

No Society Without Civil Society

Orban, Putin, and Why the United States Should Resist Hungary's Attack on NGOs

In 2014 Hungarian Prime Minister Victor Orban famously declared that liberal democratic states—including his fellow European Union and NATO members—constituted an historical anachronism, and declared that the future belonged to the world's autocracies. Orban's policies, both prior to and after he declared his intent to build an "illiberal state," have held true to this vision.

Central to Orban's effort to to abandon trans-Atlantic values and remake Hungary in the mold of Vladimir Putin's Russia is repression of civil society. Shortly after Orban's Fidesz Party rose to power in 2010, it rewrote the country's constitution to remove checks on its power, while pushing through a media law restricting press freedoms. After winning reelection in 2014, Orban depicted workers from non-governmental organizations as traitors—"paid political activists... attempting to promote foreign interests"—and has since used his ever-expanding political, legal, and administration powers to crack down on nongovernmental organizations (NGOs) and broader civil society.

During the 2016 U.S. presidential election, Orban proudly supported Donald Trump, praising the two leaders' oft-stated common concern over Muslims and refugees, and noting that "this decent presidential candidate [has] said that the export of democracy must be stopped. I myself couldn't have said that any better."

Now, emboldened by President Trump, Orban is intensifying his effort to build his self-described "illiberal state," expanding an aggressive assault on dissent. Already facing increased scapegoating, Hungarian activists are bracing for legislation that targets NGOs based on their foreign funding.

Adding to their concern is the relatively warm—if also murky and controversial—relationship between President Trump and President Putin, which is likely to encourage further Fidesz-led attacks on civil society. Putin regards the Orban government as a vehicle for expanding its influence, while weakening the cohesion within the European Union and NATO. As an activist told us, "Hungary is Russia's door to the West."

This report outlines how Hungarian civil society is being scapegoated by the government, the anticipated fresh crackdown on NGOs, and the deepening influence of Kremlin influence in Hungary. It explains the tactics used by the ruling Fidesz Party to harass and intimidate dissidents, and describes the slide towards authoritarianism in Hungary. It examines current conditions in Hungary, the need for a U.S. response, and potential opportunities for the U.S. government to support civil society and strengthen respect for human rights. The report draws on interviews with dozens of Hungarian human rights defenders, civil society activists, journalists, diplomats, and clerics, conducted during a trip in March 2017.

This report is one in a series in which Human Rights First has documented attacks on civil society and made recommendations for how the U.S. government should respond. Others include: [High Stakes for Syria](#) (April 2016), [How to Reverse Five Years of Failure on Bahrain](#) (February 2016), [How to Navigate Egypt's Enduring Human Rights Crisis](#) (January 2016), [How the U.S. Can Counter Violent Extremism and Support Civil Society in Kenya](#) (July 2015), and [How to Counter Terrorism by Supporting](#)

Civil Society in the United Arab Emirates (May 2015).

Scapegoating Civil Society

Orban's aides openly acknowledge that the Trump presidency is inspiring the Hungarian government's increased crackdown on civil society, with talk of Trump's representing "a new era and...a different kind of opinion." Orban himself says the Trump win means, "[W]e can return to real democracy," by which he means further attacks on checks and balances, civil liberties watchdogs, and independent media. "We believe that by getting rid of these elements of the political argumentation, it is going to be easier," says his spokesman Zoltan Kovacs.

Civil society has been under assault in Hungary for several years; local NGOs have put together [a timeline chronicling the assaults](#). Dora Papp, managing director of the NGO The Kretakor Foundation, told us that while her organization has been targeted since 2002, the level of abuse has escalated in recent years. Last year the Star of David and swastikas were daubed on Kretakor's office door, their mailbox graffitied with the word 'Traitors,' and the organization's sign was regularly pulled down.

Last year United Nations Special Rapporteur on the Situation of Human Rights Defenders Michel Forst visited Hungary, noting in his report that, "Human rights defenders face enormous pressure due to public criticism, stigmatization in the media, unwarranted inspections and a reduction in State funding. The Special Rapporteur heard many testimonies of incidents where the authorities had tried to delegitimize defenders and civil society representatives and, at the same time, undermine their work through excessive administrative and financial hurdles, as well as criminal defamation."

