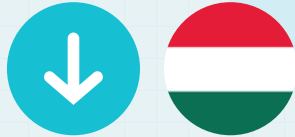




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Foreign Malign Influence in Hungary

Top-down vulnerability
is a tough nut to crack

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Introduction

Hungary has long been considered a special case within the Western alliance consisting of the European Union and NATO due to its incumbent ruling party's very open and deep commitment to improving the country's relationship with Eastern authoritarian regimes, particularly Russia and China.¹ This commitment has essentially led to the development of a top-down vulnerability towards autocratic regimes that position themselves against the EU and NATO.

This essentially means that it is the government and the ruling Fidesz-KDNP party who (1) are chiefly responsible for creating a positive public perception of Russia and China,² (2) tailor official policies to help extend the influence of the Kremlin and Beijing, among others, in Hungary in exchange for domestic political gains, and (3) simultaneously lower the resilience of state institutions that could otherwise counter foreign malign influence. While there are Hungarian extra-parliamentary actors that represent the Kremlin's or Beijing's interests as well as private or civic actors, like Confucius Institutes, their role in helping advance the influence of autocratic actors appears rather marginal or restricted.

Domination over state and media is the key

The top-down nature of "foreign" malign influence in Hungary can be attributed to two factors. The first is the government's coquetry with distributing its foreign policy interests across both the West and the East, the consequence of which is rather pro-Russian and pro-Chinese rhetoric disseminated to the electorate in order to justify policy choices. The other crucial factor is the ruling party's near-complete dominance over public administration and key economic sectors, particularly the media.³ In the absence of functional checks and balances, few obstacles impede the full implementation of governmental policies. And the ruling party's direct or indirect control of over 500 media outlets⁴ – including the public broadcaster – means that it can reach a vast layer of the population with pro-Kremlin and pro-Beijing messages without facing a backlash. Moreover, there is a substantial network of civil society organizations willing to uncritically justify the ruling party's foreign policy direction.⁵

The Hungarian map of influence and connections between Facebook pages (compiled in cooperation with Graphika⁶) showed that the pages of Hungarian ruling party officials and pro-government media take centerground in the information space. This means they connect with the widest range of actors on Facebook in Hungary, potentially reaching the broadest audience on the social media platform

among the pages studied. The ruling Fidesz party can also reach a substantial audience via the public broadcaster (potentially the only source of news for less affluent voters), it has a monopoly on dailies distributed in specific counties,⁷ and a near-monopoly over national dailies.⁸ Our research has confirmed on multiple occasions that these outlets paint a very positive picture of Russia and China, and often praise the cordial relations between Hungary and these countries.⁹ They also help spread the government's very transactional view of the world, which seems to have gained a foothold in Hungarians' perceptions: multiple focus group discussions conducted within this project have shown that a layer of the population views Russia and China as countries that might bring financial benefits to Hungary – mirroring what government officials regularly claim.

This situation also has an effect on the information operations conducted by the Kremlin and – to a lesser extent – by Beijing. Since the two countries already receive highly favorable coverage in relatively popular media outlets, they needn't devote extra resources to further penetrate the Hungarian media space.

China's academic "onslaught"

As for foreign malign influence in the civic and academic space, some aspects need closer attention. First, the Hungarian ruling party has created public

benefit foundations to manage higher educational institutions, the boards of which are appointed by the ruling majority without any possibility of external interference in the boards' composition in the future, thus extending its grip over the sector.¹⁰ Second, the party has created its own education organization, the Mathias Corvinus Collegium,¹¹ which will be present throughout the Carpathian Basin and could serve as a tool to popularize Fidesz (foreign) policy choices.

Third, and most importantly, China is potentially becoming active in Hungary's academic sector. In 2021, the cabinet signed a strategic cooperation agreement with the Chinese Fudan University, which entails Fudan opening a campus in Hungary. Despite massive societal protests against the plan and the government's pledge to only press ahead with the project after a referendum, the cabinet has already founded the organization that would manage the campus.¹² The construction itself would be financed by a Chinese loan.¹³ The project could significantly extend Chinese influence over Hungarian academia, as the institution could draw away the most talented Hungarian scholars and best undergraduates from Hungarian universities. The university could also serve as a platform that enables China to forge personal connections with future (Hungarian) state officials, given that it would offer political science educational programs.

According to in-depth interviews conducted with Hungarian experts,¹⁴ China's Confucius Institutes have also expanded in Hungary, especially in rural areas. Additionally, Chinese

universities offer research and exchange programs to Hungarian students and researchers - with participants presumed to be consequently less critical both of Chinese and Hungarian foreign policy, thus benefitting both sides.

No resilience in state institutions

The main problem in terms of resilience against foreign malign influence in state institutions is that lower levels of public administration have no room to maneuver for independent initiatives, while those at the top are mainly political appointees that fulfil tasks delegated by their superiors. In practice, this means there is no visible resistance to the ruling party's decisions. Neither state institutions nor the cabinet is pushing for the implementation of any measures that could counter malign influence and information operations, indeed the problem is not even being acknowledged; and if the issue even arises at the highest levels, it often cites the threat of "Brussels dictate" or "US interference in Hungarian elections".¹⁶ As long as state policy, which mirrors the ruling party's stance, refrains from considering Russia and China as threats (perceiving them instead as partners), public administration cannot counter foreign influence.

