## Democracy QPQ

### Conditions Solve Democracy

#### Conditioning the benefits Hungary and Poland receive from the US and NATO is key to maintaining democratic values within the alliance

Cordelia Buchanan, 2-4-2021, "What Can We Do About Poland and Hungary?," (Cordelia Buchanan Ponczek was a Title VIII Fellow in the Transatlantic Leadership program at CEPA. Buchanan Ponczek graduated from the University of Oxford with an MPhil (dist.) in Russian and East European Studies and was awarded the Michael Kaser Prize for the best political economy thesis. Previously, she earned her BA (magna cum laude) in Political Science at Miami University, with a focus on Russian kleptocracy and petroleum transit in the Caspian Sea region. At CEPA, she will research the domestic drivers of Polish and Hungarian foreign policy.) CEPA, https://cepa.org/what-can-we-do-about-poland-and-hungary/, accessed 7-22-2022,[ONHS HC]

Governments in Poland and Hungary — U.S. allies and members of NATO and the European Union — continue to pursue policies that are fundamentally at odds with healthy democratic development and that marginalize some of their most vulnerable communities. Outsiders have lumped the phenomena in Poland and Hungary together, but that glosses over some important differences between the two countries and possible approaches to their situations. In Hungary, changes to electoral law and deteriorating economic and political institutions put the country in a precarious place, compounded by the government’s cooperation with other nondemocratic regimes. Poland has maintained its strategic alignment with the United States and economic integrity, but its domestic politics and social policies are worrisome. Both governments were democratically elected and earned a legitimate mandate to rule from their populations. Both governments also assert that external actors should keep out of their domestic affairs. Nevertheless, as an ally and active promoter of democracy in the region, the United States must find a way to head off decline. Through diplomatic pressure, the incoming administration should strongly advocate minority rights and support regional civil society. With other partners, such as the EU and NATO, the United States should establish democratic expectations and make it clear to the Polish and Hungarian governments that accountable governance through rule of law and democratic norms is the key to stability and partnership. INTRODUCTION In 2020, covid-19 swept through the globe, causing a public health and economic crisis. To offset the economic fallout, the European Union set up a recovery fund. There was a hitch: the European Commission would hand out money from the fund only to members that demonstrated respect for the rule of law, a condition that EU leaders had for years been seeking to link to other funding disbursements. This stipulation targeted primarily Poland and Hungary, which then blocked approval of the EU budget and recovery fund. Refusing to back down, the EU threatened to cut Hungary and Poland out of the covid fund if the gridlock was not resolved.[1](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_0_7801) The commission was not alone: Majorities in all European countries, including Poland and Hungary, support the principle of tying EU funds to respect for the rule of law.[2](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_1_7801) In the resulting compromise, the EU Parliament passed the rule of law conditionality, but the EU Commission had to make several concessions on language, scope, and enforcement.[3](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_2_7801) This flurry of political developments is the culmination of years of accusations that governments in Poland and Hungary are pursuing domestic policies at odds with their democratic mandate, resulting in a great deal of head-scratching about how outside parties should respond. Earlier in 2020, Freedom House downgraded the most democracies ever in its 25 years of compiling the Nations in Transit report. Poland and Hungary stood out as the worst examples of democratic decline.[4](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_3_7801) Critics have accused Hungary’s Fidesz-led government, which came to leadership in 2010 under Prime Minister Viktor Orbán, of consolidating power by undermining independent media and the judiciary, changing election laws, and facilitating corruption.[5](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_4_7801) In Poland, the Law and Justice-led coalition (Prawo i Sprawiedliwość, styled “PiS”) has drawn criticism throughout its five years in power, especially for its changes to the judiciary, which the EU and other critics say undermine the rule of law and violate the principles of EU membership.[6](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_5_7801) The PiS and Fidesz governments defend their policies as necessary.[7](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_6_7801) Domestically, both parties’ focus on economic development and social spending have won them a mandate to rule, especially from rural voters.[8](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_7_7801) The charge that democracy in Poland and Hungary is deteriorating is serious and has prompted calls for intervention. As a bilateral ally, NATO member, and promoter of democracy in the region, the United States has an important role to play in addressing challenges to the rule of law and its consequences for democracy. This paper argues that Poland and Hungary are pursuing policies that erode the rule of law and democratic norms. It also argues there are key differences between the two countries, all of which put Hungary on a more worrying trajectory. The United States should maintain its role as an active promoter of democracy in the region and continue to advocate minority rights, support civil society, and stress to the Polish and Hungarian governments that accountable governance through rule of law and democratic norms is the key to stability and partnership. To do this, the United States should lead with diplomacy and set the conditions that will safeguard its relationships in central and eastern Europe, a region that still matters for the United States’ strategic interests. In this report, **Section 1** will explain the spectrum of concepts and definitions applied to the domestic situations in Poland and Hungary. **Section 2** provides an account of each country’s recent domestic developments. **Section 3** gives broader context for attacks on the rule of law and backsliding. **Section 4** notes differences between Poland and Hungary. **Section 5** offers a discussion on policy options, makes recommendations, and concludes. SECTION 1. TERMS Experts debate what to call the situation in Poland and Hungary, and its causes.[9](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_8_7801) Some call it backsliding.[10](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_9_7801) Others call it a “playbook of autocracy” or “autocrat's playbook.”[11](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_10_7801) Still, others consider it a mere hiccup not indicative of a lasting deviation from the countries’ prior trajectories: All democracies have occasional problems, and Poland and Hungary are not swerving off democratic course.[12](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_11_7801) Even the concept of democracy is complex and encompasses a spectrum of systems.[13](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_12_7801) Populism and backsliding are separate phenomena that feed off each other.[14](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_13_7801) Populism enables a party or political formation’s path to power; backsliding is the way that power is wielded and maintained through twisting proper governing mechanisms.[15](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_14_7801) Populist rhetoric provides a narrative of why for the ruling party — why the country is in danger; why the party is the only hope for salvation and ought to be voted into power; why governing mechanisms need to be altered. Backsliding is how those ruling parties stay in power. It is the sum of measures taken to ensure that the power structures are still secure in favor of the ruling party even if the electorate has a change of heart or stops believing the narrative. Related to this, one prevailing explanation for populism’s success is a divided and/or weakened opposition.[16](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_15_7801) The opposition’s weakness could in turn be due to the lack of a compelling platform, infighting, or the power of the majority party’s simplistic narrative (especially if it taps into aspects of the electorate’s identity).[17](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_16_7801) The rise of populism and concerns over the deterioration of democratic institutions are not unique to Hungary and Poland. Other EU members, and indeed countries around the world, are experiencing these problems to some degree.[18](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_17_7801) Ironically, growing illiberalism elsewhere helps the Polish and Hungarian governments claim that the “West” and “Western media” are singling them out — a convenient narrative. SECTION 2. COUNTRY SPECIFICS ** People wearing protective face masks attend a voting during the presidential election at a polling station in Warsaw, Poland June 28, 2020. Slawomir Kaminski/Agencja Gazeta/via REUTERS Although criticism has intensified in recent years, concerns over the domestic politics of Hungary and Poland date back to the early 2000s and 2010s. Then, onlookers cited Poland as the worse offender.[19](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_18_7801) Now, Hungary has taken the lead, with Poland’s government allegedly mimicking the Hungarian government’s methods to keep a grip on power.[20](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_19_7801) A summary of developments in the two countries over the past decade shows similarities, but also some striking differences that ought to be noted in assessments and subsequent policy responses.[21](https://cepa.org/what-can-we-do-about-poland-and-hungary/#footnote_20_7801) Sketching out events in each country also helps avoid the tendency to draw overly simplistic caricatures. While some comparison can yield valuable insights, if we rely too much on this approach, we risk overlooking some of the nuances specific to each country. <Section 2.1-2.3 5.1 and 3.2 excluded for irrelevance and length> POLICY RECOMMENDATIONS Considering the above, U.S. should adopt a cautious and considered approach in addressing concerns over perceived backsliding in Hungary and Poland. The PiS and Fidesz governments were elected democratically, and they represent a sizable number of Polish and Hungarian citizens. Some recent developments in both countries are undoubtedly problematic, but to call foul on the legitimacy of their governments is unwarranted: It’s important to not treat them like fully authoritarian regimes. Advocates of softer measures would steer away from material threats in favor of more political finesse, vocal diplomatic pressure, and institutional weight. The actions of Poland and Hungary come nowhere close to those of countries that have economic or targeted personal sanctions leveled against them, such as Russia, Iran, and North Korea. The United States must maintain influence to address key U.S. interests in the region, allowing strategic objectives to drive its diplomatic priorities while keeping its focus on engaging in areas it can influence. U.S. policymakers can do this by adopting a tandem of internal and external measures. 5.2.1. INTERNAL The United States should establish formal tools to measure the impact of its regional stance on rule of law and threats to democracy. So far, U.S. policymakers have reacted to crises or developments in Poland and Hungary on an ad hoc basis. They have relied on external meters to diagnose the problem and have rushed to do damage control (or not). Instead, the United States should establish its own benchmarks or metrics to gauge whether developments in Poland and Hungary (and any ally facing rule-of-law issues) are impeding strategic objectives, alongside a plan to reassess the U.S. response when Poland and Hungary take measures in line with U.S. goals. Such measurements and procedures would offer stability, consistency, and transparency to regional partners and clarify the U.S. role in encouraging democratic practices and safeguarding strategic goals in Poland and Hungary. The United States should take a harder line toward Hungary’s and Poland’s transgressions, imposing consequences for violations of the rule of law. The incoming administration should make it clear that high-level visits, bilateral cooperation, economic support, and other benefits will depend on meaningful changes in Polish and Hungarian behavior and policy. At the same time, the United States must reassure Poland and Hungary that despite domestic woes, it would defend them against an external threat. In official and unofficial meetings, the United States should press Poland and Hungary on actions that threaten the rule of law or democratic norms, especially laws that restrict the rights of minorities or limit freedom of the press. The United States should encourage greater social freedoms where possible, modeling adherence to the rule of law, political decency, and democratic pluralism at home. The United States should not condition its military aid or weapons sales — vital to U.S. interests in the region — on successful domestic political reforms or EU dialogue. But a loosely connected approach could create an incentive potent enough for the governments in Warsaw and Budapest to sit up and take note. For example, the United States could privately insist on serious, good-faith efforts to revisit certain domestic developments, particularly in the judiciary, civil society, and media, as part of returning to the shared values under which Poland and Hungary came to benefit from a U.S. troop presence along NATO’s eastern border. The United States should support a vigorous and well-funded civil society in the region. The United States has made an enormous difference in central and eastern Europe not with military might or arms sales, but through diplomacy and support for the organizations and people who create democracy. It should return to these people-to-people methods with funding, training, and teaching and learning opportunities for Polish and Hungarian NGOs and civil society, including English- and regional-language NGOs, which inform an ever-wider audience. ** U.S. Vice President Joe Biden addresses to media after meeting Polish President Bronislaw Komorowski in Warsaw March 18, 2014. 5.2.2. EXTERNAL There are compelling reasons to push for a regional approach to democratic development. An aggressive diplomatic push to bring local actors into a regional dialogue could help realize democratic objectives. The United States must work with allies and partners to keep Hungary and Poland from further degrading the rule of law and to encourage the governments in Warsaw and Budapest to cooperate in addressing shared democratic concerns. The United States can use its considerable influence to push for a structured dialogue within NATO — alone or with support from other members — that explores democratic norms and the safeguarding of democracy. Indeed, a U.S. troop presence in the eastern flank offers more leverage to shape security and political outcomes. Even a “failed” discussion could offer a framework for future talks and, later, arrangements. If dialogue proves difficult, the United States could focus the conversations on responding to shared security threats, such as Russian revanchism or the effects of Chinese economic power. In parallel, the United States could use diplomatic power to support a regional EU-based discussion track. Piggybacking off the NATO discussion, the United States could facilitate a regional dialogue on issues of rule of law and democratic norms. Such conversations would not require any new institution or official bi- or multilateral declarations. Like the NATO conversations, these dialogues would be open-minded and flexible, and focused on getting many interests and players at the table. Some conversations would be best held with U.S. support but with no U.S. representation — to ensure that EU countries feel they are properly representing their regional interests. Other conversations could include envoys from Washington. Still others might include players outside the region, such as Russia and China. Currently, the more the elites in Brussels push, the more the Polish and Hungarian administrations decry an external EU “threat” in order to legitimize their power grabs, but adding the United States as a broker alongside the EU to facilitate these conversations might wear down Poland and Hungary’s rhetoric. Dialing back the heat, even a bit, among Poland, Hungary, and the EU would be conducive to creating structures for future progress. In addition to this, the United States and other regional partners should use Poland and Hungary’s desire for power and prestige within international organizations to leverage for reform. Both countries would need to feel they had something to gain by behaving in line with the norms of those institutions and that they have a legitimate opportunity to wield influence within such organizations. More broadly, the United States needs to be more consistent in its policy toward the transatlantic space. This means not fracturing the EU or threatening the integrity of the alliance. Lack of predictable U.S. policy in central and eastern Europe, and indeed the EU, breeds uncertainty among allies and partners, which encourages them to act in ways counter to U.S. policy objectives, including hedging. This is particularly true in Hungary, which has cultivated close relationships with the governments in Beijing and maintained a close relationship with Putin’s Russia. The United States can expect Orbán to continue to deepen ties with China and Russia, which is strategically smart, but it should use diplomatic ties to remind Orbán of Hungary’s enduring and important relationship with the United States. Hungary may seek diplomatic alternatives in Russia or trade and investment in China, but these are not truly credible alternatives to security and intelligence partnerships with the United States. At the same time, the United States should consider not getting too close to the government in Budapest, whose continued threats to the rule of law will likely undermine its long-term stability and which could increasingly turn to Russia and China for aid. This move away from Budapest might give the government in Warsaw pause, as it sees itself as promoting Western values, in tandem with the United States, in its foreign policy. Both Russia and China have incentives to maintain or exacerbate the current divide between central and eastern Europe on the one hand and the European Union and United States on the other. China poses a lesser threat than Russia to the de facto territorial integrity of countries like Poland and Hungary, but China throws its weight and money around in ways that could further erode democratic norms. At the same time, when considering its relationship with Poland and Hungary, the United States should avoid over-emphasizing its geopolitical competition with China and Russia. At this point, Poland is firmly in the “Western” camp. But countries like Poland and Hungary are encouraged by the economic opportunities China provides, and they should not be forced to choose between the United States and “others.” The United States should be mindful of Russian and Chinese activity in the region but should avoid treating it as moves in a zero-sum game. China and Russia still have largely transactional relationships with Hungary: Russian activity continues to focus on projection of power, and China is focused on sowing economic accord through investment, but the government in Beijing has not seemed eager to dive into domestic politics outside of the political pressure necessary to ensure its own ends. Finally, because the United States is facing some of the same domestic issues as Poland and Hungary, it has an opportunity to speak to the two CEE countries peer-to-peer. Common experience could be a starting point for recommitting to values underlying a healthy democracy. President Biden’s remark at an October 2020 town hall lumping Poland and Hungary in with Belarus as “totalitarian” is not conducive to a constructive dialogue. Indeed, Biden’s victory has gotten a frosty greeting in Poland and Hungary (as opposed to other Western countries), as the two countries anticipate the shift in strategy from the incoming U.S. government. But the Biden Administration could echo the dialogue of healing and return to civility — which it has used domestically — in addressing such topics on the transatlantic space and bi-lateral ties. 5.3 CONCLUSION A more constructive approach to Poland and Hungary is essential for sustainable democratic development and U.S. interests in the CEE region. A successful strategy will require resilient diplomacy backed by rhetoric that reinforces stability rather than provoking confrontation. With this in mind, the United States should not shrink away from calling out its allies on their more egregious policies that harm the region’s most vulnerable communities. The focus must be on keeping Poland and Hungary from decline while encouraging cooperation on shared goals. As a part of this, the United States should bring in the EU and NATO members to uphold democratic norms. Managing the transatlantic relationship — of which Hungary and Poland are a vital part — is a long-term project that can only succeed through pluralism, open dialogue, and a shared set of values and objectives.

