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UNEXPECTED COMPETITION: A US Strategy to Keep its Central and Eastern European Allies as Allies in an Era of Great-Power Competition

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About This Report

The rise of China and resurgence of Russia puts into question the relative power of the United States and threatens the rules-based order, so says the National Defense Strategy. The panacea prescribed by politicians, think tanks, and policymakers from both sides of the aisle to counter these parallel threats is “working with partners and allies.” This lacks detail. How should the United States work with allies and partners, and to what end? Furthermore, the comparable desire by those partners and allies is largely taken for granted. The United States assumes it is the partner of choice, that the post-World War II and post-Cold War assumptions are still valid, and that this cure-all is equally effective and desirable for the partner or ally. While the United States has defined great-power competition, as a competitor it has completely failed to articulate and implement a strategy for how to engage with allies and partners to succeed. This piece strives to fill that gap, prescribing a strategy of how the United States needs to engage with its allies and partners in Central and Eastern Europe to counter China and Russia’s growing influence in those regions.

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Executive Summary

The first victories in great-power competition have largely been won by Russia and China. While the United States has unambiguously defined great-power competition (GPC), initial steps to counter great-power competitors have been what former National Security Advisor Steve Hadley has characterized as a haphazard “push back everywhere” approach.¹ As the United States has become more clear eyed about the scope and magnitude of the threat, it has clearly identified partnership with like-minded democracies as a strategic imperative. However, as a competitor it has completely failed to articulate and implement a strategy of *how* to engage with allies and partners to succeed. There is little debate over the benefits (and drawbacks) of alliances, but the current US propensity to spurn even its closest friends has caused long-standing allies to question the commitment of the United States to actually implement its own National Defense Strategy (NDS).

Into the vacuum step a rising China and resurgent Russia to fill the void. While the United States pursues an “America First” policy, Beijing’s charm offensive and Moscow’s historic leverage have maneuvered them into positions of advantage during the first moves in the long game of GPC. In Central and Eastern Europe (CEE), where most countries have only allied with the United States since around the turn of the century, neither formal alliances such as the North Atlantic Treaty Organization (NATO) nor informal or bilateral agreements have grown the roots necessary to weather any storm. Actions and reactions by the United States have the potential to drive bilateral relations with Central and Eastern European allies in polarizing directions, pushing nations to be ostracized or incorporated, economically struggling or flourishing, diplomatically isolated or engaged, free riding as a defense consumer or contributing as a defense producer, human-rights restrictors or champions, wholly democratic and free or partially autocratic and corrupt.

The United States faces a strategic dilemma. In spite of ubiquitous calls to work with allies to succeed in GPC, and faced with allies in various states of cordiality with Moscow and Beijing, the United States must decide if it wants to ostracize its historic friends or work to keep its allies its allies. Without a reorientation in policy and practice, the United States will lose its place as the partner of choice in allied capitals. If the United States desires to succeed in GPC, it must first compete where it did not think it had to—in the public sentiment and capitals of its CEE allies.

This piece will strive to provide a roadmap, prescribing a strategy for how the United States needs to engage with its allies in Central and Eastern Europe to counter China and Russia’s growing influence in the region and maintain its position as the partner of choice.

The **goals of this strategy** should cultivate US soft power in Europe so the United States enjoys priority when allies are making foreign policy decisions, rather than relying on hard-power persuasion or public shaming. A mutually beneficial relationship with US allies across CEE would be characterized by

- open channels of communication and regular discourse on matters of strategic interest;
- open markets in which preferential trade policy encourages foreign direct investment, both to and from allies, and preferential removal or reduction of trade barriers to encourage increased import and export; and
- a reinforced bedrock of shared security.

The **elements of the strategy** provide lines of effort to guide stakeholders from the strategic to the tactical level, to successfully navigate individual contributions to GPC and ensure the success of the whole.

1. **Bolster foundations.** Shared security, synergistic economic strength, a desire for increasing prosperity, a commitment to freedom and democracy, and a pursuit of legal remedy rather than repression are all values that every European ally shares with the United States. The United States should rekindle its commitments to NATO, open markets, and information sharing.
2. **Tailor engagement.** Europe is made up of diverse cultures and perspectives, and a tailored approach to each country—and, at times, even diverse populations within individual countries—is absolutely essential. The United States must be a student of history, culture, and geography.
3. **Commit to patience and consistency.** The United States must remember that regardless of the current US administration’s ideology, shared values are foundational, not debatable. There must be a com-

¹ Mike Green, “State of Play: An Interview with Steve Hadley,” Center for Strategic and International Studies, October 21, 2019, <https://www.csis.org/analysis/state-play-interview-steve-hadley>.

mitment from both sides to work together for the benefit of both sides of the relationship. The United States will have to confidently champion bipartisan agendas and pursue civil-society engagement to succeed at GPC.

4. **Engage and empower the public.** The average citizen is often simultaneously the most important and most overlooked audience for US engagement, as it is also the most susceptible to Russian fake news and Chinese charm offensives. The United States should build public resiliency by exposing disinformation to allow citizens to see GPC competitors' actions for what they truly are.
5. **Provide alternatives.** Russian and Chinese inroads are most effective when they enjoy a monopoly or are filling a vacuum. The need for investment capital encourages Chinese Belt and Road Initiative advances, and Russian energy dominance and defense-equipment maintenance stand out as US missed opportunities. The United States must invest in infrastructure and facilitate defense procurement with its CEE allies.
6. **Above all, show respect.** Respecting US allies as equal partners in every endeavor, staying out of allies' domestic politics, and investing in skilled diplomats to cultivate the relationship are foundational, if often overlooked, principles. The United States should embrace strategic equality, national sovereignty, and courteous diplomacy in order to maintain its position as partner of choice in CEE capitals.

Hungary provides the quintessential case study, where applying this strategy addresses arguably the most controversial ally in the region. The past ten years have seen major swings in policy and trust in US-Hungarian relations. Barack Obama-era policies ostracizing Hungary and President Donald Trump's shift to transactional diplomacy have both left major vacuums into which GPC competitors can step. Reading mainstream Western media, one would conclude that Hungary is a lost cause, ruled by an autocrat, welcoming its position as China's doorway to the CEE region and as Russia's best friend in the neighborhood. However, advocates of punishing Hungary with threats of expulsion from NATO contradict the explicit direction from the NDS and fail to espouse an effective strategy to successfully compete and win at GPC. They prescribe policy that further damages a relationship that naturally would orient toward certain cooperation. Furthermore, their perspective falls into the trap of misconstruing Hungarian conservative domestic policy with democratic backsliding and autocratic rule, and prioritizes a liberal, partisan agenda over a shared strategy to counter great-power rivals.

Comparative data on economic, political, and even social ties between Hungary and the United States, Russia, and China clearly illustrate the negative impact of years of neglect. In spite of the United States' favorable starting position, every trend—from investment data to educational exchange to state visit numbers—testifies to China filling the vacuum of US neglect, and Russia leveraging its proximity and energy monopoly for greater advantage. A growing number of Confucius Institutes, real-estate deals, corporate takeovers, political negotiations, and trade policy decisions all indicate that China and Russia seek to displace US influence in Budapest.

Hungary has welcomed Chinese and Russian advances, pursuing a policy of “mutual respect,” advocating its own national interest via transactional diplomacy in which each individual decision is looked at in isolation. In order to achieve a potential future where Hungary prioritizes policy that enhances its relationship with the United States, the United States needs to achieve the following **strategic goals**.

- The relationship must **maintain momentum**. Many of the negative trends in US-Hungarian relations were reversed in 2019, with a flurry of activity between Washington and Budapest. The next important step is to consolidate recent gains to advance meaningful initiatives to **increase trade and investment**, deepen an already **exceptional security relationship**, and continue meaningful **law-enforcement cooperation**—three foundational aspects of the relationship.
- US strategic messaging needs to **change the dominant narrative** of US-Hungarian relations. US public diplomacy must undertake a committed messaging campaign that counters Russian, Chinese, or even destructive nationalist disinformation and contributes to the resiliency of everyday Hungarians, not limited to Budapest or even the English language. If the United States wants to succeed in great-power competition, words and deeds should **go beyond partisan politics** to advocate the US narrative, not be sidetracked by liberal versus conservative agendas.
- **Security cooperation needs to be the foundation, not the headline.** Contrary to US fervor to showcase American and Hungarian soldiers working shoulder to shoulder, Hungary's historic skepticism toward the military ensures that having a uniformed face to represent the strength of the relationship will only ensure tepid enthusiasm at best. Security cooperation gives Hungary an underlying sense of safety, but does not improve the allure of the relationship. The face of US-Hungarian relations

should be the businessperson, student, or friendly diplomat.

- The United States must **overcome residual Soviet influence** and reassure Hungary that the abandonment felt as a result of the 1956 revolution will never happen again. Following forty years of Soviet domination, the United States must convince Hungary that Russia's proximity is insignificant in comparison to US resolve.
- The United States needs to **provide alternative infrastructure investment** capital by empowering

and funding the US International Development Finance Corporation and the Three Seas Initiative.

- The US ambassadorship in Hungary should not be a political prize. The Hungarian language provides the window to understanding the culture and history of the country. Therefore, **sending an ambassador with language ability** will reverse the historic message that Hungary is neither strategic nor important to US interests.

*“There is only one thing worse than fighting with allies,
and that is fighting without them.” — Winston Churchill*

Introduction: The Current US Alliance System and its Benefits

On April 4, 1949, secretaries of state from twelve democratic countries spanning the North Atlantic, concerned over the fate of Europe and the freedom of their peoples, signed the Washington Treaty, committing themselves to collective defense of their people and territory in what became the founding document of the North Atlantic Treaty Organization. Less than two years earlier, almost twenty countries from the Western Hemisphere formalized the sentiments of the Monroe Doctrine into a collective-defense agreement, the Rio Treaty, with much the same intent. Since 1949, NATO has grown to thirty members, and the United States has gone on to separately formalize alliances with South Korea, Australia, New Zealand, the Philippines, Thailand, and Japan, increasing the number of formal US alliance members to more than fifty.²

There is little debate over the benefits (and drawbacks) of alliances. The Australian Strategic Policy Institute, writing on the subject, put it succinctly: the US alliance system:

amplifies the US capacity to project power and secure global energy and trade routes...[a]lliances serve as frameworks to address an array of security challenges which require collective response and from which the US can't insulate itself...When managed carefully, alliances contribute to regional and global stability (and therefore allow prosperity to be maximised). They deter aggression, provide some predictability and restrain allies from destabilising postures.³



U.S. Secretary of State Michael R. Pompeo, NATO Secretary General Jens Stoltenberg and fellow foreign ministers participate in the NATO plenary session at the U.S. Department of State in Washington, D.C., on April 4, 2019. Photo Credit: State Department photo by Ron Przysucha/ Public Domain, <https://www.flickr.com/photos/statephotos/47482993092/>.

² “Treaties in Force,” United States Department of State, Office of Treaty Affairs, 2020, <https://www.state.gov/treaties-in-force/>.

³ Elsinia Wainwright, “The Fears of US Allies, the Benefits of US Alliances,” New York University Center on International Cooperation, July 26, 2016, https://cic.nyu.edu/news_commentary/fears-us-allies-benefits-us-alliances.

In recent years, the last part of that assertion has come into question. Does a formal alliance restrain behavior? Should it? What maintenance of an alliance is required for the benefits to perpetuate? How does the United States reconcile national interest with the bad behavior of close allies? Can behavior be segmented to restrain allies' defense posture while completely freeing them to make

economic or diplomatic decisions that directly oppose that relationship, or is there some connection? The assertion of the 2017 US National Security Strategy (NSS) and 2018 US National Defense Strategy that the world has entered an era of great-power competition, and the avowed necessity to work with partners and allies, makes this debate of even greater importance.

The Strategic Dilemma

The rise of China and resurgence of Russia are challenging the relative power of the United States and threatening the rules-based order. The United States has responded with a clear-eyed focus on countering the threats posed by these revisionist great-power competitors. However, recent experience has proven that the political, economic, and even military influence once enjoyed in Washington requires allies and partners to hold sway. Unfortunately, while the United States has unambiguously defined GPC and clearly identified partnership with like-minded democracies as a strategic imperative, as a competitor it has completely failed to articulate and implement a strategy of *how* to engage with allies and partners to succeed.

