20. Constructing illiberal counterhegemony: Orbán's transnational project as consequence and cause of Europe's polycrisis

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INTRODUCTION

Ever since its establishment in the wake of the Second World War, American-led Western global hegemony has produced its detractors and contestants. In the 21st century, the relative economic decline of the West and the erosion of the world's neoliberal order indicate a fundamental reshaping of global power relations, possibly presaging instability or even conflict. The rise and expansion of the BRICS, with China as its leader, have ushered in a trend towards bi/multipolarity, state capitalism, and Westphalian-like geopolitics (e.g., Alami and Dixon, 2020; Lavery and Schmid, 2021).

To some analysts, these developments signify a premonition of 'post-neoliberalism' (Davies and Gane, 2021). Contemporary hegemonic neoliberalism – broadly understood, including both economic neoliberalism and (progressive) liberal civic and political values – is also contested by 'illiberal' forces from within the Western core. In Europe, illiberal national politics have eroded the rule of law, respect for minorities, and pro-European Union (EU) politics. This constitutes yet another dimension of Europe's polycrisis and its ostensible disintegration (see Introduction to this volume). In fact, Europe's polycrisis is aggravated by the consolidation of illiberalism across national borders in a *trans*national political class aspiring to construct a counterhegemonic movement.

The illiberals contest hegemonic neoliberalism for various ends, yet above all, share both a taste for unrestrained national executive power and dissatisfaction with external interference in this national power.[1] Constraints posed by supranational EU institutions, foreign capital actors, and domestic legal

institutions, are all unwanted checks on the autocratic rule preferred by European illiberals. Given their predominantly (radical) right-wing character, illiberal politics are generally directed against migrants, gender equality, and climate policy. On other terrains, including foreign policy or (socio)economic policies, substantive objectives differ more starkly; yet European illiberals find agreement on uniting against constraining forces to their national autonomy even in these cases.[2] One of the primary sources and drivers of the transnationalisation process lies in Viktor Orbán's 'illiberal democratic' regime in Hungary, announced in 2014 to mark his supposedly new regime model – which indeed resembles a hybrid mix of democracy and authoritarianism (Bozoki and Hegedüs, 2018). The extant literature on illiberalism has, however, left the mechanisms of illiberalism's transnationalisation largely unaddressed (Holesch and Kyriazi, 2022: 15; Buzogány and Varga, 2023: 51).

In this study, we build on the neo-Gramscian critical political economy literature on the liberal transnational ruling elite and its global hegemonic rise (e.g., Cox, 1981; Bieler and Morton, 2004; Jessop and Overbeek, 2019) to analyse how the transnational illiberal political class is being constructed by Orbán's regime and its European associates (e.g., Fabry, 2019; Worth, 2019; Kiely, 2020; Scheiring, 2022; Monaco, 2023). Drawing parallels with the transnational politics of building 'embedded liberal' hegemony after the Second World War (e.g., Ruggie, 1982; Morton, 2003; van der Pijl, 2006), we aim to capture the mechanisms of today's 'subaltern forces' of transnational illiberalism. Embedded liberalism promoted free markets, social cohesion and open society politics, which was succeeded in Europe by embedded *neo*liberalism (van Apeldoorn et al., 2009, see also, Introduction to this volume) in a period of deepening marketisation and financialisation. The illiberal countermovement is a reaction to this late-stage hegemony, in the face of financial and migration crises. It gives political form to a backlash against neoliberalism in both the economic (e.g., by protecting domestic capital interests) and sociopolitical realms (e.g., with anti-immigration, anti-liberal rights policies).

More specifically, we ask who the defining members of the transnational illiberal movement of the 2010s and 2020s are and what instruments they use for this counterhegemonic class formation process. The four mechanisms we identify are financial support, trade and investment, platforming, and safeguarding. Based on this analysis, we reflect on the implications for the (in) stability of the neoliberal status quo as part of the EU's polycrisis. With these, we make a two-pronged scholarly contribution. First, we apply neo-Gramscian theory to transnational illiberal politics by using insights on the mechanisms of hegemony-making from the post-war embedded liberal context. Second, we assess the specific mechanisms of this illiberal counterhegemonic project to shed light on its significance to the EU polycrisis.