#### Hungarian nationalism, militarism, and relations with revisionist countries growing- NATO must act now

Bergmann and Ciccarelli 20, 8-17-2020, [The Center for American Progress is an independent, nonpartisan policy institute.] "Why Hungary’s Democratic Backsliding Should Prompt NATO To Act," Center for American Progress, https://www.americanprogress.org/article/hungarys-democratic-backsliding-prompt-nato-act/

On June 6, Hungarian Prime Minister Viktor Órban visited a small town on the Hungarian-Slovak border to commemorate the 100th anniversary of the signing of the Treaty of Trianon. The agreement, signed in the wake of World War I, dramatically shrunk Hungary’s territory from its Austro-Hungarian empire borders, resulting in Hungary ceding two-thirds of its territory and leaving sizable populations of ethnic Hungarians outside of the new boundaries. In [his speech](http://abouthungary.hu/speeches-and-remarks/primeminister-viktor-orbans-commemoration-speech-trianon/), which was imbued with nationalist resentment, Órban described every Hungarian child inside and outside of the country’s borders as a “guard post” to protect national identity. Additionally, he boasted about the speed at which Hungary has increased defense spending and built “a new army,” proclaiming, “We haven’t been this strong in a hundred years.”

Órban’s deliberately provocative and threatening speech was not a nationalist dog whistle intended only for the Hungarian public. Rather, it directly suggested that a significant amount of territory belonging to Hungary’s neighbors to the east—Romania, Slovakia, and Ukraine—should be considered Hungarian.

Órban’s rhetoric—and Hungary’s rapidly backsliding democracy—should serve as a wake-up call to the [NATO]North Atlantic Treaty Organization. Today, the alliance faces a growing and pernicious threat: the rise of illiberal nationalism within its ranks. This internal threat is one that an alliance built on cooperation of individual nation-states and premised on states working together is ill-suited to address. For instance, NATO has been encouraging member states to [devote more resources](https://www.nato-pa.int/download-file?filename=sites/default/files/2018-12/2018%20-%20BURDEN%20SHARING%20NEW%20COMMITMENTS%20IN%20A%20NEW%20ERA%20-%20MESTERHAZY%20REPORT%20-%20170%20DSCTC%2018%20E%20rev1%20fin.pdf) to national defense. However, this begs the question of whether the alliance should encourage an autocratic Hungary to massively increase its defense spending when it could use its military capabilities to threaten its neighbors. With Turkey [stoking tension](https://www.nytimes.com/aponline/2020/08/11/world/europe/ap-eu-greece-turkey.html) with Greece in the eastern Mediterranean, leading to fears of conflict between two NATO members, the internal threat of nationalism to NATO’s cohesion is clear. It is time for the NATO alliance to get serious about the threat posed by rising nationalism and democratic backsliding among its member states.

A backsliding Hungary

Over the past decade, the Órban regime has relentlessly attacked Hungarian democracy. Today, Freedom House [maintains](https://freedomhouse.org/country/hungary/nations-transit/2020) that, given the government’s tight control over the media and independent institutions, Hungary can no longer be considered a democracy. During the COVID-19 pandemic, Órban has taken on emergency powers that allow him to rule by decree, [further consolidating](https://www.nytimes.com/2020/06/16/world/europe/hungary-coronavirus-orban.html) his power over the government. This descent into authoritarianism has also gone hand in hand with the regime’s efforts to inflame Hungarian nationalism and provoke confrontation with Hungary’s neighbors.

Órban has followed a [tactic](https://www.atlanticcouncil.org/blogs/ukrainealert/one-million-passports-putin-has-weaponized-citizenship-in-occupied-eastern-ukraine/) employed by Russia, wherein President Vladimir Putin issued passports to Russian populations outside of their borders. In 2011, Órban similarly expanded Hungary’s citizenship laws, issuing passports to ethnic Hungarians in surrounding countries. And while Órban has made it exceedingly difficult for Hungarians who have moved abroad to vote, Hungarian minorities in surrounding countries have become a major base of support for the Órban government. For instance, in the Romanian region of Transylvania, there are [1.2 million](https://balkaninsight.com/2020/01/30/living-like-in-hungary-orban-bankrolling-romania-ethnic-parallelism/#:~:text=Transylvania%20is%20home%20to%20the,ethnic%20minority%20communities%20in%20Europe.) ethnic Hungarians, making it one of the largest ethnic minority populations in Europe. This has created what Tamás Kiss, a researcher at the Romanian Institute for Research on National Minorities, [described](https://balkaninsight.com/2020/01/30/living-like-in-hungary-orban-bankrolling-romania-ethnic-parallelism/) as a system of “ethnic parallelism – to build up and maintain a system in which Hungarians can live their life as it would be not in Romania but in Hungary.” Using local proxies in ethnic Hungarian communities in Slovenia, Serbia, Slovakia, Ukraine, and Romania, Órban has pumped money into Hungarian-centric media and cultural programs. Akos Keller-Alant, a Hungarian journalist, [describes](https://balkaninsight.com/2020/01/30/living-like-in-hungary-orban-bankrolling-romania-ethnic-parallelism/) this strategy as a way to pursue “the ‘virtual unification’ of all Hungarians,” including by making it “easier for them to gain Hungarian citizenship.”

Meanwhile, tensions with Hungary’s neighbors have [grown](https://www.romaniajournal.ro/politics/hungary-accuses-president-iohannis-of-inciting-to-hatred-following-statements-on-szeklerland-autonomy-law-mae-szijjarto-diverted-iohannis-message/). The Órban regime has been quick to [stoke resentment](https://balkaninsight.com/2020/02/12/slovak-election-to-test-orbans-clout-among-ethnic-hungarians/) over various perceived slights—both real and imagined—within Hungarian minority populations. This, in turn, has provoked a backlash among Hungary’s neighbors, exacerbating tensions and increasing anti-Hungarian sentiment. This gives the Órban regime a nationalist dial, so to speak, to aggravate territorial grievances whenever it chooses. With the upheaval and uncertainty caused by COVID-19, the ability to distract the nation from the government’s response to the pandemic would likely become increasingly politically appealing.

Hungary’s revanchist allies

While ethnic conflict is not a new feature of central European politics, several factors—including Hungary’s rapid military modernization and growing relationships with Russia and China—make Órban’s increasing nationalistic posture and rhetoric more troubling.

Órban is not just stirring the nationalist pot. Hungary’s movement away from democracy and embrace of autocratic illiberalism has helped the country foster closer relationships with Russia and China. Russian intelligence has greatly expanded its presence in the country, [allegedly](https://www.reuters.com/article/hungary-russia-senators/u-s-senators-see-security-threat-in-russian-banks-move-to-budapest-idUSL5N26H3LO) using Hungary as a back door to the European Union. Meanwhile, China has built up its economic and political connections to Budapest, with a [major](https://www.eias.org/briefing-papers/the-bri-in-europe-and-the-budapest-belgrade-railway-link/) Belt and Road Initiative project linking the Hungarian capital to Belgrade. Ultimately, these sorts of actions benefit all involved parties: Hungary builds economic and political ties with Russia and China, while Russia and China get the opportunity to not only build ties with a fellow illiberal regime but also potentially undermine the cohesion of the EU and NATO.

Additionally, both Russia and China provide a revanchist model for Hungary to follow. Russia seized Crimea, invaded eastern Ukraine, and continues to dispute regions of Georgia under the guise of protecting ethnic Russian populations. China, for its part, has built islands in the South China Sea, [claiming](https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea) a loose historical connection. What once may have been viewed as an international taboo—seizing territory—has clearly been broken. However outlandish Hungary’s territorial claims, similar actions undertaken by the Órban regime may gain backing from Moscow or Beijing or both.

