A large Swiss flag, featuring a red field with a white cross, is waving on a tall pole. The background is a majestic, snow-covered mountain range under a clear blue sky. In the lower foreground, the roof of a small stone building is visible.

Hungarian “Swissification”: Cracking Open the New Iron Wall Between the East and West

Sean Nottoli

The logo of the Danube Institute, featuring a stylized white archway or bridge structure.

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About the Danube Institute

The Danube Institute, established in 2013 by the Batthyány Lajos Foundation in Budapest, serves as a hub for the exchange of ideas and individuals within Central Europe and between Central Europe, other parts of Europe, and the English-speaking world. Rooted in a commitment to respectful conservatism in cultural, religious, and social life, the Institute also upholds the broad classical liberal tradition in economics and a realistic Atlanticism in national security policy. These guiding principles are complemented by a dedication to exploring the interplay between democracy and patriotism, emphasizing the nation-state as the cornerstone of democratic governance and international cooperation.

Through research, analysis, publication, debate, and scholarly exchanges, the Danube Institute engages with center-right intellectuals, political leaders, and public-spirited citizens, while also fostering dialogue with counterparts on the democratic center-left. Its activities include establishing and supporting research groups, facilitating international conferences and fellowships, and encouraging youth participation in scholarly and political discourse. By drawing upon the expertise of leading minds across national boundaries, the Institute aims to contribute to the development of democratic societies grounded in national identity and civic engagement.

About the Author



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Hungarian “Swissification”: Cracking Open the New Iron Wall Between the East and West

Sean Nottoli

Abstract

Diplomacy between the East and West has reached an all-time low. With ever increasing tension in the Indo-Pacific between China, its neighbors and the United States, and the continuing Russian invasion of Ukraine, a new “Great Iron Wall” has emerged dividing the East and West. With the threat of war looming over the horizon, Western powers need to formulate new strategies on how to diplomatically approach and prevent conflict from the East.

This paper argues that Hungary is undergoing a process of “Swissification”, and is starting to become what Switzerland was in the 20th century. Budapest, with its zeal for an international strategy centered around connectivity, is increasing in international significance and is beginning to operate as a gateway for the East into the West. But that gateway works both ways, and Hungary’s policies are beginning to afford Western powers new opportunities to engage the East in a way that it so far hasn’t been able to in the 21st century.

There are still problems and issues that need to be addressed, but just as the United States successfully addressed the problems it had in its relationship with Switzerland in the 20th century, so too can its current issues with Hungary be mitigated. And just as Switzerland became instrumental in the West’s pursuit of preventing war with the Soviet Union and other more current hostile regimes around the world, Hungary is beginning to present opportunities that if used properly, can be exploited by the West as a tool to prevent war and preserve the liberal global order.

Introduction

With President Donald Trump's election in November 2024, it seems that US-Hungarian relations are entering a golden age. From a purely ideological standpoint, Hungarians and their government should be excited to see an American Administration with which they share so much in terms of values and worldview take the White House.

Amid the backdrop of what should be a purely optimistic period in Hungary's history, however, Hungary finds itself in the crossfire of the great power competition erupting between the East and West. With Putin's war in Ukraine and constant threats of nuclear retaliation if NATO support for Ukraine continues, the massive build-up of the Chinese military and threats of war in the Indo-Pacific, relations between East and West have reached an all-time low. In this era of escalating aggression and souring relations between the great powers, to many, all-out conflict seems inevitable.

To make matters worse for Hungary, many in the West are questioning its solidarity with the West over its strong economic and diplomatic relationships with the East. In Hungary's bid to secure its own prosperity, it has developed strong and deep economic ties with Eastern powers that give Western leaders pause and consider problematic. With China redirecting investments towards Budapest, and increased cooperation between the Chinese Communist Party (CCP) and Hungary, many in the West worry that Hungary has become a gateway for the CCP to exert influence on the West.

In this paper I argue that while there are problems and issues that need to be fixed, those same policies that have caused Western leaders to worry may open the cracks in the new Iron Wall with the East just enough to allow successful diplomacy. Western powers should exploit these openings and utilise Hungary as a gateway and bridgehead to the east.

While many in the West may decry Hungary as a problem child over its strong ties with Russia and the CCP, such relationships may provide a serious strategic opportunity for diplomacy, just as Switzerland's neutrality did in the 20th century. I argue that Hungary has begun to undergo a

process of “Swissification”, adopting policies and strategies reminiscent of 20th-century Switzerland that made it a hub of connectivity and a desperately needed back channel of communication between the US and the USSR during the Cold War. While Hungary is still in the beginning stages of this “Swissification”, and is not yet the same diplomatic powerhouse Switzerland is, we are seeing it go through the growing pains Switzerland did before it was recognized as the authority it is today. And, like with Switzerland, these growing pains in Hungary are giving Western leaders concern.

However, just as there were legitimate security concerns over Switzerland and its relationships with the Soviet Union, the Western powers of the 20th century were able to successfully overcome those obstacles and utilize Swiss diplomacy towards their advantage. Switzerland and Hungary, two countries with radically different histories, have both had to contend with more prominent regional powers that have at times either invaded or forced their policies upon them. Though each nation has developed its own unique strategies in pursuit of their national interests, their shared zeitgeist for preserving their sovereignty and ensuring the prosperity of their citizens has led both to pursue their own forms of neutrality. This desire has led Hungary to develop policies reminiscent of those in Switzerland, which it practices today, seeking to be the centralised hub for business in Eastern Europe.

It is important to note, however, that unlike Switzerland, Hungary is not a neutral country. It remains a NATO member state and fully participates in NATO missions, contributing troops to SFOR and KFOR, the NATO protection forces in the Balkans and participated in the ISAF in Afghanistan. While Hungary's stance during the Ukraine war has been described as “cautious distance” by observers, and there is tension between Budapest and Kiev, Hungary has condemned Russian aggression, supports NATO's new strategic concept and voted for most sanctions against Russia.¹ Hungary is also a member of the European Union.

Switzerland, while being a completely neutral country, has proven to be extremely useful to Western powers like the

¹ See: Norbert Szári and Konrad Gazdag, Hungary in NATO: Alliance Integration and the Revival of the National Defence Industry, Danube Institute, May 2025.

United States in pursuit of their foreign policy goals. While there were problems and issues in the US-Swiss relationship that had to be worked out, the US and Switzerland were able to come to an agreement and address the US's security concerns at the time. Though there are serious points of contention with Hungary's policies which have made it a gateway for nations like China into the West, so too have its policies made it a gateway for the West into the East.

This “Swissification” has transformed Hungary into a unique strategic node that enables interactions and diplomatic engagements between geopolitical rivals.

Hungary's attempts to make it the ideal place to do business in Europe has made it increasingly important and indispensable to the nations of the East, particularly China. This eastern opening offers Hungary's allies an opportunity to crack open the new Iron Wall being built in the Pacific.

