

**Testimony by Deputy Assistant Secretary Hoyt Yee**  
**House Foreign Affairs Committee – Europe Subcommittee**  
**Hearing on Hungary, May 19, 2015**

Chairman Rohrabacher, Ranking Member Meeks, Members of the Subcommittee, thank you for inviting me to appear before you today to discuss Hungary.

Hungary is a stalwart ally, valued partner, and close friend of the United States. The strong bonds between our two nations are rooted in our joint membership in key transatlantic organizations like NATO and in our shared commitment to the democratic foundations on which those organizations are based. Hungary has been a reliable partner in helping to address challenges in such places as Afghanistan, Iraq and the Balkans. Hungary supported sanctions the EU imposed on Russia over its actions in Ukraine and has provided assistance to the Ukrainian government. Hungary is one of several countries that has provided reverse-flow gas to Ukraine and has an important role to play in regional energy security. Our security cooperation with Hungary has been excellent, as exemplified by the presence of the U.S.-sponsored International Law Enforcement Academy (ILEA) in Budapest. Our economic ties and people-to-people exchanges are strong as well, and Hungarian-Americans have been an important part of the American tapestry for generations. The friendship between the American and Hungarian peoples is enduring.

The United States remains strongly committed to Hungary as an ally, friend and partner, and we recognize and appreciate the many areas where our cooperation is strong. Even the best of friends have differences. And when we do, we can and should speak openly to each other about them. As a member of NATO, the European Union, and the Organization for Security and Cooperation in Europe (OSCE), Hungary is committed to upholding democratic values and safeguarding the democratic and rule of law institutions that sustain these bodies.

This is not empty rhetoric. We have seen repeatedly, including recently in Eastern Europe, the disastrous consequences of failing to uphold the fundamental principles and values that underpin democracy and freedom. We need our allies to be strong. And it's important that that strength be not only military, but also in the institutions that undergird the state and society, such as rule of law, an independent judiciary and a free press. Assistant Secretary Nuland has said, "We can only be strong when we protect political pluralism, civil society and the right to dissent within our own borders; when our governments are clean, transparent and accountable to the people they serve." Since internal weakness invites nefarious influences from the outside, NATO needs all of its members to be internally strong.

And as a fellow member of that global democratic family and as we have witnessed steps that the Hungarian government has taken over the last five years – weakening checks and balances and undermining institutional independence – we have spoken out.

For example, as we pointed out in our Human Rights Report and Investment Climate Statement, the Hungarian government used its two-thirds supermajority in parliament to push through legislative and constitutional changes that centralized executive power, weakened the judiciary, and dampened the investment climate.

In 2011 the Hungarian parliament adopted a new constitution and a series of amendments that restricted the Constitutional Court's ability to check other branches of government, expanded the Court's size – creating vacancies for government-backed appointments, and protected new laws from scrutiny so they could not be ruled unconstitutional. Many changes advantaged entities that support the governing party and were rushed through without consultation or debate.

The government also undermined the independence of oversight institutions by restructuring and re-staffing them. The governing majority removed incumbents from office before terms had expired and appointed its own party loyalists.

Free, independent media and their unrivaled ability to shine a light on corruption or abusive state power are a key democratic pillar. As the State Department noted in its Human Rights Report, Hungary's 2010 media laws restrict media freedom by increasing government influence over the media. The laws stipulate that individuals could be held liable for published statements or for publicizing libelous statements made by others. Journalists could be judged criminally responsible for making or reporting false statements. Human rights organizations criticized the media laws, particularly emphasizing the broad scope of regulatory control of a non-independent administrative body. Since then, the Hungarian media environment has become dominated by outlets that are either state-run or sympathetic to the government and self-censorship seems to have become more widespread.

In 2014, national parliamentary elections were held in Hungary, and in this instance as well the government changed the rules to its advantage. As the OSCE's Office for Democratic Institutions and Human Rights reported: "The main governing party enjoyed an undue advantage because of restrictive campaign regulations, biased media coverage and campaign activities that blurred the separation between political party and the State. The legal framework for these elections was amended substantially in recent years. While some changes were positive, a number of key amendments negatively affected the electoral process, including the removal of important checks and balances. A new constitution and a large number of cardinal laws, including electoral legislation, were adopted using procedures that circumvented the requirement for public consultation. This undermined support for and confidence in the reform process."