Recent US behavior and policy toward its closest, historic allies have been characterized as neglectful, short-sighted and self-defeating. The current US propensity to spurn allies and reject multilateral diplomacy in favor of varying degrees of closeness in bilateral relationships has caused even the most long-standing allies to question the commitment of the United States to actually implement its own National Defense Strategy. Furthermore, the comparable desire by those partners and allies to work under US leadership is largely taken for granted. The United States assumes it is the partner of choice, that the post-World War II and post-Cold War assumptions are still valid, and that the cure-all of joint action is equally effective and desirable for the partner or ally. This has left the United States wittingly disengaging from allies, leaving a vacuum that it may not even realize it is creating through inaction improper action or faulty assumptions.

Into the vacuum step a rising China and resurgent Russia to fill the void. While the United States pursues an “America First” policy to the detriment of its closest friends, Beijing’s charm offensive and Moscow’s historic leverage have successfully gained a foothold during the first moves in the long game of GPC. Recent actions by the United States’ closest allies in Central and Eastern Europe have displayed the consequences of US behavior. Allies’ preferential treatment to develop Chinese and Russian economic, diplomatic, and social ties across the CEE have illustrated the gap between intent and action in US foreign policy. US leaders have come to the stark realization that GPC is in full force in places US foreign policymakers previously assessed as friendly territory.

“As the reality of Russian bellicosity and the strength of Chinese economic and diplomatic inroads become apparent, the US foreign policy establishment must reorient its efforts with a measured, deliberate approach to regain its place as the partner of choice in allied capitals”

The United States faces a strategic dilemma. As the reality of Russian bellicosity and the strength of Chinese economic and diplomatic inroads become apparent, the US foreign policy establishment must reorient its efforts with a measured, deliberate approach to regain its place as the partner of choice in allied capitals. However, thought leaders in Washington tend to see the path ahead differentiating between two unpleasant choices—turning its back on or turning a blind eye to objectionable behavior by its allies. In reality, this is a simplified, uninformed approach.

Headlines may sensationalize allied behavior as black and white, with allies either backsliding into autocracy or embracing the liberal democratic order. The reality is much more gray, and the United States must not mistake right-wing domestic politics for autocracy. As policymakers in Warsaw, Zagreb, or Prague execute their own foreign policy decisions vis-à-vis Russia and China, the United States can instead return to the fundamental principles that developed alliances in the first place, eschewing right-wing versus left-wing politics and nurturing the ties required to successfully execute GPC.

The following strives to provide a roadmap forward, prescribing a strategy for how the United States needs to engage with its allies to counter China and Russia’s growing influence. It will focus on allies and partners in the Central and Eastern European region, specifically using Hungary as a case study, given its often-sensationalized status as one of the most troublesome relationships in the region requiring attention.

Strategic Context

The election of President Trump ushered in a new era that disrupted the status quo and caused every alliance party to question historic norms and allegiances. His aggressive push for NATO partners to shoulder a greater burden for European security rapidly created a transatlantic rift among formerly cordial partners. Executing US foreign policy by tweet, he chose to depart from civil diplomatic means of relationship maintenance, and devolved into engaging in public criticism and cryptic scolding. Mirroring the polarization of left and right in US domestic politics, President Trump quickly chose to isolate the United States from a large number of its closest and oldest allies.

Simultaneous to this alienation, Trump provided the ultimate justification for self-interested behavior across the international system with his “America First” campaign. As experienced diplomats bemoaned, the concept of putting one’s own interests first is as old as diplomacy itself, but its obstinate public declaration only encourages other countries to blatantly push back, advocating for their own “X country first” rhetoric—to the detriment of the United States, the international rules-based order, and historic ties. Applying simple human logic, President Trump’s willingness to pursue a bigger piece of the pie for the United States, rather than advocating for broad growth for all stakeholders, allowed every other country to do the same, divorcing security assurances from economic and diplomatic decision-making.

This change in approach underscored differences, and inflamed historic disagreements and diverging paths between allies, rather than strengthening the underlying bonds that built the alliances in the first place. Within NATO, this is illustrated by differing history and geography driving governments to disagree on prioritization of concerns between a resurgent Russia and an increased threat of terrorism and criminal activity emanating from a destabilized southern flank, all while dismissing China as a strategic threat. Across the West, this divergence is nowhere more apparent than in individual countries’ stances toward the incorporation of Huawei fifth-generation (5G) technology into national networks. It has become fodder for media outlets and foreign policy experts, citing French President Emmanuel Macron’s labeling of NATO as “brain dead” and the fractured Brexit process as justification for what the Munich Security Report called “westlessness,” all while simultaneously contributing to the ire with accusations of democratic backsliding and focusing on what separates and diverges, rather than what unites the West.⁴

Divergences in interests between historic allies are not contrived; they are based upon very real foundational differences, the greatest of which emanate from a disparity in perceived strategic importance. Due to its size and role in the world, the United States has very few truly strategic relationships. One could argue that the relationships among the United Nations (UN) Security Council countries are the most strategic, or that could perhaps be expanded to include the Group of Seven (G7). Apart from these, the United States simply does not place the level of importance on bilateral relationships that the partner does. A small European country may view its relationship with the United States as strategic, and as such place emphasis, time, energy, and money toward it commensurate with that importance. However, the United States simply does not reciprocate. What is strategic for one is peripheral to the other.

In Central and Eastern Europe, where most countries have only allied with the United States since around the turn of the century, neither formal alliances such as NATO nor informal or bilateral agreements have grown the roots necessary to weather any storm. CEE governments are still working to fully implement democratic rule and market-economy principles. After years of Soviet control, military and law-enforcement forces continue to undergo modernization and transformation, with varying degrees of success. While countries whose NATO membership dates back to the Cold War era have come to enjoy and expect a level of security and prosperity commensurate with their peers, economic equality in the CEE countries seems to be fleeting. The repercussions of the 2008 recession had widely disparate effects on the region, and today’s pandemic outcome promises to shake up perspectives on the efficacy of a fully free-market system. CEE countries, with cause, lack an entrenched, foundational belief in the US or Western European version of democracy and the market economy, and are looking for opportunities to find their own way in an increasingly competitive world. If the United States desires to succeed in GPC, it must first compete to maintain its position as partner of choice within CEE capitals and public opinion.

CASE STUDY: HUNGARY

“A nemzetközi helyzet egyre fokozódik.” (“The international situation is intensifying.”) — A Tanú (The Witness)

A quick scan of the portrayal of Hungarian-American relations in mainstream Western media outlets would imply

⁴ “Westlessness—The Munich Security Conference 2020,” Munich Security Conference, February 16, 2020, <https://securityconference.org/en/news/full/westlessness-the-munich-security-conference-2020/>.

that the United States is failing miserably to win, or even bother to compete, against great-power rivals in Central and Eastern Europe, specifically in its pariah, Hungary. Cynical predictions of democratic backsliding, autocratic cronyism, government-backed nationalism, and even antisemitism pervade the headlines. A casual observer may wonder if this alliance is even possible to salvage. However, a closer look at the US-Hungary alliance both shows promise and provides great insight for how to successfully (and unsuccessfully) compete in today's era of GPC.

Post-Cold War US-Hungary Relations

The past thirty years have pushed the pendulum from one extreme to the other. As Soviet domination receded and democracy took hold in the 1990s, all things Western were in vogue. Culturally, economically, and politically, nearly any advice from US experts was taken as gospel. For twenty years, Hungary marched consistently and steadily toward the West, integrating into institutions and implementing policies mirroring Western counterparts. Starting with the financial crisis of 2008, this began to shift as multiple simultaneous forces tore at the foundations of the US-Hungarian relationship.

First, the unquestioning benefit of Western, market-based economic policy lost its allure. The Hungarian middle class found itself upside down on mortgages denominated in currencies such as the Swiss franc or euro, which were frighteningly inflated next to the Hungarian forint. Economic disparity rapidly magnified the chasm between a very small upper class and the vast majority of workers, middle-class entrepreneurs, and managers. Government intervention and World Bank loans insulated many from the worst, but a pervading sense of unfairness began to set in, with US market capitalism as the offender.

Second, with the election of Barack Obama coincident with the reemergence of the Federation of Young Democrats (FIDESZ) party with Viktor Orbán at its head, diametrically opposed executive branches faced each other across the Atlantic. A US liberal Democratic president faced off with a super-majority Hungarian conservative prime minister, and—after a short honeymoon period where things seemed to be moving forward unchanged—a fundamental shift took place. In the summer of 2011 on an official visit, Secretary of State Hillary Clinton began an increasingly vocal campaign of criticizing Hungarian policy decisions. The US ambassador to Hungary, empowered by Clinton's confrontational approach, took up the baton of both private pressure and public criticism. Accompanying this verbal abuse came a withdrawal from direct engagement and a downgrading of all official diplomatic exchange. The United States,



U.S. Secretary of State Hillary Rodham Clinton and Hungarian Prime Minister Viktor Orbán talk on a balcony at the Hungarian Parliament in Budapest, Hungary, June 30, 2011. State Department photo/ Public Domain, <https://www.flickr.com/photos/statephotos/5904760589/>.

disenchanted with the direction Prime Minister Orbán was taking Hungary, made an egregious miscalculation by choosing disengagement and criticism as its methodology to incite change. What the United States viewed as tough love, Hungary saw as interventionist, elitist meddling in domestic affairs. As political engagement at any ranking level ceased, the subsequent vacuum, reminiscent of the abandonment felt fifty-five years prior during the failed 1956 revolution, caused a lasting rift between allies, which was exploited by a resurgent Russia and a rising China.

Simultaneously and causally to this seclusion and criticism, Viktor Orbán had taken hold of power with unprecedented potency and used his party's supermajority to begin what he described as "consolidation of democracy." This included the process of rewriting the Hungarian constitution and associated fundamental laws to change the judicial branch, as well as government involvement in media, education, social laws, and more. The Hungarian establishment view was that the political changes stemming from the fall of communism and departure of Soviet military forces were incomplete and, hence, needed to be finished. The constitution was still an amended version of the 1949 Communist Constitution and needed a rewrite. Power politics and political elites still lingered from communist regimes and needed to be purged. Overall, the shock of ideological revolution had been tempered in 1989 by a sympathetic government, and many fundamental political transformations remained only partially implemented.

In 2010, ushered in by a two-thirds majority in parliament, FIDESZ, with Prime Minister Orbán at its head, took its political mandate to complete the Westernization of Hungarian government, and to do so on the basis of conservative,

Christian values. The reform agenda on which he embarked was ambitious, foundational, and rapidly implemented. However, it lacked inclusivity, civil-society debate, and scholarly discourse. Estrangement from US influence, the liberal-conservative divergence in views only empowered Prime Minister Orbán to act in what he saw as the best interest of Hungary and his elected administration, to the detriment of the relationship, which lasted through the remainder of the Obama administration.

With the inauguration of a more conservative, pragmatic executive in the form of Donald Trump, the US-Hungarian relationship gradually began to mend ties, culminating with a flurry of breakthroughs in 2019. After some lower-level engagements and encouragement to reverse the Obama-era approach to the relationship, dialogue gave way to concrete progress. To begin the year, US Secretary of State Mike Pompeo visited Budapest, the first visit of this level since the earlier-mentioned Clinton visit. The outcome of this engagement was an updated Defense Cooperation Agreement and an invitation to Prime Minister Orbán to visit the White House three months later. Further common ground was found on trade, foreign direct investment, and a greater commitment by Hungary to contribute to its own security responsibilities, meeting the NATO goal of spending 2 percent of GDP on defense by 2024. Convergence in conservative Christian values was then on display at the UN General Assembly meeting in September, where President Trump hosted a meeting on religious freedom, a key platform in Orbán's Hungary.