The business-first mentality of the Hungarian leadership has led to the development of a diverse environment of economic cooperation between nations and groups that are diametrically opposed to one another. This provides a distinctive opportunity for Hungary to foster diplomacy and peaceful relations, similar to how Switzerland operated diplomatically during the Cold War. Given Hungary's status as a NATO and EU member (unlike Switzerland) it offers Western leadership an opportunity for even greater diplomatic engagement and arbitration with the East. Utilizing Hungary's relationships as a tool, the West has a strategic opportunity to diplomatically engage with the East, prevent conflict and preserve the liberal global order.



Desire and Pursuit of Neutrality and Connectivity

Hungary - Problem Child or Strategic Opportunity?

Over the past few years, there has been a growing sense among other nations in the EU and NATO that Hungary has become a stumbling block to advancing western policies and agendas. After all, it was Hungary that was the last to agree to NATO allowing Finland and Sweden to join the alliance. And more recently Hungary has countered the EU's attempts to respond to President Trump and his tariffs on Europe with the EU's own tariffs. Hungary voted "no" on Brussels's plans for retaliatory tariffs against the United States, citing concerns over the negative effects it would have on the European economy. And to make things worse, Hungary's willingness to welcome Russian and Chinese business, despite criticism, has seemed to cause a rift between Hungary and its allies. To critics in Brussels and Washington alike, Hungary has sometimes more closely resembled an annoyance than an ally.

However, I argue that what leaders in Brussels and the previous American Administration fail to realize is that there is a real strategic opportunity for the West in Budapest. While frustrating for major powers like the US and the collective power of the EU, there are historical precedents for Western powers in successfully utilizing neutral powers to advance their policy goals and even prevent conflict.

Switzerland has been neutral since the 16th century, refusing to align completely with any great power. It opened its doors to do business with both the United States and the Soviet Union during the Cold War, has a business and diplomatic relationship with North Korea despite sanctions, and is even friendly with the current Iranian leadership. Anyone reading this in countries like the United States may be temporarily surprised. When asked about Switzerland, many Americans will discuss the beautiful Swiss Alps, the friendly people, and assume that, as a part of Europe, the country is automatically aligned with the United States in terms of shared values. In this era of renewed geopolitical rivalries between the US and Eastern powers like the Communist Party of China, it would be

hard to believe that western nations are friendly with a country that has been seeking stronger relationships with the west's competitors.

While concerning at first glance, the United States and other Western powers have utilized Swiss neutrality to their advantage several times before. To first understand how Western powers have utilized Swiss neutrality, it is necessary to understand the origins and meaning behind its policy of neutrality.

Origins of and Reasons for Swiss Neutrality

You check your armor as you survey the city around you. You've been stationed in Milan for two months and are preparing for war. Rumors have circulated around the city of an impending French invasion after it was reported that Francis I had ascended the throne. The date is September 12, 1515, and you proudly answered your nation's call to defend once again the Swiss Confederacy and its ally, the Duchy of Milan. You're not scared of French forces; after all, you are a combat veteran who helped Milan's army drive out the French two years ago. You confidently look at the hundreds of your comrades in arms that surround you, not knowing that tomorrow, most of them will be killed by France's new artillery technology that will rewrite the art of war for centuries to come. You are destined to watch as your countrymen are slaughtered by cannon fire and are forced to retreat from Italy entirely. The loss will be so devastating that next year, in 1516, your country will sign a perpetual peace agreement with the French. Never again will the Swiss state send troops into battle.

Over 500 years later, the legacy of the Battle of Marignano and the resulting Treaty of Geneva in 1516 forms the cornerstone and foundation of Swiss foreign policy even to this day.² The shock and awe of major military advancements by larger military powers, combined with the experience of being forced to fight wars on behalf of these powers, have forever shaped the Swiss mindset on governance and foreign affairs.³ A mindset that has resulted in

² Federal Department of Foreign Affairs (FDFA), Neutrality, Swiss Confederation, accessed June 25, 2025, <https://www.dfae.admin.ch/aboutswitzerland/en/home/politik-geschichte/die-schweiz-und-die-welt/neutralitaet.html>.

³Ibid

hundreds of years of Swiss policy and leadership dedicated to keeping the country out of foreign wars, building balanced relationships with all nations, and ultimately becoming the major international arbitrator and economic powerhouse it is today.

Learning from the lessons of defeat, Switzerland's leaders have managed to prevent it from becoming just another defeated power with a history of once being a major influence in global affairs. Instead, they have become the standard bearer and principal agent driving international diplomacy and negotiation between rival nations. Rather than fading into the background of history, Switzerland has turned defeat into victory, skillfully leveraging its neutrality to ensure that wherever there's an international dispute, there is a Swiss diplomat ready to resolve it.

Hungary's Attempts At Neutrality

Hungary, like Switzerland, has learned serious lessons about the benefits of neutrality and the blessings it brings. Originally meant as a means to divorce itself from the Soviet Union, the origins of Hungary's attempts to be a neutral state can be traced back to 1956, during the Hungarian Revolution.⁴ The Revolution began as a simple, peaceful protest of university students against the Soviet occupation of Hungary. The Soviets responded by sending state security forces to the protest, ordering them to open fire, killing the students. This resulted in a mass revolt against the Soviet Union and a rallying cry from the Hungarian people to end Communism and re-establish Hungary as a democratic state. The new Hungarian government did everything in its power to resist Soviet forces, from publicly renouncing the Warsaw Pact⁵ to calling on help from the United Nations and seeking official recognition as a neutral state.⁶

While to some it may seem drastic, the Hungarian plan wasn't without merit. Just one year before, in 1955, Austria was able to expel Soviet occupation forces from their country successfully and declared itself a neutral country.⁷ Unfortunately for the Hungarians, however, Moscow's decision in response to the Hungarian uprising was to invade Hungary. On November 4 1956, Russian troops and tanks entered Budapest, opening fire on the populace and savagely forcing the uprising to a close.

Though the short-lived revolution was squashed and ultimately doomed to fail, neutrality became a rallying cry for the Hungarian people. In today's context, it is irrelevant that the uprising was doomed for failure. What's important is that the rebellion cemented the desire for a form of Hungarian neutrality into the collective memory of the Hungarian people. That short-lived call for neutrality influenced policy in the subsequent decades as Hungary sought to keep good relations with the western powers.

Even after the fall of the Soviet Union in 1991, the new leaders of Hungary, now free, held onto their memories of the 1956 Revolution. After the change of system Hungary aligned itself politically and militarily with the West (as it sought to in 1956), becoming a member state of the EU and joining NATO. Even so, that aim of navigating a path between rival and competing superpower blocs has remained. Now, in the context of the 21st century, that strategy is not founded on the desire for independence and freeing Hungary from the iron grip of communism. Instead, it's rooted in a desire that the Trump Administration knows all too well: the desire to get the best deal in all matters - in Budapest's case, the best deal for Hungary.