Hungary rearms

Hungary has been considered a solid NATO partner since it [became a member](https://www.nato.int/docu/comm/1999/9904-wsh/pres-eng/03acce.pdf) of the alliance in 1999. Today, it has troops in Kosovo and Afghanistan and contributes to the Baltic air policing mission. Meanwhile, its defense spending has remained low, amounting to just [1.22 percent](https://www.sipri.org/databases/milex) of the country’s gross domestic product in 2019.

However, Hungarian defense spending has significantly accelerated, with a major focus on force modernization. In its 2020 national budget, Hungary is [expected](https://www.reuters.com/article/us-hungary-nato/hungary-aims-to-reach-nato-defense-spending-goal-in-2023-idUSKBN1XU2HF) to increase its defense spending by 20 percent, for a total defense budget of 616 billion forints, or $2.1 billion. Hungary is [on track](https://www.reuters.com/article/us-hungary-nato/hungary-aims-to-reach-nato-defense-spending-goal-in-2023-idUSKBN1XU2HF) to reach the goal of 2 percent defense spending by 2023. Much of the defense budget increase has occurred since the beginning of the Trump administration, with Hungarian Foreign Minister Péter Szijjártó emphasizing President Donald Trump’s [call](https://www.cnn.com/2019/11/27/politics/trump-nato-contribution-nato/index.html) for European countries to ensure their own security.

Hungary is [purchasing](https://sites.tufts.edu/corruptarmsdeals/gripen-combat-aircraft-sales-to-the-czech-republic-and-hungary/) Saab Gripen fighters to replace its aging Soviet fighters. In addition, it is modernizing its helicopter fleet, [acquiring](https://www.airbus.com/newsroom/press-releases/en/2019/11/hungary-takes-delivery-of-its-first-two-h145ms.html) 20 light tactical H145M helicopters from Airbus, and has expanded its ground capabilities through the acquisition of American Humvees, German tanks, and modern howitzers. Hungary is also seeking to expand its ground forces and expand youth recruitment to military programs. Hungary has also prioritized what it terms its “territorial defense” capabilities, or using the military to [patrol the country’s borders](https://www.bbc.com/news/world-europe-37259857) since the migrant crisis of 2015. The Órban regime is [planning on](http://abouthungary.hu/news-in-brief/hungarian-government-to-double-number-of-soldiers-patrolling-the-borders/) doubling the number of soldiers at the borders in 2020, despite the fact the migrant flows through Hungary have essentially stopped.

To be clear, the military balance between Hungary and its neighbors is not favorable for Hungary. It is highly unlikely that Órban fanning the flames of nationalism will turn into a full-on inferno, with demands for territorial revisions and war. Yet the mere potential for such a dystopian future—and the possibility for outside agitators to encourage such an outcome—should lead both NATO and the EU to take action to snuff out those embers.

From a NATO alliance perspective, the presence of an illiberal member whose leader stokes ethnic and national tension with its neighbors and spends significant sums modernizing its forces should be concerning. While the notion that allies embedded in an alliance could take arms against each other may seem far-fetched, history says otherwise. In 1940, during World War II, Hungary regained the region of Transylvania from Romania. At the time, both nations were allies as part of the Axis powers. What is more, Romania [contemplated](https://balkaninsight.com/2020/03/20/when-romania-flirted-with-a-fate-like-yugoslavias/) going to war against its Axis “ally” following the assumed defeat of the Soviet Union. It is not out of the realm of possibility that similar intra-alliance divisions could arise today.

Rethinking the 2 percent defense spending goal

For NATO, it should be clear that the political character of each of its member states matters a great deal to the security of all members and to the effectiveness of the alliance. NATO needs to become a democratic alliance again.

To that end, the United States, the EU, and European states with significant influence on Hungary, namely Germany, could step in to exert their considerable leverage. However, short of evicting illiberal members from the alliance—which is both complicated and immensely controversial—NATO should seek to deepen integration and limit the potential for unilateral action by expanding greater cross-border regional and pan-European defense integration. By way of example, in 1952, Germany and France [created](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Axy0022) the European Coal and Steel Community, merging the industries needed to wage war into a supranational structure that no single state controlled. Similarly, the challenge posed by the revival of European nationalism should lead to efforts to integrate European defense acquisitions and military forces as much as possible. This should not be considered a short-term effort but rather a long-term endeavor to blunt and diminish underlying historical antagonisms.

NATO should also undertake and encourage initiatives that integrate force and promote joint acquisitions, which is already happening on a limited level in Western Europe. For instance, Danish sailors serve on German naval vessels, and Belgium and the Netherlands have [joint naval capabilities](https://english.defensie.nl/topics/international-cooperation/other-countries/the-belgian-and-netherlands-navies-under-1-command). NATO has also expanded initiatives to foster joint acquisitions, including a $20 million precision-guided munitions [purchase](https://www.nato.int/cps/en/natohq/news_157687.htm?selectedLocale=en) involving 11 allied partners and the [establishment](https://www.nato.int/cps/en/natohq/topics_111830.htm) of permanent joint intelligence capabilities. NATO should encourage central and Eastern European countries to undertake similar efforts and should try to create incentives for such cooperation.

Additionally, NATO should encourage more defense spending at the EU level. This entails re-imagining the 2 percent defense [spending pledge](https://www.cnn.com/2019/03/14/politics/nato-defense-spending-target/index.html) as not only an investment in national military forces but also in collective European defense. While Europeans do need to invest more in defense, this no longer needs to be done just through the European nation state, especially because the EU’s involvement in defense is no longer a third rail for European integration. In a recent poll, [nearly 80 percent of European publics](https://www.jstor.org/stable/resrep06814) were in favor of a common EU defense policy. Similarly, European citizens are growing more comfortable with the power of the EU to solve complex multinational issues. When COVID-19 hit Italy, for example, Italian leaders turned to the EU much in the same way that a U.S. state hit by a natural disaster would turn to the federal government for assistance.

Furthermore, current European spending is extremely inefficient, leads to immense duplication and waste, hinders interoperability of forces, and contributes to Europe punching well below its geopolitical weight. For [example,](https://qz.com/1004687/eu-army-europe-dreams-of-a-common-military-but-has-too-many-types-of-tanks/) Europe has 17 types of battle tank systems and an estimated 178 separate types of weapons systems. While any prospect for the creation of a so-called EU army is a long way off, the gradual development of EU capabilities or of military capabilities developed under EU auspices should be integrated into NATO’s efforts and planning. Instead of worrying about [duplicating](https://www.rand.org/content/dam/rand/pubs/monograph_reports/MR1463/MR1463.ch6.pdf) NATO efforts, the United States and NATO should seek to leverage the EU’s powers of integration. The events of the past few years have made this more important than ever.

Encouraging defense integration at the bilateral, regional, and EU levels provides a path forward to deal with increasingly nationalist NATO members. In doing so, NATO can mitigate the threat of nationalism in member states such as Hungary by entangling and integrating their militaries to such a degree that nationalist agitation remains strictly rhetorical.

The renewed interplay of nationalism and authoritarianism should raise real concerns within NATO. Preventing Europe from descending into a destructive cycle of nationalist conflict was, after all, a major driver for the formation of the NATO alliance and the impetus for the European integration project. With the threat of democratic backsliding and nationalist aggression rearing its ugly head once more, NATO must respond.

#### Democracy in Hungary is in shambles and future is not bright- must act now.

Julianne Cullen 22, 4-20-2022, [Democratic Erosion is a multi-university consortium that helps students and faculty evaluate threats to democracy both at home and abroad through the lens of theory, history, and social science.] "Viktor Orban’s Hungary: A Democracy Backsliding," Democratic Erosion, <https://www.democratic-erosion.com/2022/04/20/viktor-orbans-hungary-a-democracy-backsliding/>

With the end of the Cold War and fall of the Soviet Union in 1989, the political systems of eastern Europe began to undergo massive change. As countries transitioned away from the communist regimes of the past, many nations opted to lay foundations for democracy. Hungary was one of those countries and embodied a young, stable democracy for three decades. However, in the time since 2010, Hungary’s democratic state has weakened substantially. A prime factor in the Hungarian democracy’s backsliding is the actions of Prime Minister Viktor Orbán and his right-wing party, Fidesz. Orbán and Fidesz represent autocratic leadership with stark nationalist attitudes, and a demonstrated dedication to anti-immigration policies. Alongside that, the two entities have dismantled core democratic institutions and have produced unfree and unfair elections. The tactics deployed by Orbán and Fidesz are exceedingly worrisome, not only for Hungarian freedom but for the dangerous example they set for the other young democracies of the world.

Orbán’s lack of political forbearance in the abuse of Hungary’s constitution has greatly contributed to Hungarian democracy’s decline. Forbearance is commonly recognized as self-restraint in the exercise of power. Orbán has rewritten several components of the constitution in recent years, allowing him to secure more power for himself and his party. Upon the widespread firing of civil servants, Orbán installed members of his own party to aid in blurring the lines between state government and Fidesz. Another corrosive action has been the expansion of Hungary’s constitutional courts, the body responsible for overseeing the fairness/constitutionality of parliamentary acts. Orbán [packed the courts](https://www.vox.com/policy-and-politics/2018/9/13/17823488/hungary-democracy-authoritarianism-trump) with Fidesz loyalists who then neglected to call out his authoritarian ways. He also gerrymandered parliamentary districts to break up the anti-Fidesz vote amongst the electorate. None of Orbán’s constitutional actions are illegal, but they all are extremely corrosive to democracy. A central component of a strong democracy is a respect for democracy itself. Forbearance is a respect for democracy, and Orbán’s lack of forbearance has proven detrimental to Hungary’s democratic future.

Another one of the major ways in which Orbán has eroded Hungarian democracy is his assault on the free media. A free media plays a pivotal role in any strong, healthy democracy, because it equips the electorate with the information needed to make an informed, fair-sided choice. Hungary’s free media has crumbled as Orbán has launched attacks on the institution. Opposition voices have been nearly silenced as Fidesz overwhelms Hungarian citizens with Fidesz’s own message and propaganda. Since 2017,  Fidesz or Fidesz allies have owned over 90% of Hungarian media. When a democracy experiences a blurring of lines between one party and the state itself, it becomes increasingly hard to distinguish between the two entities and their respective power. Orbán and Fidesz have too strong a grip on the media for an informed electorate to be present. This situation erodes democracy as the opposition fails to expand its supporters through open, publicized information. Unfortunately, this same media situation has been exhibited in other countries that have fallen to authoritarian rule, such as Venezuela. Similar to Orbán, [Hugo Chávez](https://www.newyorker.com/business/currency/the-media-and-the-citizen-in-venezuela) of Venezuela was democratically elected and subsequently infiltrated and attacked the free media, contributing to his authoritarian takeover of the South American country.

Orbán and Fidesz have also employed tactics to manipulate their opposition. In recent years, Fidesz has created several [fake political partie](https://www.occrp.org/en/blog/9019-fake-parties-real-money-hungary-s-bogus-party-problem)s that do not pursue electoral victory, but strive only to break-up the anti-Fidesz vote. This move by Fidesz to fragment the electorate depicts the party’s continued lack of political forbearance. However, the creation of up to fourteen fake political parties may not hold the same legality as Orbán’s other anti-democratic tactics. Fidesz is currently being investigated for electoral fraud, but the investigation is unlikely to yield any consequences for the autocrat due to his previous packing of the courts. This failure of the system is representative of the worsening democratic situation in Hungary, with once constitutional checks on power now useless in a time of critical need.

