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# Hungary's False Sense of Security

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## Introduction

Leaders of Hungarian civil society are appealing to the U.S. government to counter Prime Minister Viktor Orbán's accelerated assault on peaceful dissent, anti-corruption activism, and the rule of law. Orbán's newly-won supermajority in parliament enables his Fidesz party to push through changes to the Hungarian constitution, while Orbán has promised fresh attacks on the values that underpin both the European Union and NATO alliance.

In the weeks since his re-election victory in April 2018, Orbán has made a series of alarming moves and threats against human rights advocates and judicial independence, including new legislation targeting those who help migrants, and attacks on Hungary's judiciary. These actions occurred in the wake of an election that monitors from the Organization for Security and Cooperation in Europe (OSCE) described as "characterized by a pervasive overlap between state and ruling party resources, undermining contestants' ability to compete on an equal basis."<sup>1</sup>

While Fidesz's hostility towards NGOs, academic freedom, and the rule of law is relatively longstanding, its new parliamentary supermajority, the increased capture of media by government-friendly actors, and greater control of Hungary's intelligence services are arming Orbán with a newfound degree of latitude to expand his drive toward illiberalism.

Hungary's government is offering NATO and the EU a false sense of security, its attacks on democracy undermining the cohesion and common values of both bodies. As a NATO ally, the United States should be concerned at the acceleration of repression by a close security

<sup>1</sup>

<https://www.osce.org/odihr/elections/hungary/377410?download=true>

partner, and at Hungary's use of its NATO membership to push an agenda that in some respects serves Russian interests. As recent polling demonstrates, the Hungarian government's concerted efforts to turn its population away from the values enshrined in the Washington Treaty are working. As one expert recently relayed, if Fidesz voters had to choose between Moscow or Washington, a majority would pick Moscow."<sup>2</sup>

This report outlines the concerns of a range of Hungarian human rights defenders, foreign diplomats, civil society activists, journalists, and academics consulted during a research trip in May 2018. It recommends a strong U.S. response to the government of Hungary's backsliding, and suggests opportunities for the U.S. government to demonstrate to the Hungarian government the necessity of respecting human rights and democratic institutions. Human Rights First has for many years made recommendations on how the U.S. government should respond to the Hungarian government's assault on democratic institutions and the rule of law. Recent Human Rights First in-country research on Hungary includes 2017 issue briefs *No Society Without Civil Society*, and *How the U.S. Government Should Respond to Hungary's Slide to Authoritarianism*.<sup>3</sup>

## Background

Under Orbán, Hungary continues to slide down the rankings in a series of independent indexes measuring corruption and civil and political rights.

<sup>2</sup> <https://vsquare.org/hungary-is-a-post-truth-laboratory-peter-kreko/>

<sup>3</sup> <http://www.humanrightsfirst.org/sites/default/files/hrf-hungary-civil-society-breif.pdf>;

<http://www.humanrightsfirst.org/sites/default/files/Hungary-Slide-Towards-Authoritarianism.pdf>

The EU-funded Index of Public Integrity project rates 109 countries on a number of measures including freedom of the press and judicial independence. Hungary fell from 31st to 34th between 2015 and 2017, with its ranking on judicial independence falling from 59th in 2015 to 78th in 2017.<sup>4</sup>

Likewise, the country has fallen steadily in the World Justice Project's annual Rule of Law Index in virtually every category measured since 2014, slipping from 30th out of 99 countries in that year to 50th out of 113 countries in 2017-2018.<sup>5</sup>

Hungary has fallen ten points in six years in Transparency International's Corruption Perceptions Index, an annual ranking of countries based on perceived levels of corruption. "This isn't a surprise," said Carl Dolan, Director of Transparency International EU, because of a "tightening of Viktor Orbán's grip" on civil society, on independent media and the judiciary. "What we're seeing in Hungary is that the decline in ability to promote the rule of law is also leading to opportunities for corruption.

In fact, anti-corruption experts suggest that Orbán is pioneering a new form of venality, "Hungary"<sup>6</sup> is now a kind of laboratory of 'transparent corruption,' with a new style of corruption, that's normalized, legal, and accepted by most of the population," said Jozsef Peter Martin, executive

director of Transparency International, Hungary. "It's not the usual, typical, kind of destabilizing corruption. It's a new, totally different model. It's very centralized, and makes the country look stable."<sup>7</sup>

In January 2018, the European Anti-Fraud Office (OLAF) reported that Hungary's procurement of \$1 billion in EU funds for public street lighting projects suffered from legal "irregularities" and conflicts of interest—including \$46 million in projects reportedly linked to Orbán's son-in-law, warranting an investigation into "excessive budgetary fraud."<sup>8</sup>

At roughly the same time, in an unusually forceful condemnation made in February 2018, the United National High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, wrote that "Xenophobes and racists in Europe are casting off any sense of embarrassment—like Hungary's Viktor Orbán, who earlier this month said '*we do not want our colour... to be mixed in with others*'. Do they not know what happens to minorities in societies where leaders seek ethnic, national or racial purity?...Orban's speech on February 8<sup>th</sup> to a group of city councils was a clear-cut statement of racism...[his] racial rhetoric is increasingly delusional."<sup>9</sup>

<sup>4</sup> <https://integrity-index.org/about/>

<sup>5</sup> <https://worldjusticeproject.org/our-work/wjp-rule-law-index/wjp-rule-law-index-2017-2018>

<sup>6</sup> <http://www.euronews.com/2018/02/21/hungary-s-ranking-slides-in-latest-corruption-perceptions-index>

<sup>7</sup> Interview with Human Rights First, May 2018.

