



# Hungary

## Country Report

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## Executive Summary:

*Since the end of the Cold War, Hungary has been successfully stabilizing its political, economic and legal foundations. Today Hungary has a high-income economy and a very high Human Development Index score.*

*Hungary joined NATO in 1999 and the EU in 2004. Although integrated into these Western organizations, Hungary has also pursued good relations with Russia. Hungary is a member of the Visegrad Group of Central European countries—along with Poland, the Czech Republic, and Slovakia—which advances cultural, economic, and security cooperation. -*

*A landlocked country in Central Europe, Hungary borders Austria, Slovenia, Croatia, Serbia, Romania, Ukraine, and Slovakia. The country has stable relations with all its neighbors.*

*In 2014, Hungary declared its support for Ukraine’s sovereignty and territorial integrity; however, Prime Minister Viktor Orbán emphasized the country’s ambivalent attitude toward the Ukrainian-Russian conflict.*

*Hungary maintains strong ties with the United States and has good relations with Israel.*

*Hungary’s Jewish community is between 75,000 to 100,000 people and is mostly concentrated in Budapest. There is no state discrimination against the Jewish community; however the existence of right-wing parties such as Jobbik has helped foster anti-Semitic rhetoric. Incidents of anti-Semitism include Holocaust distortion, negative depictions in the media, and the honoring of World War II-era leaders responsible for the deportation of Jews.*

## History:

The Magyars, semi-nomadic migrants from Eastern Europe, conquered the Pannonian Basin in the late 9<sup>th</sup> century and settled in what is today Hungary. In the 11<sup>th</sup> and 12<sup>th</sup> centuries, Hungary became a part of Western civilization and modeled its administration on that of the Byzantine Empire.

