



TOWARDS A RESILIENT HUNGARY

Political Capital's Proposals for a Genuine
Protection of Sovereignty



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Political Capital Institute welcomes the governing party's intention to protect Hungary's sovereignty – which we also see increasingly in danger. Yet, we think the sources of threats to the country's sovereignty lie elsewhere than in the free press, independent NGOs and think tanks. Hungary's sovereignty is in increasing danger from countries hostile to the society's core values and our alliance system, especially Russia and China. Therefore, we present 21 proposals below - built on international benchmarks - that could, if implemented, actually serve to protect Hungary's sovereignty and security and reduce its vulnerability in four key areas: national security, energy, economic, and information sovereignty.

State of affairs

After the fall of communism, as a result of referenda, Hungary joined NATO and the European Union with broad political consensus and public support. In return for the political, economic, social, and security benefits offered by the accession, Hungary became a full member of the world's most powerful military alliance and one of the most potent political-economic alliances. These memberships gave Hungary a greater influence than ever before in shaping these alliance systems and global political processes.

Joining the Euro-Atlantic alliance system has not diminished Hungary's sovereignty and influence but strengthened it instead. Meeting the obligations accepted within the framework of these alliance systems can, therefore, not be considered an external infringement of sovereignty. **On the contrary, membership in NATO and the EU strengthens Hungary's ability to assert its interests and protects against influence from outside the alliance system.**

However, some countries - especially authoritarian powers with an imperialist logic, such as Russia or China - are increasingly successful in exerting malign influence on Hungarian political actors and public opinion while simultaneously violating Hungary's external sovereignty. It would be the duty of the Hungarian lawmakers and governments to take action against such attempts to influence and weaken the country's sovereignty and its alliance system in accordance with our international obligations. Our proposals below would serve this purpose.

Recommendations

I. National security

In recent years, Hungary has become the gateway for external authoritarian influence into the EU and NATO. We have become one of the most vulnerable countries in the Euro-Atlantic alliance, mainly but not exclusively to Russian intelligence operations.

- 1. The government must settle its relations with Hungary's allies.** Our external sovereignty must be defended not against EU and NATO member states that share our values and interests but against powers that seek to weaken our own alliance system, most notably Russia and China. Several incidents, most recently the Putin-Orbán meeting in Beijing on 17 October 2023, have shown spectacularly that the Hungarian prime minister has fallen into a seriously asymmetrical, subordinate, and dependent position vis-à-vis the Russian president and that the confidence of Western allies in Hungary has shaken. This increasing mistrust is more openly

articulated within the EU and NATO. This is the most significant risk to the country's sovereignty today. To restore a minimal level of trust within NATO, instead of slavishly following Ankara's rapidly changing position, Parliament must ratify Sweden's accession to the defense alliance without further delay. This would strengthen the security of the whole NATO, and its member states, including Hungary.

- 2. A new foreign and security policy strategy is essential.** Hungary has not had a serious foreign policy strategy since 2010. Although the government adopted a National Security Strategy in 2020, it has become outdated and would need revisions in many respects. A new strategy must take into account that the geopolitical situation has changed following Russia's unprovoked aggression against Ukraine. There is a need for a deeper political and information cooperation with the countries of the region, especially the Czech Republic, Poland, Slovakia, and Ukraine, to effectively defend against Russian hybrid warfare targeting EU and NATO member states, especially on the Eastern flank. Russia's all-out invasion of Ukraine has increased the influence of the CEE Member States in EU decision-making - except for Hungary, precisely because of its "outlierism" in its foreign policy towards Russia and Ukraine.
- 3. The rule of law, the system of checks and balances, must be restored.** Institutional and political pluralism is the best antidote to authoritarian influence since it is more difficult to exert deep and lasting external influence in a more complex, dynamic, and differentiated institutional environment.
- 4. Secret services have to operate under pluralist democratic control, free from one-party political influence.** It is essential to ensure that instead of informal networks, democratic control is well-established over national security agencies. There is a need to end the over-politicized situation in which some of the national security services are under the control of the minister responsible for government communication. Indeed, one of the primary conditions for protecting external sovereignty and minimizing the risk of influence is that the national security services perform their tasks professionally, as laid down in the Fundamental Law, free of party interests and under pluralist democratic control. The intelligence services must regularly inform the Parliament about national security challenges, and the members of the National Security Committee, including members of the governing party and opposition, must use their full potential to hold the services and the government to account. In addition, it would be worthwhile to inform the public annually - in a 'white paper' or yearbook - about threats to national security, in line with the practice of several other countries, such as Slovakia (and Hungary in the past).
- 5. The covert influence of authoritarian powers must be curbed - as happens by default in other EU Member States.** The majority of EU countries expelled Russian diplomats in succession following Russia's aggression against Ukraine. By contrast, the number of Russian embassy staff in Hungary even increased after the invasion in February 2022. However, it had fallen by April 2023 - yet, not due to Hungarian counter-intelligence, but as a result of the decision of the Russian Federation. The Hungarian government should also take decisive action against agents working under diplomatic cover, not only in response to pressure from our allies, such as in the case of the International Investment Bank. The services should also avoid any activity or communication that raises suspicions that they are working primarily to prevent the alleged influence operations of Hungary's allies rather than focusing on the real threat posed by the operations of adversaries (e.g., Russia and China).