Following the 2014 election, the government undertook a campaign against non-governmental organizations (NGOs) managing funds donated by Norway, including police raids. The United States raised this issue at the OSCE, pointing out that the campaign appeared to be aimed at suppressing critical voices and restricting the space for civil society to operate freely. The groups targeted were notable for their stance of questioning government practices and policies. The situation is at a standstill, with proceedings pending and the NGOs waiting for their names to be cleared, their confiscated equipment returned, and their tax numbers reinstated. We have urged Hungary to demonstrate its respect for civil society and free speech in this and other cases, not just with words but actions.

There is also the issue of corruption, which exists to some extent in all societies, but must be rooted out at every opportunity. Left unattended, it degrades the strength of our institutions and

saps the will to protect them. Instead of responding forcefully and transparently to allegations of corruption, the Hungarian government has allowed the problem to fester, protected certain accused officials, and punished the accusers.

Perhaps most troubling, from the highest levels of power in Hungary, we have heard rhetoric about building an “illiberal state on national foundations” and praising the superiority of autocracies while dismissing the distraction of “multiculturalism, political correctness and similar magic words.” Such comments do not do justice to the democratic values that Hungary is pledged to uphold. As European Commission Vice President Frans Timmermans said in February, “we cannot allow illiberal logics to take hold. There is no such thing as an illiberal democracy. Our Union is built...on the principle that societies should be free and open, sheltered from arbitrariness and force... So I cannot repeat it often enough: Compromising on values is compromising on the EU, weakening it and bringing it to a standstill. There can be no Europe without full respect of our common values.”

Pluralism and debate are integral to a democracy. Free media and unfettered civil society are essential to pluralism. In democracies, no one entity – no state, no political party, nor any one leader – ever has all the answers to the challenges faced by society. Governments by the people, for the people, and of the people should reflect the people they represent, and people need the latitude to work toward their own solutions. Democratic governments should ensure their citizens have that room, in an environment welcoming of different ideas and opinions.

The United States government has vocally raised its concerns about the negative trends in Hungary’s democracy over the last several years, both publicly and privately. In 2014, the United States made several statements at the OSCE’s Permanent Council and Human Dimension Implementation Meeting citing the government of Hungary’s intimidation of civil society and the media. In addition, we have applied Presidential Proclamation 7750, suspending the right of certain Hungarian officials to enter the United States for engaging in or benefiting from official corruption. In September, the President cited Hungary in his remarks at a Clinton Global Initiative event on civil society, saying “From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society.” We have urged the Hungarian government to end unwarranted investigations of NGOs receiving Norway funds and allow them to operate without further harassment, interference, or intimidation. Ambassador Bell has been in place since January and has made clear that our concerns persist.

The United States has not been alone in expressing these concerns. The erosion of democratic institutions in Hungary has garnered scrutiny from various bodies, including the European Union, the Venice Commission and the Commissioner for Human Rights of the Council of Europe, and the OSCE. We have been working with partner countries to address these issues, both bilaterally and in the EU. In addition, independent organizations such as Transparency International and Amnesty International have cited issues with Hungary. And, importantly, concerns about democracy in Hungary are shared by many Hungarians themselves.

The United States has also expressed concern about the rise of extremism. While not unique to Hungary, ethnic nationalist rhetoric there has reached a very concerning degree. We would like

to see greater efforts to strengthen a climate of tolerance more consistent with the transatlantic values to which Hungary has subscribed.

In recent months, we have seen some positive signs. For example, leading up to the parliamentary vote on deploying troops as part of the anti-ISIL coalition, the government and governing party leaders in parliament engaged in substantive consultations with other parties and the relevant parliamentary committees. What we would like to see, what we need to see, are concrete and consistent steps to directly address and correct the issues I have raised here today. We have already gone on record regarding corruption and civil society, so those would be good places to start.

I would like to reiterate that Hungary remains a friend, partner and ally and that we have expressed our concerns in that spirit. It is important for Hungary to represent transatlantic values not only for its own political and economic future, but also for it to be a strong partner on global challenges – as it was for the first two decades after the 1989 fall of communism.

Thank you again for the opportunity to testify before this Committee.