In what follows, we first sketch our neo-Gramscian theoretical framework. Then, the empirical analysis outlines the first part of our comparison: how embedded liberal hegemony was built in the post-war period. Next, we examine the other part, how the transnational illiberal political class has been forged. We conclude by comparing these processes and discussing the ramifications of transnational illiberalism for Europe's polycrisis.

THE NEO-GRAMSCIAN THEORY OF HEGEMONY

In contrast to other theories of hegemony (Bieler and Morton, 2004), neo-Gramscian approaches understand the concept as 'an expression of broadly-based consent, manifested in the acceptance of ideas and supported by material resources and institutions' (Bieler and Morton, 2003b). Alongside the significance of consensus, latent coercion and the suppression of dissent are also integral to any hegemonic project (Cox, 1983). The original formulation by Robert Cox (1981) created a unique critical theory of hegemony, which examines its historical origins (Morton, 2003) and their potential discontinuity through *counterhegemonic* projects. The key idea is that before marshalling sufficient material capacities to disrupt the hegemonic power base, challenger states confront world orders through 'softer' means of ideological contestation (Cox, 1981: 236–9). Neo-Gramscian analyses of 20th-century embedded liberalism and the subsequent neoliberal hegemony pointed at external 'Hobbesian' contenders but also at rivalries from *within* the 'Lockean heartland' (van der Pijl, 1979, 2006). Contemporary accounts suggest that 'nationalist populism' is a homegrown counterhegemonic movement against neoliberalism (Bieling, 2019). We present the core tenets of this theory of hegemony in the context of the 'illiberal democracy' project of Viktor Orbán. Orbán, as leader of the ruling Fidesz party and Prime Minister, has governed Hungary since 2010. He turned his domestic project into a larger counterhegemonic aspiration by serving as one of the fomenters of a transnational illiberal political class. In what follows, by relying on the neo-Gramscian theory of hegemony, we consider in turn: a) the material, institutional and ideational factors as relevant instruments for this transnational class formation; b) the array of agents beyond capital actors or narrowly conceived states; and c) the transnationalisation of hegemony beyond the Hungarian state.

First of all, the neo-Gramscian theory emphasises that not only economic and institutional resources are significant to (relative) power relations. Ideology is needed to pacify and structurally embed power through the acceptance of its legitimacy (Bieler and Morton, 2004). Following Cox (1981: 217–19), ideas, as distinguished from material capabilities, refer to both intersubjective understandings of social reality and the collective images behind legitimacy, morality and knowledge, i.e. ideology. In this context, institutions are the means

to promote a hegemonic structure's ideology and maintain the order's power relations.

The distinction between economic, institutional and ideational means of hegemony is largely analytical, given the reciprocal relationship between these three factors, implying that the 'social relations of production' are both concerned with material and ideational facets. Counterhegemonic efforts are initially focused on ideological contestation, yet the 'material structures of ideology' (Bieler and Morton, 2003a: 479), the enabling function of material capacities for the spread of ideology, are also crucial. The four primary mechanisms of our analysis outlined below correspond to the multiplicity and interrelatedness of relevant factors for building a new transnational class and counter-hegemony.

Second, neo-Gramscian theory is non-state-centric. Social forces in the neo-Gramscian state conception cover not just institutionalised actors with governing powers but also incorporate civil society (Bieler and Morton, 2004: 91–2). The 'political state' and civil society have an interdependent relationship as a social relation in state/society complexes (Cox, 1981; Bieler and Morton, 2003b). Similar to Poulantzasian views, neo-Gramscianism does not regard the state as a mere function of dominant capital interests but rather as having relative autonomy (Bieler and Morton, 2003a: 485–9; Morton, 2003). The actors composing a hegemonic class are not state-business elites alone but also organic intellectuals who actively shape, disseminate, and contribute to the formulation of the new hegemonic ideology (Gramsci, 1971; Cox, 1981).

Within this complex theoretical construct, our present analysis focuses on the *political class*, the partisan actors with institutional representation and/or holding executive power. This focus is substantiated by the importance of political parties and governments in emerging transnational illiberalism for facilitating the spread of an alternative ideology, forging transnational state/society coalitions, and as the only agents capable of implementing illiberalism through legislative processes. Thus, while diverging from the Amsterdam School's emphasis on capital interests, we stay close to Gramsci, who saw political parties as *the* agents of counterhegemonic ambitions (van der Pijl, 2006: 17; Cafruny and Ryner, 2019; see also, Introduction to this volume).

