

VISEGRAD / INSIGHT

**RUSSIAN THREATS RISE.
HOW DOES CEE FUND ITS
SECURITY?**



**EU FORESIGHT
FROM VISEGRAD FOUR**

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Democratic and Economic Security | Central Europe | EU Strategic Agenda

Problem

As the security threat from Russia continues to rise, countries are investing more in defence. This is an opportunity for growth, but also a burden at a time when many CEE economies already have high budget deficits – and as Europe faces more economic coercion, from friend and foe.

Key facts

- * NATO article 4 invoked for first time since February 2022.
- * CEE looks to become a defence hub – even Hungary.
- * But region also has highest budget deficits in the EU – Romania, PL, SK and HU.
- * Trump promises sanctions on Russia only if the EU ends Russian oil imports and wages tariffs against China.
- * Tensions rise with US admin over tech regulations.
- * Magyar solidifies support as Fidesz faces new scandals.
- * Fico faces renewed protests after Putin meet and austerity.
- * Pro-EU party wins in Moldova
- * Disinformation at record high in CZ as Babiš set to win – and could be joined by AUTO.
- * PL coalition struggles persist amid Nawrocki vetoes.

Foresight

Nations must find new financial models that prioritise economic security. The EU needs to help with funding, while also providing all-society strategies for resilience.

Russian Threats Rise. How Does CEE Fund Its Security?

EXECUTIVE SUMMARY

- The world faces [increased threats](#) as Russia escalates its physical attacks and [hybrid warfare](#) – and Central and Eastern Europe is the frontline.
- This was illustrated clearly by Russia's drone incursion into Poland, and the information and psychological campaign that followed.
- Moldovans have secured their pro-EU path, but this is *despite* mass Russian interference, which now also threatens [key elections in Czechia](#).
- In turn, CEE is making a [diplomatic push](#) for more protection, most recently a European drone wall.
- An all-society approach is also needed, including the [thoughtful](#) and transparent implementation of the [European Democracy Shield](#), [Civil Society Strategy](#) and Preparedness Union Strategy.
- Crucially, this means CEE is at the forefront of learning how to fund greater security – at a time of growing debt and fiscal consolidation. This includes more defence spending, but also economic security, protecting how and where we get resources.
- The need for [economic security](#) has been highlighted as Europe is caught between the aggressive trade actions of [both the US and China](#).
- This overview draws on insights from our [weekly outlooks](#), which continuously monitor democratic security trends in CEE, as well as contributions from Visegrad Insight fellows across the region.



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About

Project

Visegrad Insight is the main Central European analysis and media platform. It generates future policy directions for Europe and transatlantic partners. Established in 2012 by the Res Publica Foundation.

Foresight on European Values and Democratic Security (FEVDS). This project engages CEE civil society leaders in a foresight-driven debate on the future EU policy developments to protect European values and freedoms.

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INTRODUCTION

How CEE politics shapes the policies of the EU

Poland is the closest it has been to open conflict since World War II. Such was the verdict of Prime Minister Donald Tusk, after the incursion of 19 Russian drones into Poland on 19 September. **NATO Article 4 was invoked for the first time since the start of Russia's full-scale invasion of Ukraine** – and then again two weeks later, when three Russian fighter jets entered Estonian airspace. It is little surprise that citizens in many European countries view [peace and security](#) as the main benefits of [EU membership](#) (Lithuania (44%); Latvia (39%); Czechia (38%); Estonia (36%) and Poland (33%).)

In turn, officials from the eastern flank have staged a diplomatic push for [more protection](#). Most recently, the EU agreed on plans for [a drone wall](#) at the heart of its eastern defences, after a meeting of 10 mostly CEE member states plus Ukraine. NATO will also upgrade its Baltic Sea mission, with air defence assets building on the Baltic Sentry. Speaking at an emergency UN Security Council in New York, Polish Deputy Prime Minister Radosław Sikorski made clear that countries like Poland will shoot down enemy aircraft if they enter its territory, warning the Kremlin: 'don't come here to whine about it'.

Such incidents highlight the security threat Russia poses – and [not just from the skies](#). A psyop was unleashed online soon after Russian drones entered Poland, looking to escalate emotions, polarise opinion and undermine trust in state and NATO structures. [Analysis](#) of Polish social media by Res Futura found that 38% of comments discussing responsibility for the incursion blamed Ukraine – while only 34% blamed Russia.

[Russian FIM](#) operations have also overwhelmed key election campaigns in CEE. The pro-EU ruling party in Moldova won a majority victory with 50% support in crucial elections on 28 September, but had to overcome Russian interference that exceeded even that of 2024, according to national security adviser Stanisla Secieru. There was 'more money to buy votes, more AI-driven disinformation amplified by troll networks, and more resources dedicated to orchestrating street violence' – as detailed in this [DFRLab report](#). Now Moscow will undoubtedly look to spark protests and other methods of disruption.

Similarly, disinformation has reached historic highs in Czechia ahead of elections on 3-4 October. A [Voxpot report](#) shows that sites disseminating false news now outpace the country's main reliable news outlets, operated covertly with Russian money –

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10% of articles were translations from Russian state-controlled outlets – and by domestic [DIMI](#) actors. One website sharing Russian propaganda was founded by Ivan David, a current MEP of the far-right SPD party. **Two in five Czechs believe Russia will try to interfere in the election**, as per a [CEDMO survey](#).

The CEE experience thus highlights once again the need for a multi-pronged approach to security, which should be factored into ongoing preparations for the European Democracy Shield, EU Civil Society Strategy and EU Preparedness Union Strategy. **'Together, these initiatives can promote a more transparent, participatory, and resilient democratic environment in [countries like] Romania, aligning it more closely with EU standards and values,' says Radu Albu-Comănescu, Visegrad Insight Fellow and Lecturer at the University of Cluj-Napoca.**

At the same time, as threats continue to increase, countries in CEE grapple with the costs of spending more on security. Investment in defence is an opportunity for growth, but also a burden at a time of budget reviews and fiscal consolidation.