- 6. The state, public authorities, and intelligence agencies must see societal actors as partners and cooperate with them to achieve national interests and goals that reflect social consensus.** Numerous examples (Slovak, Czech, Ukrainian, Taiwanese, German, etc.) show that the state's ability to harness the resources of civil society actors strengthens a country's sovereignty. Indeed, safeguarding foreign policy and external sovereignty (e.g., combating [dis]information influence) is not only a task for the state but also for companies, churches, NGOs, and think tanks.

II. Energy sovereignty

Over the past two decades, energy has become one of the most essential instruments of Russian influence over Hungary. The dependence on Russia increased already during the MSZP-led governments between 2002 and 2010. After 2010, following the pro-Russian turn of Fidesz, Hungary became one of the most dependent member states on Russian gas – despite promises to reduce this dependency. Even after the aggression against Ukraine, the Orbán government did not loosen its dependence on Russian energy when most European countries did.

- 7. Energy dependence on Russia must be reduced. This requires improving energy efficiency and diversifying the country's energy mix.** The principles laid down in the 2011 National Energy Strategy provide a sound basis for this, but more ambitious - and, above all, more consistently implemented - steps are needed. Reducing energy dependency would ensure Hungary's energy security in the long term and lower energy prices through competition.
- 8. The confidentiality concerning the Paks II nuclear power plant project and the Russian-Hungarian gas deals should be reduced – as long as these transparency measures do not harm national security interests.** A complete technical, financial, and political review of the Paks II nuclear power plant contracts is already justified based on the leaked or otherwise revealed information. A great risk to national security lies in the fact that in the shadow of the war in Ukraine, when Russia officially defines Hungary, an EU and NATO member, as an “unfriendly” country, Rosatom is allowed to build critical infrastructure in Hungary. The Hungarian public has the right to know the content of the classified contracts to judge the risks they pose to the country's sovereignty based on a more transparent set of information than currently available.
- 9. The administrative restrictions on renewable must be lifted, and their expansion must be ensured through long-term planning and incentives.** Promoting the use of renewable energy is essential to increase energy self-sufficiency and protect our homes, farmlands, and natural assets threatened by climate change.

III. Economic sovereignty

In Hungary, many business projects with Russian or Chinese interests are corrosive in the sense that they are opaque and can undermine sovereignty. These investments are not in the interest of the Hungarian state or national interest but only in the interest of certain high-level government officials and their associated business circles, providing channels for political influence through blackmailing. Examples include the construction of the Budapest-Belgrade railway line, the aforementioned Paks II project, the renovation of metro carriages by Metrovagonmash, the Residency Bond Programme (golden visas), and the case of the rushed battery factory developments.