Third, neo-Gramscianism sees hegemony as initially formed by a coalition of dominant social forces within the nationally-organised state-society complex, known as the social bloc (Cox, 1983; Bieler and Morton, 2004; van der Pijl, 2006). However, in some cases, hegemony can also be established by transnational social forces. Such an inter/transnationalisation of a combination of hegemonic as well as contesting domestic actors is a mode of consensus formation, transmitted through various instruments and channels. In this vein, we locate one of the originating sources of the transnational illiberal countermovement in Orbán's 'illiberal democratic' Hungary, from whence a

European, indeed a global, counterhegemony is being strived for (Bieler and Morton, 2003a). As such, our analysis contributes by moving beyond mere national manifestations of illiberalism (see Babic, 2020: 782) by engaging with previously understudied 'subaltern forces' from within the Lockean heartland (Bieler and Morton, 2003b; Morton, 2003), and by exposing these forces as less fragmented than often thought (Gill, 2016).

Following neo-Gramscian views on historical contingency (Bieler and Morton, 2003b), we compare two empirically distinct episodes of hegemony making. We first outline the mechanisms of the immediate post-World War II period of embedded liberal hegemony, after which we examine the 21st-century transnationalisation of illiberalism. These periods are similar in terms of the emerging status of both hegemonic projects. While the process of liberalism's hegemonic aspiration can be traced back to at least the Enlightenment, post-war embedded liberalism is the first liberal hegemony sufficiently underpinned by material supremacy and international institutions to serve as the basis for comparison. For both the liberal and illiberal episodes, we examine the logic of hegemony making by applying four distinct but interrelated mechanisms: financial support (e.g., party funding), trade and investment (e.g., in energy), platforming (e.g., conferences), and the safeguarding of members (e.g., with international institutions).

THE FIRST CASE: THE HEGEMONY OF EMBEDDED LIBERALISM

The originating source and driver of post-war embedded liberalism unquestionably is the United States (US). The pre-war Fordist production regime combined with Keynesian demand management and New Deal welfarism had first defined the American political economy, after which the US actively promoted policy strategies overseas to establish similar regimes in Western Europe. Yet, while American leadership was crucial, the US and its Western allies established embedded liberalism's global hegemony with the Bretton Woods regime of adjustably pegged exchange rates and convertible currencies, as well as relatively free trade in goods and services, in a concerted manner (van der Pijl, 1979; Ikenberry, 1989; Lundestad, 2003; Morton, 2003; van der Pijl, 2006).

The first mechanisms that established embedded liberalism in Western Europe were *trade and investment*. After extensive assistance during the war (e.g., the 1941 Lend-Lease Act) and post-war humanitarian aid, the Marshall Plan was initiated in 1948. According to Lundestad (2003: 78), it provided $14.1 billion for the economic reconstruction of war-torn Western Europe. The region's economic recovery, which was based on active macroeconomic management and Marshall financing (as well as debt relief), was compounded by

a massive influx of American direct investment and expanding trade. As van der Pijl (2006: 34–6) shows, this strategy constituted a class compromise that addressed potential communist temptations and placed the Marshall countries firmly in the American-led heartland.

The resulting hegemony was, though, as Ikenberry (1989) argues, neither based on intentional design nor on unilateral coercion but rather the result of failure, strategic readjustment, and collaborative compromise. The liberal multilateralism initially desired by the Americans failed due to Cold War dynamics. For varying and nationally contingent reasons, Western European governments themselves requested more American economic (and military, see below) involvement. Instead of imperial subjugation, the initial strategic objective of the Marshall Plan was to transform Europe into an independent 'third force' situated between the US and the Soviet Union (Ikenberry, 1989: 387; also van der Pijl, 1979, 2006). The Europeans, however, opted for their submersion into the West as one coherent power structure via, inter alia, NATO (which was formed in 1949; Lundestad, 2003: 48).

