

How Globalization Affects Democracy: Mechanisms and Case Study of Hungary

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ABSTRACT: Globalization was once perceived as a vehicle for the processes of democratization. However, recent developments - cases of democratic backsliding and the rise of populism - suggest the opposite. This paper, based on a deep theoretical foundation, demonstrates mechanisms through which globalization directly and indirectly affects the quality of democracy. These mechanisms are then applied to the case study of Hungary, demonstrating how they work in practice. Key findings suggest that, though initially globalization may reinforce democratization, in the long run it erodes democratic institutions even in stable democracies by fueling right-wing populism, nationalism, inequality, and social polarization.

KEYWORDS: Politics, Globalization, Hungary, Democracy, Democratization.

■ Introduction

“The new state we are building in Hungary is an illiberal state, not a liberal state”, declared Hungarian Prime Minister Viktor Orbán in 2014, referring to countries such as Russia and China as political models.¹ This speech marked a clear ideological rupture in the European Union - the case of democratic backsliding from within. Yet only two decades ago, the world appeared to be on an irreversible path to liberal democracy.

Back in 1991, the collapse of the Soviet Union marked the end of the bipolar world and gave birth to an ideological consensus that a liberal democratic order had triumphed. Francis Fukuyama's *The End of History and the Last Man* captured that triumphal and optimistic spirit, arguing that liberal democracy has no viable alternatives.² It was accompanied by nascent globalization - the world began to interconnect across cultural, economic, technological, and political dimensions. Back then, there was widespread expectation that globalization would lead to global economic development. Influential at the time, modernization theory, most notably articulated by Seymour Martin Lipset, suggested that economic modernization, in turn, would ultimately lead to democratization. In the 1990s, that presumed link shaped dominant thinking in policy and academic circles.³ This consensus was further institutionalized by the creation of regional and global organizations such as Mercosur, the EU, NAFTA, and the World Trade Organisation in these years.

However, that optimistic narrative did not withstand empirical political reality. Despite the continuation - and even deepening - of globalization, the world is experiencing the decline of democracy. Right-wing populism - typically characterized by nationalist, anti-elitist rhetoric - has risen throughout the world, in both established democracies and in developing states. Simultaneously, there is an increase in social and financial inequality.⁴ Alongside this, scholars observe the emergence of a 'third wave of autocratization', which also includes democratic backsliding - the process of gradual decline of the quality of democracy and erosion of institutions - in countries that were once seen as consolidated democracies.⁵ Such trends increas-

ingly call into question classical assumptions of modernization theory. For instance, in 2013, the Chinese economy exceeded \$13,000 per capita in 1945 US dollars, which is 20% richer than Britain's economy was in 1945, during a pivotal period, when the Beveridge Report's recommendations for building a democratic state were being implemented.⁶ Yet China does not demonstrate any signs of political liberalization. This example suggests that economic development in the context of globalization does not necessarily result in democratization, as modernization theory suggested.

Based on all of these contradictions, this article critically examines whether globalization continues to promote democracy in the 21st century, or whether, on the contrary, it now fosters conditions conducive to democratic backsliding and autocratization tendencies.

To do so, I constructed an analytical framework whereby I explored different interlinked mechanisms through which globalization creates economic insecurity and social disintegration, which undermines civil society and leads to wide political resentment, thus enabling populist mobilization. Cumulatively, all of these mechanisms might lead to democratic backsliding. These theoretical findings were then applied to Hungary - a country that underwent a third wave of democratization, but now is experiencing democratic decline. I argue that, though initially globalization may reinforce democratization, in the long run it erodes democratic institutions even in stable democracies by fueling right-wing populism, nationalism, inequality, and social polarization.

While many early studies emphasised the positive role of globalization in fostering democratization,^{1,7,8} fewer studies examined the long-term implications of globalization for the erosion of democratic institutions.^{9,10} By rethinking the globalization-democratization nexus, this article highlights the ambivalent role globalization plays - not only promoting democracy, but also enabling authoritarian tendencies. In a world of rising populist movements and democratic backsliding, such re-examination of the link has become particularly urgent.

