WHAT CAN WE DO ABOUT POLAND AND HUNGARY?

Cordelia Buchanan Ponczek
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ABOUT THE AUTHORS

Cordelia Buchanan Ponczek is a Title VIII Fellow in the Transatlantic Leadership program at CEPA. Buchanan Ponczek graduated from the University of Oxford with an MPhil (dist.) in Russian and East European Studies and was awarded the Michael Kaser Prize for the best political economy thesis. Previously, she earned her BA (magna cum laude) in Political Science at Miami University, with a focus on Russian kleptocracy and petroleum transit in the Caspian Sea region. At CEPA, she will research the domestic drivers of Polish and Hungarian foreign policy.

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Cover: Hungarian Prime Minister Viktor Orban and Polish Prime Minister Mateusz Morawiecki shake hands during Hungary’s National Day celebrations, which also commemorates the 1848 Hungarian Revolution against the Habsburg monarchy; in Budapest, Hungary, March 15, 2019. Credit: REUTERS/Lisi Niesner
Executive Summary: What’s gone wrong, why it matters, where it’s heading and what to do about it

Governments in Poland and Hungary — U.S. allies and members of NATO and the European Union — continue to pursue policies that are fundamentally at odds with healthy democratic development and that marginalize some of their most vulnerable communities. Outsiders have lumped the phenomena in Poland and Hungary together, but that glosses over some important differences between the two countries and possible approaches to their situations. In Hungary, changes to electoral law and deteriorating economic and political institutions put the country in a precarious place, compounded by the government’s cooperation with other nondemocratic regimes. Poland has maintained its strategic alignment with the U.S. and economic integrity, but its domestic politics and social policies are worrisome. Both governments were democratically elected and earned a legitimate mandate to rule from their populations. Both governments also assert that external actors should keep out of their domestic affairs. Nevertheless, as an ally and active promoter of democracy in the region, the United States must find a way to head off decline. Through diplomatic pressure, the incoming administration should strongly advocate minority rights and support regional civil society. With other partners, such as the EU and NATO, the U.S. should establish democratic expectations and make it clear to the Polish and Hungarian governments that accountable governance through rule of law and democratic norms is the key to stability and partnership.

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Earlier in 2020, Freedom House downgraded the most democracies ever in its 25 years of compiling the Nations in Transit report. Poland and Hungary stood out as the worst examples of democratic decline. Critics have accused Hungary’s Fidesz-led government, which came to leadership in 2010 under Prime Minister Viktor Orbán, of consolidating hand out money from the fund only to members that demonstrated respect for the rule of law, a condition that EU leaders had for years been seeking to link to other funding disbursements. This stipulation targeted primarily Poland and Hungary, which then blocked approval of the EU budget and recovery fund. Refusing to back down, the EU threatened cutting Hungary and Poland out of the covid fund if the gridlock was not resolved. The commission was not alone: Majorities in all European countries, including Poland and Hungary, support the principle of tying EU funds to respect for the rule of law. In the resulting compromise, the EU Parliament passed the rule of law conditionality, but the EU Commission had to make several concessions on language, scope, and enforcement. This flurry of political developments is the culmination of years of accusations that governments in Poland and Hungary are pursuing domestic policies at odds with their democratic mandate, resulting in a great deal of head-scratching about how outside parties should respond.

In 2020, covid-19 swept through the globe, causing a public health and economic crisis. To offset the economic fallout, the European Union set up a recovery fund. There was a hitch: the European Commission would
power by undermining independent media and the judiciary, changing election laws and facilitating corruption. In Poland, the Law and Justice-led coalition (Prawo i Sprawiedliwość, styled “PiS”) has drawn criticism throughout its five years in power, especially for its changes to the judiciary, which the EU and other critics say undermine the rule of law and violate the principles of EU membership. The PiS and Fidesz governments defend their policies as necessary. Domestically, both parties’ focus on economic development and social spending have won them a mandate to rule, especially from rural voters.

The charge that democracy in Poland and Hungary is deteriorating is serious and has prompted calls for intervention. As a bilateral ally, NATO member and promoter of democracy in the region, the U.S. has an important role to play in addressing challenges to the rule of law and its consequences for democracy.

This paper argues that Poland and Hungary are pursuing policies that erode the rule of law and democratic norms. It also argues there are key differences between the two countries, all of which put Hungary on a more worrying trajectory. The United States should maintain its role as an active promoter of democracy in the region and continue to advocate minority rights, support civil society and stress to the Polish and Hungarian governments that accountable governance through rule of law and democratic norms is the key to stability and partnership. To do this, the U.S. should lead with diplomacy and set the conditions that will safeguard its relationships in central and eastern Europe, a region that still matters for the United States’ strategic interests.

