

ILLIBERAL PARTNERS? UNDERSTANDING ORBÁN'S PIVOT TO RUSSIA

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ABSTRACT

Matthew Zane Clute: Illiberal Partners? Understanding Orbán's Pivot to Russia
(Under the direction of Robert Jenkins)

In July 2014, Viktor Orbán spoke to a group of ethnic Hungarians in Romania, and during this speech Orbán made his now famous quip about “illiberal democracy.” This thesis is an examination of how Hungary arrived at a cultural moment in which a democratically elected leader can disparage democracy, and the broader impact this cultural moment had on the geopolitical landscape of Central Europe. This thesis argues that the illiberal tendencies of Viktor Orbán coupled with developments in both domestic and international politics, over the past quarter century in Hungary, led to an increasingly positive relationship between Russia and Hungary. Under the leadership of Viktor Orbán democratic norms are thwarted, and core principals, such as freedom of the press, are no longer touted as cornerstones of Hungarian democracy. This thesis examines the rise of illiberal democracy in Hungary, and ponders what Hungary's shift to illiberal democracy means for the EU.

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INTRODUCTION

The relationship between the EU and Russia became increasingly strained following the Russian annexation of Crimea in 2014, and the subsequent outbreak of conflict in eastern Ukraine between Russian backed separatists and the Ukrainian government further complicated matters. However, there are several members of the EU that have refrained from allowing the annexation of Crimea and the continuing conflict in eastern Ukraine to sour their relations with Russia. The EU is comprised of disparate states who frequently differ in opinions on the best way to conduct foreign policy, but few issues have elicited such conflicting responses from EU members as the Ukrainian conflict. Hungary is a prime example of this phenomenon, and the Hungarian case presents scholars with an interesting puzzle, chiefly, how did Hungary transform from a bastion of liberalism in the late 1980s into a rightwing redoubt of the EU in the twenty-first century?

The answer, at least in part, lies with the current prime minister Viktor Orbán. In this thesis, I will explore how the political evolution of Orbán led to the recent rapprochement between Hungary and Russia. This exploration does not seek to definitively explain why Viktor Orbán embraced Putin's particular brand of politics, but will instead seek to explain how the political developments of the past quarter century allowed someone like Viktor Orbán to embrace Vladimir Putin without incurring serious political damage to his political reputation at home. It is important to keep in mind that for much of the twentieth century these two states

have had contemptuous relations, and that the budding friendship between a former liberal activist turned rightwing strongman with a former communist intelligence apparatchik turned rightwing strongman is one of the more bizarre chapters of contemporary European politics.

Hungary is not the only Central European state that has either overtly or tacitly expressed support for Russia in recent years. In fact, leaders in both the Czech Republic and Poland have both been less critical of Russia in recent years, but the Hungarian government has consistently been more vocal in its support than its Central European counterparts. The Czech Republic's current president is one of several Central European figures that have come out publicly against the EU's sanctions on Russia in retaliation to the latter's intervention in eastern Ukraine and the annexation of Crimea. As recently as August of 2016 Milos Zeman described the sanctions as being both inefficient and a major obstacle to bilateral relations.¹ Meanwhile, in Poland right wing parties have called for a reexamination of how the country deals with Russia, and pro-Russian sentiment is on the rise.² However, the Hungarian case is unique in the level of public support Orbán has shown for Putin, and consequently warrants being the sole focus of my analysis. Thus, in this thesis I will argue that the shifts in policy concerning relations between Hungary and Russia have been primarily driven by Viktor Orbán's shift towards illiberalism.

There is a relatively small literature concerning Hungary's foreign policy since 1989 compared with more powerful EU states, and the economic factors driving Hungarian

¹ "Zeman talks on anti-Russian sanctions, migration for Ambassadors" Czech News Agency, <http://www.praguemonitor.com/2016/08/25/zeman-talks-anti-russian-sanctions-migration-ambassadors> accessed on December 8, 2016

² Szymon Bachrynowski, "Between Europe and Russia: The Foreign Policy of Janusz Korwin-Mikke's New Right in Poland," *The Polish Quarterly of International Affairs* 2 (2015): 135-144

Foreign Policy towards Russia are frequently touted as an important factor in analyzing Hungary's policies. The Paks nuclear agreement has given Russia an opportunity to exert greater influence in the region, and the development of the Paks Nuclear Power Plant provided Hungarian elites with incentives that ultimately require Hungary to remain friendly with Russia in spite of the international backlash that followed the latter's adventurism in Ukraine. The details of the deal with Russia remain unpublished, but there is speculation that corruption played a substantial role. The project created various risks for corruption, and EnirgiaKlub, an energy policy non-profit based in Budapest, listed the numerous risks arising from the deal in 2014.³ An exploration of the rent seeking behavior of elites in Hungary will elucidate the elite's impact on foreign policy.

However, economic factors are only part of the conditions that led to Orbán's embracement of Putin. For instance, Hungary has continued to lose status within the EU due to the democratic backsliding that has occurred since 2010, and support from leaders outside of the EU, such as Putin, provides Orbán's regime with another source of legitimacy on the international stage. The Hungarian government has been transformed under the leadership of Viktor Orbán, and an exploration of the domestic political environment will shed light on the reasons democratic backsliding led to stronger ties with Russia. The increase in illiberalism in recent years impacted far-reaching parts of Hungarian society, and gave Orbán justifications for his ties to Putin. For example, Fidesz's public campaigns to manipulate historical memory gave Orbán leeway with the Hungarian public, and he largely avoided serious public backlash against his policies towards Russia. Furthermore, new laws concerning the media have made it

³ Mihaly Fazekas, Zsolt Fozo, Istvan Janos Toth, "Corruption risks of the nuclear power plant investments: what can we expect in the case of Paks II," <https://energiaklub.hu/en/study/corruption-risks-of-the-nuclear-power-plant-investments-what-can-we-expect-in-the-case-of-3666>

increasingly difficult for the press to hold Orbán accountable. The illiberal tactics of Orbán make Putin a natural ally in international affairs, and the domestic politics of Hungary are a driving force behind the formation of foreign policy. Thus, political factors are the primary force driving the formation of Hungarian foreign policy vis-à-vis Russia.

This thesis proceeds in three parts. First, I will explore the alternative explanation that economic factors have contributed to the evolution of Hungarian foreign policy since Hungary's accession to the EU, and will illustrate how the economic argument on by itself cannot account for Hungary's policy changes. The first part of the economic section will explore how Hungary's energy dependency makes the economy as a whole vulnerable to disruptions of the gas supply, which is chiefly controlled by Russia, and how these economic realities may have tempered Hungary's responses to Russian adventurism in Ukraine. The latter half of the economic section will shed light on the nuclear deal with Russia, and address the allegations of corruption that accompanied the deal. Next, I will explore how the democratic backsliding in Hungary since 2010 contributed to the warming of relations between Budapest and Moscow. Last, I will end the thesis with an exploration of the broader ramifications for the EU's ability to present a united front in the international arena if Hungary continues to disavow EU policies towards Russia.