For example, 'The government in Romania plans to raise military expenditure from 2.5% to 3.5% of GDP by 2030, with an additional 1.5% allocated for strategic infrastructure and cybersecurity. Balancing these defense investments with economic stability remains a complex challenge...Romania navigates fiscal consolidation, attempts to improve tax collection, and manage public sector costs in order to avoid undermining investor confidence, long-term growth and thus the possibilities to rearm,' says Radu Albu-Comănescu.

Moreover, security is starting to be understood also in terms of economic security – protecting how and where we get resources, and who bears the costs. This has been brought to the fore in recent months, as Europe has experienced economic coercion like never before caught between the US and China. **On the one hand, an EU-US trade deal will see a baseline tariff of 15% applied to many industries**, while President Donald Trump has said he will only impose sanctions on Russia if NATO allies end Russian oil imports and place major tariffs on China.

Trump has even pressed Hungarian Prime Minister Viktor Orbán to curb Hungary's dependence on Russian oil – despite being ideological bedfellows. At the same time, the EU is considering trade measures, which only need a qualified majority to pass, to target imports of Russian oil via the Druzhba pipeline that feeds both Hungary and Slovakia.

On the other hand, China continues to flood European markets, whilst making clear it does not wish to see a Russian defeat in Ukraine because the US could then shift its focus to China – as spelled out to top EU diplomat Kaja Kallas by her Chinese counterpart Wang Yi. The EU-China Summit, the first in-person meeting between EU and Chinese leadership since 2003, made little progress beyond agreements on climate.

The uneasy relationship with China was on display during Wang Yi's meeting with Sikorski in Warsaw. The visit was long-planned but took on extra importance after Poland temporarily closed its border with Belarus – a key gateway into the EU for Chinese rail freight – following the start of the Zapad-25 exercises and the Russian drone incursion. EU-China economic routes (now reopened) were strained because of a Russian war of which China is a key enabler. As Polish MFA spokesperson Paweł Wroński stressed, **'the logic of trade is being replaced by the logic of security.'**

State of Central Europe

SECURITY

Collective Defence or Unilateral Action

European Commission (EC) President Ursula von der Leyen called on Europe to 'fight for its place in the world' during her State of The European Union speech, warning that 'battlelines for a new world order based on power are being drawn right now'. **She highlighted that 'Europe's eastern flank keeps all of Europe safe. This is why we must invest in supporting it'.**

This follows the Russian airspace incursions mentioned already, but also Moscow's successful, unconventional war on Europe through sabotage, vandalism, [espionage](#) and covert action – the scale of which is made clear in [this IISS database](#). In turn, von der Leyen embarked on a tour of NATO's front-line states, including the Baltics, Poland, Bulgaria and Romania. **On the Polish-Belarusian border, she thanked Warsaw for defending Europe from 'cynical hybrid attacks'.**

[Societal readiness](#) for conflict in the Visegrád Group (V4) is low, amid [declining willingness](#) to defend, limited preparedness and political polarisation on security. A [2023 regional survey](#) showed that only one fifth of Slovaks, one fourth of Czechs, and one third of Hungarians supported the idea that all draft-age men should bear responsibility for defence – with Poles the outlier at 51%. **But a recent survey by Pollster showed that, even in Poland, 57% of respondents would not volunteer for**

military service if war broke out. NATO retains majority support in all four states, but only Poles hold overwhelmingly positive views ([77% in 2022](#)), while [GLOBSEC Trends](#) suggest only half of Hungarians and Slovaks see Moscow as a threat.

'Regarding the EU Preparedness Strategy, the Hungarian government has not issued any warnings to the public (like pamphlets or informational guidelines), because it doesn't serve [their political narrative](#). According to Orbán, he is on the side of peace, while the EU is pro-war. Preparing the nation for war could signal that Hungary is not as safe as it is told in propaganda. However, the government has requested €16.2 billion euros under the SAFE mechanism, so one can assume that Orbán knows the importance of military preparedness – but is not willing to give up his messaging for that,' says Luca Soltész, Visegrad Insight Junior Fellow from Hungary.

However, countries in CEE are investing more in their military-industrial complex – including Hungary. Building activity at European arms sites has gone into overdrive since February 2022, and among the sites with the biggest expansion is a joint project between Rheinmetall and Hungarian state defence company N7 Holding – as you can see in [this FT data visualisation](#). State-backed 4iG has also struck a deal with Czech defence conglomerate Czechoslovak Group to acquire control of storied vehicle maker Rába, signalling its ambition to become a central player in Europe's defence sector.

The Slovak defence industry is also on the rise, with arms and ammo exports hitting €1 billion in the first-half of the year – as much as in the whole of 2024. Weapons now make up nearly 2% of Slovak exports, up from 0.8% a year ago, with 80% shipped to Czechia and Ukraine – in sharp contrast to Fico's 2023 campaign promise of not sending 'a single bullet' to Kyiv. **Poland is planning a fivefold increase in its production of large-calibre artillery shells,** and has also signed a €3.25 billion contract with the US to upgrade its fleet of F-16s.

Moreover, European allies are showing increasing solidarity with front-line states. While the drone wall represents a longer term plan to address Russian incursions into NATO territory, **Poland received plenty of immediate support after its territory was violated,** including air defence equipment and aircraft from Denmark, France, Germany, Sweden and the UK. **Such unity was also showcased during several major military drills,** with British forces heading to Latvia as part of exercise Tarassis, and Germany leading the Quadriga exercise in Lithuania – while Russia and Belarus signalled preparedness for a prolonged conflict in their joint Zapad-25 military drills.