The Impact of Ideology and a Troubling Narrative

“Az élet nem habostorta.” (“Life is not a whipped cream pie.”) — A Tanú (The Witness)

The clash between liberal and conservative ideology is the dominant feature influencing the current US-Hungarian relationship. Liberal thinkers, backed by major media outlets, decry Prime Minister Orbán's actions as anti-democratic. More conservative viewpoints in government and media counter that a liberal perspective misconstrues conservative domestic policy as democratic backsliding and autocratic rule. The prescribed liberal response to ostracize Hungary also stands in stark contrast to a more moderate response to pragmatically engage, and rely on friendly cajoling to attempt to influence Hungarian policy. Orbán has seized upon these diametrically opposed viewpoints to paint his own narrative, portraying Hungary as a victim of liberal attack emanating from Brussels, liberal Western media, and liberal elites. This narrative is troubling in that it magnifies differences and increases the vacuum created between allies to be exploited by great-power competitors.

The core issue of conservative versus liberal world views has no greater personification than in the battle between George Soros and Viktor Orbán, the former acting as the flag bearer for open societies and liberal policy advancement. Prime Minister Orbán has used Soros as a collective target to rally sentiments against such issues as migration and liberal social policies, painting him as the enemy to Hungarian society, and pridefully taking on the title as the head of an “illiberal democracy.” Viktor Orbán's political deftness to avoid direct criticism of US, Russian, Chinese, or individual European governments was facilitated by creating a villain in the form of an octogenarian expat with deep pockets and a liberal agenda. This has allowed Orbán to play all sides to his perceived benefit, but, in the context of GPC, to the detriment of the US-Hungarian long-term relationship.

The media contribute to this downward spiral. Exacerbated by a lack of balance, mainstream media tend to perpetuate sensationalist accusations toward Hungary without any appreciation for the nuance. Rather than dive into the details of individual issues, they prefer to assume the worst without investigation. Furthermore, the huge divergence between what English-language outlets publish about Hungary and what Hungarian-language outlets publish within the country leads to a split narrative between Hungary and the West. What the average Hungarian reads and believes is simply not what US politicians see, let alone understand.

Criticism of Hungary has not been isolated to just a single individual or liberal media outlets, as EU politicians have taken offense at Budapest's policies toward judicial and media oversight. A broad feeling that Hungary is using Brussels as a scapegoat for liberal influence—and simultaneously benefiting economically from European integration while Orbán plays a victim—pervades EU leadership Twitter feeds.

The recent convergence of ideologies between Washington and Budapest has placated the situation. President Trump's preference for transactional diplomacy and willingness to pursue “America First” or “Hungary First” policies has improved ties and decreased public criticism, reversing much of the feeling of abandonment in Budapest. However, external forces have continued to stress the relationship, and the recent US election is a concern that all progress will be reversed under a Democratic administration.

All of these events paint a broad picture of relations between Western allies and Hungary that are tenuous at best, and—without the past thirty years of integration to rely on for momentum—conversations would revolve around spillover from economic and political disputes to more bellicose actions and far graver consequences. The incontrovertible fact is that recent events have opened schisms between democratic allies that are being exploited by great-power competitors.



U.S. Secretary of State Michael R. Pompeo participates in a joint presser with Hungarian Foreign Minister Peter Szijjarto in Budapest, Hungary on February 11, 2019. State Department photo by Ron Przysucha/ Public Domain, <https://www.flickr.com/photos/statephotos/4706546111/>.

Hungary and Great-Power Competitor Relations Since 2000

Economic, political, and even socio-cultural data illustrate the wide-ranging consequences for the United States as China seeks to displace US influence in Hungary, in spite of the NATO alliance and other Western ties. For the Hungarian-Russian relationship, the conversation and useful data are far narrower, with diplomatic engagement to ensure energy security and favorable pricing dominating the discourse. Regardless, the United States' great-power competitors are looking for opportunities in CEE, and Hungary has provided the furthest inroads.

Economic

Chinese economic aspirations in Europe are the most developed in Hungary. In 2001, imports to Hungary from

China first eclipsed those from the United States. Even as Hungary approached EU accession in 2004, imports from China as a percentage of total imports had increased to triple that from the United States. This relationship steadied, with gross import sums steadily and comparatively climbing for both until 2017, when the percentage again began to diverge in China's favor. However, these macro data do not tell the entire story.

In addition to overall numbers, specific commodities and hot-button industries have caused friction. Huawei's European headquarters was opened in Budapest in 2005.⁵ Its European distribution center followed six years later, and in 2019 Hungary was the first European country to grant Huawei blanket approval to provide 5G equipment in the country.⁶ Hungary was a founding member of the 16+1 initiative in 2011, incorporating European countries into

5 Ágnes Szunomár, Katalin Völgyi, and Tamás Matura, "Chinese Investments and Financial Engagement in Hungary," Institute for World Economics Working Papers 208, 2016, 34-54, <https://core.ac.uk/download/pdf/42929754.pdf>.

6 "PM Orbán Addresses Opening of Huawei Logistics Centre," *Daily News Hungary*, December 3, 2013, <https://dailynewshungary.com/pm-Orbán-addresses-opening-of-huawei-logistics-centre/>; Panyi Szabolcs, "Hungary's Government is Quietly Neck-Deep in the U.S.-Huawei War," *Direkt 36*, November 1, 2019, <https://www.direkt36.hu/en/csendben-csinalja-de-mar-nyakig-benne-van-a-magyar-kormany-a-huawei-haboruban/>.

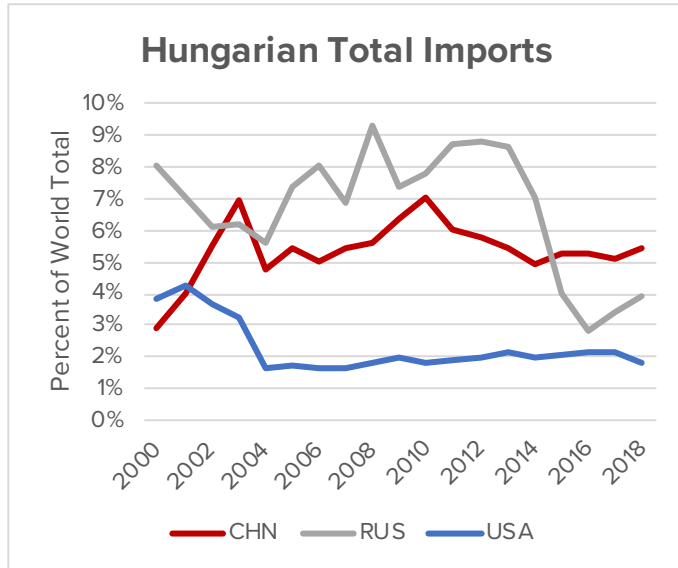


Figure 1: Import Comparison

Source: "UN Comtrade Database," United Nations Statistical Division, 2020, <https://comtrade.un.org/data/>.

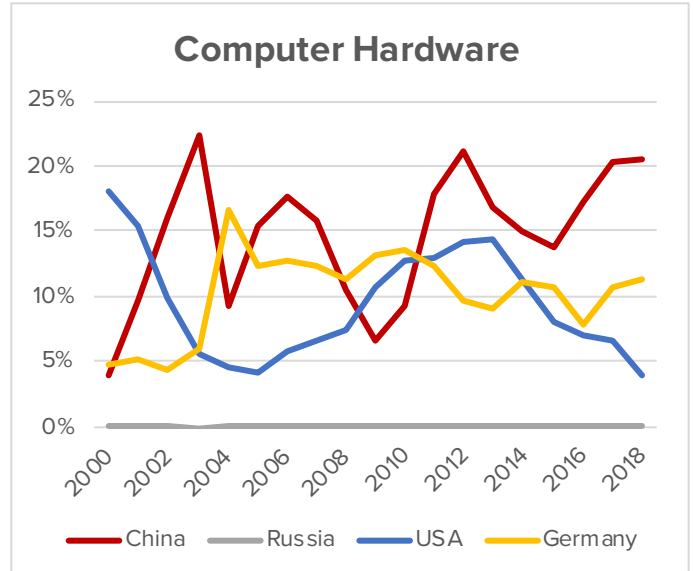


Figure 3: Commodity Comparison—Computers

Source: "UN Comtrade Database."

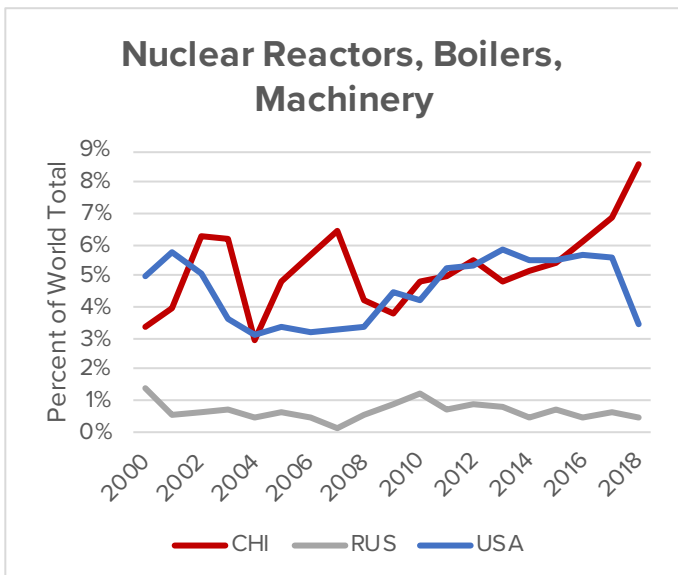


Figure 2: Commodity Comparison—Nuclear

Source: "UN Comtrade Database," United Nations Statistical Division, 2020, <https://comtrade.un.org/data/>.

the Chinese Belt and Road Initiative (BRI), with a planned Belgrade-to-Budapest high-speed rail as one of the most highly advertised projects on the continent.⁷ Trade data broken out by commodity show a troubling trend. Specifically, in high-end industries such as nuclear machinery, since 2017 China has increased its percentage of import share by

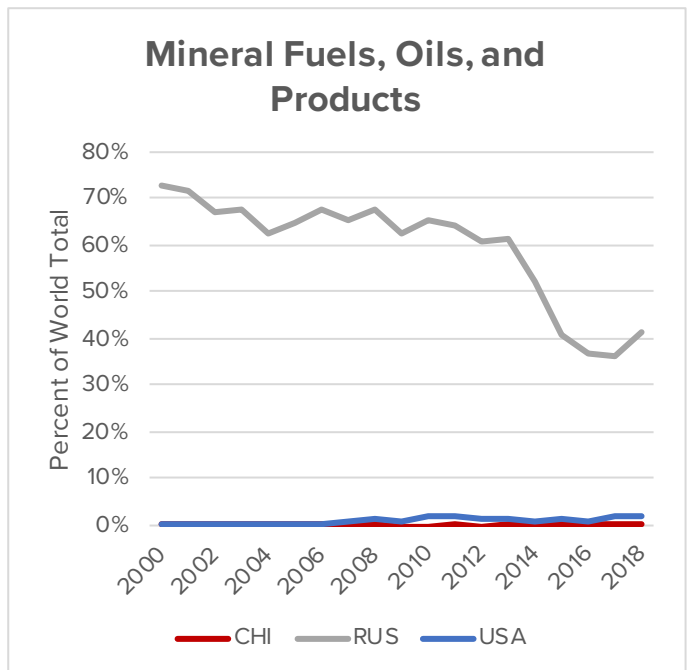


Figure 4: Commodity Comparison—Petrochemicals

Source: "UN Comtrade Database," United Nations Statistical Division, 2020, <https://comtrade.un.org/data/>.

2 percent, directly displacing US imports, which showed a simultaneous commensurate decrease. In other industries, such as computer hardware, the displacement is not quite

⁷ Flóra Rencz, *The BRI in Europe and the Budapest-Belgrade Railway Link*, European Institute for Asian Studies, October 23, 2019, <http://www.eias.org/briefing-papers/the-bri-in-europe-and-the-budapest-belgrade-railway-link/>.

as stark or direct, as some of the decrease in imports was offset by a German, rather than a Chinese increase.⁸

Imports from Russia tell a different story. Sixty percent of Hungary's energy supply is imported, almost completely from Russia in the form of oil and natural gas. The remainder of Hungary's energy supply comes primarily from domestic nuclear (16 percent) and renewable (13 percent) energy production. Following the 2014 invasion of Ukraine by Russia, trade between Hungary and Russia plummeted to the bare necessities, with petrochemicals making up more than 90 percent of the total trade between the two countries. However, as the data show, Hungarian initiatives to procure alternative energy supply still have not borne any fruit. In spite of ambitious goals to double domestic nuclear output and increase renewable energy production, projections estimate that, in the next ten years, 59 percent of Hungarian energy needs will still be met via imports, largely originating from Russian sources.⁹ Within the context of total imports, Figure 1 shows that Hungary is loosening its restrictions on other Russian goods, and—while still far removed from pre-2014 levels—once again there are closer economic ties between Budapest and Moscow with the potential to displace US economic interests.