This article is developed in three parts: First, it presents a literature review, tracing developments of debates and the current state of the literature. Then, in the “Mechanism” section, it explores three channels - economic, social, and political - three sets of mechanisms through which globalization affects democracy. Finally, in the last section, the article examines how these mechanisms operate in practice through the case study of Hungary. In the concluding section, the key findings of the article are summarized, and suggestions and directions for future research are provided.

■ Evolving debates and literature on the Globalization-Democracy nexus

Even at early stages, globalization encountered significant scholarly criticism. The world-system theory, for instance, conceptualizes globalization as a continuation of hierarchical capitalistic world system relations rather than a system of mutual benefits.^{11,12} Dani Rodrik's *Has Globalization Gone Too Far?* (1998) challenged the assumption that global economic integration is inherently compatible with social stability, highlighting the risk of economic crises, exacerbation of financial inequality, and social disintegration.¹³

Subsequent developments in literature have reinforced these concerns. Global financial crises, including the Asian financial crisis and the global financial crisis of 2008, exposed uneven economic and social consequences on society, disproportionately affecting vulnerable groups and contributing to financial inequality.¹⁴ A growing body of scholarship links these developments to increasing skepticism towards the processes of globalization.¹⁵

More recent literature has focused on the political implications of such dynamics. Following Brexit and Trump's electoral victory in the USA in 2016, far-right populist movements are increasingly gaining prominence and electoral victories.¹⁶ Comparative studies document not only the spread of populism but broader democratic decline, including the cases of democratic backsliding and autocratization.^{5,17}

Contemporary scientific literature on globalization increasingly reflects this shift in the effects of globalization. Studies by V-DEM and Freedom House on the level of democracy in the world explicitly demonstrate a gradual decline in the quality of democracy in the world.^{18,19} Rodrik (2011) argued that globalization, with aggressive forms of capitalism, cannot co-exist with democracy.⁹ Slobodian (2023) also pointed out that he argued that in the age of globalization, countries, to develop economically, were compelled to create special economic zones controlled by an alternative legislature and tax system to increase the incomes of foreign investors, and demonstrated how it completely undermined the foundation of democratic institutions and social systems.²⁰ Also, Rodrik (2021) showed that globalization directly and indirectly fuels populism by its economic implications.²¹

Within this framework, democratic backsliding is understood as a process of moving toward autocratization, the reverse process of democratization.²² Importantly, it is a process of deliberate, intended policy choices, similar in nature to

democratization itself.²³ Unlike coup d'état, democratic backsliding occurs gradually, rather than through sudden, overt actions. Thus, while democratic backsliding is not directly caused by globalization, the current global economic and social environment can create fertile ground for populism, autocratization, and the justification of that process.

Contemporary scholarship offers different perspectives on the causation of democratic backsliding. David Waldner and Ellen Lust conceptualized these perspectives into six groups of political theories: agency-based theories, which regard democratic backsliding as an outcome of actions of political actors; political culture theories that explain it by the cultural attitudes; theories of political economy, connecting economic anxiety to the populist mobilization and the cases of democratic backsliding; political institution theories linking it to institutional configurations; theories of social structure and political coalitions which bond the processes of de-democratization to socio-economic divisions and political alliances that stems from former; and theories of international factors that explain these processes by international influence and intervention.²²

The next section will explore in greater depth the mechanisms through which the processes of democratic backsliding unfold.

■ Mechanisms

Globalization deteriorates the state of democracy through three different - yet interconnected - channels - namely: economic, social, and political. Each has its own mechanisms and can operate independently. But they often occur and function simultaneously, reinforcing one another, thus creating a feedback loop. This section will explore all three channels and their mechanisms in depth, drawing on a deep theoretical foundation and, by doing so, demonstrating how globalization's disruptive effects are increasingly overshadowing its well-documented benefits.

Economic channel:

The economic implications of globalization - investment flows, automation, outsourcing, economic interconnectedness of the world - tend to be distributed highly unevenly within the states. These outcomes are not produced by globalization alone - it stems from globalization's interaction with the domestic market, welfare regimes, policy choices, and other factors. Without proper redistributive and compensatory mechanisms, these globalization-related economic implications might put pressure on democratic governance.

