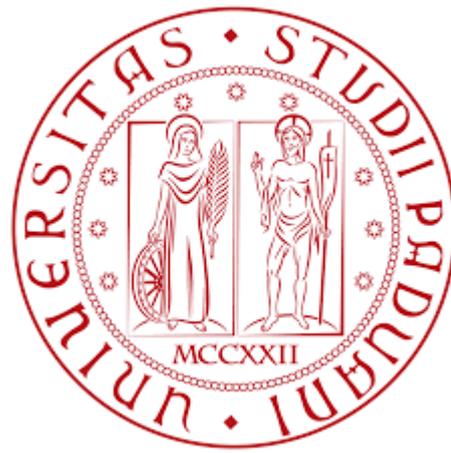


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Kleptocracy and Illiberalism: the Establishment of the Fudan University Campus in
Hungary

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ABBREVIATIONS

EU = European Union

FL = Fundamental Law

PSB = Public Service Bargains [model]

USD = United States Dollars

1MDB = 1Malaysia Development Bank [scandal]

ABSTRACT

This thesis will explore the conceptual links between illiberalism and kleptocracy in Hungary with a focus on the Fudan University Campus in Budapest. The objective of the paper is, one, to examine the extent to which state corruption plays a role in the illiberal behaviour of the Hungarian regime. It also aims to illustrate the relationship between illiberal actors, corruption, and the higher education sector through microcosm that is the Budapest Fudan campus. Through the use of a vast literature review, which will cover an array of conceptual fields such as illiberalism, transnational kleptocracy, and the impact on Western higher education, a broad theoretical framework will be developed from which to begin analysis. Then, a mixed qualitative methodology will be utilised. Interviews, online legal documents and media reports will contribute to the examination of the Fudan University Campus and the role that kleptocracy has played in its foundation. Firstly, through the literature review, it is found that the question of illiberalism as an ideology deserves a mixed response, that most likely the phenomenon in Hungary is a combination of both top-down corruption and bottom-up ideological and cultural backlash. The research methodology finds that state corruption is pervasive in Hungary, and the reformation of the higher education system there is a microcosm of a much wider problem that has allowed the government to exert more control over different aspects of society. Finally, while the foundation of the Fudan campus is certainly an extrapolation of the university reforms, in which political elites have been given positions of power in order to ensure loyalty, a lack of publicly available information means the paper was unable to fully support the hypothesis that it was a case of elites hiding wealth. These findings shed light on the relationship between illiberalism, kleptocracy, and the erosion of academic freedom within Hungary. It also contributes to the broader discourse on the impact of corruption on higher education and the implications for democratic governance.

INTRODUCTION

1.1 Background

Illiberalism and an observed democratic backslide have been observed in Hungary since at least the election of the Fidesz Party in 2010. The Hungarian government has arguably been one of the most prominent actors associated with this phenomenon. The party and government are led by Viktor Orbán who infamously boasted of building an “illiberal democracy” in 2014 (Budapest Beacon, 2014). Since the reformation of the country’s constitution in 2011 under the so-called Fundamental Law (FL), the state of the country’s pillars of liberal democracy has become increasingly questionable (Bernhard, 2021). The weakening of the country’s constitutional court, the limitation of the rights of minorities, and the approach to the migration crisis are only some of the changes that have drawn criticism among liberal commentators. In the realm of education, the government has pushed a series of laws and reforms which have drawn criticism for their purportedly authoritative, discriminatory, and backward nature. The case of Hungarian illiberalism will be utilised in this essay to explore how higher education in particular is affected by such a phenomenon.

Illiberalism is a political or ideological movement whose growth has been observed around the world. Debate as to the characteristics of illiberalism, whether the phenomenon should be treated as an ideology (Marlene, 2022) or set of politically-motivated actions (King & Kauth, 2021), and what exactly drives this trend are all unresolved. Numerous countries, governments, and political actors around the world have been slapped with the label of “illiberal” despite many disagreements as to what that actually means. What is clear is that it presents a challenge to the liberal hegemonic norm of the so-called ‘West’. So, what exactly is driving this illiberal, anti-democratic, possibly autocratic movement? As this paper will highlight, there is a wealth of literature which explores in-depth the multitude of potential forces contributing to this trend. Some put emphasis on the specific historical context of a particular case study to explain its present-day situation and relationship with illiberalism; others point to the failure of socio-economic reality in meeting expectations; a widespread disillusionment with mainstream, liberal, politics; social and political norms that enable the centralisation of power. Defining illiberalism and its traits is one thing, coming to a conclusion as to what brought about its upswing in recent years is clearly another. The latter

task is largely what this study will concern itself with. While taking into account the research done by previous scholars, this paper will seek to pose the question as to the viability of kleptocracy as a major driving force of illiberalism. In particular, it will use Hungary, its ruling elite, and the ongoing establishment of the Fudan University campus as a case study for examining this question.

Just as with its counterpart, kleptocracy boasts a wealth of scholarly debate. Extensive research has been conducted in relation to the idea of political elites stealing their respective country's wealth - it is not a new concept. However, there are certain aspects of this literature which are of particular concern. In other words, the state extorts from society, promising (falsely) that in return for finances and loyalty, good governance will be delivered. The state steals the wealth of the country while staffing itself with people loyal to the ruling elite and repressing those deemed a threat (Magyar, 2016). Elsewhere, previous research conducted on the use of offshore banking by investigative journalists such as Oliver Bullough or academia (Heathershaw et al., 2021) has helped to build an informational foundation as to the methods utilised by political elites to hide their stolen wealth. As will be illustrated later in the paper, these advancements in current understandings of kleptocracy - the characteristics of a kleptocratic state as well as the methods in which wealth is stolen - are of particular interest to the research questions of this study.

1.2 Justification

The research and subsequent data that this paper will present will, it is hoped, both support already existing works and call attention to a relatively shallow part of the literature - that is, the role of corruption in the current wave of illiberalism or authoritarianism. Even more so - and perhaps the most novel element of the entire paper - is the relationship between illiberalism in Hungary and higher education. Higher education - indeed, all education - is both an important indicator of development and a potentially useful tool for state actors to further an ideology. Thus, elaborating on the links between the state and higher education in what is, in part, a relatively new phenomenon is important, especially considering the close association that illiberalism has with more traditional concepts of authoritarianism.

Establishing how the Hungarian government interacts with and treats its own higher education sector may provide researchers a better understanding of how illiberal actors may seek to change education in general.

Combining the two areas is the objective of this paper. While identifying links between non-democratic governance and kleptocracy is not exactly novel in the literature - the concept of the mafia state, for example, explores precisely this - what is new is the idea that kleptocracy is the reason for democratic backsliding and the erosion of liberal principles. In other words, the most important factor encouraging the rise of illiberalism in Hungary is the desire of its political elites to steal the wealth of the country. This is the hypothesis that this paper will seek to confirm.

This paper will begin by presenting the literature review, exploring the debate on illiberalism as briefly ventured into above. Subsequently, an examination of scholarly work will then be conducted on kleptocracy. The purpose of this examination is to construct a theoretical foundation from which to proceed with subsequent research. Gaining a better understanding of what the phenomenon is will allow the essay to better link it with the other topic of the research, which is kleptocracy. Once this has been completed, a brief overview of the current political situation in Hungary will be provided, as well as the recent and relevant events that have led up to the present day. Doing so will allow the paper to establish itself spatially and temporally. Just as the literature review provides a theoretical foundation to work from, this would allow for a better understanding of the case study. Also, in the first part of the essay, a brief historical background of the case's illiberal undertakings will be conducted. The purpose of this is two-fold: to provide a general understanding as to the present-day circumstances and relationship between the case studies, and to be able to link the actions, policies, and ideas of the government. The latter reason is particularly important to the question of the essay.

The next section will provide an overview of the ways in which the European Union has responded to the policies and actions of Hungary. Analysis will focus on the Article 7 procedure against the member state, the withholding of funds under the Conditionality Mechanism, and the reaction to anti-migration measures. Subsequently, an evaluation of the effectiveness of the responses will be undertaken. The data will be retrieved from available sources online. The opinion formed by this author will therefore also be directly influenced by the research gathered in said sources. Limitations reside in the fact that the crisis of illiberalism in the European Union is ongoing and as such it is difficult to provide an accurate evaluation. Another limitation is the fact that only Hungary as a case study is examined

whereas illiberal actors are active in other locations within the EU, such as Poland, which is another often used exemplar of illiberalism

CHAPTER I - LITERATURE REVIEW

The literature relating to illiberalism is of a respectable size and wealth. Scholarly debate on the subject stretches several decades prior to the present day and, as such, there is much to consider. The main areas of contention, which this literature review will aim to cover, surround the concept's characteristics - as an ideology, the effect on minority rights, liberal principles such as the rule of law, and democracy - and the root causes of illiberal or democratic backsliding.

A brief comment on terminology should be made. As will be illustrated, there are a variety of terms employed in the literature. "Illiberal democracy" as popularised by Francis Zakaria (1997); "illiberalism", a singular noun which suggests a distinct condition (Laruelle, 2022); "democratic backsliding" a popular term which suggests the phenomenon exists in the realm of transition theory; and others such as "hybrid regime" (Levitsky and Way, 2002) or "electoral democracy". There is much overlap and flexible usage of these terms which means that defining each and every one of them is difficult and beyond scope of this article. For the purpose of practicality and maintaining relevance, illiberalism will be used as a catch-all phrase. This is because the purpose of this paper is largely to identify the links between what is commonly deemed to be an illiberal regime - Hungary - and its attitude towards the higher education sector. As such, it has been deemed more important to select commonly understood characteristics of illiberalism - such as increasing state power, discriminatory politics, and treatment of education. A discussion and debate overview of terminology would bog down the research.

The reasons for choosing to cover these areas within the context of illiberalism are two-fold: the relevance to the research question of this study and their general prominence within the wider field of study. Regarding the former, the question at hand represents a very specific case in which to examine the effects of illiberalism. As will be explored, the nature of illiberalism can differ from country to country, government to government and, as such, it remains important to bear in mind the particularities inherent to the example of Hungary. So, that is why these specific areas have been chosen to be reviewed in more detail. Then,

concerning the latter reason, these specific areas have also taken centre stage in the debate as to the defining and identifying of illiberalism. As will be illustrated, the debate surrounding these issues has been taking place for several decades and has consequently accumulated a breadth and depth of scholarly research. Unfortunately, even a paper of this size will be unable to fully unpack the complexities of all the arguments; however, a strong attempt will be made to do it justice.

Below, the review will begin by outlining early attempts to define illiberalism in the 1990s. This will allow for a streamlined and chronological comprehension as to how the concept evolved in the literature as later scholarship is analysed. Once this has been completed, the review will delve deeper into specific aspects of illiberalism, in an attempt to paint a picture as to what illiberalism ‘looks like’. Illiberalism and its relation to democracy, its position as an ideology, and the impact on the rule-of-law will thus be the main areas of focus. Constructing an image of illiberalism will allow for the paper to better identify how the phenomenon has taken hold in Hungary. Moreover, it will facilitate a bridging of this scholarly field with that of kleptocracy by illustrating how the two share commonalities, thus illuminating on the potential for the latter to be a driver of the former.

2.1 Defining Illiberalism

Before the review of definitions commences, it is necessary to state that the below is a synthesis of the available literature. The scholars have been selected because of their prominence in the field and the fact that they - Daniel Bell (1995, 2008) and Fareed Zakaria (1997) in particular - represent a starting point from which to conduct a review.

Unfortunately, no review can truly convey all the complexities of each and every argument made in the last few decades, and this one is no different; however, the review below strives to represent the main talking points in the literature which should provide for a sufficient understanding of the topic as a whole.

The earliest examinations of “illiberal democracy” can be found in Daniel Bell et al.’s (1995) rebuking of the now-notorious ideals and theorising of Francis Fukuyama. Bell et al. (1995), working at the tail-end of what is referred to as the ‘third wave of democracy’ (Huntington, 1991), were sceptical of the universalistic idea that capitalism and liberalism would work hand-in-hand, bringing an end to ideological differences and autocratisation around the world (Fukuyama, 1992). Instead, they pointed to various nation states around East Asia that were

experiencing rapid economic growth and argued that many of these countries were not adhering to Western liberal democratic norms. Singapore is employed as an example in which a visibly non-democratic country had nonetheless adopted some liberal principles, in the sphere of civil rights but especially economic outlook. They go on to make the suggestion that there is a difference between the liberal principles inherent to democracies in the West and the functions of democracy itself - as such, the specific and particular culture of a region appear to have an effect on the character of democracy itself. This is the basis of part of their argument; that the universalistic worldview of liberalism does not necessarily comply with the diverse array of cultures it is interacting with. Thus, it is unlikely that “developing states” around the world will adopt liberal values alongside economic development. It is important to note that this point forms the basis of later academic debate within the context of illiberalism - the extent to which illiberalism is truly anti-democratic depending on the definition of democracy. This will be something explored further in this thesis.

Two years later, Fareed Zakaria continued and perhaps popularised the usage of the term ‘illiberalism’ in his *Rise of Illiberal Democracy* (1997). In this article, Zakaria outlined the growing problem of democracies which had not aligned themselves to the principles of liberal constitutionalism during the 1990s. Although many countries - indeed, more than half - around the world had implemented democratic processes and elected leaders or governments, many of these had gone on to undertake illiberal, unconstitutional practices. Zakaria denounced what he saw as the potential of the tyranny of the majority to occur in democracies which have weak liberal institutions. The inability of an independent judiciary, for example, to check the power of the executive often leads to corruption. Thus, a clear distinction between democracy and liberalism or liberal constitutionalism (Zakaria does not distinguish between the economic and political conceptions of the term) is made.

Both Zakaria (1997) and Daniel Bell et al. (1995) suggest that one of the reasons contributing to the hindering of liberal constitutionalism (and thus the growth of illiberalism) is the specific historical context in which such an ideology was able to develop. Zakaria points to examples such as the Roman Rule of Law, mediaeval English Magna Carta, the Bill of Rights, and the American Constitution, suggesting they represent an interlinked line of political development unique to European countries. Similarly, Bell et al. argue that universalistic liberalism does not interact well with the differing and sometimes contradictory traditions of the world’s regions. The historic political particularities of, for example,

Malaysia, Singapore, or Thailand are not the same as those of Western Europe and North America - the origin of liberal constitutionalism. It is evident that from these early works on illiberalism or illiberal democracy that there was a prevailing belief that history influences the likelihood of a state adopting and maintaining liberal principles. A noteworthy example of Zakaria's is:

“Many of the countries of Central Europe, on the other hand, have moved successfully from communism to liberal democracy, having gone through the same phase of liberalisation without democracy as other European countries did during the nineteenth century” (1997).

So, a major factor, according to Zakaria, as to why Central Europe was able to liberalise in the 1990s was due to exposure or familiarity with the process. It is remarkable, then, that this very region is currently experiencing movement in the opposite direction i.e. an illiberal turn. This would suggest that there is more at play than solely historical tradition or culture as to why liberalism struggles. That, or the surge of illiberalism observed in the present day is of a different nature as to that of “illiberal democracies” witnessed in the 1990s.

Some preliminary conclusions can be drawn from the literature assessed above. Firstly, that a country with diminished civil liberties or institutes associated with liberalism may retain, in a restricted sense, democratic procedures (Zakaria, 1997). Conversely, they may maintain liberal values while neglecting democracy entirely (Bell et al., 1995). Secondly, the application of liberalism's tenets around the world is unlikely to be successful due to the specific cultural or historical origins of the ideology, incompatible without temperance to regions of the world that have not shared that same experience. There is thus an inherent link between liberalism and illiberalism: the latter is, at least partly, the result of an unsuccessful attempt at constructing its counterpart. This emphasis on cultural background, as argued, has its pitfalls; however, it does provide some clarification as to why the ideology may have failed to dominate in certain regions of the world,

2.1.1 Anti-democratic characteristics

Coming to an agreement on the linkage between illiberalism and democracy is difficult. However, it is important to do so for this paper because it provides a window to look through and glean a better apprehension of an illiberal state's composition. In particular, it allows us to understand the terminology employed in contemporary debates. The use of “democratic

backsliding” is often interchangeable with that of illiberalism, especially in the case of Hungary. However, is it an appropriate description? Does the weakening of the liberal apparatus inevitably imply a transition towards a more autocratic state? Are the two parts one and the same? As already highlighted, a defining characteristic of illiberalism is its relation to democracy and it has been one of the most salient areas of debate since the 1990s. Yet, what this tends to boil down to is a debate on the relationship between liberalism and democracy. Generally-speaking, the argument goes that democracy is either purely the electoral processes and voting rights endowed to citizens, or it also entails the institutions that guarantee the protections and rights associated with liberal jurisprudence. Defining illiberalism’s relationship to democracy will enable the paper to explore in greater depth how power is maintained in general and more specifically in Hungary. This section of the review will provide an overview of the various arguments presented over the last two decades.

To reiterate, Francis Zakaria helped to popularise the use of “illiberal democracy” in 1997. His interpretation was of a type of regime which, while discernibly not liberal, was also not necessarily anti-democratic. He differentiated between the system of electoral process and universal suffrage, which he saw as integral to democracy, versus liberal principles such as rule of law, judicial impartiality, and the protection of individual rights, which he argued were additional. Daniel Bell (1995; 2008) also suggested that democracy can exist in an un-liberal context. He employs several East Asian states as examples, arguing that Western liberalism struggles to take hold even in countries which purportedly hold democratic elections. Similarly, in his 2008 *Beyond Liberal Democracy* he reinforces this point by exploring how liberal ideals may be transferred and adapted to local preferences, implying part of the reason why there is an issue with non-liberal governance is the incompatibility of universalistic views. However, Levinsky and Way (2002) criticise the inherent “democratising bias” the term “illiberal democracy” implies. Instead, they convincingly make the case for a more fluid understanding of the standard democratic-autocratic dichotomy with their description of the “competitive autocracy” - a state which maintains electoral processes while abusing their executive power. Rather than being in the midst of a transition to democracy, many “hybrid” regimes such as the competitive autocracy or “delegative democracy” - a state with strong liberal values and democracy, but relatively weak checks on power (Levinsky & Way, 2002) - are arguably stable or “move in multiple directions”. This suggests that the standard view of democratic-autocratic dichotomy is misrepresentative of political reality. Elsewhere, Dani Rodrik has continued this line of scholarship. In 2016, he

argued there is indeed a difference between what he deemed “electoral” and “liberal” democracies. The former guarantees political rights while the latter does that plus protects civil rights. Electoral democracies are therefore very much akin to Zakaria’s “illiberal democracy” (1997). Rodrik employs 19th century Britain and present day Monaco as examples of “liberal autocracies” (according to him, a very rare composition); an electoral democracy on the other hand can be found in the likes of Croatia, Turkey, Ukraine. Hungary too is used as an example of a country whose civil rights are being eroded, pushing it further into the electoral democracy camp. The relevant point made here is that democracy and liberal values are not one and the same - that a country with weakened liberal institutions or values can still be considered a democracy (Zakaria, 1997; Bell, 1995; Levitsky and Way, 2002; Rodrik, 2016). In other words, illiberal states and actors may not necessarily ‘sit’ in-between autocracy and democracy but rather occupy their own space. In this case, the actions and aims of an illiberal regime would likely differ from either liberal democratic or autocratic ones (Sajó, 2021).

Conversely, there is a healthy literature which adopts the opposite stance - that the concepts of democracy and liberalism are inextricably linked, that ultimately a continuum exists. Soon after Zakaria published his 1997 article, Marc Plattner (1998) outlined his criticism and defence of a different view. While Plattner acknowledges that there are certainly differences between electoral and liberal democracies, he emphasises the inherent connection between the two concepts. Although not “inseparably” tied, there is a clear relationship between electoralism and liberal values. For instance, certain civil rights must be guaranteed to be able to hold any semblance of a free election; conversely, the right to vote is considered - at least in the liberal mainstream - as inalienable. Plattner’s essential point is that it is misleading to treat both ideas as separate. On a similar vein, Møller and Svelnig’s (2010) rigorous analysis of democratisation provided support to this view. They argue that democratic and liberal principles do possess some level of linkage. Advancing on typologies and the categorisation of regime types, they found that no “liberal autocracies” exist in the contemporary world, which supports Rodrik’s (2016) own data. Meanwhile, at least 56 illiberal autocracies are identified (2010). This data suggests that there is a link between liberal principles and democratisation. As they state, “with few exceptions, effective civil liberties presuppose inclusive elections, while the rule of law presupposes civil liberties.” Further, these findings contradict the claims made by Zakaria (1997) that an autocratic route to liberal constitutionalism is possible (Møller and Svelnig, 2010). In specific relation to the notion of

an illiberal state, the aforementioned King and Kauth (2020) criticise Zakaria's (1997) more solid distinction between electoral and liberal democracy, arguing that "An exclusive focus on electoral procedure loses sight of such disruptive practices that can erode democracy through the back door." The relevance of this line of argument is that it suggests that an attack on liberal values is an attack on democracy itself; that liberal democracy exists on a continuum with autocracy and that, therefore, an illiberal state is simply one that exists somewhere in the middle of this spectrum, on its way to either true democracy or autocracy. Such a view somewhat negates the study of a separate condition of illiberalism unto itself.

Elsewhere, Waller (2023) provides an intriguing and somewhat compelling research paper which both seeks to separate the conceptualisation of autocracies and illiberalism, while also illustrating the linkage between the two. On the one hand, Waller asserts that stretching the concept to cover all non-democratic regimes merely damages the capacity to utilise it as an analytical tool; on the other, he argues that illiberalism as an ideology or condition may be utilised by "autocratising" or presently autocratic regimes. Waller's research strengthens the idea, which will be explored below, that illiberalism and autocracy - and thus democracy (Burgess & Burgess, 2018) - are not to be considered as part of the same category of phenomena. Moreover, it suggests that illiberalism may be exploited - as a set of ideas or beliefs - by governments for their own benefit.

As responses to the questions posited at the beginning of this section, the literature presents a mixed picture. While there is concordance on both sides of the debate reviewed so far, the central issue remains unsolved and that is whether illiberal states represent a regime type that is distinct from the traditional democratic-autocratic dichotomy, a possible "third way" (Alpermann & Immel, 2022) - or, instead, illiberalism, illiberal democracy, democratic backsliding are all terms that denote more or less the same thing: a country transitioning along the dichotomous continuum. The relevance of this debate is understanding the motivations and goals of the regime type: if the former is correct then it would be difficult to predict; the latter would be easier as it would imply the end-goal of ever-increasing authoritarianism (SOURCE). What is perhaps most enlightening about the debate to define illiberalism's relationship with democracy is its inherent difficulty, the indecision. This likely is a reflection of the real political landscape in which illiberal actors cunningly shelter their true motives from critics. As Andras Sajó (2021) points out, the alterations that an illiberal regime makes to the structure of governance are subtle and difficult to isolate as outright anti-

democratic. Overall, it is evident that illiberalism does not necessarily equate to the complete stripping of the democratic apparatus - that is, electoral procedures and voting rights; however, that does not mean that checks and balances on the executive remain. As such, an illiberal state's composition may be one which sees competitive elections *and* abusive governmental power (Levitsky and Way, 2002; Rodrik, 2016).

2.1.2 Illiberalism as ideology

The section below will analyse discussions on the position of illiberalism as a potential ideology in its own right. If it were to be considered so, it would strengthen the argument that the phenomenon should be considered separate from the democratic-autocratic dichotomy and more in line with liberalism. It would also help to understand the drivers of illiberalism in the present day around the world and in Hungary.