In this report, Section 1 will explain the spectrum of concepts and definitions applied to the domestic situations in Poland and Hungary. Section 2 provides an account of each country’s recent domestic developments. Section 3 gives broader context for attacks on the rule of law and backsliding. Section 4 notes differences between Poland and Hungary. Section 5 offers a discussion on policy options, makes recommendations, and concludes.

Section 1. Terms

Experts debate what to call the situation in Poland and Hungary, and its causes. Some call it backsliding. Others call it a “playbook of autocracy” or “autocrat’s playbook.” Still others consider it a mere hiccup not indicative of a lasting deviation from the countries’ prior trajectories: All democracies have occasional problems, and Poland and Hungary are not swerving off democratic course. Even the concept of democracy is complex and encompasses a spectrum of systems.

Populism and backsliding are separate phenomena that feed off each other. Populism enables a party or political formation’s path to power; backsliding is the way that power is wielded and maintained through twisting proper governing mechanisms. Populist rhetoric provides a narrative of why for the ruling party — why the country is in danger; why the party is the only hope for salvation and ought to be voted into power; why governing mechanisms need to be altered. Backsliding is how those ruling parties stay in power. It is the sum of measures taken to ensure that the power structures are still secure in favor of the ruling party even if the electorate has a change of heart or stops believing the narrative. Related to this, one prevailing explanation for populism’s success is a divided and/or weakened opposition. The opposition’s weakness could in turn be due to the lack of a compelling platform, infighting or the power of the majority party’s simplistic narrative (especially if it taps into aspects of the electorate’s identity).

The rise of populism and concerns over the deterioration of democratic institutions are not unique to Hungary and Poland. Other EU members, and indeed countries around the world, are experiencing these problems.
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to some degree.18 Ironically, growing illiberalism elsewhere helps the Polish and Hungarian governments claim that the “West” and “Western media” are singling them out — a convenient narrative.

Section 2. Country Specifics

Although criticism has intensified in recent years, concerns over the domestic politics of Hungary and Poland date back to the early 2000s and 2010s. Then, onlookers cited Poland as the worse offender.19 Now, Hungary has taken the lead, with Poland’s government allegedly mimicking the Hungarian government’s methods to keep a grip on power.20 A summary of developments in the two countries over the past decade shows similarities, but also some striking differences that ought to be noted in assessments and subsequent policy responses.21 Sketching out events in each country also helps avoid the tendency to draw overly simplistic caricatures. While some comparison can yield valuable insights, if we rely too much on this approach, we risk overlooking some of the nuances specific to each country.

2.1. Poland

PiS controls the executive and legislative branches of the Polish government. President Andrzej Duda won reelection in Poland’s summer 2020 election, which had turnout of over 68% in the second round. In the 2019 parliamentary election, PiS won 2m more voters than in 2015, earning the party 235 of the Sejm’s 460 seats and building on momentum over five years. Ever since PiS won the presidential and parliamentary elections in 2015, critics have decried Poland’s “backsliding.”
The 2015 election outcome was unexpected. PiS pushed the Western-leaning, fiscally more conservative and socially more liberal Civic Platform (Platforma Obywatelska, styled “PO”) out of government, winning an absolute majority and control of two of the three branches of government.22 PiS has been accused of using its majority to threaten the rights of minorities, particularly sexual minorities (the 2020 “LGBT-free zones”), roll back rights for women (the PiS-packed Constitutional Tribunal’s November 2020 ruling that created a near-ban on abortion and triggered massive protests in Poland and elsewhere) and discriminate again ethnic minorities (the reluctance to take in non-Ukrainian refugees). PiS has also been charged with upending the balance of powers through substantive changes to the judicial branch and its oversight (judges' retirement, appointments and discipline, the restructuring of the Constitutional Tribunal and a law to punish judges who criticize these changes); and curtailing freedom of the media, especially the state-owned TVP.23 Critics also contend that PiS engages in majoritarian political tendencies, like rushing bills quickly through the legislature without proper review and debate, and degrades the public discourse, resulting in erosion of informal institutions and political practices vital to maintaining a healthy democracy.24 As recently as the time of publication, PiS is under fire for a proposal that challenges “foreign” ownership of the media and attempts to “re-Polonise” it — reminiscent of Orbán’s media-control strategy in Hungary. It is unclear how PiS could make this new initiative compatible with EU law.25