CEE also dominates the SAFE loan distribution, with Poland slated to receive the largest share (€43.7 billion), followed by Romania (€16.7) and Hungary (€16.2 – the same as France). In CEE, these are followed by Lithuania (€6.4), Latvia (€5.7), Estonia (€2.7), Slovakia (€2.3), and Czechia (€2).

As for Ukraine, momentum is building behind a plan to use frozen Russian assets to fund a new €140 billion loan, following a shift in position by Germany. This would involve changing sanctions renewal rules to a qualified majority to reduce the risk of [a Hungarian veto](#). **EU leaders are also looking to strike a military deal with Trump, where they would fund US arms deliveries to Ukraine** – a crucial move as Kyiv's funding needs over the next two years may be as much as \$20 billion higher than what it expected. **Europe now contributes much more military and financial aid to Ukraine than America,** according to [the Kiel Institute](#), given the US is 'done with the funding of that war', to use the words of Vice President JD Vance, and Trump remains ambivalent in his support.

The POTUS rolled out the red carpet for Vladimir Putin during their [summit in Alaska](#) and imposed none of the sanctions he had threatened Moscow with if it missed his deadlines. In turn, his pressure on Europe to wage sanctions on Russia and tariffs on China appears half-hearted. **European leaders also reacted with skepticism when Trump said recently that he believes Ukraine can regain all of its territory,** with Tusk saying this 'conceals a caveat regarding US involvement and the shifting of responsibility for war proposals onto Europe'.

'Trump is predictably unpredictable. And he often changes his rhetoric to the exact opposite. The attitude towards him is mostly negative, because despite his many statements, he cannot influence the end of the war. And the fact that in his rhetoric he copies Russian narratives further increases the negativity towards him,' says Ivan Us, a Visegrad Insight Fellow from Ukraine and Senior Consultant at the National Institute for Strategic Studies in Ukraine.

Nonetheless, Europe appears to have secured US backing in plans for a post-conflict security architecture – with leaders pressing for continued use of American satellites for GPS and reconnaissance. **Czechia, Estonia and Lithuania have all expressed readiness to put boots on the ground** as part of a European troop deployment, while Latvia remains undecided – and Poland, Romania and Finland have ruled out sending their own soldiers, offering instead to help with logistics.

Merili Arjakas, a Visegrad Insight fellow from Estonia shares this perspective: 'Like other countries neighbouring Russia, Estonia is closely monitoring the current U.S. administration's approach to the war in Ukraine. Estonian officials have refrained from publicly criticising U.S. policy and have expressed gratitude for American support, particularly during the recent UN Security Council debate on Russian violations of Estonian airspace.'

Therefore, 'with regard to the Trump administration, two seemingly contradictory moods can be observed: on the one hand, there is a further alienation of the political class and large sections of society from the US due to various statements made by Trump and an apparent realignment of American foreign and security policy; on the other hand, there are still hopes that the US has not changed its fundamental interests and thus remains interested in constructive cooperation,' says Philipp Fritz, a Visegrad Insight fellow from Germany and WELT foreign correspondent.

ENERGY & TECH

Between Dependence and Interdependence

After months of negotiations, the EU unveiled its 19th package of sanctions against Russia, including more trade restrictions on third parties that have enabled Moscow to get around the bloc's curbs – including entities in Belarus, Kazakhstan, China and India. This could seriously affect Russia's economy, especially amid [Ukraine's increased drone strikes on Russian oil refineries](#). 16 of 38 oil facilities have been struck by Ukrainian drones since August 2025, limiting Russia's refining capacity by over 1 million barrels per day and dropping diesel exports to levels not seen since 2020.

Ukrainian strikes on the Druzhba pipeline temporarily halted crude oil deliveries from Russia to Hungary and Slovakia, prompting furious responses from Foreign Minister Péter Szijjártó. Together with his Slovak counterpart, Szijjártó also sent a joint letter to Kallas, demanding that the EU 'stand up to Ukraine's attempts to block Hungary's oil supply' – which Budapest has had years to diversify away from Russia. Ukrainian Foreign Minister Andrii Sybha suggested that Szijjártó should complain to his 'friends living in Moscow'.

Included in the sanctions package is the decision to ban Russian LNG imports earlier than expected, from January 2027 – a move likely to please Trump. During a meeting between EU Energy Commissioner Dan Jorgensen and US

Energy Secretary Chris Wright, the latter said the EU could phase out Russian gas in six to 12 months by replacing it with US LNG, as per a \$750 billion deal agreed with Trump.

The POTUS also said he will join the EU in imposing sanctions on Russia if NATO allies end Russian oil imports and place major tariffs on China, commenting that the amount of Russian oil purchased by some NATO allies has been 'shocking'. Indeed, EU imports of Russian fossil fuels in the third year of the invasion surpassed financial aid sent to Ukraine, according to [a CREA report](#). **In 2024, the EU's total trade with Russia (\$72.9 billion, including exports and imports) was 15 times greater than that of the US (\$4.7 billion),** as per data from PISM.

In turn, the US has increased pressure on Hungary to cut energy ties with Russia – and not just oil, as Wright declared that Budapest must also end its dependence on Russian gas and nuclear power. Additionally, the ECJ overturned the EC's decision to approve state aid granted by Hungary to the Russian company, Rosatom, to construct the Paks II nuclear plant.

In response, Szijjártó signed a new 10-year gas deal with Shell, Budapest's largest ever deal with a Western energy provider – set to deliver 200 million mcm per year. **He made clear, however, that Russian supplies will not be replaced.** Hungary consumes 8 billion mcm per year and remains the EU's biggest buyer of Russian gas. **Similarly, Slovakia is reportedly finalising a €15 billion agreement with US Westinghouse to build a new nuclear power plant.** Prime Minister Robert Fico rattled Washington, however, by floating Russian involvement in the agreement after a meeting with Putin in Beijing.