The West needed, second, to *safeguard* the new economic order and security of the embedded liberal heartland. The Bretton Woods institutions (the World Bank, IMF, and GATT) were created to regulate and cement its global economic governance (Morton, 2003: 161–62; van der Pijl, 2006: 27), whereas the United Nations buttressed the Pax Americana's liberal multilateralism. Although the American delegation overruled the British on several counts at the Bretton Woods conference, the system followed a broad consensus (Frieden, 2019). For Western Europe specifically, NATO ensured military security, a particularly desired layer of defence against the expanding Soviet Union, while the OEEC (the precursor to the OECD) was established to coordinate Marshall aid and trade liberalisation.

The British Conservative and Labour governments of Winston Churchill and Clement Attlee, and, privately, the French President Charles de Gaulle, strove to persuade the Americans to form the alliance. The Belgian and Dutch governments also insisted on American participation (Lundestad, 2003: 45–51). After the American aim to militarily disengage by integrating European military capabilities into a political federation failed due to French fears over West Germany's dominance (e.g., van der Pijl, 2006: 52–4), NATO would ensure European safety for decades to come. In the footsteps of the OEEC, the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) – with American assistance – fostered embedded liberalism in Western Europe by laying the foundation of the common market supervised by supranational institutions (van der Pijl, 1979, 2006; Buch-Hansen and Wigger, 2011; Cafruny and Ryner, 2019).

Western European integration into American-led hegemonic structures was not a given but, in part, had to be buoyed, third, by *financial support* to

allied political actors. Italy is a case in point. The leading, Western-orientated Christian Democrats were in coalition for long periods in the post-war era with the Italian Socialist Party (PSI), whose temptation to ally with the Italian Communists had to be curbed. The Americans, therefore, from early on provided covert funds to the relatively weaker Socialists (and some right-wing parties) during the key 1948 elections (Ikenberry, 1989: 396). The newly established CIA also furnished funds and conducted covert operations to support the Italian pro-Western parties and unions (Nuti, 2002). According to Lundestad (2003: 46–8), the CIA spent at least $10 million in the 1948 elections and supported anti-Communist unions. Providing financial means to parties and non-state actors and conditioning economic and military aid to Italian governments on anti-communist actions marked American policy throughout the 1950s. Similar cases include French centrist parties requesting support for anti-Communist paramilitary organisations (Kisatsky, 2003: 639–40), the party foundation of West-German chancellor Konrad Adenauer's CDU/CSU coalition (Pinto-Duschinsky, 1991: 184), the Austrian socialist party and affiliated Catholic organisations (Luther and Pulzer, 1998), and the 1958 election campaign of Greece's National Radical Union (Kassimeris, 2009: 685–6).

Finally, hegemonic economic integration and institutional safeguarding were enabled by manifold mechanisms of *platforming*. This refers to the formal and informal exchange and legitimation of ideas and coordination of political strategies in networks of politicians, organic intellectuals, and representatives of capital (van der Pijl, 2006: 17–18). The vehicles thereof include, among others, international political conferences, intellectual societies, and public affairs operations. A well-studied case in point was the Mont Pèlerin Society (MPS), which congregated an ideationally diverse club of prominent academics and politicians involved in defining the post-war order and European integration (Mirowski and Plehwe, 2015; Slobodian, 2018).

As Slobodian (2018: ch. 6) shows, MPS member Gottfried Haberler was one of GATT's primary architects. While diverse views on European integration and (macro)economics existed from the start, members like Ludwig Erhard, Alfred Mu̇ller-Armack and Luigi Einaudi contributed to the consolidation of embedded liberalism in a federalised Europe. Although the MPS was particularly split over European federalism (Slobodian, 2018: 202–15), its market-liberal ideas were actively promoted (e.g., in the Netherlands, see Mellink and Oudenampsen, 2022) and bolstered the general legitimacy of the common market project built on the free movement of goods, services, people, and capital.

Other, often overlapping, networks served similar ends, the Bilderberg Group (1954) being a notable example. Though not a conspiratorial American invention but rather devised by Atlanticist and pro-integration Europeans, Bilderberg facilitated the ideational exchange and strategic coordination

among the diverse interests that supported embedded liberalism (van der Pijl, 2006: 67–9; Gijswijt, 2018). Other networks platformed organic intellectuals in Western European public spheres. For instance, the Conference of Cultural Freedom, though later discredited when the CIA's financial support became known, was, as Scott-Smith (2001) argues, significant in promoting embedded liberalism and the social democratic ideas associated with it. Narrower political platforming occurred via the networks and international congresses that facilitated the deliberation and negotiations on European integration. Among the networks are the well-known European Movement and the Pan-European Union, and lesser-known ones like the Monnet Committee (ACUSE). These networks included a range of notable post-war statesmen and intellectuals who contributed to legitimising and establishing embedded liberalism in a federalised Western Europe (Hermann, 2007).