### Statistics:

**Population:** 9,798,000  
(2019 est.)

**Size:** 93,030 sq. km

**Capital:** Budapest

**Major cities:** Budapest,  
Debrecen, Miskolc, Szeged,  
Pécs

**Jewish population:** 75,000  
– 100,000

**Head of State:** János Áder

**Head of Government:**  
Viktor Orbán

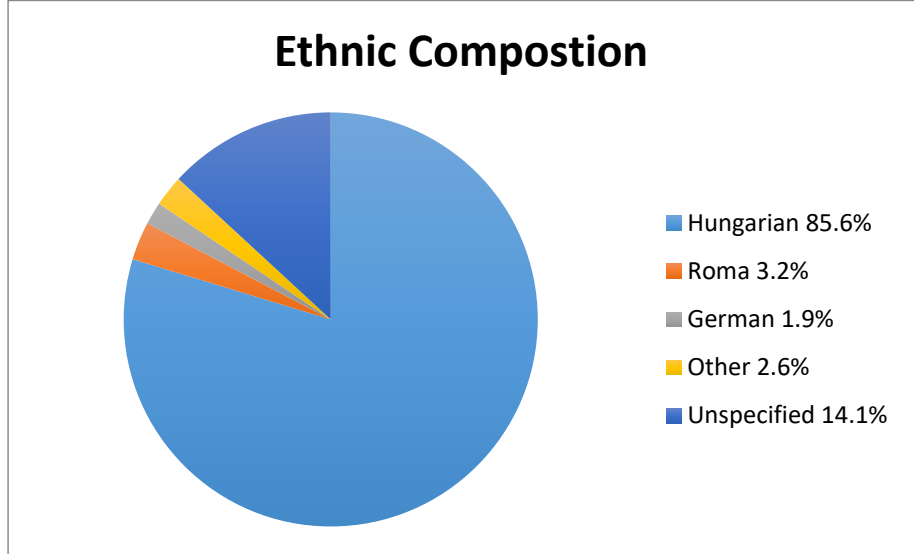
**Foreign Minister:** Péter  
Szijjártó

**Ambassador to the United  
States:** László Szabó

**U.S. Ambassador to  
Hungary:** David Cornstein

**Freedom House Rating:**  
Free

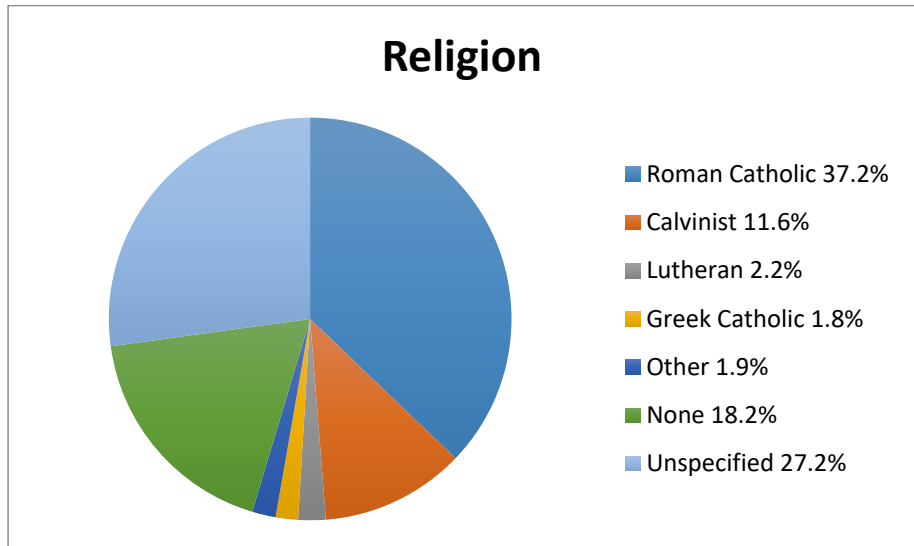
The Ottoman Empire occupied the greater part of Hungarian territory from 1541 to 1699. The Habsburgs (rulers of Austria), with the aid of other nations, expelled the Turks and, took over almost all of Hungary. Despite several attempts by Hungarians to establish self-rule (most notably, during the Revolution and War of Independence of 1848), the Habsburgs remained in power until 1918 when the Austro-Hungarian Dual Monarchy was finally overturned.



*(Percentages total over 100% as some respondents identify as part of multiple ethnic groups.)*

During the First World War, Austria-Hungary fought on the side of the Central Powers. After the war, the newly independent Hungary was forced to sign the Treaty of Trianon, losing more than two-thirds of its territory and about 60% of its population.

In the Second World War, Hungary joined the Tripartite Pact along with Germany, Italy, and Japan and fought on the side of the Axis Powers. Until 1944, Admiral Miklos Horthy refused to obey Hitler's directives on handing over Hungarian Jews; however, after the Nazi invasion in 1944, hundreds of thousands of Jews were deported to Auschwitz and other



concentration camps. When the Arrow Cross party came to power, thousands of Jews were murdered on the banks of the Danube River. Overall, some 565,000 Hungarian Jews were murdered during the Holocaust.

The Second World War helped Hungary regain some of the territories it had lost with the Treaty of Trianon. However, Communists started consolidating power in the country in 1947 and maintained a strong military presence there throughout the decades leading up to the Revolutions of 1989. All Soviet forces had been withdrawn from Hungary by June 1991.

Hungary experienced a relatively smooth transition from communism to a multi-party democracy and free market economy after 1989. In 1999, Hungary joined NATO and in 2004 it became a member state of the European Union.

### **Political Situation:**

Hungary is a parliamentary democracy with legislative, executive, and judicial branches, of which the unicameral Parliament (the National Assembly) holds the most power. Its 199 members are popularly elected to four-year terms. Along with legislative powers, the Parliament elects the head of state for five years terms. Since 2006, the Fidesz (Hungarian Civic Union) Party has been the ruling party in the National Assembly.

The President of the Republic is nominally the Commander-in-Chief of the armed forces and has the power to nominate the Prime Minister, to be confirmed by a majority of the votes in Parliament. The Prime Minister has the leading role in the executive branch and has the power to select and dismiss cabinet ministers.

President János Áder was elected President in May 2012. He is a strong advocate for the protection of human rights and has acknowledged and apologized for Hungary's involvement in the Holocaust.

Viktor Orbán, a right-wing populist, has been Prime Minister since 2010. Orbán's first premiership was between 1998 and 2002, when he became the second-youngest Prime Minister of Hungary. Since 2010, Orbán has expressed views against liberal democracy, and targeted democratic institutions, including the free press and the judiciary. Government uses its influence over broadcasters and media companies to effectively deny opposition parties a voice, making elections less free and fair. Government regulations heavily impede the working of liberal non-governmental organizations. In September 2018, the European Union's legislature voted overwhelmingly to label Orbán's government a "systemic threat to the rule of law."