Marlene Laruelle (2022) provides a comprehensive and relatively updated exploration of the question regarding illiberalism and its status as an ideology in its own right. Laruelle argues that illiberalism should indeed be regarded as an ideology with its own distinct set of values and beliefs. Laruelle specifically defines illiberalism: firstly, as belonging in its own, albeit “fluid”, “ideological universe”; secondly, it represents a “backlash” against liberalism, often in support of democracy; thirdly, it adopts a majoritarian and national sovereignty rhetoric; and, fourthly, a paradigm transition from politics to culture which claims a character of “rootedness” amidst an increasingly globalised world. In her own words, illiberalism is a “thin ideology” (2022), which harks back to Cas Mudde’s own famous study on populism (Waller, 2023). Laruelle’s definition is unprecedented in the literature, which she acknowledges. As such, her claims have not necessarily been academically tested and scrutinised. Overall, Laruelle’s attempt to define illiberalism is helpful in setting it apart from preceding scholarship which has tended to view it as a ‘regime type’ along the democracy-authoritarian spectrum. Instead, it is presented as its own distinct set of values and beliefs; however, it is one that is undeniably linked to liberalism, which somewhat weakens the view that the condition is distinct. Moreover, as Laruelle points out, defining it as an ideology in this manner allows it to be analysed through different lenses of culture, providing a footing from which to understand how illiberalism is manifested differently around the world. Producing a similar framework, King and Kauth (2021) seek to make a distinction between what they deem to be ideological illiberalism and “disruptive” illiberalism. The former, they argue, represents a range of beliefs; meanwhile, the latter version of illiberalism refers more

to an anti-democratic behaviour enacted by political agents or “autocrats in the making” - more specifically, it represents a means to challenge democratic procedural norms.

Significantly, Hungary and Poland are both used as examples of governments that practise this latter form of illiberalism, in which “liberal institutions as well as electoral norms and procedures: the judiciary, the press, academia, and international NGOs” represent the bulk of the targets for illiberal actors.

Both King and Kauth (2021), and Laurelle (2022), propose an analytical framework which sets apart a specific nomenclature of “ideological” illiberalism. Admittedly, the authors present somewhat different views of the terminology. King and Kauth illustrate that they do not believe ideological illiberalism to be its own distinct system of values - in other words, it is not an ideology unto itself - rather it grows from ideological preconceptions of what it means to belong to a particular group. In this sense, “ideological” here refers more to the exploitation of liberalism’s conceptions of identity and citizenship, to then produce an exclusionary logic which seeks to maintain an imagined homogeneous nation or group. On the other hand, Laurelle is very clear about defining illiberalism as an ideology - an expansion on her peers’ understanding. While it maintains a “mirror” relationship with liberalism and can be seen as a backlash against some of its counterpart’s interpretations regarding the political, economic or social spheres, it still sits itself as a singular and identifiable ideology. Despite the differences here, the commonality is that ideological views are used to create a condition which is unliberal - i.e. the discrimination of those perceived to be different. This should be considered one of the main characteristics of illiberalism, whether or not that is defined as an ideology or disruptive politics.

Meanwhile, there are some, such as Andras Sajó (2021), who question whether the growth of illiberalism is related to ideology at all. According to Sajó, illiberal politicians are largely motivated by personal gain. They are more than happy to maintain principles of the rule of law and largely protect the fundamental rights of its citizens - unless, that is, such practices threaten the position of power or ability to gain wealth. To strengthen his case, Sajó compares the ideological oppression of genuinely authoritarian states, where the law is applied to ensure the protection of the state versus the “disapplication” of the law in illiberal states. Corrupt officials are pardoned or given amnesty i.e. the law is found, in special cases, not to apply to particular people. The implication here is that so-called illiberal states, such as Hungary, do not utilise overtly authoritarian tactics to ensure their continued political

success. That is because it is not the end-goal of politicians to create an ideological authoritarian state but rather expand their personal power, prestige or wealth ideally without attracting the likely harsh, negative international or domestic reaction that would lead to. Moreover, the distinction between ideologically motivated actors such as communist states or more authoritarian ones like Russia and illiberal states helps to convey the visible differences between the categories. While this view limits the agency of non-elite actors and discussion regarding the incompatibility of liberalism in non-Western cultures and the subsequent backlash against it (Laruelle, 2021; Zakaria, 1995, Bell et al., 2008), it does provide insight as to what may motivate political elites in the context of illiberalism.

Assessing the varying views surrounding illiberalism's position as an ideology is important for the wider purpose of this study. As mentioned, Laruelle's positing that illiberalism should indeed be treated as a distinct set of beliefs is somewhat unprecedented within the literature. While Laruelle provides an engaging analysis, and significantly advances the scholarship on the subject, because of its relative novelty there is a lack of academic scrutiny. Given the precedence, this paper is hesitant to adopt her position. King and Kauth's slightly earlier analysis is somewhat less ambitious than Laruelle and provides a more obvious link between itself and preceding scholars. They specifically refute the point about illiberalism being an ideology unto itself despite specifying two 'logics', one of which is related to ideological interpretations of exclusion. Sajó's (2021) analysis of the potential impact on the rule of law by illiberally-inclined political actors provides a useful alternative, that these actors are not ideologically motivated whatsoever. This final point is useful because it provides insight as to one of the drivers of this trend; however it seems unjustifiable, given the wealth of the opposing literature, to argue that this is entirely correct. In all, this paper acknowledges that while it may be an overstep to define illiberalism as an ideology unto itself, there are definite commonalities in the way that illiberal actors and the surge of illiberal politics - in particular attitudes towards the rule of law (Laruelle, 2022; King and Kauth, 2021; Sajó, 2021) and exclusion (Laruelle, 2022; King and Kauth, 2021).

2.1.3 Exclusion and Rule of Law

Now the paper will analyse what exclusionary measures and challenges to the rule of law look like in illiberal states. Doing so will allow for a better understanding of how the state consolidates its power and thus provide for a more in-depth comprehension of how illiberalism and kleptocracy are linked.

Already, this paper has touched upon other characteristics. King and Kauth (2020) usefully explored the exclusionary logic of illiberalism which uses the majoritarian nature of democracy to produce non-liberal results. In other words, it is common for minority groups or identities to suffer discrimination of some sort at the behest of the majority. Emphasis is put on exclusionary politics whether that is in regard to race, religion or another identity. Thus, it “confronts” liberalism’s ideas regarding the individual - the rights endowed upon or taken away from citizens based on certain criteria. More, King and Kauth highlight the tensions inherent within liberalism that they argue help to birth illiberal ideology. Namely, they highlight liberal ideas surrounding the social contract, redistribution and responsibilities based on citizenship that help to justify or “open the floodgates” to illiberal policies. Moreover, it adds depth to the debate, showing that illiberalism can be thought of in both specifically anti-democratic terms and anti-liberal terms. Many others pick up on these exclusionary principles. Thomas Maine, although only analysing examples from the United States, supports this view. He offers a list of characteristics to describe illiberalism: “racialism and white supremacy... intolerant rhetoric” (2021). It must be noted that even though the specific case study Maine has examined differs significantly from those of the authors discussed above, there remains commonality: in this case, the tendency for illiberal actors to resort to exclusionary tactics based on identity markers such as race.

Another common theme in the literature is to associate illiberalism or illiberal practices with the degradation of principles or institutions related to the rule of law. The rule of law is a liberal principle which seeks to ensure a balance of power amongst the branches of government; moreover, it seeks to place the law above politics, ensuring that no individual or entity within a society can exact arbitrary action on another (Stanford Dictionary, 2023). Martin Krygier’s (2021) chapter in *Routledge Handbook of Illiberalism* distinguishes between two “tendencies” of illiberalism: one which seeks to get rid of power and the other which looks to consolidate it. Both behaviours, according to Krygier, tend to have the same results: ultimately, as the enemy of the principle of rule of law. In examining the cases of Hungary and Poland in the context of antagonising the European Union, Peck and Schepelle propose that the goal of this degradation is to become a de-facto one-party state (2017). This would also - as the two authors openly point out - put this phenomenon conceptually side-by-side with authoritarianism and thus contradict it with other areas of the scholarship. The extent to which rule of law principles are violated is not exactly certain. As András Sajó

(2019) remarks, a clever illiberal regime “knows how to behave”. Central to his argument is that such regimes play the game of liberal democracy, and will generally not be tempted to revoke non-rule of law principles let alone democratic rights. Instead, they will slowly and subtly chip away at the rule of law, in a manner that makes it difficult to directly challenge. Like Peck and Schepelle, Sajó analyses the impact of illiberal governments on rule of law domestically. Unlike these two, Sajó is more prudent and restrains from describing such regimes as outright quasi-authoritarian. Nevertheless, and despite these differences, there is clear commonality on the view that illiberal actors will undoubtedly seek a certain erosion of the systems that maintain checks on executive power. This will undoubtedly ensure that less scrutiny is placed on the actions of those in government. A weakening of this particular principle, thus, would potentially go hand-in-hand with an executive or political elite that hopes to

This final point will be built upon later on in this paper as the case of Hungary unpacked. Of particular relevance is the EU’s rule of law conditionality mechanism that has been employed against the Hungarian government to challenge alleged failings by the country to align with the supranational organisation’s liberal values. Specifically, the mechanism was officially formed to protect the financial interests of the EU (EU Commission, 2022) - the changes made by Hungary’s Fidesz Party were found to constitute a threat to said interests in 2022. Prior to this, the EU had attempted to curb the perceived threat posed by Fidesz’s Hungary via the Article 7 procedure which would have seen the country loses its position on the Council of Ministers - however, this process is generally seen to have failed as almost no progress has been made since its triggering in 2018 (Neuwahl & Kovacz, 2020). What is significant about these recent events is that it suggests two conclusions which reinforce the literature review and overall objective of this paper: one, that perceived attacks on rule of law principles are seen as challenges to liberal norms and, two, that the government of Hungary is viewed by, at the very least by the institutions of the European Union, as an illiberal actor. The former point supports the above literature, illustrating that altering the system of checks on power is, at the very least, viewed as an anti-liberal action. The latter helps to build context regarding Hungary’s recent political history.

2.1.4 Illiberalism and Education

Illiberalism poses a significant threat to higher education and academic freedom. In societies where illiberalism takes hold, there is often a chilling effect on intellectual discourse and

critical thinking within academic institutions. Professors and scholars may face pressure to conform to the prevailing political ideology, leading to self-censorship and a reluctance to explore controversial or dissenting viewpoints. This stifling of academic freedom not only hampers the pursuit of knowledge but also undermines the very essence of higher education, which relies on the open exchange of ideas and the ability to question established norms (Schofer et al., 2022).

Furthermore, illiberalism can have a detrimental impact on the diversity of thought and perspectives within academia. Illiberal regimes may undertake different strategies to then undermine academic freedom. These strategies may vary between breaking academic norms, bending the legal framework, using extra-legal tools, and “de-specification”, which involves changing the name and language used in educational programmes (Pető, 2021). When dissenting voices are marginalised or suppressed, it becomes difficult to foster an environment where students can engage in robust debate, challenge prevailing notions, and develop critical thinking skills. This, in turn, hampers the overall quality of education and leaves students ill-prepared to navigate a complex and diverse world. In the long run, the erosion of academic freedom and the rise of illiberalism threaten not only the integrity of higher education institutions but also the broader societal commitment to free inquiry and democratic values.

2.1.5 Common characteristics

To summarise, a consensus on the definition of illiberalism does not exist. As explored, the literature is awash with varying terms that can mean different things depending on the person using it. This has made analysing the phenomenon difficult as it has not been clear whether to put in the camp of traditional transition theory or distinguish it as a separate field. What is clear, however, is that with the rise of this type of politics comes a rejection of liberal democratic norms. That is, an infrastructure that fully upholds the rule of law, for example, meaning that governments are able to avoid the level of scrutiny typically expected in a liberal democracy (Sajó, 2021; Laruelle, 2022; King and Kauth, 2021; Zakaria, 1997). Or the exclusion from public life of a specific demographic (Laruelle, 2022; King and Kauth, 2021; Maine, 2021).

In regards to the state of democracy, it is evident that, whether or not the goal of the political elite is to transition to autocracy, there is a definite tolerance for competitive elections. Again,

this could be because of an ideological tenet (Laruelle, 2022) or a selfish but non-autocratic elite (Sajó, 2021). It would seem, given the wealth of literature supporting it, foolish to ignore the common ideological aspects identified by some of the authors above, but equally the more “realist” views of Sajó and transition theory, which would suggest that a significant component of the illiberal surge is driven by self-interested individuals or groups. This paper adopts the view that both are likely contributing factors and that it is possible that the combination of genuine ideological motivations are combined with a drive for greater personal gain.

2.2 What drives illiberalism?

Now that it has been established that the phenomenon called illiberalism does indeed harbour elements that strongly suggest it is some form of “thin ideology” (Laruelle, 2022), it is important to analyse where this ideology comes from. For example, the backlash against liberal hegemonic culture (Laruelle, 2022; Kreko, 2018; MORE), “imitation” of the West (Krastev, 2018), the failure of mainstream politics (Gryzmala-Busse, 2018; Kreko, 2018), historical-institutionalism (Przybylski, 2018), and mismanaged expectations (Petrova, 2018). It is important to note that these factors are rarely singled out as lone causes of illiberalism but rather are more often shown to work in combination with one another. From that point, it is important to refer to the task of examining the role of kleptocracy as a driver of illiberalism - this factor will likewise undoubtedly work in combination with these other drivers.

Some scholars argue that a cultural-ideological backlash has played the most important role in the growth of illiberalism. As already discussed, Marlene Laruelle outlined illiberalism as an ideology - one which works in juxtaposition with liberalism, that is not necessarily against democracy’s electoral elements but seeks to erode or eradicate certain liberal institutions or principles with the goal of consolidating governmental power (2022). However, this does not necessarily explain *why* such an ideology, trend, phenomenon - whichever term is most appropriate - came about. Other scholars in the literature employ a similar view to explain the causes of illiberalism. For example, Jacques Rupnik (2017) makes the case that the rise of illiberalism - particularly in Eastern and Central Europe - is the result of a dichotomous “culture war” which has permeated liberal societies in recent decades. Rupnik emphasises that the modern democratic history of Western Europe contrasts with the “closed” societies of Eastern Europe, which had experienced relatively little immigration under communism - a line of thought not particularly novel (Bell, 1995, 2008; Zakaria, 1997). As such, Rupnik’s

theory goes, the diverging attitudes towards what constitutes a nation has led to a schism in European identity politics especially in the wake of the refugee crisis which has seen, for example, the Hungarian government adopt harsh retaliatory measures. Peter Krekó and Zsolt Enyedi (2018) agree with the general view that identity politics have had a large role to play. The rise of identity politics is part of a “cultural counter-revolution” that the Hungarian government and Viktor Orban are undoubtedly a part of. However, it is important to note that the authors believe it is part of a much wider international trend. Hungary, like for this paper, is used simply as a specific case to study. This backlash exaggerates certain preconceptions of what the government purposely paints as ‘Western’ ideology - whipping up negative sentiment regarding immigration policy, political correctness, and the apparent collapse of rule of law. By coming to dominate their own national media landscape, the Fidesz government has effectively peddled what Kreko and Enyedi deem to be conspiracy theories, exacerbating anti-‘Western’ sentiment. Intriguingly, the authors are adamant that although there are clear ideological and cultural currents at play here, Orban himself is not driven by the same logic and is much more of an opportunistic electoral player. In a review of work by Peter Krastev and Jon Van Til, Agnes Heller (2017) formulates a similar argument, claiming the Hungarian leader is void of ideological views and merely employs certain rhetoric to gain popularity and distribute sectors of society to oligarchical allies. Such a characterisation implies that his end goal is not one of authoritarianism and thus supports arguments, such as Laruelle’s (2022) or Levitsky and Way (2021) in that a state can be democratic without some of the taken-for-granted liberal institutions commonplace in most such regimes. In all, these two main points - firstly, that cultural and ideological divisions between, and within, different countries have led to an increase in illiberalism and, secondly, the trend in Hungary is partly driven by an opportunistic leader - appear somewhat contradictory. However, it does suggest that - at least in Hungary - the process is both bottom-up and top-down. This paper finds this explanation of illiberalism’s causes to be one of the most compelling, and as such it will be adopted as the main reference point from which to compare research to.

Another possible factor is that illiberalism observed internationally, but again more specifically in Central and Eastern Europe, is the result of unmet socio-economic expectations. In particular, the role of globalisation is often emphasised by scholars in the field. Daniel Diainu in asking “What drives illiberalism?” (2018), identified a number of different factors ranging from fear of the unknown, EU democratic deficits, and growing wedge between political elites and the majority of the population. However, all of these

factors are driven by increasing globalisation and “market fundamentalism” - ultra-*economic* liberalisation in recent decades has led to disillusionment with the world order, liberal democratic governance and an erosion of the social fabric. This all leaves room and encourages autocratic, non-liberal tendencies. Diana is not the only scholar to push this more economic view; Dimitrina Petrova (2018) ... Critics of the economic argument such as Rupnik (2018) and Bocskei (2016) are sceptical. Rodnik admits that the economic view is more the mainstream and does not dismiss it completely; however, he argues that it does not make sense for this to be the biggest factor, using Poland - a country whose economy actually grew during the 2008 financial crisis and continued (up until the point of his paper’s writing), yet has experienced a wave of illiberalism akin to Hungary’s or elsewhere. Similarly, Broskei purports that economic downturn cannot be the only reason for the phenomenon. Lots of other specific conditions must be in place, such as weak civic institutions and social cohesion, for illiberalism to grow at the rate it has. He also points to Robert Kagan’s theory that geopolitical realignment has played a large role, looking at China and Russia and their part in allegedly promoting authoritarianism. That being said, Kagan, in an interview for the ‘Carnegie Endowment for International Peace’ iterated that he did not believe these two countries were explicitly trying to “export” autocracy (2008), somewhat contradicting this argument. In all, the economic argument is a compelling one and is not the “mainstream” argument as Rupnik says without there being weight behind it. However, it’s unlikely that it has worked alone and does not explain fully how or why illiberalism has grown - and continues to do so - across Europe and the West in general.

The ‘imitation’ game is a theory posited by several scholars. Notably, Stephen Holmes (2020) and Ivan Krastev (2018) are proponents. Broadly speaking, their argument posits that after the fall of communism in Eastern Europe, post-Soviet (and communist countries in general) nations commenced a “game” of imitation of Western liberal democratic countries. This saw said countries rapidly liberalise their economies and produce - most of the time - new liberal constitutions. However, this attempt imitating the West created a dynamic which saw the imitators looking “up” to the imitated; this dynamic has created a feeling of inferiority. Moreover, as the liberalising countries failed, in one way or another, to fully achieve the standards set by the West, a growing anti-West, anti-liberal discourse and sentiment appeared. Holmes emphasises that the lack of alternatives presented was also another key component, with liberalism’s universalistic values seen as restraining and its proponents unmerciful if not adhered to... In reviewing a work of Holmes’, Gabriel

Schoenfeld (2020) argues that the problem with this idea is that the politics of imitation is too broad a concept, too “elastic.” While he does not dismiss it completely, Schoenfeld argues that the various ways this theory is attempted to be proven - via events such as the Second Gulf War or the 2008 economic crisis - are too distinct from one another, thus he labels the argument “superficial”. That being said, he does agree with their general description of what led to a rise of illiberal politics in Eastern Europe: that liberal shock therapy - both economic and societal - in the 1990s shook well-established identities in the region. Ultimately, his view is that it is too abstract a hypothesis. In all, this more psychological approach to the question of illiberalism’s drivers is at once both distinct and similar to the other theses thus far analysed. On the one hand, it offers insight as to how the collapse of communism in Eastern Europe and the subsequent move to adopt, or imitate, the West’s values has had a demoralising effect on the region; on the other, as pointed out by Schoenfeld, it does largely borrow from the aforementioned ideological-cultural argument.

The corruption and disappointment induced by mainstream politics is another factor to consider. According to Anna Gryzmala-Busse (2018), with reference to Hungary, Poland, and the Czech Republic specifically, the legal and political controversies which rocked the country in the mid-2000s were a major source of illiberalism. For instance, in Hungary, the ruling Socialist Party was found to have misled the public about the country’s financial situation, leading to mass protests on the street. The controversies combined with the fact that the project of liberalisation was presented to the public by these political elites as the only way forward, meant that populist, extremist parties were often the only critics. Once the controversies had occurred and trust in the establishment diminished, said extreme parties were able to seize upon electoral opportunity, as Fidesz did in 2010. Gryzmala-Busse is not alone - Mikolos Haraszti (2017) similarly comments that it was the ineptitude of mainstream, centrist politics in the years after the collapse of communism (in Hungary) that led to the demise of the liberal state there. While Gryzmala-Busse certainly puts more of an emphasis on the failures and corruption of the political elite, there is definite overlap with some of the scholars’ work studied above. For example, the reduction of the public debate over the political, social, and economic direction of the post-communist countries (Gryzmala-Busse, 2018) is very similar to the imitation game theory proposed by Holmes and Krastev (2018). This is, of course, no coincidence and it undoubtedly conveys the importance of this factor.

In sum, there are several main theories circulating the literature, all of which offer their own unique insights. Alleged cultural and ideological differences; the corruption of a past liberal-leaning elite; a seemingly failed attempt to “imitate”; and ultimately a populace that perceives itself to be in an ever-worsening economic situation. These are the factors and theories above summed up. Each, as stated, offers their own particular visions as to the rise of illiberal politics. No single explanation is sufficient on its own (Holmes, 2020), but there is a significant amount of overlap between all the theories stated. For example, the idea of there being some kind of winner and loser paradigm (Rupnik, 2018) is characteristic of both the psychological imitation game (Holmes, 2020; Krastev, 2018) and perhaps the more mainstream globalisation argument (Diainu, 2018; Petranova, 2018). In both, the idea persists that due to the failure to meet expectations - either in a broader ideological or economic sense - a sentiment of discontent has grown, leading to voters - the populace at large - to seek political alternatives. In fact, this latter point bears similarity with the corruption theory: that disappointment with the ruling classes, either through nation-rocking scandals or via the lack of ideological alternatives presented, led to, again, the growth in popularity of those who dared critique liberal hegemony. Importantly, as the sources used above themselves drew from several different country cases gives credence to the first theory analysed, that of an international cultural-ideological backlash. However, it is equally important to note that almost all the sources analysed above use a relatively small sample of cases: all of them at least partially use Hungary as context, Poland coming second, and then an array of various Central or Eastern European post-communist countries. On the one hand, a sample from a singular region of the world - especially when attempting to explain a supposedly worldwide phenomenon (Krekó and Enyedi, 2017; Rupnik, 2018) - obviously may provide only a correspondingly limited understanding of how or why it may arise. On the other, due to the subject of this paper, such sources may be especially useful. As some scholars point out, illiberalism and illiberal politics are contextual and thus may possess ‘flavours’ specific to that country or region (Laruelle, 2022). Therefore, it is likely more helpful to focus on a specific area to glean a deeper comprehension of said area. Moreover, the fact that so many of the sources referenced this specific region without prompting from the researcher suggests that Hungary, Poland, and other Eastern or Central European countries are perhaps hotspots of the phenomenon. Also, this could be due to the possibility that there is a European bias, especially within English-language literature.

So, where does kleptocracy fit in all of this? In examining the literature, very little links this specific field with that of illiberalism. As highlighted, the most prominent views emphasise either economic decline, cultural backlash or social fragmentation. The most similar factor reviewed earlier was that of the corrupt elite (Grymzala-Busse, 2018; Harastzi, 2017); however, even this was explained in the context of the political landscape in the two decades following the collapse of communist Europe (so, the 1990s and 2000s) rather than a more recent kleptocratic class. Yet, the hoarding of wealth in Hungary is touched upon in Krekó and Enyedi's article where they claim, "leading figures in and around Fidesz policies are not so modestly building their wealth" (2017) and then use the example Lőrinc Mészáros, a friend of Viktor Orbán's, who has dramatically increased his net-worth to become one of the country's wealthiest people through Fidesz's tenure. In fact, earlier in this paper, Sajó (2021) was shown to have touched upon the role of desire for personal gain in illiberal actions (2021). Harasztzi (2017) brings up a concept - not his own - that is of particular interest and will be explored in more detail below: the mafia state. The basic premise of this is that the state acts as a criminal organisation, both in its attitude towards profiteering and so-called enemies. By incorporating that concept in a comment on illiberal studies, some light - and optimism - illuminates the focus of this paper.