Voter turnout was high in Poland’s 2020 election, when a slim majority voted for PiS despite the policies critics find so abhorrent. This is not so shocking — PiS has appeal. The party has been a good steward of the economy, helping many Poles where it matters: It has made housing and medicine more affordable, reversed PO’s hugely unpopular pension age increase and undertaken massive redistribution campaigns without destroying public finances.26 The proudly politically incorrect party has given many Poles, especially in rural areas, a voice. It has also tapped into concerns over gay rights and religious freedom while exploiting concerns about the EU overstepping Polish sovereignty.27 PiS has invested in left-behind communities and won support. But votes for PiS should not be mistaken for agreement with all of its policies: the salience of some issues that PiS has prioritized outweighed voter disapproval of other aspects of the party's agenda. Similarly, in 2020, cracks opened up in PiS’s majority coalition. So while single issues have decided entire elections, the pendulum can swing the other way. In Poland, the ballot box still has legitimacy, and matters.

2.2. Hungary

Hungary’s trajectory, and that of its ruling party, Fidesz, is seen through the prism of one man: Viktor Orbán.28 A self-styled defender of Europe from the so-called “immigrant hordes,” Orbán built up his power by seizing the opening provided by a weak opposition, which lost elections in 2014 and 2018.29 The fragmented bunch — comprising the Social Democrats (MSZP), green parties (Dialogue and LMP), social liberal parties (Együtt and DK) and even Fidesz’s old nationalist tag-along party, Jobbik — has failed to mount an effective counter to the juggernaut of the Fidesz-KDNP coalition, which in turn uses the media and other institutions to cement its position.

Orbán has openly challenged the principles of liberal democracy, defending majoritarian rule as a Hungarian form of illiberal democracy.30 Hungary has forced
out Western-led organizations, including Central European University, and used laws to silence dissenters. At the beginning of this clampdown, in 2014, authorities raided nongovernmental organizations such as the Ökotárs Foundation and DemNet Hungary, an environmental foundation and democratic rights foundation, respectively. The government also raided the homes of these groups’ leaders and seized documents and data. These tactics continue, with Orbán accusing “foreign money,” particularly George Soros and his Open Society Foundations, of financing unrest in Hungary. In the first half of 2020, Orbán’s government passed measures to rein in the covid-19 risk in the country. Critics of the restrictions, which lacked a sunset clause and were seen as further means to silence opposition media sources, called such measures draconian; yet even opponents of Orbán’s government concede that the laws were passed democratically in the parliament, given Fidesz-KDNP veto-proof majority.

The democratic and culture wars continued into the second half of 2020, when Hungary amended its election laws to erect even more barriers to the opposition and changed its constitution to further advance pro-Christian, anti-LGBT values. Weeks later, in early December, a staunchly anti-LGBT Fidesz member of the European Parliament and minority whip for the European People’s Party (EPP), József Szájer, was caught at an alleged gay sex party in Brussels, despite lockdown laws. He resigned shortly thereafter. Afterward, EPP leader Donald Tusk, the former PO Polish prime minister, suggested Fidesz does not belong in the center-right EPP.
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Section 3. Wider Context

3.1. History

Long-standing, systemic issues, like the legacy of communism, loom over Hungary and Poland’s democratic development. Pathologies originating from the system persist, while many who benefitted from the communist regime remain in power, enriched and well-connected. The alleged influence of former prominent party members is often used as a pretext to introduce sweeping changes. But the tenacity of powerful elites with roots in the communist era does not necessarily mean that post-communist state structures need a fundamental redesign. And even if it did, other countries in the region offer useful examples of how to properly implement reform, such as Ukraine’s post-Euromaidan banking reform and Slovakia’s dialogue on judicial reform.

3.2. Institutional membership and sovereignty

The EU is a vociferous critic of democratic decline, alleging that PiS and Fidesz threaten values that Poland and Hungary are bound to uphold as EU members. Indeed, the Polish and Hungarian governments frame a great deal of what they are doing as acts of defiance against the EU and assertions of national sovereignty, which they claim the EU is undermining. For its part, the EU has few good options when confronted with an recalcitrant member. Rather than compelling Poland and Hungary to honor the collective organization, it risks ostracizing offenders to the point of forcing them into a powerful super-minority. And it further risks creating martyrs or handing these backsliding parties an alternative narrative of discord and strife to peddle to their voters back home.

Fidesz and PiS also know how to exploit Western liberals’ disapproval of the Hungarian and Polish governments’ us-versus-them platforms, which are targeted to those left behind by globalization. Both parties have repeatedly raised the specter of outside groups — dark-skinned migrants coming to take jobs or replace churches with mosques, elite inner circles in Brussels dictating the rights and wrongs of sovereign countries. Sincere or not, this rhetoric from the PiS and Fidesz leaderships are part of a strategy to tap into issues that resonate with the population and to channel the public’s fears, interests, and aspirations into a policy agenda.

