



Centre for Fair
Political Analysis

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Neutrality and Strategy



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In a speech at the Ludovika University of Public Service, Viktor Orbán, Prime Minister of Hungary, outlined the government's economic strategy. The theoretical foundations of this strategy have been known for some time, and a [book](#) has even been published on the concept of connectivity. However, the Prime Minister saw it as the right time to present these ideas in a way that voters could easily understand, explaining how the government plans to address the challenges facing the country. The macroeconomic indicators are increasingly concerning (the budget deficit has ballooned, growth is below expectations, household consumption has plummeted, national debt has been rising for years, and inflation remains high), and it seems the government is sensing growing anxiety about the economy even within its own voter base.

This has placed a certain amount of pressure on the government, but there is another factor that has put unprecedented pressure on the Prime Minister: the emergence and rapid rise of a [new party](#) that, within a few months, has effectively sidelined nearly all opposition parties, and its support has become comparable to the ruling party's base. This dual pressure has forced Viktor Orbán to shift his focus from foreign policy back to the domestic political stage. The first act in this shift is an attempt to answer the question of how Hungary will navigate its way out of the emerging crisis, and Orbán's response is economic neutrality.

The Prime Minister starts out from the premise that the world order is changing, and another wave of economic bloc formation is taking shape. Orbán is convinced that the competitiveness of Europe, and Hungary in particular, depends on whether they can extricate themselves from this economic cold war. However, his thesis suggests that Europe will fail in this regard. He argues that the reason is that the European Union ties strategic autonomy to federalization, and federalization has its limits on the continent. Specifically, Orbán mentions three barriers: migration, the welfare state, and joint borrowing. He doesn't provide a detailed explanation of how these three factors form insurmountable obstacles to the process of federalization. His argument goes as far as stating that the EU will be unable to achieve full consensus on these three issues, as there will be countries that act as obstacles to creating a common platform.

Taking all this into account, Viktor Orbán's central claim is that economic neutrality must be achieved independently of the European Union, as Hungary's competitiveness depends on it. If the Hungarian economy moves in tandem with the EU, it will inevitably suffer. The Prime Minister identified five areas in which neutrality must be established: financial neutrality, investment neutrality, market neutrality, technological neutrality, and energy neutrality.

However, there are a few weak points regarding this concept. One is that the Prime Minister himself acknowledges that the Hungarian government has been pursuing an ideologically neutral economic policy for many years, so neutrality does not represent a paradigm shift in terms of economic management. If this approach has not solved the deepening problems so far, how will its continuation provide a solution to the challenges?

Another serious dilemma is that if the process of bloc formation deepens further, the confrontation between the two sides will intensify, and tensions could easily lead to clashes or direct conflicts. In such circumstances, it becomes highly questionable how a small country can maintain an independent path while being part of the Western economic zone and alliance system.