<sup>8</sup> <https://newrepublic.com/article/147751/humble-proposal-sanction-hungarian-kleptocrats>

<sup>9</sup>

<http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=22765>

A minority staff report issued by the U.S. Senate Foreign Relations Committee in January 2018 warned that “Hungary is a case where the government has enabled space for Kremlin interference to shore up its own political strength, which is largely based on anti-migrant and anti-European integration policies.”<sup>10</sup>

Hungary’s backsliding on rights also worries EU governments and some in the European People’s Party, the center-right political grouping of which Fidesz is a member.

Despite Orbán’s strident anti-EU rhetoric, the body has considerable leverage over Hungary, which relies heavily on EU funding. EU cohesion funds amount to roughly 55 percent of Hungary’s infrastructure spending, and are seen as essential to Hungary’s annual growth rate of three percent a year.<sup>11</sup>

The EU is beginning arduous discussions on its budget framework for 2021 through 2027, a process complicated by Britain’s decision to leave the union (and thus to stop paying into its funds). The budget debate is likely to be acrimonious, but offers opportunities for other EU countries to address Hungary’s backsliding on fundamental values. There are plans to link new aid to the independence of the judiciary in member

countries to ensure that EU grants are administered under the rule of law.<sup>12</sup>

But there are also opportunities for the United States to push for an end to Hungary’s excesses, building on forthright expressions of disapproval from the U.S. Congress. In mid-2017, House members introduced two bipartisan, non-binding bills supporting civil society and academic freedom in Hungary. The first, House Resolution 353, noted that “Prime Minister Viktor Orbán and his ruling party ‘Fidesz’ has increasingly moved towards authoritarianism in word and action, declaring in 2014 that he preferred an ‘illiberal state’ and ‘illiberal democracy’ citing Russia as his model,” and that Orbán has “sought to stifle any opposition to his rule, including by suppressing free speech and assembly, from universities, civil society groups, and independent think tanks.”<sup>13</sup>

The second, House Resolution 394, focused on academic freedom and the plight of Central European University (CEU), which has been threatened with closure by Orbán’s government. House Resolution 394 noted, in part, “it is essential for the United States Government to support and defend American-accredited academic institutions that are subjected to discrimination, harassment, coercion, unjustified closure or seizure,” and urged “that it should be the policy of the United States to support

<sup>10</sup> <https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf>

<sup>11</sup> <https://cohesiondata.ec.europa.eu/Country-Level/-of-cohesion-policy-funding-in-public-investment-p/7bw6-2dw3/data>; <https://www.pism.pl/publications/bulletin/no-23-1094>

<sup>12</sup> The U.K. contributed about 15 About 15 per cent of the E.U. budget in 2015. <https://www.cnbc.com/2017/03/27/european-union-uk-important-brexite.html>

<sup>13</sup> <https://www.gpo.gov/fdsys/pkg/BILLS-115hres353ih/html/BILLS-115hres353ih.htm>

American-accredited academic institutions that are subjected to discrimination or harassment by foreign governments and to respond quickly in the case of the coercion, unjustified closure, or seizure of any such institution.”<sup>14</sup>

The U.S. embassy in Budapest has made regular and welcome public statements criticizing Fidesz’s attacks on academic freedom and civil society. And, despite a recent meeting between Hungarian Foreign Minister Peter Szijjarto and Secretary of State Mike Pompeo, the White House has thus far refrained from issuing to Orbán an invitation for an official visit, something the Hungarian prime minister reportedly craves.

Were it to choose to register additional concern regarding Hungary’s burgeoning corruption, the Trump Administration could invoke the Global Magnitsky Act of 2016 to apply sanctions, including visa bans and asset freezes, to any individual found to have engaged in corrupt acts. There are plenty within Orbán’s circle who warrant such scrutiny, and the act could be used to discourage further abuse.<sup>15</sup>

The United States could also address Hungary’s backsliding through multilateral means, including by exercising its clout within NATO. In their 2016 Summit Communique, the heads of state of NATO’s 29 alliance members stated that the organization’s “essential mission” was “to ensure

that the Alliance remains an unparalleled community of freedom, peace, security, and shared values, including individual liberty, human rights, democracy, and the rule of law.” In line with this declaration, NATO could, for example, review whether Budapest is an appropriate venue for future ministerial meetings, given its attacks on human rights, democracy and the rule of law.<sup>16</sup>

## Demonizing Dissent, Toying with Antisemitism

For some years, Fidesz has pursued an aggressive campaign against Hungary’s civil society, the country’s academic freedom, and, increasingly, the independence of its judiciary.

Over the past two years, the Hungarian government has spent more than \$115 million in public funds on a campaign to discredit independent civil society. This includes propaganda posters and billboards, some of which invoked antisemitic World War II-era imagery featuring Hungarian-American Jewish philanthropist George Soros, whom the government accused of seeking to flood Hungary with migrants. The Fidesz-controlled parliament passed legislation attacking legitimate NGO activity, a step it is likely to repeat in the coming weeks. Pro-government media regularly smear

<sup>14</sup> <https://www.congress.gov/bill/115th-congress/house-resolution/394/text/ih?overview=closed&format=txt>

<sup>15</sup> <https://newrepublic.com/article/147751/humble-proposal-sanction-hungarian-kleptocrats>

<sup>16</sup>

[https://www.nato.int/cps/en/natohq/official\\_texts\\_133169.htm](https://www.nato.int/cps/en/natohq/official_texts_133169.htm); see too Rob Berschinski “The Threat Within NATO”, *The Atlantic*, April 7, 2018

<https://www.theatlantic.com/international/archive/2018/04/nato-hungary-authoritarianism/557459/>

dissidents in an alarming echo of the country's authoritarian past.