Section 4. Points of Divergence

Given striking similarities, the two countries still diverge in important ways — geopolitical options, the degradation of economic as well as political institutions and the hollowing out of the electoral process. In all, Hungary comes out in a worse position.

4.1. Geopolitical options

Poland and Hungary’s geographic locations have played an important role in their transitions from communism to democracy and in informing their current foreign policy priorities, but their security interests diverge. Poland’s proximity to Russia, and Hungary’s to Europe’s southern corridor, define the policies they adopt toward their neighbors. In Poland, PiS and PO have shared most of the same security objectives. Poland sees itself as staunchly “Western” in its promotion of democratic values and norms, and aspires to be a regional leader. The country has a forward-looking role in NATO and strong domestic support for EU membership. The government in Warsaw prizes its friendship and security alliance with the United States. Poland promotes democracy in developing countries, such as Georgia, Ukraine and Belarus, and remains critical of countries that may pose a threat to that effort, such as Russia. Its support
for the demonstrations in Belarus is part of a desire to establish the Eastern Partnership countries as a buffer of states firmly linked to the West to keep Russia at bay and support democratic development abroad. Poland has been a welcome home for the Belarusian opposition and civil society organizations. Further, Poland wants to avoid confrontation with Russia or risk being a weak link in NATO’s eastern border. While it does have a relationship with China, China has not yet found an effective way to politically pressure the Polish government.

Hungary’s foreign policy is best described as “pragmatic,” according to a pro-Beijing think tank in Budapest, is “pragmatic.” Several of Hungary’s external relationships complicate its domestic situation. The country has close ties with Russia, which includes a deal for Russia’s Rosatom to build two nuclear reactors there. China, too, is a solid business partner for Hungary, one that does not make financing and payment conditional on adherence to democratic norms or the rule of law. From 2010 to 2016, China invested between $400m to $600m in Hungary each year, compared with $200m to $350m in Poland. Numbers for Slovakia, Slovenia and the Czech Republic were even lower. According to the UN Conference on Trade and Development, about 0.22% of foreign direct investment flowing into Central and Eastern Europe (CEE) from 2010 to 2016 was from China. Of that, Hungary received 0.4%, compared with 0.17% for Poland. Further, the China Global Investment Tracker shows that 2.08% of
FDI in central and eastern Europe was from China. Of that, Hungary received 7.84%.44

In turn, China has used its relationship to buy Hungarian silence, as when the Hungarian government refused to join its counterparts in the EU, including Poland, in signing on to the UN’s resolution to condemn China’s treatment of the Uighurs.45 Hungary is also one of five EU states to have extradited “economic fugitives” upon the Chinese government’s request, in the absence of formal extradition treaties.46 “China may not be trying to force others to adopt its model,” wrote Aaron Friedberg, a political scientist at Princeton University, in a recent issue of Foreign Affairs, “but its actions and example are reinforcing trends toward authoritarianism in places where democracy has not yet taken firm root” — or where it is in decline.47

Hungary has mixed relationships with its neighbors. Orbán is known for fostering close partnerships with corrupt governments in the Balkans and cultivating other authoritarian leaders.48 His government also has an increasingly antagonistic relationship with Slovakia, Romania and Ukraine over the politicization of Hungarian minorities in these countries.49 Hungary has issued passports/citizenship to these extraterritorial Hungarian minorities, which has resulted in creating a pro-Fidesz electorate in these communities. While Hungary remains a NATO member, there is concern over its commitment to the Alliance, especially in light of the allegedly close relationship between Orbán and Russian President Vladimir Putin.50 And while Poland has been accused of copying Hungary, some argue that Hungary is following Russia’s lead.51 One source of NATO’s consternation about Hungary’s commitment is its spat with Ukraine, to which NATO seeks to
build close ties, over a Hungarian-speaking minority in a region of Ukraine that used to be Hungarian territory.\textsuperscript{52} The conflict helps feed a sense of injury that the government finds useful, even after 100 years, over the Treaty of Trianon, which carved up Hungary.\textsuperscript{53} Some have said the dispute stems from a strict language law in Ukraine that disadvantages the Hungarian-speaking minority, but it predates that dialogue, and Orbán was talking tough about Hungary's neighbor at least as early as 2014.\textsuperscript{54}