HUNGARY'S ECONOMY AND RUSSIA

The Hungarian economy is indeed dependent on Russia for energy, but many other EU states are dependent on Russian energy. Russian gas accounted for 37.8 % of imports of natural gas to the EU, and the Russian share of this market is higher than any other nation.⁴ In Hungary the country uses 8.46 billion cu m (2015 estimate), but imports account for 8.16 billion cu m (2015 estimate) of the 8.46 billion cu m that Hungary consumes.⁵ However, Germany is equally dependent upon natural gas imports with a consumption rate of 79.2 billion cu m (2014 estimate) being supplemented by the importation of 88.89 billion cu m (2014 estimate).⁶ In contrast to Hungary Germany has not shied away from being critical of the Putin regime. Thus, although Orbán has frequently used energy security as a justification for the increasingly close ties between Hungary and Russia, Germany is an example of a gas dependent country that is not beholden to Moscow. Thus, it is clear that energy security concerns have not led other EU members to adopt pro-Russian foreign policy positions, and yet Orbán expresses cooperation with Russia as being critical to the Hungarian economy.⁷ Therefore, in order to understand how

⁴ "Energy Production and Imports" [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Main_origin_of_primary_energy_imports_EU-28_2004%E2%80%9314_\(%25_of_extra_EU-28_imports\)_YB16.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Main_origin_of_primary_energy_imports_EU-28_2004%E2%80%9314_(%25_of_extra_EU-28_imports)_YB16.png) accessed: 5/2/17

⁵ "Hungary" <https://www.cia.gov/library/publications/the-world-factbook/geos/hu.html> accessed 5/2/17

⁶ "Germany" <https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html> accessed 5/2/17

⁷ "Prime Minister Viktor Orbán's press statement following his talks with Russian President Vladimir Vladimirovich Putin," Hungarian Government accessed December 10, 2016

Orbán has justified his policies towards Russia it is important to understand how the Fidesz government has approached the economy since coming to power in 2010.

The Hungarian Ministry of Foreign Affairs released a document calling for a “Global opening” in 2011, and the authors recommended greater economic cooperation with five regions. The regions listed included the following areas: Asia, the Middle East and North Africa, Sub-Saharan Africa and the Sahel region, and Latin America.⁸ In contrast to their report from 2008 the ministry predicted that the west would decline economically over the next several decades. This assessment served as the impetus for the development of what Orbán’s inner circle labeled the “Eastern Opening.”⁹ The policy is predicated upon the assumption that even if the West is able to recover from its decline since the financial crisis of 2008 it will be unable to provide Hungary with the level of investment and trade that would be required for Hungary’s economy to catch up to the more advanced economies of the EU.¹⁰ Thus, the policy stipulates that in order to finance state investment and foster economic growth Hungary needs to find alternate sources of finance and trade outside of the EU. The government identified the burgeoning economies of the Arab world, China, and Russia as viable alternative options, and set about increasing trade with these markets and encouraging them to invest in Hungary.¹¹ Among these alternative partners Russia has emerged as the centerpiece of the Eastern opening policy.

⁸ Zsuzsanna Vegh, “Hungary’s “Eastern Opening” policy toward Russia,” *International Issues & Slovak Foreign Policy Affairs* 24 (2015) 47-65

⁹ Vegh, “Hungary’s “Eastern Opening” policy toward Russia,” 50

¹⁰ Vegh, “Hungary’s “Eastern Opening” policy toward Russia,” 51

¹¹ Vegh, “Hungary’s “Eastern Opening” policy toward Russia,” 51

The EU has frequently set aside politics when dealing with Russia, and it is not uncommon for member states to set aside political interests in favor of economic interests.¹² However, the Hungarian case is particularly interesting because of Viktor Orbán. Orbán had been highly critical of Russia as a young student activist, and continued to use anti-Russian rhetoric as a young politician. Therefore, political observers of Central Europe were caught off guard when Orbán made the improvement of relations with Russia a top priority.¹³

The desire for a more congenial relationship with Russia makes sense from an economic standpoint given the country's dependency on Russia for energy imports. In fact, On February 17, 2016 Viktor Orbán visited Moscow for talks with Vladimir Putin. Following their discussion, they appeared together for a press conference, and Orbán held forth on the reasons why Hungary and Russia should be cooperating. Orbán contended:

“You have heard from the President that Russia's energy exports and the energy needed for the operation of Hungarian industry are so interlinked that they are almost impossible to separate from each other. Without good economic relations between Russia and Hungary, the Hungarian economy and Hungarian industry will simply be unable to function. We both see the responsibility in this, and therefore we are making efforts-in the interest of Hungarians- to establish good economic relations.”¹⁴

The statement sheds light on how Viktor Orbán provides justification for his support of Vladimir Putin. To begin with, there is some truth in Orbán's statement; the aforementioned energy dependence is a very real problem with which Hungary must deal with in a way that some of

¹² Vegh, “Hungary's “Eastern Opening” policy toward Russia,” 53

¹³ Vegh, “Hungary's “Eastern Opening” policy toward Russia,” 53

¹⁴ “Prime Minister Viktor Orbán's press statement following his talks with Russian President Vladimir Vladimirovich Putin,” Hungarian Government accessed December 10, 2016 <http://www.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-press-statement-following-his-talks-with-president-of-russia-vladimir-vladimirovich-putin>

Russia's harsher critics may be able to avoid. Orbán's comments are unequivocal on this point, but it is worth noting that Orbán has political motivations for keeping gas cheap for his constituents. Consequently, the Hungarian Energy Office regulates gas prices, and domestic consumers pay for gas at a rate well below open market prices.¹⁵ Therefore, maintaining a cheap gas supply benefits most Hungarian citizens, and is an exceptionally strong justification for strong ties with Russia that could potentially silence any protests in Hungary against supporting Russia on humanitarian grounds. Thus, Orbán is telling the people of Hungary that if they wish to have jobs, food, fuel, heat, and any sort of prosperity in their lives then they are virtually required to get along with the Russians. The Ukrainian gas cutoffs of 2006 and 2009 informed the energy policy of Orbán's regime, and they have since sought alternative supply routes.¹⁶ However, these efforts, which commenced in 2011, have not yielded any viable alternative supply routes, and Orbán's comments are an indication of this policy's failure over the past five years. In fact, in January 2014 the two states reached a bilateral agreement that contracted Rosatom, a Russian state corporation, to build two nuclear reactors at Paks.¹⁷ The agreement also included a ten billion Euro loan from Russia to Hungary, and it has been argued in the press that this deal could be equated to Russia buying influence in the region.¹⁸ Viktor Orbán has clearly

¹⁵ "Hungary: Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels," Organization for Economic Co-operation and Development, <http://www.oecd.org/site/tadffss/HUN.pdf>

¹⁶ Vegh, "Hungary's "Eastern Opening" policy toward Russia,"

¹⁷ Vegh, "Hungary's "Eastern Opening" policy toward Russia,"

¹⁸ "Special Report: Inside Hungary's \$10.8 billion nuclear deal with Russia," Reuters accessed on December 10, 2016 <http://www.reuters.com/article/us-russia-europe-hungary-specialreport-idUSKBN0MQ0MP20150330>

used Hungarian economic and energy dependence on Russia as a justification for his support for Vladimir Putin.