2.3 Kleptocracy

Kleptocracy was first developed as a field of social and political science by Stanislaw Andreski (1968), who defined it as a country ruled by corrupt leaders or officials who use the nation's wealth for their own personal enrichment. This theme has remained constant in the studies of political corruption in the decades since. In 2005, Acemoglu and Jonson (2005) equally agreed that kleptocracy occurred when a political elite hoarded the wealth of its citizens. The definitions of the concept have apparently not changed much over the course of half a century. However, what has changed is the way in which these political elites transfer their nations' resources to their own coffers.

Acemoglu et al. (2004) advance this general definition of what kleptocracy is. Where they provide especially useful data is their analysis on how kleptocracy is conducted. They advance an institutionalist strategy they name 'Divide and rule' which argues that kleptocratic leaders arguably overtly steal the wealth of their country. As dictators, they stand above the state's apparatus and bribe off potential political opponents, making it easier for them to act as kleptocrats. A country with such weak institutions, they argue, makes it all the

more simpler for a singular ruler to act like this. The wealth they steal comes from sources such as tax revenue, funds from foreign aid, and natural resources, all lacking protection by alternative institutions. Leaders conduct a type of rent-seeking behaviour (Acemoglu et al., 2004; Coolidge & Rosie-Ackerman, 2000) that involves searching for, controlling and extracting surplus profits from sectors of the economy. The authors reference van der Walle and Bratton (1997) in their analysis that kleptocracies tend to be led by a single dictatorial ruler and possess a bureaucracy in which corruption is pervasive. The emphasis on weak institutions is useful here and will provide a light to follow for later on in the paper's analysis; however, such a heavy focus on single rulers and pervasive corruption may differ from some other understandings of kleptocracy, especially more modern and transnational ones.

Karen Dishaw, author of *Putin's Kleptocracy: Who Owns Russia?* (2014), states in both her book and a subsequent press conference (2014) that Russia has the world's most extreme income inequality, with 35 percent of the country's wealth controlled by 110 billionaires. In both the book and commentary, she outlines how from the earliest days of Russia's transition to a capitalist society, in particular the emergence of Putin as leader, corruption had existed on a massive level. For example, in the early 2000s Putin was a member of the St. Petersburg Real Estate Holding Company - the same advisory board was also staffed with known members of Russian criminal organisations; moreover the same board was embroiled in money laundering scandals involving none other than the Colombian drug cartel Cali (Balzer, 2015). Dashiwa further cites the assured loyalty of the country's richest in allowing them to control sectors of the economy and, in return, ensuring some profits make their way to the Kremlin. It should not go without note that a steady dismantling of the country's democratic infrastructure, a lack of domestic investment, and a curtailing of individual rights have gone alongside the widespread, endemic kleptocratic behaviour in Russia. The history of Russia - both recent and old - is not necessarily directly comparable with neighbouring or nearby countries; however, Dawisha's comprehensive analysis of how Russia's political structure came to be designed the way it has - through intimidation, threats and acts of violence, a tight-knit circle of oligarchs that has been formed to syphon the country's wealth, paying "rent" to their leader - perhaps give researchers and anyone interested insight as to how a kleptocracy may arise and appear. All the while, any semblance of democracy - liberal or otherwise - is whittled away.

One theoretical model developed by Hood and Lodge (2006) called the Public Service Bargains (PBS) model seeks to explain how corrupt political elites expropriate and squander national funds. This model stipulates that there are generally two types of bureaucratic designs: one which allows officials a large amount of autonomy (Trustee), and another that makes said officials the servants of their political masters or executives (Agency). Depending on the structure, executives are able to include or exclude officials depending on their political loyalty and likeliness to partake in corruption (Hood and Lodge, 2006; Hoyt and Garrison, 1997). Executives are able to construct a system of corruption which purposely excludes certain members or sectors of the bureaucracy. Those excluded may not even be entirely aware of the corruption that pervades the system they work in (Johnson, 1986). It is noted by Abadi (2021) that this model is an expansion on Hoyt and Garrison's (1997) work which emphasised the role of the executive in choosing particular members of the bureaucracy to help steal a country's wealth.

Adopting the PBS model, Abadi (2021) provides an in-depth account of the Malaysian foreign loan and '1MBS' scandal which saw the Malaysian Prime Minister Najib Razak, with the help of financier Jho Low, steal and hide up to four billion USD. The scandal involved appropriating funds designated for Malaysian economic development and hiding them in off-shore bank accounts. The debt incurred from this act then forced the Malaysian executive to accept Chinese state company loans. Abadi focuses on, in particular, the structure of the bureaucracy and how it transitioned from an originally trustee-type, to a "kleptocratic" model through the exclusionary tactics of Najib. Since the political fallout induced by the revelation of the scandal, the bureaucratic system has, according to Adabi, re-transitioned. The significance of this analysis in relation to this paper is that it shows both the central role an executive plays, but also that, ultimately, they are not sole actors. It takes a certain amount of collusion with relevant players - such as ministers of finance - and the restructuring of the PBS to achieve it. Moreover, it suggests the willingness, or at least indifference, of Chinese state-owned companies in enabling kleptocratic behaviour.

In all, there is a definite consensus on what kleptocracy is, making it a much easier analytical tool to employ than, say, the newer field of illiberalism. What is important is understanding how exactly kleptocrats around the world steal wealth, and what kleptocracy in action looks like. It is clear that a truly kleptocratic country is one with generally weak institutions, where power is heavily concentrated at the top, and suggests also the lack of investment in domestic

infrastructure. Already, there is a strong association with authoritarianism (Daweshi, 2014; Hood and Lodge, 2006; Acemoglu et al., 2004; Coolidge & Rosie-Ackerman, 2000), which could prove useful in bridging the gap between the fields of kleptocracy and illiberalism. Of particular interest is the aforementioned erosion of civil rights in Russia, implying that kleptocracy could drive this phenomenon, especially as Dawisha (2014) makes the argument that Putin and “his cronies” had nefarious intentions from the beginning, and never aimed to maintain democratic or liberal principles. In other words, if Putin’s goal from the start of his time in office was to continue corruption at the state level and targeting liberal democratic institutions has been the main way to do that, then that would help answer this paper’s research question.

2.3.1 Focus on newer, transnational characteristics

A growing branch of the kleptocratic literature has started to focus on the transnational characteristics that this regime type takes. More specifically, it tends to focus on how exactly kleptocrats use the world of off-shore banking to hide and store the wealth they have stolen.

John Heathershaw along with Alexander Cooley and several other authors (2021) provide a detailed, all-encompassing dive into the transnational world of kleptocracy. Citing journalistic work, such as *Moneyland* by Oliver Bullough (2019), the authors argue that kleptocracy is inherently global. To make this case, they show how stolen money is laundered and hidden in a vast interconnecting network of off-shore bank accounts. Through a three-step process - steal, hide, spend - in which kleptocratic leaders or officials are able to funnel their stolen riches into accounts run by bankers and protected by a web of legal systems. Emphasis is made on the role of “enablers,” actors such as lawyers and bankers in countries such as the United Kingdom, Switzerland or the United States who earn money by assisting these kleptocrats. Once their money is set up in these accounts, tracking and tracing becomes difficult, meaning the chances of successful investigation, prosecution and returning the stolen wealth to its country of origin are slim. The next step, spending, refers to the seemingly frivolous way in which kleptocrats consume: mansions in London, yachts, extensive properties (Heathershaw et al., 2021; Bullough, 2019; Heathershaw et al. 2018; Dishaw, 2014). But personal gratification is not the only result; payments in the form of “donations” make their way to political parties across Europe, for example (Heathershaw et al. 2021) and money is often used to “launder” reputations (Heathershaw et al. 2021; Bullough, 2019) or improve their public image. This can allow them to curb public

speculation and help these kleptocrats' political agendas succeed either at home or abroad. The potential impact, then, of "modern", globalised kleptocracy could be the continued enablement of autocracy around the world, as corrupt politicians act with impunity. Moreover, Heathershaw et al. (2021) make the point that the United Kingdom is not immune to the influence of global kleptocracy and so the country's rule of law may also be negatively impacted - the same logic, then, could be applied to any country that allows the funnelling of plutocratic wealth.

This 'steal, hide, spend' model that has recently been developed could prove to be a very useful analytical tool in the identification of kleptocratic behaviour. Unfortunately, due to the nature of the process, it is difficult to fully assess the extent to which this has occurred in relation to a potentially corrupt individual or group. The best way to investigate and possibly hinder such behaviour is either through vigorous journalistic work - *Moneyland* - or government policy which seeks to tackle the issue. Regarding the latter, some progress has been made in the aforementioned enabler countries - for example, the UK has in recent years instituted measures such as Account Freezing Orders (AFOs) and Unexplained Wealth Orders (UWOs) with mixed success (Heathershaw et al., 2021). However, the limited scope of this paper will still be able to provide some clarity by adopting this three-step process and applying to the current political situation of Hungary. It is hoped some light will be shed.

2.3.2 The impact on the university sector

Following on from the discussion of transnational kleptocracy, it is important to provide a brief review of its relationship with national university sectors. Since an analysis of the Fudan University's campus in Hungary will be made later in the paper, it is thus crucial to construct a basic review of literature - as young and limited as it is - regarding the impact on university sectors in the face of transnational kleptocracy.

Looking back to Heathershaw et al's useful deep-dive into kleptocracy (2021), comments are made concerning the tendency of wealthy, corrupt politicians to act as philanthropists and donate to open society universities. For example, Ukrainian businessman Dimytro Firtash used his extensive wealth to make donations to the University of Cambridge which led to the setting up of a Ukrainian studies centre. Firtash then used this as an example of goodwill in a later court case against him - evidence that such "philanthropic" activity is a means to launder reputation and influence political activity (Heathershaw et al., 2021). In a similar case, the

crown prince of Saudi Arabia Mohammed bin Salman Al Saud is known to have donated large amounts of cash to the Massachusetts Institute of Technology through privately owned foundations (Sabol & Arick, 2018). Matthew Page (2021) explains how corrupt individuals and kleptocrats may use third-party organisations as a means to funnel stolen wealth into the UK's educational sector. Here, the example of West African political elites is used, with corrupt politicians from Nigeria and Ghana using both third-party organisations and “smurfing”, hiding small illegal transactions in the banks accounts of their own UK-educated children, the wealth to be then spent on high-end goods (Page, 2021). Page illustrates, however, that these activities are not a one-way street, and rely on a level of complacency or even complicity within the university sector, indeed stating that the majority of UK educational institutions have “pushed back” against the idea that anti-corruption measures should be implemented by themselves.

Perhaps even more relevant is the issue of state-backed Chinese funding to Western universities. Alexander Cooley and colleagues (2021) report that China is the biggest source of donations to both the US and UK university sector, and that scandals have affected both Germany and the Czech Republic in relation to Chinese links to their respective university sector. Cooley et al. (2021) are straightforward about the reasoning: to buy influence and launder reputation, while maintaining commercial interests. These types of donations can help to influence views in the affected countries by either positive promotion, such as research centres, presentations, or talks (Sabol & Arick, 2018) or censorship. As an example of the latter, Sabol and Arick (2018) highlight the case of a British professor being asked by his university to rescind criticism towards the Turkish government due to the donations received by that country.

What is significant here, and ultimately vital to note, is that the reputation laundering done here is not necessarily solely perpetrated by individuals, but also by state or state-affiliated organisations. Sabol and Arick (2018) emphasise the fact that the sources of the controversial donations in Germany and the Czech Republic are PRC-connected. Given the difference in wealth and power between state-backed parties versus individuals acting alone, the potential for influencing or reputation laundering are staggering. Additionally, and equally important, is to note that although China is conducting practice very much akin, if not the same, to those of corrupt oligarchical politicians, it would be beyond the scope of this article to make the case that China itself is a kleptocratic society. Finally, the kleptocratic behaviour that this

paper focuses on is by the beneficiary of Chinese funds i.e. the question of whether Hungarian illiberal politics is driven, to any extent, by the desire to steal wealth from the country. China has shown before (Abadi, 2021) that they have no problem encouraging such activities as long as it benefits them. However, further analysis on this question will be conducted later on.

2.3.3 Kleptocracy conclusion

In all, it appears that the scholarship on kleptocracy and global corruption has transitioned from a focus on despotic leaders employing rent-seeking behaviours to the transnational traits now inherent in the phenomenon. This is not to say that the two “types” negate each other, but rather it would appear the growing ease with which individuals and organisations are able to hide their wealth in complicated webs of quasi-legal offshore accounts has facilitated kleptocracy around the world. From a broader perspective, kleptocracy is more-or-less well understood to be a society in which a corrupt executive or group of officials extract wealth belonging to their country. Such activities appear to go hand-in-hand with countries with weaker democratic institutions. As globalisation has increased so have the opportunities for such corrupt actors to hide and spend their wealth. In particular, a trend is occurring which sees the profit-incentivised university sectors of Western countries exploited for the benefit of more autocratic actors, or wealthy actors originating from autocratic countries. Again, the purpose here is multifold: money and reputation laundering, bribery, and economic interest.

While most of the examples employed in the above review relate to freer, democratic societies such as the UK, US, and Germany, it has yet to be seen how this relationship functions when applied to a country with considerably weaker democratic institutions such as Hungary. An analysis of the situation within Hungary will be conducted later in this paper.

2.4 Theoretical Framework

Now that a solid literature review has been made, it is important to apply the theoretical framework on the country in question, Hungary. Doing so will ensure that conclusions regarding the state of illiberalism in Hungary are accurate and not exaggerated or, conversely, understated. Moreover, it will help to build the link between illiberalism in Hungary and kleptocracy. So, a brief contextual overview will be used to show how Hungary’s government had steadily weakened the system of checks and balances, as well as targeted minority groups with the (likely) aim of consolidating executive power.

2.4.1. Historical context

First, some (recent) historical context is necessary. Communist rule came to an end in 1989 as part of the wider collapse across Eastern Europe. Soon after, the first democratic elections were held and the 1990s saw a trend of rapid liberalisation, in economic, social, and political terms. In fact, some commentators argue that the rate that Hungary in particular liberalised went beyond the expected norms of the Washington Consensus (Appel and Orenstein, 2016) - a term coined by economist John Williamson (1989) to convey the US-originated key economic characteristics a country must possess for it be considered developed or on par with Western standards. Alongside this flip in ideology - what may be labelled neoliberalism (Davies, 2016) - was mass privatisation of industry and welfare provision, and, importantly, an increase in wealth inequality. In Hungary, the main policy of reform originated in the 1996 'Bokros Package' and it implemented the privatisation of education, the cutting of the welfare state, and reduction of wages (Köves, 1995). Despite subsequent growth in GDP, this reform was highly criticised by both the left of the government party, the Socialists, and also right-wing opposition parties including Fidesz.

The 2000s were somewhat of a turning point in Hungarian politics. In 2004, Hungary successfully joined the European Union (EU) as part of a ten-nation wide enlargement process. The liberalisation policies implemented at the national level can be partially explained by the desire to join the EU and the conditionality that entailed (SOURCE). Nevertheless, despite the neoliberal policies implemented for most of the 1990s and the encouragement brought by aspirations to join the EU, some minor deviation occurred with the 1998 election of Viktor Orban's Fidesz Party. Under this political regime, a new debt cycle was started thanks to expansionary economic policies including "a 75 percent increase in public sector salaries, combined with a 60 percent rise in minimum wages" and other similar measures (Stanojević, 2014). In 2002, with the reelection of the Socialist Party, these budget spending practices were continued, awarding the Hungarian government with a warning from the European Commission. As these practices continued, debt and budget deficit increased. Eventually, the 2008 financial crisis arrived. The incurred debt and the new financial pressures helped to pave the way for the reelection of Fidesz and Orban. Another factor was undoubtedly the corruption scandals which befell the dominant Socialist party in the late 2000s. Prime Minister Ferenc Gyurcsany admitted to lying in a party congress about the state of his country's economy for years to win reelection, and a tape of this speech was

leaked to the public - the political upset led to mass riots and the eventual downfall of the party in government.

In 2010, with Orbán's victory riding on anti-elitist sentiment, anger at the country's debt crisis and the fact they were the Socialists' main opposition, he and his party were able to implement major change. A massive reform of the country's constitution called the Fundamental Law was designed and enforced by the end of 2011. Thanks to their legislative supermajority, Viktor Orbán's Fidesz Party was able to push through this constitutional reform without the votes of other parties. In fact, it has been widely touted that the process was exclusive as it did not involve the participation of either other political parties, interest groups or the public at large (Schepelle, 2015; Biro-Nagy, 2017). The reform itself is too large to analyse in its entirety here, but some points of relevance include the fact that it reduced the power of the constitutional court by revoking certain competencies involving fiscal policy (Choronowski et al., 2022), strengthen constitutional understandings of what it means to be Hungarian by making it harder for "non-preferred" groups to claim citizenship, an effective ban on same-sex marriage (Fleck et al., 2011), and disables the capacity of the legislature to provide a comprehensive review (Choronowski et al., 2019:1441). It is generally considered to be a regressive step and at odds with liberal norms. From the very beginning of Fidesz' tenure there were clear violations of the rule of law with power being taken away by pillars of scrutiny, such as the constitutional court, meaning that the supermajority governing party would increasingly be able to govern without check. Moreover, there were signs that exclusory logic (King and Kauth, 2021) was prevalent in the designing of the Fundamental Law. Already, it would appear that Hungary had taken its first steps down an identifiably illiberal path.

2.4.2 The illiberal turn

There have been numerous other key events which have signalled an illiberal turn. For example, the appointment of government-leaning Presidents - a role which is meant to be impartial; the appointment of former Fidezs MPs to positions of power like chief prosecutor; the replacement of the ombudsman offices with a single commissioner; the forced resignation of the chief of the supreme court; and a tightening of control over the country's media (Biro-Nagy, 2017). . Furthermore, the following years brought subsequent amendments, each of which appears to have consolidated the control of the ruling party and eroded the liberal foundations of the political system. For example, an amendment to the constitution that was

enacted in 2013 was described as removing “the last traces of separation of power” in Hungary (Scheppel, 2015) - which also in part reversed earlier decisions of constitutional judges, invalidating over twenty years’ worth of case law since the 1989 amendment, and further limited the constitutional court’s power to evaluate legislation (Scheppel, 2015).

Some of the most controversial actions of the Hungarian government originated in its response to the migrant crisis. On several occasions, Orbán has spoken of maintaining an ethnically homogenous nation in contrast to Western Europe’s “mixed-race” world (Reuter’s, 2022) and more recently, a 2018 bill made it illegal for individuals or organisations to assist incoming illegal migrants claim asylum. This latter example targets Goerge Soros, the bill being eponymously named the “Stop Soros” law, and other like-minded groups who had been villainised by the Hungarian government for allegedly supporting mass migration in an attempt to undermine Europe (Trauner & Stutz, 2021). Additionally, transit zones were set up on the border of Hungary and Serbia which aimed to ‘push back’ refugees from national territory. In practice, this meant the forced relocation of refugees and asylum seekers from within Hungary to the borderland between the country and Serbia. Between 2015 and 2019 an estimated 50,000 asylum seekers were ‘pushed back’ to the border (New Humanitarian, 2023).

A number of these actions have been directly challenged by the EU, such as the forced resignation of András Baka the head of the supreme court (Biro-Nagy, 2017), demonstrating the conflict between the supranational organisation and Orbán’s Fidesz Party. In 2015, the European Commission initiated proceedings against the Fidesz government for breaching several instances of EU law on asylum-seeking and migration such as Procedures Directive, the Reception Conditions Directive and the Return Directive (European Commission, 2021). They were referred to the European Court of Justice (ECJ) which made a judgement in 2020, finding that Hungary had indeed violated EU law and was thus obliged to reform aspects of these new laws. Hungary has since abolished the transit camps used on its border; nevertheless, the Commission does not believe that Viktor Orbán’s government has made sufficient progress in reforming its immigration policy and in 2021 referred them again to the ECJ requesting that financial penalties be administered. More recently, in 2021, a new mechanism called the ‘rule of law conditionality mechanism’ was introduced by the EU to, officially, protect the financial interests of the EU against alleged breaches of the principle of the rule of law. It has thus far only been utilised against Hungary and was in fact introduced

during a period in which relations between the EU and it were poor. That being noted, the fact that such a mechanism has justifiably been used against Hungary, and that almost twenty remedial measures were recommended by the EU so as to tackle the issue of rule of law degradation (EU Commission, 2022), conveys the current state of liberal democracy in the country.

Meanwhile, and somewhat conversely, the country's higher education system has been opened up to privatisation. However, what this has really meant is that government-affiliated officials or individuals have been able to place themselves in senior positions on boards or become major shareholders. On the one hand, this approach appears to be almost the opposite of what has been described as typically illiberal, or at least authoritarian - putting the control of sectors of society into the hands of the private sector. On the other hand, once universities have been privatised, they are placed under the control of a board of trustees, three of whom - plus the chancellor - are selected by the government (Geva, 2022). The reform in the higher education system drew the ire of the European Commission which threatened to withdraw university funding if changes were not implemented (Hungarian Conservative, 2022).

Intriguingly, the reforms of the higher education system have not attracted much academic attention. This could be because of the recent and ongoing nature of the issue, not allowing academics time to respond. It could also be because this particular issue represents a very small sample - the privatisation of the sector - of a much larger picture - the antagonistic, illiberal nature of the government. This is why, as will be explained later, the use of legal documents and media is of utmost importance to the research objective of this paper.

2.5 Research Design and Questions

Now that the broad literature review and theoretical framework has been concluded, it is necessary to outline the design of this paper's research, which of course will involve clarifying the question(s) of the research too. First, however, a very brief summary of the above will be made so as to form a clear link between both the theoretical and the empirical parts of the study.

From the literature review, it is clear that the study of illiberal democracies - not the exact same as illiberalism - has existed for several decades. Since then, the debate as to whether a democracy can also be illiberal - that is, not espouse or protect the liberal values widespread

and taken for granted in the West - has raged on. This paper does not aim to make a final conclusion on this question. What it does instead is take these arguments and acknowledge the nuances involved. What can be derived with a high degree of certainty is that “illiberalism” involves the reduction and weakening of liberal norms. Specifically, this paper has looked at the effect on the rule of law and minority rights as examples as to how this illiberal wave is impacting both governance and the lives of real people. Especially relevant to this paper is the effect of the rule of law and how there is an observable concerted effort to increase the power of state control around the world in “liberal” democracies. The review attempts to provide context to this by also discussing the theories of why this wave has appeared. While it is likely that there are multiple factors contributing to this phenomenon, the author believes that the wave of illiberalism being witnessed is both a top-down and bottom-up process. That is, there are strong elements of genuine ideological belief - which could be explained as backlash against Western liberal hegemony - held by the non-elite. However, this is also being encouraged and/or exploited by a political elite that seeks to weaken these values to increase their hold on power.

Kleptocracy comes into play by allowing the political elite to use this trend of diminishing rule of law and transparency to improve personal financial gain. In particular, an increasingly slippery and complex transnational version of this process has allowed corrupt politicians to steal wealth from their respective countries and hide it overseas in ‘offshore banks’, real estate, and, relevantly, open society higher education systems (Bullough, 2019). Here, corrupt politicians are not only able to hide their wealth for later narcissistic spending, but are also able to promote themselves, their ideology, and their state in a myriad ways.