Diplomatic

Citizens of a country with fewer than ten million citizens, conquered five times over the course of their thousand-year history, Hungarians are both fatalistic, knowing their inability to independently control their destiny, and highly sensitive to the commitment (or lack thereof) of world powers. This commitment is directly communicated by high-level diplomatic visits. For the past ten years, meetings between Beijing and Budapest, at the level of state secretary, head of state, or deputy head of state, have occurred on an almost semi-annual basis.¹⁰ In the same timeframe, there have been fewer than half that number between Budapest and Washington, the majority of which occurred in 2019. Direct meetings between Vladimir Putin and Orbán occur annually.¹¹ Chinese thought leaders know that “[t]he high presence of Chinese leaders shows that China perceives Hungary as one of its key strategic partners.”¹² President Putin's actions show the same level of strategic interest. In contrast, the lack of presence of US leaders demonstrates the disregard the United States has shown for the Hungarian relationship. Hungary is well aware of the strategic nature of its relationship with China, Russia, and

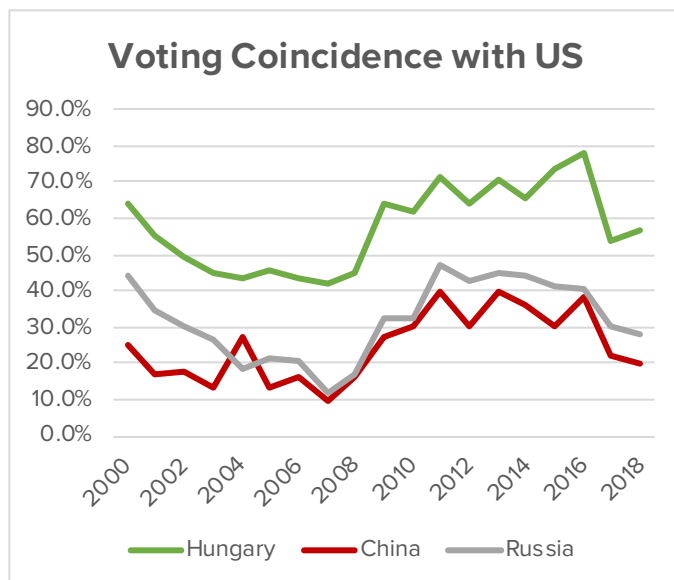


Figure 5: UN General Assembly Voting Coincidence

Source: “Congressional Reports,” United States Department of State, 2015, <https://2009-2017.state.gov/p/io/rls/rpt/index.htm>.

the United States, but reciprocity is only felt from two of the three.

Interestingly, United Nations General Assembly voting patterns illustrate that while Hungary agrees with the United States far more often than its great-power rivals, when they disagree they do so in coincidence with China and Russia. While this is not conclusive or pertinent for broad application, both the fact and the illustrated trend indicate a concern worth noting.

Social/Cultural

Education, tourism, and real-estate data show trends that overwhelmingly indicate a systematic and deliberate effort by Beijing to gain deeper ties in Hungary.

Chinese influence in educational institutes has developed at every level. In 2004, the Hungarian-Chinese Bilingual School was founded in Budapest, the first institution of its kind on the European continent, providing bilingual education at the primary and secondary levels and counting more than one thousand graduates. The goal of the institution is to immerse Hungarian nationals in Chinese language and culture from

⁸ “UN Comtrade Database.”

⁹ “Magyarország Nemzeti Energia- és Klímaterve,” 2018, https://ec.europa.eu/energy/sites/ener/files/documents/hungary_draftnecp.pdf.

¹⁰ “Political and Diplomatic Relations,” Embassy of Hungary–Beijing, <https://peking.mfa.gov.hu/eng/page/politikai-kapcsolatok>.

¹¹ Daniel Bozsik, Sandrine Amiel, and Associated Press, “Eastern Romance, Hungary’s Orbán and Russia’s Putin Set to Meet, Again,” Euronews, October 30, 2019, <https://www.euronews.com/2019/10/29/eastern-romance-hungary-s-Orbán-and-russia-s-putin-set-to-meet-again>.

¹² Xin Chen and Márton Ugródsy, “China and Hungary: 70 Years of Bilateral Relations in a Changing World,” China-CEE Institute, December 2019, https://china-cee.eu/wp-content/uploads/2020/01/70_YEARS_PDF_CEE.pdf.

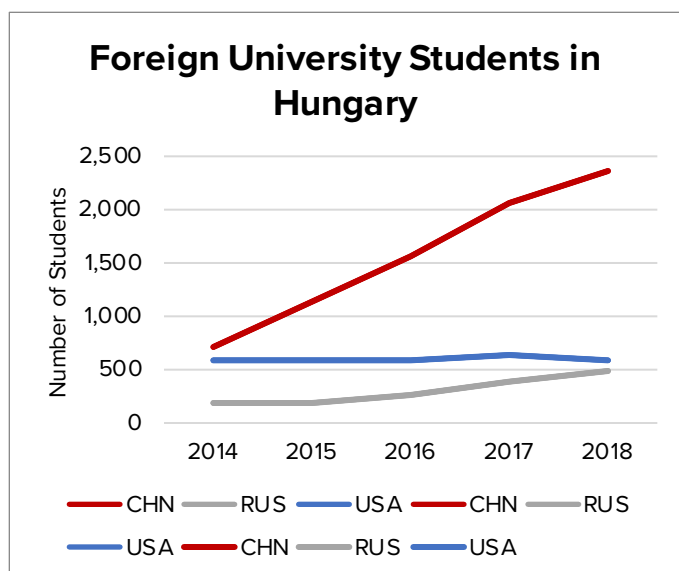


Figure 6: Hungarian Tertiary Education Comparison

Source: "Dissemination Database," Hungarian Central Statistical Office, 2020, <http://statinfo.ksh.hu/Statinfo/haViewer.jsp>.

a very young age.¹³ University inroads began as early as 2006, when the first of five Confucius Institutes opened at Budapest's top university, Eötvös Loránd.¹⁴ The most recent opening came in 2019 in Debrecen, with more planned.

Education data illustrate drastic changes. US student numbers in Hungary peaked around the turn of the century, with more than one thousand American students participating at different levels of tertiary education, making up 15 percent of all foreign students in Hungary. The past ten years show a drastic turn. While American numbers have tapered off to a consistent six hundred yearly, Chinese student numbers surpassed the United States less than ten years ago and have already grown to quadruple total American participation. American students now make up less than 2 percent of all foreign students studying in Hungary, while China sends almost 7 percent, tripling from just over seven hundred to almost 2,400 since 2014.

In 2002, only twelve thousand Chinese tourists visited Hungary, making up 4 percent of all tourist numbers. By 2007, that number had tripled, and it continued to increase. In 2015, Air China began a direct flight between Beijing and Budapest, and, in 2019, China Eastern linked Shanghai and Budapest, with other airlines planning additional service. In 2018, Chinese tourist numbers first surpassed a quarter of a million.¹⁵ A short walk around major



Russian President Vladimir Putin arrives for his bilateral meeting with U.S. Secretary of State John Kerry on March 24, 2016, to discuss Syria and Ukraine at the Kremlin in Moscow, Russia. Photo Credit: State Department photo/ Public Domain, <https://www.flickr.com/photos/statephotos/25407409603/>

landmarks will quickly illustrate the explosion of Chinese tourism in Hungary today.

Real-estate sales also mirror this trend. Central Statistical Office data show that China holds the top spot for total real-estate investment in Hungary, and trends indicate it will only increase. While China shared the lead with Germany in total number of foreign properties purchased in 2018 (1,100 properties), it far outpaced all other countries in average transaction cost and continued to show a specific focus on Budapest, rather than countryside vacation homes.¹⁶

If soft power is cultivated through people-to-people connections, all trends indicate the rising influence of China in Hungary, its closest export partner in Europe. Furthermore, the emphasis placed on civil-society connections over formal government, and specifically security, ties is an important consideration. Western analysts are quick to emphasize

13 Xiaoxun Lei, "Hungarian-Chinese School Opens Doors to Language and Culture," *China Daily*, June 20, 2017, https://www.chinadaily.com.cn/world/cn_eu/2017-06/20/content_29819058.htm.

14 "ELTE Konfuciusz Intézet," <http://www.konfuciuszintezet.hu/index.php?menu=elerhetosegunk&almenu=bemutakozas>.

15 Chen and Ugródy, "China and Hungary."

16 "Hungary Market Report," *Foreign Buyers Watch*, November 15, 2019, <https://foreignbuyerswatch.com/2019/11/15/hungary-market-report/>.

the “long game” being played by China, and the inroads it has cultivated to cross cultural borders with civil-society connections are starting to increase its soft power.

“If soft power is cultivated through people to people connections, all trends indicate the rising influence of China in Hungary, its closest export partner in Europe.”

Russian influence, in contrast, is often viewed as a necessary evil due to proximity and residual ties. While a large

portion of Hungarians, particularly older generations, enjoy a level of fluency in Russian, it is rarely used in public discourse. The average Hungarian, if given the option to use English or Russian for communication as a mutually shared second language, will always choose English and view anyone conversing in Russian with suspicion. The motivation to participate in any sort of educational exchange or investment either from or to Russia is always questioned. Habit patterns built through decades of repression and secret-police surveillance have ingrained this suspicion. The 2014 annexation of Crimea only served to rekindle these suspicions, as evidenced by previously mentioned economic data, and decreasing trade, tourism, and trust to just the bare essentials.

Potential Futures

The outcome of present debates is far from certain. But, in order to frame the conversation wisely, one must consider not only the likely, but both the possible and plausible future state of relationships. Actions and reactions by the United States have the potential to drive bilateral relations with Central and Eastern European allies in polarizing directions, allowing nations to be ostracized or incorporated, economically struggling or flourishing, diplomatically isolated or engaged, free riding as a defense consumer or contributing as a defense producer, human-rights restrictors or champions, wholly democratic and free or partially autocratic and corrupt. Though the likely outcome is somewhere in the middle, there exist extremes which must be weighed in order to not only guide, but also give a sense of urgency to, present decision-making.

If individual allies are ostracized, there exists a real possibility for a disruption of European institutions. Brexit has

already provided a precedent for splitting off from the EU. While not envisioned in its foundational documents, the expulsion of a member based on irreconcilable differences is not impossible, nor is the outright collapse of the shaky union of nations. The breakup of NATO or expulsion of individual countries, while perhaps less likely, is also plausible. Historical assumptions about the post-World War II and post-Cold War order are in question, with ramifications across the Atlantic.

On the other side of the coin, while European skeptics seem to drive the current dominant narrative, there remains the potential for an even closer union. The departure of the United Kingdom from the EU is also an opportunity for the continent to take greater steps toward fiscal unity and cohesive security policy. The collective economy of Europe still holds sway worldwide, and a unified diplomatic platform and voice provide significant allure as the only means



Chinese Foreign Minister Wang Yi addresses the media at the Ministry of Foreign Affairs in Beijing, China, on January 27, 2016, amid a series of meetings between U.S. Secretary of State John Kerry and high-level Chinese officials focused on the Democratic People's Republic of Korea and other regional issues. Photo Credit: State Department Photo/Public Domain, <https://www.flickr.com/photos/statephotos/24016538514/>.

to gain great-power status. NATO, after floundering without a well-defined purpose for more than two decades, has found its security assurances all the more appealing to counter great-power rivals, and serves as a great unifier.