Energy security, and in particular natural gas security, is a chief concern of the Ministry of Foreign Affairs and Trade in Hungary. In fact, the ministry argues in their outline of foreign policy, published in 2011, that “Hungary is more vulnerable in her supplies of natural gas than in that of any other fossil fuel, as was made evident by the gas crises of 2006 and 2009.”¹⁹ The Fidesz government’s emphasis on energy security is touted by the ministry as being one of the guiding principles in shaping Hungary’s foreign policy. However, the policies of Orbán’s government have done very little to address the country’s dependence on Russian natural gas. For example, in 2012 Hungary managed to meet only 20.32 percent of the state’s natural gas demand with domestic sources. Meanwhile, Russia still accounted for roughly 80 percent of the natural gas imported to Hungary in 2012.²⁰ The Hungarian government initially embraced the idea of strengthening energy security in the aftermath of the 2009 crisis. The V4+ energy and security summit held in Budapest on February 24, 2010 outlined a path towards stronger energy security for the countries of Central Europe. In a press release following the meeting the group expressed their intention to “Declare their willingness to provide support and joint efforts for a higher allocation of EU financial resources notably from the EU cohesion policy to all

¹⁹ “Hungary’s Foreign Policy: after the Hungarian Presidency of the Council of the European Union” Hungarian Ministry of Foreign Affairs. Accessed March 19, 2016.
http://eu.kormany.hu/admin/download/f/1b/30000/foreign_policy_20111219.pdf

²⁰ “Hungary Country Report” European Commission, Accessed March 20, 2016.
https://ec.europa.eu/energy/sites/ener/files/documents/2014_countryreports_hungary.pdf

infrastructure projects aimed at increasing the energy security of the region.”²¹ However, the government under Orbán repeatedly supported Russian plans for pipelines in the region, most notably the south stream project, until those plans were ultimately abandoned in 2014. The dependency on Russia for natural gas imports places the Hungarian government in a precarious position, and Viktor Orbán’s desire for harmonious relations with Russia is, at least in part, plausibly attributed to Hungary’s relatively weak energy security.

Hungary could address their energy security concerns through the embracement of policies that would reduce their dependence on energy imports. For example, an investment in efficiency and alternative fuel sources would strengthen EU energy security, including Hungarian security, by reducing dependence on Russian imports.²² However, the Hungarian government did not embrace efforts to distance itself from Russia. The path to energy dependence is not an easy one, and there is little incentive for Orbán to spend the political capital necessary to do so when he views Vladimir Putin as an ally.

The Paks nuclear deal has been one of the more controversial economic moves of the Orbán regime. The documents have been classified for 30 years, but the information that is known about the deal is a cause for concern among politicians that are weary of Putin’s attempts to gain leverage in the region.²³ There is little definitive proof that corruption has taken place, but there are indicators that the process could have led to corruption. For instance, the construction

²¹ “Declaration of the Budapest V4+ Energy Security Summit” Visegrad Group, Accessed March 17, 2016. <http://www.visegradgroup.eu/2010/declaration-of-the>

²² Adrienn Selei et. al, “How far is mitigation of Russian gas dependency possible through efficiency and renewable policies assuming different gas market structures?” *Energy & Environment* 28 (2017) 54-69

²³ Balint Magyar, *Post-Communist Mafia State: The Case Of Hungary* (Budapest: CEU press, 2016) 280

contracts were issued without public competition, and 40 percent of the planned budget has been allocated for these construction costs. Thus, if the process had no public bidding it is plausible that a substantial portion of these lucrative contracts went to Orbán's associates in Hungary.²⁴ There is consensus among scholars that a lack of transparency in the bidding process for these types of contracts is a good indicator that corruption is taking place.²⁵ Furthermore, if Hungary is concerned with energy security it seems counter-intuitive that securing a ten billion dollar loan from Russia will free them from their energy dependency on Russia. The energy sector is one of the most overt areas in which Orbán has acted in a deferential manner towards Moscow and Putin. For example, in addition to Paks nuclear deal and their steadfast support for the aforementioned south stream pipeline Hungary has sold off portions of their gas reservoir capacity. Therefore, it is clear that Orbán's government is either woefully ill-informed about its own energy security needs or simply not trying to increase its energy independence.

The economic ties with Russia are only part of the reason for Orbán's shift away from the EU towards Russia and Putin. As I have previously mentioned Hungary is not the only EU member that is dependent upon Russia for their energy. The potential for unchecked Russian influence in Hungary is apparent in the Paks nuclear deal. However, the claims of corruption put forth by observers and politicians of the region are largely based on conjecture, and the classification of documents have made it difficult for scholars and journalists to cite concrete evidence that the Orbán regime is corrupt. The difference between Hungary and other EU members who have similar energy concerns is that the Fidesz government and Viktor Orbán

²⁴ Magyar, *Post-Communist Mafia State*, 280

²⁵ Frederic Boehm and Juanita Olaya, "Corruption in Public Contracting Auctions: the role of transparency in the bidding process," *Annals of Public and Cooperative Economics* 77(2006) 431-452.

have been turning more often to illiberal, to use his term, tactics since coming to power in 2010. The next section will proceed in three parts. First, I will illustrate how the Orbán government actively sought to manipulate historical memory in order to decrease resistance to their illiberal policies. Next, I will trace the history of Fidesz since the collapse of communism in order to put Orbán's democratic backsliding in context. Last, I will illustrate the particular ways in which the Orbán regime have embraced more illiberal police

HISTORICAL ANIMOSITY AND MANIPULATION OF MEMORY

The Soviet Union sent tanks into Budapest on Wednesday, October 26, 1956. The events that unfolded following the Hungarian uprising left numerous Hungarians dead, and the Soviet Union's brutal tactics were ultimately successful in quelling the rebellion.²⁶ In order to understand the Hungarian transition to democracy in 1989 scholars must appreciate the animosity that Hungarians felt following the events of 1956. The regent Miklos Horthy's irredentist goals led him to believe that a military alliance with Hitler would be Hungary's best chance for achieving his irredentist dreams. The alliance with Hitler made it difficult for Hungary to change sides when the tide of the war changed, as the Romanians managed to do, and twelve Hungarian divisions fought for the third Reich until the end.²⁷ Because of the country's alliance with Nazi Germany, when the war came to an end the Hungarians found themselves in a far more precarious situation than other eastern bloc countries, and the liberating Soviet army treated the Hungarians with disdain. The subsequent Sovietization of Hungary in the post war years disregarded Hungarian traditions, and while Hungarian traditions were obviously not the only cultural practices disregarded in Europe the campaign nevertheless engendered contempt from a restless student population.²⁸

²⁶ Paul Lendvai, *One Day That Shook the Communist World: The 1956 Hungarian Uprising and Its Legacy*, trans. Ann Major. (Princeton: Princeton University Press, 2010) 25.

²⁷ Lendvai, *One Day That Shook the Communist World*, 28.

²⁸ Lendvai, *One Day That Shook the Communist World*, 29.