In this era of competing superpowers, the Hungarian leadership knows that Hungary is not a superpower. Hungary can't compete with the United States, Russia, or China economically or militarily; there's no use in even trying. To be successful, Hungary needs access to as many financial markets as possible, to attract as much foreign investment as possible, and show the world that Hungary is, first and foremost, a place to conduct profitable business. That is why, ever since Viktor Orban and the ruling Fidesz-KDNP coalition took power in Hungary in 2010, they have focused their international business and policy strategy around one word: connectivity. For Hungary to prosper, according to the current Hungarian leadership, it is absolutely vital to open Hungary's economic doors and seek investment from any and all willing investors. Unlike the rest of the EU, Hungary isn't focused on pursuing a moral ideal; it is focused first and foremost on the prosperity and interests of its citizens. That means making deals and welcoming investments from competing rival powers, such as Russia and China, as well as Hungary's main ally, the United States.

⁴ Csaba Békés, “The 1956 Hungarian Revolution and the Declaration of Neutrality,” *Cold War History* 6, no. 4 (November 2006): 478–79, <https://www.tandfonline.com/doi/full/10.1080/14682740600979261>.

⁵ Alpha History, “Hungary's Cabinet Renounces the Warsaw Pact,” AlphaHistory.com, accessed June 25, 2025, <https://alphahistory.com/coldwar/hungarys-cabinet-renounces-warsaw-pact-1956/>.

⁶ Ibid, Békés, “1956 Hungarian Revolution,” 480.

⁷ Andrew E. Harrod, “Austrian Neutrality: The Early Years, 1955–1958,” *Austrian History Yearbook* 41 (2010): 216, <https://www.cambridge.org/core/journals/austrian-history-yearbook/article/abs/austrian-neutrality-the-early-years-19551958/0A0B43BA02022C1D5E9EE8E1BBA5CA1D>



Federal Assembly of Switzerland, Bern (Shutterstock)

The Usefulness of Neutrality

Eastern Investments in Hungary are Rising

From the perspective of the Hungarians, the results speak for themselves. Direct investments from Chinese and Russian businesses in Hungary have led to the creation of tens of thousands of jobs and have transformed Hungary into a vital hub of commerce connecting the East and West. In 2024, Hungary was the recipient of 31% of China's total investment in Europe, a trend that is expected to continue rising, whereas China's investments in other European countries have continued to decline.⁸ Chinese firms like Huawei and CATL depend on Hungary for manufacturing their goods that are destined for European markets. At a time when it looks like the United States could actually end up in an armed conflict with China, and both the US and EU are trying to handle an extremely aggressive Russia that has continued its invasion of Ukraine despite calls for peace, some in the west are alarmed about and confused by Hungary's opening up to these Eastern nations. Hungary is supposed to be an ally. How could its refusal to go along with the status quo dictated by Brussels possibly benefit the alliance? To understand the strategic opportunities that Hungarian policies of neutrality and connectivity can provide to Western leaders, it's essential first to note how the West has utilized neutral nations to advance its policies and agendas in the past.

Neutrality Could be the Reason We Are Alive Today

You wake up, the sun is shining, the birds are singing, and it's time to get started with your day. You decide to let your spouse sleep in as they continue to snooze peacefully next to you as you rouse from bed to make the morning coffee. You knock on the doors of your children as you pass their rooms on the way to the kitchen to gently wake them. You have a big family outing planned today, and you want to make sure they're ready to go. You turn the small television set in the kitchen on as you groggily make the coffee. As you pull out the beans to grind, a newscaster on television starts talking about fighting breaking out in the Atlantic Ocean.

The surprise shocks you awake as you begin to pay closer

attention to the news story. According to the news, the Russian navy has attacked American planes and ships, and full-out war has broken out. You stare at the screen in disbelief until suddenly, the power goes out, the kitchen goes dark, and you see a bright flash coming from the window. Blinking, thinking it was the sun, you pull back the curtains, and only then do you realize your mistake as you see a giant mushroom cloud over the horizon. The date is October 22, 1962, the day humanity came to an end. In this version of historical events, during the height of the Cuban Missile Crisis, there wasn't a neutral party like Swiss Ambassador Emil A. Stadelhofer in Havana informing the Cubans and Soviets that the Americans were planning to fly reconnaissance aircraft over Cuba that day.⁹ The American planes were mistaken for bombers, prompting the Cubans to shoot them down. Believing they were being invaded, the Cubans contacted their Soviet allies and told them war between them and the United States had begun. Moscow came to Havana's aid and the world was once again at war.

Thankfully that did not happen, in part thanks to Swiss diplomacy. In fact the United States has long relied upon neutral powers to advance its foreign policy goals and even prevent armed conflict. The above example of the Cuban Missile Crisis is definitely one of the most dramatic, but is also only one of many instances in which the United States depended upon its relationships with neutral nations. Utilising the relationships Switzerland had with America's enemies, US and Swiss diplomats have been able to save American lives and even prevent war.

During this crucial period, when tensions between the two rival powers were at their highest, any miscalculation or miscommunication could trigger a nuclear conflict. At one stage, US Secretary of Defense Bob McNamara even ordered dummy depth charges to be dropped on Soviet nuclear submarines in an effort to force them to surface.¹⁰ McNamara gambled, nearly starting World War Three, because he believed the Russians would be able to distinguish between impacts and explosions caused by dummy and weaponised depth charges. He reasoned they would know it was not an attack and assumed there would be no retaliation. There was however, no guarantee and the contributions of neutral parties like Ambassador Stadelhofer during the Cuban

⁸ Florian Müller, Marton Dunai, and Raphael Minder, “Chinese direct investment in Europe rises for first time in seven years” Financial Times, May 20, 2025, <https://www.ft.com/content/11123691-ff13-4e72-b926-6a2a9fd83d25>

⁹ Albanian Daily News. “Switzerland's Representative Role in US-Cuba Relations.” August 21, 2015. <https://www.eda.admin.ch/countries/albania/en/home/news/local-media.html/content/countries/albania/en/meta/news/media/2015/switzerland-s-representative-role-in-us-cuba-relations>

Missile Crisis were absolutely critical. Without them nuclear war was entirely possible.

Balancing Switzerland’s business-neutral strategy

Although the United States would become increasingly dependent on Swiss neutrality and its diplomats for the remainder of the Cold War, American leaders initially couldn’t foresee the advantages that Swiss neutrality would offer them in the future. The American leadership was deeply concerned about Switzerland’s open economic engagement with the Soviet Union. At the time, Switzerland enjoyed extremely profitable trade agreements all across the Soviet Union. Swiss firms worked in and produced high-quality industrial machinery and even provided engineering expertise in several Soviet states within the Eastern bloc.