CASE STUDY: HUNGARY

Imagining potential futures for this case study can be enlightening. On its most negative course, the US-Hungarian relationship could contribute to a Hungary ever more isolated within Europe. Given recent actions in Brussels, Hungary runs the risk of censure, punishment, or even unprecedented expulsion from the EU. It is imaginable that—either voluntarily or via disagreement—Hungary’s membership within NATO could even end. This would provide a perfect economic foothold in Europe for Chinese companies, and a strategic salient for Russian into the underbelly of NATO.

The other extreme is just as plausible. Hungary’s upward economic vector and attractive corporate tax changes give it the potential to rival the Asian Tiger economies. This would rapidly turn Hungary into a defense producer far

outweighing its population or size, rivaling Poland, Germany, or France for NATO capability contributions. Rather than simply being one of a small block of Visegrad 4 countries, it would have the potential to drive EU agendas and NATO defense capability and procurement. The knock-on effect of this type of growth would impact intra-European migration patterns and introduce an ever more diverse population, both ethnically and ideologically, to a growing international capital in Budapest.

The most likely course lies somewhere in the middle, where Hungary muddles along, fatalistically decrying its inability to determine its own course, and simultaneously appeasing Russia to garner advantageous gas prices, China to garner market access and capital investment, and the United States and NATO to guarantee security. Tepid relations with the West while maintaining the present security and economic arrangements would, in all reality, be the worst possible option for US strategic interests. This gives China an inroad into the European Union market and Russia unfettered access to the Schengen Area to execute malign intelligence operations, while stovepiping security, economic, and energy relationships into wholly transactional diplomacy.

Goals of the Strategy

The goal of this strategy is to provide a path for the United States to be the partner of choice for its allies. The United States should strive to cultivate US soft power in Europe so it enjoys priority and esteem when allies are making foreign policy decisions, rather than relying on hard-power persuasion or transactional diplomacy to force advantageous decision-making in European capitals. European integration and the increased relative power of European countries vis-à-vis great powers have resulted in a large degree of freedom when it comes to diplomatic engagement, and the United States no longer carries enough weight to dictate policy or partnerships. US strategy must cultivate connections through open communication, leverage the benefits of US markets, and bolster the ties between security institutions in order to outpace the influence of US strategic rivals, thus providing alluring alternatives and engaging both government and civil society.

A functioning, positive, and mutually beneficial relationship with US allies across Europe would be characterized by the following.

- Open channels of communication and regular discourse on matters of strategic interest: Individual decisions would be approached holistically, accounting for all sectors and cross-cutting impacts to the strategic national interest of both states and the relationship, rather than stovepiped, transactional decisions conducted in isolation of other events. Information sharing would be open and free flowing, allowing for better, informed decision-making.
- Open markets in which preferential trade policy encourages foreign direct investment, both to and from allies, and preferential removal or reduction of trade barriers to encourage increased import and export: Good policy increases economic interdependence that discourages commodity displacement due to historic trust in reliability, competitive pricing, and quality.
- A reinforced bedrock of shared security: Military, law-enforcement, and homeland-security institutions would integrate training, exercising, and planning to build tactical and operational superiority, increasing the capability of both countries' forces. Further integration into NATO, coupled with permissive security-cooperation agreements encouraging mutually beneficial procurement decisions would lead to seamless interoperability of personnel, equipment, and operations.

CASE STUDY: HUNGARY

Hungarian Minister of Foreign Affairs and Trade Peter Szijjártó easily summarized the basis of Hungarian foreign relations with a simple phrase: “mutual respect.” Hungary respects US freedom to pursue its “America First” policy, while Hungary expects the United States to respect Hungary’s pursuit of its national interest. This rapidly devolves into transactional diplomacy in which each individual decision is looked at in isolation, and neither side is pursuing mutually beneficial solutions or nurturing the relationship for the long-term benefit of both sides.

In order to achieve a potential future where Hungary prioritizes policy that enhances its relationship with the United States, the United States needs to achieve the following goals.

- Maintain momentum. For US-Hungarian diplomacy, 2019 was a banner year, seeing one hundred and twenty delegations cross the Atlantic from Hungary to the United States from a variety of different agencies. Key milestones, such as the signing of the Defense Cooperation Agreement, Secretaries Pompeo and Rick Perry’s visits to Budapest, and Prime Minister Orbán’s visit to Washington, DC, were significant events, but they also guarantee that future years will not live up to the hype, regardless of promising lower-level achievements. The trend is in the right direction; the next important step is to consolidate recent gains to further meaningful initiatives.
- US strategic messaging needs to change the dominant narrative of US-Hungarian relations. The US embassy in Budapest’s public diplomacy needs to shift focus. Positive economic impacts, social exchanges, deepening government-to-government initiatives, and attractive US policies should be headlines, not criticism and accusations. This messaging cannot be restricted to Budapest, nor to the English language. The rural Hungarian worker and farmer need to read about and see the benefits of US activities alongside Hungarians. The Hungarian public is vulnerable to media bias and fake news. US public diplomacy must undertake a committed messaging campaign that counters Russian, Chinese, or even destructive nationalist disinformation, and contributes to the resiliency of everyday Hungarians. If the United States wants to succeed in great-power competition, the front



US President Barack Obama joins Central and Eastern European Leaders for a photo at the Koniecpolski Palace in Warsaw, Poland, on June 3, 2014, US Mission to Poland. Photo credit: Jakub Szymczuk, <https://tinyurl.com/y5yx4lqv>.

lines are the embassy's Internet pages and actions of US representatives in country. Their words and deeds should advocate the US narrative, not get sidetracked by peripheral, often partisan interests.

- Security cooperation needs to be the foundation, not the headline. The United States should continue to support implementation of the development goals laid out in the Zrínyi 2026 plan.¹⁷ It should continue joint US-Hungarian training and exercising, both on a bilateral basis and within the construct of NATO at its very high operations tempo. The United States should continue to provide advantageous access and pricing for US equipment procurement, to further integrate and solidify future

security ties. The major strides taken between US and Hungarian military forces is stronger than ever, and should only deepen, but the Hungarian public does not hold its security forces in high esteem. Contrary to US fervor to showcase American and Hungarian soldiers working shoulder to shoulder, Hungary's historic skepticism toward the military ensures that having a uniformed face to represent the strength of the relationship will only ensure tepid enthusiasm, at best. Security cooperation gives Hungary an underlying sense of safety, but does not improve the allure of the relationship. The United States can, and should, continue to engage, but it would be foolish to focus on advertising.

17 For examples of those development goals, see: "ZRÍNYI 2026," About Hungary, 2017, <http://abouthungary.hu/zrinyi-2026/>.

Elements of the Strategy

Leveraging US instruments of power toward a cohesive end requires a comprehensive effort with exceptional leadership and direction from the highest office. Skilled diplomacy to build relationships is nuanced, and requires training and experience. It is not done by one office or agency, but by all governmental agencies supported by private industry and civil society. It takes many forms, from bilateral government and civil-society interactions to engagement via international and intergovernmental organizations. The following guiding principles will help stakeholders from the strategic to the tactical level successfully navigate their individual contributions to ensure the success of the whole. While the path toward these lofty goals is fraught with pitfalls, and will experience setbacks and missteps, application of strategic guidance to individual agency lines of effort can build a comprehensive approach to move relations on a positive course for decades to come.

Bolster Foundations: Rekindle Commitments to NATO, Open Markets, and Information Sharing

Between every European ally and the United States, there are fundamental, core-level issues where there is practically no difference in opinion or desire. Shared security, synergistic economic strength, and a desire for increasing prosperity, a commitment to freedom and democracy, and a pursuit of legal remedy rather than repression are all values that every European ally shares with the United States.

Security: For most CEE allies, shared security based on NATO membership is the foundational point of departure for their relationship with the United States, forged as an outcome of the breakup of the Soviet Union. A shared commitment to Article 5 of the Washington Treaty, shared capabilities by the forces and institutions to back it up, and



U.S. Secretary of State Michael R. Pompeo meets with Hungarian Defense Minister Tibor Benko in Budapest, Hungary on February 11, 2019. Photo Credit: State Department photo by Ron Przysucha/ Public Domain, <https://www.flickr.com/photos/statephotos/32123507057/>.

participation in NATO's political and military institutions, as well as its activities and exercises, forms bonds that build trust. The United States acts as the security guarantor for its European allies, with both nuclear and vast conventional forces. However, there is a difference between just being a given and being taken for granted. Security in Europe is a given, but is in danger of being taken for granted. Shared security also means shared responsibility. Both sides of the Atlantic need to rekindle their own commitments to the shared security and destiny of their countries, in both word and deed.

Economic: History has also lent itself to an economic foundation that has intertwined US and European markets. Either based on the post-WWII Marshall Plan or the economic support provided to former Soviet republics and Warsaw Pact countries, decades of integration have grown a significant level of interdependence economically, where traditionally low tariffs and mutually advantageous specialization have raised every economic indicator across the continent. Whether it is US love for German luxury cars or McDonald's opening in every European capital, from fashion to food, market tastes span the Atlantic to the benefit of both sides of the Alliance.

Information: The past seventy years have been characterized by Americans and Europeans having a shared perspective on the threats and the security environment in which they operate, whether it be criminal, terrorist, or belligerent-state behavior. This is based on open information sharing across agencies, going beyond just the security sector. In addition to sensitive government-to-government dialog between closed doors, information-sharing agreements as diverse as law-enforcement and military-intelligence analysis have historically been the norm. Knowledge is power. Shared knowledge is power for everyone's benefit. Advocacy for this basic tenet is based on both agreement and trust.

Tailor Engagement: Be a Student of History, Culture, and Geography

Outsiders assume that the greatest accomplishments of NATO are its deterrence and defeat of the Soviet Union, but equally impressive is that it has kept thirty different European nations from fighting one another. Vastly different historical perspectives and divergent national interests have driven repetitive conflicts between European powers over the past centuries. Europe is made up of diverse cultures and perspectives, and a tailored approach to each country—and, at times, even diverse populations within individual countries—is absolutely essential. Almost every European nation has a level of polarization of political views as diverse as that of the United States,

and policy and approach must adapt to suit the situation. Furthermore, while the entirety of the European Union is an economic equal to the United States, an approach that advocates a blanket policy for all European nations would be foolish, as economic strengths and weaknesses are as diverse as the history and geography of the region.

As mentioned earlier, the disparity in perceived strategic importance between the United States and European partners can be problematic. To effectively cooperate with European allies, the United States must expend the time and energy to understand the individual perspectives of each ally, regardless of relative size and power. Often, the most important part of any meeting will be the homework done by the US representative prior to the first introduction. The likelihood that European counterparts have followed and interacted with US news, customs, or pop culture is far more likely than the reciprocal; therefore, US representatives must undertake a concerted effort to increase their cultural awareness toward each individual country. Lumping all European assignments for official government representatives in one basket is naïve and lacks nuance. Inappropriate assumptions and ignorant behavior lend to the perception that the United States is the proverbial bull in the china shop, completely misapplying carrots and sticks in the pursuit of misunderstood shared values and interests.

Commit to Patience and Consistency: Confidently Champion Bipartisan Agendas and Civil-Society Engagement

The four- or eight-year cycle of administration changes in the United States can be a major obstacle for US relations with Europe. Approaching elections often lead to a “wait and see” attitude in European capitals. The United States must remember that, regardless of the current US administration's ideology, shared values are foundational, not debatable. There simply should not be a huge flip-flop between Republican and Democratic administrations. Pushing partisan agendas can seem politically expedient, but the short-term gain is offset by long-term damage where issues shift from leading edge to back burner, inciting a feeling of abandonment or inconsistency that harms trust.

Neither side can afford to abandon efforts to bolster the foundations of security and economic integration while ensuring continued discourse. There are countless issues that cross partisan boundaries, such as countering corruption, terrorism, disinformation, or human trafficking; promoting free trade; and basic freedoms of speech, religion, or assembly. Disagreements often arise when using the term “shared values,” as many values are not shared between the US right and left, let alone one end of the US spectrum and the far end of the European one. The lowest common

denominator is where relations will continue forward, regardless of the leanings of the United States or its ally's executive branch. Drastically diverging from this core is fraught with danger.

