

Crisis interpretations in the Age of Disinformation

Summary

April 2023

The full-scale war Russia has been waging against Ukraine for more than a year has not led to the disintegration of European unity. Even if there were such expectations, they have been replaced by the perception that the conflict has given EU decision-making unprecedented cohesion and efficiency. As a result, there seems to be no crisis here. Nonetheless, there are three crisis areas where the Russian invasion affected the whole EU: the energy crisis, sanctions, and inflation. In the long run, these could even harm the cause of European unification. Our study examined the interpretations, explanations, expectations, and disinformation concerning these crises and assessed what can and cannot be verified. We also considered how each of these issues would affect Hungary. However, the wide-ranging issue of the climate crisis is not covered in this paper because it has been overshadowed by the very issues we are discussing here over the past year or so. Although the issue of climate change is now beginning to regain its former position in the public eye, largely in the context of energy dilemmas, its examination would require a separate analysis.

The European Union has not been brought to its knees by the Russian energy weapon. Russian gas has been replaced by Norwegian, American and North African gas, devaluing Russia's role in the continent's energy supply in the long term. Although the switchover has taken a heavy financial toll, the diversification of sources, mild weather and austerity measures have succeeded in significantly reducing gas consumption, avoiding worst-case scenarios.¹ Hungary seems to be holding on to Russian gas despite high prices and geopolitical risks, but EU developments are likely to push the Hungarian government towards quiet diversification.

The European public has weathered the first phase of the energy crisis in apparent unity. Apart from small-scale anti-EU and pro-Russian demonstrations, the large-scale cost-of-living protests that were legitimate fears across Europe six months ago have been absent. One year after the Russian invasion of Ukraine, Europeans continue to show strong solidarity with Ukraine; they support measures to help the country and its people. A majority of over 80% of EU citizens remain committed to accelerating the energy transition, in particular investment in renewable energy and measures to reduce the EU's dependence on Russian energy sources.² While Europe's extremist parties have attempted to boost their popularity and disrupt European unity with anti-Western messages and rallies focused on livelihood difficulties, their efforts have been severely limited by Europe's successful crisis management.³

The sanctions regime imposed on Russia following the invasion of Ukraine was unprecedented, both in its speed and its scale. The sanctions are designed to weaken Russia's ability to finance the war and specifically target the political, military and economic elites responsible for the invasion. In consequence, in Europe, we cannot talk about a crisis caused

¹ [Beating the European Energy Crisis \(imf.org\)](https://www.imf.org)

¹ <https://www.consilium.europa.eu/en/infographics/eu-gas-supply/>

¹ Stratégiai Védelmi Kutatóintézet: Az orosz–ukrán háború első évének tanulságai, 2023.02.24.

¹ McWilliams, B., G. Sgaravatti, G. Zachmann (2021) 'European natural gas imports', Bruegel Datasets, first published 29 October, available at <https://www.bruegel.org/publications/datasets/european-natural-gas-imports/>

² [Standard Eurobarometer 98 - Winter 2022-2023 - február 2023 - - Eurobarometer survey \(europa.eu\)](https://europa.eu)

³ [Zinc XFR Disinfo Report Final report 221010.pdf \(politicalcapital.hu\)](https://www.politicalcapital.hu)

by sanctions; as they only cause a crisis in the target country, Russia. Despite this, pro-Kremlin and far-right political actors are talking about the complete failure of sanctions, claiming outright that they are destroying the European economy rather than the Russian one. These include, in addition to the Hungarian government, smaller far-right and far-left parties such as the French National Rally led by Marine Le Pen, Lega, an Italian government party led by Matteo Salvini, the German AfD and Linke (Left), and the Austrian FPÖ. However, the European far-right is not united on this issue either, as while these parties are anti-sanctions, their Swedish, Finnish and Polish counterparts, for example, are strongly anti-Russian.⁴ The lack of reliable data thus gives rise to a number of inaccurate or politically motivated interpretations of the sanctions imposed on Russia.

The impact of sanctions against Russia remains, in our view, too early to be meaningfully assessed and their impact on the performance of the Russian economy will be felt only in the medium term. The effectiveness of sanctions against Russia is also complicated by several factors.⁵ The primary factor is the element of time. The sanctions in response to the Russian invasion were introduced by international actors - primarily members of the Western alliance system - just over a year ago and were introduced in several stages and generally not with immediate effect. The impact of sanctions on the Russian economy and public finances is thus difficult to assess, as many types of sanctions have not yet had an impact or have had only an indirect impact. In addition, previous research has shown that even the average duration of successful sanctions policies was on average 4.5 years.⁶ So the full picture will take years at best.

However, the impact of anti-sanction rhetoric has been moderate in European countries, the majority of which continue to have high support for sanctions.⁷ Even though the results for Russia are limited so far, the narrative that Western sanctions are more of a problem for Europe is not substantiated. This is true even if the evaluation of the impact of sanctions against Russia is still years away.