4.2. Institutions and Corruption

Hungary's economic institutions are suffering the same decline as its political institutions. A recent report from the European Anti-Fraud Office identified Hungary as a top offender for misappropriation of EU funds. Hungary has 52 probes into misuse of funds from 2014-2018 and the office recommended the EU seek to recover the largest share of these funds compared to any other EU member.\textsuperscript{55} This evidence of corruption is backed by an investigation by the New York Times in November 2019, which detailed graft in EU agricultural funding kickbacks among Hungary's elite and well-connected, highlighting the importance of a personal relationship to Orbán.\textsuperscript{56} Then in September 2020, Direkt 36, a nonprofit investigative news organization in Hungary, described how Hungarian politicians have long looked for ways to “play” German politicians and businesses to their advantage.\textsuperscript{57} Such self-dealing is not as advanced in Poland, where politicians have not moved into business ownership and clientelist opportunities to the degree that their counterparts in Hungary have.

Hungary is increasingly putting political and economic power into the hands of an elite from whom it will be difficult to wrest it back. For all the complaints about Poland's judicial changes, they do not create a similar feedback loop of business and political elite within the country. Organizations such as the World Bank and European Bank for Reconstruction and Development (EBRD) consistently give Hungary lower marks than Poland (and other neighboring countries) for the quality of its regulations and efforts to combat corruption.\textsuperscript{58}

4.3. The State of Electoral Democracy

Fidesz may have consolidated power to the point where elections are no longer fair, in contrast to Poland, where Freedom House says the electoral process maintains its integrity. In Hungary, the score for the electoral process has steadily declined as controversial changes to the voting system have created an institutional bias in favor of Fidesz. In recent Hungarian elections, the Organization for Security and Cooperation in Europe (OSCE) warned of an “overlap between state and ruling party resources,” and added that opaque campaign finance, media bias, and “intimidating and xenophobic rhetoric” hampered voters’ ability to make informed choices.\textsuperscript{59} Further, it said the electoral oversight commission (NVB) consistently favors Fidesz. Finally, the OSCE noted that the national government maintains effective control of the State Audit Office (ÁSZ), which monitors campaign activities and party spending; rulings made by the ÁSZ, which is led by a former member of Fidesz, are final, leaving opposition parties with little recourse. It is not certain that Hungary’s current government can be unseated any longer by free and fair elections.\textsuperscript{60} The November 2020 amendments to the electoral law bar electoral party-list tickets for parties that fail to run in 50 districts, up from the previous 27. This effectively prevents smaller opposition parties from joining joint lists.\textsuperscript{61} Poland does not yet face that situation, evidenced by its close presidential election and high turnout, but the poor quality of the campaign leading up to that election suggests Poland could follow down this road.
Section 5. What can be done?

Engagement in central and eastern Europe and the wider European Union should matter to the United States. The European Union and its member countries represent the wider thrust of democracy, vital to U.S. national security. This is particularly marked in contrast to great-power competitors China and Russia, whose views on the international order are at odds with those of the EU and U.S. As the United States rises to meet the challenge of Chinese and Russian reach, it will need the EU by its side, and the values that the EU, NATO and U.S. underpin — democracy and rule of law — to defend regional security and order. This section will first evaluate some of the current ideas on how to respond, and then offer policy recommendations.

5.1. Current Solutions

There are few legal levers to use in response to infringements of the rule of law in another country. In the most serious cases, governments can sanction individuals, organizations, government agencies, or entire industries.

One option is a punitive response to force reform on Poland and Hungary, possibly by stripping them of voting rights in the EU, or even putting them on a membership probation. At the EU level, the suggestion to strip voting rights or put the two offenders on probation is going nowhere; any disciplinary action is stymied by the two governments’ defending each other. This approach also makes it easy to paint the “elites in Brussels” as bullies who are singling out Poland and Hungary. The EU focus on Poland and Hungary also becomes more untenable as populism, backsliding and attacks on the rule of law become more commonplace in other EU countries.

Another idea is to condition the deepening of U.S./NATO military presence in Poland on adherence to democratic principles or tying military aid to reform — no reform means no equipment and no troops. This could include conditioning U.S. weapons sales on the countries’ rule-of-law reforms. But the United States is hardly likely to give up lucrative weapons deals, especially when those sales are usually cultivated several years in advance and when plenty of foreign rivals are poised to sweep in and take them. Beyond this, skeptics say linking the domestic situation in Hungary and Poland to the region’s U.S.-led security framework — which would be difficult to restructure and includes a deeply embedded troop presence — would be counterproductive, even if it were possible. Denying such infrastructure on NATO’s eastern flank hurts U.S. security interests. One source said that since Russia’s invasion of Ukraine, NATO infrastructure has become like a Rubik’s Cube, and unscrambling it just to make a point would be difficult, if not impossible. They point out that in the wake of the crisis in Ukraine, the security situation in the region is delicate and that NATO cohesion, already under strain, should not be further undermined. Hungary has already drawn closer to China and Russia, and punitive measures risk alienating the country further. Acting unilaterally also undermines the United States’ reliability as a partner in the eyes of its allies, who should work together to face common challenges.