Switzerland, unlike most countries at the time, wasn’t ideologically driven in the same way as the Soviet Union or the United States. It was first and foremost concerned with business and ensuring it could attain and maintain profitable business relationships with as many parties as possible. To the Swiss, it didn’t matter if their investors were American or Soviet; all that mattered was that their check could clear the bank. This business-neutral strategy initially became a major point of contention in the US-Swiss relationship. American leaders were concerned that free and open trade from an industrialized country like Switzerland could help the Soviet Union in its arms race with the United States.

It was so concerned that the United States even considered placing a ban on exporting goods governed by the Atomic Energy Commission (AEC) to Switzerland altogether due to their trade agreements with the Soviet Union and Eastern bloc states. At the time, Switzerland was dependent on American shipments of Uranium, Thorium, and heavy water to conduct its nuclear experiments in attempts to create its own nuclear power plants for commercial use. These concerns would later be addressed in the Hotz-Linder Agreement of 1951, in which Switzerland agreed to ban the sale of all AEC-controlled items from Switzerland to both the Soviet Union and intermediary countries that could supply AEC-controlled substances to the Soviet Union.

Despite the concerns the United States had with Swiss leaders encouraging strong business relationships with the Soviet Union, it was able to successfully resolve them. While there was significant back and forth between Switzerland and the US during the negotiations of the Hotz-Linder

agreement, the US successfully prevented atomic materials and other industrial supplies it deemed dangerous from entering the Soviet Union, and the Swiss were able to maintain their trade relationships with the Eastern bloc. The United States and Switzerland were able to achieve a harmonious balance in their relationship, and American decision-makers would later learn how to leverage Switzerland’s neutrality to their advantage. Ever since the Cuban Missile Crisis, Swiss diplomats have worked to facilitate dialogues and communication between the US and its adversaries around the globe.

A Most Useful Intermediary

The most apparent modern-day examples of Swiss neutrality aiding American and overall Western diplomacy with unfriendly nations are the examples of Iran and North Korea. While the global community sanctions and admonishes both the Iranian and North Korean regimes for their continued hostilities in their respective regions, Switzerland has maintained a relationship with both. And more importantly, both Iran and North Korea view Switzerland as an indispensable partner. Switzerland provides sorely needed agricultural and pharmaceutical goods to North Korea and Iran, respectively. Switzerland is one of the only major economies in the world willing to engage North Korea and Iran both diplomatically and commercially. This is not to say that Switzerland violates international sanctions in any way. On the contrary, Switzerland follows all UN sanctions to the letter. Instead, using its neutral status, it opts to not join in select additional sanctions that the US and the EU place on both Iran and North Korea. This allows Switzerland to provide pharmaceuticals and humanitarian goods such as medicine and foods to both Iran and North Korea and allow academic exchange programs with both countries.

The US and Iran severed their diplomatic relationship after the Iranian hostage crisis of 1979, when American diplomats were held hostage in the US embassy in Tehran. Tensions have only risen since. Just as in Cuba, Switzerland has played the role of intermediary between Iran and the United States ever since. Iran and the United States have come to blows several times. These clashes range from battles in the Strait of Hormuz (One incident in 1988 resulted in over half of the Iranian navy being destroyed) to Iran’s mining of the Strait that resulted in damage to a US warship and Iran’s use of terrorist networks to target American citizens abroad. All out war between the two countries has almost broken out on multiple occasions.

¹⁰ Max Frankel, “Learning from the Missile Crisis,” *Smithsonian Magazine* (October 2002): “In fact, Washington prepared a blunt notice about how the United States planned to challenge Soviet ships and fire dummy depth charges to force submarines to surface” (*Smithsonian Magazine*), <https://www.smithsonianmag.com/history/learning-from-the-missile-crisis-68901679/>.

More recently, after the American assassination of Iranian General Qassem Soleimani in January 2020, after discovering his plot to carry out massive terrorist attacks against American citizens in Europe, Swiss diplomats once again helped create a backchannel for Iranian and American leadership to communicate. The result, instead of all-out war, was that the Iranian government all but admitted they had been caught red-handed, and only carried out a ceremonial retaliation, firing missiles at American military bases in Iraq, only after giving the Trump Administration ample time to evacuate the targeted buildings so no one would actually be hurt.

We saw this almost same exact scenario play out once more at the end of the recent 12-day war in summer 2025 between Israel and Iran, where the US ultimately decided to bomb Iran’s nuclear facilities after Iran refused to make a deal on its nuclear program with the Trump Administration. Once again, Iran warned the US ahead of time of its ceremonial response on US forces in Qatar, resulting in zero

personnel casualties and minimal damage. Switzerland helped negotiate the release of American hostages held by Iran in 2023 and actively works to de-escalate tensions on the Korean Peninsula between the North and South as a neutral observer nation along the de-militarised zone.

Neutral states like Switzerland have been and continue to be vital in helping prevent and mitigate conflict. While major powers like the US have legitimate concerns over some of the policies neutral states like Switzerland pursue, historically, it's been proven that those concerns can be resolved. There is a balance that states like Switzerland can attain with their relationships with competing powers, and the West can and has rightfully capitalised on those relationships. So has Hungary. During the Second World War Switzerland acted as the protecting power for British and American interests in Hungary. Swiss diplomats took over the American Legation building in downtown Budapest. One, Carl Lutz, moved into the former British diplomatic residence on Castle Hill and worked with Jewish resistance organisations.



Hungary’s “Swissification” – Opportunity Knocks

What does this have to do with Hungary? What do the current policies of the Hungarian government and its opening up to the East have to do with Switzerland’s successful role as an arbitrator between major, competing powers? Hungary, in its attempts to emulate other neutral powers, such as it did in the Revolution of 1956, is undergoing its own version of “Swissification”. And in doing so, is opening up possible avenues for diplomacy that didn’t exist before

- The potential “Swissification” of Hungary, or a quasi-commercial neutrality with Hungarian principles, as it would be more accurate to call it, is part of Hungary’s attempt to succeed as a nation in this era of great power competition. Like Switzerland, Hungarian policy makers believe that having a form of neutrality when it comes to business and trade is the best way forward for Hungary, as set out as the principle of “Connectivity” by Balázs Orbán, the prime minister’s political director, in his book *The Hussar Cut*.