THE SECOND CASE: CONSTRUCTING ILLIBERAL COUNTERHEGEMONY

More than half a century after our first case, the formation of a transnational political class to construct illiberal counter-hegemony had long been an objective of nationalist European political actors in the early 21st century. This process received impetus with the electoral victory in 2010 of the Fidesz party in Hungary, led by Viktor Orbán. Ruling with supermajorities as Prime Minister, Orbán achieved national hegemony through centralised control over the state and strategic economic sectors, an alliance with domestic capital (including foreign enterprises), and by overtaking media, education, and civil society organisations (Sebők and Simons, 2021; Simons, 2021). Besides providing a practical guidebook for illiberal politicians in other countries, Orbán gave the Fidesz-led new socio-political bloc's model its proper name by announcing his 'illiberal democracy' in 2014. While the capabilities of Hungary were nowhere near post-war American might, domestic hegemony nonetheless provided Orbán with significant resources for his international project. Applying the four mechanisms of hegemony identified above, we analyse how and with whom Fidesz has sought to build a new transnational illiberal political class.

For counterhegemonic contenders, one of the primary courses of action is *platforming*. From the second half of the 2010s, this (in)formal exchange and legitimisation of ideas and strategies among like-minded illiberals took place through public events, bilateral meetings, speeches, lobbying, and educational partnerships. Orbán learned the potential of such opportunities, as Dutch anti-Islam PVV leader Geert Wilders had before him, by attending the Conservative Political Action Conferences (CPAC). Especially during Donald Trump's ascendancy, Orbán pivoted towards hardliner Republicans organised around CPAC. Lobbyists like former Congressman Connie Mack and the PR

company Policy Impact Strategic Communications (PISC) facilitated Orbán's White House meeting in May 2019 and a speech at CPAC Dallas in 2022 (Elfile.fara.gov, 2019).

As a local offshoot, CPAC Hungary also platformed Eastern European politicians like Georgian Prime Minister Irakli Garibashvili, former premiers Andrej Babiš and Janez Janša, and Mart Helme, chairman of the Estonian EKRE party, as well as Western Europeans like Austrian FPÖ chairman Herbert Kickl, Belgian Vlaams Belang's Tom van Grieken, and the Portuguese Chega party's André Ventura. The Orbán-aligned think tank, the Centre of Fundamental Rights (CFP), provided most of CPAC Budapest's financing, using several multi-million Euro contracts from the state and semi-public foundations (English.atlatszo.hu, 9 August 2022).

Other venues evolved out of these efforts, like the 2024 NatCon conference in Brussels, which, supported by the local branch of MCC (an Orbánist think tank) platformed illiberals such as former French presidential candidate Éric Zemmour. The aim of this conference was to reinforce the illiberal international and conquer Brussels in the upcoming European Parliament (EP) elections. Plenty of precedents led up to this event: in July 2021, 16 illiberal leaders signed a declaration against the 'European superstate' and for values such as nationalism and Judeo-Christian traditions. This declaration was preceded by summits in Budapest (April 2021) and Warsaw (May 2021), where right-wing parties announced a 'Renaissance of Europe' through a potential cross-group alliance in the EP.

After the 2024 European Parliamentary elections, these efforts eventually led to the establishment of a new far-right parliamentary group (Patriots for Europe) including Le Pen, Salvini, Wilders, and van Grieken, among others. Fidesz also initiated platforming via pan-European media investments. Despite Orbán's claims that he did not have 'any plans for a world empire', his Portuguese allies acquired a pan-European news channel. Aided by Orbán's preferred domestic IT conglomerate, 4iG, they bought for €150 million, 88% of the shares of Euronews. Various Fidesz-affiliated actors took part in the transaction of €45 million, paid from a state capital fund, reportedly 'to improve [Hungary's] image' (Referl.org, 21 December 2021; András et al., 12 April 2024).