The idea of conditionality does have some merit. While NATO, like the the EU, lacks the proper tools to coerce members, Poland and Hungary made great strides when the prospect of EU or NATO membership dangled before them. Once a country joins those groups, however, they no longer represent a powerful incentive. At this point, Poland and Hungary are members of the most exclusive global organizations with strict membership criteria, such as the EU, NATO, the Organization for Economic Cooperation and Development, and the World Trade Organization. But arguments for relinking EU funding to proper democratic norms have gained momentum during the covid-19 bailout discussions.
Using EU measures to rein in Poland and Hungary has seemed like a lost cause, but as time passes, the mechanisms have become more sophisticated, and, as we have already seen at the end of 2020, they are more likely to succeed in the coming years.

Finally, a last method is to dodge — to work with Poland and Hungary as they are, in an effort to keep them at the table. Hungarian experts, especially, espouse this approach, fearing that a punitive West could push Hungary into the arms of China and Russia, with whom it has cultivated relationships. Others point out, though, that it was partly thanks to this laissez faire approach that the Hungarian government was able to build ties with these autocratic regimes in the first place. They argue that nothing more can be gained from keeping Hungary at the table.

5.2. Policy Recommendations

Considering the above, U.S. should adopt a cautious and considered approach in addressing concerns over perceived backsliding in Hungary and Poland. The PiS and Fidesz governments were elected democratically, and they represent a sizable number of Polish and Hungarian citizens. Some recent developments in both countries are undoubtedly problematic, but to call foul on the legitimacy of their governments is unwarranted: It's important to not treat them like fully authoritarian regimes. Advocates of softer measures would steer away from material threats in favor of more political finesse, vocal diplomatic pressure and institutional weight. The actions of Poland and Hungary come nowhere close to those of countries that have economic or targeted personal sanctions leveled against them, such as Russia, Iran and North Korea.
The United States must maintain influence to address key U.S. interests in the region, allowing strategic objectives to drive its diplomatic priorities while keeping its focus on engaging in areas it can influence. U.S. policymakers can do this by adopting a tandem of internal and external measures.

5.2.1. Internal

The U.S. should establish formal tools to measure the impact of its regional stance on rule of law and threats to democracy. So far, U.S. policymakers have reacted to crises or developments in Poland and Hungary on an ad hoc basis. They have relied on external meters to diagnose the problem and have rushed to do damage control (or not). Instead, the U.S. should establish its own benchmarks or metrics to gauge whether developments in Poland and Hungary (and any ally facing rule-of-law issues) are impeding strategic objectives, alongside a plan to reassess the U.S. response when Poland and Hungary take measures in line with U.S. goals. Such measurements and procedures would offer stability, consistency and transparency to regional partners and clarify the U.S. role in encouraging democratic practices and safeguarding strategic goals in Poland and Hungary.

The U.S. should take a harder line toward Hungary’s and Poland’s transgressions, imposing consequences for violations of the rule of law. The incoming administration should make it clear that high-level visits, bilateral cooperation, economic support and other benefits will depend on meaningful changes in Polish and Hungarian behavior and policy. At the same time, the U.S. must reassure Poland and Hungary that despite domestic woes, it would defend them against an external threat.

In official and unofficial meetings, the United States should press Poland and Hungary on actions that threaten the rule of law or democratic norms, especially laws that restrict the rights of minorities or limit freedom of the press. The U.S. should encourage greater social freedoms where possible, modeling adherence to the rule of law, political decency and democratic pluralism at home.

The United States should not condition its military aid or weapons sales — vital to U.S. interests in the region — on successful domestic political reforms or EU dialogue. But a loosely connected approach could create an incentive potent enough for the governments in Warsaw and Budapest to sit up and take note. For example, the U.S. could privately insist on serious, good-faith efforts to revisit certain domestic developments, particularly in the judiciary, civil society and media, as part of returning to the shared values under which Poland and Hungary came to benefit from a U.S. troop presence along NATO’s eastern border.