Several NGOs told Human Rights First they had been subjected to administrative harassment and exhaustive tax audits. Kretakor has been under

virtual constant tax investigation for two years, even though the authorities have found no irregularities.

The targeting of dissidents is viewed by many as a political tactic in the run-up to the 2018 parliamentary elections. Echoing the Kremlin, Middle Eastern dictatorships, and other repressive regimes, the Orban government claims that NGOs, particularly those that accept funding from abroad, threaten what the government defines as the country's "traditional values." "Civil society organizations are useful to the government as a scapegoat, even if they don't pose much of a real threat," says Budapest-based journalist Lili Bayer.

But the onslaught against civil society has not been entirely successful for the authorities. In a country that was bombarded with heavy communist state propaganda until 25 years ago, there is a healthy skepticism of official press coverage. "Despite so much adverse media coverage of NGOs, we still have public support, we still have credibility," said Stefania Kapronczay, executive director of the Hungarian Civil Liberties Union.

A poll conducted at the end of January 2017 by [index.hu](#), in partnership with the Zavecz Research Kutatointezet (Zavecz Research Institute), found that seventy-one percent of Hungarians agreed or strongly agreed that, "It is important for civil society organizations that are independent from the government to be stronger." More than 81 percent said it was acceptable for domestic civil society organizations (CSOs) to criticize the government, and more 62 percent said it was acceptable for CSOs to receive foreign funding. Forty-two percent agreed or strongly agreed that, "The attack on CSOs by the government weakens democracy," with 34 per cent disagreeing or strongly disagreeing. Only 22 percent agreed or strongly agreed that, "Some of Hungary's civil society organizations are puppets for foreign powers."

These numbers suggest that the Hungarian government targets civil society not to win votes, but to protect itself from embarrassing revelations.

Despite the crackdown, civil society organizations continue to hold the government accountable. A January 2017 piece in *Der Spiegel* noted that, “Orban is creating a corrupt oligarchy,” and that “new corruption scandals emerge almost weekly,” thanks to a handful of investigative journalists. Their work exposing senior-level corruption to national and international audiences, remains an embarrassing irritant for the authorities. In one example, investigative journalist Andras Petho exposed a series of overseas business trips taken by Orban’s chief of staff Janos Lazar. The investigative site Direkt36 has reported on corruption in Budapest’s municipal government and state contracts won by a company owned by Orban’s son-in-law.

The government was also stung in October 2016 by civil society’s successful campaign to prevent it from winning enough votes to claim a mandate in rejecting EU plans for migrant relocation. Although the government won almost 98 percent of the vote in a carefully stage-managed referendum, CSO-led boycott campaigns helped restrict the turnout to 40.4 per cent, far short of the 50 percent required to make the poll binding.

Awkward too was February’s climb-down on Budapest’s bid to host the 2024 Olympic Games. Orban’s government had been enthusiastic supporters of the bid, but when hundreds of thousands of people signed a petition organized by the new Momentum Movement demanding that the city hold a referendum on the bid, it withdrew the application.

National and international pushback against the targeting of civil society groups continued as of March 2017. Through a petition labeled “No Society Without Civil Society,” over 200 Hungarian NGOs resolved “to reject the Hungarian Government’s aspirations to restrict and stigmatise civil society... We stand up for ourselves and for each other.”

The same month, prominent international conservative and neoliberal voices, including experts

from the American Enterprise Institute, the Atlantic Council, the European Centre for International Political Economy, Johns Hopkins University, the Adam Smith Institute, and the Hudson Institute signed an open letter to Orban noting with great concern “that we have followed the recent plans of the government of Hungary to crack down on non-governmental organizations (NGOs)... If the Hungarian government is truly conservative— as it so often claims —it should condemn centralization, paternalism and nationalism...Crippling civil-society organizations for political purposes, as Hungary’s government is intent on doing, will make Hungary a poorer and sadder place, at odds with the conservative ideals of a free, self-governing society of responsible individuals.”