Within days of Orbán's April election victory, pro-government weekly magazine *Figyelo* published more than two hundred names of people it claimed were likely to be part of a group that Orbán called "mercenaries" paid by Soros to topple the government. Shortly before the list was published, Orbán announced on state radio that the authorities knew the names of two thousand members of what he described as a "Soros mercenary army" paid to bring down the government. "We know precisely who these people are, we know names...and how and why they are working to transform Hungary into an immigrant country," Orbán said.<sup>17</sup>

Soros has for some years been demonized by the Fidesz government for his support of human rights organizations, and much of the recent election campaign focused on the imaginary threat he posed to the country. Those included on the list released by *Figyelo* included staff and members of human rights organizations, academics, investigative journalists, and other leading figures in civil society.

The *Figyelo* list was met with a mix of fear and ridicule from activists in Hungary, and regarded as a crude attempt to intimidate dissidents. "The *Figyelo* list accusing the two hundred people of working to bring down the government smacks of

the pro-Nazi regime targeting Jews in the 1930s, and of the Soviet era where people were listed and exposed for public intimidation because they were seen as thinking outside of the official line. These fake conspiracy theories only weaken Hungary," said Julia Ivan, executive director of Amnesty International Hungary.<sup>18</sup>

Egregious attacks in the media have appeared as the government announces its intention to pass new laws, informally labeled "Stop Soros" legislation, further restricting civil society. The latest proposed legislation follows a law passed in 2017 and modeled on similar legislation in Russia that has been used to restrict opposition voices and independent media. The Hungarian version imposed unnecessarily heavy reporting requirements on Hungarian human rights and civil society groups receiving funding from abroad.

In a separate move, in 2017 the Fidesz government also attempted to shutter Central European University (CEU), a university recognized across the region for its academic excellence and as a center of critical thought. Though located in Budapest, the Soros-funded university is registered in New York State, and provides post-graduate education for students drawn from over one hundred countries. In passing legislation meant to close CEU, the Hungarian government claimed that the university was operating outside the law, a thinly veiled assault met with international condemnation and mass street protests in Budapest. The university

<sup>17</sup> <https://www.independent.co.uk/news/world/europe/hungary-victor-Orbán-magazine-list-journalists-refugee-george-soros-mercenaries-a8301806.html>

<sup>18</sup> Interview with Human Rights First, May 2018.

is currently in protracted negotiations with Hungarian authorities, but CEU officials warn that the class of 2019 will have to enroll in a new campus in Vienna if a deal isn't struck soon.<sup>19</sup>

The "Stop Soros" package of anti-NGO legislation submitted by the government on May 29, 2018, would criminalize those who offer help to migrants and asylum seekers. It would alter nine current laws on asylum, the country's borders, and the police. And it would establish a new crime of "enabling illegal immigration." Those found guilty of committing this crime "regularly," or those who help "several persons," would face criminal penalties of up to a year in prison.<sup>20</sup>

Under the new laws, anyone providing legal advice or information about rights to migrants could be subject to prosecution. They would also enable the police to ban anyone they suspect of helping migrants from Hungary's border areas, and to deny refugee status to anyone arriving in Hungary via a "safe third country." The government is also seeking to change the country's constitution in an attempt to enable Hungary to avoid future EU resettlement plans by banning the "resettlement of foreign populations." This proposed Seventh Amendment to the Fundamental Law specifies that judges should

<sup>19</sup> <https://uk.reuters.com/article/uk-hungary-soros-university/soros-university-promises-no-exodus-from-hungary-despite-Orbán-law-idUKKBN1123UR>

<sup>20</sup> <https://www.helsinki.hu/wp-content/uploads/T333-ENG.pdf>; see also <https://www.helsinki.hu/en/bread-and-water-how-the-hungarian-government-plans-to-lock-up-its-ngo-critics/> and <https://www.hrw.org/news/2018/05/31/hungary-bill-makes-aiding-migrants-crime>

primarily use the legislature's official reasoning when interpreting the law, undermining judicial independence in reviewing the new legislation.<sup>21</sup>

The office of the United Nations High Commissioner for Refugees (UNHCR) responded unequivocally to the draft legislation, calling on the Hungary to withdraw the package of laws. "We are particularly concerned that the Government is targeting those who, in a purely humanitarian role, help people who are seeking asylum," said Pascale Moreau, Director of UNHCR's Europe Bureau. "Without their work, many refugees and asylum-seekers will inevitably suffer serious hardship as they would be deprived of important services such as medical and psycho-social care, housing, education, employment, access to information and legal aid. This will also ultimately negatively impact on the host communities." The agency also noted that in 2017, Hungary, with a population of a little under ten million, granted refugee status to just 1,216 people.<sup>22</sup>

"We can see an alarmingly fast crackdown on civil society, or independent voices, in Hungary," said Marta Pardavi, co-chair of leading human rights NGO the Hungarian Helsinki Committee (HHC). "But this proposal—which we call 'starve and stop'—is taking that to a different level." The Hungarian government is threatening to restore "an era of fear, unheard of since the fall of

<sup>21</sup> <https://www.helsinki.hu/wp-content/uploads/T332-Constitution-Amendment-29-May-2018-ENG.pdf>

<sup>22</sup> <http://www.unhcr.org/uk/news/press/2018/5/5b0d71684/unhcr-urges-hungary-withdraw-draft-law-impacting-refugees.html>

communist dictatorship,” she added. The new legislation “violates everything we define as the rule of law or European values.”<sup>23</sup> The Venice Commission—the Council of Europe’s advisory body on constitutional issues—is due to issue an opinion on the laws in the coming weeks, but it cannot prevent the Orbán government from pushing through the draconian measures.