This paper thus seeks to untangle, if only to a small extent, this interconnected web of corruption and weakening liberalism. To do so, it will first examine the state of the higher education system in Hungary, and then more precisely the establishment of the Fudan University campus there. By linking the knowledge presented in the literature review - that, ultimately, illiberalism involves an attempt, at some level, by the government to consolidate power, and also that corrupt politicians are known to use higher education sectors to store wealth - to these real-life examples, it is hoped that this paper will present a solid argument conveying the extent to which these two phenomena are connected. The forefront of this paper’s mission is to uncover to what extent kleptocracy is involved in the creation of the Fudan campus. Further, it is hoped that this exploration will help to clarify the causes for the

rise of illiberalism in certain regions of the world, if only as a microscopic drift of a much larger current.

Therefore, the research questions that this paper seeks to answer are:

1. To what extent can kleptocracy be considered a driver of illiberalism in Hungary?
2. Is the establishment of the Fudan university in Hungary a case of elites hiding wealth?

CHAPTER II - METHODOLOGY

This paper will employ a qualitative methodology due to, primarily, the lack of previous analysis of such nature concerning the issue at hand. While there is media attention, this has not yet provided policy makers and the public with sufficient information as to how and why the Fudan campus is being used as a means of kleptocracy. A qualitative approach will help to capture the multifaceted and complex ways in which illiberalism and transnational kleptocracy have gone hand-in-hand in Hungary.

3.1 Interviews

A semi-structured interview is this paper's method of collecting data. Interviewees will be chosen based on their expertise, proximity, and assumed knowledge on the Hungarian political system. In particular, awareness of the impact on Hungary's higher education system will be of value. As such, this paper will interview interviewees from three different sectoral backgrounds - higher education, government, and media. More specifically, this will be composed of three PHD students, a professor of politics (higher education), an opposition MP (government), and an investigative journalist. This will yield insightful evaluation, reflecting the nuanced complexities of the realities of the current climate of Hungarian politics. Due to the different positions and experiences of those being interviewed, it is expected that answers may vary in terms of time spent discussing certain subjects. For example, those in the higher education sector may provide a more in-depth, personable account of the lived experiences of working as a paid staff member while offering less in the way of explanations as to why users have found themselves in such a position; meanwhile, those working for the government, media, or as an academic may conversely offer useful scholarly analysis on top of providing first-hand accounts.

As mentioned, the interviews will be semi-structured, which means that although there will be pre-selected questions, the interview will maintain a degree of flexibility according to the desires of those being interviewed. The benefit of employing this method is that it allows for

a more conversational tone, encouraging the interviewee to discuss themes and topics that might otherwise have been neglected by the interviewer. Regarding this paper's context, this is particularly useful because of the complexity of the issue - more, the serious nature of the topic, and the risk faced by Hungarian nationals in talking out against their employers or government. In fact, because of this, some of the interviews will be recorded anonymously so as to protect the identities and thus livelihoods of those being questioned. Additionally, and perhaps most significantly, given the nature of the topic at hand - the increasing opacity of governmental decisions, political corruption and coercion - it is more useful to select individuals afforded anonymity to provide first-hand expertise. Selecting individuals who have either experience of the higher education system in Hungary or who have devoted time to studying the ever-changing political climate would provide more clarity than perhaps creating a wide-ranging survey of people's opinions, in a country and concerning a case that has not been transparent. Using background knowledge and the knowledge gained in preliminary research (the literature review), the researcher will adopt what Herbert and Irene Rubin (2005), as well as others (e.g. Ashmila Abdalslam, 2014), termed 'responsive interviewing'. The approach is based on interpretivist, constructivist epistemologies, understanding that "the goal of an interview is to find out how people perceive an occurrence or object and... the meaning they attribute to it" (Abdalslam, 2014). Rather than seeking a definitive answer, like a more positivist-aligned approach might, it will be the role of the interviewer to ask open-ended questions in relation to the topic and listen to the respondents' own interpretations of the issue at hand.

Regarding the questions used, there will be two types: 'primary', or those with direct relation to the posited research questions, and 'secondary', which will be composed of probes designed to reach more in-depth and comprehensive answers. Such an approach will utilise the exploratory potential of interviews, vividly portraying the extent to which illiberalism and kleptocracy has impacted the higher education system in Hungary, in particular the establishment of the Fudan University Campus. The two primary questions will serve to draw borders around the topic of conversation and ensure it does not stray too far from the research objective. Secondary questions will partly work off the responses of interviewees and, as such,

The two primary questions to be employed are as follows:

“Is the situation regarding the Fudan University campus something you are aware of?”

“Do you believe the privatisation of the higher education system in Hungary has anything to do with kleptocracy or with the government trying to consolidate power?”

As stated, the primary questions will form the basis of conversation during the interviews and should also strike at the heart of the research topic themselves. The secondary questions that will be asked in-between will help to fill in any gaps left out by the limited scope of the questions or the limited nature of the answers provided. Keeping with the nature of semi-structured interviews, however, certain questions will be tailored to the specific backgrounds of the participants. For example, when conferring with those of the higher education sector, questions based on their own personal experiences regarding academic freedom and university autonomy will be asked. This is to ensure that the conversations are as beneficial as possible. The divergences in opinions and answers will be accounted for in the analysis.

Moreover, the interviews themselves will be categorised into a typology based on the respective backgrounds of the respondents. As mentioned above, the participants come from a range of backgrounds: academia, journalism, the university sector. As such, their own views, insights, and information may differ. In preparation for this, prompt questions have been made based on the respective backgrounds in an attempt to glean as much relevant information as possible. It should be affirmed that each of the backgrounds is useful, however. Those in the higher university sector have been selected due to their lived experience; those in journalism have been selected because of the up-to-date information and the proximity to the research topic; those in academia (i.e. experts on illiberalism or kleptocracy) because of their expertise.

Unfortunately, the interviews will be conducted online due, mostly, to geographical distance (the interviewees being in Hungary and the author in Italy), and because of the ongoing Coronavirus pandemic, restricting in-person contact. This may impact on the personability of this method of data collection, which is normally a major advantage, potentially affecting the flow of conversation. However, an added benefit of online interviews is that they are easy to record, which the author will exploit to create transcriptions of each interview and then analyse. A cleaned verbatim transcription method will be used, meaning every word will be captured

and recorded as they were said. Stuttering and hesitations will be removed. The benefit of such a method is that it brings “researchers closer to their data” (Halcomb et al., 2006) and the crucial information is recorded. A ‘true’ verbatim is more time-consuming to record and is harder to analyse due to the unnecessary hesitations used in natural conversation.

3.2 Documents

Another method that will be utilised is the qualitative analysis of official documents and media reports. These documents will relate to the privatisation of the university sector in Hungary and the establishment of the Fudan University campus in Budapest. Such a method will provide an updated elaboration of the current situation in Hungary and collect together otherwise disparate data. It is hoped that a link between the literature on kleptocracy and illiberalism, and the ‘situation on the ground’, will be established. This would thus confirm the hypothesis/research question.

For the most part, the sources will be accessed online. This means that, for example, legal documents regarding the privatization of the university sector or the establishment of the Fudan University campus will be facilitated by the availability of English-language resources. There is an obvious potential problem in the fact that the case in question is based in Hungary and thus lots of relevant information would be in Hungarian; however, the Hungarian government boasts a sizable database for English versions of original documents including those most relevant to the research question. Moreover, there is a plethora of English-language Hungary-based media publications. These will form the foundation of the research undertaken.

As mentioned, the paper will also collect publicly available sources to strengthen the research. A framework of documents will be created, based on the different areas that the primary research is focused on. This framework will be as follows:

Hungarian Higher Education System

- Legal
- Academic/NGO
- Media

Fudan University

- Legal
- Media

This very simple and basic typology will allow the researcher to organise the ultimately very complex issue into understandable and readable analysis, the methodology of which will be explored later. These types of documents were decided as the most useful. It is important to create the ‘Hungarian Higher Education System’ type in order to provide a detailed overview as to how the Hungarian state has both used the sector to consolidate its control, and how it could be linked to financial corruption. For this, it was deemed necessary to have a broad scope hence the three sub-types. An overview of the legal framework will provide the most comprehensive understanding of how the higher education has been reformed; the media and academic subtypes will then help to support analysis and evaluation in regards to the effect on the country’s rule of law, general rise of illiberalism, and kleptocracy. Similarly, the second main type, ‘Fudan University’, will allow for a more narrow and specific look at how this particular case is a significant - albeit, smaller part of a whole trend (SOURCE) - step towards increasing state control and corruption. The use of media articles for both types is important, but especially for the more narrow Fudan-focuses research. The opaque and relatively recent nature of the process means that academia on the subject is scarce; thus only the media has been able to run at the pace necessary to maintain relevant information on it. Moreover, Hungary is home to several investigative media organisations that publish articles online in English as well as their native language. Therefore, the accessibility and relevance of their subject matter has meant neglecting them would have been narrow-sighted. In fact, these organisations have often provided a bridge between the English-speaking researcher and the Hungarian political landscape.

However, it must be acknowledged that the heavy reliance on media comes with some drawbacks. The most significant of which is the general lack of comprehensivity. Online news articles do not possess the same extent of detail as, for example, academic journal articles. Therefore, the depth of information may sometimes be lacking. Moreover, news sources often lack the level of scrutiny placed on academia, meaning that there may be a lower level of trustworthiness. Finally, and related, is the sometimes obvious - sometimes not

- biases that media outlets present. Some, if not all, of the media sources employed in this paper will hold some sort of bias, and often those biases are the reason their work is being published. For example, the use of *Atlatszo*, an anti-government investigative media outlet based in Hungary does not hide the fact they oppose the current state. As such, the language used by media outlets may be prone to bias, exaggeration of falsehoods. It is hoped that by making the researcher's awareness of these potential issues clear, the effect of bias inherent in the use of media can be minimised.

3.3 Method of Analysis

3.3.1 Interviews

In analysing the data, this paper will apply a methodology similar to that of the aforementioned Ashmila Abadslam (2014). Using a thematic analysis, the answers of the interviewees will be coded according to different themes pre-selected by the researcher. This follows a deductive approach and will help to explore the proposed research questions. From there, the categories will be segmented to identify commonalities and linkages between them. Depending on the results of the interviews, hierarchies of these categories could be created in reference to the importance of certain elements contributing to the issue of growing state control and corruption in the Hungarian higher education sector. An in-depth analysis of each of the categories will allow for a broader presentation of the topic.

The themes will follow the typologies outlined in the data collection section above. As such, the themes to be explored will be: 'Impact on University Autonomy', 'Corruption', and finally 'Role of China'. While the first two directly relate to the purpose of this paper, the latter will be included as an additional section of data. This is because of the prevalence of China in the data - ignoring its contribution to the topic would be a mistake - and its obvious ties to the Fudan University case. The themes will inform the structure of the interview analysis, which will constitute the main headings, "General [Hungarian political climate]", "Higher Education Reforms", and "Fudan". These will then be divided further into "University autonomy" and "Corruption" each, with the "Role of China" being added at the end as an appendix to both the Fudan section and the research as a whole.

3.3.2 Documents

A qualitative thematic analysis will also be applied for the rest of the research, the documents. Following deductive logic, predetermined themes will be created. From there, codes will be formed that align with the themes. To ensure that there is minimal confusion as to how and why the codes align with themes, it is important that a good understanding of the themes is presented. Fortunately, the themes used are the same as the concepts explored in the literature reviews. As such, it will not be necessary to provide an entirely new summary for each theme.

Coding will adopt the logic espoused by Virginia Bruan and Victoria Clarke (2013) in their examination of 'reflexive coding'. Here, coding is more flexible, somewhat spontaneous, and derives from gradual research. Codes may be subject to change in the form of coupling, editing or erasure. The themes that have been developed are a result of this gradual approach and align with the core ideas of the paper (Braun & Clarke, 2014). As noted, a similar approach will be adopted for the interview process as both parts of the research will be qualitative.

The themes to be used are: Illiberalism, Transnational Kleptocracy, and Kleptocracy in the Higher Education System. These three will provide the basis of subsequent data analysis and will help to provide an ordered rundown of the information found in each of the sources used.

Braun, Virginia; Clarke, Victoria (2019). "Thematic analysis". Handbook of Research Methods in Health Social Sciences. Hoboken, New Jersey: Springer: 843–860

CHAPTER III - DATA ANALYSIS

4.1 Document analysis

To prime the next part of this paper, a small explanation is required. In support of the primary research conducted via the interviews, research has been undertaken in the form of browsing online resources for legal documents, media articles, and reports by NGOs. These will help to add context and thickness to the overall research results. Below, the documents will be analysed according to two sections, that in reference to the first research question, and then to the second. Each section will then be divided by deductive strategy i.e. predetermined

themes. The themes are outlined above in the methodology section and represent key ideas explored in the literature review. At times, certain documents may transverse the predetermined themes, which is an acknowledged downside to this method. However, for the most part, the themes will accurately represent the contents of each document used.

4.1.1 The Higher Education System

Several documents will be utilised to convey how the restructuring of the country's higher education system links to conceptual understandings of illiberalism, particularly in relation to growing central power and the diminishing of freedom of speech and rule of law. Firstly, it would prove useful to outline the higher education system as envisioned in the 2011 Fundamental Law (FL) and any subsequent material. This will allow for a clear understanding as to the extent of the departure between what had existed before and after the more recent changes. Particular attention will be paid to aspects relating to the governance structure of the higher education sector.

According to the 2011 FL, "Higher education institutions shall be autonomous in terms of the content and the methods of research and teaching". Moreover, "The Government shall, within the framework of the Acts, lay down the rules governing the management of public institutes of higher education and shall supervise their management." (3:10). From the beginning of Fidesz' tenure in the 2010s, it is clear that the principle of autonomy has been a cornerstone of governance. Just as is foreshadowed in this section of the FL, the Higher Education Act was passed the same year, helping to elaborate on the sector's framework of operations and governance. The bill lays out numerous aspects of how the sector is to be governed and operated. It begins with the "Basic Principles" that guide the governance of the sector, including for example, the definition of a higher education institution, the fact that the government "shall be designated with the task of operating the higher education system, whilst the financing body shall be responsible for operating the higher education institution," and the banning of political parties making use of facilities for "operating purposes" (Section 2, 2011). Later, in Section 4, it is established that the Minister for Education is obliged to exercise their right as 'maintainer' of the university unless otherwise stated in legislation elsewhere (2011).

A number of preconditions and requirements are established with the stated purpose of ensuring high standards. In Section 8, for example, it is stated that the maintainer of the university must meet the numerous conditions stated earlier in the Act (Paragraph 1, 2011); moreover, “The Educational Authority” is to be established with the objective of ensuring standards are met, rejecting operating licences if not, and re-examining every five years (2, 2011). Later in Section 10, state-run higher education institutions are endowed with a higher “priority” status, signifying the importance and prestige of these types of institutions. Such a status privileges these institutions with the possibility of special funding from the Minister of Education (3, 2011). In Chapter Three, Subheading 6 titled “Institutional Structure of Higher Education”, a comprehensive overview of how the sector is run is provided. First and foremost, “The Senate shall be the supreme body of the higher education institution and the Rector shall be appointed its president.” (Section 12, Paragraph 1). The Senate’s rights and powers are extensive and include: defining and controlling the activities of a university; powers over wage differences; certain financial powers in accordance with the vision of the maintainer; staff recruitment; the foundation of business operations within the university, and many more. Student participation in matters involving students is guaranteed and cannot amount to less than twenty five percent of committee representation (Section 12, paragraph 5). The Senate itself must be at least nine people strong, a majority of which must be selected by lecturers and staff - indeed, these selected members must not already possess a managerial role (Section 12, paragraph 7). Throughout the rest of this section, the Senate’s role is elaborated on and continues a theme of mixed representation, maximum incumbency time, and checks on authority. The rights and privileges of the Senate as outlined above will be analysed below.

As well as the Senate, the role of the Rector is dealt with comprehensively in Section 13. The Rector’s role is that of the most powerful employer, sitting above every other individual in that respect (Paragraph 1). They have control and oversight over several key areas including that of the day-to-day running of their university. Further, the Rector must be sourced from the pool of lecturers, researchers or other similar university sector staff. Most relevant, perhaps, to this paper is the fact that the Rector can be recalled by the Senate through a two-thirds vote (Paragraph 6).

Starting from the Higher Education Act as the main point of reference in terms of the initial educational framework, it is clear that principles such as checks on power, transparency, and

democracy are, at least in theory, significant. The Senate, composed of a mixed bag of university staff, PHD union representatives, and others ensure that there is a large amount of representation for groups with a direct stake in the operations of the university. Indeed, this body has a high turnover for its members with maximum term limits (three to four years), which mimics the procedures of some democratic countries. These principles being ratified in law helps to ensure that the autonomy of the university, despite being a state institution, maintains a high level of autonomy. The Senate does not hold all the power, though. As seen, the Rector represents a check - a significant one at that. The Rector essentially runs the daily goings on at the university, and is able to hire high-ranking subordinates to help carry out its responsibilities. For example, it is the duty of the individual to take on a chief financial officer if it is deemed fit, to help with the task of organising the finances of the institution. Crucially, the ability of the Senate to “recall” the Rector is a very important mechanism that helps to curtail the influence of this single individual and, again, imitates the make-up of a liberal democracy. Regarding autonomy, the principle originating in the FL, despite the status as a state institution, the governance structure of these universities boasts (or, rather, boasted) impressive checks and balances on the power of the managerial class. Not just that, but also the founder, or “maintainer”, of the universities had relatively little influence over the actual educational programs, strategies or daily activities of the institutions. Thus far, the organisational structure of the sector appears to be in line with both the principles outlined in the FL, but also more general norms of a liberal democratic society in which the ideas of the rule of law, transparency, and the balance of power are upheld.

4.1.2 Developments

Towards the end of the 2010s, the higher education sector in Hungary was subject to sweeping changes that transformed the way that most universities in the country are now governed. While the bulk of this change originated in reforms passed in 2019, there had been a gradual shift starting a few years prior. For example, in 2014, a new role was introduced in the governance of universities: the Chancellor (2023). This individual was endowed with certain powers, including fiscal and recruitment responsibility. This led to a reduction in the scope of influence for both the other bodies mentioned earlier, but especially the Rector. In 2017, the Hungarian government under Orbán passed a controversial amendment on the Higher Education Act of 2011 which, among other things, intensified the requirements for foreign universities operating in Hungary. Among the aspects of the reform that drew the

most criticism were new requirements for foreign universities to establish international agreements with Hungary, introduce work permits for academic staff, use identical or misleading names, and provide tertiary education in their home country (Venice Commission, 2017). As pointed out in the official opinion of the Venice Commission, most of these changes appear to singularly directly affect the Central European University, which had a campus in Budapest (2017). As a result of these changes, in particular the inability to run US-accredited courses, the University was forced to relocate to Vienna (The Guardian, 2019). This particular scenario was part of a wider campaign that targeted Hungarian billionaire George Soros, who founded the CEU in 1991. The justification for this discrimination is that Soros was blamed for the influx of migrants entering Europe from the mid-2010s, leading to numerous conspiracy theories that targeted him and NGOs seen to be partial to the plight of the migrants (Pintilescu & Scheibner, 2020).

Fast forward to 2019 and the Hungarian government's systemic reform of tertiary education is underway. Legislation was passed that privatised a majority of the previously state-run sector and introduced sweeping new powers for a board of trustees that would be known as a 'foundation'. Members of the board are now to be handpicked by the Minister of Education. By 2021, over half of all previously public sector universities have been placed under the control of these foundations (Kovatz et al., 2023). An original English-language copy of the legislation does, unfortunately, not exist. However, copies of legislation for specific universities do, and these use the framework of the reforms. Moreover, limited academia and journalistic work does exist which help to accurately depict the new legal framework. As such, they are useful for understanding the structure of the reformed sector.

As mentioned, the government chose each board member, with the process being characterised by its opaqueness and the lack of consensus from institutions (Kovatz et al., 2023). The filling out of the newly formed foundations has helpfully been researched by Kovatz and fellow authors (2023) who found that of the 106 new seats, 31 were represented by active politicians and a further four by former politicians - this not taking into account the dozens of business or industry people with close ties to the government. These boards have inherited or taken most of the rights, and more, of the Senate listed above in the paper. As an example, the University of Debrecen's ownership was transferred to a board of trustees in 2021 (but became effective in 2023). Early on in the Act, the transferring of the "rights of maintenance" to the "Foundation" is established (Section 2, 1) and is essentially the entirety

of the real estate assets. In turn, the Senate's rights have been reduced to a limited or "conservative" level by the Constitutional Court (Krovatz, 2023). Furthermore, the board members are privileged with life-long positions and hold exclusive right to select new members.

From this brief overview of the recent reforms, it is evident that the Hungarian government has diminished the autonomy of its country's universities. Under Fidesz, a system quite unlike any other in the EU has been created; however, certain aspects do share commonality with other countries. For example, the Netherlands also has a board system - the difference here lies with the amount of responsibility endowed as well as the demographic make-up. Whereas in the Netherlands, the influence of the board is mitigated by a stringent system of checks, the Hungarian's grasp on this principle has been weakened significantly. The previous balance of power between the Senate and the Rector (and also later the Chancellor) has been restructured to the point that the European University Association deemed the system to be "unitary" (2023) - that is, there is only a singular pillar of influence involved in the decision-making process of the tertiary education sector. Such a characterisation implies that the autonomy of the universities now under control of foundations is at risk and would potentially infringe upon the founding principles of the FL. In 2021, the country's Constitutional Court ruled against an action brought to the court by students and staff of the University of Theatre and Film Arts. The action related to the autonomy of their university and attempted to rule the Foundation ownership as unconstitutional (Hungarian Constitutional Court, 2021). The fact that the Court ruled against this action is intriguing. Considering the widespread concordance that university autonomy was indeed affected thoroughly by the reforms (EUA, 2023; Krovatz, 2023; MORE) and this paper's own analysis, such a decision suggests that either there is a misunderstood point of view on the part of the Court or that a positive decision would not have been accepted by the state who have weakened the HCC's own autonomy since 2011.

4.1.3 Fudan University

The project to establish a campus in the 9th district of Budapest is one that has been controversial from its inception. To relate the establishment of this campus to both the literature review and the research questions is a difficult one, as it is a scheme largely kept hidden from the public eye. That is why it has been vital to make use of investigative media sources as well as interviews from Hungarian individuals who have better access to the

Hungarian-language media and political landscape. To reiterate, because this is a long paper, it is important to link the trend of illiberalism - that is, a growing tendency to consolidate the state's base of power through subtle means - and kleptocracy or state corruption. It has already been suggested that the current higher education system has been restructured so as to better facilitate the direct or indirect influence of the state, as well as state-aligned corporate actors. This means that not only is it a sign that the state is indeed consolidating its power in the higher education sector - thus supporting the view that there is a trend of illiberalism, weakening of liberal values etc. - but also that there exists the potential for state-level corruption. However, that will be explored further in interviews.

The section below will examine investigative media publications, materials from academics and non-governmental organisations, and also legal documents. Just as above, this section will seek to provide some groundwork and supplementary information to the interviews that provide the other portion of data for this research paper. Also as above, the section will follow the themes and codes outlined in the methodology. As mentioned, it is a difficult and ambitious task to delve into this project due to the opaque nature of its process; moreover, most information available online dates back to 2021, when the location of the campus was first leaked by investigative outlet Direkt36 (2021). Since then, news has been relatively sporadic - although still informative - which again reaffirms the need for the interviewees' own insights.

Media, especially investigative journalism, is one of the most crucial sources of information regarding the Fudan campus case. As already mentioned, the ability of media and journalists to keep pace with constantly changing developments means that it has an edge over academia. The reliance on media, however, means that precautions must be undertaken concerning potential biases. The sources cited below clearly possess their own biases which will be acknowledged later, and the potential impact these biases may have will also be highlighted. That being said, many of the sources, as will be conveyed, are consistent with one another; moreover, they each boast high credibility either by nature of the evidence they present or their own reputation.