The U.S. should support a vigorous and well-funded civil society in the region. The United States has made an enormous difference in central and eastern Europe not with military might or arms sales, but through diplomacy and support for the organizations and people who create democracy. It should return to these people-to-people methods with funding, training, and teaching and learning opportunities for Polish and Hungarian NGOs and civil society, including English- and regional-language NGOs, which inform an ever-wider audience.

5.2.2. External

There are compelling reasons to push for a regional approach to democratic development. An aggressive diplomatic push to bring local actors into a regional dialogue could help realize democratic objectives.

The United States must work with allies and partners to keep Hungary and Poland from further degrading the rule of law and to encourage the governments in Warsaw and Budapest to cooperate in addressing shared democratic concerns. The U.S. can use its considerable influence to push for a structured dialogue within NATO — alone or with support from other members —
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that explores democratic norms and the safeguarding of democracy. Indeed, a U.S. troop presence in the eastern flank offers more leverage to shape security and political outcomes. Even a “failed” discussion could offer a framework for future talks and, later, arrangements. If dialogue proves difficult, the U.S. could focus the conversations on responding to shared security threats, such as Russian revanchism or the effects of Chinese economic power.

In parallel, the United States could use diplomatic power to support a regional EU-based discussion track. Piggybacking off the NATO discussion, the U.S. could facilitate a regional dialogue on issues of rule of law and democratic norms. Such conversations would not require any new institution or official bi- or multilateral declarations. Like the NATO conversations, these dialogues would be open-minded and flexible, and focused on getting many interests and players at the table. Some conversations would be best held with U.S. support but with no U.S. representation — to ensure that EU countries feel they are properly representing their regional interests. Other conversations could include envoys from Washington. Still others might include players outside the region, such as Russia and China. Currently, the more the elites in Brussels push, the more the Polish and Hungarian administrations decry an external EU “threat” in order to legitimize their power grabs, but adding the U.S. as a broker alongside the EU to facilitate these conversations might wear down Poland and Hungary’s rhetoric. Dialing back the heat, even a bit, among Poland, Hungary and the EU would be conducive to creating structures for future progress.
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In addition to this, the U.S. and other regional partners should use Poland and Hungary’s desire for power and prestige within international organizations to leverage for reform. Both countries would need to feel they had something to gain by behaving in line with the norms of those institutions and that they have a legitimate opportunity to wield influence within such organizations.

More broadly, the United States needs to be more consistent in its policy toward the transatlantic space. This means not fracturing the EU or threatening the integrity of the alliance. Lack of predictable U.S. policy in central and eastern Europe, and indeed the EU, breeds uncertainty among allies and partners, which encourages them to act in ways counter to U.S. policy objectives, including hedging. This is particularly true in Hungary, which has cultivated close relationships with the governments in Beijing and maintained a close relationship with Putin’s Russia. The U.S. can expect Orbán to continue to deepen ties with China and Russia, which is strategically smart, but it should use diplomatic ties to remind Orbán of Hungary’s enduring and important relationship with the United States. Hungary may seek diplomatic alternatives in Russia or trade and investment in China, but these are not truly credible alternatives to security and intelligence partnerships with the United States. At the same time, the United States should consider not getting too close to the government in Budapest, whose continued threats to the rule of law will likely undermine its long-term stability and which could increasingly turn to Russia and China for aid. This move away from Budapest might give the government in Warsaw pause, as it sees itself as promoting Western values, in tandem with the U.S., in its foreign policy.

Both Russia and China have incentives to maintain or exacerbate the current divide between central and eastern Europe on the one hand and the European Union and United States on the other. China poses a lesser threat than Russia to the de facto territorial integrity of countries like Poland and Hungary, but China throws its weight and money around in ways that could further erode democratic norms.

At the same time, when considering its relationship with Poland and Hungary, the U.S. should avoid over-emphasizing its geopolitical competition with China and Russia. At this point, Poland is firmly in the “Western” camp. But countries like Poland and Hungary are encouraged by the economic opportunities China provides, and they should not be forced to choose between the U.S. and “others.” The U.S. should be mindful of Russian and Chinese activity in the region but should avoid treating it as moves in a zero-sum game. China and Russia still have largely transactional relationships with Hungary: Russian activity continues to focus on projection of power, and China is focused on sowing economic accord through investment, but the government in Beijing has not seemed eager to dive into domestic politics outside of the political pressure necessary to ensure its own ends.