The intimidation of NGOs is clearly intensifying in tandem with the imminent passage of the “Stop Soros” law. In one instance, pro-government television channel Echo TV showed up at the offices of Amnesty International Hungary in May 2018, asking staff if they were intent on overthrowing the government.<sup>24</sup> Stefania Kapronczay, director of the Hungarian Civil Liberties Union, said “We’ve seen a shying away of public partners, state partners and institutions that previously worked together with us—certain projects were halted.” There is already a wider chilling effect on civil society.<sup>25</sup>

Some NGOs have already decided to relocate staff out of the country. The Soros-funded Open Society Foundations announced within weeks of the election that it was moving its international

operations from Budapest to Berlin, citing the Hungarian government’s crackdown on NGOs.

“The government of Hungary has denigrated and misrepresented our work and repressed civil society for the sake of political gain, using tactics unprecedented in the history of the European Union,” said Patrick Gaspard, president of the Open Society Foundations. “The so-called ‘Stop Soros’ package of laws is only the latest in a series of such attempts. It has become impossible to protect the security of our operations and our staff in Hungary from arbitrary government interference.”<sup>26</sup>

In the midst of this worsening situation, members of the U.S. embassy in Budapest have been widely commended by local civil society leaders for speaking out against attacks on civil society. In March 2017, Chargé d’Affaires David Kostelancik publicly declared support for CEU, saying the United States was:

“Very concerned about the legislation proposed by the Hungarian Government...that would severely impact the operations of the Central European University in Budapest...It is a premier academic institution with an excellent reputation in Hungary and around the world, and it stands as an important center of academic freedom in the region...Moreover, the University is an important success story in the U.S.-Hungarian relationship, and it enjoys strong bipartisan support in the U.S.

<sup>23</sup> <https://www.helsinki.hu/en/bread-and-water-how-the-hungarian-government-plans-to-lock-up-its-ngo-critics/>

<sup>24</sup> <https://www.echotv.hu/hirek/2018/05/04/informator-unios-beavatkozassal-akarjak-eltavolitani-Orban-viktort>

<sup>25</sup> [https://www.washingtonpost.com/world/europe/viktor-Orban-after-soaring-to-reelection-win-in-hungary-to-target-george-soros-and-ngos/2018/04/09/268d314e-3b9d-11e8-955b-7d2e19b79966\\_story.html?noredirect=on&utm\\_term=.b9d53b6bd30a](https://www.washingtonpost.com/world/europe/viktor-Orban-after-soaring-to-reelection-win-in-hungary-to-target-george-soros-and-ngos/2018/04/09/268d314e-3b9d-11e8-955b-7d2e19b79966_story.html?noredirect=on&utm_term=.b9d53b6bd30a)

<sup>26</sup> <https://www.opensocietyfoundations.org/press-releases/open-society-foundations-close-international-operations-budapest>

Government. The United States opposes any effort to compromise the operations or independence of the University.”<sup>27</sup>

On April 12, 2018, the embassy responded to the *Figyelo* list of alleged “mercenaries” with a tweeted statement, saying:

“Civil society = ordinary citizens working to make their country a better place. The United States condemns #Figyelo’s attempt to intimidate these citizens. @hetilap #westandwithcivilsociety #IstandwithCEU”

More recently, on May 30, 2018, Secretary of State Mike Pompeo met Hungarian Foreign Minister Peter Szijjarto in Washington, D.C. During the meeting, according to the State Department, Pompeo raised the Hungarian government’s assault on its human rights organizations, noting in an official readout of the meeting that “The Secretary underscored the importance of maintaining a vibrant civil society.”<sup>28</sup>

Hope among activists in Budapest that U.S. representatives would continue to voice support were also bolstered earlier in May during the confirmation hearing of David B. Cornstein, the Trump Administration’s nominee to be the new U.S. Ambassador to Hungary.

Cornstein used his testimony before the Senate Foreign Relations Committee to pledge his support for civil and political rights, “First and

<sup>27</sup> [https://bbj.hu/economy/us-concerned-about-proposed-education-law\\_130811](https://bbj.hu/economy/us-concerned-about-proposed-education-law_130811)

<sup>28</sup> <https://www.state.gov/r/pa/prs/ps/2018/05/282832.htm>

foremost, I will encourage Hungarian officials at all levels of government to advance American interests and to promote American and democratic values; the freedom of speech, the freedom of press and the freedom of religion are values that cannot and should not be compromised.”<sup>29</sup>

Cornstein also addressed the problem of antisemitism in Hungary, saying:

“An extremely important goal I have, if confirmed, is to halt the rise of anti-Semitism in Hungary and Central and Eastern Europe. I am a very proud American Jew and it hurts and disturbs me deeply that this cancer continues to grow. I will work diligently with Jewish organizations, other religious communities, and the Hungarian government to make sure the Jewish community feels safe and secure. I will reach out to the Hungarian people from all walks of life to share this American value of religious freedom, protection, and tolerance for all people.”<sup>30</sup>

The Hungarian government walks a thin line on the issue of antisemitism—appealing to its Jewish community through its support of and relationship with the Israeli government, while also appealing

<sup>29</sup>

[https://www.foreign.senate.gov/imo/media/doc/050918\\_Cornstein\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/050918_Cornstein_Testimony.pdf)

<sup>30</sup>

[https://www.foreign.senate.gov/imo/media/doc/050918\\_Cornstein\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/050918_Cornstein_Testimony.pdf)

to its right-wing base by calling for a return to “Christian values.”<sup>31</sup>