4.1.3.1 Governance structure

According to the draft proposal leaked by Direkt36 in 2021, the campus would be managed and maintained "by a Chinese-Hungarian asset management foundation". This is a direct

translation from the Hungarian documents into English and immediately the wording bears resemblance to the the language used by the Hungarian government regarding the structuring reforms discussed above. This comparison is also made in the same Direkt36 article (2021) where it states the two models are alike. Later in the article, it is relayed that this foundation would be responsible for paying back the Chinese government the loan that was needed to construct the campus. The China Media Project, a media outlet whose focus is on the Chinese media landscape, reported that on June 25 2021, the government approved the plan to transfer the majority of available designated land to the Fudan foundation - this foundation is not only, according to the source files, responsible for paying back the loan, but also for overseeing the major goings-on on the university (2021). The author of the Chinese Media Project article remarks that this foundation was established merely ten days after protests resulting from the initial draft proposal leak, suggesting that the government wanted to continue despite popular resistance. Indeed, the agreements between the Hungarian Ministry of Innovation and Technology - the overseeing department of the project - and the Chinese Fudan University went ahead without the consultation of local government, specifically the 9th District of Budapest where the campus is slated to be built (2021).

In April 2021, only two weeks after Direkt36's leak, a Strategic Cooperation Agreement was signed between the Hungarian government (represented by László Palkovics, Minister for Innovation and Technology), the Fudan University (represented by Xu Ningsheng, President of the University), and so-called Fudan Magyarország Limited company. Within the Objectives section of the Agreement, it is stated that the task of overseeing operations of the campus will be handed over to Fudan University to "to ensure its educational quality being globally competitive" (2021). The document goes on to list the numerous competencies and faculties that will be expected to be endowed to the campus, including but not limited to Humanities and Social Sciences, Faculty of Science and Engineering the study of data science and artificial intelligence. Perhaps most significantly, the location of the campus, "on the Eastern banks of Danube River in Hungary on an at least 26 hectare field" was confirmed. This appears to validate, or at least give strong credence to, the Direkt36 leak. Moreover, just as the leak promised, a Foundation was set up to oversee the operation of the project. In the Agreement, it states that the Foundation will be used as the means to transfer the assets, such as the campus and its buildings, but also that decisions regarding infrastructure or developments will be made through this foundation between the concerned parties (2021).

This confirms that not only will the Ministry of Innovation hold influence in decision making, but so too will Fudan University.

Commenting further on the lack of transparency involved in the setup of the campus, Alatszo - one of the country's most important investigative organisations - reported that registration of the campus' foundation was completed by Zoltán Sárhegyi, the eponymous partner of the legal firm of Sárhegyi és Társai (2021). This same firm has been involved in numerous other significant cases for the government, and also happens to be the government's delegate to the National Election Commission (NVB) (2021). In the same article, Alatszo lists the members of both the trustee board and the supervisory board - a body apparently set-up for the purpose of the overseeing of the construction process, and provided "more powers than normal". The members of the trustee board and their occupations beyond are as follows:

- László Palkovics, Minister of Innovation and Technology (also board head);
- Cecília Szilas, former ambassador to Beijing, currently chief adviser (as of 2021) to the Prime Minister Orbán;
- Sándor P. Szabó, Head of the Department of China Studies at the Public Service University;
- Levente Horváth, Chief Advisor to the President of the National Bank;
- Iván Kovácsics Jr., ITM's advisor on China (Atlatszo, 2021).

It is evident that the trustee board has close ties to the Hungarian state. Unsurprisingly, László Palkovics was designated the head of the board as his Ministry is overseeing the project. Elsewhere, Cecília Szilas is listed by Alatszo as having been selected as a member of the board - this is supported by investigations carried out by Direkt36 in 2022 which explored her role in the Fidesz government and its operations. Despite the fact that she left her post as chief advisor to Viktor Orbán soon after the leak of the campus' location in April 2021, it is remarkable to note, again, the proximity in ties the trustee board has to the government itself. The fourth name on the list, Levente Horváth, as shown, represents the most senior advisory role to the country's central bank. Such a role places him in extremely high proximity to the levers of national power. Prior to working at the Central Bank, Horváth studied at Fudan University in China (China Media Project, 2021; Shine, 2018). Perhaps most intriguingly is the fact that his wife, Niu Shan, is the managing director of Fudan Magyarország Kft. - the third party included in the Strategic Cooperation Agreement (Atlatszo, 2021). This can be

verified by utilising the country's online company database, which confirms that Niu Shan is indeed the named managing director (Nemzeticegtar, 2023). Finally, Iván Kovácsics Jr. not only possesses close links to the government through the ITM but reportedly also has state-industrial ties by way of his father - in 2020, *Atlatszo* reported in a separate article that Kovácsics Sr. has a decades-long involvement with Hungarian-Chinese relations. His employer, Chinese-owned company CECZ Közép-európai Kft, is known to have been chosen non-competitively for a Covid-19 safety equipment contract by the government (*Atlatszo*, 2020).

It should be noted that from 2022, a year after much of this information was made public, changes were made concerning the governance of the Fudan Foundation. According to the country's leading political magazine, *Heti Világgazdaság* (HVG), several members of the board of trustees were replaced or demoted after the country's elections (and subsequent Fidesz victory). These replacements were as follows:

- László Palkovics was replaced by János Csák
- Ivan Kovácsics was replaced by László Szabó
- Krisztina Bertáné Bényi was demoted, but given the newly made position of deputy director general. (HVG, 2022)

The only figures to keep their positions were Levente Horváth, Cecilia Szilas, and Sándor P. Szabó. In all, three replacements were made and an extra position was created - the director general. While certain individuals have been replaced, the proximity to the levers of power have not. János Csák is merely head of the Ministry of Culture and Innovation, which was transferred the responsibility of the campus while his predecessor was given a new position as Minister of Technology. Meanwhile, László Szabó was appointed as director general - it should be noted that the difference in competency between this role and that of the ministry's is not clear (Hvg, 2022), however, it is thought that this role entitles the beholder with ultimate decision-making authority (444.hu, 2021). Particular attention is paid to Szabó because of his previous career experience as head of the government-linked Mediaworks Zrt. and ambassador to the United States. Moreover, his brother-in-law is reported to have earned suspiciously large profits - up to 513 times prior turnover - for his ventilator company through government contracts (Hvg, 2022; Hvg, 2021).

From the outset, there is evidence to suggest that the governance of the campus - or, for the time being, its construction process - is envisioned similarly to that already in place in Hungary. That is, the government has directly chosen - without transparency or any democratic mode of selection - individuals who are variably, but certainly, linked to the government. Other than the third board member listed above, Sándor P. Szabó, it is relatively easy to see or uncover links to the state. His inclusion as a member could be the result of his expertise in the field of Chinese-Hungarian relations and, possibly, a desire to appear more credible. Otherwise, again, it is relatively easy to draw links between the individuals and the Hungarian state that could raise concerns regarding transparency and corruption. For example, Levente Horváth position in the country's central bank - where price stability, national currency, the Hungarian forint, controlling the money in circulation, setting the Central Bank base rate are all competencies - show that figures with significant state influence are directly involved. Based on what has been reviewed in the earlier discussion, this may also lead to concerns regarding the autonomy of the university since the Fidesz government, through the Ministry of Innovation and Technology, has previously handpicked members of the trustee boards. Considering the apparent desire to avoid public scrutiny and the generally opaque nature of the process thus far, it would be justified to assume that this is exactly what the Fidesz government planned.

4.1.3.2 Finances

As outlined in the literature review, a major part of kleptocracy and state corruption is the financial aspect to it. That is, in one way or another, individuals, organisations, and/or institutions may seek to improve their own financial gain at the expense of the rest of the country. The ways in which political actors may conduct this behaviour are manifold, but one example - and one which is certainly relevant to Hungary - is the contracting of loyal business and private companies. The formation of loyalties through favouritism leads to a lack of real competition and transparency (source)....

The changes in the higher education system, as seen, have allowed for favoured private sector companies to represent their interests at universities; moreover, the close ties they have to the state, and their reliance on it, helps to ensure that full academic freedom is at risk. The Fudan project, as seen, boasts more or less the same governance structure but with the added role of the director general, which no other university in the country has (Hvg, 2022). Like any other foundation, however, the members of the board receive regular wages as well as other

benefits. The paper will now examine the financial costs and benefits of the Fudan campus project, as well as implications surrounding the lack of transparency involved.

First and foremost, it is important to look at the actual financial gains that the individuals on the board of trustees will earn. According to HVG (2022), which had examined the balance sheets of the Fudan Foundation as well as the third party involved in the Strategic Agreement, Fudan Magyarország Kft., the Fudan Foundation had by 2022 announced a deficit in revenue - a deficit of up to 55 million Hungarian Forints (around €140,000). This deficit, as the investigative article points out, is down to several reasons. Firstly, there is no campus or tangible object yet constructed on the designated site. In other words, the university does not exist. Therefore, no profits have been made. Yet, despite the lack of construction, the Foundation has already been set up - the only such maintainer institution in the country to not actually have anything to maintain (Hvg, 2022). This is one of the largest sources of the deficit - or, more precisely, the wages paid to the members of the trustee board. HVG provides a comprehensive rundown of the wages that the members of the trustee board are entitled to: each of the members of the board essentially receives a stipend for what is considered part-time work while the director general, the only full-time employee, receives a larger salary. The members of the board were found to have cost the Foundation 750,000 Forints each per month (Hvg, 2022) - this is the equivalent of around 1,900 euros per month, more than the average monthly wage of workers in the country (Trading Economics, 2023). Within the regular financial benefits procedures for the members, it appears that some sort of bonus was paid in “contributions” (Hvg, 2022); however it should be stressed that it is not clear what form these contributions take and is unspecified in English-language documents online. Then, there is the organisation's only full-time employee, the director general László Szabo, who was only appointed in the second half of October in 2021, so he worked for less than two and a half months for a total gross amount of 4.34 million (plus the aforementioned salary contributions). This means that the director-general costs around 1.75 million Forints per month (4546,36 Euros) - this is how much a state secretary currently earns, according to HGV (2022). To reiterate from earlier, it is not clear what responsibilities Szabo’s new role actually entails, but it most likely endows him with a large amount of authority and decision-making ability. It is evident that the payments being sent to the members of this trustee board are difficult to justify considering that, one, there is no institution either in constructed or in the process of construction - as such a well-paid managerial body appears overly preemptive at best - and, second, even so-called part-time board members earn more than the average

wage of Hungarian workers, while the director general Szabo earns almost four times as much. Considering the close relations between the members and the state, there is a heavy suggestion of favouritism and corruption. Moreover, the complete lack of activity as reported by numerous media outlets - and which will be given more focus further in this paper - combined with the money spent on the wages alone resembles the kleptocratic behaviours examined in the literature review.

It is also important to take into account the money that has gone into financing the campus itself, so as to provide a comprehensive overview. From 2020, it was at least public knowledge that a certain amount of land and assets would be transferred to Fudan University. A Hungarian media outlet, Index, reported in 2020 that, at least initially, there were plans for Fudan to bring in their own educational “know-how”, which can be taken to mean their own professors. According to an interview of Levente Horvath that the article continuously quotes and cites, it was hoped that the establishment of the campus in Budapest would bring along with it further Chinese investment from Chinese state-affiliated companies such as Huawei, who would, ideally, contribute to the research prestige of the institution (Index, 2020). In an article by the Hungarian Spectrum the same year but several months after the Index article, it is noted that the costs involved in the building of the campus are, or were, relatively unknown (2020). The author of the article quotes a line from the website of the Fudan University itself, “Hungary will provide land and teaching and research facilities for the new campus as well as legal and administrative support.”, suggesting that much of the financial burden was to fall on the Hungarian state and thus taxpayers.

In 2021, Direkt36 published leaked documents which, among other things, highlighted the projected costs of the project. It stated that the Chinese State Engineering Construction Company (CSECC) “would erect the campus for a little less than €1B (HUF 338 billion), which is cheaper than the Hungarian government’s €1.5B (HUF 540 billion) estimate” (2021). The figure that has attracted the most attention is arguably the 1.5 billion. Not only does this call into question the gap between the estimated amounts - “the Ministry does not conclude from this that the Chinese offer may be unrealistically low. In fact, they recommend the Chinese bid to the government by arguing how favourable it is compared to their own estimate” (Direkt36, 2021) - but also raises alarm bells when the same company’s recent past is considered. Although it is largely beyond the scope of this article to explore the company’s history, it would be useful to note that the CSECC was embroiled in one of the largest

corruption scandals in modern history, the '1MBS' scandal, which was briefly explored in the literature review. Moving on, the article then utilises a comparison between censored documents published by the government and the originals that they had managed to obtain. They point out that the government had tried to hide both the names of those involved in the deal between the government and Fudan University, as well as the fact that the government was hoping to finance the project through Chinese loans (Direkt36, 2021). This suggests that the Hungarian state either did not have the finances necessary to fund the project, had misjudged the costs, or had not been transparent about how they planned to pay for everything - or a combination of the three. However, considering that the original overseer, László Palkovics, had apparently denied allegations that borrowing solely from China would be required to fund the project prior to this leak (Direkt36, 2021), it is more likely that the government had purposefully lied. In fact, it is important to note that the author of this article, Panyi Szabolcs, adds that the government had incorrectly responded to the request of information from the Municipality of Budapest hence the censored version of the documents discussed above, and that this had led the local government office to file a complaint with the country's National Authority for Data Protection and Freedom of Information (Direkt36, 2021). It appears that the government went to some length to prevent the information presented above from going public, most likely because it knew it would arouse further controversy and backlash. Moreover, the value of the real estate handed over to the Foundation to manage - in other words, the 20 hectares of land that had previously been earmarked for a student village - had an estimated value of up to 37.5 million euros (Atlatzso, 2021).

Regarding the cost of the entire project, beyond solely the construction phase, it is difficult to obtain definite numbers. This is due primarily to the opaque process that the establishment of the campus has been carried out under. This, in turn, has led to various figures being published by media sources. In 2021, the China Media Project published an article that quoted an early investment proposal from government sources that claimed the entire project would cost a mere 2.8 million US dollars. However, as they note and cite Direkt36's first major leak, this projection was increased manifold up to 18 billion US dollars or 540 billion Forints (China Media Project, 2021). This includes not only the initial construction but also the first five years of subsequent operation. The outlet also supports Direkt36's conclusion that a majority of the funding would be sourced from Chinese loans. However, they add that the responsibility of paying this loan back would fall on the Fudan Foundation. However,

concern was expressed as to where this money would come from as, ultimately, the major part of the funding for this body originates with the government, especially while no income exists due to the stalled construction process. Yet, it should be noted that part of the funding is meant to come from China too (Direkt36, 2021). In terms of revenue, “the financial model projects operating revenues (student tuitions and housing fees) growing to 64 million US dollars after the fifth year of operations (Emerging Europe, 2021). However, this is to be exceeded, as shown in government documents and repeated in media outlets (Direkt36; Emerging Europe), by a 159 million US dollar (HUF 50.8B) expenditure. The Ministry of Innovation and Technology - the government department in charge of the project at the time - expressed hope in the original documents that profit could be generated by multiple sources including investment from the Chinese government. Considering by the time this article had been published, it had been made public knowledge by Direkt36’s original leaking that Chinese loans were to play a major part - perhaps up to 80 percent (Direkt36, 2021) - of the construction costs. It is therefore not a leap to argue that the Chinese government would cover the costs, through loans. In all, it appears for the foreseeable future, the projected cost would indeed lie around the 18 billion US dollar mark as reported by the various outlets (although largely stemming from a singular source, the leaks of Direkt36). What is so remarkable about this number is the fact that the construction alone - whether it be the lower Chinese estimate of one billion US dollars or Hungary’s prediction of one and a half - amounts to around the same amount that the government spent on the country’s entire higher education system in 2019 (Direkt36, 2021).

To summarise this section on finances, it is evident that there are serious issues surrounding the costs of the project. Firstly, in the first two years of the establishment of a Fudan Foundation - the role of which is to oversee maintenance and funding - the only novelty is the growing deficit resulting from the salaries and benefits of the board’s members. Despite this deficit and no progress regarding the construction of the campus, the members - whose close affiliation with the government and largely visible lack of experience in higher education or China is well documented - continue to be paid. It is important to note that the combination of extremely close ties with the government - whether through the central bank (Horváth), ministers and former ambassadors (László Palkovics and then János Csák), senior advisor positions (Cecilia Szilas and Iván Kovácsics Jr.) or state-corporate affiliations (Krisztina Bertáné Bényi and László Szabó) - and the steady stream of passive income mirrors some of the models of kleptocracy and state capture explored in the literature review

SOURCE. For example, the pay-off of state officials to buy loyalty and ensure that affiliates do not go ‘rogue’. Then, there is purposeful disregard for truth and transparency, a clear sign of corruption from the state and a neglect of rule of law principles as highlighted by Direkt36 (2021). Government officials, in particular the Minister of Innovation and Technology, have evaded the truth and lied about how the project will be funded. Moreover, it is unclear how much the project will even cost. From the beginning, different figures had been touted in official documents, revealing at best incompetence and, at worst, outright disdain for the truth. Unfortunately, without further evidence to elaborate on the second explanation - which would require investigative powers beyond those of this paper’s author - a conclusion regarding this point cannot be effectively made. Overall, having explored the majority of available data concerning the financing of this project, it can be concluded that there are semblances of state corruption or kleptocracy as understood by this paper’s theoretical framework. However, this must not be overstated since the lack of transparency and data on the issue means that it is not possible to confirm exactly how the financial framework operates, or expected to do so. Nevertheless, it is evident that the previous reforms on higher education - itself arguably a step to consolidate control of the state as discussed above - have helped to facilitate, and have massively shaped, the initial steps (and perhaps only steps) of this entire project.

4.1.3.3. Academic Freedom

As examined earlier in the paper, it is crucial to explore how the establishment of the Fudan campus may affect academic freedom, both for its own students and for the rest of the country in general. Of course, as has been repeatedly highlighted, the campus has not even begun construction so it is impossible to say exactly how this will develop. However, there are certain clues that can be taken from the prior actions of the Orban government, expert opinion, and actions of the Chinese government regarding higher education. The following section, like those above, will make use of online sources to build an overview of the topic. Interviews that have been undertaken will then provide further supplementation to the findings here to form a more comprehensive conclusion.

From the beginning of the announcements of a Chinese-Hungarian higher education partnership, there were concerns raised about the integrity of academic freedom, a cornerstone of liberal democracies (R. Cole, 2017). A part of this concern came down to Chinese treatment of academic freedom within its own country. First and foremost, was the

change of Fudan University's constitution. In 2019, several Chinese universities changed their founding charters to become more aligned with the principles of the governing Chinese Communist Party (CCP). What this meant, in effect, was the elimination of phrases pertaining to intellectual freedom and putting into a legal framework the pledge and the addition of promises to "stick to the [Chinese Communist Party's] leadership", "serve the party's governance of China," and "serve the consolidation and development of China's socialist system with Chinese characteristics" (Quartz, 2019). These developments led to protests from students and staff alike. Videos uploaded online, and accessible on Youtube, claim to show students of Fudan University singing the university's anthem, one line of which pertains to "academic independence and freedom of thought" (Fitzgerald, 2019), in one its building's lobbies; meanwhile, a senior professor at the the university's English department criticised the changes in both a graduation ceremony and a deleted social media post, lamenting the perceived loss of civil liberties (Quartz, 2019; Bloomberg, 2019). Evidently, the changes made to the Fudan University constitution were serious enough to have earned public backlash. The unabashed degradation of university autonomy in China, and specifically for Fudan, calls to question how its university policy would sit in Hungary given that university autonomy is promised in the FL.

This issue has not gone unnoticed in Hungary and the West in general and has naturally rung alarm bells for many. An extensive report published by the Carnegie Foundation outlines the concerns regarding Fudan's autonomy, with concerns over "academic freedom" mentioned eight times (2021). According to the report, the changes to the university's constitution could damage the country's reputation for academic freedom even further in the wake of both higher education reforms and the departure of the Central European University. In Budapest, upon the news leaked by Direkt36 that the university campus would be built upon the land previously slated for a student village, protest broke out in opposition. The specific reasons for this protest - i.e. what the protestors disliked about the project - were, however, varied (Frenyò, 2021) and cannot be attributed solely to the concerns over academic freedom. Many not only referenced the concerns over Chinese views regarding university autonomy, but also overall tightening bonds between the two countries, and the fact that plans for the student accommodation had been forgotten about. Moreover, a "consultation" was carried out asking Budapest locals, in particular of the 9th district where the campus is to be located, four questions on their opinion of the project. Over 30,000 people responded and with an overall 99 percent negative reaction. That being said, it is very important to acknowledge that the

questions of this consultation were extremely leading - one example being “Do you agree that a university in Hungary should operate with public funding, but provide no free education to Hungarian students?” (University World News, 2021), which leaves respondents almost no option but to respond in a negative manner. As such, the reliability of the data as a representation of views regarding the campus’ construction is questionable. Nevertheless, the fact that a protest did occur, with it leading to the promise of a referendum on the issue, illustrates that there was significant concern. Elsewhere, numerous major Western-based media outlets have covered the issue with a generally critical tone: The Guardian has published several articles focusing on the fear of “elite capture” (2022) and “outrage” of the protestors (2021); Reuters in 2021 published several articles depicting the project in a negative light, with one focusing on the potential of the “undercutting” of higher education quality in the country (2021); and Associated Press published an article conveying the “security concerns” and “stifling” of academic freedom related to the project (2021). It is worth taking account of the potential for bias here as each of the publications mentioned originates from a country (UK and USA) whose governments have professed anti-Chinese sentiment in the past; moreover, the editorial stances of these papers, while not identical, do lie within a liberal democratic paradigm, which may skew their coverage of issues related to China. On top of that, the limited sampling here obviously does not take into account the diverse array of opinions that could be taken on the issue; however, they do well reflect the views of the mainstream Western press, which is one of criticism towards the Chinese government (Alafnan, 2020).

Before the paper proceeds, it would be useful to refer back to the problem of university autonomy that existed even before plans for the Fudan campus were ever announced. As already discussed, the reforms targeting the higher education system altered the way in which the universities were governed. New foundations were set up, populated by, largely, individuals who possessed close ties to the state. Either these individuals were directly members of the government (Fidesz members of parliament, including senior ministers), people from the Hungarian corporate world (very often representing businesses with close ties to the government), or, occasionally, people with a genuine background in education. The stated purpose of these institutions was to improve the quality of higher education in Hungary by improving the national standards and introducing funding. However, as highlighted, the new governing structure has led to justifiable concern over the state of university autonomy. With the government holding the power to select all members of these trustee boards for life,

as well as their general affiliation with the state, it is not unreasonable to state that university autonomy is threatened. This same framework has been applied to the Fudan project. As explored, the majority of the individuals that have been involved in the establishment of the campus have possessed extensive links to the government - whether ministers, former ambassadors, ex-heads of state-aligned media conglomerates, or senior advisors. Moreover, the project's oversight was given the extra role of director general, thus far unseen in other university foundations in the country. As of most recent available data, the person fulfilling this role is László Szabó, former ambassador to the US and CEO of Mediaworks, the largest media conglomerate in the country. So, there is strong evidence to support the idea that the governing and oversight of the Fudan project in Budapest will be highly influenced by the will of the government. Further, upon (hypothetical) completion of construction and the opening of the site to students, the maintenance of the campus would largely remain under the control of this government-aligned board. However, it is noteworthy that the educational contents of the university will be provided by Fudan. How the issue of autonomy would play out in this planned-for scenario is not easy to predict as it may involve some level of power-sharing between the publicly Chinese state-aligned Fudan University and the governance structure now native to Hungary. How much power either party would be willing to share is another question and one that remains unanswered.