The passage of a “[voter tourism](https://www.washingtonpost.com/politics/2022/04/06/orban-fidesz-autocratic-hungary-illiberal-democracy/)” law that now allows Hungarians to register to vote in any parliamentary district of their choosing has furthered Orbán’s assault on democracy. This law significantly stiffles Orbán opposition as Fidesz supporters strategically shift their votes into electorally closer districts in an attempt to ensure a Fidesz loyalist victory. In a healthy democracy, one possessive of free and fair elections, no such policy would take shape. The rules of the game would not be altered to benefit the current holders of political power and an opposition as large as the one present in Hungary would not experience such a lack of parliamentary seats. Prior to Orbán’s rise to power, this law would appear unconscionable, but when an autocrat with no respect for democratic values or forbearance is in office, it comes as no surprise that the opposition faces an increasingly difficult battle for power.

Hungary just held elections in April of 2022 and Orbán and Fidesz unsurprisingly remained in power. As explained, Hungary’s democracy is currently in shambles and the democratic future does not appear bright. In the grand scheme of Hungary’s history, the almost complete erosion of democracy has materialized in an exceptionally short period of time. As the freedom of the Hungarian people continues to deteriorate, an even more alarming threat looms over the international community–the threat of Viktor Orbán and Fidesz’s playbook being exported and implemented in other democratic states. As the world watches the ongoing situation in Hungary, it is important to recognize his autocratic tactics as full-on assaults on democracy and work to prevent similar democratic backsliding from happening elsewhere.

### Impact – Democracy

#### Democratic backsliding in Hungary sends global signal, only the CP reverses failed western response.

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Even if overshadowed by the ongoing Russian aggression against Ukraine, Viktor Orbán’s recent landslide victory in the Hungarian parliamentary elections was an important turning point for the Western world’s democratic credibility.

The implications of Orbán winning a fourth consecutive term as prime minister and a fresh constitutional supermajority for his Fidesz party, even in the face of a united opposition this time, will be far-reaching. Hungary’s Western partners must draw the right lessons from a historical juncture that has further cemented Hungary’s path of autocratization, alongside similarly disturbing trends in the region in Poland.

In the 12 years Orbán has been in office, Hungary has evolved into a unique laboratory of autocratization within the Western world. The lessons learned from the country’s authoritarian developments help to explain how competitive authoritarian regimes flourish and operate within the framework of the European Union, how the tilted playing field that such regimes create can impact political competition, and whether – and if so, how — a domestic democratic correction of advanced autocratization is feasible at all.

The Systemic Challenge of Autocratization

Despite the Biden administration’s effort to begin challenging democratic backsliding and the EU’s tentative recent efforts to push back on Hungary and Poland’s autocratization, the Hungarian election result confirms that Central Europe’s illiberal regimes are no temporary phenomena at all. Rather, they pose a systemic challenge to pluralist, liberal democracy by labelling themselves non-liberal, but democratic, and they will remain with us for years, if not decades. The result creates a long-term challenge to the democratic integrity of the transatlantic alliance.

In 2026, when the next parliamentary elections will be due in Hungary and Orbán will be in power for 16 years, there will be a full generational cohort of young Hungarians who once again got their political socialization in a non-democratic regime, lacking direct experience with liberal democracy. This, and the en masse emigration of politically dissatisfied Hungarians will keep the chances of a future democratic backlash against the Orbán regime rather low.

Of course, Hungary is not the only serious challenge to democracy in Central Europe. While Hungary’s autocratization pattern is different from that of Poland, their similarities are undisputable. For one, in both cases, the demise of the rule of law, the undermining of judicial independence, the hollowing out of constitutional checks and balances, and attacks on media pluralism appear to be inextricably bound with compromised election integrity.

This year’s Hungarian election was its third consecutive vote since 2014, when the incumbent Fidesz party enjoyed “undue advantage,” according to the assessment of the election observation mission of the Organization for Security and Cooperation in Europe (OSCE). As the OSCE observation mission concluded this year: “the 3 April parliamentary elections and referendum were […] marred by the absence of a level playing field. […] the campaign was highly negative in tone and characterized by a pervasive overlap between the ruling coalition and the government,” this latter referring to the development of Fidesz evolving to a kind of “state party” and Hungary becoming a “party-state.”

This language is similar to the OSCE assessment of the 2020 Polish presidential elections, in which, according to the organization, “the campaign was characterized by negative and intolerant rhetoric further polarizing an already adversarial political environment. In an evidently polarized and biased media landscape, the public broadcaster failed to ensure balanced and impartial coverage, and rather served as campaign tool for the incumbent.” Poland’s autocratization will reach its key juncture at the 2023 general elections. If the regime of Jaroslaw Kaczynski and his Law and Justice (PiS) party will also succeed in further entrenching their position, a successful re-democratization of Central Europe would seem to be unrealistic in the short- and mid-term.

Orbán’s landslide victory this time was a stunning surprise, the reasons for which will keep Hungarian political analysts busy for a while. No public opinion poll predicted the collapse of electoral support behind the opposition, although Hungarian polls traditionally have been fairly accurate.

The united opposition organized a rather weak campaign with a couple of unforced errors, but this was hardly the main reason behind the opposition’s defeat. They followed a strategy that appeared to be right both in light of the Hungarian electoral system and the lessons learned from the 2019 municipal elections. That time, voters urged the full cooperation of democratic opposition parties. This time, voters, especially those of the former radical-right party Jobbik, abandoned the joint list of the six opposition parties in significant numbers. What happened?

The uneven playing field was a key factor in the opposition’s loss. The incumbent Fidesz party’s dominance of the media landscape, along with campaign rules allowing its candidates to outspend their opponents several times over, provided far more than a tactical advantage of a couple of percentage points, but rather a strategic advantage that fundamentally altered the nature of political competition. Fighting an uphill battle in public communications, the opposition was unable to deliver its messages outside of its core electorate. Furthermore, the war in Ukraine became the key campaign issue, and Fidesz was successful in labelling opposition candidate Péter Márki-Zay and the six parties supporting him as warmongers and traitors who would be ready to risk Hungary’s economic and physical security in order to provide military help to Ukraine. The bottom line is that, while political competition may exist in Hungary in legal terms, the country’s political system is de facto skewed to bar any opposition victory in elections.

This situation can only change if the credibility of the government’s communications suffers a severe setback, for example due to the increasing mismatch between the reality of citizens’ lives and the government’s narrative. In short, only a domestic crisis of the Orbán regime may open real opportunities for the opposition to challenge him with any hope of success.

War in Ukraine Masks Authoritarian Trajectory

The Hungarian-Polish political alignment has gone slightly off course in the face of Russia’s all-out war on Ukraine, as Orbán has maintained his pro-Russian foreign policy and reluctance to provide meaningful aid to Ukraine, while Poland’s historical enmity with Russia has prompted it to vigorously support Ukraine and take in almost 3 million refugees fleeing the fighting. But the authoritarian core of the two regimes remains unchanged. While rightly celebrated in the international media for its committed leadership in supporting Ukraine’s self-defense, the Polish government has used the fog of war to advance its authoritarian agenda even since Russia’s full-scale invasion of Ukraine began on Feb. 24. Among other anti-democratic moves just since then, it has continued appointing justices loyal to the party, refused to implement key international court rulings, and filed a draft law in the Polish parliament to discourage foreign funding of Polish watchdogs and civil society organizations.

And Hungary and Poland are not the only countries of concern in Central Europe. If trends remain unchanged, illiberal leftist leaders Peter Pellegrini and Robert Fico have a high probability of returning to power in Slovakia’s 2024 parliamentary elections, even though Fico is under investigation on allegations of organized crime. Such a change in power could once again derail Slovakia’s struggling democracy and put the country on an illiberal track again as well.

Clearly, democracy is not the only game in town anymore in Central Europe. While many Western stakeholders might be tempted to make concessions to the region’s illiberal strongmen in order to preserve EU and NATO unity, this approach was a key enabling factor and will only continue to weaken European and transatlantic organizations further. In the face of the clear authoritarian threat posed by Russia and China, challenging these trends in Central Europe to strengthen the democratic integrity of the Western alliance is more crucial than ever.

The US and EU Response

Western responses to autocratization in Hungary and Poland have long been weak, with the EU and the United States always reluctant to take action for various reasons at various times. In times of crisis, such as in the 2015 refugee crisis and now during Russia’s war on Ukraine, the West seems reluctant to challenge these demagogues on their anti-democratic actions, lest they stop cooperating on the crisis issue of the moment. But when Europe or the United States are not experiencing an acute crisis, they seem to lack the motivation to challenge these authoritarian regimes with firm action over issues of democracy, rule of law, and corruption. It’s as if there is never a right moment to discipline illiberal strongmen in the Western alliance. As a consequence, the authoritarian dynamics they have unleashed have advanced largely unopposed.

Over the past year, for example, both the EU and the United States had perfect opportunities to play hardball with Viktor Orbán — the EU through triggering its new rule of law conditionality mechanism that allows it to officially suspend EU funds for Hungary based on violations of EU standards for rule of law, while the United States could have done so by imposing Magnitsky sanctions against key members of the regime. But both the White House and the European Commission, the EU’s executive branch, backed down. If planned, timed, and publicly communicated appropriately, such sanctions could have significantly improved the opposition’s odds in the elections.

Now, both the EU and the United States will have to mount any challenge to Orbán under more adverse conditions. In the EU, if the political conflict with him escalates, he may be able to block EU decision-making in the context of the war in Ukraine. Nevertheless, it would be dangerous for democracy if the EU and the United States continue to pull their punches. And the EU is showing signs of understanding this: In order to preserve at least some of its democratic credibility, the EU surprisingly announced the triggering of the rule of law conditionality mechanism against Hungary in April, right after the elections.

The United States now should follow suit, to raise the pressure on the regime, especially considering Orbán’s alignment with the Kremlin. Washington should introduce the planned Magnitsky sanctions against key figures of the Orbán regime. Only a coordinated transatlantic approach and the deployment of targeted sanctions is likely to change Orbán’s cost-benefit calculation and deter him from further autocratization. After 12 years of softball, its high time to play a different game.

#### Hungary’s backsliding ripples through Europe and causes global illiberalism.

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What Comes Next?

Hungary’s democratic backsliding is the product of many factors, few of which are unique to Hungary. This is not a comforting thought: What happened in Hungary could happen elsewhere too. Given a ruling [End Page 48] party willing to bend the rules in its own favor and a weak, fractured opposition, it is hard to see where political change can come from. There are NGOs that have been surprisingly efficient at organizing large rallies, but the government’s legal and propaganda campaigns against them have rendered their position very fragile.

Can the opposition parties learn to pull together? They do seem to realize more keenly than before that the “narcissism of small differences” among them has been a pillar of the Fidesz supermajority. In February 2018, all the opposition parties rallied behind a single mayoral candidate in a southern town known to be a Fidesz stronghold. The win scored by this candidate, an independent local entrepreneur with strong conservative credentials, suggested a winning formula. In general, however, the opposition remains too much a Budapest phenomenon, without the local structures outside the capital that it will take to challenge the ruling party. That party, meanwhile, is becoming increasingly successful at controlling the parliamentary opposition, which is coming to resemble the sham “opposition” to Putin’s United Russia party in the Russian State Duma.

In foreign affairs, Orbán will most likely keep up his East-West balancing act, trying to make the most of EU and NATO membership while cementing his hybrid regime ever more firmly into place. Russian, Chinese, Turkish, and Azerbaijani leaders will continue to find receptive partners in Hungary. In January 2018, Orbán said that an EU funding cutoff would turn him toward China.23 Three months later, Hungary became the only EU country that refused to sign a statement criticizing China’s Belt and Road Initiative.24

Orbán’s illiberal model has been having a major impact not only in Central and Eastern Europe, but in the Western Balkans as well. In an increasing “soft power” attempt, Orbán is reaching out to countries in the Western Balkans, and, mostly successfully, supporting local (mainly right-wing) strongmen in Croatia, Macedonia, Montenegro, Serbia, and (as we have seen) Slovenia. Along with Hungary’s government-organized media, Hungarian energy companies have been expanding their Western Balkan presence. Orbán, as a model politician of the broader region, has been spreading his ideology and working on creating a “sphere of influence” among nearby countries, both those that already belong to the EU and some that aspire to join.