Orbán’s government has publicly expressed support for the country’s Jewish community and promised to combat antisemitism.<sup>32</sup> At the same time, his government simultaneously enables, encourages, and even employs antisemitic tropes and rhetoric.<sup>33</sup>

Hungary, like many of its neighbors, still grapples with its complicated memory of, and involvement in the Holocaust. Orbán has commended former Hungarian leader and Hitler ally Miklos Horthy, and defended as “morally precise and immaculate” a controversial statue depicting the country as a blameless victim of Nazi aggression.<sup>34</sup> Horthy’s government actively collaborated with the Nazis, murdering Jews within Hungary and participating in the deportation of thousands of Jews to Auschwitz.<sup>35</sup> Hungarian memory of the Holocaust, however, is often colored by the subsequent victimhood of the Hungarian people under Communist rule. This narrative often supplants or is presented as

equivalent to the experiences of Hungarian Jewry during WWII.<sup>36</sup>

Fidesz’ attacks on George Soros have employed classic antisemitic tropes. “When he says Soros, what Hungarians on the right hear is ‘Jewish banker,’” said R. Daniel Keleman, a political science professor at Rutgers University. “In Hungary, he’s just a stand-in for age-old conspiracy theories.” Local activists agree that a common code for Jewish in Hungary is “banker” or “speculator.”<sup>37</sup> According to UNESCO’s *Addressing Anti-Semitism through Education*, the belief that Jews are plotting to control the world and control all financial institutions and the media is a classic antisemitic trope stemming from the *Protocols of the Elders of Zion*.<sup>38</sup>

Without evidence, Orbán claimed in May that Soros and the Open Society Foundations were responsible for fomenting antisemitism by encouraging migration to Europe. Responding to Ronald S. Lauder, the president of the World Jewish Congress, who had condemned Orbán’s antisemitic rhetoric and attacks on Soros, Orbán said Soros and the projects he funds “bear responsibility for the increase in anti-Semitism in Europe,” because immigrants to Europe included those whose “political and religious views

<sup>31</sup> <https://www.euractiv.com/section/elections/news/new-hungary-protest-as-orban-installs-christian-democracy/>

<sup>32</sup> <https://www.theguardian.com/world/2017/jul/18/orban-promises-netanyahu-he-will-protect-hungarys-jews>

<sup>33</sup> [http://jewishjournal.com/cover\\_story/221902/hungarys-jews-crosshairs/](http://jewishjournal.com/cover_story/221902/hungarys-jews-crosshairs/)

<sup>34</sup> <https://www.haaretz.com/world-news/europe/hungarian-premier-praises-hitler-ally-angering-jewish-groups-1.5487862>; <https://budapestbeacon.com/german-occupation-memorial-completed-under-cover-of-darkness/>

<sup>35</sup> see note 33.

<sup>36</sup> <https://www.humanrightsfirst.org/sites/default/files/Poland-Holocaust-Law-Full-Brief.pdf>

<sup>37</sup> [https://www.huffingtonpost.co.uk/entry/hungary-Orbán-anti-semitism\\_us\\_5aeccd64e4b041fd2d26b670](https://www.huffingtonpost.co.uk/entry/hungary-Orbán-anti-semitism_us_5aeccd64e4b041fd2d26b670)

<sup>38</sup>

<https://unesdoc.unesco.org/images/0026/002637/263702e.pdf>

markedly increased the sense of insecurity in Jewish communities.”<sup>39</sup>

In a radio interview within weeks of his election victory, Orbán declared that “We are working on building an old-school Christian democracy, rooted in European traditions...We believe in the importance of the nation and in Hungary we do not want to yield ground to any supranational business or political empire.”<sup>40</sup>

It is unclear what place Orbán imagines Hungary’s Jewish community will have in Hungary’s new “Christian democracy,” but large segments of the country’s Jewish community are worried. As the April election demonstrated, blaming Hungary’s ills on a prominent Jew, and Muslim invaders, proved effective.<sup>41</sup>

## Assault on Courts

Hungary’s judicial independence is also under attack from the government and its supermajority. Until now, Fidesz has not controlled the court system. In October 2017, local human rights NGO the Hungarian Helsinki Committee (HHC) sued the Cabinet Office of the Prime Minister after it published misleading statements about the HHC in a “National Consultation” questionnaire distributed to all households in Hungary. The HHC

<sup>39</sup> <http://www.worldjewishcongress.org/en/news/opinion-ronald-s-lauder-viktor-orban-has-lost-his-political-compass> and <https://www.bloomberg.com/news/articles/2018-05-18/billionaire-soros-accused-of-fueling-anti-semitism-mti-reports>

<sup>40</sup> <https://uk.reuters.com/article/uk-hungary-orban/pm-orban-vows-to-preserve-hungarys-christian-culture-idUKKBN1180PB>

<sup>41</sup> [http://jewishjournal.com/cover\\_story/221902/hungarys-jews-crosshairs/](http://jewishjournal.com/cover_story/221902/hungarys-jews-crosshairs/)

claimed that the questionnaire had damaged the NGO’s reputation. The Metropolitan Regional Court of Budapest agreed, and in a major victory for the NGO, in May 2018 the court ordered the government to issue an apology on the home page of its website, and to pay compensation of two million Hungarian Forints (~\$7,500).<sup>42</sup>

Despite HHC’s victory, the governmental assault on Hungary’s independent judiciary is underway. In May, Orbán’s spokesperson claimed that Hungary’s supreme court had “clearly and seriously interfered” in the election outcome by declaring four thousand votes mailed from abroad as invalid. The spokesperson said Orbán viewed the court as “intellectually unfit” for its responsibilities.<sup>43</sup>