Reports also suggest growing US frustration over Orbán's refusal to decouple from China. Surprise Budapest visits from Chinese spy chief Chen Wenqing in May and Politburo heavyweight Zhao Leji in July raised eyebrows, but Szijjártó's trip to Beijing for China's Victory Day parade alongside Fico topped the lot. While Trump expressed annoyance that India and Russia are 'lost', after their leaders met with President Xi Jinping, **Szijjártó boasted to Wang Yi that over 30% of Chinese investments in Europe came to Hungary in 2024.**

'The Hungarian government is positive towards both the US and China, although relations with Trump's US are becoming more fragile because of the country's reluctance to get rid of Russian gas. Orbán and Szijjártó are not talking about worsening relations with Trump, but the more the US is pushing, the less favourable it seems. Still, Hungary maintains

a closer and more positive cooperation with both China and the US compared to other EU countries,' says Luca Soltész.

EU industry chief Stéphane Séjourné has launched another call for increased production of critical raw materials in Europe – as the bloc maintains a heavier reliance on Chinese supply compared with the US. China's exports of rare-earth magnets to the EU surged by 21% from July to August – reaching 2,582 tons – taking year-to-date volumes to more than three times those of the US. According to data from PISM, **the EU's total trade with China in 2024 (\$789 billion) also exceeded that of America (\$582 billion).**

In 2024, China increased its influence in every country in the V4 except for Hungary, according to the latest [China Index](#). **This comes despite the fact that China's image among V4 populations remains more negative,** as per a [CEIAS study](#). The country in Europe most influenced by China was Germany, ranking 23rd in the world – while the US ranked 38th, Bulgaria 45th, Slovakia 65th, Romania 72nd, Hungary 74th, Estonia 77th, Poland 82nd, Czechia 83rd, Lithuania 92nd and Latvia 94th.

'On the one hand, there is a growing impression in politics and society that China is at least an aggressive competitor, perhaps even more than that, due to Chinese-Russian cooperation. Many see the need to become independent of China in many areas. On the other hand, there is hope for partnership with China; German industry continues to rely heavily on the Chinese market, and Chinese investments in Germany are on the horizon, which is welcomed, especially in difficult economic times,' says Philipp Fritz.

Importantly, cooperation with China extends beyond material resources. Bratislava has just hosted a Chinese delegation to prepare **an MoU on collaboration in AI governance** – a worrying move as Zhuang, who led the Chinese delegation, heads the sprawling Chinese censorship apparatus. **In contrast, Poland and the Baltics have submitted an EU proposal to build their €3 billion Baltic AI GigaFactory,** the region's largest AI supercomputing network. **Estonia is also set to house Europe's first rare-earth plant in Narva, near its border with Russia.**

ECONOMY

Prosperity for All or the Few

In this context of increased need to spend on security and reduce resource dependencies, the EU proposed a €1.8 trillion budget. This drew [criticism](#) from several countries, most of all Hungary, because it would reallocate funds away from

agriculture. However, **Poland celebrated the [Multiannual Financial Framework](#), as the biggest projected recipient at €123.3 billion**, followed by France (€90.1), Spain (€88.1), Italy (€86.6) and Germany (€68.4). Finance Minister Andrzej Domański commented that **'spending is increasing in priority areas for Poland. Security, cohesion...but also innovation – key to building a strong economy'**.

Poland drafted a 2026 budget raising defence spending to a record 4.8% of GDP. Similarly, Domański called this 'a budget of security, investment, and support for citizens. We are investing in security and resilience'. **However, surging expenditure is also making difficult efforts at fiscal consolidation. Poland's economy is still expected to grow by 3.4% this year**, well above the EU average of 1.1%, while q/q growth of 0.8% in Q2 also far exceeded that of neighbours like Hungary (0.1%), Slovakia (0.1%) and Romania (0.3%). **Nonetheless, Moody's lowered Poland's outlook to negative, reflecting 'a materially weaker outlook for fiscal and debt metrics'**. Poland's budget recorded a monthly deficit of about €8.5 billion in July, marking the deepest shortfall since March and pushing the rolling 12-month deficit up to €65.6 billion.

'Poland's economy is rising and has recently become the 20th biggest economy in the world. While Poland is investing in security and defence capabilities, including funding from EU sources, balancing these expenditures with economic stability and social benefits remains a key challenge. The government continues to navigate between economic growth and the necessity of readiness against external threats, which may cost it societal support,' says Krzysztof Izdebski, a Visegrad Insight fellow from Poland Director for Advocacy and Development at the Stefan Batory Foundation.

Romania has the highest budget deficit in the EU and could face a default unless it reins in years of lavish spending. In this context, the government has already proposed two consolidation packages – with a third expected soon. **Moody's suggests fiscal measures have significantly improved Romania's outlook**, which remains negative based on significant implementation risks. After all, the combined consolidation measures exceed 3% of GDP in 2025 and 2026, including VAT increases, indexation of the public sector wage and pension freezes. **Moreover, the EC has agreed that Romania can reach a budget deficit of 8.4% of GDP this year**, buying time for the austerity measures to kick in. **However:**

'Forecasts from the IMF and EC point to a slower GDP growth compared to initial projections. This creates a complex public

opinion environment, which has already shown some permeability to refugee-hostile narratives and claims that aid to Ukraine comes at the expense of critical domestic needs. So, it is difficult for Romanian authorities to communicate investments in security and defence, without feeding people's economic insecurities and anxieties. Systematic trust-building measures are needed in order to persuade citizens that investments in security do not come at the expense of economic stability,' says Alina Bârgăoanu, a Visegrad Insight Fellow from Romania and a Member of the European Digital Media Observatory Advisory Board.