While benefits primarily concentrate in metropolitan areas and export-oriented industries, due to access to the global market, other regions experience economic stagnation or decline, together with job losses and wage stagnation. In particular, manufacturing and rural regions lose their main source of economic growth and financial stability, thus becoming one of the “left-behind” regions.²⁴ These patterns of negative effects are significant as these regions are not randomly disadvantaged: rather, they are systematically exposed to the costs of globalization, simultaneously remaining largely excluded from

its benefits. As a result, it increases within-country income and social inequality, both for regions and individuals,^{4,25,26} creating rural and industrial pockets of economic marginalization, also leading to anxiety about the future and deteriorating living standards.^{24,27}

Importantly, the political relevance of the left behind stems not only from the objective material inequality, but in the subjective experience of economic insecurity. Over time, it could create the sense of “left-behindness” among groups that perceive themselves to be bearing the costs of globalization without sufficient opportunities for advancement. Such perception provides an important link to understand further political and social dynamics. For instance, in the EU, economic insecurities and anxiety about the future, in conjunction with cultural backlash, have led to the rise of populism, particularly in the left-behind regions.^{28,29}

These distributive pressures are often intensified during times of economic vulnerability. Although such crises are not the direct result of globalization per se, their consequences are shaped by the degree of economic global integration and domestic response to the crisis. Empirical evidence suggests that the process of recovery tends to be highly uneven and increases financial inequality; for instance, in the U.S., the wealthiest 7% captured most of the wealth gains during the post-2008 recovery (about a 28% increase over two years).³⁰ Where such crises are accompanied by welfare retrenchment and austerity measures, their effects are further exacerbated, as vulnerable groups - youngsters in particular - do not have financial capital and therefore rely on the welfare system far more.³¹

Such crises also affect the foundation of democracy. Though modernization theory's linear assumption is no longer widely accepted, the middle class is important in sustaining civic participation, associational life, and social trust - all of which contribute to democratic stability.³² The economic erosion among the middle class, therefore, might weaken democratic stability.

Such economic implications of globalization may create cycles of persistent inequality and economic insecurities that might lead to widespread political discontent, particularly in contexts where redistributive mechanisms are weak. While globalization does not automatically entail democratic backsliding, without proper compensatory and redistributive measures, its uneven economic distribution might increase the vulnerability of the democratic order by reshaping its economic foundation.

Social channel:

These economic grievances do not mechanically translate into social division; rather, they might contribute to the process of social fragmentation, though the extent of it depends on broader institutional and political contexts in which they unfold. Persistent inequality and material insecurity might erode social capital by weakening trust and reciprocity within society, which are crucial to sustain civic participation.³³ In the long run, it might impede the formation of a strong civil society that is crucial for the proper functioning of a democratic order. Importantly, social division may stem from institution-

al, historic, and cultural factors independent of globalization; globalization-related economic pressure, however, can interact with and amplify existing division.

In contexts characterized by limited social integration, such economic insecurities might entail social isolation that might be reinforced across generations. In Hungary, limited initial social capital, combined with economic grievances, has contributed to patterns of multigenerational poverty, as the younger cohorts inherited not only the material insufficiency of their parents but also their socio-cultural deficit, thus constraining social participation.³¹ It demonstrates how economic dislocation might be translated into durable social exclusion, rather than just temporary adjustment costs.

Such conditions also may increase receptiveness to identity-based narratives that frame economic grievances in political terms - especially when it is combined with the feeling that political elites prioritize the global market over local welfare.³⁴ Also, empirical evidence from the United Kingdom suggests that regions more heavily exposed to trade shocks, such as the China trade shock in this case, tend to have more authoritarian values, though these effects, obviously, may vary by institutional and social conditions.³⁵

Global social platforms may also further amplify social division, prioritizing emotionally charged content, and thus fuelling existing social tension.³⁶ Together, globalization may indirectly contribute to social division by interacting with economic inequality and political narratives. In the long run, these effects can weaken social cohesion and society's capacity to defend democratic norms.

