

The EU and United States Must Refocus on Central and Eastern Europe after Coronavirus Democracy Threats

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The coronavirus pandemic is having widespread repercussions across Europe. One of them is governments adopting extraordinary emergency measures and imposing restrictions on the freedoms of citizens in order to prevent the collapse of their healthcare systems. In Central and Eastern Europe, where several countries have been backsliding in terms of democracy and rule of law for some time, the crisis is giving an opportunity to governments to increase their powers and restrict civil rights to a dangerous degree.

Looking back, the accelerating deviation of countries in the region from European values and the European democratic mainstream over the past decade was largely made possible by the exclusive focus of EU stakeholders on saving the euro between 2008 and 2015, when the negative trends could have been easily halted at an early stage. The same mistake should not be repeated in the coronavirus crisis. At the same time, the United States has neglected the region in recent years, when it should have been playing a stronger role in shoring up its democracies.

Democratic Decline Accelerates

Central and Eastern European countries, especially Hungary and Poland, have been the vanguard of advancing authoritarianism in the EU for several years. While the pandemic has led to democratic principles and fundamental rights being curtailed throughout the union, the exploitation of the crisis by incumbents in Central and Eastern Europe often goes much further and can only be labeled deliberate authoritarian power grabs.

Hungary is again the pioneer since its parliament passed an Enabling Act that provides time-unlimited and practically uncontrolled full emergency powers to the executive. The law also criminalizes allegedly misleading media coverage that may hamper the government's efforts in combatting the pandemic.

Since the act was adopted, state funding to political parties has been halved, bringing the opposition to the verge of financial collapse. Arbitrary fines imposed by the State Audit Office on certain opposition parties further aggravate the situation. The government filed a motion for legislation to ban legal gender recognition for transgender people. Local taxes and other income sources of municipalities have been curtailed by the government although they are at the forefront of the fight against the coronavirus—clear retaliation to the opposition successes in last year's municipal elections. The financial and technical details of the Belgrade-Bu-

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dapest railway line deal, the largest Chinese infrastructure development project in the region, have also now been classified for ten years.

In Poland, there is a high risk of serious electoral manipulation in the May 10 presidential election due to a last-minute amendment to the electoral code. Adopted at the end of March by the lower house of parliament that is controlled by the ruling Law and Justice party, this may only come into force a couple of days before the elections. The amendment stipulates that the election shall be conducted wholly as a postal vote as a result of the health risk posed by the pandemic. However, Poland does not have any experience with postal voting, which was not included in the electoral code until now. The short deadline will not allow the necessary preparations by the electoral administration. Furthermore, the very likely chaos around the delivery and counting of the ballots will offer a golden opportunity for fraud.

There are concerning developments present in other countries in the region as well. Bulgaria has adopted a law similar to Hungary's, which criminalizes critical media reporting about the government's anti-pandemic efforts. In Slovenia, the government of Janez Jansa—one of the closest political allies and admirers of Hungary's Prime Minister Orbán—has also exploited the crisis, suspending public-tendering rules in order to grant high-value contracts for medical supplies to political cronies whose companies have no experience in the health-care sector.

Growth Champions Fall III

The coronavirus crisis might well end the story of economic growth for the Visegrád Group countries—the Czech Republic, Hungary, Poland, and Slovakia. Since 2013-2014, they have played heavily on their image of being the EU's growth champions. In raw numbers, this was somewhat true, even if their growth was not necessarily organic but largely fuelled by EU financial transfers. Now, the outlook is more than sobering. Since the Czech Republic, Hungary, and Poland are not members of the eurozone, they do not have access to a large chunk of the financial resources the EU is making available to counter the recession and boost economic growth. Their sovereigntist monetary policies, after 16 years of ignoring their treaty obligations to adopt the euro, might backfire now in the face of a serious economic recession.

The economies of the Czech Republic, Hungary, and Slovakia are heavily dependent on exports, and on the supply chains and performance of Germany's car industry in particular. Although the Czech economic stimulus package as a response to the crisis was highly praised, being the third largest in terms of share of GDP in the EU, most Central European countries have rather weak financial capacities to finance significant domestic stimulus packages on their own. Considering the low innovation capacity of many economies in the region (except in the Czech Republic) and the technological and structural changes caused by the crisis, the economic good times of Central Europe could be soon over.

An economic recession might, however, be an opportunity to address the democratic recession in the region, as it could allow the EU to attach hard conditionality to financial transfers. However, it is highly likely that a recession will also further open up the region to assertive foreign powers, especially if the disintegration of supply chains results in lower trade between the Central European countries and the rest of the EU and thus in their lower dependency on the single market.

Cherry-picking EU Norms

The Czech Republic, Hungary, and Poland were among the first countries in the EU to close their borders in response to the pandemic. As this was in a rather uncoordinated way, it caused serious disruptions in supply chains and impeded the return home of thousands Bulgarian, Romanian, and Baltic-states citizens. In some respect the closures were rational: considering the region's underfinanced and understaffed healthcare systems, radical and early shutdowns were one of the few tools available to governments to slow down the spread of the virus. If there is a second wave of infections after restrictions are lifted, similar unilateral moves undermining freedom of movement might occur.

One more consequence of the pandemic, would be further normalizing the idea of member states being free to ignore commitments to fundamental rights under the pretext of a genuine or manufactured crisis.

If further large-scale disruptions of supply chains and the free movement of EU citizens—including their right to return home—are to be avoided, the challenge of unilateral border closures should be addressed through much faster coordination mechanisms among governments. Against that backdrop, one will probably see more “shoot first, ask later” mentality from the region's governments when it comes to cherry-picking which EU policies and measures to drop or follow, especially related to the Schengen Zone and freedom of movement. If that is the case, one more consequence of the pandemic would be further normalizing the idea of member states being free to ignore commitments to fundamental rights under the pretext of a genuine or manufactured crisis.

The EU and United States Are AWOL

The deterioration in democracy and rule of law in Central and Eastern Europe has been alarming for some time and the coronavirus pandemic can make it much worse. It is more crucial than ever for the EU and the United States to engage decisively on this front in the region, and even more so given that China and Russia will use the opportunity the crisis offers to extend their influence there.

The different EU stakeholders have to develop the capacities to address and manage multiple parallel crises and finally take seriously the threats posed by the region's democratic decline, looming economic and social instability, and increasingly selective application of EU policies by member states. Unfortunately, statements relativizing the threats, like Commission Vice President Vera Jourova's latest interview that rubber-stamped Hungary's Enabling Act as compliant with EU law, demonstrate that the threat perception of EU institutions is still underdeveloped.

The United States must also be involved in countering the autocratization trends in Central and Eastern Europe, but its diminishing presence and influence there is unmistakable. In the context of the pandemic, the United States as strategic ally has practically no offer and no message to the region's countries, in sharp contrast to China or even Russia. If challenging the growing Chinese influence in Central and Eastern Europe is still a U.S. goal, Washington needs a broad and flexible package of political, financial, and trade offers. Providing military security in the region will not be enough to counterbalance China's offers under the Belt and Road initiative. And this should not mean competing with China by making resources available without proper political and transparency conditionality, which would further strengthen autocratizing elites.

The various interests of the EU and of the United States are best served by Central and Eastern Europe having democratic societies and transparent political elites. They both need to engage more proactively with the region's political deterioration, which the coronavirus is worsening, and their engagement with these countries must be conducted with that ultimate goal in mind.

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