Orbán has regularly invoked anti-Semitic tropes to criticize Hungary's supposed enemies, particularly targeting billionaire philanthropist George Soros, a Hungarian émigré to the United States, and his Open Society Foundation.

### **Economic Situation:**

Despite a severe adjustment in the late 1990s, Hungary has managed to sustain a relatively healthy and growing economy.

Hungary's economy is structurally, politically, and institutionally open. Since a market liberalization in the 1990s, Hungary has joined the Organization for Economic Co-operation and Development (OECD) and the World Trade Organization.

Since Hungary entered the EU in 2004, the government has made a number of reforms to achieve economic stability, but high unemployment, a low-skilled labor force, and hard currency indebtedness impede Hungary from entering the Eurozone, the government's biggest long-term

**Currency:** 286 forint = \$1 (March 2019)

**GDP:** \$139.14 billion (2018 est.)

**GDP per capita:** \$15,647 (2018 est.)

**GDP Growth:** 4.1% (2018 est.)

economic aim. Currently, Hungary meets only four out of the seven Maastricht criteria. The government's target year for converging to the euro is 2019-2020.

The global financial crisis of 2008 severely affected the Hungarian economy. The country experienced declining exports, fixed asset accumulation, and reduced domestic consumption. The economy severely contracted, and Hungary received a \$25 billion rescue package from the International Monetary Fund and EU.

Hungary is a post-industrial economy. The service sector employs a majority of the workforce, followed by the industrial and agricultural sectors. The unemployment rate has declined to below 5%.

### **Foreign Policy:**

Hungary has mostly good relations with its neighbors. The country has experienced complicated relations with Romania due to a historical territorial conflict over Transylvania; however, as full members of the EU and NATO, the two countries seek to work on further improving diplomatic relations.

As a member of NATO and the EU, Hungary is focused on deepening integration and extending cooperation with the Western community. The country has participated in NATO's operations in the Western Balkans, Afghanistan, and the Baltic region, and has been developing defense capabilities. Hungary has also contributed soldiers to UN peacekeeping operations in the Western Sahara, Cyprus, and Lebanon.

Hungary, under Viktor Orbán, has also been strengthening ties with Russia, increasing strategic cooperation in the fields of energy and trade. In 2017, Russian President Vladimir Putin visited Budapest to discuss bilateral ties.

As a member of the EU, Hungary supported Ukraine's territorial integrity during the Crimean crisis; however, Prime Minister Orbán emphasized Hungary's neutrality on the matter. Orbán has also opposed the EU sanctions placed on Russia as a result of the Kremlin's invasion of Eastern Ukraine and annexation of Crimea.

Hungary, along with Poland, the Czech Republic, and Slovakia, is a member of the Visegrad Group of Central European countries.

### **Relations with the United States:**

Hungary established diplomatic relations with the United States in 1921. The two countries halted diplomatic relations in 1941 when Hungary joined the Axis powers and declared war on the United States, and reestablished them in 1945. Since the 1989 revolution in Hungary, the two countries have deepened diplomatic relations and increased their strategic partnership.

Areas of bilateral cooperation include NATO capabilities and multinational operations, counterterrorism, nuclear proliferation, missile defense, human rights, economic growth, energy security, and regional cooperation.

Hungary contributes soldiers to the NATO-led International Security Assistance Force (ISAF) in Afghanistan. Currently, roughly half of Hungarian troops deployed abroad are in Afghanistan. Hungary also takes part in the Kosovo Force (KFOR) peace operation, to which it contributes 200 soldiers.

In 2014 Hungary signed the Foreign Account Tax Compliance Act (FATCA) with the United States.

Since Hungary transitioned from a centrally planned economy to a free market economy, the United States has been a top foreign investor, in sectors including, telecommunication, IT, and automotive industries.

Hungary is one of the 38 eligible countries for the U.S. Visa Waiver Program (VWP), where citizens of participating countries are eligible for a visa-free entry into the United States.

Among many areas of cooperation between the U.S. and Hungary is cultural cooperation. In April 2004, the U.S. Commission for the Preservation of America's Heritage Abroad and the Hungarian government signed an agreement to protect American cultural properties in Hungary.

In June 2010, former Minister of Foreign Affairs János Martonyi visited Washington, D.C. and met with Secretary of State Hillary Clinton and Members of Congress. In November 2010, CIA director Leon Panetta visited Budapest and met with Prime Minister Viktor Orbán. In May 2012 Prime Minister Viktor Orbán attended the NATO Summit Meeting in Chicago, Illinois.