Political channel:

This economic inequality and social division create widespread discontent among people. Populist leaders exploit discontents and identity-based fear for populist mobilization, channeling it into political capital.^{37,38} Once in power, they may try to implement *executive aggrandizement*: centralization of power in the executive branch.³⁹ To do so, in the name of “restoring sovereignty,” they may attempt to weaken democratic institutions and systems of checks and balances - by attacking independent media, judiciary, and electoral commissions. As incumbents, they also try to deepen social division, further weakening civil society.^{40,41}

A second mechanism involves sovereignty disputes between governmental and international actors. Membership in international organisations, such as the EU, WTO, and IMF, often obliges countries to adapt domestic legislation according to international standards, which populist leaders frequently depict as an interference with the right of national self-determination and undermining of self-rule. The Brexit case can vividly demonstrate that dynamic: the slogan “take back control” was one of the central slogans of the leave campaign.⁴² In Hungary and Poland, similar rhetoric has been utilised by governments, which characterized EU criticism of judicial reforms as an unwarranted external interference, thereby enabling them to rally domestic support in the name of protecting sovereignty.⁴³

All in all, the political channel demonstrates a critical juncture in which social and economic grievances translate into

institutional changes by the political agenda. Rather than entailing democratic backsliding automatically, globalization-related discontents become politically consequential once they are capitalized by political actors through framing them into populist and identity-based narratives. Democratic backsliding, thus, is not the automatic outcome of globalization, but the result of political capitalization of economic and social grievances.

The Interplay of Channels and Alternative Explanations:

Economic, social, and political channels do not operate in isolation. Economic dislocation and inequality breed social polarization, which populist actors exploit to rise to power and weaken checks and balances - creating self-reinforcing cycles. Through this multi-channel process, globalization indirectly, but significantly, fosters democratic erosion by undermining economic security, social cohesion, and institutional resilience. Hungary exemplifies this vicious self-reinforcing circle: globalization-induced and globalization-fueled inequality eroded social trust, enabling Viktor Orbán and Fidesz to win electorally, and enabling Orbán's populist narrative (us vs. them), which then justified the dismantling of checks and balances. The following section traces that trajectory in Hungary in detail.

It is essential to note that contemporary scholarship offers valuable alternative explanations, as pointed out in the literature review section. At the same time, while institutional, cultural and leadership-centered explanations offer valuable insight into the processes of democratic backsliding, they cannot fully account for the convergence of similar patterns of populist mobilization and democratic erosion happening in the otherwise distinct initial settings across the world in recent decades. In this matter, the article's conceptualization most resembles the political economy theory. The article does not treat globalization as the sole and/or deterministic cause of these processes. Instead, it conceptualizes globalization as a mediated and contextual force that interacts with and influences countries by altering distributional, social, and political environments in which domestic actors operate. By changing economic opportunities, amplifying social division, and providing political entrepreneurs with new frames of mobilization, globalization-related processes might increase the vulnerability of the democratic order. In this sense, globalization helps to explain not the phenomenon of democratic backsliding itself, which is the result of a synthesis of complex factors, but might help in understanding its growing prevalence and its recurrent patterns occurring in the otherwise distinct empirical settings.

■ **Mechanisms in practice: Hungarian case**

As a country that underwent a rapid transition of the third wave of democratization and marketization of the economy, Hungary initially displayed the benefits of globalization and relatively stable democratic institutions. Subsequent erosion of institutions, which will be more closely examined below, and ultimate democratic backsliding, on the contrary, are among the most severe cases among its fellow Eastern European countries. Considering this, Hungary likely demonstrates

"symptoms" of these globalization-induced processes that might contribute to the erosion of the democratic institutions and system of checks and balances to a greater extent, and might contribute to indicating and examining them in other countries, where these effects did not necessarily entail such alterations, making it particularly viable to understand them properly.

Thus, examining Hungary is particularly important not only to understand Hungary itself and the phenomenon of democratic backsliding as a whole, but also to identify similar but implicit processes and their "symptoms" in other countries that might lead to the aforementioned repercussions. In the context of globalization, observing Hungary, therefore, can provide a lens for exploring these globalization-induced processes that might happen elsewhere.