Since Orbán’s election, five of the 15 members of the National Judicial Council have resigned. The Council is a panel of 15 judges elected by their peers and regarded as a counterweight to government pressure on the independence of the judiciary.<sup>44</sup>

There are also concerns that a proposed overhaul of the country’s court system will set up a new adjudication process for disputes between the government and businesses, and that the new system will be stacked in favor of the government. Some warn of potentially negative repercussions for American and other international corporations. In June 2018, the HHC published *Attacking the Last Line of Defense*, an analysis of the fresh attacks on judicial independence.<sup>45</sup>

In May, Orbán’s new government announced plans to set up a new high court to deal with

<sup>42</sup> <https://www.helsinki.hu/en/government-must-apologize/>

<sup>43</sup> <https://thehungaryjournal.com/2018/05/05/orban-accuses-the-supreme-court-of-interfering-with-the-election/>

<sup>44</sup> <https://www.nytimes.com/2018/05/01/world/europe/hungary-viktor-orban-judges.html>

<sup>45</sup> <https://www.helsinki.hu/wp-content/uploads/Attacking-the-Last-Line-of-Defense-June2018.pdf>

issues relating to public administration.<sup>46</sup> The European Network of Councils for the Judiciary (ENCJ)—a body representing EU members' judiciaries. It expressed alarm at Orbán's moves to set up new administrative courts with more political influence over judges, and noted a worrying trend also evident in Poland.

"The disease of Poland and Hungary could spread. It could spread to the neighboring countries," said ENCJ President Kees Sterk. "Who says that it won't spread to other parts of Europe...What happens in Poland and in Hungary is not an (isolated) incident but it's on a systemic level. That makes it different and that is also the worrying part," he warned. "The rule of law, the separation of powers and the independence of a strong judiciary is essential to the well functioning of society...without these...we will eventually end up in a dictatorship."<sup>47</sup>

Orbán's aggressive onslaught against NGOs, CEU, and the judiciary is pushing Hungary in an alarming direction, one which its European partners and NATO allies should meet with immediate and strong resistance. The weakening of peaceful dissent and an independent court system will further encourage corruption and undermine Hungary's value internationally, and should make the country an increasing cause for concern in Washington.

As the Senate Foreign Relations Committee (SFRC) minority report from January 2018 warned: "As Orbán deepens relations with Russia abroad, he has steadily eroded the democratic process at home, where Hungary's political opposition has been marginalized and civil society

watchdogs have a diminished voice. Without the critical scrutiny provided by political opposition or civil society, Russian malign influence is able to spread with little resistance."<sup>48</sup>

## False Sense of Security

Academics, human rights activists, diplomats, journalists, and others in Hungary warn how, in recent months, Orbán's government has shown itself to be an increasingly suspect ally for fellow members of the EU and NATO. In addition to subverting the values of both institutions by attacking civil society, academic freedom and the rule of law, Orbán's government is also moving Hungary worryingly close to Putin's Russia, and is displaying an alarming disregard for its own national security and those of its allies.

The Trump Administration's National Security Strategy rightly notes that "Russia aims to weaken U.S. influence in the world and divide us from our allies and partners." Similarly, the January 2018 SFRC minority report warned that "As the United States and its allies look to build resilience to Russian interference in Europe, they will unfortunately not find a partner in the Hungarian government."<sup>49</sup>

These fears are well-founded. For example, Hungary's over-reaction to its current dispute with Ukraine is causing widespread concern in diplomatic circles, not least because it appears to be serving Russia's agenda.

Ukraine introduced legislation in September 2017 on the teaching of minority languages in its schools. The law affects Hungarian, Polish, and Romanian-speaking communities in Ukraine.

<sup>46</sup> <https://www.reuters.com/article/us-hungary-government-justice/hungary-says-to-set-up-new-administrative-high-court-despite-criticism-idUSKCN1IF0XK>

<sup>47</sup> <https://www.reuters.com/article/us-eu-courts/court-disease-in-poland-hungary-could-spread-judicial-body-chief-idUSKCN1IW2KK>

<sup>48</sup> <https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf>

<sup>49</sup> <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>;

<https://www.foreign.senate.gov/imo/media/doc/FinalRR.pdf>

While the governments of Poland and Romania have discussed the issue bilaterally with the Ukrainian government, Hungary took what one local journalist described as “the nuclear option” in April. Using its veto power as a member of NATO, the Hungarian government torpedoed a planned session of the NATO-Ukraine Commission. Ukraine is hoping to join NATO in the future, and Hungary’s actions were widely viewed as an overreaction. Hungary also reportedly vetoed the invitation of Ukrainian President Petro Poroshenko to the next NATO summit scheduled to be held in Brussels in July.<sup>50</sup>

NATO Secretary General Jens Stoltenberg called on Hungary to resolve the language dispute with Ukraine to ensure that the scheduled July meeting of the Ukraine-NATO Commission could be held. Stoltenberg noted that while “Hungary is a highly-valued ally” that “contributes to NATO collective defense,” Ukraine is a “partner” of NATO and a “victim of Russian aggression.” This was the third time since the new law was passed that Hungary blocked a meeting of the NATO-Ukraine Commission.<sup>51</sup>

By contrast, Polish Foreign Minister Jacek Czaputowicz said his government would pursue a less formal resolution with Ukraine, while Romanian Secretary of Foreign Affairs Danut Neculaescu stressed that his government considers it necessary to continue the dialogue with Ukraine in a NATO forum.<sup>52</sup>

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<sup>50</sup> <http://hungarianfreepress.com/2018/05/04/the-orban-government-should-not-block-ukraines-nato-and-eu-integration/>