In February 2015 Minister of Foreign Affairs Péter Szijjártó attended the inaugural meeting of the American-Hungarian Business Forum in New York and met with high-level representatives from major U.S. companies. In March 2016 Prime Minister Orbán visited Washington to attend the nuclear security summit.

U.S.-Hungary relations cooled under President Barak Obama's administration, which grew increasingly concerned with corruption in Hungary and the Orbán government's enactment of anti-democratic measures, under its concept of "illiberal democracy." In contrast, Prime Minister Orbán and President Donald Trump have praised each other for their restrictive policies on border protection. The Trump administration has increasingly sought warmer relations with Hungary. Following Orbán's victory in the June 2018 parliamentary elections, Trump called to congratulate him.

#### **Relations with Israel:**

Hungary recognized Israel and established diplomatic relations in 1948, severed relations in 1967 during the Six-Day War, and restored relations in 1989. Hungary has an embassy in Tel Aviv and four honorary consulates in the country. Israel has an embassy in Budapest and an honorary consulate in Szeged.

In March 2008, Hungarian President László Sólyom visited Israel and met with President Shimon Peres. President Sólyom also spoke at a plenary session of the Knesset, where he condemned attacks by Hamas against Israel. He also spoke about Jewish communal life in Hungary and expressed regret that anti-Semitic incidents are becoming more common in his country.

In July 2012, Hungarian President János Áder visited Israel and met with Prime Minister Benjamin Netanyahu. The two leaders discussed advancing bilateral relations, ways to advance negotiations with the Palestinians, and rising anti-Semitism in Europe. President Áder declared that he firmly opposed any manifestation of anti-Semitism.

In November 2015, Hungary opposed EU guidelines on labeling Israel settlement goods. During a visit to Jerusalem, Hungarian Minister of Foreign Affairs Péter Szijjártó called labeling "an insufficient instrument"

that “does not contribute to a solution [to the Israeli-Palestinian conflict], but causes damage.” Prime Minister Netanyahu praised Szijjártó for his “strong statement.”

Following the cancellation of the Visegrad Summit in Jerusalem, Prime Minister Orbán travelled to Israel anyways to meet with Prime Minister Netanyahu. While in Israel, Orbán signaled that his government planned to open a diplomatic office in Jerusalem, and in March 2019, Hungary opened a trade office with diplomatic status in Jerusalem. Hungary is one of only two European Union countries to have an official diplomatic presence in Jerusalem

### **Jewish History:**

Jews first settled in Hungary during the Roman Empire, before the Magyar tribes conquered the Carpathian Basin. Large numbers of Jews moved from Germany, Bohemia, and Moravia to Hungary in the 11<sup>th</sup> century, significantly enlarging the Jewish community.

The church’s influence grew during the 14<sup>th</sup> century, when King Louis I of Hungary briefly expelled Jews from his realms. Intermittent discrimination against Jews in Hungary continued throughout the Middle Ages and into modernity.

In the beginning of the 20<sup>th</sup> century, Jews in Hungary were 5% of the population and 23% of the population of Budapest. From 1919-1921, in the wake of the Austro-Hungarian Empire’s dissolution, Jews suffered under the “White Terror,” an anti-Bolshevik movement that murdered approximately 3,000 Jews. In the early 1920s, anti-Semitic laws were introduced and Jewish socioeconomic activity was restricted.

During the Second World War, over 560,000 Hungarian Jews were murdered by the Nazis and by the actively cooperating Hungarian government. In less than two months after the German occupation of Hungary in March 1944, nearly 440,000 Jews were deported to concentration camps. Most Jews were sent to Auschwitz. By the end of July 1944, the only Jewish community left in Hungary was in Budapest.

The Arrow Cross party carried out a reign of terror against the Jews left in Budapest. Hundreds of Jews were violently murdered; the rest were sent to a ghetto where they lived until Soviet troops liberated them in 1945.

The imposition of the Communist regime in Hungary resulted in the shutdown of a number of Jewish institutions and the arrest of Jewish activists. During the Hungarian Revolution of 1956, 10,000 Jews left the country. Since the fall of communism in 1989, all restrictions on Jews have been lifted.