Hungary has become a successful laboratory of illiberal governance. Fidesz has remodeled the country’s institutions to suit ruling-party purposes. Identity politics and conspiracy theories abound, as state-funded media churn out fake news. Given the positive voter feedback regarding all this, we should expect it to continue.25

Can pressures from outside change that? Budapest’s relations with both Brussels and Washington are at a low point. In early 2017, the European Parliament began proceedings that could take away Hungary’s voting rights, though this is not a likely outcome. A more realistic scenario [End Page 49] envisions the European People’s Party moving to strip Fidesz of its membership, which would weaken it domestically. Orbán has had to work constantly to strike the right balance between advantageous provocations and necessary concessions. Until now, when forced to choose between the East and the West, he has always chosen the latter. Yet the West has never succeeded in forcing him to compromise on his drive to centralize power.

### Impact – Russia

#### Absent US intervention, Hungary and Poland will threaten to escalate conflict with Russia

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While the Biden administration has elevated the fight against authoritarian trends and corruption to a foreign policy priority, the U.S. now faces a tough challenge to its democracy agenda: the authoritarian developments among its European NATO allies, particularly Hungary and Poland. Both countries experienced the sharpest decline in democratic quality in the Western world since the recent incumbents, Viktor Orbán’s Fidesz party in Hungary and Poland’s Law and Justice (PiS) led by Jaroslaw Kaczynski, came to power in 2010 and 2015, respectively. The fact that neither of the world’s two leading democracy-measuring institutions — [Freedom House](https://freedomhouse.org/report/nations-transit) and [V-Dem](https://www.v-dem.net/files/25/DR%202021.pdf) — considers Hungary to be any sort of democracy anymore should raise alarm about the true authoritarian nature of illiberal projects among U.S. allies in Central and Eastern Europe. If Washington turns a blind eye to the authoritarian developments in its own self-described, value-based alliance system, the U.S. risks running into the accusation of double standards, which may significantly weaken its democracy agenda. However,the autocratization of Hungary and Polandposes **more** challenges for the U.S**.** than just its credibility when it comes to democracy and rule of law. Besides Turkey,Hungary is the only NATO member state that fails to comply, not only with democratic values that the current administration promotes, but also with the foreign policy priorities and interests of the U.S. regarding China and Russia. In stark contrast to Budapest, Poland’s commitment to NATO has been unshakeable because of the existential [security threat](https://www.dw.com/en/russia-is-the-only-conceivable-threat-to-poland/a-45826423) stemming from Russia. Warsaw also has been ready in the past to comply with Washington’s main expectations regarding China, in order to keep the U.S. engaged as a security provider on [NATO’s Eastern Flank](https://warontherocks.com/2020/06/nato-needs-a-coherent-approach-to-defending-its-eastern-flank/). However, since the Biden administration took office, Poland appears to be distancing itself from Washington’s China policy by seeking a more intense and balanced relationship with Beijing and labeling U.S.-China strategic competition as a “bilateral issue.” Warsaw may believe it has the upper hand in U.S.-Poland bilateral relations if it rests on the assumption that the U.S. won’t reduce its security engagement on the Eastern Flank without undermining its own strategic approach to NATO. According to the Polish perception, the Biden administration cannot credibly threaten Poland with weakening security cooperation if the PiS government further proceeds with its authoritarian agenda. How can Washington then address the autocratization of its Central European NATO allies, Hungary and Poland, and their rapprochement with Beijing? While U.S. influence over Hungary might be limited, Washington still does have significant leverage over Poland because of Warsaw’s substantial interest in security cooperation. Washington should be ready to play out the security card to put pressure on Warsaw. First, it should calibrate its diplomatic and policy moves in a way that drives a wedge between Poland and Hungary. This could allow European Union institutions to address authoritarian developments in both countries, but primarily in Hungary, more effectively. How can such a strategy be realized? U.S. diplomacy should clearly communicate with Poland that Warsaw’s strategic alliance with Budapest poses a heavy burden on any further deepening of the security cooperation.Washington also should use the security cooperation card on the Polish domestic stage to weaken the vanguards of authoritarian politics in the Polish government coalition and strengthen moderate forces. It should communicate the message on all available channels that the policies of Justice Minister [Zbigniew Ziobro](https://en.wikipedia.org/wiki/Zbigniew_Ziobro) pose severe obstacles to deeper transatlantic relations, while Deputy Prime Minister [Jarosław Gowin](https://en.wikipedia.org/wiki/Jaros%C5%82aw_Gowin) should be backed in parallel. Furthermore, as a strong contrast to former [President Trump’s](https://thehill.com/people/donald-trump/) approach to the European Union, [President Biden](https://thehill.com/people/joe-biden/) should recognize — and use — EU institutions as potential vehicles for amplifying U.S. interests. In this spirit, the U.S. should elevate the question of autocratizing EU member states to the highest levels of the transatlantic dialogue and create a discourse of reciprocity with regard to the democracy homework that both the U.S. and the EU have to do on the home front. The U.S. recently started working on strengthening democracy at home after Trump’s four-year onslaught on democratic institutions, but the EU largely has failed to do so for a decade. Since the European Union expressed its high expectations for a renewal and reinforcement of U.S. democracy, Washington should not shy away from communicating the same message to EU institutions and key European governments, including Germany. Germany lately has evolved into a key autocracy-enabler within the EU, so Berlin’s policy toward Budapest and Warsaw also should be put on the U.S.-German bilateral relations agenda.To provide the appropriate impetus for U.S.-EU dialogue on authoritarian developments in Europe, and to push EU institutions toward a more activist approach, Washington could consider moves that may ridicule EU passivity, especially towards Hungary. In similar fashion, as it happened recently with former Slovak general prosecutor [Dobroslav Trnka](https://www.state.gov/designation-of-former-prosecutor-general-dobroslav-trnka-of-the-slovak-republic-for-involvement-in-significant-corruption/), the Biden administration should trigger sanction mechanisms against key stakeholders of political corruption in Hungary — potentially including general prosecutor [Péter Polt](https://www.bloomberg.com/news/articles/2019-10-29/orban-s-controversial-top-prosecutor-tapped-for-new-9-year-term); the regime’s top oligarch, [Lőrinc Mészáros](https://www.bloomberg.com/news/articles/2019-12-17/orban-style-cronyism-turns-gas-fitter-friend-into-a-billionaire); or Orbán’s son-in-law, [István Tiborcz](https://www.politico.eu/article/istvan-tiborcz-viktor-orban-olaf-eu-pursues-orban-son-in-law-case-despite-hungary-ending-probe/). That would put pressure on the EU to act and could help to push forward the application of the EU’s rule of law conditionality regulation, which is actually suspended. With an eye on the upcoming 2022 elections in Hungary, the U.S. should emphasize the question of electoral integrity both in its dialogue with the EU and within the Organization for Security and Cooperation in Europe ([OSCE](https://www.osce.org/)) and should act proactively to put in place a robust international electoral monitoring mission under an OSCE flag. On a bilateral level, the U.S. should renew its commitment to supporting democracy in central and eastern Europe, making financial resources available for the support of critical civil society and free media, and calibrating priorities in a way that will allow for grants to have real impact on the ground. If Washington would like to preserve the credibility of its democracy agenda, it must address the autocratization of its Central European allies in a convincing way. However, it can only succeed if the Biden administration is ready to meddle in European politics in unprecedented ways.

#### Hungary is the main conduit to Russian influence, only the counterplan can solve.

James Kirchick, 1-7-2019, "Is Hungary becoming a rogue state in the center of Europe?," Brookings, https://www.brookings.edu/blog/order-from-chaos/2019/01/07/is-hungary-becoming-a-rogue-state-in-the-center-of-europe/,

Most of the international criticism directed at Hungary over the past nine years has focused on domestic indicators such as the rule of law, separation of powers and press freedom. Prime Minister Viktor Orban has been remarkably blunt about his designs for Hungary, citing China, Russia and Turkey as models. After an election in April widely deemed free but not fair, he sounded a triumphal note, declaring that “the era of liberal democracy is over.” Since Orban won reelection, however, his behavior has called into question not only his democratic bona fides, but also his basic trustworthiness as an ally of the United States and member of the democratic Western world. Increasingly, Hungary is behaving like a rogue state. Consider the actions that Orban and his Fidesz Party government have taken in the past few weeks. Last month, at a meeting of NATO foreign ministers, the Hungarian envoy did his best to sabotage any improvement in relations between the Western alliance and Ukraine. As its excuse the Budapest government is using a recent language-law reform in Ukraine that allegedly threatens the Hungarian-speaking minority. By exploiting such a frivolous issue to obstruct NATO support for Ukraine—whose land Russia seized in the first armed territorial annexation on the European continent since World War II—Hungary is doing Moscow’s bidding.

Nor is this the first time that the Hungarians have done so. In late November, Hungary denied a U.S. request to extradite a pair of Russian arms dealers who had attempted to sell antiaircraft missiles to Mexican drug cartels. Instead of handing over the father-and-son weapons traffickers to a fellow NATO ally, Orban’s government allowed the men safe passage back to Russia. Though Hungary formally supports European Union sanctions on Russia, Orban has been the most vociferous internal critic of the measures, frequently calling for them to be dropped. At a time when Europe has shunned Russian President Vladimir Putin for his aggression against Ukraine and manifold other abuses, the Russian leader has made multiple, friendly visits to the Hungarian capital, where Orbán has embraced him. Today Hungary is considered by some in the intelligence world to be the main conduit for Russian influence-peddling within the Western alliance. “There is tremendous concern that Russia is basically using Hungary as an intel forward operating base in NATO and the EU,” a former official at the U.S. Embassy in Budapest told Politico in 2017. Orban shares with Putin a dark predilection ostensibly proscribed by membership in Western institutions such as the E.U. and NATO: revanchism. A century after Hungary lost two-thirds of its territory as a result of World War I, inflaming nationalist sentiment among the Hungarian diaspora living in the region remains a priority for the Hungarian right. Last summer, at the same political festival in Romania where, four years earlier, he had hailed the onset of the “illiberal state,” Orban delivered a disturbingly irredentist speech to the local Hungarian community. Repeatedly referring to the Romanian territory on which he stood by its Hungarian name, “Székely Land,” he attacked the Romanian government for allegedly saying that “Székely Land doesn’t exist” and insisted that “Székely Land will still exist when the whole of Europe has already submitted to Islam.”

Long discounted as a marginal figure on the periphery of Europe and the leader of a small country with an obscure language, Orban has emerged as one of the most consequential political figures of the 21st century. Years before Brexit, President Trump and other manifestations of national populism rose across the West, Orban was already in power, busily transforming Hungary into a one-party state and distancing it from traditional democratic allies. Stephen K. Bannon, Trump’s former top strategist, lauds Orban as “Trump before Trump.” Only 55, Orban is a political visionary, plotting a potential post-Atlantic, post-NATO, post-E.U. future for his country. Anticipating a time when the West will be disintegrated and overrun by Muslims, he is reorienting Hungary toward the authoritarian East. “We all sense—it’s in the air—that the world is in the process of a substantial realignment,” he giddily declared during a 2017 visit that Putin made to Budapest. Speaking in Brussels last month, Secretary of State Mike Pompeo criticized “powerful countries and actors whose ambition is to reshape the international order in [their] own illiberal image.” Pompeo was targeting American adversaries such as Russia and China, revisionist powers trying to overturn the international liberal order constructed and sustained by the United States. But his words also describe what Orban is doing within the Western alliance itself.

If Orban were a reliable ally of the United States, then perhaps his democratic backsliding could be excused. During the Cold War, the United States was willing to overlook authoritarian tendencies—even outright military dictatorships—among its NATO allies, provided they were anti-communist. Today, however, the central geopolitical struggle in Europe is no longer between capitalism and communism, but democracy and authoritarianism. And it is increasingly difficult to tell which side Viktor Orban is on.