<sup>51</sup> <http://hungarianfreepress.com/2018/05/04/the-orban-government-should-not-block-ukraines-nato-and-eu-integration/>

<sup>52</sup> <http://hungarianfreepress.com/2018/05/04/the-orban-government-should-not-block-ukraines-nato-and-eu-integration/>

Diplomats privately described Orbán’s ongoing disruption of NATO business over an issue of minority language education with a neighboring country as “grossly inappropriate,” and an indication of Hungary’s unpredictability. “The move against Ukraine in NATO is weird. There’s no rational explanation except that it serves Russian interests,” said Peter Kreko, director of the Hungarian think-tank Political Capital.<sup>53</sup>

While Hungary joined dozens of other countries in March 2018 in expelling Russian diplomats in response to a nerve agent attack on a former spy and his daughter in England (expelling one Russian diplomat), Russian influence on Orbán’s government is a long-standing concern.<sup>54</sup>

In one widely-cited case from March 2017, Orbán’s government got the go-ahead from the EU to proceed with a \$10.6 billion nuclear project financed by Russia, with Russia’s state nuclear company Rosatom leading construction of two nuclear reactors at Paks, a town in central Hungary. Financing required to build the reactors is being handled by Russia’s Vnesheconombank, which is under EU sanctions.<sup>55</sup>

Last year, a recently-retired Hungarian intelligence agent went public in an interview with independent local media platform *index.hu* with his fears about Russian influence in Hungarian security services. Ferenc Katrein worked for the Hungarian civilian counter-intelligence agency for 13 years, including as an executive head of operations. A counter-espionage specialist, he claimed that constant internal reorganizations meant “several international experts” in countering

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<sup>53</sup> Interview with Human Rights First, May 2018.

<sup>54</sup> [https://www.washingtonpost.com/news/worldviews/wp/2018/03/27/here-are-all-the-countries-that-just-expelled-russian-diplomats/?noredirect=on&utm\\_term=.53f891e65c2e](https://www.washingtonpost.com/news/worldviews/wp/2018/03/27/here-are-all-the-countries-that-just-expelled-russian-diplomats/?noredirect=on&utm_term=.53f891e65c2e)

<sup>55</sup> <http://www.humanrightsfirst.org/sites/default/files/Hungary-Slide-Towards-Authoritarianism.pdf>

Russian agents “were redirected to other areas.” This, he said, despite the Russian threat to Europe on a scale of one to ten as being “nine or ten, the highest level.”<sup>56</sup>

Before the collapse of the Soviet Union, the Hungarian intelligence services were controlled by the Russian authorities. Katrein warned that while “the Czech [intelligence] service practically sent anyone who was active before the democratic transition packing and then built a completely new agency,” Hungary did not, and that “it is problematic that those [Hungarian agents] from before 1989 are still in the system.”<sup>57</sup>

Local independent journalists also regularly report on increasing Russian influence on the Hungarian government, and on Orbán’s close personal ties to Putin and Putin’s political circle. The Hungarian independent media outlet *Direkt36*, for example, has broken a series of stories on links between Orbán and Putin, including a series of reports in recent months covering business deals involving energy agreements, and a major tender to produce railway carriages for Egypt.<sup>58</sup>

Around ninety percent of Hungary’s media is now either directly or indirectly controlled by actors aligned with Orbán’s Fidesz party, according to Marius Dragomir, director at the Centre for Media, Data and Society at CEU. Local journalists warn that state media is working as a propaganda machine, regularly running news stories from Russia’s *Sputnik* and *Russia Today*.<sup>59</sup>

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[https://index.hu/english/2017/03/21/hungarian\\_secret\\_agent\\_reveals\\_how\\_serious\\_the\\_russian\\_threat\\_is/](https://index.hu/english/2017/03/21/hungarian_secret_agent_reveals_how_serious_the_russian_threat_is/)

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[https://index.hu/english/2017/03/21/hungarian\\_secret\\_agent\\_reveals\\_how\\_serious\\_the\\_russian\\_threat\\_is/](https://index.hu/english/2017/03/21/hungarian_secret_agent_reveals_how_serious_the_russian_threat_is/)

<sup>58</sup> <https://www.direkt36.hu/en/2018/04/24/egy-magyar-ceg-majdnem-elnyert-egy-nagy-uzletet-aztan-az-orban-kormany-inkabb-beallt-az-orosz-rivalis-moge/>

<sup>59</sup> <https://edition.cnn.com/2018/04/06/europe/hungary-elections-russia-orban-intl/index.html>

In November 2017, the State Department issued a Notice of Funding Opportunity for up to \$700,000 for “Supporting Objective Media in Hungary.” The goal, said the announcement, was “to support media outlets operating outside the capital in Hungary to produce fact-based reporting and increase their audience and economic sustainability,” to “increase citizens’ access to objective information about domestic and global issues of public importance, by enhancing local media’s ability to engage a larger audience, including their print, multimedia, and online readership,” and that “projects should aim to have impact that leads to democratic reforms.” The application deadline was January 19, 2018, and the State Department says it is currently evaluating the proposals.<sup>60</sup>

This initiative was widely commended by local activists as a promising way to counter the Hungarian government’s media capture, although some expressed concern that the funds had not yet been released.

There is also mounting disquiet among civil society that since Orbán’s latest election victory there are new plans to consolidate Hungary’s intelligence services under the Prime Minister’s direct control. Details have yet to emerge, but at the very least it appears as though major reorganization of the existing structure is planned, with the Prime Minister’s office having much more control.