Bogeyman Soros and the Coming Crackdown

Orban has declared that 2017 is the year to “extrude” NGOs. Hungarian civil society and foreign governments would be wise to take this threat seriously. Three years ago Orban directed the investigation of 62 organizations that had received money from Norway Grants or European Economic Area Grants programs. The ensuing raids, confiscation of property, and investigations lasted over a year, with the government claiming that certain groups had used international funds illicitly to subvert the country’s politics. The incident led to a major diplomatic dispute between Hungary and Norway, with Oslo freezing development funds to Hungary for 19 months. Although the government’s inquiries failed to uncover any wrongdoing, its baseless harassment sent a clear message.

In his State of the Union address last month, Orban identified civil society as one of five major challenges threatening Hungary:

“[W]e will also need to take up the struggle against international organisations’ increasingly strong activists...[F]oreign funding is being secretly used to influence Hungarian politics. I think that on more than enough occasions we have proved that we are

capable of deciding on our own fate. So the question is whether we should yield to covert foreign attempts to exert influence. We are not talking about non-governmental organisations fighting to promote an important cause, but about paid activists from international organisations and their branch offices in Hungary. Are we going to do something to at least ensure transparency, and make these issues publicly known? We must also recognise, Ladies and Gentlemen, that here there are large predators swimming in the water. This is the transnational empire of George Soros, with its international heavy artillery and huge sums of money.”

The demonization of Hungarian-American philanthropist Soros and the NGOs associated with him has reached a dangerous new pitch, never mind that Orban himself once received a Soros Foundation scholarship to study at Oxford. The foundation also helped fund a group Orban co-founded called the Alliance of Young Democrats, or Fidesz.

Now that Fidesz holds power, Orban judges Soros’s funding of groups focused on human rights, independent journalism, and Roma rights a threat to his increasingly authoritarian rule. Fidesz’s Szilard Nemeth, an MP and deputy chair of the National Security Committee, has called for groups supported by Soros’ Open Society Foundation to be “swept out of the country.” He has also promised to push the state’s security apparatus to investigate NGOs, saying “[t]hese organizations have to be pushed back with every possible tool, and I think they should get out of here.”

At the end of March the Hungarian government announced new legislation targeted at the Soros-funded Central European University (CEU). The university is registered in New York State, and provides post graduate education for students from more than one hundred countries. The Hungarian government claims the CEU is currently operating outside the law and if parliament agrees then for CEU to continue operating President Trump and President Orban will have to sign an

intergovernmental agreement, the university will have to establish a campus in the U.S. by February next year. The move is regarded as a major assault on academic freedom in Hungary and prompted the U.S. embassy in Budapest to issue a rare statement of rebuke on March 29.

Chargé d’Affaires David Kostelancik said the U.S. was “very concerned about the legislation proposed by the Hungarian Government yesterday 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. Government. The United States opposes any effort to compromise the operations or independence of the University.”

Hungarian analysts expect the government to soon publish new legislation governing NGOs and their sources of foreign funding. Its prospect hangs like a sword of Damocles above Hungarian activists. Rumors swirl in Budapest that the legislation could be introduced within days, or, conversely, delayed indefinitely by a government eager to keep dissidents in a state of anxiety.

The government announced at the end of March that every household in Hungary is about to receive a series of questions, a “national consultation exercise” which is to solicit views on civil society.

“Civil society is the new enemy, we’re being discredited and even the threat of new NGO legislation is enough,” said Jozsef Martin, executive director of Transparency International Hungary. “They don’t have to publish any new draft legislation, just the implication of stigmatizing us is enough to deter some donors.”

Egypt’s authorities dangled the specter of new NGO legislation for years before passing new laws, debilitating and distracting civil society. But Orban’s

government looks to Moscow more than Cairo for inspiration. Like the Kremlin, Fidesz has targeted investigative journalists, drowned out and taken over independent media, stigmatized activists as “foreign agents” out to undermine “traditional values,” harassed NGOs with draining tax audits, and railed against activists’ foreign funding (opportunistically overlooking the essential point that Hungary itself is essentially a foreign-funded state that would quickly collapse without EU support).