### Impact – Cohesion/Russia

#### Poor relations with Hungary and Poland undermine unity in the alliance and pose a threat to NATO’s response to Russia

Jonathan Katz and Torrey Taussig, 7-10-2018, (Torrey Taussig was the research director for the Project on Europe and the Transatlantic Relationship at Harvard Kennedy School's Belfer Center.) "An inconvenient truth: Addressing democratic backsliding within NATO," Brookings, https://www.brookings.edu/blog/order-from-chaos/2018/07/10/an-inconvenient-truth-addressing-democratic-backsliding-within-nato/, accessed 7-22-2022,[ONHS HC]

The overriding concern of this week’s NATO Summit will be cohesion, with the security alliance facing crises of disunity on multiple fronts. In the West, President Donald Trump repeatedly calls into question NATO’s strategic value and berates America’s closest allies. Already, he has sent [hostile letters](https://www.nytimes.com/2018/07/02/world/europe/trump-nato.html?contentCollection=BreakingNews&contentID=67242317) to the leaders of several NATO member-states demanding they do more to pay their own way. In the East, an aggressive Russia has used conventional and nonconventional weapons to invade sovereign states and undermine European and American security. In continental Europe, migrant and refugee flows not seen since World War II are roiling internal politics within frontline and destination states. There is also significant democratic backsliding among NATO member states. The cast of illiberal characters—who are leading the charge in the wrong direction—includes the recently reelected and empowered Turkish President Recep Tayyip Erdoğan and his Justice and Development Party (AKP), Jaroslaw Kaczynski’s Law and Justice (PiS) Party in Poland, and Hungarian Prime Minister Viktor Orbán and the ruling Fidesz Party. Each has proven more than willing to repress free media, dismantle checks and balances, demonize political opposition, clamp down on civil society, and diminish the rule of law. America’s democratic system and norms under President Trump are also under duress; as a result, Freedom House [downgraded the country’s score](https://freedomhouse.org/report/freedom-world/2018/united-states) on the basis of weakening political rights and civil liberties. Despite these alarming developments, NATO leaders have relegated democratic backsliding to the backburner. Opponents of making the case for democracy within NATO might argue that pushing Ankara, Warsaw, and Budapest too hard on their commitments to good governance will exacerbate already tense divisions in the alliance. Others might say that Russia would be the prime beneficiary of a contentious democracy discussion at NATO. Yet this is a counterproductive approach with current and potential costs to NATO’s future. Here are three security-based reasons why the United States and NATO should care about democratic backsliding, and actions the alliance can take to address them.Russia is already benefiting from and effectively leveraging its relationships with Hungary and Turkey to exacerbate discord within Europe and NATO. Viktor Orbán and Vladimir Putin see one another as allies in their [disdain for the European Union](http://www.newsweek.com/2018/04/27/putin-kremlin-russia-trump-orban-bannon-nationalism-iron-curtain-eu-891843.html) and Orbán has courted Russian [financial](https://www.ft.com/content/82f01a2e-7d41-11e3-a579-00144feabdc0) and political support as he builds an illiberal democracy in Hungary. Russian propaganda also finds fertile ground in Hungarian media. A 2018 Senate Foreign Relations Committee [report](https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf) noted that Russian state-owned media content “by Sputnik and RT is widely referenced by pro-government news sources in Hungary.” The report cited Orbán as the EU and NATO’s most supportive leader of Putin’s worldview and leadership. Acting as the Russian “camel’s nose under the tent,” Orbán is thwarting Ukraine and NATO’s partnership efforts by blocking the Ukraine-NATO Commission from meeting at the upcoming summit. In Turkey, Erdoğan has rattled the NATO alliance by pursuing a deal to purchase the S-400 missile system from Russia. In addition to hurting NATO’s ability to cooperate on security, the system is also [not compatible](https://www.reuters.com/article/us-nato-foreign-usa-turkey/pompeo-presses-turkey-on-s-400-missiles-purchase-from-russia-idUSKBN1HY2A6) with NATO’s defenses. Through arms and energy deals, Putin uses Turkey as a wedge to divide NATO. Similarly, Erdoğan might see his deals with Putin as a way to free Turkey from Western leverage, particularly as [European states push back](https://www.reuters.com/article/us-eu-turkey/in-warning-to-ankara-eu-cuts-funds-for-turkeys-membership-bid-idUSKBN1DU2D4) on his brand of authoritarian politics by cutting EU pre-accession funds. After winning the recent twin parliamentary and presidential elections, an emboldened Erdoğan will likely become an even more problematic partner for NATO. President Putin is building ties with illiberal leaders across Europe while attacking fundamental elements of Western democracies. Other illiberal and populist governments, including Italy’s new anti-establishment government, could follow suit in enhancing their partnerships with Russia, creating future intelligence-sharing and cohesion problems for the alliance. President Putin is building ties with illiberal leaders across Europe while attacking fundamental elements of Western democracies, including electoral process and open information spaces. There is a [strong link](https://www.brookings.edu/research/liberal-democracy-and-the-path-to-peace-and-security/) between democratic governance and security gains. Liberal democracies have historically been less likely to experience intra- and interstate conflict, generate refugees, and harbor violent extremists. They are also better at maintaining transparent institutions, civilian control of the military and intelligence services, and working together on confidence-building measures, all of which are core features of NATO’s ability to collectively defend its members. On the other hand, corruption and insecurity grow under politicized institutions and poor rule of law. This hurts NATO’s renewed efforts to combat terrorism, as military and security communities have long acknowledged the connection between corruption and the existence of criminal networks, traffickers, and terrorists within state borders. Corruption also opens space for Russian kleptocratic networks close to Putin to operate and gain influence. For example, in 2014 Orbán awarded Rosatom, a Russian state-owned nuclear company, the sole contract to build two nuclear plants in Hungary [in exchange for a 10 billion euro loan](https://www.rferl.org/a/putin-hungary-orban-judo/28700669.html) from Moscow. The Hungarian parliament, dominated by Orbán’s Fidesz Party, then passed a rushed vote to keep data from the nuclear deal confidential for 30 years in the name of “national security.” The deal diminished transparent economic competition within the European Union and solidified Hungary and Russia’s energy ties. Distrust among allies hurts alliance interoperability. The PiS Party’s assault on independent media and the Constitutional Court, including efforts last week to summarily force out [27 Polish Supreme Court justices](https://www.economist.com/the-economist-explains/2018/07/03/how-the-eu-is-fighting-to-protect-the-rule-of-law-in-poland), have isolated Poland from France and Germany, diminishing trust among the European nations. This could make it increasingly difficult for Washington to gain consensus on joint decisions, communications, and operations. If NATO is dedicated to building resiliency along Russia’s periphery by placing multi-national battalions in Poland, then it should not ignore the accountable institutions that would strengthen this joint effort.

### Impact – China

#### China uses an autocratic Hungary to expand its sphere of influence to challenge NATO in Europe.

FrançOis **Venne**, 1-6-**2022**, **François Venne** is a Title VIII Fellow with the Transatlantic Leadership Program at the Center for European Policy Analysis (CEPA). Venne holds a Master of Arts in Law and Diplomacy degree from The Fletcher School at Tufts University (as of May 2021) where he concentrated in International Negotiation and Conflict Resolution and Political Systems and Theories. He is also a proud College of the Holy Cross alumnus having earned his Bachelor of Arts degree in International Studies and French, with a minor in Religious Studies.  China in Hungary: Real Threat or False Alarm?, CEPA, [https://cepa.org/china-in-hungary-real-threat-or-false-alarm](https://cepa.org/china-in-hungary-real-threat-or-false-alarm/) jkap