Either way, there is a clear risk to university autonomy and academic freedom in Hungary. Both the reforms of 2019 and the plans to build a new university campus in the political centre of the country pose serious threats to the liberal democratic order, according to the research undertaken thus far in this paper. By examining the changes adopted in recent years regarding the higher educational framework in Hungary, it has been possible to gain a broader and deeper understanding of how an increasingly authoritarian government may try to consolidate its control over a country. As remarked upon by the Carnegie Endowment, this system of higher education governance is unique in Europe, despite the fact that it does share similarities in various ways to other nations' frameworks (2022). This uniqueness is partly why it is justifiable to single out Hungary as an example, and also explains its significance. In a country where illiberalism and democratic backsliding has been observed, it is useful to understand in what ways this can manifest. Overall, this paper has shown that the new system implemented under Viktor Orbán's administration is arguably an example of how a government may try to steadily insert its own influence. By increasing control of the higher education sector, a government may be able to impact what is taught at these institutions,

limiting critical thinking and attitudes, and encouraging ideology that is in line with the state (Varbelo & Warborsky, 2023).

4.1.4 Limitations

Before the paper proceeds to the interview data, it would be worthwhile to acknowledge the limitations of the sources and research above. Firstly, the heavy reliance on media sources is a drawback. Without the peer-led scrutiny that, ideally, comes with academia, it cannot be said with as much certainty that each source is reliable or without bias - although, that cannot be guaranteed with academic work either. Much of the media publications cited in the research, moreover, are outwardly opposed to the Hungarian government and view themselves as opposition outlets (Direkt36, Hvg, Atlatszo). Therefore, much of their work will come with a certain amount of bias and this context must be acknowledged. That being noted, these outlets do not try to hide their editorial stances and as such it is easier to dissect their articles. Moreover, the work and evidence published by these outlets - especially that of Direkt36 and Atlatszo - is credible. Using the leak of the Fudan campus' location as an example, the information and data analysed by the Direkt36 journalists was later confirmed by government actions. Moreover, it was cross-checked by other publications, including major Western outlets, further strengthening their reliability.

Another drawback comes from the major reliance on a limited sample. Although many sources were used to cross-check and confirm minor details, and to add more depth to the argument, much of the information relied on a small number of leaks provided by a smaller number of publications (Direkt36 and Atlarszo, mainly). The problem here, which is representative of the biggest challenge of this entire research paper, is that there is much that was based on the analysis and information provided by a single source. This problem is visible when researching on the topic, especially through the English-language mediascape which often tended to base much of their own information on a single shared source - particularly the aforementioned Direkt36 leak(s).

A third limitation, and one that was predicted before research commenced, was the difficulty in gaining new insight into a case study that was ultimately shrouded from the public eye. The Fudan campus project has been largely kept under wraps by the government and the ministry in charge. As such, much of the information that has been made public has been done so via leaks, without the consent of the state. Moreover, a research topic that aimed to

focus on potential corruption of the state would unlikely be seen favourably by individuals involved in either the project or the state. However, it was believed, as explained below, that the use of interviews as part of the research methodology would help to shine light on the issue. Moreover, this paper's focus is somewhat broader than solely that of the Fudan campus and also includes analysis on the state of the higher education sector in an illiberal state. Therefore, should this part of the research prove disappointing in the data uncovered then there would still be a relevant and useful portion to the research. It should also be noted that the lack of transparency itself points to the disdain for honesty in Hungarian politics, and is something that will be discussed in the interview data also.

To counter these problems, this paper utilised a larger number of sources, improving the chances of peer-reviewed (albeit, often media-reviewed rather than academic) credibility. The story of Fudan campus was picked up by most major Western media outlets with the details of, for example, the Direkt36 leaks never being dismissed. Again, this could be a result of either anti-Fidesz bias or lazy journalism, but this helped to give credence to the information presented either way. Another way was to utilise as many Hungary-based media sources as possible. Despite its small size, the Hungarian mediascape is host to a number of impressive investigative outlets that frequently criticise national politics, corruption, and the government. As noted, these publications profess their own biases on their websites (where their articles were accessed), but this does not negate their fact-based findings (as showcased above). These investigative publications based in the subject country helped to provide an on-the-ground analysis that would have been nearly impossible if non-Hungarian sources were used. A third way that this paper intends to counter these shortcomings is by analysing interviews. Since some of the drawbacks mentioned above were foreseen - in particular, the language barrier and the lack of transparency - it was decided that interviews with specialists and individuals with experience in the Hungarian higher education sector would be most insightful. By interviewing a mixed sample of PHD students, a journalist, a politics professor, and a member of parliament, it is hoped that an even broader and deeper understanding of the issue at hand can be obtained. At the very least, it will be useful to find agreement or contradiction with what has been said about the situation in comparison with national and international media, as well as the mainstream view of Western institutions and NGOs (the EU, Carnegie Endowment, for example). This will help to further expand the picture of how a potentially increasingly authoritarian government may try to consolidate its power, and how it may use corruption to do so.

4.2 Interview Data

The following section will now focus on the interviews that were conducted to provide further insight concerning the research question. As outlined in the methodology section, the interviews were conducted on a semi-structured basis meaning that some questions were pre-selected while others were impromptu, based on the interviewee's answers at the time. Due to this, there were diverse directions in which the interviews went - some, such as those with the PHD students, tended to veer into personal experience regarding academic freedom; others, meanwhile, adopted a more theoretically critical attitude towards the research topic.

Again, as was explained in the methodology, the interviewees were selected partly based on their backgrounds and expertise. It was hoped doing so would provide both a broader perspective and an opportunity to expose niches in the research topic that had been undiscoverable through online research alone. In this respect, it can be said that some success was found. The interviewees thus were a mixture of PHD students (three of the participants, each specialising in different fields), a professor of political science based in a Hungarian university, a Hungarian journalist with experience writing on the Fudan project, and an opposition Hungarian MP who specialises in anti-corruption. The wide range of expertise helped to contribute to a more effective sample. Even though there was not a high number of participants, the length of the interviews - ranging from forty to fifty-five minutes - ensured that no stone was left unturned in each discussion.

The limitations of this model have been elaborated upon already and thus will not be included here any further.

Below, the research will be structured according to the themes already outlined in the methodology, and will also bear close resemblance to the structure of the document analysis earlier on in the paper. So, three main themes will be explored: 'General', 'University sector' and 'Fudan Campus'. Each will then be divided by two sub-themes: 'Autonomy' and 'Corruption and kleptocracy'. Only the 'Fudan Campus' theme will diverge with an extra 'China's role' theme - this is because of the amount of data that relates more specifically to the country's role and ambitions regarding the Fudan project. The interviewees' identities will be kept anonymous and will be simply referred to as 'Interviewee One', 'Interviewee

Two'... up to Six. This is because the sensitive nature of the topic requires so. For reference, the interviewee's number and their respective relevant background will be listed below:

- Interviewee One: PHD Student at the University of Corvinus
- Interviewee Two: PHD Student at the University of Corvinus
- Interviewee Three: PHD Student at the University of Corvinus
- Interviewee Four: Professor of Political Science at Eötvös Loránd University
- Interviewee Five: Journalist
- Interviewee Six: Opposition MP

4.2.1 General

4.2.1.1 Illiberalism and Growing State Control

The issue of “illiberalism” in Hungary is at the core of this paper and is an increasingly major field of study. This paper has already examined the scholarship centred on the question of what illiberalism actually *is*. While it was difficult to come to any real conclusion, certain characteristics were identified and these formed the basis of the theoretical framework, as well as provided specific traits to analyse based on the case of the Fudan campus and higher education. The main characteristics that, at the very least, were relevant to this paper were those of deteriorating rule of law and the impact on university autonomy. In this subsection, the views of the participants regarding the country's rule of law, trends of growing state power, and views on the term “illiberalism” generally-speaking will be examined. This will help to situate the individuals in relation to their stance on the government.

The most common view amongst participants was that the Hungarian government under Orbán had steadily sought to strengthen its hold on power. When asked about the aims and ambitions of the Fidesz government, Interviewee One made their view clear that the government was increasing its power year by year. Providing an example to support this view, “Decisions are made without the public, a lot of quick decisions are made. For example, the government decides something and a week later the business is done. It is often the case these days, and it wasn't the case two years ago.” According to Interviewee One, this change had occurred over a period of ten years. While this may have been rounding down, it is either way only two years off the mark from the rise of Fidesz in government. Other participants tended to hold the same or similar views. Interviewee Two pointed out that, as an example of the government seeking to tighten its grip on various sectors of society, a new law

has been approved, dubbed the “status law” by the participant, which would amount to “new regulations on how teachers in primary and high school education are checked up on so that everybody will have the chance, if they see something suspicious, they will be able to report this to someone higher up in the local or regional council.” To confirm this, some background research was conducted and this statement appears to correlate with new laws that have been passed in early 2023 that seek to change the employment status of teachers, increase their weekly hours, and make protests or strikes the same as civil disobedience, which would ultimately affect their pay (EuroNews, 2023). While there appears to be a certain level of hyperbole involved in Interviewee Two’s response, the implications of the law could reach a point that the academic and personal freedom of education staff is severely curtailed for the purpose of ensuring government loyalty. Meanwhile, Interviewee Three expressed doubt in the trustworthiness of the government and a belief that there was “something bigger going on” in relation to the reforms on education, which will be discussed later. Unfortunately, however, they were unable to elaborate further on this point. Next, Interviewee Four, the first non-PHD student, similarly expressed sentiment that there was “a general trend of illiberalism.” Elaborating on this:

“this illiberal regime does not tolerate the autonomy of any actors. Civil society is accepted if it is very close in organisational terms to the government line. It is not really tolerated here if you have different values or if you think differently.”

This stark description, taken at face value, leaves little room for interpretation. It is more than evident that, according to this political science professor, illiberalism - defined partly in this case by the slide to autocratisation - is an ongoing process in Hungary, and is very much a reality in the political landscape. The participant then refers to an older interview of Orbán in which the Prime Minister said “of course, we want university leaders who are conservative in their values” (Interviewee Four). It proved difficult to confirm when or where, or even what was said, during this referred-to interview, the most likely candidate being a National Conservative Conference in Rome in 2020 that the Hungarian PM spoke at in which he criticises “liberal left” universities for “pushing” your ideology away, thus conservatism “suffers” (‘National Conservatism’, Youtube, 2020). Interviewee Five shares, again, more or less the same views as above that the Hungarian state is moving towards an illiberal regime. The respondent points out the conflict between the EU and Hungary, explaining that “liberal democracies are dependent on civil society and universities”, which he suggests the

Hungarian government is going against. When asked whether the educational reforms were part of a wider process of consolidation of power, the participant responded:

“Absolutely. Many people compare the Hungarian regime to the Putin regime. The only difference is that current society does not use force like Russia does, or like they have [a] mixed system of force and financial [measures]. But Hungary is entirely with financial means.”

Firstly, the unequivocal tone this answer carries reveals two things: the respondents’ view - that Hungary is becoming increasingly authoritarian - and their inherent bias. As an opposition MP, there is greater likelihood that the individual is against many, if not all, of the actions and campaigns of the incumbent regime. As such, a certain amount of caution should be exercised in analysing their responses. Nevertheless, the answers provided by this participant were some of the most extensive and in-depth, with claims and facts verifiable elsewhere. Another thing to note here is the comparison with Putin’s Russia - while effective at the very least as a rhetorical device, it could be unhelpful to try to compare the two, especially differentiating the two “only” via their mechanisms for control. Putin’s Russia has long been regarded as one of the most autocratic regimes in the world (University of Wurzburg, 2023) and has invaded several countries since the collapse of the USSR. The level of control the government has in Hungary is a major focus in politics scholarship, but as seen in both primary research and literature review, is still far off from being considered an outright autocracy. Although, this analysis does strengthen the theoretical view of illiberalism, that illiberal regimes are content to use subtler means to consolidate control, using, for example, financial measures rather than explicit force. Finally, Interviewee Six admits there is a “disregard for liberal democracy” within the Hungarian political landscape, and that the system is “not healthy.” It should be noted, however, that the language used by this participant, a journalist, is decidedly more balanced than that of the preceding opposition MP or even the political professor. In regards to the educational reforms and the Fudan project, he expressed both concern but also a more pragmatic attitude which was able to explore the positives of these changes. This will be explored further in this section.

Regarding the state of the rule of law, checks on power, and personal freedom in Hungary, there appears to be a near-consensus. At no point did any of the respondents express opposition to the idea that Hungary was in some way heading towards a more illiberal model.

Illiberalism particularly resonated when it was associated with ideas of greater state control, influence, and attempting to ensure loyalty to the government. While there appears to have been some difference in the enthusiasm of the respondents when asked about the state of democracy in their country, this can be partially explained by the respective positions and exposure to the topic. For example, the political professor and journalist may have been eager to retain a sense of balance in their answers for the sake of professional integrity; meanwhile, the opposition MP largely had no qualms with using emotive language to describe the state of affairs. In all, there is little more to add and the views of the participants were made clear.

4.2.1.2 Corruption and kleptocracy

When questions arose about the general state of corruption and kleptocratic behaviour in Hungary, responses were much more varied, less concise, and less decisive. Interviewee Three expressed doubt about the honesty of money flow in the government, stating that revenues from tax income do not go where they should. The participant goes on to describe how sustained neglect of sectors such as healthcare and education led to an incentive for “internationalisation”, or the search for external funding. They then suggest that private sector corporations close to the government and a state-run media “conglomerate” are used to both fill the vacuum for funding, and muster support for new decisions. While there was no confirmation, this media conglomerate may well be the Central European Press and Media Foundation (CEPMF, KESMA in Hungarian). This media foundation was mentioned by another respondent in relation to another event, which will be explored later. Interview Four expressed similar views regarding the existence of corruption in Hungary, stating that corruption in the state undoubtedly exists. While they do not elaborate on this extensively, they point to the complete lack of publicly available documents relating to the Fudan project - this will be examined later, however. Jumping to Interviewee Six, illustrate they do believe that kleptocratic behaviour does occur. When asked if they believe that increased state control could facilitate corruption, they countered that the “extraction of wealth serves to consolidate control... It's because they want to maximise their chances of indefinitely continuing to rule the country.” The opinion of the journalist is seemingly clear here, that state corruption does exist on a scale large enough that its purpose is to prolong the power of the ruling party. There are serious implications here, most significantly the anti-democratic nature of both the corruption and the government in charge. Unfortunately, the respondent did not provide any examples of kleptocracy in action, which would have solidified the argument. Finally, and

most robustly, is the critique made by the opposition MP, Interviewee Five. During the interview, they made a strong point:

“Hungary is in a position of state capture. The question is not only the state party but the entire Hungarian state is functioning with the goal of keeping the current power in power.”

It should be noted that the respondent paused to make sure mutual understanding of the term “state capture” was reached. The definition is very much in line with that explored in this paper’s literature review. So, according to the MP, sectors of Hungarian economy and society are being transformed so as to be exploited financially and politically by the government. The purpose of which is both to ensure power is held on to as long as possible while buying the loyalty of private and public sector actors, using the country’s resources.

Again, the responses in this interview were the most damning. Turning back to the issue of bias for this particular respondent is important to ensure that this paper’s own bias is reduced; however, it should not be forgotten that this particular individual is a member of the legislature’s anti-corruption committee - as they explained at the beginning of the interview, they specialised on the topic and had been involved in some investigations regarding the Fudan project. As such, their opinion on this topic holds weight and credibility.

Not every respondent was completely open to the idea of mass state corruption. Before questions had been asked, Interviewee Four inserted that they disagree with the use of “kleptocracy” as a term to describe the case of Hungary. According to them, the term exaggerated the reality on the ground in Hungary and was potentially harmful to the country’s image. So, while this participant recognised various aspects of corrupt state activity - such as opaque money channels and cronyism - they refused to utilise this specific term, which was deemed a step too far. Elsewhere, Interviewees One and Two failed to respond in a relevant manner to questions about state corruption, but did so regarding corruption involved with the educational reforms and Fudan. It is likely that the interviewees in question did not understand the question about corruption in general. A final point to limit the bounds of state corruption is that made by the MP. They received two questions regarding the issue of nation-wide corruption. Initially, they explained, as discussed elsewhere, that the country was in a position of state capture, and that favouritism was rampant. However, when pressed on the severity of this corruption, they responded:

“define corruption... What people think it is, in my understanding, is that “here are the procurements”, there are four candidates and three of them are kicked out, [with the government] saying that “you put the wrong numbers in there so sorry your candidacy is not valid anymore”... in these terms, I'm not sure it happens.”

It would appear that while the majority of interviewees did believe that corruption driven by state actors did indeed occur, there was less of a consensus than in respect to illiberalism. Only one of the respondents provided a lengthy response and examples regarding state corruption - the MP - while others either simply stated they believed it did occur (Six) or briefly mentioned some examples (Interviewee Four) without going into enough detail for it to be a worthwhile response all on its own. The explanation for this could be two-fold: the very essence of (effective) corruption is that much of it is opaque and hard to identify if not part of the system. This is similar to Hood and Lodge's PBS model in which a trustee model excludes sectors of the government from malpractice. Also, it helps to avoid democratic or public scrutiny. Another reason is that the subject of illiberalism is increasingly visible in political science scholarship, and this could be partly why Interviewee Four had more to say regarding this issue. Overall, however, there is broad agreement that the Hungarian state is engaged in activities which see the expropriation of the wealth of its country for the benefit of the political and business elite.

4.2.3 The Reforms to Higher Education

Now the analysis will move on to the data collected regarding the Hungarian reforms. Already, a broad picture has been painted by the document analysis earlier: the new governing structure, potential financial corruption, and the predicted impact on university autonomy. However, the interview data will allow for a more insightful and nuanced perspective built around both personal experience and professional expertise. A major portion of the questions centred on the experience of university work post-reform, and the impact they had on both personal work experience as well as from a broader sector-wide perspective. This meant that both the university staff and those outside of it could provide relevant information.

4.2.3.1 Impact on University Autonomy

One of the questions, directed more towards the university staff (PHD students and the professor), asked about their own personal experience regarding perceived academic freedom

in the wake of the reforms. The interviews produced a mixed bag of responses, leaving arguably one of the more interesting points of analysis. Interviewee One first responded to a question on personal experience by claiming they had not personally noticed much of a difference in their daily life. As a PHD student working at their university - Corvinus - working in the role since 2021, they reaffirmed that they did not feel they had personally noticed anything drastically different. This sentiment was in fact repeated by both Interviewees Two and Three - the other PHD students - who claimed, "I wasn't affected by [the reform] because I was only at the level of PHD" and "I would not say that my freedom as a researcher has been badly affected," respectively. The similarity of the responses here is striking. The fact that each expressed such similar opinions should not be ignored. At first, it would appear that the concern over academic freedom and university autonomy has been potentially overstated, with those working in the higher education sector 'on the ground' not having noticed much of a difference in their capacity to research. Indeed, Interviewee Two expresses a point, which has been echoed across media and iterated with interviewees, that one of the most noticeable changes was the increased pay. This presents an ultimately positive side-effect of the reforms, and conveys another side of the argument. However, several points should be considered. Primarily, the level of research - as highlighted by interviewee Two - is that of a PHD student. This means that, officially, they work not as full-time staff like a professor or a lecturer would meaning less of their well being is impacted, and their work is perhaps not considered as important; secondly, they are at a greater distance from the levers of power or authority and thus may be less aware of how their research or autonomy is being affected. Then, each of the PHD students work at Corvinus University. This is significant because this particular university was not only one of the first to transition to the new model, is also one of the largest in the country, but has seemingly received special treatment. According to Interviewee Four, the university was singularly endowed with assets and funding from major state-aligned corporations, meaning it has received far more cash than other universities. Therefore using this university as a representative of the entire system may produce inaccurate or unrepresentative conclusions. This point will be explored further below. Overall, however, it would be wrong to neglect the views of the PHD students and their reports of academic freedom do help to create a grounding effect, avoiding exaggeration of the day-to-day reality of on-the-ground researchers.

Despite the resounding view from the PHD researchers that their daily lives had not been massively affected, each did provide contradictory remarks on the level of autonomy that

universities possess. Interviewee One expressed their belief that the reason for the reforms was to further the agenda of the Fidesz government. They then went on to illustrate the worry she felt in speaking out against the university for fear of being made redundant and told an anecdote of staff in the same sector who had lost their jobs for speaking out. While this appears somewhat contradictory to what they claimed about their perception of academic freedom, it does speak to a certain level of control the government has over the institution. Similarly, Interviewee Two and Three each expressed concerns about the overall level of autonomy. The former explained that she believed the reform's purpose was to "dumber" the population, which can be taken to mean reducing their consciousness, political awareness, and ability or desire to critique. Unfortunately, no concrete example was used to support this view. The latter explained the concern that researchers felt in publishing their papers, in case they were deemed inappropriate. They were also highly critical of the potential for individuals in the board of trustees - the foundation - who had no prior experience in education making decisions for the university. They described the situation as "unacceptable." However, Interviewee Three seemed less sure about how academic freedom or autonomy had been affected, stating that she was ultimately "unsure." The PHD researchers provide interesting accounts, being that they work at a university directly affected by the reforms. Although each of them admitted that their daily work routine had not been massively affected - although Interviewee One in particular details the perceived overworking expected of PHD students - other than perhaps in pay (Interviewee Two), each expressed varying levels of concern on the impact of overall autonomy. This concern was expressed in regards to the governance, the ability to speak out against institutions, and publishing materials.

Beyond the PHD researchers, the other three Interviews also conveyed varying levels or elements of fear over the reforms. Interviewee Four, the professor, illustrated their knowledge on the subject, more so than the PHD students. The interviewee did not doubt that the autonomy of universities affected by the reforms had been affected. Intriguingly, their university had not actually been included in the reforms and the participant explained that the rector of their institution had thus far rejected advances by the government to be incorporated, justifying the approach by referring to the "ancient" status of the university. However, the professor added that this was an excuse on the part of the rector to avoid the control of the government. Taken at face value, this anecdote suggests that not only is there agreement amongst workers in the higher education sector that the government is trying to

increase its influence, but that it is potentially not a beneficial enough transition to justify being done. The participant also spoke of what they termed a “self-restraint effect” in which researchers were often forced to edit publications so as to avoid any sort of persecution from their respective institution. This description bears resemblance to the response of Interviewee Three. When asked why they believed the changes had been introduced, they responded: “because I think this is merely an institutional and structural change - because the funding has not changed.” They went on to explain that the funding still comes from the central budget, just as before, with the only real exception being that of Corvinus University. So, in their analysis, not only does the state increase its control through the foundations, but retains the influence it already had in the way of funding. Interviewee Five also expressed similar views, doubting the alleged efficiency of the new governance structure and claiming there was no real benefit to them other than consolidating control. However, they did balance this somewhat by highlighting that, ultimately, the Hungarian higher education system had been in decline and was in need of a change - the solution proposed by the government was merely the wrong direction according to the participant. This second point is one adopted by proponents of the changes, which helps to partly understand why they occurred and broaden the picture. It is also presented as a part of the explanation by Interviewee Six, who simply responded to a question asking why they were introduced with, “To reform the higher education system.” This interview provided, again, one of the more balanced accounts. According to them, the main purpose was to restructure a failing system and improve the educational standards of the country. While these latter points are not dismissed by other respondents, they are not seen as the main driver behind the changes. Interviewee Six points to supposedly similar models - “the US and UK” - in justifying their answer. While this is a relevant point to make, there is data that contradicts this view somewhat - for example, the report utilised by this paper which details European models and found that only the Netherlands and one other country had systems comparable to Hungary, and then none had exactly the same model.

Most importantly, each interviewee voiced criticism of the changes due to their negative impact on the higher education system as a whole. Interviewee Five was highly critical of the changes, pointing out the large proportion of board members who were directly part of the government. They also developed this point by explaining some of the conflict between Fidesz and the EU recently, in particular on the threat to university autonomy which forced the government to reduce the proportion of government members in the boards. Despite these

changes, the Interviewee argued this was not enough as only very senior members had been replaced, with many lower-ranking officials retaining their positions. The participant thus doubted very much that the autonomy of universities had improved. Interviewee Six, although evidently eager to remain as balanced as possible, also criticised the governance structure. They particularly disliked the large presence of the state-aligned private sector, “the boards are heavily tilted to the business side while representatives of civil society are overlooked,” but going on to add the “idea wasn’t bad overall.” The balanced position of this response is typical of their overall interview, which does help to counteract some of the discussions. Interviewee Four was largely critical, again referring to their experience in the sector and their university’s refusal to join the model. Each of the three PHD students, although not admitting to personally experiencing significant change to their daily lives, expressed fear of the *potential* for things to take a more authoritarian turn.