Finally, because the U.S. is facing some of the same domestic issues as Poland and Hungary, it has an opportunity to speak to the two CEE countries peer-to-peer. Common experience could be a starting point for recommitting to values underlying a healthy democracy. President Biden’s remark at an October 2020 town hall lumping Poland and Hungary in with Belarus as “totalitarian” is not conducive to a constructive dialogue. Indeed, Biden’s
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victory has gotten a frosty greeting in Poland and Hungary (as opposed to other Western countries), as the two countries anticipate the shift in strategy from the incoming U.S. government. But the Biden Administration could echo the dialogue of healing and return to civility — which it has used domestically — in addressing such topics on the transatlantic space and bi-lateral ties.

5.3 Conclusion

A more constructive approach to Poland and Hungary is essential for sustainable democratic development and U.S. interests in the CEE region. A successful strategy will require resilient diplomacy backed by rhetoric that reinforces stability rather than provoking confrontation. With this in mind, the U.S. should not shrink away from calling out its allies on their more egregious policies that harm the region’s most vulnerable communities. The focus must be on keeping Poland and Hungary from decline while encouraging cooperation on shared goals. As a part of this, the U.S. should bring in the EU and NATO members to uphold democratic norms. Managing the transatlantic relationship — of which Hungary and Poland are a vital part — is a long-term project that can only succeed through pluralism, open dialogue and a shared set of values and objectives.
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Bibliography


Ganev, forthcoming; and discussion in 2020.

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Endnotes


5 Hungary was the only country in Europe to slide from the category of semi-consolidated democracy to a hybrid regime; Poland was downgraded from “consolidated democracy” to “semi-consolidated democracy.”

6 Krekó and Enyedi, 2018; Szabolcs, 2020.

7 Krekó and Enyedi, 2018; Szabolcs, 2020.

6 European Commission and the European Court of Justice, 2019; Sadurski, 2019; Przeworski, 2019)


10 I.e., Poland and Hungary achieved a certain level of transition toward democracy and are now moving away from their earlier achievements.


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13 The literature on this is diverse and dense. V-Dem suggests (1) liberal, (2) electoral, (3) participatory, (4) deliberative, and (5) egalitarian democracy (2020). Freedom House's scale ranges from (1) consolidated and (2) semi-consolidated democracies to (3) transitional governments or hybrid regimes, then (4) semi-consolidated to (5) consolidated authoritarian regimes (Freedom House, 2020). Others have suggested the terms are altogether unhelpful and confusing. There are also ratings' scales to consider. This includes the European Bank for Reconstruction and Development's (EBRD) development indicators; Transparency International's corruption ratings; the World Bank's Ease of Doing Business (which includes corruption, red tape, and payoff threats); and the OSCE and OECD's human rights and business assessments. But no rating scale is without its own biases and problems (Cooley and Snyder, 2016).

14 Interview with Grzymala-Busse, 2020.


24 An example of the former charge was the removal by the PiS-controlled Sejm (lower house of parliament) of the requirement for MPs to officially declare side work/incomes/contracts, which opposition MPs claim could fuel corruption. As for the second criticism, the summer 2020 presidential election campaign saw the PiS peddle conspiracy theories while regularly labelling dissenting voices as “enemies of the people” or as problematic to Poland (Zaborowski, 2020).


26 Piatkowski, 2018; discussions on Polish social media, 2018–2020.

27 Despite this, support for the EU remains high in Poland, and most Poles oppose a “Polexit”.


30 Ibid.


32 Interview with anonymous Hungarian civil society source, April 2020.


This is effectively explored in Rodrik, 2019.

Interview with Anonymous, April 2020.


https://thediplomat.com/2017/01/the-pitfalls-of-law-enforcement-cooperation-with-china/; By contrast, when the US requested the extradition of two Russian arms smugglers from Hungary to US to face charges, Hungary denied the request and sent them to Russia instead (where they apparently got off the hook). https://www.reuters.com/article/us-usa-russia-hungary-idUSKCN1NW1I0.

For example, Orbán gave refuge to the former Macedonian Prime Minister Nikola Gruevski, who was sentenced to prison on corruption charges, e.g., <https://euobserver.com/opinion/143489>; Orbán has also teamed up with Vucic of Serbia and Slovenia’s Janza after all have faced criticism for their less democratic tendencies, e.g., <https://www.politico.eu/article/epp-rebels-lay-out-political-vision-viktor-Orban-janez-jansa-aleksandar-vucic/>


In a 2020 poll, 94% of Hungarians view the treaty as unjust and excessive, e.g., <https://hungarytoday.hu/survey-majority-hungarians-trianon-treaty-unjust-excessive/>

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62 Zaborowski, 2020; interview with Anonymous think tank source 2, May 2020


64 Interview with Anonymous think tank source 1, May 2020.

65 Ibid.