In April 2021, Hungary blocked an EU (European Union) statement condemning China for its authoritarian Hong Kong security law, its latest in a series of efforts shielding the Chinese regime from criticism.1 The backlash from the EU and its largest member, Germany, was fierce. German Foreign Minister Heiko Maas called Hungary’s move an “absolutely incomprehensible” action that prevented the EU from speaking with “one voice” over China.2 “This is not the first time that Hungary has broken away from [the EU’s] unity when it comes to the issue of China,” Maas said.2 Nor will it likely be the last. Since Prime Minister Viktor Orbán came to power in 2010 and Hungary joined the 16+1 Initiative in 2012 and the Belt and Road Initiative (BRI) in 2013, China has become an important factor in Hungary-EU relations. Western claims that Hungary was or is becoming a Chinese “puppet”3 or “Trojan horse”4 that could damage the EU’s unity from within have become commonplace; they are often fueled by incidents such as the blocked EU statement and Orbán’s insistence on treating China as a partner and ally rather than as a competitor and rival. Hungary’s technological dealings with China also actively concern the US; Hungary’s use of China’s Huawei tech despite US pressure has especially been a source of tension between the two governments. In short, Budapest’s relations with Beijing, especially with regard to the BRI, have heightened tensions with the US, the EU, and within Hungary itself. Ultimately, how the transatlantic alliance finds itself challenged by the Sino-Hungarian relationship informs how the US and EU choose to respond. This report therefore seeks to answer the following questions: In what ways does Hungary’s political-economic relationship with China impact the transatlantic alliance as it seeks to counter China? How can and should the US respond to these concerns, if at all? To address these questions, the remainder of this report proceeds as follows. Section 2 describes Hungary’s relationship with the EU and the US. Section 3 explains how the Hungary-China relationship concerns the transatlantic alliance. Section 4 explains the nature of and dispels myths about Hungary’s relationship with China and describes the driving force behind the relationship. Section 5 discusses policy options and proposes a set of policy solutions. Section 5 concludes. With the end of the Cold War and Hungary’s acceptance into NATO and the EU in 1999 and 2004 respectively, Hungary became a welcomed and involved member of the transatlantic community. Since Orbán came to power in 2010, however, Hungary’s relationships with the EU and the US have been tense, with China becoming a particular irritant in recent years. The Hungary-EU relationship has proved politically tense but economically strong over the past decade, with both Hungarian domestic politics and foreign policy toward undemocratic states such as China playing an important role. Since 2010, EU member Hungary has touted itself domestically as an “illiberal democracy”6 and a one-party state at the heart of Europe, distancing itself from its “traditional [European] democratic allies,”7 and drawing closer to other, non-European regimes such as China, Russia, and Turkey.8 Claiming it has systematically failed to comply with EU norms, policies, and expectations such as protecting the rule of law and standing for democracy,9 the EU has criticized Hungary for behaving like a “rogue state”7 within Europe. Hungary has flatly denied all accusations of wrongdoing, calling the EU a “liberal empire”7 and claiming it abuses its power, targets the state, and unjustly meddles in its domestic affairs. Driven by Orbán, Hungary’s conflict with the EU has become especially acute. Elected in 2010, Orbán has gradually “align[ed] the judicial, executive and legislative branches”11 in favor of his national-conservative, right-wing Fidesz party, effectively turning Hungary into a one-party state.In September 2018, the tension between Hungary and the EU worsened when the European Parliament voted to trigger Article 7 of the Treaty on the European Union, an action that could ultimately threaten Hungary’s EU funding and voting rights.6 This past year, they have further clashed or diverged on several foreign policy issues, with China most recently taking center stage. For instance, as internal strife began in Belarus following the (still) disputed results of the August 2021 presidential election, Orbán’s Hungary, which shares Aliaksandr Lukashenka’s authoritarian tendencies,12 called simply for dialogue with Belarus as the rest of the EU called for diplomatic or economic coercion.13 Later, in November 2020, Hungary blocked the EU budget including a COVID-19 relief package, objecting to a provision that would make funds contingent upon a country’s respect for democratic norms.14 Most recently, Hungary blocked or refused to sign several EU statements criticizing China for its actions related to Hong Kong and the South China Sea, and atrocities against the Uyghurs. This political tension has not led to economic friction, let alone a decoupling of their economies. Indeed, despite Hungary’s Opening to the East Strategy of cultivating economic links with China through 16+1 and BRI, Hungary-EU economic ties remain significant. For instance, Hungary continues to receive over €4bn ($4.6bn) from the EU per year, while contributing less than €1bn ($1.16bn) to the EU budget,16 making it the fourth-largest net recipient of EU funding.17 The EU also is Hungary’s largest economic partner, with 82% of its exports going to EU member states and 75% of its imports coming from within the EU.16 Eight of its 10 top importers and nine of its 10 top exporters are EU members (the UK is its tenth importer, Russia is its ninth exporter, and China is its third exporter).18 Germany, its top trading partner both for imports (25.3%) and exports (27.7%),18 is particularly important to Hungary, leading to a largely positive relationship that Hungary has come to depend on.19 Berlin therefore holds a level of economic and political leverage over Budapest that few, if any, other countries share.20 The US-Hungary relationship has also weathered some tension over the past decade, some related to domestic Hungarian affairs and others to China (see Figure 2). As Hungary trended toward authoritarianism, the US, led by President Barack Obama — a self-described champion of democracy, liberalism, and the rule of law — gave Orbán the cold shoulder, effectively cutting off high-level contacts.21 With Hungary’s interest in political recognition secondary to its desire for national security that the US — and not the EU — could offer through NATO, such lack of American appreciation, though problematic, would not generate outright anti-Americanism. Additionally, Orbán said in 2016 that “economic relations… [remained] good” during this period.22 This tame response reflects Hungary’s inherent dependence on the US and a respect for its power. Under President Donald Trump, relations saw an immediate reset. Orbán “welcomed” Trump’s 2016 presidential victory8 and Trump equally welcomed Orbán, inviting him to the White House in May 2019 to “lavish praise” on the prime minister.23 Orbán’s Hungary and Trump’s America shared an embrace of nationalism, “authoritarian populist"24 governance, and skepticism of Western alliances, but they did have tense moments. For instance, the US considered Hungary a “growing liability” for the transatlantic alliance and reportedly considered sanctioning Orbán’s close associates in 2019.25 One significant “liability” is Hungary’s continued use of China’s Huawei 5G technology,26 despite US warnings that Huawei is a national security risk and should be shunned.5 Orbán’s government even allowed Huawei to establish an R&D center in Budapest in 2020 This tech-driven tension that originated during the Trump era remains a growing issue and one of the Biden administration’s primary challenges as it seeks to strengthen its leadership and improve its competitiveness in the CEE region. CHALLENGES POSED TO THE TRANSATLANTIC ALLIANCE BY HUNGARY-CHINA RELATIONS. The Sino-Hungarian relationship has raised the transatlantic alarm and ultimately creates the following primary challenges: First, it emboldens Orbán and exacerbates ideological and policy divisions within the EU, making a united EU and joint US-EU response to China more difficult. Second, BRI and the relationship lays bare the US’s inability to establish a strong economic presence in the CEE region to compete with China. Additionally, the relationship, especially Hungary’s use of Huawei, puts into relief the US’s lack of technology leadership on infrastructure and telecommunications networks development in Europe. Responding to these challenges requires strategies at the US and transatlantic levels. The West must be careful not to misjudge the nature and degree of the threat the Sino-Hungarian relationship poses or misunderstand what drives the relationship, lest it overreact politically and worsen the situation. UNDERSTANDING HUNGARY-CHINA RELATIONS To properly address the challenges posed by Hungary-China relations, the transatlantic alliance must understand several points. First, contrary to the perception created by the Hungarian and Chinese governments, the relationship offers limited economic benefits for Hungary, which therefore remains largely dependent upon the EU and the US. Second, Orbán himself is the main driving force behind Hungary’s pro-China policy; his personal cost-benefit analysis of working with China comes before Hungary’s more generally. Third and last, there is a minimal threat to the transatlantic alliance of a Chinese “Trojan horse” in Hungary controlling foreign policy. THE PERCEPTION VERSUS REALITY OF HUNGARY'S GAINS Seeking to ease its economic dependence on the West following the 2008 financial crisis, Hungary adopted an “Opening to the East Strategy” to cultivate ties with China; the 16+1 initiative and BRI were therefore welcome opportunities. From the start of 16+1 and BRI, the Hungarian and Chinese governments have pointed to developments that suggest Hungary gains substantially from the relationship and that their ties are “prosperous,” in the words of Xinhua, a Chinese state-run news agency.28 For instance, the governments note that China is now Hungary’s greatest trade partner outside of the EU, with annual trade worth approximately $9 bn.29 Since 2013, Hungary has been one the largest recipients of the billions of dollars China has poured into infrastructure projects in CEE.30 It boasts the highest level of cumulative Chinese FDI from 2000 to 2020 of all the EU’s CEE countries, ($3.1 bn), 23% more than second-place Poland (see Figure 3).31 Hungary also reports that last year China invested almost $6 bn in the country (see Figure 4), more than most other CEE members.32 Hungary and China have also signed a deal to build the Belgrade-to-Budapest railway.33 Furthermore, the Chinese and Hungarian governments have frequently held talks at 16+1 summits and BRI forums, and established a “comprehensive strategic partnership,”34 setting the stage for further cooperation. At first glance, these developments give the impression that Hungary has seen large gains and has strengthened its ties with China — and thereby has also decreased its dependence on the EU. The reality, however, is a different story. Few, if any, experts find that Hungary has gained economically from its relations with China in a way that substantially threatens the EU. Most, in fact, find the opposite.35 Hungary’s post-2010 gains have been modest, exaggerated, or underwhelming at best, and completely lacking at worst. First, the Opening to the East policy has failed to deliver, with Hungary increasing its trade dependence on China from 2009 to 2014 by less than 0.5%36 and keeping its trade dependence on the EU at over 75%. Second, Hungary’s $3.2 bn cumulative completed Chinese FDI is minimal compared with the rest of Europe; Germany and the UK have received more than 9 times that amount (see Figure 3), reflecting China’s priorities and preference for ties with Western Europe over Hungary. Third, Hungary received only $4.07 bn in Chinese investment last year — not $5.95 bn or $5.36 bn, as the Hungarian and Chinese governments respectively claimed. Indeed, both governments inflated their figures to create the illusion that China was more invested and involved in Hungary than it actually was (see Figure 4).36 Fourth, the Belgrade-to-Budapest railway offers little, if any, economic benefit to Hungary; some estimates suggest it could take between 130 and 2,400 years (!) before Hungary makes a profit from it.37 Fifth, from 2010 to 2019, Hungary-China export and import levels decreased — not increased — by 16% and 14% respectively.38 The reality is clear: The cost-benefit analysis shows that Hungary, as opposed to Orbán himself, gains little from its relationship with China. Rationally speaking, abandoning the EU and the US in favor of China is not in Hungary’s economic or political interests.

ORBAN's 'ONE MAN SHOW' If Hungary does not economically profit from its relationship with China, what drives the relationship and why does Hungary push to work with China? The answer: Orbán. As an authoritarian leader, one of Orbán’s main goals, especially approaching this year’s elections, is to maintain his support and legitimize his illiberal regime, sometimes even at a cost to his country. Following this logic, the prime minister cultivates a relationship with China for several key reasons: Orbán seeks to maintain a set of strong illiberal “friends,” such as Russia, Turkey, Brazil, and China, that legitimize his regime. In other words, in cultivating economic partnerships with countries like China, Orbán seeks to ensure that he has economic and political alternatives if he should sever Hungary’s relationship with the EU and the US. Once Orbán realized the Chinese government would ultimately not be Hungary’s economic savior, he began to leverage Beijing for political gain in his battles with Brussels. By threatening to turn toward China, Orbán seeks to create the impression that he has a strong hand. In politics, perception often trumps reality. Orbán’s inner circle directly gains from his relationship with China. For example, Opus Global, a company controlled by Orbán’s oligarch friend Lőrinc Mészáros, “won” the contract to build Hungary’s section of the Budapest-to-Belgrade railway. The $2.1 bn deal could earn Mészáros a princely sum.39 Ultimately, Hungary’s China policy is “not a national strategy, but a one-man show,” says Tamás Matura, an expert on central and eastern Europe’s relations with China.40 The relationship is a function of Orbán himself. The opposition parties and candidates do not share the prime minister’s regard for China, especially since the controversy around the creation of China’s Fudan University campus in Budapest showed that being anti-China can poll well. If Orbán were to lose to the United Opposition in Hungary’s 2022 parliamentary elections, the country would likely do an about-face on its China policy.40 THE TROJAN HORSE FALSE ALARM Ever since Hungary-China relations intensified in the early 2010s, journalists and news organizations have peddled the idea that Hungary is China’s “Trojan horse” in Europe,41 implying that China has influence in and control over Hungary and thereby poses a threat to the EU. Some scholars argue that China invests in CEE countries such as Hungary to achieve political objectives such as a pro-China EU policy42 and that China strategically invests in countries that offer a potentially high political reward.43 If indeed true, Hungary would therefore become a threat to be addressed aggressively and rapidly by the West. Admittedly, China possesses indirect influence over Hungarian foreign policy through the prime minister: The more Chinese investment benefits Orbán personally, more he will encourage the government to adopt pro-China stances and partnerships such as the Belgrade-to-Budapest railway. Indeed, even without Chinese pressure to engage, Orbán seeks to cultivate ties and reap his own benefits from Chinese investments in Hungary, whether or not his country does.

### UQ – Backsliding Now

#### Hungary and Poland backsliding now – must reverse Russian and Chinese influence.

Laurenz Gehrke, 7-22-2022 [Gehrke is a politics reporter to cover German politics and the general election. Prior to that, he completed his Master’s degree in Economic History at the London School of Economics and a Bachelor’s degree in American Studies at the University of Munich.], "Hungary no longer a democracy: report," POLITICO, <https://www.politico.eu/article/hungary-no-longer-a-democracy-report/> // bfu

Hungary is no longer a democracy, Poland is about to go down the same path, democracy in the Balkans is eroding because of Chinese and Russian influence, and the EU is doing nothing to stop it all, according to the NGO Freedom House’s latest [Nations in Transit report](https://freedomhouse.org/report/nations-transit/2020/dropping-democratic-facade), out Wednesday. In the study, which covers 29 countries from Central Europe to Central Asia, the authors describe “a stunning democratic breakdown,” saying that there are “fewer democracies in the region today than at any point since the annual report was launched in 1995.” According to the report’s methodology, Hungary is now a “hybrid regime,” having lost its status as a “semi-consolidated democracy” due to Prime Minister Viktor Orbán’s continued assaults on the country’s democratic institutions. The adoption of an [emergency law](https://www.politico.eu/article/hungary-viktor-orban-rule-by-decree/) that allows the government to rule by decree indefinitely, brought in after the coronavirus pandemic struck, “has further exposed [and] the undemocratic character of Orbán’s regime,” the authors wrote, adding that “Hungary’s decline has been the most precipitous [they have] ever tracked.” Poland isn’t far behind, according to the report, which says there have been spectacular attacks on the judiciary by the ruling Law and Justice party. And Brussels gets much of the blame. “Neither Poland nor Hungary has faced repercussions for damaging the rule of law at home, and Hungary’s ruling Fidesz party has even remained a member of the mainstream European People’s Party, the largest grouping in the European Parliament,” according to the report, adding that U.S. President Donald Trump has also “failed to stand up for democracy in the region.” In response, Zoltán Kovács, Hungary’s secretary of state for international communication and relations, said on [Twitter](https://twitter.com/zoltanspox/status/1257928073015709696?s=20) that Freedom House “was once known as the bipartisan human rights organization. With their [George] Soros funding they’ve declined, becoming the fist of the party that is the Soros network. Anyone who doesn’t conform to their liberal view, gets downgraded.” The report also has serious concerns about the Balkans. “Years of … strongman tactics employed by Aleksandar Vučić in Serbia and Milo Đukanović in Montenegro have tipped those countries over the edge,” it says. “For the first time since 2003, they are no longer categorized as democracies.” The assessment comes on the day of an [EU-Balkans summit](https://www.politico.eu/article/croatian-prime-miniter-andrej-plenovic-on-eu-western-balkans-summit-the-meeting-is-the-message-enlargement-coronavirus/), which was supposed to be held in Croatia but will now take place over videolink. The Freedom House report says foreign influence has been a destabilizing factor. “In addition to Russia’s continued malign influence, China has been advancing an ambitious foreign policy in practically all of the region’s 29 countries,” the authors say. “Xi Jinping’s regime is not so much spreading its own one-party model as it is spreading its influence … taking advantage of institutional weaknesses, and wedging itself into corrupt political and economic structures.”