An additional issue is that Hungarian intelligence services are extremely tight-lipped when it comes to foreign influence, they share no reports with the public, unlike - for example - Czechs.

Nor do Hungary's key strategic documents shed much light. The country's current National Security Strategy lists the EU and NATO as factors that strengthen national security, and pledges to maintain NATO cohesion and strengthen the EU's role in defense policy. While acknowledging "tensions" in the West-Russia relationship and China's increasing "resoluteness", it also argues for economic cooperation and dialogue with both countries.¹⁷ Both the National Security and Military Strategies mention hybrid warfare and information operations as "challenges", but fail to mention any specific perpetrators.¹⁸

State institutions' lack of resilience is a result of the ruling party's years-long efforts to take full control of the state. The ruling party, bolstered by its constitutional majority, has reformed the independent institutional system¹⁹ and put party loyalists at the top of these institutions. This has allowed them to expand in the media and reform the electoral system to suit the party's own interest.

The takeover of the Hungarian institutional system has also aided Fidesz in transferring state finances to loyal oligarchs, without running the risk of any high-profile corruption investigations. In turn, these oligarchs have purchased numerous media outlets and subsequently gifted them to the Central European Press and Media Foundation (KESMA).²⁰ The "capitalization" of pro-government oligarchs is a reason for the cabinet's pro-East foreign policy orientation. By using their cordial relationship with Russia and China to launch joint projects in Hungary, Fidesz can involve their own economic

circles in such projects by offering a financial source without even the limited oversight provided by EU institutions, primarily the European Anti-Fraud Office (OLAF). For instance, a company tied to Lőrinc Mészáros²¹ - the prime minister's friend and currently the richest Hungarian - is a member of the consortium renovating the Budapest-Belgrade railway line's Hungarian stage, which is financed by a Chinese credit line. Mészáros has also won a public procurement tender for constructing the gatehouse of the Paks II nuclear power plant²² - a project built by Rosatom and financed by a Russian credit line.

Different situation, different correctional approach

Given the situation in the country, formulating recommendations on increasing resilience is a real challenge, since general approaches that work with administrations willing to counter Russian and Chinese influence are impractical in this case.

→ For the Western allies and organizations

→ Under current circumstances, the key would be imposing political costs on the Hungarian ruling party's actions that seriously deviate from official EU and NATO policies. As long as the incumbent cabinet can improve its relationship with Moscow and Beijing without any negative consequences from Western allies, current policies will continue. If political costs were imposed, Hungary's ruling party would potentially have to (1) at least adopt a more cautious approach to its relations with Eastern regimes, and (2) adjust its public rhetoric to a certain extent to justify the policy changes.

→ Independent civil society and media, which are among the main pillars of resilience-building, require more support in Hungary than in other CEE countries where governments engage in countering malign influences. Besides financial support, these organizations require training and access to software (such as CrowdTangle) - this could enable them to more concretely reveal the methods used in influence operations and the connections between Hungary and Eastern autocratic regimes, and make such disclosures more accessible to readers (e.g. through user-friendly infographics).

→ Western allies, particularly the United States, need to focus more on improving their own public image, which could help reverse the Hungarian population's increasing pro-East sentiments. These strategic communication efforts need not be directly focused on Russia or China, but rather on the general image of the US and the West. This can include better communication about Western values and how Hungarians benefit from them, more face-to-face meetings between Western diplomats, opinion-leaders, members of civil society and the Hungarian electorate, and exchange programs between Hungarians and Americans. The West cannot expect the incumbent Hungarian government to do the groundwork on popularizing Western countries, so they need to do the job of embedding their values in Hungarian society themselves.

→ In addition, one of the priorities for civic organizations and their donors is to increase the number of media literacy initiatives, as this education would help counter information operations in the long-term. Such programs' impact would be limited without government cooperation, but they could at least start building expertise that could be further expanded upon by a future cabinet.

A few months ahead of the parliamentary elections, the six- or seven-party Hungarian opposition (depending on whether their joint PM candidate Péter Márki-Zay's request for his own parliamentary caucus is approved) is largely united behind a pro-West foreign policy. This includes commitments to close cooperation with the EU and NATO, and tougher steps against Russia and China,²³ as well as halting or at least reconsidering large joint undertakings, such as the abovementioned railway project and Paks II. Thus, if the opposition wins the 2022 general election, a more traditional toolkit could be deployed to increase Hungary's resilience against malign influence. It must be noted that political realities (e.g. Hungary's energy dependence on Russian gas and the public's aversion to utility price rises) will somewhat limit the realization of foreign policy ambitions, yet this is unlikely to completely halt such new government's efforts to implement measures countering malign foreign influence.

In conclusion, Hungary can also be considered highly divided in terms of the response to foreign malign influence. The country therefore faces two potential paths towards building resilience: the first relying almost solely on civil society and independent or external actors, and the second where a whole-of-society approach with governmental support is enabled.



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