As a final addition to this section, Interviewee Six sent a second email after the initial interview to add as part of the research. In it, they detailed a recent event in which several professors of journalism at the Budapest Metropolitan University had been fired and replaced with journalists from KESMA, the conglomerate that is widely agreed to have been directly aligned with the state. What is particularly interesting about this story is the fact that, as confirmed by the participant, this university was not involved with the reforms - it does not have a government-filled foundation and its structure has not been reshaped according to state regulation. Yet, this concerning move suggests a curtailing of academic freedom; moreover, it suggests that no educational institution is beyond the reach of the government’s influence. The move begs the question, to what extent does academic freedom and university autonomy exist in the country at all?

4.2.3.2 *Corruption and kleptocracy*

Now that the different ways in which university autonomy is being curtailed has been explored, an analysis of the extent to which financial corruption and kleptocracy relate to the changes will be made.

According to Interviewees One and Two, the reforms were implemented in part for kleptocratic purposes. The former made their view clear that corruption was “definitely” involved, but was largely unable to elaborate on that point. Meanwhile, Interviewee Two laid out:

“One of the main shareholders is Mol the oil company, the state oil company. The other one is Richter Gedeon which I think is the biggest pharmaceutical company so because the industries that are undermining the economics”

Of course, the major funding received by the interviewee’s university, Corvinus, is not a secret, which the participant acknowledges. However, the language used - “state oil company” - reveals their view that these companies are heavily favoured by the government. As already explained in previous analysis, Corvinus is more or less unique in the sense that it receives such large donations. The influence of these companies is potentially significant, and this is important because of their close ties to the government. As seen in the literature review, donors have the potential to influence the academic content and directions of universities. The combination of the trustee boards and the financial contributions of these large companies means that the potential for the influencing and curtailing of academic freedom is large. In relation to financial corruption specifically, the close ties that members of both the businesses and the government have suggests that at the very least there is unbridled government favouritism occurring. This favouritism is helping to facilitate the trend of growing illiberalism in the academic sphere, and possibly beyond.

Elsewhere, Interviewee Three expressed doubt about the necessity of private sector involvement. According to them, while there were benefits to restructuring such as increased funding (especially for their university), the increased representation of corporate interests is questionable. In particular, they lambasted the ability of corporate representatives who have little to no experience in the education sector making decisions on behalf of the university. This was a hierarchy that the participant expressed they believed was a result of some level of government favouritism. Based on the analysis provided in the document section, this opinion aligns with what has already been established by this paper. While the suspicions of the participant are somewhat useful as they come from personal experience of the situation, it unfortunately did not reveal anything entirely novel. Interviewee Four similarly was unable to add anything completely new. Their comments on the subject derided the opaque nature of the transitions, especially the fact that little to no consultation had occurred with members of the public. Interviewee Five, meanwhile, had a little more to say on the matter of corruption. They responded to the relevant question by referring to a Hungarian scholar who had apparently described national political life as driven by corruption. The way that corruption in

Hungary works, according to the participant, is that the government essentially buys the loyalty of certain parts of the country's economy. In return, these sectors of the economy do the bidding of the government without asking questions. In the case of the university reforms, individuals from the corporate sector (and also members of Fidesz) are given a salary and are able to represent the interests of their employer. This ensures that, even if these individuals fall out of favour with the state, their reliance on, or benefitting from, the income prevents them from speaking to journalists or leaking information against the state. Otherwise, they would lose this stream of income. According to the participant, this is how politics "works" in Hungary, suggesting a pervasiveness that exists on perhaps a country-wide scale, affecting much more than just the higher education sector. Moreover, Interviewee Five explains in detail the expansionist, consuming nature of the government which is in constant need to maintain control, and then find ways of funding this control. This inevitably leads the government to expand into more and more sectors - the university sector was therefore an "inevitable" result. Taking into account the blend of government officials and senior corporate representatives already examined for the Fudan foundation, this would help to understand why certain individuals were chosen. However, considering the income that, for example, the head of Hungary's largest media company, received already, it is unlikely that the salary provided by the trustee board role is enough of an attraction. There are likely other draws, such as increased influence, prestige, or 'encouragement' from the government to ensure a friendly relationship continues. Referring back to Interviewee Five's position as opposition MP with experience in anti-corruption, their description of the Hungaria political landscape is both credible and insightful. It has not only helped to confirm that state corruption exists, but that it does so at level that it is almost considered normal. Then, more specifically, how this relates to the reforms.

There was some backlash at the suggestion that corruption was a driver of the reforms. The most prominent contender was Interviewee Six who was adamant that the main reason was to improve the state of higher education in the country. While they did not dispute the idea of corruption existing in the country or the sector, they often provided counter arguments and language that further suggested they saw the role of corruption or kleptocracy as minimal in relation to their main argument. For example:

"Think [of] a parallel with national sport associations and football clubs: to ensure access to government funds and a politically accountable leader, the ones important to Orbán were

also sent [as] Fidesz overseers. It certainly isn't a healthy practice, but the system itself isn't healthy as well."

This quotation helps to explain why higher education has been newly restructured by providing some balance to the argument. By placing people who are trustworthy and loyal (to the government), better results for the universities in terms of financial support and representation in national decision-making circles is possible. This offers a more pragmatic view and is again typical of this interview's tone. The desire for an improved higher education sector as a factor was repeated by other participants, with Interviewee Five saying, "the government recognised a problem and provided a solution that is beneficial to them" and Four acknowledging the lack of funding non-reform universities receive. Referring back again to Four's rejection of the use of 'kleptocracy' further suggests that they did not necessarily see the introduction of these reforms as hugely indicative of a wider or concerted effort to extract wealth from the sector for the benefit of political and business elites.

In all, there appears to be a view that, just like with increasing government control, corruption is more or less a fact of political life. It manifests most in the form of cronyism, with the government favouring certain companies and individuals. In relation specifically to the higher education reforms, this cronyism is almost undoubtedly at play, explaining why certain companies - such as Mol the oil company and Richter Gedeon - enjoy representation in university trustee boards. This is a point that none of the interviews seemed to refute. What was more contestable was the suggestion that a more "malicious form of corruption, more akin to that of a kleptocracy associated with outright dictatorships, in which wealth was being stolen from the higher education system to enrich the political elites. It would be prudent to keep this more mixed response in mind and allow it to inform the final conclusion.

4.2.4 The Fudan Project

4.2.4.1 Impact on Autonomy

As highlighted in the document analysis, there are two caveats to the effect or likely state of autonomy at the promised university campus. They come from the already existing governance structure in Hungary and the constitution of Fudan University itself. The former, as has been established, poses a country-wide threat to university autonomy and is indicative of a wider push for greater government influence. The latter was recently modified to explicitly contain articles stating allegiance to the Communist Party. Even before analysis of

the interviews is conducted, the threat to the autonomy of the campus is acute. Below, the participants' responses will be explored to see if further insight can be garnered.

The general attitude towards the campus was mixed. On the one hand, there was a lot of suspicion directed at the project and the reasons as to why it had been planned in the first place. Interviewees One and Two both expressed negative opinions, claiming that they believed corruption and a bigger plan, to exert further control, were somehow at play. Interviewee Three also expressed concerns regarding the affordability of enrolment for local students as well questioned supposed benefits for local businesses involved in the construction of the campus. Interviewees Four, Five and Six in turn each expressed doubt on the necessity of the project. On the other hand, however, some balance was provided. Interviewee Three did list several potential benefits that the campus may hold, for example that “foreign students who would then live here and spend money”. Interviewee Four includes the high-ranking and prestige that Fudan University enjoys, including it as a potential benefit. Interviewee Six provides the most comprehensive defence. In response to a question on whether the controversy surrounding the project is justified, he responded:

“Only partly. We can look at the Fudan idea with the big picture in mind... which is just one step in the wider trend of Hungary exchanging its Western allies for dubious new friendships in the East.

Or we can appreciate that Fudan is also an internationally recognised university, and the current alternative to them is that Hungary is left without any serious tertiary education institutions.”

The journalist yet again provides the most balanced outlook. The argument in favour of the campus echoes what even Interviewee Five mentioned in regard to the falling standards of the country's education system. It mitigates the view that there is a grand conspiracy with a sole purpose of lining the pockets of the political elite. It shows that, even if there is a push for greater government control facilitated in part by corruption, there are pragmatic reasons for this partnership.

When asked whether they believed that the establishment of the Fudan University campus in Budapest was related to a wider desire to increase state control, the PHD students each

expressed a level of agreement. Interviewee One said, “ I think that definitely is a possibility,” Interviewee Two expressed an allegedly widely held belief that corruption was, an dis, certainly involved - but that will be touched on again later in the paper - and Interviewee Three similarly conveyed a belief that “something bigger was going on.” Unfortunately, the three participants here did not really expand on their viewpoints, which appears to have been due to a lack of knowledge on the subject compounded perhaps by a faded interest since public focus slipped after 2021. Interviewee Five was more concise on their view, going as far as to say that “Fudan University, the foundation [in charge of the project’s maintenance], is the most typical example of this,” which was in relation to the negative impact the new higher education structures will have on university autonomy. They doubled-down on their statement, “I don’t think we should sacrifice the European values of free speech, free universities,” and that the keeping of these “values” would “worth more than better rankings.” Here, the participant both conveys their view that not only are the new trustee boards mechanisms for greater control, but that the one installed for the Fudan project is in fact an archetype, suggesting that it, too, helps to ensure that, to some extent, the autonomy and academic freedom of the campus would be threatened by the Hungarian government. Then, they also acknowledge the potential impact that Fudan’s own lack of autonomy could have on the campus. These two aspects reveal a fear that the principles of autonomy and intellectual freedom are in danger - a fear that is at least somewhat justified taking into account the evidence thus far examined. Neither Interview Four or Six had much to say regarding the impact on university autonomy specifically relating to the campus. When asked if they thought there was a connection between the campus’ proposed construction and the broader topic of diminishing university autonomy (which had been discussed extensively prior), they responded that they had not previously thought about it as such, and that the two were just a coincidence. Moreover, they argued that “too much” weight was given to the supposed rationality of political actors, suggesting that much of the government’s recent actions were no more than poorly-planned attempts at improving the country’s educational standing or perhaps relations with China. Interviewee Six presents a similar rationale:

“I’d rather think, however, that foremost it hides a fundamentally incompetent leadership making a bad deal for Hungary.”

This makes two of out six interviews conducted conclude that, in fact, the logic and rationale behind the proposed campus are generally not so complicated as has been purported by this

paper. This would suggest that the idea that the project is part of a wider plan to limit university autonomy is one of the more controversial, or less agreeable, aspects of this research. What is striking is how much Interviewees Four and Six contradict Five in their surmisings: the former pair almost dismissing the notion, while the latter gives the impression that is at least part of the reason. Again, this could be explained at least in part by the respective backgrounds and positions of the participants - Interviewee Five being an opposition MP involved in anti-corruption, and having personally investigated the Fudan Foundation. The other two having comparatively less to say about the project indicates their lack of involvement on the issue, relatively-speaking. It is clear that Interviewees Four and Six are critical of the government and, as such, it would not make sense if they had less to say because they had chosen to be defensive. It is thus more likely the case that it is because of a relative lack of knowledge on this specific issue. Or, as Interviewee Four pointed out early in the interview, the case is perceived as neither serious nor interesting enough to warrant serious investigation.

As such, it is difficult to ascertain a definite answer relating to the connection between increasing state power and the establishment of the campus. A foundation was established in 2021 with the purpose of maintaining the future site. This foundation followed almost completely the new structure as highlighted by Interviewee Five. This illustrates that, at the very least, the potential for government interference and influence in the institution is palpable. This view is expressed most strongly by Interviewee Five and is repeated, but not elaborated on to the same extent, by Interviewees Three, Two, and One. Meanwhile, Interviewees Four and Six cast some doubt on the notion, claiming such a plan was beyond the capabilities of the government. Taking into account the positions of each of the respondents, especially Four, Five, and Six, the weight and use of the responses becomes difficult to compare. On the one hand, the MP's almost unique insight into the situation born from involvement in anti-corruption, investigating the Fudan campus, and having been a member of the legislature means that their responses are extremely valuable. On the other hand, this very same position is the reason why caution should be exercised with regard to potential bias, which is somewhat evident in the language they employed. However, given that no point of information that they provided ever came up as false when cross-checked with exterior sources, it should be said that despite the potential for bias, their analysis is highly reliable. As such, the paper is obliged to lean towards their view that the Fudan project is indeed part of a larger trend of increasing state control.

4.2.4.2 Corruption

When discussing corruption with the participants, each was quick to establish that, in their view, corruption was a fact of everyday political life in Hungary. This has been elaborated on in the paper and does therefore not require further deliberation except with direct relation to the Fudan project. Below, the different views on this aspect of the research will be discussed.

The most in-depth and perhaps significant response offered in relation to the relevant question(s) on corruption was provided by Interviewee Five. Due to their privileged position of MP, focusing on anti-corruption, they had the capacity to directly investigate the current state and progress of the Fudan Foundation's work. Below is an anecdote they recounted:

“For months I have been chasing them trying to find their office. When I went there for the first time - it was their foundational document [that showed] where they were - when I went there, they told me, “how dare you come here, do you have an appointment?” I told them, “you don't have an email address, you have a phone but you don't pick it up and the auto response is that it is not operational so how do I [get] an appointment?” So they told me, “Ok, ok leave us your email address and I will get back to you.” They didn't of course and so I went back and then they disappeared from that office, and not only them but the entire floor was empty and I went down to reception and they told me they left a couple of weeks ago. Finally I reached one of the board members and they told me to go up to the 6th floor and they are renting an office from one of the foundations. My point is this is the pinnacle of what is going on here. You have foundations which are destroying enormous opportunities for students, for PHD students; what do we get in exchange?”

At the least, what this story clearly conveys is the utter lack of transparency involved in the entire process. From the beginning of the investigation, there were difficulties in locating and reaching the headquarters of the foundation. These difficulties seemed to worsen before eventually the respondent appears to have located the office, after it had moved. The quick transition of events as told by the participant suggests that the office had been cleared out as a result of their investigations, but this would be a leap of logic to make since the interviewee themselves do not explicitly say this. On top of this, the interviewee mentioned that, “*the*

foundation still exists, and received 600 million Florins which is approximately 1.7 million Euros and they also received 1.6 billion Florins,” which translates to around 4.7 million Euros. This correlates to the information analysed earlier in the paper which found that several million was being spent on the foundation and that the body had experienced a financial loss since its inception. It is difficult to come to a conclusion as to why the board had made it very difficult to reach or contact them, and then relocate after having been directly contacted by the MP. While it is hard to support an outright claim against the corruption of the Fudan foundation, the behaviour and circumstances surrounding it are opaque. As Interviewee Six pointed out, “Opacity, of course, invites corruption and is close to being synonymous with a deficit in democracy,” which does lend support to the argument that the Fudan project is corrupt. The behaviour implies that there is something to hide, and is an indicator of state corruption. As discussed before, one of the key areas of corruption that Transparency International measures is the access to public and government activities. According to them, opaque actions, especially involving money, amount to a major concern that corruption is occurring (Transparency International, 2023). Opacity has been a constant theme throughout this paper and it shows itself to be a significant component of the Fudan question. Not only has it been difficult to access, or even find, documents, as mentioned by Interviewee Four and highlighted by the fact that it took an investigative journalist to leak documents for the full picture to be revealed, but the anecdote told above shows the extent to which they are willing to hide from public scrutiny.

Further comments were made regarding the practicality and purpose of the project. Several interviewees doubted the purported benefits in their entirety; Interviewee Four stated, “the whole idea seems to be misplaced, if China wants to do it they should pay for it, organise it... not use taxpayer’s money.” This resembles some of the information leaked in documents regarding the financing of the project. However, there appears to be some confusion around this fact, which is reflective of, again, the manner in which the affair has been conducted. The further opacity around who will pay for what has evidently attracted concern from the participants. In fact, there appears to be a general acceptance that the case is an example of the state conducting some form of corruption, but this is only acceptance and generally not an impassioned critique. Interviewee One remarked in their first answer that even when people attempt to resist increasingly autocratic actions by the government, it rarely changes anything; the exceptional thing about this case is that the government was actually influenced enough by the public backlash against Fudan that it led to a petition, an (unfavourable) court

appeal, and seemingly enough of a spanner in the works to have forced the project to a halt. Interviewee Two repeated similar sentiments, that public opinion - including their own - was that there was immediate suspicion regarding the true nature of the project. In fact, the participant reported that several descriptions were thrown around by commentators including “money laundering” and “corruption.” Subsequently, Interviewee Three explains, “I think we have been sort of trained or we are used to the situation,” in relation to perceived pervasive corruption in the country. These responses reveal two things: one, an apparently widespread belief the state conducts some level of corruption at least fairly regularly - enough for it to appear as normal - and an attitude towards this phenomenon that is, at least to some extent, resigned or passive. Again, this suggests the problem to be considered so large, so pervasive, that it would not be worth amassing the political energy required to tackle the issue. These views, that each bore notable similarity to each other, originated from individuals who have perhaps less expertise or knowledge on the subject as whole, but have managed to provide otherwise valuable first-hand experience of university life since the reforms. Moreover, their views perhaps represent more the views of the “average” person because of this lack of direct expertise, and a lot of their responses have been in relation to more general perceptions.

Looking back, it could be argued that there is a general perception of corruption attached to the Fudan project. When prompted, not one of the Interviewees rejected the idea that corruption was in some way involved with the project. Where there was difference in opinion and response was *how* it was involved as well as the level of information that participants were able to communicate. Interviewees One to Three, the PHD students, expressed a near-apathy towards the potential presence of corruption in the Fudan project, but equally were clear in their view that it was most likely the case. Interviewee Four projects a similar sentiment, critiquing the opacity of the project, but at the same time being unable to see a link between the reforms of higher education and the Fudan project, suggesting work toward a larger trend connecting illiberalism and corruption or kleptocracy as unlikely. Interviewee Five provided the most comprehensive and perhaps compelling response on the Fudan project, a result undoubtedly of their privileged position as an opposition MP. They painted a picture of a very discreet foundation that has made several moves to avoid accessibility or scrutiny from members of the public. They made repeated references to corruption being a major part of Fidesz’ political toolbox, so to speak. However, they demarcated the extent of corruption, rejecting a description that was more akin to bid-rigging (Transparency International, 2015); yet, public procurement-related corruption has been identified as a

major issue (European Commission, 2015) in the recent past, including during Fidesz' tenure. In fact, the brief glimpse into the backgrounds of Fudan trustee board members strongly implies that not only has there been some level of favouritism involved in their selection but their past lives have been associated with state-level procurement related corruption. The contradicting statement and evidence could be explained in part by a lack of communication between interviewer and researcher, a failure to prompt further on this point. What this also illustrates is confusion as to how corruption should be defined, which is an issue that is explored in the literature review. Finally, Interviewee Six acknowledges that the blanketing of the facts of Fudan are not a positive sign and that such behaviour generally indicates corruption; however, as has been consistent throughout the analysis, their interview maintained a high degree of balance and thus they countered this point with a suggestion that the whole project was more a result of incompetence than grand scheming.

Overall, the general perception that corruption is pervasive in Hungary does appear to leak down to the microcosm that is the Fudan project. Unfortunately, only one of the participants was able to provide a description and explanation of how this looks in Hungary, its higher education sector and the Fudan project itself. However, this has helped to understand how and why the individuals of the foundation were chosen. What has been really revealing is the seemingly blatant disregard for transparency, from the discreet office location of the foundation to the lack of publicly-available documents. As has been pointed out numerous times in this paper, such behaviour is often a symptom of corruption.

4.3 Additional information on China

Although it is not directly a part of the research question, much of the data that was gathered during preparation for this paper inevitably linked to China. More specifically, the country's objectives with the Fudan University campus. Thus, a brief comment will be made below regarding the country's role in the construction of the campus according to the interview respondents. These comments will largely cover the potential effect on autonomy, China's relationship with Hungary, and China's main aims.

On the changing relationship between Hungary and China, several comments were made. Interviewee Three, one of the PHD students, discussed a paper they had been writing on Hungary foreign policy, specifically their desire to strengthen their connection with the "east." They explained that the so-called "Eastern Opening" strategy seeks to improve public perceptions of Eastern countries, from China to Azerbaijan, and represents a larger shift away

from the hegemony of Western liberal democracies. Not only is it a geopolitical strategy seeking to, for example, improve trade ties, but it is also a “cultural” initiative. This therefore suggests a desire by the government to shift its focus eastwards on all levels - economically, culturally, and politically. According to Interviewee Three, this shift was ultimately a negative one, with them suggesting a shift from liberal democratic norms of the West could lead to more autocratic forms of governance. Interviewee Four was also critical of China and their involvement:

“Whatever China is doing I think is always connected to their economy and expansion. Obviously a lot of countries do that, but they pay for it... The whole idea seems to be misplaced, if China wants to do it they should pay for it, organise it.”

Not only does this represent criticism of China’s involvement but it also offers a glimpse into the motivations behind the project. According to the political science professor, the motivations of the Chinese government are clear: to ensure their continued growth. This point of view would suggest that nothing done by the government is done so by accident, out of incompetence. While there may be truth to this, it is striking how this stands in juxtaposition to the same participant’s suggestion that the Hungarian government is likely too inept to concoct a complex enough infrastructure to extract wealth from the Fudan project. This could be partly down to bias - a fear of or opposition to the Chinese government.

Interviewee Five presented a relatively balanced view of China’s role. On the one hand, regarding the potential impact on university autonomy, they were decidedly pessimistic. As highlighted earlier in the paper, they were critical of the Chinese university’s track record of maintaining academic freedom. They pointed to the recent changes in the institution’s constitution that pledged allegiance to the country’s ruling party and promised to adhere to communist thought. This was enough, in the MP’s eyes, to negate the potential benefits of the introduction of the campus. They also remarked, which supports Interviewee Four, that “nothing is independent of China,” further condemning the country’s poor record of academic freedom. Moreover, it implies that the influence of China could go beyond merely what is taught at the university. Indeed, this concern appears to be a real one for the MP who added at the end of the discussion information about recent cases of espionage conducted by the Chinese government - so-called ‘police stations’ have been set up in numerous countries around the world to monitor Chinese citizens abroad. These cases have been publicly aired

(BBC, 2023; AP News, 2023) and are no longer a secret. Again, however, this does emphasise a fear, and a view, that increased Chinese influence could lead not only to a diminishing of academic freedom but a strain to personal freedoms as well. Yet, to balance all this criticism, Interview Five does say that, ultimately, China does not care about Hungary. When asked about the potential for Chinese and Hungarian political elite using the Fudan project explicitly for kleptocratic purposes, the MP was clear in their disagreement:

“No. I see your point, but... on the other hand, China doesn't give a fuck about Hungary. We are a small country, we are smaller than many Chinese cities. It doesn't really matter what Hungarians think about it. We are not important to China.”

The resolute tone and strong use of language helped to reinforce the participant's view that the effort that this idea would take just would not be feasible. If this is the case then it would appear that the ideas of transnational kleptocracy explored in the literature review and composing part of the theoretical framework are not so relevant here. Although the Chinese government as a whole is undoubtedly trying to gain influence through its Belt and Road Initiative, which its dealings with Budapest are a part of, to claim that the Fudan project is an instance of corrupt Chinese officials syphoning wealth from the country is a step too far. Yet, this contrasts with the view of Interviewee Four that everything China does is with a greater motivation. However, this point was not well elaborated upon by Interviewee Four so it cannot be said with certainty what was meant by their claim that Fudan was likely part of an objective to solidify influence in the region.