The efforts of Hungarian communist officials to replace the old Hungarian nationalist identity led the students of the Budapest Technical University to issue their list of sixteen demands that ultimately sparked the rebellion. Several of these demands are a clear assertion of the students' nationalist preferences. For example, number six on their list asserts, "We demand reconsideration and revision of Hungarian-Soviet and Hungarian-Yugoslav political, economic, and cultural relations on the basis of total economic and political equality and non-interference in one another's internal affairs."²⁹ Furthermore, the thirteenth and fourteenth demands made by the students call explicitly for the restoration of nationalist symbols. For example, the thirteenth demand calls for the removal of a statue of Stalin, and for a memorial dedicated to the "heroes and martyrs of the 1848-49 war for independence" to replace the Soviet statue.³⁰ Likewise, the nationalist undertones continue with the fourteenth demand that called for the restoration of the Kossuth coat of arms, Hungary's historical coat of arms that had last been used during the Second World War, and for new uniforms for the military that reflected national traditions.³¹ These demands clearly drew their inspiration from Hungarian nationalism, and the Soviet crackdown over the next three weeks brutally suppressed the movement for a more democratic Hungary.

The events of 1956 cemented the role of the Soviet Union as an occupying force in Hungary rather than a mutual partnership between communist governments. Therefore, the historical realities of the twentieth century provide a basis for the inherent unease that many Hungarians, along with various other Eastern and Central European populations occupied by the

²⁹ John P.C. Matthews, *Explosion: The Hungarian Revolution of 1956*. (New York: Hippocrene Books, 2007) 64.

³⁰ Matthews, *Explosion: The Hungarian Revolution of 1956*, 64.

³¹ Matthews, *Explosion: The Hungarian Revolution of 1956*, 65.

Soviet Union, feel about Russian meddling in the region. However, the government of Orbán has successfully distorted the historical narrative in order to shift the blame for Hungary's inability to catch up with the rest of Europe from socialist oppression to dependence on Brussels.

The historical defeats that have hindered the solidification of the Hungarian nation gave rise to a defensive national identity that categorizes the nation building of Hungary as an unfinished project. Therefore, the modern historical narrative forged a defensive identity in Hungary against the “other” that is frequently represented by the EU.³² The 2010 campaign featured an anti-globalist and an anti-Brussels platform that resonated with the Hungarian people.³³ The far-right has frequently cast the EU as the “other”, and the far-right party Jobbik burned EU flags at a 2012 rally after Orbán came to power.³⁴ These anti-Brussels sentiments are echoed in Putin's own worldview, and it is a reasonable assumption that these shared anti-EU feelings play a role in the leaders' mutual admiration for one another.

The collapse of communism in 1989 engendered two distinctive narratives that have been in competition with one another in Central European states. To begin with, a modernization narrative, which can be categorized as the return to Europe that many Hungarians hoped for following the transition to democracy in 1989, has been embraced during periods of

³² Atilla Agh, “Cultural War and Reinventing the Past in Poland and Hungary: The Politics of Historical Memory in East-Central Europe,” *Polish Political Science Yearbook* 1 (2016) 33-34

³³ Atilla Mong, “Is Hungary's leader giving up on Europe?” accessed December 18, 2017, <http://foreignpolicy.com/2016/04/18/is-hungarys-leader-giving-up-on-europe-eu-european-union-orban/>

³⁴ Krisztina Than, “Hungary far right demands exit from EU, burns flag at rally” accessed December 17, 2017, <https://www.reuters.com/article/us-hungary-farright-demo/hungary-far-right-demands-exit-from-eu-burns-flag-at-rally-idUSTRE80D0PM20120114>

relative prosperity. However, in periods of decline a competing narrative often returns: a traditionalist narrative that seeks a return to a glorious past is embraced.³⁵ The Fidesz government and Viktor Orbán have played to the fears of Hungarians by embracing the traditionalist narrative, and have embraced the image of the Hungarian nation as an ancient defender of Christian Europe that became the victim of the invasions of great powers in the twentieth century.³⁶

The shift in the historical narrative in Hungary manifested itself in 2010 with the rehabilitation of inter-war writers that had been condemned by the communist regime. For example, Cécile Thormay, a Hungarian interwar icon, who espoused nationalism, anti-Semitism, and a conservative view on gender, is the type of intellectual Fidesz sought to glorify. In other words, she is a paragon of the sort of the Christian interwar ideal that the communists sought to discredit, and represents exactly the type of nationalism Fidesz wishes to celebrate.³⁷ Thormay's work remained banned during the communist years, however her work remained popular among émigré communities. Following the democratic transition of 1989, she remained a controversial figure, as the public and politicians sought historical figures that embodied Hungary's traditions.³⁸ The rise of the Hungarian right allowed politicians in Hungary to lead a government sponsored campaign in 2010 to rehabilitate Thormay. Hungarian historians, such as Maria Schmidt and Laszlo Tokeczki, led an effort to make the far left and far right, in this case the

³⁵ Agh, "Cultural War and Reinventing the Past in Poland and Hungary," 34

³⁶ Agh, "Cultural War and Reinventing the Past in Poland and Hungary," 34

³⁷ Anita Kurimay, "Interrogating the Historical Revisionism of the Hungarian Right: The Queer Case of Cecile Tormay," *East European Politics and Societies and Cultures* 30 (2016): 11

³⁸ Kurimay, "Interrogating the Historical Revisionism on the Hungarian Right," 16

extreme far right not to be confused with the right of Orbán and his associates, responsible for all of the historical problems during the interwar period. In doing so they made it possible for the government to reclaim the Horthy regime of the interwar period as a success.³⁹The government sponsored campaign led to the publication of fourteen of Tormay's books, and the Fidesz leadership have succeeded in bringing Tormay's controversial views back into the public discourse.

Orbán's embracement of this distorted view of the past allowed him to portray his authoritarian policies as being carried out in the defense of Hungary from outside forces. The focuses on distant humiliations, such as the Trianon Treaty of 1920, have supported Orbán's traditionalist narrative, and the suppression of 1956 seems to be an afterthought in modern Hungary. The celebrations of interwar nationalists offer an intellectual foundation for the modern right of Hungary. Through this manipulation of historical memory, Orbán is able to shift the public's ire away from the communist era mistrust of Russia, and redirect the public's ill will towards the EU, ultimately avoiding any significant backlash for his embracement of Putin. The ill-will felt by the Hungarian population towards the EU in the lead up to the 2010 election is borne out by data from the time period. In a 2009 survey in response to whether EU membership was a good thing or a bad thing. Only 20 percent of those surveyed in Hungary thought membership in the EU should be described as a good thing, and 28 percent viewed membership in the EU as a bad thing. In contrast, the same survey conducted in Poland found that 63 percent of Poles thought of EU membership as a good thing, and a mere 9 percent believed membership

³⁹ Kurimay, "Interrogating the Historical Revisionism on the Hungarian Right," 16

to be a bad thing.⁴⁰ These anti-EU feelings in Hungary created a receptive audience for Orbán's historical revisionism.