The reality of the situation is that an aggressive US liberal agenda is incompatible with an overwhelmingly conservative ally. The converse would also be true, where pushing conservative policies in an uber-liberal country would also be incompatible with friendly relations. The United States must choose whether it wants to advocate for liberal/conservative policies or democratic policies. For instance, a liberal agenda elevates human rights and individual liberties to the forefront of the agenda, focusing on race relations or the individual liberties of the LGBTQ community; a conservative one pushes an agenda opposed to abortion, advocating for the right to bear arms and a traditional definition of marriage. Within the borders of democratic allies, these issues are domestic concerns. As a result, from the ally's perspective, pushing either agenda is seen as meddling.

The most effective, non-controversial efforts to improve bilateral relations are often those outside of direct government control. They are also often the slowest growing, and do not make for good headlines. Social and education exchanges, tourism, business interactions, or investments are all largely nonpartisan activities. Track-two or 1.5 (also known as "back channel") diplomacy also has great impact, not just on government decision-making, but also the broader public perception of the relationship. Simply increasing public awareness and understanding of these activities, while rarely measurable and lacking short-term impact, improves the stability of the relationship for future generations.

The final, and perhaps most important, area requiring consistency is a commitment *from both sides* to work together for the benefit of *both sides* of the relationship. Aggressively negotiating the best deal that only benefits one side, to the detriment of the other, is actually a loss for both sides. The depth of commitment and lasting impact of positive relations across the Atlantic should always encourage an emphasis on growing the pie, rather than taking a larger piece. Relations with European allies should be mutually beneficial, not based on an either/or mentality.

The ability to work with allies toward a mutually beneficial solution for all problems is most firmly based on a fundamental confidence in the US model. The strength of the US economy, cultural attractiveness of its society, and superior military might were created neither by accident nor overnight. Democratic ideals that allow free discourse and disagreement to iterate to a better solution, and an economy based on free markets providing individual freedoms and equal opportunity for ingenuity and hard work, have proven

to outpace any rival. Belief in US fundamentals provides the confidence necessary to selflessly pursue grander solutions, rather than short-sighted, selfish pursuits.

Engage and Empower the Public: Build Public Resiliency

Anyone living outside of a nation's capital can see the bubble that government branches and agencies live inside. Think tanks, lobbying groups, and hypersensitive media contribute to the tendency to accept that no viewpoints exist outside that bubble. However, the voting populace, holding wildly disparate views, is often the most important audience for US engagement. In addition to ingrained bias in capitals, the proliferation of Russian or Chinese propaganda alongside nationalist or sensationalist pseudo-news requires a deliberate campaign to combat disinformation and expose falsehoods. In the process, US efforts need to differentiate between both the message and methodology of great-power rivals. Russia's fake news and deliberate propaganda stand in stark contrast to what is often seen as China's charm offensive, and each one requires a separate, unique response. Furthermore, exposing disinformation and countering conspiracy theories increase the resilience of the citizenry to see future similar efforts for what they truly are.

Engaging the public also requires an understanding of language. Outside of major European cities, English language fluency drops off, particularly in Central and Eastern European countries, where Russian and Chinese inroads are most aggressive. US good-news stories and counter-propaganda efforts that are distributed solely in English will have a limited reach and impact. The recent reinstatement of Radio Free Europe in vulnerable areas is a good example of necessary steps the United States should take to counter the false narrative advanced by US competitors.

Provide Alternatives: Invest in Infrastructure and Facilitate Defense Procurement

Russian and Chinese inroads are most effective when they enjoy a monopoly or are filling a vacuum. Energy dominance over former Soviet republics and the monopoly on maintenance capability for leftover Soviet military equipment are the two most glaring examples of leveraging domination of one market or capability. The need for investment capital for infrastructure and development projects has left a vacuum that encourages many CEE countries to welcome Chinese BRI advances. If Russia or China is the only possible partner, there is no choice, and the United States should always view this as a loss.

The United States has both the capability and will to counter monopolies and provide alternative financing for development, via both foreign policy decisions and market forces. The 2018 Better Utilization of Investments Leading to Development (BUILD) Act specifically increased opportunity and provided funding for Central and Eastern European countries that formerly struggled with access to US funding.¹⁸ The development of the US liquid-natural-gas (LNG) market has provided both competitive pricing and investment opportunities for energy diversification across the European continent, though restrictions on free movement still present roadblocks. Compatible policy leveraging free-market forces to the benefit of European relationships is just one important development to provide alternatives beneficial for US and CEE relations.

The same maintenance ties that currently draw former Soviet countries closer to Russia can easily be displaced by preferential pricing on US defense equipment. CEE allies are gradually replacing former Soviet systems. While some European countries provide technologically advanced replacements, often the most advanced capabilities are only available from US defense industries. US allies enjoy a level of security classification that streamlines procurement approval; they should also enjoy pricing that goes along with it. Coinciding with the United States' push for increased defense spending and European countries taking more responsibility for their own defense, the United States should recognize and leverage the superior capability its industrial base provides in strategic airlift and fighter aircraft, as well as missile-defense systems, precision weapons, and other critical combat capabilities. This is a perfect example of a sector ripe with win-win policies and action.

Above All, Show Respect: Embrace Strategic Equality, National Sovereignty, and Courteous Diplomacy

Disparity in strategic importance is quickly overcome by respecting allies as equal partners in every endeavor. NATO's founding on the basis of consensus for all decision-making is the quintessential example of showing respect and placing European allies on equal footing. Reciprocity in relations, giving access for government delegations, and simply investing the right time by the right person at the right level to engage allies go a long way toward maintaining positive relations.

Reputation and perception are also critical in relationship maintenance. Representatives of the US government must

be encouraged to reserve criticism for private communication, while keeping a positive face for public consumption. Public shaming should be reserved for the rarest of cases, and be used only as a last resort, rather than a regular occurrence.

Cultural awareness is perhaps the most important and often-ignored aspect of good diplomacy and friendly relationship building. Seasoned diplomats recognize the study required to understand smart cultural communication that demonstrates respect for a partner's different culture. They often reference the *Ugly American*, a book about the lack of cultural awareness, as a warning of the consequences of ignorant behavior.

Lastly, and perhaps most importantly, the United States needs to stay out of allies' domestic politics. Following the fall of the Berlin Wall, the United States passionately promoted democracy, free markets, and human rights with missionary zeal across the CEE. Continuing to do so in those same countries, which now profess these same principles with their own nuanced cultural interpretation, is interventionist criticism, not cordial encouragement.

CASE STUDY: HUNGARY

Bolster Foundations: Trade, Investment, Military, and Law Enforcement

The question of what comprises the "shared values" of the US-Hungarian relationship is surprisingly debated. Hungarian politics, similar to those in the United States, display a level of bipolarization, and interviewing a Hungarian conservative versus a liberal reveals a great disparity in perception about where the relationship needs to focus. However, there is also a great deal of common ground, where partisanship can be left behind in favor of agreeable cooperation.

Economic:

The economic fundamentals for increased trade and investment with Hungary are strong. General Electric continues to be one of the top-three companies in Hungary, and the Hungarian government continues to do everything in its power to encourage foreign direct investment, lowering its corporate income-tax rate to 9 percent starting in 2017, the lowest in the EU.¹⁹ Since 2010, the Hungarian government has invested more than ninety million euros in high-tech US companies within Hungary, increasing employment

18 Daniel F. Runde and Romina Bandura, "The BUILD Act Has Passed: What's Next?" Center for Strategic and International Studies, October 12, 2018, <https://www.csis.org/analysis/build-act-has-passed-whats-next>.

19 "These Are the Biggest Companies in Hungary," *Daily News Hungary*, November 2, 2015, <https://dailynewshungary.com/these-are-the-biggest-companies-in-hungary/>.

by more than 7,500 jobs. Standard & Poor's credit-rating agency has increased Hungary's national credit rating four levels between 2012 and 2019, from BB to BBB with a stable outlook. Outside of the EU, Hungary exports more goods to the United States than any other country, and US companies provide almost 2.3 percent of total Hungarian employment.²⁰

In 2019, economic relations surged alongside the increase in diplomatic connections. Both the US-Hungarian Business Council and US Franchise Trade Mission brought major delegations to Budapest in the second half of the year, enjoying high-level contacts within the Hungarian government, including the prime minister and minister of foreign affairs and trade. Ten different US franchise companies visited to offer jobs, services, economic development, and business-ownership opportunities in major US name brands as diverse as Papa John's Pizza and Gold's Gym.²¹

In comparison with China and Russia, the United States enjoys a clear economic advantage. The closest large Russian or Chinese company to General Electric is Borsodchem, which is not even in the top ten, and was acquired by a Chinese firm in 2011.²² Chinese companies, employing only fifteen thousand Hungarian workers, employ only 15 percent as many Hungarians as their US counterparts do.²³ Economically, the greatest Russian impact is in the energy sector, where Russian gas enjoys an almost-complete monopoly on supply, and the means of which, as a holdover from Soviet influence. None of these inspire the entrepreneurial spirit exhibited by Hungarians.

As Hungarian senior officials like to advertise, Hungary is open for business, but that is not restricted solely to US interests. Hungary's current economic policy welcomes all comers, and current advantages can be quickly overtaken by complacency coupled with aggressive Chinese and Russian competition. As a result, continued US investment and trade need to be encouraged with proper incentives and positive publicity. The increased importance of supply-chain security can also be used to attract further diversification from Asian to European suppliers.

Security:

Forty-plus years of Russian repression and occupation have irreversibly oriented Hungary to the West for security assurances. Fundamental suspicions of any Russian intentions make defense cooperation with Moscow almost

impossible, with maintenance of aging equipment the sole exception. This has led to an exceptional security relationship between the United States and Hungary. Every indicator points toward robust and ever-deepening cooperation. Hungarian contributions to NATO's missions in Afghanistan and Kosovo, NATO air policing, and major NATO combat, logistics, and planning exercises are some of the most visible and persistent examples of security-cooperation successes. However, there are far more examples that are less advertised. Hungarian officers and enlisted personnel participate in US-led professional military education, technical training courses, and safety courses, attend US-led training workshops on cybersecurity, intelligence analysis, operational and logistics planning, and disaster preparedness. In 2019 alone, more than twenty joint US-Hungarian training events took place. Two noteworthy examples of exceptional cooperation are the close cooperation of Hungarian Special Operations Forces in training and exercises, and the State Partnership Program Hungary participating with the Ohio National Guard, including a planned joint peacekeeping deployment in the coming years.

Law Enforcement:

US-Hungarian cooperation in law enforcement is a unique, foundational aspect of the relationship. The International Law Enforcement Academy (ILEA), based in Budapest, provides "regional criminal justice training to improve legislation, law enforcement, and democratic institutions in participant countries."²⁴ In operation for more than twenty-five years, ILEA is funded by the US Department of State, with agencies such as the Federal Bureau of Investigation, the Drug Enforcement Agency, and Immigration and Customs Enforcement providing US expertise and training to develop world-class security forces across the region. ILEA is just one aspect of a robust relationship of information sharing and training across European borders to combat criminal and terrorist activity.

Tailor Engagement: Overcome Residual Soviet Influence

The experience of more than forty years of Soviet domination continues to color almost every aspect of Hungarian life, political, and world perspectives. Following World War II, Western powers relegated Hungary to the Russian sphere of influence, washing their hands of the installation of a puppet communist regime in Budapest. Then, following

20 György László, Hungarian Minister of State for Economic Strategy and Regulation, Presentation at Hungarian Embassy in Washington, DC, November 19, 2019, based on his book, *Creating Balance: The Mission of Economic Policy*.

21 "U.S. Franchise Trade Mission to Offer Products, Services, Jobs and Ownership Opportunities in Hungary," US Embassy in Hungary, November 18–19, 2019, https://hu.usembassy.gov/u-s-franchise-trade-mission/?_ga=2.197370732.2127240015.1585593927-480575900.1585593927.

22 "Wanhua Takes Full Control of Borsodchem," *Financial Times*, February 1, 2011, <https://www.ft.com/content/1aadca66-2e2e-11e0-8733-00144feabdc0>.