“The government here is now using the language of ‘political agents’ for NGOs, and it’s trying to create an environment to make NGOs not credible. They’re trying to sideline us, saying you can play in the sandbox in the corner but we won’t take you seriously,” says Marta Parvadi, co-chair of the Hungarian Helsinki Committee. “The EU isn’t sure what to do—Orban is like a dinner guest who puts his feet on the table and no-one knows how to react.”

“Russia’s Door to the West”

The United States should care about what’s happening in Hungary, not least because the country is Russia’s not-so-secret Trojan Horse in the EU and NATO.

In January 2017 Orban noted approvingly that Russia had survived “the West’s attempts” to “isolate” and “dismantle the regime” there, surviving low oil prices and sanctions. More ominously, he added that Europe shouldn’t ignore the opportunities presented by Russia.

Russia is an all-too-welcome guest of the Hungarian government, with Orban regularly criticizing EU sanctions on the Kremlin, while serving as the only European leader to regularly host Putin since his annexation of Crimea. President Putin’s visits are heralded in the Hungarian state press, which is becoming increasingly similar to its Russian counterpart. The country’s lack of a market economy in the media sector means that the industry is increasingly dominated by government interests,

those who support the government, and those that rely on the government for business. A certain model has taken hold. Pro-government outlets increasingly dominate most media advertising, relying on corporations with state ties to fund their publishing activities. The result is that many independent outlets are starved of revenue. Once these outlets are weakened financially, they can be bought by government-aligned corporations or individuals, who can choose to shut them down, or reorient their editorial direction. “U.S. politicians shouldn’t confuse freedom of speech with a free media,” said a local journalist. “We don’t have freedom of the media here.”

“If you open Hungarian state media, you see Russian propaganda translated into Hungarian—just directly taking Russian disinformation,” says Bayer. “Even Russia’s news on Syria, which doesn’t help the Hungarian government but helps Russia’s, is adapted and run as news.”

Bayer has exposed some of these links. For example, she pointed out that the pro-government paper *Magyar Idok* published an article in November 2016 on an alleged plot by George Soros and Bill and Hillary Clinton to start a revolution against the American government, citing as a source the Kremlin-backed propaganda news site *Strategic Culture*. “This was the first time the pro-government print daily formally gave a Russian propaganda website a byline,” reported Bayer.

“Some Hungarian far-right websites have long had a close relationship with Russia. But the Fidesz media’s growing affinity for Russian media, as well as *Magyar Idok*’s decision to give *Strategic Culture* a byline, may be an indication of growing Russian influence over Hungarian media and society,” she wrote.

Hungary’s public still leans west rather than east, viewing itself as part of Europe, and harboring deep suspicion of Russia. “Putin is using Hungary to weaken the EU, Putin gets feted in Hungary every second year, but the public wants to be in the EU,

and the pro-Russian line isn't a strong one for the government," says local journalist Anita Komuves.

This month Orban's government got the go-ahead from the EU to proceed with a \$10.6bn nuclear project financed by Russia, with Russia's state nuclear company Rosatom leading construction of two nuclear reactors at Paks in central Hungary.

It's a controversial project, not least because Rosatom won the no-bid contract to build the plant, and because around \$10.8bn of the \$13bn in financing required to build the reactors is being handled by Russia's Vnesheconombank, which is under EU sanctions. The economic benefits of the project are also questionable, with experts warning of higher electricity prices for the public to subsidize the cost of the reactors.

"Orban seems to be following Putin's lead in attacking civil society," said one local activists who asked not to be identified. "Russia has a foothold here now, especially on energy. Hungary is Russia's door to the West."

The rest of the EU, concerned by Hungary's democratic backsliding, but also distracted and worried by member-state fiscal concerns, Brexit, and the refugee crisis, has been reluctant to take punitive measures against Budapest for its dismantling of democratic institutions and attacks on civil society.