Slovakia also has one of the highest budget deficits in the EU and has already spent over €1 billion on debt interest this year – with projections putting this year's total bill at a record €1.65 billion. Finance Minister and Smer heavyweight Ladislav Kamenický rolled out his third consolidation package, designed to cut Slovakia's deficit from 5% to 4.1-4.3% of GDP in 2026, but this was rushed through without discussions, while **the fiscal council warns most measures remain unspecified and so estimates for spending cuts appear greatly exaggerated.**

Meanwhile, Hungary's economy remains stuck in low gear, [ING Think](#) reports, maintaining a baseline forecast of 0.7% GDP growth in 2025 – with an expected budget deficit of 4-4.5%. For the first time in nearly a decade, Hungary's construction industry has seen profits shrink, while a batter factory is about to close for the first time amid a prolonged slowdown in sales. **Budapest is also on the verge of economic insecurity as the government drags out its vetting process of the city** – while drone footage of Orbán's €30 million family estate reveals exotic animals including zebras roaming the grounds.

'Hungary continues to struggle with stagflation and a massive budget deficit. The government's current priority is staying in power, thus investment has already started shifting towards pseudo-welfare programs, such as tax cuts and cheap home loans. Economic stability seems out of reach, let alone security spending,' says Ivan L. Nagy, a Visegrad Insight fellow and political journalist from Hungary.

As for Czechia, the economy grew by 2.6% y/y in the second quarter of 2025 and by 0.5% compared with the previous three months – stronger than the Czech Statistics Office's preliminary estimate, which had put GDP growth at 2.4% y/y and 0.2% q/q. **Moody's also reaffirmed Prague's long-term credit rating at Aa3 with a stable outlook,** reflecting the Czech capital's strong fiscal position, prudent financial management

and the expectation that the Czech state – which holds the same rating – would support Prague amid financial difficulties.

'The outgoing cabinet approved a state budget which includes a hike in defence spending to 2.35% next year. The Czech economy should be able to handle smart security investments; however, there are long-term structural issues in the taxation, social and pension systems, which enable populist and anti-establishment actors to prey on vulnerable segments of the population and galvanise opposition against security investments. Moreover, the populist and far-right opposition already stated that they will seek redrafting of the budget next year,' says Albín Sybera, a Visegrad Insight fellow and news reporter covering Czechia and Slovakia.

POLITICS

Between European Unity and Disunity

While consistent polling around 30% guarantees [the populist ANO party](#) a key role in the next Czech cabinet, its coalition partners will depend on precise voting numbers. The party has ruled out working with groups that oppose EU and NATO membership, like the far-right SPD. However, **party leader and populist billionaire Andrej Babiš signalled last year that he is open to collaboration with the radical right** when he co-founded the Patriots for Europe EP grouping. In this context, the far-right AUTO party could be a partner, currently hovering just above the 5% threshold needed to enter the Lower House.

Prime Minister Petr Fiala is thus on course to lead the ODS party to a fourth election loss in a row – which could also be a cue for the eurosceptic wing of the ODS to get rid of Fiala and strike a deal with Babiš. **Public trust in the Czech government has fallen to just 19%**, as per the [OECD](#), on account of financial hardship, a lack of political representation and corruption.

Fiala criticised Babiš after he said he would cancel the Czech ammunition initiative if ANO won, adding that new NATO spending targets are too high. **But Babiš's return is eagerly anticipated in Bratislava and Budapest.** Slovak President Peter has said bilateral relations will improve – a year and a half after Prague suspended intergovernmental consultations citing differences in foreign policy. A meeting between Orbán and Polish [President Karol Nawrocki](#) is expected soon, after **Orbán commented that he is 'beginning to rebuild Polish-Hungarian cooperation. Fico is holding his ground, Babiš is on the verge of returning, and [the V4 could restart](#) in January'.**

Hungary took over the year-long [rotating presidency of the V4](#) in July, but has already strained relations with partner countries. The draft program, which was revealed after a delay of several weeks, revealed no prime ministerial-level meetings planned. The schedule also assumes Orbán will remain in power after April 2026, but opposition frontrunner [Péter Magyar](#) has signaled a major shift in foreign policy if his party wins – promising that his first official visit would be to Warsaw.

Ironically, Orbán is now one of the weakest V4 leaders. On the one hand, Magyar continues to solidify support. Even pro-Fidesz pollsters have measured that the Tisza party is ahead of the ruling party by at least 10 points. Yet **Magyar continues to campaign, and is currently on a [80-day country-wide tour](#) designed to boost popularity in the countryside**, where his party is still behind Fidesz. In turn, more Tisza programme points are also being outlined, including a 'Hungarian New Deal' to revive the stagnating economy.

On the other hand, Fidesz is reeling from a number of scandals – most notably the Szőlő Street paedophilia case, where it is alleged that two children from a Budapest reformatory were offered to two high-ranking politicians for sexual services. **To try and turn the tide, Orbán Balázs is set to lead Fidesz's 2026 election campaign**, taking over from longtime coordinator András Gyürk. The appointment reflects Prime Minister Orbán's tighter control over communication, and a campaign **expected to draw on US Republican advisers and the conservative, state-funded Mathias Corvinus Collegium.** ***'Hungary is on the verge of entering the final 6 months before the general election, which means that domestic politics has already descended into a communications battle with little policymaking being done,' says Ivan L. Nagy.***

Newly-approved Lithuanian Prime Minister Inga Ruginienė said she would continue support for Ukraine and maintain defence spending plans at 5-6%, adding that her first foreign visits will be to Warsaw and Kyiv. **However, Lithuania's Social Democrats have removed the centre-left For Lithuania party from government**, continuing to reshape the ruling coalition after PM Gintautas Paluckas' resignation amid allegations of unethical financial dealings. For Lithuania said it couldn't continue working in the coalition alongside the populist Nemunas Dawn, and the party has now been replaced by the Lithuanian Farmers and Greens Union – a group that recently jumped from the Greens to the ECR in Europe.