23 Chen and Ugródsy, "China and Hungary."

24 "Welcome to ILEA Budapest," International Law Enforcement Academy (ILEA) Budapest, 2020, <https://budapest.ilea.state.gov/>.

the failed revolution in 1956, during which many Hungarians interpreted Radio Free Europe broadcasts as promises of forthcoming intervention, the sense of Western abandonment of Hungarians' pursuit of freedom was ingrained as an ever-present fear. The United States failed to understand this reality in 2011, when the Obama administration decided on a strategy that raised the specter of this fear of abandonment. By disengaging from official and regular discourse and downgrading bilateral contacts, the United States stonewalled Prime Minister Orbán's government as it recrafted Hungary's constitution and fundamental laws. Rather than engaging as a partner trying to apply basic democratic principles to the unique society that Hungary had developed after the political changes, the United States chose to lecture and disengage, unwittingly damaging the relationship for years to come. To quote a former high-level Hungarian diplomat, "Russia is always there, but events make us sometimes think if the same is really true of the United States or not."²⁵

The average Hungarian maintains a healthy skepticism toward Russian motives and designs. However, the vast grasslands of Ukraine provide Hungary a physical buffer from Russia, and NATO membership provides confidence in the security of Hungarian territory. Therefore, Hungary rightfully feels some freedom of maneuver in its relationship with Russia, absent the direct threat to its sovereignty faced by the Baltics or Poland. This affects the energy policy of Hungary, where the Russian monopoly of energy supply is a challenge to manage, not an existential threat. Political concessions may be required for reasonable pricing, but there is no link between economic and security concerns. Despite regular meetings between Orbán and Putin, the United States would be wise to understand this perspective in its relationship.

While looking at the specific history and complexities of each individual relationship, bilateral relations must be considered in relation to the whole of Europe. The most favored tactic by both Foreign Minister Szijjártó and Prime Minister Orbán when questioned about any Hungarian policy decision is to deflect criticism to Germany, France, or another European country whose populations are bigger. If Hungary is criticized, for instance, for a decision to increase Russian investment, it will provide justification by quickly throwing a spear at Germany or France (which increased trade with Russia 20 percent and 41 percent, respectively, in the last three years).²⁶ Even within Europe, there is a hierarchy. German, French, or British concessions to Russia or China have repercussions across the continent, and

Hungary is quick to hide behind its bigger neighbors to justify policies detrimental to the US relationship.

Commit to Patience and Consistency: The Consequences of Partisan Agendas and Necessity for Transparency

The US-Hungarian relationship must go beyond partisan politics. As referenced throughout this strategy, the United States has been unable to avoid this pitfall, with the most glaring example in 2011. Secretary of State Clinton's orthodox intransigence, based on a liberal agenda, led to the complete absence of a US voice in Hungary. The consequences were a Hungarian government free from accountability from its most influential strategic partner, allowing it to turn toward a corrupt and authoritarian Russia, which showed increasing signs of interest in Hungary. The epitome of this came to fruition just last year, when Hungary allowed the International Investment Bank (IIB) to open a storefront in Budapest. Not only is this Russian-backed bank a direct competitor to recent US development-finance institutions in the region, but it enjoys complete diplomatic immunity for its members and premises, providing carte blanche entry for Russian malign actors into EU territory.²⁷ Russian espionage in Europe is widespread and a constant threat, and this bank acts as an unaccountable entryway.

This troubling development raises concerns in two other areas. The first is information sharing. The closest and most secure network for US classified information sharing with allies is the Five Eyes classification. This has been expanded to add targeted members such as South Korea and Japan, as a way to address specific countries such as China and North Korea. It also has a functional or mission-based aspect, in which the coalition against counterterrorism and all those countries involved in NATO's operation Resolute Support share information on a classified level. However, the larger the group, the less secure it is; therefore, the less information that is held and shared at that level. A good example is NATO Secret, a level at which nations do not share the most sensitive intelligence, surveillance, and reconnaissance data. The known presence of Russian agents specifically targeting this type of information, facilitated by the IIB, makes deeper information sharing unlikely or even impossible. Media criticism has limited effects, but classified intelligence that proves malign activity by Russian or Chinese actors in Hungary, or entering the EU via Hungary, has far greater impact. Patiently communicating this

25 In-person interview, Chatham House Rule.

26 "2019 CEPA Forum—Panel I—Unfinished Business of 1989," Center for European Policy Analysis, September 26, 2019, https://www.youtube.com/watch?v=G9x_NSIluK8.

27 Panyi Szabolcs, "Ki akarják szorítani magyarországról az orosz befolyású bankot az amerikaiak hiába tett újabb engedményeket az Orbán kormány," *Direkt36*, December 21, 2019, <https://www.direkt36.hu/ki-akarjak-szoritani-magyarorszagrol-az-orosz-befolyasu-bankot-az-amerikaiak-hiaba-tett-ujabb-engedmenyeket-az-orban-kormany/>.

credible intelligence through regular information sharing has far better odds of influencing actions and attitudes than an opinion piece.

The greatest threat to democracy is corruption. Fortunately, countering corruption also enjoys bipartisan and public support that transcends borders. In the CEE, prioritizing US information assets to weed out corruption and increase transparency would have strategic impact. However, the easiest way for Hungarians to avoid US oversight is simply to use their native tongue, as the United States fails to invest in language capability, due to the challenging nature of the language and the size of the population. Transparency requires access and understanding, both of which are lacking.

Engage and Empower the Public: Build Public Resiliency

The Hungarian public, in many ways, illustrates how Hungary is a country divided between Budapest and the rest. Mainstream Western media would have the world believe that Hungary has lost all media freedoms. The reality, however, is that the media landscape in Hungary, while not lacking freedom, has been skewed in notable ways by recent government policy changes. The outcome is that the majority of print and television news leans pro-government, while opposing viewpoints have found online media most efficient.²⁸ This encourages the polarization between Budapest and more rural Hungary, as urban Hungarians are more apt to pursue online media for news intake, while the countryside more often relies on television or local print dailies or weeklies. This is exacerbated by language ability, as Hungarians in Budapest have a much higher rate of English language fluency than their peers elsewhere.

Hungarians are also susceptible to conspiracy theories and fake news. Institutes such as Bellingcat or the Atlantic Council's Digital Forensic Research Lab, which work to use open-source intelligence to uncover Russian propaganda and disinformation, provide a critical service to public resilience. In Hungary, exposing disinformation in the Hungarian language is essential to building a positive US-Hungary narrative. Third-party, neutral fact finding and investigative reporting to provide objective truth to the Hungarian citizenry are rare.

These same biases present themselves on the other side of the Atlantic, as Western media coverage of Hungary lacks new, unbiased voices. A peculiarity of Hungarian press coverage in the United States is the predictability of views from writers who cover the topic. Hungary watchers prejudge any content simply based on the author and media outlet. This is troublesome, as thoughtful, reasoned criticism

or praise is completely absent from the debate. Unbiased, outside voices with a focus on investigative reporting and promoting neutral, nonpartisan, pro-transatlantic advocacy are in short supply.

*“exposing disinformation
in the Hungarian language is
essential to building a positive
US-Hungary narrative”*

This necessitates a concerted effort by the United States government to understand the narrative coming from both Budapest and the countryside, and a deliberate strategic-messaging campaign to reach to and beyond elites in Budapest. The reinstatement of Radio Free Europe to Hungary, broadcasting in the local language, is probably the most notable recent development to meet this need. Furthermore, embassy activities and US-Hungarian developments that reach to Hungarian-language print media outside of Budapest provide a much greater impact. The United States needs to work to understand and influence the narrative both in and outside of Budapest.

Provide Alternatives: Invest in CEE Infrastructure and Defense Procurement

Until recently, the United States has not seen this as a necessity. Leftover post-Cold War methodologies to provide aid and financial support to CEE nations have largely expired or gone dormant. Security-cooperation officers in the military work to advocate for US equipment, often hindered by classification issues or price tags that make procurement politically impossible. The United States has only recently reversed this trend, based on a recognition that a lack of US alternatives encourages Chinese and Russian intervention into the resulting vacuum, counter to US foreign policy goals.

Two recent initiatives that leverage public policy and funding with private capital in support of US foreign policy objectives in Central and Eastern Europe, to counter Russia and China, are the US International Development Finance Corporation (USIDFC) and the Three Seas Initiative (TSI). The establishment of the USIDFC in the 2018 BUILD Act was a huge step toward contesting China's influence in Central and Eastern Europe. “USIDFC offers something different than China's model of large state-to-state lending—it offers a private-sector, market-based solution. Moreover, it fills a clear void that Chinese financing is not filling. China

²⁸ “Fidesz-Friendly Media Dominate Everywhere,” *Mérték*, May 2, 2019, <https://mertek.eu/en/2019/05/02/fidesz-friendly-media-dominate-everywhere/>.

does not support lending to small and medium-sized enterprises.”²⁹ BRI infrastructure projects are particularly attractive in Hungary, where both financing and expertise can be found lacking. The Three Seas Initiative is another local project in direct competition with Chinese BRI advances. In March, the United States pledged \$1 billion toward TSI projects, focused on north-south infrastructure and energy-connectivity projects across Central and Eastern Europe.³⁰ This pledge provided the critical mass to engender widespread buy-in from countries across the region, and should bear fruit in the coming months and years.

Procurement policy has yet to yield breakthrough results. US-made air-to-air and surface-to-air missiles have received interest from the Hungarian government. However, Hungary has made the political choice to partner more closely with German defense companies, pursuing replacement of aging Soviet tanks, artillery, and helicopters with German equipment. While this is not necessarily a negative, it is an obstacle to US-Hungarian interoperability. Procurement is not just about buying the physical systems, but also the training and maintenance that go along with them. Every non-US system Hungary acquires is an opportunity lost for deeper US cooperation as Hungarian soldiers train on how to use and maintain the new kit. Furthermore, German communication systems in those tanks, artillery pieces, and helicopters are not fully interoperable with US equipment. Additionally, the tactics utilized to employ a German Leopard tank differ significantly from those for a US Abrams tank. While the United States should not be threatened by closer cooperation between the German and Hungarian military, increased training to ensure seamless interoperability in tactics will require that much more emphasis.

The upcoming Hungarian choice on fighter-aircraft acquisition will provide an opportunity for the United States to implement this strategy by offering Hungary a viable US alternative that is both politically acceptable and fiscally sound. This will be addressed in later sections.

Above All, Show Respect: Ambassadorial Choices

Perhaps the greatest gesture of disrespect the United States has continuously stumbled into in its relationship with Hungary is the appointment of its primary representative in the country, the ambassador. The United States has chosen to use the Hungarian ambassadorship as a political prize, rather than appointing a representative well versed in regional politics and Hungarian culture, history, and language. Every ambassador since the Cold War has had to spend their time in office learning the Hungarian perspective, rather than cultivating mutually beneficial decisions based on a foundational understanding of the Hungarian point of view. Regardless of the chosen ambassador's actions while in office, or their level of continued involvement afterward, this communicates the message that Hungary is neither strategic nor important to US interests. This is perhaps the most damaging aspect of the relationship, doing more to push Hungary toward Russia and China than anything these countries have done to boost their own attractiveness. The Hungarian language provides the window to understanding the culture and history of the country; therefore, sending an ambassador with language ability has the potential to reverse years of laxity.

Respect is also communicated through attitude and expectations. The United States has difficulty perceiving Central and Eastern European countries as peers and equals. A critical, but enlightening, analogy illustrates the divide in perspective. In CEE, the United States views itself as a benevolent parent, having guided the countries of Central and Eastern Europe and taught them the ways of democracy since the fall of the Soviet Union. If one buys into this view, the current US challenge as countries have matured is to communicate respect for their grown child by treating them as an equal who can make their own choices, and allow for differences in perspective and opinion. Unfortunately, across the Atlantic, CEE countries often see the United States as a deadbeat dad who is never around to care or show love when times are tough but shows up and expects everyone to submit to its every wish when that serves its own interests. While neither perspective is fully true, the reality is that a healthy relationship must be developed on the basis of equality of voice and interests. This is particularly apropos for Hungary, which is predisposed to fears of abandonment and lives with an ever-present chip on its shoulder to be treated as an equal.