The prioritisation of connectivity has led Hungary to make strong ties with countries to which, ideologically, western nations are opposed. According to Hungarian officials such as Mark Horvath, Head of the North America Department at the Hungarian Foreign Ministry, this strategy should look familiar to the West, especially to the United States. “This connectivity is the manifestation of Hungary First. We are like-minded with the US. This is about finding the pragmatic way for economic opportunities to develop without ideological considerations or blockages,” said Horvath in an interview conducted for this paper.¹⁷

The importance of connectivity was stressed by Hungarian Prime Minister Viktor Orban at the Tuszányos festival in Transylvania in July 2025 where the Prime Minister emphasised the importance of Hungary maintaining peaceful, pragmatic relations with all major powers and work towards preventing conflict. “We are on good terms with the Americans, the Russians, the Chinese, the Indians and the Turkic world... When I say that we need to be on good terms with everyone, I do not mean that we need to clink glasses and assure one another of our mutual, theoretical friendship. Nor do I mean political sympathy. Instead what I mean is

that everyone, every major power, should have an economic and material interest in Hungary’s success”¹⁸

This “business first, make strong relationships with and be open to doing business with everyone” attitude is well known in the Swiss capital Bern. It’s been one of the main drivers and justifications for total Swiss neutrality, and Hungary has adopted some of the sentiment. However, as noted, unlike Switzerland, Hungary isn’t a neutral country. It’s a member of the EU and NATO. Hungary believes in and uses the EU to its advantage, and it believes in the value and mission of NATO. Its neutrality is strictly about business. And it’s this emphasis on business first and building as many economic bridges with as many partners as possible that presents Western leaders with unique opportunities they haven’t had before.

The business-first mentality adopted by the Hungarian government has led to a diverse ecosystem of businesses and firms investing in Hungary. While it’s obviously expected that any country in the world would have foreign direct investment from a variety of nations, Hungary is one of the few that can boast having investments from rival nations not only coexisting but also collaborating within their borders.

Budapest as a Bridge Between Taiwan and China

The world has been watching the escalation of rhetoric between China and Taiwan for years. Tensions have seemingly risen to an all-time high as many speculate that a Chinese invasion of Taiwan is inevitable, and Western leaders don’t know how to even begin trying to prevent it. While the world prepares for the worst as relations between China and the United States have reached an all-time low, behind the scenes something interesting is happening in Hungary

Despite the threat of war and souring relations between the two parties on either side of the Taiwan Strait, in Hungary, Taiwanese and Chinese firms in Hungary have at times co-operated and generated millions of dollars for each other. This little known business relationship reaches back several years. In 2009, China’s Huawei began using the Taiwanese

¹⁷ Mark Horvath, interviewed by Sean Nottoli, Hungarian Foreign Ministry, Budapest, Hungary, June 25, 2025.

¹⁸Viktor Orbán, remarks at the Tuszányos Festival, Băile Tușnad (Tuszányos), Transylvania, Romania, July 26, 2025

¹⁹“Magyarok szazait veszi fel a kínai Huawei,” Index.hu, September 3, 2010, accessed June 29, 2025, https://index.hu/gazdasag/magyar/2010/09/03/magyarok_szazait_veszi_fel_a_kinai_huawei/

firm Foxconn, commissioning their plants in Komárom, Székesfehérvár, Pécs and Cserkút, for the manufacturing of telecommunications equipment and wireless, optical data transmission devices used in Huawei products sold in European markets.¹⁹

This collaboration hasn't stopped there; Huawei and Foxconn have worked on many various multi-million-dollar projects together since then. Most notably, this occurred in 2023, when Foxconn and Huawei partnered to develop an example of AI-powered quality inspection systems for new PV controllers²⁰. Though these collaborations have been limited, they clearly show that both China and Taiwan are interested in Hungary for similar reasons, and business leaders on both sides of the Taiwan Strait are not opposed to collaboration when interests align.

So, what's going on? Why does it matter, and how is this possible? What we are seeing in Hungary is evidence of sincere, if sparse, collaboration between businesses whose governments, to put it mildly, aren't on the best of terms with each other. This matters because, at a time of heightened tensions around the world amid the devastating war in Ukraine, Hungarian policies have led to collaboration, rather than competition, between the major business firms of two rivals. Although these examples are limited, they demonstrate that despite any political tensions between them or with Hungary, business interests for both parties prevail over politics, and both sides are interested in Hungary for the same reasons.

Hungary has made it clear that it is open for business and has been advertising itself as a hub for manufacturing open to everyone. Hungary has gained increased investment from not only China and Russia, but also from other countries in the East. Countries friendly with the EU and the US have become increasingly dependent on Hungarian manufacturing. Japan, Taiwan, and South Korea have all significantly increased their foreign direct investment in Hungary since Prime Minister Orbán first took office in 2010. Hungary has even gone so far as to open an official representative office in Taipei and allow Taiwan to open a representative office in Budapest.

While one might think that China, with its strict “One

China Policy,” would be deeply offended by Hungary's embrace of Taiwan and the swapping of representatives between the two, China has been remarkably silent, aside from a single comment made by its foreign ministry. Why? Because it sees Hungary as too important an economic link between itself and Europe. Conversely, Hungary has officially supported the “One China Policy” and formally states that Taiwan is a part of China. One might think that Taiwan wouldn't form such strong economic ties with a country that doesn't recognize it as a sovereign state, let alone swap representatives. However, like the Chinese Communist Party, Taiwan views Hungary as an invaluable partner and a necessary economic bridge it needs to utilize to gain better access to European markets.

To see the proof of how important Hungary is to both China and Taiwan for their European investment strategies, one need not look further than the Magyar Nemzeti Bank statistics (MNB/ Hungarian National Bank). According to its yearly publication of the Foreign Direct Investment (FDI) report, in 2023, China made an immediate investment of 1.48 billion euros and was the ultimate source of 5.09 billion euros invested in Hungary.²¹ What this means is that in 2023, businesses and entities directly from China invested 1.48 billion euros, and companies and subsidiaries that are ultimately owned by Chinese business interests invested the remaining 3.6 billion euros into Hungary (totaling 5.09 billion euros). This is significant because it shows that China has targeted Budapest as the primary vehicle for its access and investment into the European market.

The reason a majority of its investments come through a subsidiary is that it allows China to first, hide the fact on the surface that the investment is coming from China, making it look like a European business is making the investment, when in reality, it is controlled by Chinese interests. Secondly, it enables Chinese interests to benefit from EU protections and bilateral investment treaties, which will help safeguard Chinese financial assets and shield them from political targeting. Thirdly, it helps minimize any taxes they would otherwise incur on their investments if they invested directly, while also reducing regulatory risks and ensuring regulatory compliance.

When a country or business chooses to use intermediaries for a majority of its investment into a country or entity rather than direct investment, that means we can assume that investment

²⁰Huawei Technologies Co., Ltd., “Ascend AI Empowers Quality Inspection of Smart PV Controllers,” Huawei Enterprise, accessed June 23, 2025, <https://e.huawei.com/en/case-studies/industries/manufacturing/ai-quality-inspection-2023>.

²¹Magyar Nemzeti Bank (MNB). Closing Positions of FDI by the Country of Ultimate Investor (excluding SPEs), in EUR million. Accessed June 25, 2025. <https://statisztika.mnb.hu/statistical-topics/balance-of-payments-and-related-statistics/foreign-direct-investments/closing-positions-of-fdi-by-the-country-of-ultimate-investor>.

