

The Atlantic

**America's Future Is Hungary:
MAGA conservatives love Viktor Orbán.
But he's left his country corrupt, stagnant, and impoverished.**

By Anne Applebaum

March 31, 2025

Flashy hotels and upmarket restaurants now dominate the center of Budapest, a city once better known for its shabby facades. New monuments have sprung up in the center of town too. One of them, a pastiche of the Vietnam War memorial in Washington, D.C., mourns Hungary's lost 19th-century empire. Instead of war dead, the names of formerly "Hungarian" places—cities and villages that are now in Romania, Slovakia, Ukraine, Poland—are engraved in long granite walls, solemnly memorialized with an eternal flame.

But the nationalist kitsch and tourist traps hide a different reality. Once widely perceived to be the wealthiest country in Central Europe ("the happiest barrack in the socialist camp," as it was known during the Cold War), and later the Central European country that foreign investors liked most, Hungary is now one of the poorest countries, and possibly *the* poorest, in the European Union. Industrial production is [falling year-over-year](#). Productivity is close to the lowest in the region. Unemployment is creeping upward. Despite the ruling party's loud talk about traditional values, the population is shrinking. Perhaps that's because young people don't want to have children in a place where two-thirds of the citizens describe the national education system as "bad," and where hospital departments are closing because so many doctors have moved abroad. Maybe talented people don't want to stay in a country perceived as the [most corrupt in the EU for three years in a row](#). Even the Index of Economic Freedom—which is published by the Heritage Foundation, the MAGA-affiliated think tank that produced Project 2025—[puts Hungary at the bottom of the EU in its rankings of government integrity](#).

Tourists in central Budapest don't see this decline. But neither, apparently, does the American right. For although he has no critical mineral wealth to give away and not much of an army, Hungary's prime minister, Viktor Orbán, plays an outsize role in the American political debate. During the 2024 presidential campaign, Orbán held multiple meetings with Donald Trump. In May 2022, a pro-Orbán think tank hosted CPAC, the right-wing conference, in Budapest, and three months later, Orbán [went to Texas to speak at the CPAC Dallas conference](#). Last year, at the third edition of CPAC Hungary, a Republican congressman described the country as "one of the most successful models as a leader for conservative principles and governance." In a video message, Steve Bannon

called Hungary “an inspiration to the world.” Notwithstanding his own institution’s analysis of Hungarian governance, Kevin Roberts of the Heritage Foundation has also described modern Hungary “not just as a model for modern statecraft, but *the* model.” What is this Hungarian model they so admire? Mostly, it has nothing to do with modern statecraft. Instead it’s a very old, very familiar blueprint for autocratic takeover, one that has been deployed by right-wing and left-wing leaders alike, from Recep Tayyip Erdoğan to Hugo Chávez. After being elected to a second term in 2010, Orbán slowly replaced civil servants with loyalists; used economic pressure and regulation to destroy the free press; robbed universities of their independence, and shut one of them down; politicized the court system; and repeatedly changed the constitution to give himself electoral advantages. During the coronavirus pandemic he gave himself emergency powers, which he has kept ever since. He has aligned himself openly with Russia and China, serving as a mouthpiece for Russian foreign policy at EU meetings and allowing opaque Chinese investments in his country.

This autocratic takeover is precisely what Bannon, Roberts, and others admire, and are indeed seeking to carry out in the U.S. right now. The destruction of the civil service is already under way, pressure on the press and universities has begun, and thoughts of changing the Constitution are in the air. But proponents of these ideas rarely talk about what happened to the Hungarian economy, and to ordinary Hungarians, after they were implemented there. Nor do they explore the contradictions between Orbán’s rhetoric and the reality of his policies. Orbán talks a lot about blocking immigration, for example, but at one point his government issued visas to any non-EU citizen who bought 300,000 euros’ worth of government bonds from mysterious and mostly offshore companies.

He rhapsodizes about family values, even though his government spends among the lowest amounts per capita on health care in the EU, controls access to IVF, and notoriously decided to pardon a man who covered up sexual abuse in children’s homes.