Providing *financial support* to illiberal parties abroad was the second instrument Orbán applied. Helping like-minded politicians allowed for leveraging their local agency to gain international influence for the nascent illiberal movement. Slovenia is a case in point. The SDS party of former premier Janez Janša received loans worth €510,000 from a Slovenian media company majority owned by Péter Schatz, a key figure in Fidesz's media empire (Telex.hu, 11 December 2023). Through various intermediaries, investors loyal to Orbán conducted asset purchases and subsequent capital increases in SDS-friendly

media (e.g., NovaTV24.si) and advertising (e.g., Crecol Media). The Slovenian politician subsequently adopted Fidesz's discursive illiberal playbook and attacks on the rule of law. Following these investments, the EP debated in 2020 Hungary's interference in Slovenia (and North Macedonia).

In Bosnia and Herzegovina, Milorad Dodik, leader of the SNSD party and President of the Serbian Republic, also received Hungarian financial support. Afterwards, Orbán, in late 2021, helped Dodik by blocking European Council discussions on potential sanctions against him. Another significant financial manoeuvre aimed to boost Le Pen's Rassemblement National (RN) chances in France. Around 2021–2022, the far-right party reportedly received a loan of €10.7 million from MKB (FT.com, 30 May 2022) – a Hungarian bank reprivatised to Fidesz-affiliated oligarchs (Sebők and Simons, 2021). Further examples of financing like-minded actors and running media campaigns in their support include Czechia, Germany, Italy, North Macedonia, Poland, Slovakia and Spain.

Besides building political connections, Fidesz also forged deeper relations with illiberal leaders abroad through *trade and investment*. Their objectives included consolidating illiberal rule based on growth performance and profits for domestically-aligned capital interests, diversifying economic dependencies away from the West (e.g., fossil fuels), and providing access to the EU market to illiberals outside of Europe. The latter was a critical element in dealings with Russia and China. Besides various direct Russian investments, Hungary became the second biggest stakeholder of the International Investment Bank (IIB) with an investment of €10 million, which relocated its headquarters from Moscow to Budapest in 2019 (Aljazeera.com, 2 September 2019). Dubbed a 'spy bank', IIB was sanctioned in April 2023 by the US for facilitating the evasion of Russian sanctions, causing Hungary to withdraw from the bank in 2023.

The final mechanism of creating a counterhegemonic movement was related to the physical and institutional *safeguarding* of the emerging transnational illiberal class. Contrary to NATO allies' military and security capacities, Orbán's physical safeguarding at best involved providing protection to illiberal political actors through Hungary's foreign service. For instance, foreign affiliates of the aforementioned Russian IIB received EU residence and diplomatic immunity. Other examples of physical safeguarding included the political asylum granted to the convicted North Macedonian premier Nikola Gruevski, and the help provided to former Prime Minister Jair Bolsonaro at the Hungarian embassy in Brazil after federal authorities confiscated his passport. Besides physical safeguarding, Orbán provided extensive institutional support for the transnational illiberal class by blocking punitive action in the European Council and Council of the EU (and the European Parliament).

The main lines of defence of the EU against domestic rule of law transgressions include the Article 7 procedure and conditionality mechanisms to freeze EU funds. As it is well-documented (e.g., Holesch and Kyriazi, 2022), Article 7 procedures were blocked by the mutual shielding of Hungary and Poland, who relied on unanimity decision-making. Although Orbán lost his primary European ally, Jarosław Kaczyński, after the 2023 Polish elections, he found a replacement in newly elected Slovak premier Robert Fico. They cooperated in the Council on Ukraine's financial support, and Fico could count on Orbán regarding his own illiberal policies.

Finally, Orbán could also leverage EU unanimity rules to independently secure his interests, not least during his successful blackmail over Ukraine's EU accession negotiations to unlock €10.2 billion of a frozen batch of €30 billion in EU funds (with Ukraine's €50 billion support package postponed). Orbán also used his veto to effectively pre-empt any sanctions against Dodik and to support President Aliyev by blocking a Council condemnation of Azerbaijan's attack on Nagorno-Karabakh in 2023. Finally, Orbán repeatedly frustrated the Council's efforts to sanction Putin's regime by delaying them and securing various concessions, including partial exemptions to the oil and gas embargoes and the exclusion of individually targeted Russians like Patriarch Kirill.