The manipulation of historical memory by Viktor Orbán is possible only because Fidesz managed to solidify their position following the global financial crisis of 2008. The rise of Fidesz in Hungary is predicated upon the political developments in Hungary since the collapse of Communism in 1989. In order to fully understand how Fidesz came to power I will examine Orbán's rise to power and the domestic political environment that allowed for his populist nationalism to gain popularity in what had previously been a bright spot for democracy in post-communist Europe. The level of control that Fidesz has enjoyed since coming to power warrants the use of the term state capture, in which the government has become so dominated by one group that those in power are able to control many of the benefits that the government has to offer. The corruption surrounding the nuclear deal is one example of how state capture manifested itself in Hungary following the 2010 elections. Thus, in the next section I will shed light on the circumstances that made political state capture possible in Hungary.

⁴⁰ "End of Communism Cheered but Now with More Reservations," Pew Research Center, accessed December 18 2017. <http://www.pewglobal.org/2009/11/02/end-of-communism-cheered-but-now-with-more-reservations/>

THE RISE OF FIDESZ

In 1989 democracy swept across Central Europe, and the communist government in Hungary collapsed after decades of rule. The transition afforded Hungarians with the opportunity to embrace democracy, and it appeared that a new era of liberal democracy would emerge following the transition from communism. The new democratic regime developed a consensus during the initial years after the transition regarding the foreign policy goals of Hungary. During the transitional period the country had three main foreign policy goals. First, the government made membership in Euro-Atlantic organizations, including accession to the EU, a top priority. Second, the regime wanted to cultivate positive relationships with the seven nations that border Hungary. Finally, the regime made support for the Hungarian diaspora in other territories a priority.⁴¹ However, in order to fully comprehend the political environment in Hungary during the transition period I will shed light on the origins of Viktor Orbán and his rightwing Fidesz party.

In March 1989, the Hungarian Socialist Workers Party (MSZMP) realized that a multi-party system had become inevitable, and the round table discussions that ultimately laid the foundation for a transition to democracy were allowed to begin that April.⁴² The democratic opposition that took place in these negotiations included the Alliance of Young Democrats

⁴¹ Zsuzanna Vegh, "Hungary's "Eastern Opening" policy toward Russia: ties that bind?" *International Issues and Slovak Foreign Policy Affairs* 24 (2015) 49

⁴² Peter Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom* (London: Lexington Books, 2016) 35

(Fidesz). The newly organized party adopted liberalism as their core principal, but they did so because in their minds it allowed them to be as critical and anticommunist as realistically possible.⁴³ Therefore, ironically the Fidesz party that is now known for their authoritarian tendencies began as a liberal party. Right wing politics dominate the political scene of modern Hungary, but for the first twenty years of democracy these groups competed with the left, and found themselves on the losing side of several elections. In fact, the liberal alliance between the Hungarian Socialist Party and the Alliance of Free Democrats held office for 12 of the 20 years since the transition to democracy in 1990. The right held office in the initial government led by HDF, and again under Fidesz from 1998-2002. However, in the pre-election surveys conducted in 1990 a majority of the population supported a platform that could best be described as espousing social democratic principles.⁴⁴ Although these ideas enjoyed initial support among the electorate Wilkin avers that this support withered due to the impact of outside influences on the liberal alliance. For instance, under pressure from the IMF, EU, and the United States the liberal alliance embraced neoliberal policies, and the subsequent growing pains alienated the supporters who broadly supported the government upon taking office.⁴⁵ The 2008 global financial crisis exacerbated the public's distrust of the Liberal alliance, and their subsequent political difficulties aided Fidesz during the 2010 general election.

The history of Fidesz as a party is riddled with contradictions and political maneuvering. Founded in March 1988 by students that desired the creation of an alternative to the Communist Party's youth organization the newly formed Alliance of Young Democrats did

⁴³ Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom*, 36

⁴⁴ Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom*, 49

⁴⁵ Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom*, 49

not start out with grand political ambitions. In fact, their initial *raison d'être* consisted of simply testing the boundaries of the weakened communist regime.⁴⁶ The Alliance of Young Democrats gained seats in the 1990 elections along with five other parties, and Fidesz became a small, but visible, member of the opposition to the coalition government led by the Hungarian Democratic Forum (HDF) party.⁴⁷ The HDF emerged as the victors of the first elections, and the party held office from 1990-1994. The HDF took up the traditional appeals of the center right after forcing the communist out of power, but they lacked the broad support that other opposition groups, such as those in Poland and the Czech Republic, enjoyed after the collapse of communism.⁴⁸ The Hungarian people lacked a movement, like Solidarity in Poland, that enjoyed wide-ranging support from the people that Hungarians could rally around during the transition to democracy. Meanwhile, it should be noted that in contrast to the modern right in Hungary there were no calls to turn away from the West during the initial years of HDF, and a liberal capitalist agenda remained the focus during these years.⁴⁹ The Fidesz party expressed concern over the nationalist agenda being propagated by the government during the early 1990s, but internal strife limited its ability to offer any meaningful opposition to the government. The leadership signed the 1991 Democratic Charter that expressed a goal of uniting the democratic forces against the antidemocratic efforts of the HDF, but the group ultimately distanced themselves from the

⁴⁶ Csilla Kiss, "From Liberalism to Conservatism: The Federation of Young Democrats in Post-Communist Hungary," *East European Politics and Societies* 16 (2003), 741

⁴⁷ Kiss, "From Liberalism to Conservatism," 741

⁴⁸ Milada Anna Vachudova, "Centre-Right Parties and Political Outcomes in East Central Europe," *Party Politics* 14 (2008) 387-405

⁴⁹ Vachudova, "Centre-Right Parties and Political Outcomes in East Central Europe," 393

agreement.⁵⁰ The Fidesz of the early 1990s has little in common with the current right wing party of Viktor Orbán, other than the leadership of Orbán himself, and its inability to cooperate with the left served as the catalyst for a transformation of the group's identity.

Fidesz reorganized itself during the liberal coalition's years in office during the mid 1990s, and the party renamed itself the Fidesz-Hungarian Civic party. The party's newly stated goals included becoming the leading force of the Christian-Hungarian nationalists.⁵¹ As the transition to democracy progressed, and more Hungarians became disillusioned with their new reality, the party began picking up steam. In 1994, a coalition of the left led by MSZP (Hungarian Socialist Party) came to power. However, the public did not trust the party to represent their interests, partly because its membership consisted of too many elites, and in spite of their consolidation of the economy and government the MSZP lost to Fidesz in the 1998 elections.⁵² The liberal coalition government that held power from 1994-1998 embraced a neo liberal agenda, and the standard of living rapidly declined for the average Hungarian.⁵³ The eponymous Bokros package, championed by Hungary's Finance Minister Lajos Bokros, the former CEO of Budapest Bank from 1991-1995, introduced massive cuts to public spending on healthcare, unemployment, and pensions.⁵⁴ Thus, against a backdrop of austerity the Fidesz party came to power for the first time in 1998.