#### Hungary and Poland backsliding now.

Person, & **Baczynska**, G. (**2022**, February 15). Poland, Hungary turning more authoritarian, rights group says. Retrieved July 22, 2022, from <https://www.reuters.com/world/europe/poland-hungary-turning-more-authoritarian-rights-group-says-2022-02-15/>, ANikkumbh

BRUSSELS, Feb 15 (Reuters) - Hungary and Poland are turning increasingly authoritarian, a European rights group said on Tuesday, a day before the European Union's top court rules on whether to cut funding to member states flouting democratic rights and freedoms.

The Berlin-based Civil Liberties Union for Europe singled out the two formerly communist EU countries in a broader report highlighting how the rule of law has deteriorated across the 27-nation bloc during the coronavirus pandemic.

The umbrella advocacy, which brings together rights groups from 17 EU countries, said Hungary and Poland were "seizing further control of the justice system, civil society and media, while cutting basic human rights and fuelling divisions by scapegoating migrants and other minority groups".

Warsaw and Budapest deny wrongdoing and accuse the EU of imposing liberal values alien to what they say are their traditional, conservative and Catholic societies.

Hundreds of billions of euros are at stake in the rule of law battles in the EU. The bloc's cohesion and international standing have been damaged by the increasingly bitter dispute.

Thirty-six billion euros in recovery funds earmarked for Poland, and 7 billion euros for Hungary, are already frozen over their track record on democratic rights and values.

Hungarian Prime Minister Viktor Orban has accused the EU of waging a cultural "jihad" on Hungary, while Warsaw has threatened to retaliate by stalling progress in other EU policies where decisions are made by consensus.

#### It’s not too late, Hungary backsliding can still be reversed. Biden must engage.

Michael O'Shea, 5-18-2022, Time to reset U.S.-Hungary relations, Newsweek, https://www.newsweek.com/time-reset-us-hungary-relations-opinion-1706521, GBN/ RW

Early last month, Hungarian Prime Minister Viktor Orbán won a [resounding victory](https://www.newsweek.com/great-sovereignty-reclamation-movement-opinion-1696223) and expanded his party's existing parliamentary supermajority. That triumph represents a role reversal from just a year and a half ago, when Trump-ally Orbán had to confront the fact that his country's transatlantic policies would be markedly different after [Joe Biden](https://www.newsweek.com/topic/joe-biden)'s presidential victory. Now, it is time for the Biden administration to reach the same inescapable conclusion and cultivate relations with a country it has consistently shunned.

Orbán himself seemed to welcome such a reset when he addressed his country's relationship with the United States in his victory [speech](https://primeminister.hu/vikstories/speech-prime-minister-viktor-orban-following-election-victory-fidesz-kdnp) on election night—something he had not done after any of his previous victories. At least one side of the Atlantic is seeking dialogue.

Such dialogue is long overdue, as relations between the countries have soured to one of its worst points since the fall of communism in Central Europe. Until last week, Hungary lacked an American ambassador or nominee for a total of roughly four years since 2013, including the entire period of the Biden presidency to date. (The recent [nominee](https://telex.hu/belfold/2022/05/14/emberi-jogi-es-lmbtq-szoszolo-ugyvedet-kuld-budapesti-nagykovetnek-joe-biden) boasts ties to the [Democratic Party](https://www.newsweek.com/topic/democratic-party), Hollywood and the Trump impeachment process.) The country also was the only [EU](https://www.newsweek.com/topic/eu) member not to be [invited](https://www.washingtonexaminer.com/opinion/time-for-the-state-department-to-stop-ignoring-hungary) to Washington's highly publicized "Summit for Democracy" in December, a fact that shouldn't be particularly surprising since Biden himself grouped the country among the "[thugs of the world](https://www.newsweek.com/biden-big-tech-have-poland-hungary-their-crosshairs-opinion-1540063)" on the campaign trail.

Hungary, in turn, has reminded the United States that it no longer can take its fealty for granted. The country has been careful not to antagonize China or Russia, hedging its bets against long-term American obstinance. Indeed, both Beijing and Moscow have dispatched high-level diplomatic delegations to Budapest almost annually; Orbán has met personally with both Xi and Putin since 2019. Both would be happy to count Hungary among their allies.

Amidst that backdrop, the Biden administration should swallow its pride and avert the loss of an ally in the heart of Europe.

If Washington harbored doubts about the strategic importance of this country of roughly 10 million, Russia's war in Ukraine should have put an end to them. Hungary is one of four EU nations to border Ukraine. As of this writing, Hungary has welcomed a [half-million](https://data2.unhcr.org/en/situations/ukraine) Ukrainian refugees (a figure that represents 5% of the total Hungarian population) since the start of the conflict. Both north-south and east-west energy pipelines cross Hungary. American armored-vehicle [companies](https://www.defense.gov/News/News-Stories/Article/Article/2942958/biden-shifts-us-troops-in-europe-to-defend-frontline-nato-states/) arrived in Hungary at the time of the Russian invasion—an arrangement the U.S. government specifically [requested](https://www.reuters.com/article/ukraine-crisis-hungary-military-idAFL8N2U853L).

For all the bluster about its supposedly warm relationship with Russia, Hungary has been on the right side of the key issues in the Ukraine war. From [sanctions](https://news.yahoo.com/hungary-not-veto-eu-sanctions-071435673.html) to [condemnation](https://dailynewshungary.com/hungarian-president-janos-ader-condemns-russias-attack-on-ukraine/) of Russia to [troop deployment](https://www.euractiv.com/section/defence-and-security/news/budapest-allows-nato-troop-deployment-in-hungary/) to [military expenditure](https://www.nato.int/cps/en/natohq/news_184844.htm) in line with [NATO](https://www.newsweek.com/topic/nato) guidelines—Budapest has carried its weight.

Given these realities, why can't the United States embrace its allies on the Danube?

The diplomatic difficulties hinge, in large part, on two political-rhetorical topics: democratic health and gay, lesbian, bisexual and transgender issues. On both counts, the current American government is letting naked politics cloud reasonable and prudent judgment.

Both countries have held national elections over the last two years. During Hungary's election last month, the federal election bureau tabulated results just hours after the polls closed. Hungarians went to bed knowing the results. There were no meaningful uncertainties, [allegations of wrongdoing](https://2000mules.com/) or protests. Hungarian-American former New York Governor George Pataki recently [opined](https://hungarytoday.hu/george-pataki-new-york-governor-viktor-orban-government-biden-hungarian-american-politics/) that Hungary is a "vibrant, healthy democracy," and that he has "never seen Hungary as alive, free and open as it is now." What Pataki should have added is that objective legitimacy of process and subjective desirability of result are distinct concepts. The Biden administration would do well to acknowledge that distinction.

In the realm of gay, lesbian, bisexual and transgender issues, only absolutists can take issue with the current landscape in Hungary. Members of these communities live freely and openly in Hungary. An [estimated](https://www.upi.com/Top_News/World-News/2021/07/24/hungary-Pride-Budapest-protest-anti-LGBTQ-law/9831627153255/) 30,000 people participated in the 2021 rendition of the annual Budapest "pride" event. In August 2021, one of the country's most prominent advocates for gay, lesbian, bisexual and transgender issues participated in a public debate at [MCC Feszt](https://mccfeszt.hu/en/), an event covered in Western media solely because of [Tucker Carlson](https://www.newsweek.com/topic/tucker-carlson)'s presence. While walking around Budapest, one is certain to encounter the occasional rainbow flag hanging from a balcony. In this sense, the Hungarian capital is far closer to London or Paris than it is to, say, Moscow or Riyadh.

Most recently, this issue manifested itself through a law addressing the sexual education of children, a subject that is [equally topical](https://www.newsweek.com/against-dont-say-gay-propaganda-opinion-1686784) in the United States. After a 2021 parliamentary law tackling the issue received intense [criticism](https://www.reuters.com/world/europe/eu-take-steps-against-hungary-over-anti-lgbt-bill-2021-06-23/) from the EU and other supranational bodies, the Hungarian government offered citizens the opportunity to vote on the matter in a direct referendum. Voters considered informational events on sexual orientation for minors without parental consent; promotion of gender-reassignment to minors; unrestricted exposure of sexually explicit media content to minors; and media depicting gender-changing procedures aimed at minors. On all four questions, 92-96% of voters participating in the referendum [voted](https://vtr.valasztas.hu/nepszavazas2022), "No."

Once again, Washington has an opportunity to discern the differences between legitimacy and desirability. The results of this referendum represent direct democracy in its truest sense—a stark contrast, for example, to a 5-4 [Supreme Court](https://www.newsweek.com/topic/supreme-court) decision.

Yet, what most certainly holds back a U.S.-Hungary rapprochement, more than anything else, is the idea that right-leaning populists can both win elections consistently and govern effectively in the heart of Brussels-dominated Europe. At least three decades' worth of U.S. presidents have generally committed themselves to globalist policies that are largely at odds with those currently promoted in Hungary. Joe Biden himself has dedicated decades to those same principles. He and his allies could decide to maintain a petty grudge, but this would be a mistake—by the time they come around, Hungary might no longer be waiting for them.

### UQ – Russia

#### Hungary derails Russian strategy.

Andras Gergely 22, 7-1-2022, Senior Editor for Bloomberg, Hungary’s Orban Strikes Softer Tone on Sanctions, Ukraine, https://www.bloomberg.com/news/articles/2022-07-01/hungary-s-orban-strikes-softer-tone-on-sanctions-ukraine-war#xj4y7vzkg, HKeef

Hungarian Prime Minister Viktor Orban appeared to strike a milder tone regarding Europe’s policy on Ukraine, all the while proceeding with a controversial nuclear project backed by Russia.

Hungary won’t keep standing in the way of European Union sanctions except on vital matters of energy policy, he told public radio in his weekly interview on Friday. While Budapest will still oppose any sanctions on natural gas imports, it can’t constantly “go against the flow of traffic” in the bloc on non-energy issues, as that would be inappropriate in a union built on “cooperation, loyalty and mutual trust,” he said.

Orban-led Hungary is Russia’s closest ally in the EU and Orban has had personal disputes with Ukrainian President Volodymyr Zelenskiy. The Hungarian premier has also managed to get EU sanctions packages watered down. At the same time, the EU has retained clout by threatening to withhold billions of euros in aid from Hungary over his backsliding on the rule of law.

Underlining Hungary’s ambivalent stance toward Russia, the government is sticking to a nuclear plant expansion project with Rosatom Corp.

Construction works on the extension of the country’s Paks plant may start as soon as September pending the obtaining of some remaining paperwork, Foreign Minister Peter Szijjarto said following a meeting with Rosatom Chief Executive Alexey Likhachev.

‘Open War’

Hungary must also boost its defense capabilities as the war is gradually moving within Ukraine to territories that are closer to Hungary’s own borders, Orban said.

The premier struck a softer tone on Ukraine though, saying that Hungary and its allies were backing the government in Kyiv because Russia had been unjustified in attacking.

“Everyone is on the side of the Ukrainians as one should be on the side of the defender,” he said. Russia had “no reason to attack another country and start an open war, even if the Russians don’t call it a war.”