- 10. Engagement with European and Euro-Atlantic partners is needed to develop and safeguard the operations of sensitive economic sectors and local supply chains.** The instrument adopted by the European Parliament in early October 2023 to protect against external economic coercion is relevant in this respect, making it possible to economically sanction third countries that try to pressure the EU or its Member States to change their policies or positions through economic pressure.
- 11. External economic influence based on corruption, economic blackmail, and intelligence operations should be prevented, as they create political dependency.** Several international examples (e.g., the Nord Stream pipeline, the nuclear power project in Finland, China's various port investments, Montenegro, Northern Macedonia, or the example of Ukraine under Viktor Yanukovich) show that it is primarily investments by authoritarian states and their economic actors that carry such risks. Therefore, there is a need for screening, pre-approval, and risk assessment of major investments by authorities, as has been increasingly applied recently by Germany, among others.
- 12. We must prevent countries with adversarial interests and their companies from gaining a dominant role in managing Hungary's infrastructure.** Critical infrastructure (e.g., telecommunications, energy) must be built, operated, and maintained by domestic or allied companies independent of authoritarian powers. It must not involve actors and technologies our allies reasonably and justifiably identified as risky. This **consideration** is also in line with the 2020 National Security Strategy: "*While capitalizing on economic cooperation, we must also take into account the factors resulting from the vulnerability that may stem from investment in critical infrastructure by an emerging China, its appearance as a possible supplier of state-of-the-art information communications technology, and in general by an increase in its regional influence.*"
- 13. Transparent public procurement is needed to ensure that authoritarian powers are not in a privileged position.** This is also a pre-requisite for ensuring that Hungarian taxpayers' money is not spent on overpriced and sub-standard investments, which can divert crucial resources away from measures aimed at preserving sovereignty.
- 14. Vulnerability in supply chains critical to Hungary must be reduced.** Independent domestic production capacities must be strengthened so that arbitrary decisions by certain actors do not affect Hungary's supply security. The revitalization of Hungary's defense industry is an important step in this respect (as well as in terms of meeting NATO's 2% defense spending target). However, more transparency of the professional and political rationale behind decisions would be necessary.
- 15. The decisions on investments of national economic priority must involve independent authorities.** Decisions should be subject to a fair and impartial legal process in front of independent courts. Municipal rights must be restored to ensure that the interests of local communities are represented concerning investments (foreign or national) in their territory.

IV. Information sovereignty

A democratic public space is not intellectually closed and allows new opinions and ideas to emerge. Therefore, pluralism and the healthy competition of ideas are an intrinsic value that needs to be protected. Yet, it does not apply to conscious and organized information influence operations – as they can run counter to the country's constitution, fundamental values, and

the values and interests of its alliance systems. Malign foreign disinformation campaigns can undermine constitutional foundations such as freedom of speech. Therefore, even in democratic, pluralistic societies, we need to defend information sovereignty when hostile alliance systems try to impose their interpretations on the public through external, organized activity, thereby undermining sovereign political opinion-forming and decision-making based on the country's own legal and political order and the interests of its alliance system. In Hungary, foreign influence is most visible in the information space. Its main feature is that pro-Kremlin or pro-Beijing narratives are incorporated into the mainstream social and political discourse, where they are normalized (mainstreaming).

- 16. There is a need for consistent and clear strategic communication from state actors based on social consensus, reflecting national and allied interests, in line with the national security strategy.** Public dignitaries, government members, heads of state institutions, diplomats, all state actors representing the country abroad, and the state media must convey unified messages to Hungary's allies, partners, challengers, and adversaries.
- 17. The pluralism of the press must be guaranteed, and state and private media monopolies must be prevented.** A pluralistic, diverse media is the best defense against the centralized, systemic foreign media influence and disinformation we see in Hungary today. Domestic institutions should address these threats (particularly the Hungarian Competition Authority and the National Media and Infocommunications Authority), failing which implementing the European Media Freedom Act in Hungary could reduce the risks of information monopolies.
- 18. Hungary should protect itself from hybrid warfare.** Like other EU Member States, the Hungarian government must maintain the plurality and integrity of the information space and weaken the impact of foreign malign (mainly, but not exclusively, Russian) (dis)information influence and hybrid warfare. There are many examples of a government structure specialized in analyzing and countering hybrid threats, typically operating under the Ministry of Interior (e.g., Czech Republic, Finland, Slovakia). Still, it can also be subordinated to the Ministry of Foreign Affairs or the Ministry of Defence. Such a structure formally expresses the intention of the state to address such threats as a genuine problem.
- 19. Coordinate public and civil society efforts in the fight against information operations and disinformation.** This includes taking action against actors spreading disinformation, exposing and disabling fake profiles, trolls, and bots, ending disinformation campaigns by government and government-controlled actors, launching state campaigns to build trust in mainstream, independent media rather than discrediting them, and quarantining platforms and actors spreading disinformation through mainstream media (cordon sanitaire).
- 20. The disinformation and manipulative power of the technology companies that monopolize the digital space must be restrained.** This requires effective implementation of existing EU legislation (the European Digital Services Act, which came into force in November 2022), promoting human-centered and AI-centered technology solutions to identify and counter disinformation threats and enforcing much greater transparency in these efforts.
- 21. Targeted education and intensive public discourse should raise awareness of the skills needed for information self-determination and resilience.** Critical thinking and media literacy (knowledge of how media, including social media work, with a particular focus on disinformation) should be part of the national education curriculum.