⁵⁰ Kiss, "From Liberalism to Conservatism," 742

⁵¹ Kiss, "From Liberalism to Conservatism," 744

⁵² Andras Bozoki, "Consolidation or Revolution? The Emergence of the New Right in Hungary," *Journal of Communist Studies and Transition Politics*, 24(2008): 198

⁵³ Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom*, 56

⁵⁴ Wilkin, *Hungary's Crisis of Democracy: The Road to Serfdom*, 56

The illiberal tendencies of Viktor Orbán and Fidesz began manifesting themselves in the lead up to the 1998 election. Orbán led a coalition of the right that ran on a platform that promised to relieve the suffering of the Bokros package, but the newly elected government frequently put politics ahead of the alleviation of Hungarians' economic troubles. For example, the people of Budapest re-elected a member of the opposition, Gabor Demszky, as their mayor. Orbán responded by postponing the construction of the fourth line for the Budapest underground, postponing the establishment of the institution of the judges of the Court of Appeal, and halting construction of the national theatre and moving the building to another city.⁵⁵ The Orbán government during these years argued that their mandate from the people gave them free reign in the political realm. However, the Fidesz government's confrontational style, and their movement away from the center during the 2002 campaign led to Orbán's coalition being defeated in the 2006 parliamentary elections.⁵⁶ The Hungarian population appeared to reject the populism of Orbán, and Fidesz narrowly lost the election.

The left had seemingly regained their footing with the 2002 election, and the political goals of Orbán were put on hold. However, Orbán remained defiant during the years following the 2002 election. North Atlantic and European integration had been one of the three primary goals of Fidesz's foreign policy from 1998-2002, but the Fidesz government focused more on the development of regional relationships and the protection of minorities in surrounding countries.⁵⁷ The left had actually sought to mend ties with Russia during this time

⁵⁵ Bozoki, "Consolidation or Revolution?," 203

⁵⁶ Bozoki, "Consolidation or Revolution?," 210

⁵⁷ Barnabas Racz, "The Left in Hungary and the 2002 Parliamentary Elections," *Europe-Asia Studies*, 55(2003) 747-769

period, and Viktor Orbán accused his socialist opponents of selling out the country's interest to Russia.⁵⁸ Therefore, it can easily be inferred that during this time period Viktor Orbán still held on to his youthful animosity for the Russians, and the need for an explanation for his later policy shift is clearly warranted.

The left found itself embroiled in scandal in 2006, and the global financial crisis of 2008 presented an opportunity for Fidesz to become politically relevant once again. The MSZP came under fire following the leak of a private party speech, in which the Prime Minister Ferenc Gyurcsany admitted that the party had lied in order to win the recent elections, led to massive protests against the government in Budapest on September 18, 2006.⁵⁹ The comments were a clear admission of incompetency on the part of the left. Gyurcsany addressed his party bluntly and stated that:

“No country in Europe has screwed up as much as we have. It can be explained. We have obviously lied throughout the past 18 to 24 months. It was perfectly clear that what we were saying was not true. We are beyond the country's possibilities to such an extent that we could not conceive earlier that a joint government of the Socialists and the liberals would ever do. And in the meantime, we did not actually do anything for four years. Nothing.”⁶⁰

The credibility of the government came into question following the startling revelations and the subsequent announcement of austerity measurements led to a rise in support for far right political views espoused by extremist parties like Jobbik.⁶¹ The global financial crisis of 2008 would only

⁵⁸ “Viktor Orban and Russia: Continued Confusion,” <http://hungarianspectrum.org/2010/11/20/viktor-orban-and-russia-continued-confusion/> accessed: 4/17/2017

⁵⁹ Kurimay, “Interrogating the Historical Revisionism on the Hungarian Right,” 15

⁶⁰ <http://news.bbc.co.uk/2/hi/europe/5359546.stm>, accessed March 25, 2017

⁶¹ Kurimay, “Interrogating the Historical Revisionism on the Hungarian Right,” 15

serve to weaken the position of the left, and Fidesz would return to power with their landslide victory of 2010.

In the next portion of this essay I will explore how Fidesz's return to power led to increasing illiberalism in Hungary, and how this development has contributed to a warming of relations. It is clear that Fidesz did not harbor Russian sentiments during the party's first term in office. Therefore, I will argue in this next section that the rapprochement between Russian and Hungary is attributable to the increasingly authoritarian nature of the Orbán government. In the next section I will illustrate how the Orbán government solidified its power, and began the reforms that are symptomatic of democratic backsliding.

HUNGARY'S SHIFT AWAY FROM DEMOCRACY

The democratic backsliding in Hungary since Orbán came to power in 2010 has been well documented. In 2014 during a speech to ethnic Hungarians in Romania Viktor Orbán openly expressed his disdain for liberal democracy. Orbán disparaged the ability of democracies to respond to the 2008 financial crises, and argued that “What this means is that we must break with liberal principles and methods of social organization, and in general with the liberal understanding of society.”⁶² Furthermore, during the same speech Orbán noted that non democratic states can be models for success, and cited Russia and China as among “The stars of international analysts.”⁶³ One of the more glaringly illiberal comments made during the infamous 2014 speech came when Orbán averred that “Western Europe is so busy finding a solution to the situation of immigrants that it has forgotten about the white working class.”⁶⁴ These comments offer a glimpse of Orbán’s world view, and it is a decidedly nationalistic, xenophobic, and illiberal view. The speech could be easily dismissed as fringe far-right politics if it came from someone in Jobbik, but Orbán enjoyed considerable electoral support in 2010. The threat to

⁶² Viktor Orban, “Prime Minister Viktor Orban’s Speech at the 25th Balvanyos Summer Free University and Student Camp.” Speech, Baile Tusnad, Romania, July 26, 2014. <http://www.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-at-the-25th-balvanyos-summer-free-university-and-student-camp>

⁶³ Orban, “Prime Minister Viktor Orban’s Speech at the 25th Balvanyos Summer Free University and Student Camp.”

⁶⁴ Orban, “Prime Minister Viktor Orban’s Speech at the 25th Balvanyos Summer Free University and Student Camp.”

democratic institutions in Hungary is substantial, and Orbán likely acted more boldly than if he had won a smaller percentage of the vote.

The 2010 election allowed Fidesz to capture an astounding number of seats in the Hungarian parliament. The party received roughly 53 percent of the vote, and subsequently controlled 262 of the 384 available seats in Parliament. Meanwhile, Jobbik secured another 47 seats, and the opposition were left with a paltry 75 seats in Parliament.⁶⁵ The Fidesz party captured a two-thirds majority, and consequently controlled enough seats to make changes to the constitution without any support from the opposition. Fidesz subsequently changed laws in order to solidify the party's political advantage. For example, Fidesz passed an Amendment to repeal all the decisions of the Constitutional Court before Fidesz came to power. The massive electoral victory of Orbán and Fidesz made these changes possible, and democratic institutions in Hungary are facing increasingly difficult situations. Following Fidesz's electoral triumph the party quickly sought to gain control of judicial institutions and the media.