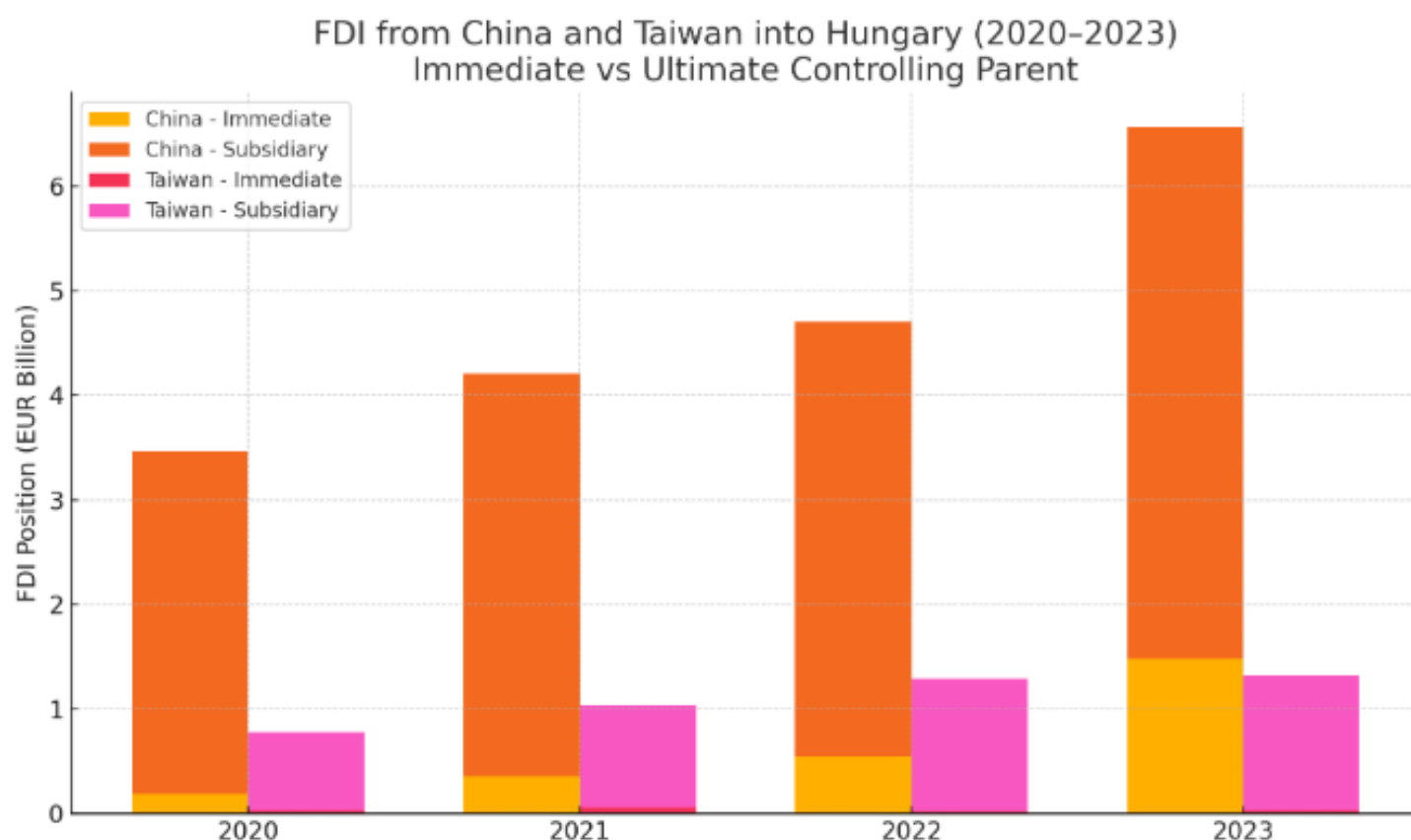
is a vital interest. Using this investment strategy, China has demonstrated a robust and well-thought-out approach to increasing its investments in Hungary, making Budapest its launching pad into Europe. In other words, the financial data clearly demonstrates that Hungary is crucial to China's interests and projecting its economic reach in Europe. Beyond these financial investments, China has heavily invested in physical infrastructure such as the high speed Budapest-Belgrade railway currently under construction in large part thanks to Chinese contributions. It is clear that Hungary is a key gateway for China into Europe.

Similarly, financial data provided from the MNB shows that Taiwan is taking the exact same approach. In 2023 it invested 29.4 million euros directly and 1.295 billion euros

indirectly through subsidiaries²². It is evident for both China and Taiwan that Hungary is too important a partner for their economic strategy in Europe to let disagreements even on the largest of issues damage their relationships and interests in Hungary.

In the table below, utilizing data acquired from the MNB, the disparity between what both China and Taiwan are investing directly and indirectly via international subsidiaries is evident. It's clear that both are working to both increase and protect their investments in Hungary and are developing complex strategies to protect those investments.

Sophisticated investing strategies, as those revealed in the figure above, clearly demonstrate that Hungary is at the very least a significant, if not one of the most strategically important,



Sophisticated investing strategies, as those revealed in the figure above, clearly demonstrate that Hungary is at the very least a significant, if not one of the most strategically important, places for Chinese and Taiwanese investment in Europe. That necessity has helped fuel those interesting instances of collaboration between these Chinese and Taiwanese firms, as discussed earlier. Money transcends politics.

Ironically, the United States can partly be blamed for the increased cooperation between Chinese and Taiwanese firms. After the 2019 sanctions that the US placed on Huawei, it prevented Huawei from working with American firms. Flex, an American electronics manufacturing firm active in Hungary, was, at the time, producing electronics for Huawei's European Supply Center in Paty, near Budapest. The sanctions forced Flex to halt all production of Huawei products, stop supplying them with critical components such as transistors, and seize all assets they had already produced for Huawei. This ultimately forced Huawei to seek a new partner to aid in its production of goods for the European market, which led them to use Foxconn's Komárom plant²³.

²²Ibid.

²³ "Magyar Gyártósor is Leállt a Huawei Elleni Szankciók Után," HuaweiBlog.hu, November 19, 2019.

<https://huaweiblog.hu/magyar-gyartosor-is-leallt-a-huawei-elleni-szankciok-utan>

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Beyond these collaborations, and perhaps more importantly, it's clear that Hungary's business-first policies have made it the ideal location for both Taiwan and China to enter the European market.

Comparing this trend to China's investments in other European countries such as Poland and the UK, we see the opposite occurring. As China works to increase its investments in Hungary, we are also seeing major capital divestments from other European countries. That is to say, rather than increasing its economic footprint and money flows into other countries, China is instead taking its money back out. In the UK in particular, we have seen several years of continual divestment from the UK, with 2019 seeing a dramatic divestment of 897 million British pounds (1.07 billion euros), and in 2022 a divestment of 61 million pounds (72.3 million euros)²⁴.