In all, the influence and role of China is hard to accurately quantify and qualify, especially considering the limited scope of this paper. The information analysed above was provided merely to add some context and depth to the data. It would appear that there is broad agreement that China is ultimately attempting to gain a more secure foothold in Hungary, establishing what would be its greatest educational enterprise in Europe. Meanwhile, there is even clearer agreement that Hungary's foreign policy is seeing it pivot away from the West somewhat, which includes improving relations with the Chinese government. Not only have they made plans to establish the campus but also have previously embarked on CCP-funded projects such as the Belgrade-Budapest railway line. The reason why may link to the literature review in that a rise in illiberal politics is driving political leaders to forge links with more like-minded governments; this rise again could be explained, partly by various factors,

such as the failed “imitation game” between Eastern and Western Europe, the decline of the US as hegemon, and/or a desire for greater political control. To fully explore and appreciate the role of China as a major player in Eastern European politics, more research would be required that focused exclusively on this topic. It was impossible to ignore the role of China in this topic, but as the interviews revealed, linking them specifically to the relatively new field of transnational kleptocracy is difficult without improved insight or insider information. The purpose of the Fudan campus is likely manifold: the on-the-surface, official reason that it will improve the quality and standing of Hungarian higher education does not necessarily have to be ignored to validate another potential (and likely) reason - that China is seeking to expand its influence and educational values.

CHAPTER IV - DISCUSSION

Two main fields of scholarship were explored, refined, and eventually employed in the research of this paper. Illiberalism is a field which has attracted increasing attention since the 1990s with scholars attempting to define it in particular with its relation to democracy - often whittling down to an older question, the relationship between liberalism and democracy. While this paper made no attempt to reach an ultimate definition, it did in fact identify common characteristics among scholars from which it formed a basis to research. These characteristics were a sceptical attitude towards democratic procedures, breaches of the rule of law, consolidation of power, and exclusionary politics. Once these common characteristics were identified, a better understanding of what illiberalism is could be achieved. Next, some of the drivers of illiberalism were examined. Numerous theories have been proposed as to why there has been an upsurge in politics that tend to oppose liberal norms and values. Most of these were briefly examined in the literature review. One of the most popular is the cultural backlash theory. Here, it is alleged that the universalistic values espoused by the West have not managed to integrate with traditional views elsewhere. This has led to a backlash over a perceived cultural colonisation and hostility to 'Western' values. Another theory focused more on the perceived failure to meet economic expectations. According to proponents, members of post-communist and transition societies perceive to be falling behind in economic terms, particularly when compared to more stable liberal democratic countries. This has led to a fall in support for the liberal democratic model and anger at liberal politicians. The fact that much of the literature on this theory focuses on Eastern Europe gives greater relevance, in a sense, to the topic of this research paper, but also limits any understanding of illiberalism to this region. Next, the imitation theory stipulates that an attempt by liberalising post-communist countries to "imitate" the West and supposed standards of governance, values, and economics were unsuccessful. The inability to meet these standards and the paternalistic, patronising attitudes of the West in response led to growing resentment in these transition countries. Finally, another potential driver was the impact of corrupt political elites, an idea that appears particularly resonant for Hungary. As Anna Gryzmala-Busse (2018) outlines, the consistent failure of the political elite to remain transparent and open in their governing of countries led parts of the population to lose hope in

the liberal politics that they presented. With the most prominent theories presented and described, space was made for the role of kleptocracy. However, it was noted from this point that ascribing a singular driving force behind illiberalism was both nearly impossible and also unrealistic. As observed in the review, the phenomenon of illiberalism is wide-ranging and there have been undoubtedly different factors for the rise of illiberalism in different regions. Thus, whatever data was to be ascertained from the research of this paper must be taken into account the limitations of focusing on a single country as a case study.

The second part of the literature review focused on kleptocracy. First, a general overview of the concept was provided, looking at initial studies in the 1960s onward. Here it was established that kleptocracy and authoritarian regime types are often closely associated and help to facilitate one another. A foundational definition of Andreski's (1968), which defined it as a country ruled by corrupt leaders or officials who use the nation's wealth for their own personal enrichment, was used. From there, developments in the field of kleptocracy were examined. Most relevant was a relatively modern branch which looks at how kleptocracy may operate across borders and jurisdictions. This 'transnational kleptocracy' has, as an operation and process, existed for much of the latter half of the 20th century and has only grown in the digital age. Utilising a vast network of offshore accounts, accounts, and lawyers, corrupt politicians are able to steal, hide, and spend the money syphoned from their respective countries. This then brings the literature on to the sub-branch of transnational kleptocracy in open-society higher education. Although the scholarship here is relatively young, there is ample evidence in the form of investigative journalism that points to significant interference with, for example, the higher education systems of the United Kingdom and United States. Here, leading politicians of authoritarian nations use their wealth to expand their influence and curate a public image that attempts to frame them as benevolent philanthropists. Importantly, it was identified that a common practice of powerful individuals and governments was to establish centres in the educational sectors to promote cultural interests or ideology. It was acknowledged, however, that the practice of establishing cultural centres internationally for the promotion of a country's own soft power is nothing new and has been common practice for decades. Yet, this then underlines the weakness of open-society higher education sectors in preventing their own exploitation for the benefit of kleptocrats.

The theoretical framework that was to be the basis of the research was found upon the literature review. To reiterate, characteristics of illiberalism were identified. The most relevant considering the research topic were related to disregard for the rule of law and the impact on academic freedom. As such, it was decided that these would guide later research, themes, and coding. In relation to kleptocracy, an understanding of how government corruption works and how it functions across borders allowed for a more in-depth analysis. Moreover, it would allow for an understanding as to whether kleptocracy is an apt description of Hungary's political landscape itself. Before the primary research commenced, an overview of Hungary's recent political history was conducted so as to provide the paper and its readers with suitable context. Further, it helped to illustrate contemporary perspectives concerning the state of democracy, liberalism, and corruption in Hungary, which tend to lay within the realms of critical and pessimistic. This contextualising also confirmed what is already known - that the Hungarian government has eroded certain aspects of the country's liberal democratic framework and that corruption within the state is a problem. Thus, the way was better paved for the research, helping it to further narrow its focus on particular aspects of illiberalism and kleptocracy - aspects that had not been thus far covered by academia. To reiterate, these aspects were the impact of illiberalism - or the consolidation of state power - on academic freedom and the role that corruption plays in facilitating any dynamic. Again, the recent case of the Fudan University campus would be examined as a microcosm of this, and would also - it was hoped - contribute to discussions of transnational corruption.

Moving on to the research methodology, the paper utilised two qualitative methods: content analysis and interviews. Both these methods were chosen specifically with the research topic in mind. To elaborate, the content analysis was chosen because it meant that a mixture of source types - from academia, think tanks, to perhaps most significantly investigative journalism. The combination of source types was viewed as necessary given the research questions and objectives - an analysis of illiberalism and corruption in Hungary, and more so in relation to the somewhat obscure Fudan issue. In particular, the reliance of media, while often questionable in the realm of peer-reviewed academics, was important as it provided information otherwise unavailable. The slow pace of academic research and limited publications in the English language meant that there was little other choice. What is important to note is that the media sources were not simply daily newspapers, but credible investigative outlets who often formed the basis of knowledge on the Fudan campus nationally and internationally. While this part of the research was not necessarily novel in the

sense that all the sources were found online and already publicly available, the way in which they had been compiled together, under specific themes, was original and thus constituted research. The second component of the research was accomplished through interviews. The strength of interviews is that there is the possibility of otherwise inaccessible information being acquired - picking up where the content analysis fails. This was seen as especially relevant considering the nature of the Fudan campus project. However, it was vital that at least some of the interviewees boasted a position that would privilege them with such information. The sample that was selected was thus a mixed one in terms of the respective backgrounds and experiences of the participants: three PHD students, a professor of political science, a journalist, and an opposition MP. All the participants were based in Hungary which would, it was hoped, strengthen the credibility of the information and opinions they shared. The main strengths of each were as follows: the PHD students, working at a Hungarian university, were particularly useful when discussing the experience of the higher education sector post-reforms; the political professor was both based in Hungary and had expert knowledge on theory and the political landscape of the country; the opposition MP possessed a unique perspective, was highly involved in scrutinising the Fudan project itself, and had valuable political knowledge; and the journalist had written extensively on the topic of the Fudan campus. Their strengths played into creating a wider and deeper understanding of both the impact on university autonomy as a whole in Hungary as well as the potential effect of the Fudan campus. Meanwhile, their weaknesses, which have been acknowledged, were as follows: the PHD students, while professing first-hand experience of university life, were largely not knowledgeable on the details of either the higher educational reforms or the Fudan campus; the political professor, while having credible views on the state of democracy in Hungary, similarly had little to say on the Fudan project itself; the opposition MP, while perhaps the single most valuable participant, was unable to hide their strong bias against the government, which is at least partly explainable through their occupation; finally, the journalist's weakness was the shortness of their answers, which limited the potential data and depth. The fact that at least four out of six of the participants had relatively little of substance to say about the Fudan project itself speaks to its opacity, but also partly because it has faded from public consciousness somewhat since 2021 and so only those with a direct vested interest - such as the MP and journalist - have fleshed-out opinions.

The analysis chapter split the data between the documents and the interviews. This was to easily separate the two, with the documents providing a solid foundation of information to

then transition to the rawer primary research. The first part of the analysis was subsequently divided into several sections, based on themes that had been ascertained during the research: ‘Higher Education System’, which was subdivided into ‘Developments’ and ‘Reform’; then, ‘Fudan Campus’, which was subdivided into ‘Governance System’ and ‘Finances’. The former main category sought to provide an overview of the country’s higher education sector, looking at its recent past under the Fidesz regime and the changes that were implemented from 2019. This initial component of the research immediately began to paint a picture of the governance structure of the country. Through external sources, such as the EU and Carnegie Endowment, it was possible to more easily compare the differences between present and past, confirming the unique aspects of the higher education system. Moreover, it reinforced the view that the sector had been changed in a manner that allowed the government to better assert their influence in national education. The government empowered itself to select each member of the newly formed trustee boards. These members were very often Fidesz members of parliament, ministers, or government-aligned private sector individuals. Transferring the knowledge ascertained here, an analysis based on documents of the Fudan University campus began.

While the prior section focused on a near-chronological overview of events to explain the reforms, this section instead took a more thematic approach. First, the governance of the campus was inspected which helped to align it to the prior research. Through the heavy reliance of Hungary-based investigative media, information was eventually uncovered and linked together which contributed to an overall image of a very closely government-aligned trustee board. Although guaranteeing that every aspect of the data was entirely up to date is difficult given the language barrier between researcher and the topic, plus the (initial) lack of exposure to the Hungarian media landscape, the breadth of data presented represents to a high degree of accuracy the current make-up of the Fudan campus foundation. The foundation of the campus, it was found, resembles the bodies that similarly govern or ‘maintain’ other universities in the country affected by the reforms. This means that around five members of the trustee board exist, with an extra position (the director general) for the Fudan project. Each of the members of the board boast current and past links to the government - for example, László Palkovics, Minister of Innovation and Technology and previous board head, or Cecília Szilas, former ambassador to Beijing, currently chief adviser (as of 2021) to the Prime Minister Orbán, or László Szabó who replaced a former member and was previously ambassador to the US and CEO of government-aligned Mediaworks. Just as the prior part of

the research predicted, the spaces on the board were filled by individuals with very close ties to the government - if not part of the government itself. As such, the impact on university autonomy was deemed to be highly questionable if the same logic is to be applied. There is one issue that distinguishes the campus from other universities and that is the role of China, the university itself, and a third party involved in the strategic agreement, Fudan Magyarország Kft.. The first two are discussed in more depth in the second half of the research, with the interviews; however, the latter is acknowledged in the 'Finances' section. Either way, it is apparent that the Fidesz party had sought to ensure that its influence would extend into the construction of the campus and likely beyond, considering the established role of the trustee boards. The next theme focused on how the Fudan project was to be financed. This was chosen as a theme due to the importance of costs, money, and related opacity in talking about corruption or kleptocracy. It was hoped that confirming the existence of corruption through the finances of the project would help to support the paper's research objectives. However, since this part of the data analysis relied primarily on publicly available data, the attainment of anything original or new was unlikely, which was already known. Using largely investigative media, this paper outlined how both the trustee boards are funded nationally and specifically for the campus - most boards rely on the central state's budget to be allocated a certain amount of money. Part of the official purpose of these boards is to make universities more self-reliant and financially efficient; however, it appears that the majority of foundations still rely on the state for funding. The same goes for the Fudan foundation which has seen a significant financial loss since its establishment in 2021. With no actual building or education program physically built yet, there has been no income stream. Yet, the government has continued to pay the salaries of the trustee board members - salaries that are above the national average, are for mostly part-time work, and for individuals who have proven senior roles in government and private sector. Furthermore, a lack of transparency has been a consistent theme with the leaking of the campus' expected costs by outlet Direkt36 for the full picture to arrive in the public's consciousness. These leaks showed discrepancies between purported government costs and the projected costs given by China - more specifically, the Chinese State Engineering Construction Company. As noted, the discrepancies could either be down to misjudgement of the Hungarian government or purposeful deception. This paper found that the Fudan campus' finances suggested corruption could be occurring, considering the proximity of the trustee member to the levers of power, the opacity, and the discrepancies. However, it is difficult to fully prove anything in this case

as the evidence needed to do so would involve insider knowledge not openly available to the public, and thus difficult to obtain.

The interviews were thus conducted to try to extend the scope and insight of the research. Each of the interviews lasted at least thirty five minutes and as such there was a lot of information to disseminate. This section, too, was divided into categories as mentioned. Regarding the state of democracy and liberalism in Hungary, each of the six participants were critical, expressing fears and concerns about the direction in which they were headed. This point boasted the most consensus and appeared to be the least controversial. Since the existence of illiberalism was not a main research question, this served more to orientate the positions of the participants. Next, the topic of corruption and kleptocracy was approached. This was somewhat more controversial as not everyone shared the exact same view. Interviewee Four, the political professor, rejected the usage of the term 'kleptocracy' because it implied the state had been captured, and was too associated with outright autocracies. This point has been taken into account. Otherwise, the respondents, including Four, agreed that corruption existed at a large scale in Hungary and was being used to facilitate the consolidation of power in Hungary.

The theme of university autonomy was then addressed. There was largely a split between the PHD students and the other three in respect to how much autonomy had been hindered. According to the former group, their experience in relation to autonomy and academic freedom had not changed that much since the implementation of the reforms. Although they noted that some aspects of the new governance structure were undesirable and could potentially lead to a worse situation, they could not report having noticed a difference in their daily professional lives. Meanwhile, the other three - but more so the MP and professor - expressed much greater concern regarding university autonomy. What is interesting here is that neither of these individuals had been directly affected by the takeover of the trustee boards - even the professor worked at one of the few universities left untouched. Yet, their fear was much more tangible than that of the PHD students working at Corvinus University, one of the largest newly privatised universities in. There are at least two possible explanations for this: that the actual extent to which the state is hampering academic freedom has been significantly exaggerated; or that the ways in which academic freedom may be impacted have not yet been fully realised - after all, it has only been four years since the start of the reforms, and it does seem that the wave of privatisation has come to an end. However,

it is most likely that neither of these viewpoints are necessarily incorrect. In fact, they illustrate what is probably a much more complex, but realistic, image: the illiberal state of Viktor Orbán's Hungary is engaged in a very subtle conflict with the country's liberal institutions. While there are consistent moves that justify concerns about the direction the government is going, they are rarely severe enough to counteract or criticise the government with complete certainty. Indeed, this aligns with András Sajó (2019) when he remarks, a clever illiberal regime "knows how to behave." That is, it acts just within the tolerable limits of liberal democracy.

Regarding corruption and kleptocracy in the university sector, there was general agreement, again, that this phenomenon was a fact of reality. The PHD students, while appearing to possess less knowledge of the reforms as a whole, were able to express their discontent with the membership of the trustee boards. In particular, the trustee board of their own university, Corvinus, which seems to have enjoyed privileged access to the country's private sector. Interviewee Two berated the partnership with the country's largest pharmaceutical and oil companies, which had "common shares" (i.e. shares owned by the Hungarian state) transferred to the foundation maintaining Corvinus (László, 2021). Moreover, the head of MOL, the aforementioned oil company, has publicly expressed sympathies with Fidesz (Foreign Policy, 2022). While there was clear concern regarding the justification for changing the governance structure to include party members and corporate interests, comments were made that defined, at least partially, the move. Interviewee Six especially presented a balanced argument, stating that the higher education sector was in need of a shake-up to improve the standards of education. Even Interviewee Five, the MP and most vocal critic interviewed, acknowledged this side of the argument. So, while there are definite worries that such close ties to the government and corporate interests connotes malicious behaviour, it appears that the implications of this may not outweigh the proposed benefits of the restructuring, at least in the eyes of some observers.

The themes of the interview analysis then progressed to the Fudan campus, again looking at how it may impact academic freedom in Hungary and how, if at all, it was related to kleptocratic behaviour. An additional theme, 'The Role of China', was created to showcase the prevalence of this actor in the research. Without acknowledging their importance, there would have been a gap in the research data. This final part of the analysis would contribute to the answering of the original research questions of the paper. According to the interviewees,

the Fudan campus project largely represented a questionable move towards an autocratic world order. By that it is meant that most of the respondents viewed the project as an attempt to improve relations with the Chinese government while simultaneously disregarding the opinions of the liberal West. Interviewee Three, a PHD student, brought up the role of Hungarian foreign policy, which is allegedly seeking to improve relations with the East, as part of the reason why an agreement had been made. Similar sentiments are repeated by the other interviewees, suggesting that geopolitical rationale is a major motivator. However, the desire for greater government control as a factor was decisively supported by the opposition MP, who argued that the Fudan project was a continuation of the higher education sector reforms. Similar sentiment, if not somewhat weaker in its disposition, was expressed by the other participants. In all, the MP provided the most detailed response, conveying the level of opacity at the heart of the project by telling an insightful anecdote. Furthermore, they linked the Fudan foundation's design with the way in which corruption supposedly works country-wide. This strengthens the hypothesis that the Fudan project is indeed linked to corrupt and kleptocratic behaviour.

In relation to the literature review, there are some linkages that should be clarified. The literature review of this paper established a working view of what illiberalism is. This was elaborated through the themes of diminishing rule of law, exclusionary politics, a phenomenon that arguably possesses ideological characteristics, and has a potentially hostile attitude towards academic freedom. By looking at the historical context provided after the literature review as well as the primary research data produced above, it is possible to find solid links. Illiberalism is manifesting itself in numerous ways in Hungary - through the deteriorating checks on government, increasingly discriminatory policies, and the increasing power of the state. The latter of these three is most relevant to this paper. Strong evidence exists, as highlighted above, to support the idea that the Hungarian government is seeking to increase its influence in the higher education sector. It has constructed a system which has the potential to severely weaken university autonomy and ensure that the country's academia toes a line that the government views as appropriate. This is in line with several of the scholars in the literature review. For example, Andrea Pető (2021), who argued that illiberal regimes seek to change the educational apparatus via a variety of methods, including breaking academic norms and using extra-legal means. When considering the novel employment of foundations, the bullying out of the CEU, and opaque measures to introduce Fudan, it can be

argued with substantial confidence that the Hungarian government is indeed trying to solidify its influence.

In relation to kleptocracy and corruption, it is harder to prove solid links, This is because of the difficulty in gaining new information in such an opaque informational environment. That being said, through the research conducted using largely investigative media sources, it is evident that a certain level of corruption does exist within the state. While it would be incorrect and a massive stretch to argue that the type of corruption in Hungary is akin to that described by certain scholars, such as Acemoglu et al. (2004) or Bratton (1997), in the sense that a singular dictator sits at the top at directly extorts wealth from sectors of the economy for their own personal gain, there are still certain similarities. For example, Hood and Lodge's description of rent-seeking behaviours, in which a political elite include or exclude sections of the bureaucracy or legislature, ensuring loyalty through favouritism bears much greater resemblance. With this model, public servants exchange certain benefits, such as job security, stability, and non-monetary rewards (like a sense of public service or mission), in return for their commitment to upholding certain values, norms, and behaviours, which often include impartiality, neutrality, and professionalism. It is possible to use this model to explain public servant behaviour in a variety of regime types, and its application in relation to corruption, kleptocracy, and illiberalism proves insightful too. In exchange for long-lasting, well-paying roles such as those found in the university foundations, the board members toe the line of the government - and perhaps more importantly, Fidesz. After all, the longevity of the roles - their life-long commitments - ensure that the party's influence remains in the higher education sector long after their potential electoral demise.

CONCLUSION

The answering of the two research questions posed by this paper is a difficult task. Nevertheless, some conclusions can now be made. Regarding the first question, “To what extent can kleptocracy be considered a driver of illiberalism in Hungary,” it can be drawn from the extensive analysis and discussion above that, on the whole, yes, kleptocratic behaviour and corruption are drivers of the illiberal trend that is observed in Hungary. Some limitations to this answer should be made though for the sake of accuracy and clarity: the use of the word kleptocracy, defined so often to describe an autocratic dictatorship which performs massive extraction of wealth, is an exaggeration and misrepresents the reality of Hungary; and, there are also many factors that are driving this phenomenon that go beyond the borders of Hungary alone and as such it would be narrow sighted to comprehensively describe the phenomenon without further comparative research. Perhaps a better rebuttal of this hypothesis would be to argue that both corruption and growing state power (along with reduced checks on power and scrutiny) feed into each other. This is the case in Hungary - however, as the interview journalist pointed out, the corruption exists to serve the ongoing incumbency and influence of the ruling party.

The second question, “Is the establishment of the Fudan university in Hungary a case of elites hiding wealth,” was equally difficult to answer. Considering the information and data provided by both the document analysis and interviews, it is intellectually impossible to provide a definitive answer. While there is a young but credible bulk of scholarship that recognises the problem of transnational corruption in higher education sectors, meaning that it is more than possible for corrupt elites to do this; and the fact that corruption is pervasive in the Hungarian political landscape, with the higher education sector becoming increasingly controlled by the centre, it is unfortunately impossible to say whether the corruption extends to the point suggested by the question. Despite the insightful interviews, they were not quite enough to evidence securely allegations of “hiding” wealth. This was a potential issue

foreseen by the researcher, the resolution of which was to conduct interviews with “insiders”. Unfortunately, these individuals did not respond to requests for interviews. As such, the data gathered in respect to the question of the Fudan project and any inherent corruption or kleptocracy was limited. That being said, a broad and academically original datascape was created, which has illustrated the way in which the Hungarian government has transferred the newly designed higher education governance structure on to the campus, ensuring a concerningly high-level of government influence as well as the well-paid, extremely stable and prestigious positions for senior government officials and closely tied business interests. This is enough to suggest that a certain level of state corruption is being used to help guarantee the longevity of Fidesz’ influence in the Fudan project.

In conclusion, the rise of illiberalism poses a grave threat to both higher education and the integrity of democratic societies. Illiberal tendencies can erode academic freedom, hinder critical thinking, and suppress diverse viewpoints within educational institutions, ultimately undermining the core principles of higher education. As we've seen, this chilling effect on intellectual discourse can limit students' exposure to differing perspectives and hinder their ability to engage in robust debate. Furthermore, the erosion of academic freedom within the realm of higher education often occurs in conjunction with state corruption and power consolidation. When governments prioritise control over knowledge dissemination and academic institutions, the risk of corruption, nepotism, and politicisation increases, further corroding the foundations of democracy and good governance. Thus, it becomes imperative for societies to safeguard academic freedom as a crucial bulwark against illiberalism and its corrosive effects, while also maintaining vigilance against the broader consequences of state corruption.

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