As a result of the super-majority in parliament, the Fidesz government systematically undid democratic norms. Hungary, and other Central European countries, followed the Russian lead in eliminating judicial safe guards that limit rulers' powers. Since the collapse of communism, the constitutional courts served as important defenders of the rule of law, and with help from outside sources, such as the European Commission for Democracy through Law, became rather influential.⁶⁶ Hungary managed to pack the courts with loyalists that

⁶⁵ NSD, "Hungary" accessed December 21, 2017, http://www.nsd.uib.no/european_election_database/country/hungary/

⁶⁶ Bugaric and Ginsburg, "The Assault on Postcommunist Courts," 71

have rendered the institutions incapable of checking the ruling powers party.⁶⁷ The Orbán regime quickly identified the court as an obstacle to its quest for power in Hungary, and the actions of Fidesz are disconcerting. To begin with, the Fidesz government systematically undid the checks and balances of the Hungarian Constitutional Court, and the actions of Fidesz transformed what had once been a democratic success story into an illiberal regime. The culmination of these efforts came with the formation of a new Constitution in 2012.⁶⁸ The most troublesome development within the new Constitution is the Fourth Amendment. The Amendment repealed all the decisions of the constitutional court made before January 1, 2012, and consequently there is no precedent that the court can invoke when rendering new judgments.⁶⁹ Furthermore, the Constitutional Court also lost the ability to review future constitutional amendments for substantive conflicts with the Constitution, and the Court is now allowed to only review amendments for procedural validity.⁷⁰

The erosion of the Court's power removes an important check on Orbán's power. The lack of oversight from other branches makes it difficult for the county to check Orbán's grip on power. The packing of courts with sympathetic judges coupled with Fidesz's assault on the courts make it highly unlikely that an investigation into something like the Paks nuclear deal could ever yield any results.⁷¹ In fact, since coming to power with few exceptions investigations

⁶⁷ Bojan Bugaric and Tom Ginsburg, "The Assault on Postcommunist Courts," *Journal of Democracy* 27 (2016) 69

⁶⁸ Bugaric and Ginsburg, "The Assault on Postcommunist Courts," 73

⁶⁹ Bugaric and Ginsburg, "The Assault on Postcommunist Courts," 73

⁷⁰ Bugaric and Ginsburg, "The Assault on Postcommunist Courts," 73

⁷¹ Janos Kornai, "Hungary's U-Turn," *Society and Economy* 37 (2015) 279-329

into corruption and public scandals of individuals close to the regime failed to move past the investigation phase. Meanwhile, investigations into the opposition were carried out swiftly, and public arrests are made in front of television cameras. The parallels between the politics of Putin and Orbán are uncanny, and it is clear that Orbán uses Russia as a model for silencing the opposition. However, we have not seen assassinations, such as the one carried out in Moscow on Boris Nemtsov, in Hungary. Meanwhile, the attack on the courts does indicate that Orbán acts in a similar way as Putin, and it is possible these comparable actions make them natural allies with one another.

The media is another traditional democratic check on power that Orbán sought to bring under his control upon gaining power in 2010. For example, during Fidesz's initial flurry of legislative activity, the party passed a new media law. The law broadened the powers of Hungary's Media Authority, and the implications of these powers raised concerns from fellow EU members about the freedom of Hungary's press.⁷² With new powers, the Media Authority had the ability to, at least in theory, unilaterally issue massive fines that could bankrupt any media outlet in Hungary.⁷³ The Orbán regime filled the new Media Authority with loyalists, and a former Fidesz MP became president for a term of 9 years.⁷⁴ These developments are deeply troubling for the freedom of the press in Hungary, and the Orbán regime effectively gained a

⁷² Amy Brouillette, "Hungarian Media Laws in Europe"
<https://cmds.ceu.edu/sites/cmcs.ceu.hu/files/attachment/article/274/hungarianmedialawsineurope0.pdf>

⁷³ Deak Andras, "Hungarian Dances: The Origins and the Future of Viktor Orban's Revolution," *Lithuanian Annual Strategic Review* 11 (2013) 145-158

⁷⁴ Andras, "Hungarian Dances," 156

troubling amount of control over the media. Without the press holding Orbán accountable the controversy surrounding his regime may be effectively downplayed. Orbán has reveled in the erosion of these democratic norms, and the remainder of this thesis will focus on the geopolitical implications of the illiberal developments in Hungary.

The shifts in Hungarian policy vis-à-vis Russia are at least partially driven by the illiberal turn of Viktor Orbán. The Fidesz government from 1998-2002 did not display any particular fondness for Russia, and Orbán's opposition effort often cited the left's ties to Russia as problematic.⁷⁵ The economic explanation is appealing, however, there is clearly not enough evidence that economic concerns are Orbán's primary motivation. The Paks nuclear deal is certainly cause for concern, but the lack of concrete proof hinders our ability to conclude the deal is the strongest factor in influencing the development of Hungarian policy. The left's silence during the conflict in Georgia is supported by the economic argument. However, the vocal support offered to Putin from Orbán during the annexation of Crimea surpasses any level of support that Hungary displayed for Russia in 2008. Therefore, the cause of the warming of relations is potentially rooted in the ideological shift of Orbán towards illiberalism. In the final section I will explore the reasons why these developments are important for the EU, and will explore the broader ramifications of Orbán's turn to Russia.

⁷⁵ "Viktor Orban and Russia: Continued Confusion," <http://hungarianspectrum.org/2010/11/20/viktor-orban-and-russia-continued-confusion/> accessed: 4/17/2017

HUNGARY, THE EU, AND RUSSIA

The EU struggled to formulate a unified response to the Russian annexation of Crimea, and the inability of sanctions to deter Russian meddling has kept the region in turmoil since the Russian backed referendum went forward in the spring of 2014. In this final section of the thesis I will explore how EU-Russia relations have progressed during the 21st century. To begin with, in the first portion of this section I will elucidate how the EU and Russia generally conducted relations between one another prior to the annexation of Crimea. Next, I will shed light on the potential ramifications of Hungarian support for Putin, and explicate the potential strategy being used by Russia to sow disunity within the EU. The primary function of the section will not be to definitively prove Russian intent in the region, but will instead be concerned with exploring potential problems arising from bilateral diplomacy between EU member states, chiefly Hungary, and Russia.

Cristian Nitoiu argues that EU-Russia relations focus primarily on conflict, but there are various instances where cooperation characterized the relationship between individual member states and Russia.⁷⁶ The greatest source of conflict between the EU and Russia in the 21st century,

⁷⁶ Cristian Nitoiu, "Reconceptualizing "Cooperation" in EU-Russia Relations," *Perspectives on European Politics and Society* 12 (2011) 462-476

has been, and remains, the modes of governance within the Eastern neighborhood.⁷⁷ One point of contention between the EU and Russia is the number of Eastern European countries will gain accession into the EU or join NATO. However, Hungary has historically been disinterested in this region, and both the medieval Kingdom of Hungary and the Austro-Hungarian empire never had a clear policy towards eastern Europe.⁷⁸ The historical lack of interest in the Eastern Neighborhood is important because it reflects modern Hungarian sensibilities. The Germans have long considered themselves a leader within the European community, and this is reflected in Germany's leadership role within the EU. Hungary does not view itself in the same way, and therefore lacks the desire to meddle in the affairs of other states in Eastern Europe. The lack of historical commitment is potentially one of the reasons that Russia believes it can work with Hungary on issues in the region, and offers Orbán the opportunity to curry favor with Putin without upsetting his constituents.