The [Polish government reshuffled](#) after opposition-backed Nawrocki won the presidential election, looking to present a

united front – yet coalition troubles persist. Most recently, the Poland2050 party voted with the opposition Law and Justice (PiS) Party and the far-right Confederation in favour of a bill on the CPK mega-airport – a move Tusk says 'bodes very poorly for the future'. In this context, Sejm Speaker Szymon Hołownia has announced that he will step down as Poland2050 leader.

As part of the reshuffle, Sikorski became one of three Deputy Prime Ministers, confirming his growing importance and elevating his foreign office in an attempt to tackle any plans by Nawrocki to subvert Poland's foreign policy. To this end, issues have been minimal – excluding a [faux pas](#) which meant Poland was conspicuously absent from a meeting between Trump and European leaders – and [Nawrocki](#) secured a promise from Trump that US troops would remain stationed in Poland during his [visit to Washington](#). **In fact, Sikorski and Nawrocki seem poised for a compromise on diplomatic appointments** ahead of closed door talks, and the duo produced a well coordinated communication effort at the UN general assembly.

However, Nawrocki has vetoed four bills at home, as many as his predecessor, Andrzej Duda, did during 20 months that he was in office at the same time as the current government. This includes a bill easing rules for building onshore wind farms – bundled together with a freeze on energy prices – and a bill extending support for Ukrainian refugees living in Poland – now passed after amendments making it more difficult to receive benefits. **In turn, Fitch Ratings revised Poland's outlook to negative, noting that political hurdles could delay reforms ahead of the 2027 parliamentary elections** – in other words, more of Nawrocki's vetoes and his opposition to tax rises.

The ruling coalition also faces several other political hurdles. Warsaw introduced [temporary controls with Germany](#) and Lithuania, following intensified efforts by Belarus to funnel migrants into Poland – but foremost under pressure from the domestic [far right](#), and in response to Berlin's suspension of its Schengen border. Nonetheless, **far-right anti-immigration protests flooded the streets of dozens of cities**, with more rallies expected in the coming months. Meanwhile, **a record 57% of Poles say they distrust the country's courts**, as per an [IBRIS poll](#). Tusk's coalition has made clear the ways PiS previously violated the rule of law – but has struggled to push through the reforms needed to ease the ensuing legal chaos.

RULE OF LAW

State Capture or Independence

The Monitoring Committee of the Council of Europe has issued severe criticism of Hungary, pointing to serious shortcomings in the areas of democracy, human rights and the rule of law. **Fidesz has greatly weakened the system of checks and balances**, whether by reforming legislation, or taking over independent institutions. As Denmark took over the rotating presidency of the EU Council (EUCO), it said it wants Europe to deploy its full legal arsenal against Hungary, including by escalating Article 7. **The EC is planning to link billions in EU funding to compliance with democratic standards in the next MFF**, while the new AgoraEU pot increases funding for democracy promotion and rule of law conditionality.

'Regarding Hungary, policies like the European Democracy Shield or Civil Society Strategy look good on paper – but the potential impact is questionable. They could result in some strongly-worded letter from the Commission, but unless EU funds are involved, the effect will be little. The Orbán government has managed to alienate Hungary from the EU so much that, for instance, Hungary is not invited to security meetings because of a lack of trust,' says Luca Soltész.

In turn, fresh corruption stories shine a light on how deeply politics and business remain intertwined in Hungary. A new ranking shows that construction companies linked to Orbán's allies keep winning big. At the same time, leaked documents reveal more shady investments by the Central Bank under former chief György Matolcsy – following news earlier this year that his family and friends stole €1.5 billion from the bank through asset management and foundations. **EU citizens have, against their will, contributed up to €5.5 billion to the enrichment of Orbán's most influential oligarchs via EU funds allocated to Hungary**, the [Corruption Research Centre](#) found.

Such corruption could become even more damaging if it becomes an obstacle to security. Notably, a €125 million state tender was won by 4iG, a group led by Jászai Gellért, now a key player in the Hungarian military industry – with ties to Orbán. **'At the NATO summit, Szijjártó confirmed Hungary's backing for individual NATO countries to boost their defense budgets, adding that this represents an excellent prospect for Hungary. I would advocate for carefulness and vigilance to avert the possibility of redundant squandering of EU resources (again) and enhancing cronyism that has already**

been widespread in Hungary, sadly,' says Zsuzsanna Szabó, a Visegrad Insight fellow and journalist from Hungary.

This also applies to the European Democracy Shield and the preparedness and civil society strategies. Preparing for crises in the spirit of an all-society approach can only be effective if independent public institutions that enjoy public trust are involved. For instance, Romania could resume economic growth in 2026 if it focuses on the rapid implementation of EU funds from the 2021-2027 framework. Investments in security also have the potential to help increase GDP medium term.

'The problem is that corrupt local/national authorities must agree to concentrate their efforts on investments from EU funds, and not from the state budget as has been done until now. Likewise, new EU strategies have to be implemented by the same authorities that not only failed last year, but are actually part of the problem. Romania's civil society is still poorly represented in structures of power. Stronger emphasis and funding for independent media and NGOs at the local community level would have far better effects than a vague, national-level strategy,' says Adrian Mihaltianu, a Visegrad Insight fellow from Romania and coordinator at Pressone.