After the Cold War, Hungary was considered one of the most promising post-socialist countries of East and Central Europe in terms of democratization and Euro-integration. The country underwent large-scale alterations and political and economic reformations, such as gradual democratization, the emergence of democratic institutions, marketization, and privatization. By joining NATO in 1999 and the European Union in 2004, it demonstrated a high level of integration in Western institutions. In 1997, the country overcame the recession of 1989-1997, and economic growth began. Back then, there was also a widespread optimistic view on the European Union's role in promoting globalization through enlargement.⁴⁴ However, these optimistic expectations failed at the end of 2000. End of economic growth and new period of recession, disappointment in traditional parties, rise of populist and nationalistic powers, 2008 financial crisis, and most importantly, inequality caused by globalization, as I will demonstrate below, eventually led to the electoral victory of Fidesz under the rule of Viktor Orbán in 2010, when they got a constitutional majority in the legislature. Power to change the constitution enables them to completely reconstruct the political system, including rewriting the constitution, and take control of the juridical system and independent media. Hungary, "pioneer" of democratization and euro-integration in the late twentieth century, was among the worst "latecomers" of these processes in 2011-2012 among new member states.

This decline was also reflected in reports of global organizations that specialized in measuring democracy. For instance, the 2011 Democracy Index report of the Economist Intelligence Unit stated: "Some negative trends have recently got worse. Hungary is perhaps the prime example among the EU's new member states in the region."⁴⁵ The Freedom House report "Nations in Transit 2013" supported this statement, again naming Hungary as the primary example, and considered it a case of democratic backsliding: "The most prominent example of this phenomenon may be Hungary, whose Nations in Transit ratings have weakened more since EU accession than any other member state, with the largest decline in 2010 and 2011. Under the leadership of Prime Minister Viktor Orbán, the conservative Fidesz party has used its parliamentary supermajority to increase political control over several key political institutions, most notably the judiciary and media regulator."⁴⁶

First, privatization and marketization will be considered as key processes. In 1990, privatization and marketization of the economy were widely perceived to be mandatory parts of integration into the global economy. These processes were facilitated by global organizations and Western capitalistic states, as they were compulsory for gaining investments. Hoping for “The End of History,” all countries also relied on the perceived modernizing power of globalization. Hungary was no exception. In Hungary, these processes were strengthened by the old-age “Hungarian dream” or modernization theory, which suggested that economic and political processes would generate a strong middle class that would be a pillar for further democratization processes and that economic recovery of modernization would solve the problem of “the left-behind” of these processes.³¹ It was also facilitated by other factors, such as the same trajectory of near-concurrent countries, and actually all post-socialist and post-Soviet countries, the proximity of the EU and NATO, and cultural orientation in Europe.

However, as in the rest of the world, that optimism did not withstand practical reality. Rapid processes of marketization and privatization created structural problems and social disintegration that were neglected by political elites as they focused primarily on structuring new democratic institutions and economic issues. Former workers in industrialized and command economies, who worked in state-owned factories and agrarian sectors, suddenly became unemployed, as factories were shut down or sold off to foreign investors who restructured them with little regard for local employment. With the new economic policy, unemployment reached 11.5% in 1993, up from a modest 1.8% in 1989. Though with economic growth, general unemployment and unemployment among educated youth have decreased to 5.8 in 2002 for the former and from 21.8 per cent in 1997 to 11.7 per cent in 2006, employment of unskilled youth doubled from 20.2 to 38.2 per cent in the same years. Furthermore, after a period of growth, in 2011, general unemployment again reached 10,9 per cent.⁴⁷ Instead of simply generating economic inequality, the transition reforms created a new social fracture.

