative of basic demographics.

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