29 Runde and Bandura, “The BUILD Act Has Passed.”

30 “US Commits \$1 Billion Dollars to Develop Central European Infrastructure,” Atlantic Council, press release, February 15, 2020, <https://www.atlanticcouncil.org/news/press-releases/us-commits-1-billion-dollars-to-develop-central-european-infrastructure/>.

Guidelines for Implementation

“Strategies succeed or fail depending on whether they are implemented effectively.” — Brent Scowcroft

The first issue to overcome to ensure proper implementation is indicated in the title of the strategy. The United States has failed to recognize the need to compete in CEE, taking for granted the allegiance and decision-making of its allies in the region. Acknowledging this shortcoming, accepting the strategic importance of the members of the region, and addressing US shortcomings head-on will be the first step to effective implementation and showing the proper respect necessary for success.

“The United States has failed to recognize the need to compete in CEE, taking for granted the allegiance and decision-making of its allies in the region”

In advocating for the proper way to implement the NSS during his testimony in front of Congress, former Defense Secretary James Mattis famously stated, “if you don’t fully fund the State Department, please buy a little more ammunition for me because I’m going to need it,” and went on to explain later this was a “rather blunt way of saying why we needed to keep America’s foreign policy and our diplomats, foremost, in this effort.”³¹ This strategy requires a shift in focus, where the diplomatic, economic, and even information, intelligence, and socio-cultural instruments of power receive the lion’s share of time, energy, and money from US policymakers. Cultivating soft power, so that CEE countries make independent and unbiased decisions that are beneficial to US interests, requires commensurate funding, and it cannot be fleeting or based on administration interest. While the Department of Defense is made up of ambitious and often-vocal advocates for military dominance, the size of the US stick will not significantly affect friendly relations in the CEE.

In CEE countries, energy security and physical security from Russia are ubiquitous concerns. Institutions and initiatives like the USIDFC and TSI specifically speak to this need. US military force presence and enduring commitments

that transcend partisan administrations and political whims speak volumes. Long-term investment and financing in energy infrastructure and supply directly counter great-power rivals. Opposing Turkstream, Nord Stream 2, or other projects that perpetuate the status quo of Russian monopoly should be a given, and new energy opportunities such as LNG ports in Poland and Croatia should be supported.

Parallel to implementation of this strategy, the United States needs to treat relations with the European Union as equally important as bilateral relations. The EU has authority in many areas, sets standards, regulates, and provides precedent for its members to follow. Engaging the EU to act on certain issues, whether they be regulating relations with Chinese BRI projects or dictating Huawei hardware usage in sensitive networks, has direct effects on bilateral relations with CEE countries. Individual CEE countries will always look first to the EU when making both domestic and foreign policy decisions.

CASE STUDY: HUNGARY

“Az új magyar narancs. Kicsit sárgább, kicsit savanyú, de a mienk.” (“The new Hungarian orange. A little yellower, a little more sour, but ours.”) — A Tanú (The Witness)

While the United States embraces GPC and attempts to assemble and align all national resources to compete and win, Hungary views the competition itself as counterproductive at best, and dangerous at worst. Recurrent memories of aligning with the wrong side and/or failing to find a neutral middle course encourage Hungary to attempt to reject competition outright. Instead, as the “easternmost west and westernmost east” country in Europe, Hungary desires to be the bridge between great powers.³² This middle ground is fraught with its own dangers; as statistical data have shown, the middle ground is neither neutral nor middle. Rapprochement with one side will naturally break trust with the other.

Regardless of the current Hungarian approach, the starting point for the United States should be an acceptance of present realities. The United States cannot take back Obama-era policies, nor can Hungary go back and engage the United States for involvement in constitutional reforms.

31 James N. Mattis, “Secretary Mattis Remarks on the National Defense Strategy in Conversation with the United States Institute for Peace,” US Department of Defense, October 30, 2018, <https://www.defense.gov/Newsroom/Transcripts/Transcript/Article/1678512/secretary-mattis-remarks-on-the-national-defense-strategy-in-conversation-with/>.

32 “Sziijártó: Új világrend születik,” *Pestisrációk*, October 30, 2019, <https://pestisracok.hu/sziijarto-uj-vilagrend-szuletik/>.



SAAB Gripen JAS.39D belonging to No.1, Vadaszrepulo Szazad "Puma." Photo Credit: Jerry Gunner, <https://www.flickr.com/photos/13722921@N06/3569944481/>.

Prime Minister Orbán has chosen his path and narrative; the United States needs to make the clear distinction between Hungarian domestic politics and the bilateral agenda.

Budapest enjoys a modicum of space to maneuver diplomatically in relation to Moscow, lacking a direct border with Russia and enjoying security assurances from NATO. This space can be drastically increased with diversified energy options. At the same time, Hungary, as a landlocked country, is dependent on its neighbors for energy supply, which is where US efforts should focus. US advocacy to enable cross-border energy movement makes LNG terminals in Poland and Croatia accessible. Simultaneously, US pressure to advance the Krk LNG terminal in Croatia has been sluggish at best, allowing delays and Russian meddling in opposition. Furthermore, US advocacy is necessary in Romania to allow the Neptun Deep Gas Fields in the Black Sea to be developed for closer energy sources.

While Hungary often complains that its energy security is out of its hands, the United States can contribute to returning energy sovereignty to Budapest, a position absent for more than a century.

The United States must also recognize that neighborly relations in CEE are rarely cordial. Poland and Hungary get along famously, primarily because they do not share a border. Hungarian minorities in Slovakia, Romania, Ukraine, and Serbia make relations across these borders far more tenuous, as foreign policy cannot be addressed independently from minority treatment. As mentioned earlier, the unspoken good of NATO is the forcing function it provides for Slovakia, Romania, and Hungary to argue, rather than devolve into physical combat in their many disagreements. Simultaneously, all discussions for closer integration of Ukraine are completely blocked by actions of the Hungarian delegation. By understanding the nuances of the

disagreement, the United States can facilitate advancing relations to the benefit of all by using the weight of its influence and providing shuttle diplomacy between capitals.

An important milestone in Hungary is forthcoming. Within five years, Hungary will have to choose the replacement for its Swedish-made Saab Gripen JAS-39 aircraft. The decision to procure the Gripen instead of the US-made F-16 or F-18 aircraft occurred under the previous Orbán administration, and was not without controversy nor consequences. While the Gripen looked like a good deal for Hungary, with a 110-percent planned economic offset by Swedish companies in Hungary, outside of the activities of Electrolux, practically none of the plans came to long-term fruition.³³ Furthermore, the combat capability it provided Hungary was less than stellar. The first Gripen arrived in Hungary in 2006. The first time the aircraft were used in a NATO mission was 2015.³⁴ Furthermore, a fourth-generation aircraft developed outside of NATO is simply not adequate combat capability.

In today's air-combat environment, network connectivity, stealth capability, and precision munitions are of critical importance. The choice that faces Hungary is not between like capabilities, but whether it wants to commit to twenty-first-century combat capability, or simply check a box for NATO with yesterday's technology. Importantly, the US-made Lockheed F-35 is the sole proven fifth-generation aircraft. Therefore, the political consequences of choosing an inferior aircraft would be far more dire for the US-Hungary relationship, as any alternative choice would be seen as a direct rejection of a superior capability and all that NATO advocates. All US security-cooperation efforts should focus on this deal. Currently, Hungarian pilots are not trained in the United States, arguably the best training in the world (Norway, Germany, the Netherlands, and Italy would attest to this—all of their fighter pilots are trained in Texas). Hungary would benefit from US-based fighter training and the impact on its combat capability would be significant.

33 Zsolt Lazar, "The Gripen Sale to Hungary: A Look Back at the Results," *Second Line of Defense*, October 11, 2015, <https://sldinfo.com/2015/10/the-gripen-sale-to-hungary-a-look-back-at-the-results/>.

34 "HunAF Gripens Complete 14 Years of Operation," Saab, April 3, 2020, <https://saab.com/sv/gripen/news/blog/gripen-blog/2020/hunaf-gripens-complete-14-years-of-operation/>.

Risks, Criticisms, Alternatives

The realist, institutional liberal, democratic peace advocate, or even the constructivist can all present varying critiques of this approach. They may argue it overstates the importance of soft power, does not take into account the impact of multilateral institutions on the relationship, overstates the current rift, or focuses too much on states. However, it is highly likely that the greatest critique will come from Central and Eastern Europeans themselves. Every CEE nation is quick to vocalize how its situation is unique, and trying to articulate any modicum of blanket policy even for this region is fraught with danger. As mentioned earlier, the polarization of CEE countries will likely lead to domestic disagreement in each country. Liberals, conservatives, nationalists, greens—every political color has its own view on what the United States should do to best woo its affections. If one thing is certain, the only way to avoid criticism is to say nothing. Therefore, the greatest failure would be to succumb to that criticism and do nothing.

“Every CEE nation is quick to vocalize how its situation is unique, and trying to articulate any modicum of blanket policy even for this region is fraught with danger.”

CASE STUDY: HUNGARY

“Elections, big government contracts, press coverage and media oversight...it is free, but it isn't fair.” This is the loudest refrain heard from Hungarian opposition members. “Orbán is a bully. You have to stand up to a bully or he will never change his ways.” Former colleagues are often more critical of the man than the office, or even its policies. “Corruption in CEE is baked in. Why is not the Krk LNG port complete? Why has not Romania allowed exploration offshore of the Neptun Deep Gas Fields? Russian bribes. Why does it seem that five Hungarian companies are the only ones to win government contracts, and why do so few people have so much wealth and influence in Hungary? Because they are buddies with Orbán.”³⁵ Regardless of their accuracy, these sentiments make venturing into the Hungarian political landscape akin to walking into a minefield. While this strategy attempts to navigate the neutral, apolitical center, it will likely be lambasted from one side or the other (or both). Furthermore, this strategy asks for a coordinated effort from multiple government agencies buying into a non-partisan agenda; this does not have a historical precedent for success.

35 In-person interview with Hungarian diplomat, Chatham House Rule.

Conclusion

Intellectual consensus concludes that China is a rising challenger to the democratic, rules-based order, and Russia is a revisionist power with ambitions for long-lost levels of influence. Conventional wisdom grants the necessity of applying the National Security Strategy to every aspect of US power. Universally, thought leaders acknowledge that the United States cannot succeed at great-power competition alone, but there is a lack of consensus on how to push back. The panacea that US actions must be completed in concert “with allies and partners” lacks recognition that the very relationships with US allies that need to be leveraged.

in GPC are an arena of competition themselves. US actions to reengage with Central and Eastern European allies are critical to continued US power. Implementing a deliberate,

*“US actions to reengage
with Central and Eastern
European allies are critical to
continued US power.”*

coordinated approach to engaging with CEE allies and partners provides the greatest chance of success in the arena of great-power competition. The United States needs to bolster foundations, tailor engagement, commit to patience and consistency, engage and empower the public, provide alternatives, and, above all, show respect.

About The Author



Colonel John W. "Coke" Blocher was the senior US Air Force fellow at the Scowcroft Center for Strategy and Security of the Atlantic Council.

Colonel Blocher received his commission from the United States Air Force Academy in 1999. He is a senior pilot with more than 1,500 flying hours in the A/OA-10 "Warthog" and the AT-38, including one hundred and fifty combat hours in support of Operation Enduring Freedom. He deployed as a battalion air liaison officer (BALO) with the Third Infantry Division in support of Operation Iraqi Freedom. Colonel Blocher's accomplishments as a BALO and as a joint terminal attack controller, fighting the moving battle to downtown Baghdad in March 2003, earned him both the Bronze Star for heroism and the Air Force Commendation Medal with Valor.

Colonel Blocher most recently served as the military assistant to the commander of NATO's Allied Joint Force Command, Brunssum, overseeing NATO's Resolute Support mission and Enhanced Forward Presence forces, as well as serving as higher headquarters for the NATO Response Force. He has previously served as commander of the Thirteenth Air Support Operations Squadron, as a flight instructor and examiner, and wing executive officer. He completed the Olmsted Scholar program, attending Corvinus University of Budapest and earning a master of arts degree in international relations in 2011.

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