Topic	Total Support (EU)	Total Support (Hungary)	Diff. from June/July 2022
Humanitarian support	91%	89%	-2%
Welcoming refugees	88%	86%	-4%
Financial support to Ukraine	77%	61%	-14%
Banning Sputnik and RT	67%	58%	-9%
Economic sanctions on Russia	74%	56%	-9%
Military aid via the EU	65%	50%	-7%

⁴ <https://telex.hu/english/2022/10/21/orbans-potential-anti-sanctions-coalition-in-europe-is-pretty-thin>

⁵ [Sanction policies – success stories, mistakes and lessons learned \(politicalcapital.hu\)](https://politicalcapital.hu/sanction-policies-success-stories-mistakes-and-lessons-learned)

⁶ Stratégiai Védelmi Kutatóintézet: Az Oroszország elleni szankciók első éve és kitekintés 2023-ra, 2023.03.14.

<https://svkk.uni-nke.hu/publikaciok/svki-elemzesek/nke-strategiai-vedelmi-kutatokozpont-elemzesek/2023>

Gary C. HUFBAUER – Jeffrey C. SCHOTT – Kimberly A. ELLIOTT et al: Economic Sanctions Reconsidered.

Washington, D.C, Petersen Institute for International Economics, 2007.

⁷ [Standard Eurobarometer 98 - Winter 2022-2023 - február 2023 - - Eurobarometer survey \(europa.eu\)](https://europa.eu/eurobarometer/surveys/view/eurobarometer-survey-98)

In 2021-2022, the world saw the worst inflationary surge for decades. Consumer prices rose significantly in most countries, often by double digits.⁸ In Europe, the Kremlin's narrative of "freezing the continent" helped to allay fears,⁹ but by the end of the year it was becoming clear that the replacement of Russian energy was progressing faster than expected, and thus the inflationary energy prices were also falling. Mild winter weather also provided further grounds for optimism, with scenarios predicting a clear downward trend in inflation by 2023.

Governments have sought to reassure the public about the impact of inflation. Both in the US and in Europe, governments have stressed that price increases are only temporary, with a reduction expected from 2023. The Covid crisis and the measures taken in connection with it were relatively quickly overshadowed in the list of causes, as governments everywhere naturally sought to reduce their own responsibility and explain the rise in prices by external factors. The political discourse on inflation has usually become part of a broader issue, such as the energy crisis or the Russian invasion against Ukraine.

Although the Orbán government, using its public dominance, tries to explain the record inflation in Europe almost exclusively in terms of the war and European sanctions on Russia, the inflation crisis in Hungary is exceptional in several respects by international standards. Accordingly, the government narrative is about "war inflation" or "sanction inflation", in line with the Kremlin's narratives. According to this, the economic, energy and food crisis, which is causing inflation, is caused by the policies of "Brussels" and "the West" in general. The unintended effects of sanctions, such as rising food prices and food shortages and famines in Africa, are the result of bad Western policies. The narrative, unlike the Western European narratives, does not mention Russia's role and responsibility at all.¹⁰

This message has been articulated in a comprehensive government campaign over the past year, while the theory of exclusive external causes is contradicted by international comparative data. Indeed, if sanctions were the main cause of inflation, we would see figures similar to Hungary's in the countries of the European Union and especially in the region. In reality, it is the government's economic policies and vulnerability to Russian energy supplies that are driving inflation.

As a consequence of the Hungarian government's anti-EU messages, support for the EU has fallen in several areas over the past six months.¹¹ The change in Hungarian public opinion shows that the Hungarian government's communication machine is capable, albeit slowly, of effectively influencing the Hungarian electorate's opinion on issues such as the Russian-Ukrainian war, sanctions against Russia and inflation. This negative trend is particularly pronounced among right-wing/pro-government voters, whose worldview resonates more with the government's anti-Western messages. The government is thus successful in shifting the blame to the European Union and the sanctions it itself voted for, but unlike other

⁸ <https://www.vg.hu/vilaggazdasag-magyar-gazdasag/2022/10/5-abra-ami-arra-utal-hogy-egyre-kozelebb-az-inflacios-fordulat>

⁹ <https://www.reuters.com/business/energy/putin-blames-germany-west-nord-stream-1-shutdown-2022-09-07/>

¹⁰ [Zinc_XFR Disinfo_Report_Final report_221010.pdf \(politicalcapital.hu\)](#)

¹¹ Standard Eurobarometer 98

countries, it avoids blaming Russia for political reasons. While this is a success for the government in domestically, it is a self-deception and a failure in terms of inflation management. Inflation in Hungary is probably higher and falling more slowly than in other European countries precisely because the government is addicted to its own blame game narrative and is not addressing the real causes of inflation.

Overall, inflation at levels not seen for decades has become a dominant topic across the Western world over the past two years. In itself, however, the rise in prices has not caused a political earthquake, although it has posed a significant challenge to governments in terms of its economic and social impact. The political discourse on inflation has usually been part of a broader issue, such as the energy crisis or war.