Last year the Hungarian government managed to block a European agreement to prevent discrimination against LGBT people which called on the European Commission to tackle homophobic and transphobic discrimination, promote measures to advance LGBTI equality, and step up efforts to collect data on the treatment of LGBTI citizens.

Hungary holds a few strong cards in its negotiations with the EU, including its role as a center for automotive production and export of vehicles destined for the German market. Also, within the European Parliament, Fidesz is aligned with Angela Merkel's CDU and other center-right European

parties under the European People's Party, the largest political group in the parliament. The 11 members of the European Parliament Fidesz provides the group offers Orban's government significant leverage in relations with other powerful EU countries.

Local NGOs complain that EU diplomats in Budapest have increasingly held their tongues in recent years and no longer publicly criticize Fidesz. "It's been left to the U.S. recently to help us with some of our battles," said one veteran activist who preferred not to be named.

The Budding Trump-Orban Relationship

The end of the Obama Administration and the election of Trump has been met with relief and even euphoria by Orban's supporters.

In response to evidence of high-level corruption in Hungary, the Obama Administration imposed visa bans on six senior Hungarian officials in 2014. The bans came a few weeks after President Obama publicly cited Hungary in a list of countries where repressive governments silenced dissent. "From Russia to China to Venezuela, you are seeing relentless crackdowns, vilifying legitimate dissent as subversive," said the President in a September 2014 speech. "In places like Azerbaijan, laws make it incredibly difficult for NGOs even to operate. From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society."

"The visa bans from the last U.S. administration made the Hungarian government fearful, and exposed their vulnerability. It was very embarrassing for those officials, and made the government worry their propaganda machine might fail," said one Budapest-based activist.

In 2015 the Obama Administration publicly opposed the Hungarian government's plans to support the erection of a statue honoring Balint Homan, an antisemitic, Nazi-collaborating official from the interwar and Second World War era. "The EU did

nothing to stop the statue, but the U.S. government did," said a veteran activist. "The [United States] has been a bigger player than the EU in some of these things. On the Russian nuclear plant, the EU just seemed impotent, it doesn't seem to have the tools to stop the targeting of civil society either."

In July 2016 Orban became the first leader of an EU or NATO country to formally endorse Trump's presidential campaign, when he described Trump as "outstanding" and said "Trump would be better for Europe and for Hungary."

"I have to tell you that he made three proposals to halt terrorism, and as a European, I could have hardly expressed what is best for Europe any better than he did," Orban gushed, explaining that the three Trump stances he most agreed with were that migrants pose a security risk, that national security apparatuses must be expanded, and that the West must stop trying to export democracy to other parts of the world.

In Orban's view Trump has legitimized the brand of religiously-based ethno-nationalism he has long trumpeted. After Trump's inaugural address, Orban crowed, "We have received permission from, if you like, the highest position in the world so we can now also put ourselves in first place." Since January Orban has noted that it is, in his words, time to "Make Europe Great Again," and has ordered the building of a second border wall, complete with an electrified fence to keep out migrants. In March 2017 his government ordered asylum-seekers to be detained at camps built from shipping containers along the Serbian border. The UN Refugee Agency said that this policy "will have a terrible physical and psychological impact on women, children and men who have already greatly suffered," while the Hungarian Helsinki Committee noted that Orban's plan was the "last stepping stone in completely disregarding [Hungary's] asylum obligations under EU and international law and trampling the rights of asylum seekers."

It's clear that Orban seeks to be not only "Putin's guy" in Europe, but also "Trump's guy," and that the Trump Administration seems to be warming to Orban's overtures. In March, Hungarian Foreign Minister Péter Szijjártó spoke by phone with Secretary of State Rex Tillerson. The conversation marked a significant departure from recent U.S. policy, when the Hungarian government had largely been starved of such senior-level engagement with U.S. officials.

According to local press reports, Szijjarto noted during the call that the Trump Administration has much more in common with Hungary's political aspirations than with America's Democrats, and was duly invited to Washington D.C. a couple of weeks later to attend a gathering of foreign ministers focused on countering the Islamic State.