### **Jewish Community:**

Currently, Hungarian Jews represent the largest Jewish community in East-Central Europe: estimates range from 75,000 to 100,000.

There are two separate Jewish umbrella groups in Hungary: the Federation of the Jewish Communities (MAZSIHISZ) and the United Hungarian Jewish Congregation (EMIH). MAZSIHISZ organizes a variety of social welfare and communal service programs for children, youth, and veterans. The Federation also maintains more than 1,500 Jewish cemeteries. EMIH is a smaller Chabad-allied group, with closer ties to the government of Prime Minister Viktor Orbán.

There are 23 functioning synagogues in Budapest and 30 more in other towns that are populated by Jews. Budapest also hosts a University of Jewish Studies, the only Jewish university in Eastern Europe, which

includes a theological seminary. There is also a functioning Jewish hospital, a Jewish community center, and nursing homes for Holocaust survivors in Budapest. The annual Jewish Summer Festival hosts 300,000 visitors each year.

There are kosher bakeries and restaurants in Budapest. A Jewish newspaper is printed twice monthly as well as a Jewish monthly magazine and a Jewish literary and arts journal.

Hungary established a National Holocaust Memorial Day in 2000. In 2004, the country inaugurated the Holocaust Centre in Budapest and a new permanent Hungarian exhibition at the Auschwitz-Birkenau State Museum in Poland.

The American Jewish Joint Distribution Committee (JDC) and the Ronald S. Lauder Foundation sponsor projects and programs focused on education, assistance to Hungary's poorest Jews, and revitalization of Jewish community life in Hungary.

Hungary became a fully-fledged International Holocaust Remembrance Alliance (IHRA) member country in 2002 and chaired the organization in 2006 and 2015.

In May 2013, Budapest hosted the Plenary Assembly of the World Jewish Congress. During the conference, Jewish leaders from around the world expressed solidarity with the local Jewish community against anti-Semitism, which has become more prevalent in recent years. In particular, leaders drew attention to the activities of the extreme right-wing Jobbik Party, which is represented in the Hungarian Parliament and espouses an unabashed anti-Semitic platform.

In February 2019, a 13<sup>th</sup> century synagogue in Budapest recently returned to the Jewish community celebrated its first Bar Mitzvah in 332 years. Later that month, scammers stole \$437,000 from a synagogue renovation project.

Recently, tensions have developed between different factions in the community. Points of contention include resources, government recognition of official leadership, and the opening of a new Holocaust museum in Budapest, which some Hungarian Jewish groups are boycotting due to its equation of Nazism with communism. The local Chabad community has replaced MAZSIHISZ in partnering with the museum and government.

In January 2019, conflict again surfaced between Jewish community groups regarding an Israeli operation by the ZAKA emergency services to sweep the Danube River for the remains of those Jews murdered on its banks in Budapest during the Holocaust. MAZSIHISZ criticized the EMIH-initiated effort, which it said would violate halakha by disturbing Jewish remains. EMIH countered that there is a moral obligation to rebury a body found in a flooded grave. In ZAKA's initial sweep of the river, no remains were found.

### **Anti-Semitism:**

There is no official state discrimination against the Jewish community. Hungarian law punishes physical and verbal abuse of a person based on his or her religious affiliation with up to five years in prison, and denying the Holocaust with up to three years in prison.

Despite this, anti-Semitic rhetoric has become more common, even within the government. The popularity of the extreme right-wing Jobbik Party is especially alarming, as its inclusion in Hungary's parliament represents a tacit acceptance of extremism, and emboldens right-wing activists to commit



anti-Semitic acts. Even though Hungarian law automatically suspends the immunity of a parliament member (MP) for inciting hatred against religious communities, no MP has been the subject of such a proceeding.

Hungarian governments have pursued policies to rehabilitate the Horthy era, exonerate Hungary from its role in the Holocaust, and deviate attention from the Nazi genocide. At the same time, authorities have also promoted a positive narrative of Jewish life in the country during the pre-World War One period to defend against allegations of historic popular anti-Semitism. The Jewish community consistently expresses concern over the efforts to rehabilitate Second World War figures and anti-Semitic statements by the Jobbik party.

In recent years, anti-Semitic incidents in Hungary have included Holocaust denial, cemetery desecrations, physical and verbal attacks, and historical revisionism. Government leaders at both national and local levels have supported the rehabilitation of the reputation of historic figures that were known for their anti-Semitic views and support for Nazism. Prime Minister Orbán's government has been criticized for perceived ties to the Jobbik party and for covering up Hungary's involvement in the deportation of Jews during the Holocaust, despite vows of "zero tolerance" for anti-Semitism.