In Bulgaria, the extension of Varna Mayor Blagomir Kotsev's detention sparked protests in Varna and Sofia, since the move could keep Kotsev (from We Continue the Change) in custody for eight months while corruption charges are investigated. Observers warn the case appears politically motivated, potentially benefiting GERB, the party Kotsev defeated in the 2023 mayoral elections, if it were to regain control of Bulgaria's third-largest city. In turn, **President Rumen Radev called out corruption in the government,** after GERB leader Boyko Borissov claimed Bulgaria really has five Prime Ministers – exercising de facto control behind the scenes – including himself and sanctioned oligarch Delyan Peevski. For this reason:

'The democracy shield, the civil society strategy and the preparedness strategy, like all EU strategies, always sound great on paper. But then when you go down into details, they usually devolve into some sort of local make believe. First of all, because I don't know how the funds are going to be distributed. If they are distributed in the way the EU funds are distributed now, which means in coordination with local or national authorities – God forbid that,' says Ognyan Georgiev, a Visegrad Insight fellow from Bulgaria and editor at Capital.

In Slovakia, countrywide protests restarted as Smer drove through an economic package that will raise taxes and social

levies – while sparing the country's oligarchs. A rally in Bratislava looked like an anti-government campaign launch, with four party leaders from the opposition – usually fractured – standing together. **'Not only is the government taking your money – it is taking your dignity,' Progressive Slovakia leader Michal Šimečka said,** reprising slogans of the 1989 Velvet Revolution: 'In unity there is strength'. The SaS Party and the Trade Union Confederation (KOZ) have urged Pellegrini to veto the package, so it can return for discussion in parliament.

Several cabinet ministers have also been under fire for shady spending, including Culture Minister Martina Šimkovičová (flights to the US); Defence Minister Robert Kaliňák (a Croatian villa); and Health Minister Kamil Šaško (a controversial €2 billion ambulance tender). Former Justice Minister Gábor Gál, who served in Fico's coalition between 2018-2020, has been acquitted of bribery charges, while **former anti-corruption police chief Matej Varga has been charged with sabotage,** a crime rarely seen in the country since the fall of communism – relating to an explosive criminal case involving Fico.

In turn, Slovakia made 'limited progress' in addressing serious governance concerns, as per the [2025 Rule of Law report](#). An Amnesty International Slovakia survey revealed that many [NGOs face authoritarian practices](#) from the state, while 85% expressed concerns about the future, particularly in light of the [law on NGOs](#). **'EU strategies could counterbalance Slovakia's domestic NGO/media tightening by linking EU funding and election-integrity tools to measurable standards. This would be politically sensitive in Bratislava, but if tied to EU funds and implemented via independent bodies, it could moderate the impact of restrictive domestic moves,' says Marco Németh, a Visegrad Insight fellow and journalist from Slovakia.**

SOCIETY

Polarisation or Cohesion

Pushed for by Fico as a defence against 'progressivism', the controversial amendment to the Slovak constitution was approved by 90 MPs, the minimum number required. This makes several changes, like defining gender solely as male and female, and limiting adoption to married couples. Importantly, it contains vague terms such as 'national identity' or 'cultural and ethical issues' that could be arbitrarily interpreted by state authorities, as warned by the Venice Commission.

It is a typical play from the autocratic playbook, looking to overshadow fiscal woes and the struggles of citizens with a polarising cultural issue. In addition to the protests already

mentioned, thousands of Slovaks attended rallies against Fico's meeting with Putin in Beijing. As Bohunka Koklesová, rector of Bratislava's Academy of Fine Arts, said: **'For [Fico], the Druzhba pipeline is more important than human lives'**.

Slovakia is among the most polarised countries in the world according to a [DEKK Institute](#) study, as 97% of Slovaks believe their society is divided and only 44% think reconciliation is possible – reflecting worse division than during the turbulent era of Vladimír Mečiar. **The report suggests that the deterioration reflects 'Fico's attempts to consolidate power by undermining judicial independence, attacking civil society organisations and exerting political control over the media'**.

Fico illustrates the issue frequently, as he attacks opposition figures' family members, or claims they are part of a global 'majdanisation' of politics, for instance by supporting anti-government protests in Serbia and wanting to 'import the same tensions' into Slovakia. **Indeed, Fico is seen as the politician who lies the most, with 52% of respondents selecting him** in a Focus poll. The government recently cancelled a presentation that would have refuted claims by Peter Kotlár that Covid-19 vaccines rewrite human DNA – after which Fico backed the government proxy investigating Slovakia's pandemic response, calling him 'an honest man'.

Unfortunately, young Europeans from around the bloc are losing faith in democracy, according to [YouGov](#) stats. 57% of Europe's Generation Z prefer democracy to any other form of government, but rates of support vary significantly, reaching just 48% in Poland. 21% would favour authoritarian rule under certain, unspecified circumstances. This was highest in Italy at 24% and lowest in Germany with 15%. In Poland, the figure was 23%. **Rising polarisation is also driving young Europeans to the ideological fringes, along with their elders.**

INFORMATION SOVEREIGNTY

Plurality of Sources

As the European Media Freedom Act officially kicked in, Democracy Commissioner Michael McGrath praised the law for paving 'the way for a safer, more transparent and pluralistic media landscape – one where citizens can trust that the news they receive is driven by facts, not business or political interests'. **Enforcing the Media Freedom Act and the Digital Services Act (DSA) could greatly weaken leaders like Orbán or Fico**, who rely on VLOPs to spread their malign influence. Fidesz has already lost one of its most powerful campaign tools, as YouTube – into which the party had poured millions of euros

– has stopped serving political ads across Europe. Meta has said it could ban all political advertising in the EU in October.

As it challenges VLOPs, however, Europe will have to deal with growing pressure from the Trump administration and associated US Big Tech. 'Romania is still very unprepared to cope with the hybrid war it is subjected to and Russia's kinetic actions. All the more so, Romania is even less prepared to face an informational assault and blackmail from the West, especially from the Trump administration, which takes a very dim view of civil society funded up to now by 'progressive' international organisations,' says Adrian Mihaltianu.