In Poland, as of 2023, we see a divestment of 65.2 million euros by China²⁵. It is also interesting to note that Hong Kong, a former British colony and a semi-autonomous region of China that the CCP has worked to increase its control of since 2020, has also been following suit and has been continuously removing its investments from the UK

since 2021, divesting as much as 1.574 billion British pounds in 2023 alone (approximately 1.81 billion Euros) and a total of 2.376 billion British pounds (approximately 2.73 billion euros) since 2021²⁶.

There are several factors contributing to Chinese divestment, including rising political tensions against the CCP in Europe, increasing labor costs in Poland, and the Chinese perception that the UK is less important for their European economic strategy following Brexit. However, even more interestingly, other Asian countries, such as South Korea, are also withdrawing their investments from countries like the UK and Poland, and increasing their investments in Hungary²⁷.

It's not just the Asian countries like South Korea, Taiwan and China heavily investing in Hungary. Data from the Hungarian National Bank shows that countries from around the world have been increasing their investments in Hungary. Israel has been pursuing the same investment strategies as Taiwan and China. It has steadily increased its investment via subsidiaries instead of direct investment since 2020. Averaging at 3.4 billion Euro a year via subsidiaries in comparison average direct investment of 124.5 million Euros a year, Israel has used this strategy to gain the same advantages and security guarantees for its investments²⁸.

Hungary has successfully marketed itself to the world as the ideal location for manufacturing and producing goods in Europe, particularly for Asian countries. Beyond the several instances of Hungary's policies incentivizing collaboration, data clearly shows that Hungary is growing in importance to Chinese business and leadership. Like Switzerland during the Cold War, unique business ventures are emerging between Hungary and the East, similar to those established between Switzerland and nations behind the Iron Curtain. Given this exceptional circumstance, what should Hungary do?

²⁴ Office for National Statistics. Foreign Direct Investment Involving UK Companies: 2013 Inward Tables. Accessed July 9, 2025. <https://www.ons.gov.uk/businessindustryandtrade/business/businessinnovation/datasets/foreigndirectinvestmentinvolvingukcompanies2013inwardtables>

²⁵ Narodowy Bank Polski. Foreign Direct Investment in Poland. Accessed July 9, 2025. <https://nbp.pl/en/publications/cyclical-materials/foreign-direct-investment-in-poland/>.

²⁶ Ibid, Office for National Statistics.

²⁷ Ibid, Office for National Statistics.

²⁸ Ibid, Magyar Nemzeti Bank (MNB).



Taipei, Taiwan. (Shutterstock)

Using the Gateway

Budapest – A New Geneva?

The economic benefits of Hungary's business-first policy are immediate and obvious. Hungary has attracted an average of over €300 billion worth of foreign direct investment per year²⁹. Such investment employs hundreds of thousands of Hungarians and establishes Hungary as an integral link in the trade between Europe and Asia. But is it possible that these benefits can translate beyond the economic? Just as Switzerland's business-friendly policies with the Soviet Union led to diplomatic opportunities between the United States and Russia during the Cold War, Hungary's policies with the US's main competitor, among other rivals in the East, likewise open up opportunities for diplomacy that otherwise wouldn't exist. And, just like Switzerland, Hungary is in a prime position where it can substantially increase its international prestige and influence.

A Bridgehead Between Beijing and Taipei

Building on the success of Hungary's trade relations, the country is well-positioned to leverage its economic relationships globally to facilitate Type 2 (informal, unofficial diplomacy between non-state actors such as businesses, NGOs, or religious organizations) and even Type 1.5 diplomacy (unofficial diplomacy between mid-government officials, institutions like think tanks, NGO's, businesses and international organizations). Hungary has proven itself to be a crucial part of the financial strategies of both Taipei and Beijing, as well as their plans for business in Europe. Utilizing its position, Hungary can promote informal, direct, and indirect dialogues among business owners on both sides of the Taiwan Strait, which could, in theory, help foster political and diplomatic relations between Beijing and Taipei.

Even though Hungary has made itself an ideal place for all these firms to do business, it still is not perfect. There are still many problems that foreign investors face while conducting business in Hungary. Worries about inflation, interest rates, EU regulations, dependence on Russian energy, the effects of US tariffs, and the current downward trend of manufacturing capabilities across Asia are a universal concern amongst all Asian firms currently at work in Hungary. Using these issues as a justification for discussions, the Hungarian government can leverage its position as a host for all these firms to promote inter-industry dialogues to address these concerns. Under the guise of promoting talks to make Hungary a better place to do business, it can spur discussions that lead to greater diplomacy down the road.

Hungary can do this both at the EU and national levels. As a member of the EU, Hungary could propose EU-hosted forums that focus on supply chain resilience, technology cooperation, or green energy projects, sectors in which both Taiwanese and Chinese firms are heavily involved. By framing these engagements as practical economic discussions rather than political ones, Hungary could create informal channels for dialogue between Beijing and Taipei. For example, Hungary could lead initiatives within the EU's Global Gateway Strategy, emphasizing infrastructure investment that leverages both Chinese and Taiwanese expertise. Using this approach, Hungary could leverage itself as not only a viable backchannel for diplomacy between China and Taiwan, but also between the EU and the US with China, and even Russia.

Budapest as a Meeting Place

Outside the context of the EU, Hungary can foster dialogue with Chinese and Taiwanese firms, utilizing public and academic institutions such as think tanks and universities to organize annual forums that promote collaboration and consensus on industry standards. Noting the increasing investment from firms beyond Foxconn and Huawei, such as Japan's Suzuki and South Korea's Samsung, as well as various other East Asian companies, which are expanding their production of electric vehicles and semiconductors in Hungary, the Hungarian government could consider sponsoring a Central European-East Asian Technology Forum. The purpose of the forum would be to get industry leaders from across Asia who are active in Hungary to discuss the changing nature of their trade relationships with Hungary, to voice their perspectives on what is and is not working in the industry, the increasing demand for green production methods, and to promote labor integration.

Focusing on trade-specific issues, Hungary could host these economic conferences, bringing together business leaders from both sides for public or private, off-the-record sessions involving EU officials, academics, and Taiwanese and Chinese business stakeholders to foster mutual understanding. By hosting an East-Asian Economic Forum, Hungarian think tanks and the government can promote continued investment by East Asian firms in Hungary, while also fostering dialogues for further trade and cooperation.

After having established better relationships with business and political leadership, Hungary will be in the perfect position to further act as a mediator between

²⁹ Ibid, Magyar Nemzeti Bank (MNB)

these East Asian powers and the West. The very reasons that have caused worries in Brussels and Washington - Hungary's relations with Russia and China - can be turned around and used by Hungary as reasons why it should play a more significant role in the West's collective diplomatic efforts in East Asia. Hungary, being a member of the Belt and Road Initiative with China, has a lot of credibility with the Chinese government. From Beijing's perspective, Hungary is a reasonable country within NATO and the EU with which they share a fruitful business relationship. That gives Hungary a little more sway than other countries would.