In 2012, the speaker of the National Assembly imposed fines on a Jobbik party member three times for using the word "Zionist" in a pejorative context.

In May 2012, a village in Hungary called Kereki erected a statue of former Regent Miklos Horthy, who was responsible for the deportation of hundreds of thousands of Jews to concentration camps.

In May 2013, the Jobbik Party held a demonstration against Zionism in connection with the World Jewish Congress (WJC) plenary conference in Budapest. A few hundred people attended the demonstration.

In September 2013, Deputy Speaker of Parliament Sándor Lezsák attended a ceremony marking the 20<sup>th</sup> anniversary of the reburial of Miklos Horthy, which he praised as "a historic atonement."

In November 2013, Calvinist pastor Lorant Hegedus, Jr. and members of the Jobbik party held a ceremony to rededicate a bust to Horthy. Approximately 400 Horthy supporters and several Jobbik party members attended the ceremony, where a Jobbik MP praised Horthy for how he "freed the country from the foreign-hearted mob."

According to the European Forum on Anti-Semitism, during the first six months of 2014, 33 incidents of anti-Semitism were reported, including three physical assaults. MASZIHISZ also reported verbal attacks, cemetery desecrations, Holocaust denial, and anti-Semitic articles in the media.

In January 2014, the government appointed a new director of the Veritas Institute for Historical Research, who called the 1941 deportation of 18,000 Jews from Hungary to German-occupied Ukraine "a police action against aliens," because they did not have Hungarian citizenship. The director remained in his position despite calls for his removal on the grounds of Holocaust denial.

In 2015, the Hungarian government completed construction of a new Holocaust museum building in Budapest called the House of Fates, with limited consultation and coordination with the Jewish community and international Holocaust experts. By early 2019, the museum had failed to open, due to continued concerns by Hungarian Jews and international scholars that the exhibitions and educational center minimize the Hungarian government's role in the deportation and persecution of Jews during the

Holocaust. Orbán's government has handed the running of the museum to the Chabad-affiliated Unified Hungarian Jewish Congregation (EMIH).

In the April 2014 parliamentary elections, the Jobbik party increased its number of seats by 3.55%, strengthening its position as the third-largest party in the Hungarian National Assembly.

In December 2015, a life-sized statue of World War II-era Nazi supporter Balint Homan was scheduled to be erected in the center of the city of Szekesfehervar. The matter drew international protest and the Balint Homan Foundation was forced to postpone the inauguration of the statue. The foundation had received both state and municipal funding for the statue. The Mayor of Szekesfehervar has asked the foundation to return the funds.

*Son of Saul*, a 2015 Hungarian Holocaust drama directed by László Nemes won the Grand Prix at the 2015 Cannes Film Festival. In 2016, the film won the Oscar for Best Foreign Language Film at the 88th Academy Awards. It also won the Golden Globe for Best Foreign Language Film, becoming the first Hungarian film to win the award.

In January 2016, Hungarian far-right politician and deputy chairman of Hungary's Jobbik Party Előd Novák claimed that funding from a Hungarian film board for the film is evidence that the "Holocaust industry" is flourishing.

In January 2018, Sándor Lezsák, a senior member of the governing Fidesz Party, participated in a ceremony on Holocaust Remembrance Day honoring the 150<sup>th</sup> birthday of Miklos Horthy, Hungary's leader during World War II, who oversaw the deportation of much of Hungary's Jewish community to concentration camps.

In November 2018, the Hungarian government pledged \$3,400,000 dollars to fight anti-Semitism in Europe. Prime Minister spokesman Gergely Gulyas said that the funds would be used to establish an anti-Semitism hotline, as well as support education and justice initiatives. The decision was taken in response to criticism of the Orbán government for stoking anti-Semitism in the country through his attacks on George Soros.

In December 2018, a Hungarian business magazine closely linked to the Orbán government depicted the president of the Hungarian Jewish community surrounded by paper money. Orbán refused to condemn the magazine cover.

In February 2019, neo-Nazi marches took place in Budapest, which drew an estimated 2800 participants. The demonstration commemorated those Nazi and fascist forces who fought the Soviet Union in 1945.