Orbán also talks a lot about “the people” while using his near-absolute power not to build Hungarian prosperity but to enrich a small group of wealthy businessmen, some of whom are members of his family. In Budapest, these oligarchs are sometimes called NER, or NER-people, or NERistan—nicknames that come from Nemzeti Együttműködés Rendszere or System of National Cooperation, the Orwellian name that Orbán gave to his political system—and they benefit directly from their proximity to the leader. Direkt36, one of the few remaining investigative-journalism teams in Hungary, recently made a documentary, [The Dynasty](#), showing, for example, how competitions for state- and EU-funded contracts, starting in about 2010, were deliberately designed so that Elios Innovatív, an energy company co-owned by Orbán’s son-in-law István Tiborcz, would win them. The EU eventually [looked into 35 contracts and found serious irregularities in many of them](#), as well as evidence of a conflict of interest. (In a 2018 statement, Elios said that it had followed legal regulations, which is no doubt true; the whole point of this

system is that it is legal.)

That story is just one of many that Hungarians recount to one another, just not in public. *The Dynasty* also describes the Kisfaludy Tourism Development Programme, which distributed 316 billion Hungarian forints (\$860 million) in grants. Two-thirds of those grants went to 0.5 percent of the applicants; almost one-fifth of them went to projects that were, or later became, connected to Tiborcz. Not that Tiborcz is the only recipient of government largesse. Lőrinc Mészáros, at one time the richest man in Hungary, a gas fitter turned entrepreneur who is an old friend of the prime minister's, once [attributed his fortune](#) to "God, luck, and Viktor Orbán." Other beneficiaries come and go, depending on Orbán's whim. One Hungarian businessman told me that "you can tell who is in, who is out by seeing whose companies begin growing. If you are in, then your company is growing. If you're out, your company goes from this big to this small. You see it in a year or two."

This kind of corruption is, again, mostly legal, because the laws, contracts, and procurement rules are written in such a way as to permit it. Even if this activity were illegal, party-controlled prosecutors would not investigate it. But the scale of the corruption is large enough to distort the rest of the economy. The Hungarian businessman and a Hungarian economist I spoke with—both of whom insisted on anonymity, for fear of retaliation—had separately calculated that NERistan amounts to about 20 percent of the Hungarian economy. That means, as the economist explained to me, that 20 percent of Hungary's companies operate "not on market principles, not on merit-based principles, but basically on loyalty." These companies don't have normal hiring practices or use real business models, because they are designed not for efficiency and profit but for kleptocracy—passing money from the state to their owners.

Not that the regime ever acknowledges the role that the oligarchy plays in the system, or even concedes that Hungary might face a structural crisis. Another Hungarian economist told me that Orbán always predicts "very bright days in the future; success, unimaginable success."

"Please trust us," Orbán declared in his annual state-of-the-nation speech in early 2023. "You can bet on it: By the end of the year, we will have inflation in single digits." In fact, annual average inflation in 2023 was more than 17 percent. In 2024, the government predicted 4 percent growth; the reality was 0.6 percent. Anyone who contradicts this messaging is unlikely to be widely heard. Independent economists are rarely invited to appear on public television, or in any media controlled by the ruling party. In February 2024, the regime [created the Sovereignty Protection Office](#), a sinister body that harasses and smears independent Hungarian organizations. It has redoubled its efforts since the U.S. election and the assault on USAID. The office's targets include the Hungarian branch of Transparency International, the anti-corruption investigative group, as well as an

investigative-news portal, Atlatzo.hu—any entity that could tell the truth about how the country really works.

But the truth is not hard to perceive for anyone who cares to look, because the beneficiaries of this corrupt system are not shy about showing off their wealth. When I mentioned the shiny hotels in central Budapest to a Hungarian friend, he snorted. “Of course, that’s where the NER-people live,” he said. “They want it to look nice.” Also, they own quite a few of them. *The Dynasty*, the documentary, includes footage of the Hungarian elite partying at clubs and in palaces, and garnered more than 3 million views within a month, a large number in a country of 9.6 million. Thousands of comments underneath the video on YouTube thank the Direkt36 reporters for showing “true reality” not available anywhere else.

In many ways, Hungary is about as different from the U.S. as it is possible to be: small, poor, homogeneous. But I watched the film with a sense of foreboding. As Elon Musk, a government contractor, [sets fire to our civil service and makes decisions about the departments that regulate him](#); as the FBI and the Justice Department are captured by partisans who will never prosecute their colleagues for corruption; as inspectors general are fired and rules about conflicts of interest are ignored, America is spinning quickly in the direction of Hungarian populism, Hungarian politics, and Hungarian justice. But that means Hungarian stagnation, Hungarian corruption, and Hungarian poverty lie in our future too.

Anne Applebaum is a staff writer at The Atlantic.