As noted by famed American diplomat and former Assistant Secretary of State for East Asian and Pacific Affairs, Richard H. Solomon, in his work, *Chinese Negotiating Behavior*, "The Chinese regard the establishment of a personal relationship (guanxi) as a necessary foundation for substantive negotiations... A trusted intermediary or 'old friend' is often essential in facilitating breakthroughs, particularly in times of tension or stalemate."³⁰ Right now, relations with the US and China are at an all-time low. The current trade war has heightened tensions between the United States and the People's Republic of China to an all-time high. To make matters worse, the Chinese government has not backed down and continues to publicly assert its plans to inevitably invade and bring Taiwan back into the fold by force. At this time of heightened tensions, Western powers need neutral powers more than ever to help leverage their relationships with China and prevent what can seem an inevitable conflict.

What Should the US and the West Do?

Unlike the previous administration, the current US leadership should focus on not punishing or alienating Hungary for its policies with China. Instead, in the context of the feared future invasion of Taiwan, Washington should instead try and use Budapest to persuade Beijing to respect the status quo and refrain from invasion. There are however several concerns the United States needs to address with Hungary, especially when it comes to Hungary's use of Chinese-made and owned infrastructure.

The Hungarian usage of Chinese-owned trains and majority Chinese-owned companies to transport NATO military equipment poses serious security concerns for not only the United States but also the rest of NATO³¹. The presence of Huawei and its role as the builder and maintainer of Hungary's 5-G and modern communications networks cause significant challenges for the US and other members of NATO and poses a risk when it comes to sensitive communication between Hungary and its NATO allies.

As we have seen in Africa, where China funded and used Huawei to construct similar communication systems around the African Union, these systems were ultimately used to spy and gather intelligence on governments all across Africa. And, perhaps most concerning of all, And, perhaps most concerning of all, Hungary has allowed China to deploy a police force in Hungary to monitor and track Chinese nationals who live in Hungary. The Hungarian government claims that these Chinese officers are present to assist Hungarian officers with Chinese tourists during peak tourism seasons, and assist Hungarian police in translation, and don't possess traditional police powers of arrest. However, such a force could be easily used as an intelligence gathering force for the CCP in a NATO country³².

These are serious issues that need to be addressed. While some may be convinced the United States needs to drop the proverbial hammer on Hungary, these issues are not dissimilar to the ones that the United States and Switzerland faced in their relationship in the 1950s. Just as with Switzerland in the Cold War, the US can come to a pragmatic agreement with Hungary, similar to the Hotz-Linder agreement. After all, the United States does business with Hungary and isn't opposed to Hungary having a business relationship with China.

While these issues are being addressed, the West should be formulating strategies on how to leverage the Hungarian relationship with China to their advantage. The United States and the rest of the West should collectively utilise countries like Hungary and Switzerland. China, seeing both Hungary and Switzerland as more reasonable and less antagonistic, will be more likely to respond to Western concerns. Using Hungary and Switzerland to form a diplomatic coalition, the West can incentivise Beijing not to start a conflict in the Pacific and instead double down on its economic investments and profitable business relationships with Taipei and others in the region.

After Hungary offers China the proverbial carrot, the US, the EU, and the rest of the West should supply the stick. Utilising President Trump's preferred diplomatic style, the collective West should first emphasize the collective prosperity that all parties currently enjoy and would continue to enjoy under the current status quo. As long as nothing drastic happens in the Indo-Pacific, such as a military invasion of Taiwan, there can be continued investments and collaborations that will make many Chinese businesses extremely successful.

³⁰ Richard H. Solomon, *Chinese Negotiating Behavior: Pursuing Interests Through "Old Friends"* (Washington, DC: United States Institute of Peace Press, 1999), 60.

³¹ András Pethő, "Hungary Contracts Chinese-Owned Railway Carrier Company to Transport Military Gear," *Atlatszó*, May 9, 2025, <https://english.atlatszo.hu/2025/05/09/hungary-contracts-chinese-owned-railway-carrier-company-to-transport-military-gear/>.

³² Logan C. West, *Hungary's Cybersecurity Relationship Challenges with Chinese-Built Telecommunications Infrastructure* (Monterey, CA: Naval Postgraduate School, December 2024), https://nps.edu/documents/103449609/0/Hungary_Cybersecurity_China_NPS_West_2024.pdf.

However, if China should ever decide to break the status quo and start a war in the Pacific, such as invading Taiwan, that all those opportunities will immediately cease to exist, and like Russia, China will find itself isolated on the global stage. As happened with the heavy sanctions and seizure of Russian assets after the Russian invasion of Ukraine, the West needs to be clear the same thing will happen to China if it invades Taiwan.

The US and the EU, in particular, should engage with Hungary and work to build a coalition of other neutral states, such as Switzerland, with whom China sees itself having a much better relationship, to present both the carrot and the stick to the Chinese leadership and let them know what is at stake. If China truly sees its access to European markets and continued business growth on the continent to be of vital interest, countries like Hungary and Switzerland are the perfect intermediaries to make the point clear and incentivise the current regime in Beijing to abstain from any hostilities.



St. King Stephen, Budapest, Hungary. (Shutterstock)

Conclusion: Mapping a Mutually Beneficial and Productive Path Forward

It's clear that, currently under President Trump, Hungary and the United States enjoy a robust and ever-growing relationship with one another; however, there are still points of contention, particularly between Hungary and other Western powers. However, as seen in the case of Switzerland during the Cold War, security concerns and worries over growing economic entanglements with geopolitical rivals can be successfully addressed and even leveraged to one's advantage. The United States and the rest of the West were extremely successful in the use of neutral powers like Switzerland to pursue their objectives in containing and preventing all-out war with the Soviet Union when direct diplomacy was failing.

As we enter into this new era of global power competition between the West and East, Western leaders should engage with Hungary's “Swissification” to aid their diplomatic engagements with Eastern powers, especially China. Given the intricate investment strategies China has put in place for its business interests in Hungary, the drastic continued increase in investment by China in Hungary year after year, and the historical precedent of collaboration between Chinese and Taiwanese firms in Hungary, Hungary is uniquely positioned to help arbitrate and hopefully prevent the conflict many see as inevitable.

The West should not follow in the footsteps of the Biden Administration and discount the historical experience of the Hungarian government and its people, which has resulted in these business-neutral policies. Instead, western countries should look to exploit them to their advantage. While increased economic interdependence is by no means an absolute guarantee to help improve relations and prevent conflict in the Indo-Pacific, Western powers should not deny themselves every tool and opportunity they could have at their disposal.

This is not to say that it should ignore the obvious security concerns of Chinese influence in Hungary; these need to be addressed. However, the West cannot afford to solely focus on concerns and ignore opportunities as it has done in the past.

Using the relationships Hungary has made to its advantage, the West should focus on formulating strategies to take advantage of any and all opportunities Hungary's policies provide. Budapest's gateway between the East and West is wide open. It's time for the West to use it as much as, if not more than eastern powers already are.



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