"Orban will get a blank check from the White House, Trump will let Orban do what he wants," said journalist Komuves.

A political accommodation between Trump, Orban, and Putin should be alarming for human rights activists and defenders of democratic institutions on both sides of the Atlantic. In September 2016 the United Nations' top human rights official, High Commissioner Zeid Ra'ad al-Husein, bracketed Trump and Orban with other radical right wing European politicians who breed "an atmosphere thick with hate," which "may descend into violence." Zeid noted that such leaders want to "recover a past, halcyon and so pure in form, where sunlit fields are settled by peoples united by ethnicity or religion—living peacefully in isolation, pilots of their fate, free of crime, foreign influence and war. The formula is therefore simple: make people, already nervous, feel terrible, and then emphasize it's all because of a group, lying within, foreign and menacing."

It's perhaps little surprise then, that a former Hungarian government official named Sebastian Gorka, who made a name for himself by staking out extreme positions on Islamic culture and terrorism,

has become one of Trump's top White House advisors on national security.

In March, Bayer, with fellow journalist Larry Cohler-Esses, broke a story revealing that the Hungarian group "Historical Vitezi Rend," which seeks to glorify the rule of Hungary's antisemitic, Nazi-aligned Regent Miklos Horthy, claims Gorka as a formal member. While denying membership in the group, Gorka has done little to distance himself, admitting that he wore a Vitézi Rend medal to Trump's inaugural ball and that he has at times signed his name with the organization's "v." (in honor, he maintains, of his late father's fight against totalitarianism).

If and when the current U.S. administration makes plain its support for Hungary's illiberal right, civil society activists fear that support from the U.S. embassy will disappear. "Trump being in office has changed the dynamic," said Bayer. "Moving against NGOs here now is much easier since the election of Trump. You see what happened with the State Department launch of the Human Rights Reports [when the launch was downgraded from a public presentation by the Secretary of State]."

Recommendations

The looming NGO bill and other attacks on civil society offer members of Congress and other U.S. government officials the chance to publicly state their support for a robust, independent media in Hungary, the exposure of corruption, and the promotion of peaceful dissent and political discussion. The new NGO legislation will be a major test for Hungarian civil society and for the U.S. government. Silence from the Trump Administration will be viewed as a green light for further repressive measures.

The Executive Branch

Officials in the U.S. executive branch should publicly defend the right of local NGOs—in Hungary and elsewhere—to accept international funding in support of their work on democracy and human

rights, and articulate why no government should fear or oppose such activities.

The White House should immediately suspend Sebastian Gorka while it investigates credible allegations of his affiliations with, and support of, the Historical Vitezi Rend. The Department of Justice (DOJ) and Department of Homeland Security (DHS) should comply with congressional calls to investigate whether Gorka falsified his U.S. naturalization application by failing to disclose his membership in the group.

Given Hungary's rapid descent toward autocracy, it should no longer be considered a plum European ambassadorship suitable for a policy neophyte. The White House and Department of State (DOS) should appoint a seasoned foreign service officer to Budapest as ambassador as soon as practicable.

The new U.S. ambassador to Hungary, once nominated and confirmed, should immediately affirm the embassy's support for human rights defenders.

The U.S. embassy should 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 the embassy and its representatives. The U.S. embassy should also continue to publicly support Budapest Pride and other LGBT initiatives in Hungary.

Members of Congress

The deepening of Orbán-Trump-Putin ties are dangerous for the United States. Members of Congress should publicly and privately express concern—through hearings, resolutions, and other means—at how Washington is facilitating the return of authoritarianism in a country that the United States successfully encouraged toward democracy after the end of the Cold War.

Members of Congress should authorize and appropriate Democracy, Human Rights and Governance funding for Hungary to fight corruption,

support NGOs and independent media, and strengthen the rule of law.

Members of Congress should publicly oppose any invitation from the White House to Prime Minister Orban for an official visit, unless and until his attacks on civil society cease. ■