The US House Judiciary Committee released [a report](#) blasting the EU's DSA on the grounds it 'infringes upon Americans' First Amendment right to engage in free and open debate'. This built on previous criticism of countries in a letter from 13 May, condemning Tusk's government for 'weaponising Poland's justice system to target and censor political opponents'. In this context, **Trump threatened to impose 'substantial additional Tariffs' on countries who have adopted digital taxes and legislation,** vowing to punish what he called 'discriminatory actions' against 'our incredible American Tech Companies'.

Poland said it would press ahead with its 3% digital tax despite Trump's threat, alongside other countries like Spain, while the French and German digital ministries both reiterated their commitments to the DSA. **Sabine Weyand, the EU's top trade official, stressed that the 'DSA, DMA, our regulation is absolutely not on the table for concessions to the US'.** While freedom of speech remains a thorny political issue, the EU has stressed it is acting above all against manipulation of algorithms and information systems, as we have seen clearly on TikTok. This is also the topic of investigations into Elon Musk's X.

The anti-progressive narratives of the new US administration weaponise the ideas of censorship and freedom of expression – building on JD Vance's infamous speech at the Munich Security Conference – **and in turn [fuel the likes of Orbán and Fico](#).** For example, Orbán blamed 'the international hate campaign waged by the progressive-liberal left' for the assassination of controversial conservative activist Charlie Kirk, comparing the instance to [violence against Fico and Babiš](#) – even though Kirk was not widely known by Hungarians.

Hoping that he can counter Magyar's social media success, Orbán unveiled his new digital tool, the Digital Civic Circles, designed to echo his ideas online and so provide a constant digital presence for Fidesz. Reports suggest the Hungarian

government may also be utilising an Israeli spyware program, Candiru's DevilsTongue, which costs billions for full deployment.

A recently established Hungarian company with close ties to Orbán's government is also pouring significantly more money into smear campaigns than it officially reports in income – without disclosing who is funding it, [VSquare](#) has found. **One campaign targeted Magyar and Ukrainian President Volodymyr Zelenskyy**, with billboards across Hungary and an online video portraying the pair as garbage – from which Google and Meta are profiting. A Russian disinformation campaign was launched on social media at the same time to further inflame tensions between Hungarians and Ukrainians.

INTERNATIONAL RELATIONS

Enlarged EU or the Ivory-Tower

Fidesz launched its latest smear campaign against Magyar and Zelenskyy following its sham referendum on Ukraine's EU accession. As with previous referendums, the aim was less about policy than about generating polarising debate and creating a legal pretext for more campaign advertising. Indeed, **Orbán's anti-Ukrainian propaganda seems to be working, as 27% of Hungarians view Ukraine as a threat** – second only to Russia at 33%, as per the [Pew Research Research Centre](#).

However, after bilateral ties were further strained following strikes on the Druzhba pipeline, Budapest and Kyiv have been testing a reset in relations, with Szijjártó meeting Ukrainian Deputy Prime Minister Taras Kachka. The latter called the talks 'honest and constructive', pointing to cooperation on energy diversification and minority rights, while Szijjártó alleged that Hungary seeks better ties – but that responsibility for the relationship's decline ultimately rests with Ukraine. Szijjártó then claimed Kyiv officials are 'losing their minds' – after reports that Hungarian spy drones flew into Ukrainian territory.

Meanwhile, the EU has agreed to a 'unique' approach that will allow Kyiv to move forward with accession 'without waiting for the Hungarians', suggested Kachka, who is also Minister for EU Integration. [Ukraine and the EU](#) have also completed screening meetings on Chapter 11: Agriculture and Rural Development – covering reforms, digitalisation, state support, market regulation and overall agrarian development.

Moldova will now have great accession motivation after the election victory of the pro-EU PAS party. However, Deputy Prime Minister and EU Integration Chief **Cristina Gherasimov** has warned that any delays to the process would cost the EU

'credibility' – amid increasing debate over whether to separate Moldova's accession path from Ukraine. So far, the two countries' applications have proceeded simultaneously, despite the continued opposition Ukraine faces from Hungary. Denmark's Minister of European Affairs Marie Bjerre has said the goal remains to open detailed accession talks with both.

In turn, European allies have shown increased support for Chişinău. Tusk, French President Emmanuel Macron and German Chancellor Friedrich Merz all visited the capital to celebrate Moldova's independence day. **Von der Leyen, EUCO President António Costa and Moldovan President Maia Sandu also agreed to deepen cooperation at the first-ever EU-Moldova Summit on 4 July** – including the release of €270 million in pre-financing from the €1.9 billion EU Growth Plan, and more plans to aid Moldova's resilience to [hybrid warfare](#).

In terms of sub-regions, the EU retains its strongest influence in the Western Balkans and among its Eastern neighbours, according to the [Goeconomic Interconnectivity Index](#). However, China is gaining ground in both the Western Balkans and the Southern Neighbourhood, primarily through infrastructure projects and expanding trade relations.

Enlargement Commissioner Marta Kos condemned police overreach and attacks on journalists during an EP debate on Serbia. She also criticised state interference in the media and warned that Vučić's recent military parade appearances in Moscow and Beijing 'are not what is expected of a candidate country'. **Meanwhile, the European People's Party (EPP) has decided to initiate a 'scrutiny process' about the associate membership of Vučić's Serbian Progressive Party (SNS).**

In this context, **the EC could adopt its 2025 [enlargement package and pre-enlargement policy reviews at the end of October.](#)** These reports – assessing the progress of candidate countries and providing the basis for necessary reforms – have been [delayed](#), with preparations ongoing as of July.

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