Persistent unemployment and marginalization in conjunction with uneven distribution of benefits of globalization created a new socio-economic group: the “left-behind of globalization” - individuals and regions that felt unbenefited by globalization, with a sense of “left-behindness”. Their endurance and persistence demonstrated that it was not just simply a disruptive short-term side effect of globalization, but the emergence of a new, lasting, and socially disintegrated stratum. It was no longer only an economic issue, but a broad social crisis. New generations inherited the social deficit of their parents, creating poverty islands and a new “left-behind”. Unemployment eroded community and social life, accelerated the outmigration of the youth, and led to the collapse of the local welfare institutions. Even after economic growth resumed in the early 2000s, it continued to disproportionately benefit Budapest and export-oriented industries, while “the left-behind” stagnated and remained “left-behind”. The once-optimistic belief that the rise of the middle class would offset any transition issues turned out to be too optimistic and reliant

on modernization theory. Furthermore, in the future, this very middle class will also be affected by globalization, as I will discuss in further sections. On the contrary, the disruptive effects of such rapid and uneven transition in the age of nascent globalization were underestimated. These were the first signs of social and political cleavage between “winners” and “losers” - those who were “left-behind”.

Formation of these so-called “the left-behind” - including unemployed industrial workers, struggling rural households, pensioners hit by inflation, and even youngsters locked out of stable employment - fractured the very foundation of the social fabric of post-socialist Hungary and led to the deep social disintegration of these groups, and subsequently to social polarization. Chronically underfunded public services, particularly in education and healthcare, compounded and worsened the situation, hitting “the left-behind” especially hard and leaving them with even fewer opportunities to reintegrate into the new globalized economy. As “winners” continued to prosper, “the left-behind” increasingly felt excluded from promises of global and European integration, intensifying political cleavage between the former and the latter.

Thus, uneven economic growth that excluded large segments of the population, together with the persistence of “the left-behind,” not only created economic grievances but also undermined social integration and weakened social cohesion. Weakened social cohesion and social disintegration, in turn, in conjunction with a lack of community support, created and fueled social polarization, impeding the formation of a strong and vibrant civil society, and leaving citizens less capable of defending democratic norms and institutions. All in all, in Hungary, the interplay of these overlapping factors - financial and social inequality, polarization, social disintegration, and absence of robust civil society created fertile ground for populist mobilization and erosion of democratic norms, and ultimately created conditions that facilitated democratic backsliding.³¹

At the base of these issues, Viktor Orbán and Fidesz were able to consolidate their image as defenders of “ordinary Hungarians” against the domestic corrupt establishment, perceived Brussels dictates and global financial institutions, mobilizing it into political capital.⁴⁸ Thus, the grievance of “the left-behind of globalization” was channeled into political capital for the populist right.

The 2008 global financial crisis exacerbated these tensions. At this point, Hungary was already experiencing a slowdown.⁴⁹ Thus, Hungary, with its heavily indebted economy, was one of the hardest-hit countries - its currency depreciated, and unemployment surged once again. This crisis created a new cohort of “the left-behind” - youngsters, households with foreign-currency mortgages, and small entrepreneurs. Furthermore, it also affected the emerging middle class, which was once believed to be a pillar of democracy. Many middle-class families continue to stagnate or decline, while measures required by the IMF and EU disproportionately cut benefits, healthcare, pensions, and opportunities for the same vulnerable groups, who had already borne the brunt in the 1990s transition. Younger generations were hit especially hard due to higher tuition fees,

declining upward mobility, and the lack of accumulated capital. In 2010, all of that accumulated in Viktor Fidesz's landslide electoral victory, granting the party a constitutional majority.³¹ This allowed Orbán to fundamentally restructure Hungary's political system, pursue executive aggrandizement, centralize power, rewrite the constitution, change election laws to allow gerrymandering, and capture the judiciary, academia, and both state and private institutions, cumulatively obstructing civic society.⁵⁰ Throughout these processes, anti-EU rhetoric and populist narratives were utilised to justify them.¹⁷ New globalization-induced crisis - European 2016 migrant crisis - allowed Orbán to extend his electoral and political success through the continuation of anti-EU rhetoric and further tighten control over remaining independent powers.⁵¹ Ultimately, what had begun with rapid marketization and optimistic global integration was transformed, within mere two decades, into one of the EU's most prominent cases of democratic backsliding.