“The civil intelligence services have been relatively independent and haven’t allowed themselves to be used for overt political purposes,” said Julia Ivan, executive director of Amnesty International Hungary. “But now Orbán is taking control and centralizing more intelligent resources under his direction. It’s very worrying.”<sup>61</sup>

<sup>60</sup> <https://www.state.gov/j/drl/p/previouscalls/275396.htm>

<sup>61</sup> Interview with Human Rights First, May 2018.

Another area of security concern centers on Hungary's handling of visas and passports. In March 2018, local independent investigative journalists broke the story of how a Syrian man under U.S. sanctions for assisting the Syrian government obtained residency status in Hungary under the country's so-called "golden visa" program. They reported that Atiya Khoury, accused by U.S. authorities in 2016 of paying for fuel procurements for President Bashar al-Assad's government, managed to gain a residency permit for Hungary. The "golden visa scheme," introduced by Orbán's government in 2013, is available to foreigners willing to pay up to three hundred thousand euros (\$350,000 USD).<sup>62</sup>

Further questions about the efficiency of Hungary's security screening process were raised in May 2018, when local investigative media site *Direkt36*, working with the *Washington Post*, broke a major scandal over a fraud scheme involving Hungarian passports that has enabled people to enter the United States under false identities. The issue is a long-running source of tension between U.S. and Hungarian authorities.

"About 700 non-Hungarians have fraudulently obtained authentic Hungarian passports and assumed the identities of the original passport holders, according to a Department of Homeland Security document," said the report. "Of that group, at least 85 tried to travel to the United States, and 65 entered through the U.S. visa waiver program."<sup>63</sup>

<sup>62</sup> <https://www.reuters.com/article/us-hungary-election-residency-syria/hungary-gave-visa-to-syrian-man-under-u-s-sanctions-for-assisting-assad-websites-idUSKBN1H42SL>

<sup>63</sup> [https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b\\_story.html?noredirect=on&utm\\_term=.8c748846827b](https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b_story.html?noredirect=on&utm_term=.8c748846827b)

Holders of Hungarian passports, as citizens of the EU, are eligible for visa-free travel to the United States. The story quoted former senior DHS official Stewart Baker, who dealt with transnational threats in Europe and the Middle East, as saying "A well-organized terrorist organization like ISIS or al-Qaeda might purchase these documents...or the Russian spies we kicked out might fly to Ukraine, buy a Hungarian passport and fly back to the U.S."<sup>64</sup>

Orbán's government introduced the passport scheme in 2011, aiming to benefit ethnic Hungarians living outside the country who could obtain passports in an expedited manner. Since then, more than a million people are estimated to have obtained citizenship under the program. Applicants have to demonstrate they have some grasp of the Hungarian language and plausibly had Hungarian ancestry, but critics say fake documents are often used, and that some passed the language test just by learning a few sentences, or by bribing officials.

Those who have become Hungarian citizens under the program are eligible to vote in elections, and have supported Orbán's Fidesz Party with 95 percent of their votes in recent elections.<sup>65</sup>

The Hungarian government's unreliable security screenings for visas and passports, and Orbán's intention to take more direct control of the

<sup>64</sup> [https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b\\_story.html?noredirect=on&utm\\_term=.8c748846827b](https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b_story.html?noredirect=on&utm_term=.8c748846827b)

<sup>65</sup> [https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b\\_story.html?noredirect=on&utm\\_term=.8c748846827b](https://www.washingtonpost.com/world/national-security/massive-passport-fraud-in-hungary-allowed-dozens-of-people-to-enter-us-under-false-identities-officials-say/2018/05/09/b1ee48be-523a-11e8-b00a-17f9fda3859b_story.html?noredirect=on&utm_term=.8c748846827b)

country's intelligence services, should be worrying enough for Washington. But that Fidesz appears to be acting increasingly in the interests of the Kremlin is outright alarming for U.S. national interests, and something the U.S. government needs to immediately and forcefully counter.

## Conclusion

Since his 2018 re-election, Orbán is accelerating his drive towards a dangerous authoritarianism. Recent weeks have witnessed an unmistakable intensification of pressure on civil society, with further repression promised. The weakening of democratic stability in an EU and NATO member is taking a toll on European and transatlantic cohesion, which indirectly serves Russian interests. The U.S. government should resist this alarming turn, and increase the scope of its support for Hungary's embattled civil society.

## Recommendations

### The United States Should:

- Immediately and publicly denounce anti-civil society legislation being pushed through Hungary's parliament, and make clear such new laws will have negative consequences for the U.S.-Hungary relationship.
- Publicly defend the right of local NGOs—in Hungary and elsewhere—to accept international funding and to operate free from restriction so they can do their work.
- Urge NATO allies to review Budapest as an appropriate venue for NATO ministerial meetings, contingent on its upholding of democratic principles.
- Apply the Global Magnitsky Act to Hungarian officials involved in corruption, building upon visa bans issued against suspected corrupt actors in 2014.
- Review its security relationship with Hungary and the integrity of intelligence-sharing protocols.
- Monitor and raise with Hungarian authorities incidents of antisemitism in the country as well as the political use of antisemitic tropes and historical revisionism.
- Urge EU leaders to use budget discussions to give weight to how Hungary and other European countries protect civil society and maintain the rule of law, including the independence of the judiciary.
- Work with Congress to authorize and appropriate funding to strengthen Hungary's civil society and independent media.
- Reject head of state-level bilateral meetings, in Washington D.C. or elsewhere, until Prime Minister Orbán stops his attacks on governmental checks and balances, and civil society.
- Promote on its website and elsewhere, in Hungarian and English, the State Department Fact Sheet "U.S. Support for Human Rights Defenders," and encourage human rights defenders to publicly engage with U.S. government officials.