In contrast to the "Eastern Neighborhood" conflict, in which Western powers and Russia have squabbled over the future of Eastern Europe. EU member states, primarily Germany and France, enjoyed a brief period of improvement in relations in recent years. In fact, before the recent rise in tensions between the EU and Russia disparate member states regularly dealt with Russia on a bilateral basis. The argument put forth by some scholars at the time averred that these bilateral relations were either innocuous or a positive step towards a better strategic partnership between the EU and Russia. However, if the Russians are able to gain leverage over the Hungarian government through the Paks nuclear deal then the EU's ability to confront

⁷⁷ Nitoiu, "Reconceptualizing "Cooperation" in EU-Russia Relations," 462-463

⁷⁸ Andras Racz, "A Limited Priority: Hungary and the Eastern Neighborhood," *Perspectives* 19 (2011) 143-153

Russian adventurism in Ukraine will be compromised. The right of EU member states to conduct their own bilateral relations with Russia seems to be, for the time being, a potential weakness when attempting to present a united front against Russian aggression. Therefore, these issues dictate a further exploration of potential Russian strategies to “divide and rule” Central Europe.

The EU’s more powerful members are no longer actively seeking to curry favor with Moscow, but smaller countries, including Hungary, have praised Vladimir Putin and sought closer ties with Russia in recent years. Scholars like Mitchell A. Orenstein and R. Daniel Kelemen have posited that Russia is potentially cultivating relationships with these smaller states in order to establish “Trojan Horses” within the EU.⁷⁹ The metaphor aptly refers to a potential strategy in which Vladimir Putin cultivates friendly relationships with smaller EU states in order to establish a pro-Russian segment within the EU that will push back against any sanctions placed on Russia. The idea being that if Putin is able to plant enough “Trojan Horses” within the EU, the sanctions could ultimately be repealed all together. There is no definitive proof that Russia is pursuing the “Trojan Horse” strategy, but given recent geopolitical developments the incentive for Russia to do so is axiomatic.

The EU is not a classical nation state, and the complications it faces in the international arena are rather unique. For instance, the problem with establishing a coherent response to the crisis in Ukraine lies with the EU’s Common Foreign and Security Policy, which requires that the EU establish common policies while simultaneously prohibiting member states from

⁷⁹ Mitchell A. Orenstein and R. Daniel Kelemen, “Trojan Horses in EU Foreign Policy,” *Journal of Common Market Studies* 55 (2017) 87

developing independent policies.⁸⁰ The Common Foreign and Security Policy allowed the EU to establish a surprisingly unified response to Russian aggression in Ukraine, and the ease with which the EU imposed sanctions caught the Russians off guard.⁸¹ However, the EU has similarly underestimated Russia, and the shift of Moscow from partner to rival in the region went largely unnoticed by EU members in the years immediately following the Russo-Georgian war of 2008.⁸² However, it is clear that Putin will continue to cultivate relationships among EU member states because it is obviously in his best interest to have allies within the EU.

Hungary's pivot to Russia under the leadership of Viktor Orbán should be disconcerting for the EU. To begin with, Hungary is relatively weak both economically and politically in comparison with other EU member states, and the opportunity for Russia to gain influence through economic ties exists. The inability of the EU to present a united front against Russia would be a major political victory for Putin, and such a victory would encourage future Russian adventurism. Furthermore, the current geopolitical climate offers Putin myriad incentives for cultivating a positive relationship with Hungary and other small EU member states. The potential for the deployment of a "Trojan Horse" strategy against the EU is very real, and it is incumbent upon the stronger EU states to vociferously oppose any attempts by Russia to gain influence in the weaker member states. Thus, enhanced relations between Russia and Hungary through bilateral diplomacy offer potential complications for any EU strategies that attempt to curb Russian aggression in Ukraine or elsewhere.

⁸⁰ Orenstein and Kelemen, "Trojan Horses in EU Foreign Policy," 88

⁸¹ Orenstein and Kelemen, "Trojan Horses in EU Foreign Policy," 89

⁸² Orenstein and Kelemen, "Trojan Horses in EU Foreign Policy," 91

CONCLUSION

The last 3 years have witnessed a dramatic increase in tensions between the EU and Russia. In the wake of the conflict in eastern Ukraine relations between the EU and Russia returned to levels not seen since the end of the cold war. The emergence of Hungary as one of the few EU member states that continually offers support for Russia is one of the more bizarre puzzles of post-communist politics. The communist government in Hungary is not remembered with particular fondness. The Soviet Intervention in the Uprising of 1956 is generally considered to be a painful memory for Hungarians, and yet in 2017 the country finds itself yet again aligned with an authoritarian regime in Moscow. This puzzling development cannot be easily explained by any single factor, but instead arose from a plethora of contributing factors.

The economic situation in Hungary offers a relatively simple, but ultimately unsatisfying explanation for Hungary's pivot to Russia. There is scant evidence that Russia has been able to weaponize the energy supply as an effective diplomatic tool. However, the Paks nuclear deal is a compelling aspect of the economic explanation, but without hard evidence the argument about corruption remains speculative in nature. The signs of corruption appear to be present, but until an intrepid reporter or investigator unearths hard proof the Orbán regime can dismiss skeptics. These economic factors offer one explanation for Orbán's pivot to Russia, but the rise of illiberalism offers an alternative explanation of recent developments in Hungary.

The illiberal tendencies of Viktor Orbán are myriad, and the EU member states that champion liberal democracy should be deeply concerned by recent events in Hungary. The attack on the courts and media by the Orbán regime harken back to the dark days of communism, and it appears unlikely that things will change in the near future. The ideological shift in Hungary from liberal democracy to Orbán's illiberalism is one of the main threats to unity in Central Europe, and the rest of the EU ignores these developments at their own peril. The incentive for Russia to gain a foothold in Central Europe exists, and Putin is unlikely to not capitalize on the situation.

The EU and Russia appear destined for a lengthy conflict over the future of Ukraine. The EU faces challenges that most governments avoid because it is comprised of disparate states. Hungary's shift towards Russia is problematic for the EU if it hopes to maintain a unified stance against Russia during this protracted conflict. Ensuring that Hungary remains firmly European in its geopolitical outlook should be a top priority for Brussels moving forward. The EU is faced with numerous dilemmas at the moment with the current Refugee crisis and Brexit, but the defense of liberal democracy, especially within the EU, should be of the utmost importance in Brussels. The EU became a symbol of European unity following the collapse of communism, and it is important that the organization remain vigilant in its defense of liberal democracy lest the continent revisit the darkest chapters of its' history with a return to authoritarian governments.

Viktor Orbán's illiberal turn remains one of the stranger developments in the EU since the financial crisis of 2008, and the mutual admiration between the Hungarian Prime Minister and Vladimir Putin would have seemed bizarre during the first half of Orbán's political career. However, there appears to be clear factors that have contributed to the rapprochement between

Hungary and Russia. The Paks nuclear deal is moving forward, and it appears that Russia and Hungary will be intertwined economically for quite some time. The EU's sanctions against Russia are still in place, and Putin will likely continue to seek Hungary's support as he lobbies for a repeal of the sanctions. The harsh reality for EU leaders is that Putin and Orbán may remain illiberal partners for quite some time.

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