Thus, in Hungary, the processes of globalization manifested through marketization and privatization, which, in interaction with domestic institutional choices, contributed to structural inequality. That structural inequality entailed social division, which was channeled to populist mobilization by Victor Orbán. These three stages demonstrate three channels discussed earlier: economic, social, and political, respectively.

While globalization is central to this account, it is important to note that the article does not consider globalization as a sole "omnipotent" factor that mechanically entails democratic backsliding. Initial institutional weakness of Hungary, as well as strategic leadership and the personalization of power by Viktor Orbán and other implicit factors, contributed to that. What the article is arguing is that democratic backsliding results from the interplay of these factors and globalization-induced processes.

To understand that, Poland offers a useful point of comparison. It is also a new member state of the EU and a post-socialist country of transition that underwent marketization and privatization reforms, rising unemployment, and social inequality. Unlike Hungary, in Poland, institutional safeguards such as stronger checks and balances, a more pluralistic party system, and a relatively robust civil society allowed the preservation of formal democratic structures.⁵¹ However, even all those institutional safeguards and measures did not prevent the electoral victory of right-wing populist PiS, the rise of populist forces, the dismantling of democratic institutions, and the decline of quality democracy.⁵² Social dislocation and inequality created social polarization and political resentment despite all these safeguards, thus creating political instability and rupture among Polish citizens.⁵² It demonstrates that, in the age of global interconnectedness, even strong democratic institutions can be insufficient for democratic stability and preventing globalization-induced democratic tensions. In Hungary, where the situation was worsened by weaker institutional safeguards, unfortunately, it entailed democratic backsliding. It underscores that even the strongest political institutions must be complemented by a healthy and socially integrated civil society to mitigate the disruptive effects of globalization and other potential harmful factors to the democratic order.

Hungary (and Poland), therefore, demonstrates how globalization indirectly contributes to the democratic backsliding processes by economic, social, and political mechanisms, altering the socio-economic frame in which domestic actors operate. The case study of Hungary, thus, underscores the importance of examining globalization as a conditional, mediated, and not sole but complementary force in these processes. It might help to gain a deeper understanding of these processes in other countries, and it is particularly relevant not only in eastern and central Europe, as similar patterns of social dislocation and economic grievances can be observed across diverse democratic contexts. Taken together, Hungary offers analytical leverage in understanding how globalization may play a role in divergent democratic trajectories across countries.

■ Conclusion

This article has critically examined whether globalization continues to promote democracy in the 21st century, or whether, on the contrary, it now fosters conditions conducive to democratic backsliding and autocratization tendencies. The evidence shows that, though initially globalization may promote democracy, by expanding economic opportunities and increasing global cooperation and integration, its long-term effects are far more ambivalent. In the long run, the current form of globalization also creates structural inequality, social dislocations, regional disparities and socially disintegrated groups. In doing so, globalization creates so-called "the left-behind of globalization" whose marginalization undermines social cohesion and social consolidation, and ultimately weakens civil society, which is crucial for democratic stability. Furthermore, these "the left-behind" tend to have more authoritarian values, support anti-migrant, anti-globalistic, and populist rhetoric, and therefore are more likely to vote for populist parties, exacerbating the situation even further. Hungary exemplifies that vicious self-reinforcing circle. All those disruptive effects, combined with weak institutional safeguards, led to democratic backsliding. However, as the case of Poland demonstrates, even strong political institutions cannot fully prevent the repercussions of globalization. In Poland, globalization-induced inequality and social dislocation led to a permanent political crisis and recurring challenges to democratic stability. It illustrates that even strong institutions alone cannot guarantee democratic stability in the new age of globalization.

Thus, this article explored conditions under which the processes of globalization might endorse de-democratization trends. These findings demonstrate that the connection between globalization and democracy is neither linear nor uniformly positive. Further research should more closely explore the impact of globalization-induced processes when they operate under different institutional arrangements, welfare regimes, and forms of political competition. Also, it should focus on democratic response to these processes, how governments can ensure that "the left-behind" appear, and how the repercussions can be mitigated. Lastly, the phenomenon of "the left-behind" itself needs to be studied further. Such research might help us

to more closely understand de-democratization tendencies and what roles globalization may directly and indirectly play in it.

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