CONCLUSION: HEGEMONY, COUNTERHEGEMONY, AND THE EUROPEAN POLYCRISIS

Crises and hegemonic processes have been closely intertwined in the post-war history of Western Europe. Embedded liberal hegemony was a direct response to the deep-rooted enmity between major European powers, resulting in two world wars, as well as the emerging threat of the Soviet Union. The ideational and material basis for the common market was crafted in a series of acts of hegemony building ranging from aid, trade and investment, direct political funding for those adhering to the tenets of embedded liberalism, as well as platforming and safeguarding its proponents.

Yet, in recent years the neoliberal order of the EU (or, 'embedded neoliberal', van Apeldoorn et al., 2009), which succeeded embedded liberalism from the 1970s onwards, has experienced a slew of interacting disrupting forces, from the global financial and European sovereign debt crisis to migration, COVID-19, and the Russian war against Ukraine. This polycrisis was partly a consequence of the failure of Europe to act on emerging discontent, including the mismanaged migrant crisis of 2015, which reinforced far-right political actors across Europe. The exhausted potential of neoliberal hegemony has created its own countervailing force in the form of illiberalism (Sebők and Simons, 2021).

The subsequent transnationalisation of Orbánism as part of a wider community building of far-right forces across Europe has, in turn exacerbated the polycrisis by adding to the erosion of the rule of law, by disrupting the Union's legal integrity and aggravating the EU decision-making deadlock. Pan-European illiberalism also thwarted humane solutions to the migrant crisis and torpedoed several aspects of the European Green Deal. Orbán's Hungary prioritised national interests over EU-wide solutions, with Russian natural gas imports being a critical cross-cutting case. The strategic use of institutional rigidities and gridlock allowed Orbán and his allies to expand their room for manoeuvre both internally and externally.

One effort evidencing the aggravation of the polycrisis is the systematic undermining of EU values and cohesion with Orbán's 'peace-minded' foreign policy trip in July 2024 to Moscow and Beijing. This was a direct bid to undercut a unified EU- and NATO-front *vis-á-vis* other global powers. Another was the newly created Patriots for Europe group in the EP in the aftermath of the 2024 elections. It served as a second venue for the high-profile public platforming of illiberalism and the imposition of illiberal politics in the EU legislative process.

However, Europe's illiberals failed, so far, to form a truly cohesive transnational political class with a unified agenda. For instance, attitudes on foreign policy, including on Ukraine/Russia, economic policy, and European fiscal integration do differ among Europe's illiberals, even among those part of the Patriots group. Their fragmented EP representation underscores this disunity, as some illiberal parties like Fratelli d'Italia are part of a different group (ECR) instead. Moreover, as of 2025, illiberals were not part of national government in the EU's key member states of France and Germany, despite their rise in local and national legislatures. This limits crucial power resources for the illiberal political class for several of the four mechanisms discussed above, not least its financial and institutional firepower (see also, Worth, 2019). Finally, several counterhegemonic mechanisms resulted in political failures, as in the case of influencing Slovenian media or lending to Spain's far-right Vox party.

Yet, inroads towards political power could be made (as in the Netherlands and Austria in 2024) and disunity and resource limitations might be resolved, which becomes likelier with Trump's second presidency. The illiberal political class has already succeeded in obstructing meaningful action in relation to climate change, new global pandemics, economic crisis, and foreign policy or military challenges to the Western bloc, as well as progressive, emancipatory objectives in the socio-cultural realm. Illiberalism will thus continue to impact the EU polycrisis and its resolution mechanisms. While the EU has managed to overcome some of these challenges (e.g., regarding Ukraine aid), the illiberal counter-hegemonic movement will continue to complicate EU crisis response mechanisms.

NOTES

1. Illiberalism can be variably approached (e.g., Laruelle, 2022), yet we emphasise the autocratic desire for unrestrained executive rule in national democratic polities.
2. Illiberals are not unequivocally 'anti-neoliberal' or 'neoliberal' as they might prefer both statist or neoliberal domestic policies. Yet they agree that constraints posed by foreign capital and/or (financial) institutions on governing autonomy is undesirable. Despite the terminology of some authors, we reserve the term neoliberal for qualifying the structures of the global political economy, noting significant intraregional variation on the extent of domestic policy divergence from neoliberal prescriptions (see Simons, 2021).

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