Reforms in the Hungarian Defense Forces

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Introduction

The August 1999 resolution of the Hungarian Government attempted to end the decade-long problems of armed forces restructuring. The resolution's goal was to give the Hungarian Defense Forces the capabilities to accomplish the obliged military tasks in NATO. The recently resumed 'reform' suggests the most comprehensive changes for the last decade which cover the whole scope of the military.

In spite of the fact that the detailed execution plan for the Strategic Review is not ready yet, there is already scepticism concerning the future. The reason for this can be found in the past.

Past

The Hungarian Defense Forces (HDF) have endured several reforms over the last decade. The experiences indicate that these ideas were immature in their development and lacked the concepts needed for the initiatives to have lasting impact. Because of this, the HDF used up a significant part of its reserves and resources and additionally (which was even a much bigger problem), suffered huge losses of experts.

The problem was not the large-scale downsizing but the fact that, in the result of it, the modern structure and command and control system was not established. As a consequence, the commissioned personnel of the armed forces now view any changes with concern and do not believe in the future of the modernization.

At the beginning of the defense restructuring, the discontinuance of political orientation dominated and the decision-makers forgot about the fact that the best method for the armed forces modernization is to create a professional military. In the armed forces – which has sustained a two-third personnel cut – the proportional decrease of command and control organizations did not happen and the continuous downsizing concerned more or less the units. The reforms were under financial constraints and were never totally completed. Because of this their advantages and disadvantages cannot be clearly examined.

A study conducted by Jeffry Simon¹ proved true what many suspected: HDF capabilities fell short of the Alliance's expectations. As a consequence of the downsizing for the last decade, the HDF was limited in its ability to fulfill the responsibility of defending the country and without additional resources it did not have the capability to meet the military challenges of the current international security environment. The governmental decision for the Strategic Review came in the last hour.

Present

According to the national security policy approved in 1998, Hungary does not have any 'identifiable adversaries'. This is true only to the extent that Hungary does not consider any countries as adversaries. At the same time, it considers dangerous to its security all processes that oppose its interests and values. These dangers appear primarily not within the country but – as the European examples of the last decade show – most of the time in Hungary's immediate vicinity.

The international efforts towards a solution to end the Kosovo crisis showed the Hungarian Government that it does not have the effective military force to offer to the Allies for rapid response. Any such action would require additional training and expense. This time, Hungary realized it must review thoroughly those notions, with which it wanted to prove its commitments to the Alliance.

Hungary still does not have enough resources for the earlier decided programs. Furthermore, the allocated money by the governmental resolution for this year's defense budget

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¹ Jeffry Simon is a professor at the US National Defense University who conducted a study on the capabilities of the Hungarian Defense Forces.
(1.51 per cent of the GDP) was cut because of the significant natural disasters in the country. In addition, the Defense Ministry bears the costs of our international commitments (SFOR, KFOR).

It is worth examining the different budgets in an international context. Hungary’s population of 10.5 million people places it fourteenth among NATO nations, slightly larger than Belgium and slightly smaller than Portugal. However, it is in 13th place in terms of its military personnel population. According to the GDP (46 billion USD) Hungary is in 16th place, barely preceding the Czech Republic. By the defense spending (666 million USD) Hungary is in 17th place preceding only Luxembourg and Iceland.

According to the defense spending per capita (66 USD) Hungary is last in the Alliance if we do not count Iceland, which does not have a military. Besides Poland (74 USD) and the Czech Republic (96 USD) figures do not give us reasons for optimism either. This position is similar if we examine the defense spending per soldier (11,945 USD). It is shocking when we compare these numbers with the United States (188,000 USD) and France (115,000 USD) per soldiers.

Besides NATO, there is a European aspect of the question. It is obvious that the political and security cooperation is strengthening within the European Union. Europe will create its own crisis management capability before 2003 and is eager to close the current capability gap with the United States. Hungary, whose strategic goal is to join the Union, cannot ignore these endeavors and must participate in the establishment of the forming European defense capabilities.

**Future – Strategic Review**

Hungary has accomplished the promises it made during the accession talks. It has gradually increased its defense spending for the last couple of years. Next year the defense budget will reach the level – 1.81 per cent of the GDP – promised by the Hungarian government. However, out of this amount 0.2 per cent will be allocated to the border guard and civil protection, so the GDP for the armed forces will remain only 1.41 per cent. The ratio within the GDP probably won’t increase, but if the favorable index of the national economic growth is considered, then the budget dedicated for defense may increase 4-5 per cent a year. According to the plans, this increase will be spent entirely on the execution of NATO Force Goals.

The most significant and key step concerning the future is the governmental resolution 2183/1999 (23 July), which ordered – *affecting the whole scope of defense* – for development of possible alternatives for the overall and fundamental strategic review and for the preparation of the ten year HDF modernization plan.

As a result of the restructuring the HDF will become a smaller but militarily significant, modern and well-trained armed forces able to protect the country’s territory and airspace; to guarantee Hungary’s security, territorial integrity, political independence and democratic institution system. At the same time the HDF will be able to contribute to the collective defense laid down in the Washington Treaty. It also will be prepared to participate in the peace-keeping missions – under UN, NATO and OSCE auspices – which serve to maintain the international peace and stability.

**The execution of restructuring**

The execution of restructuring will be conducted in three phases. This division was determined on the basis of logic in the sequence of the tasks; national and international priorities; accomplishment of NATO-goals according to the deadlines, and the necessary resources for the restructuring – *including the savings and their reinvestment for the purpose of the restructuring*.

**The first phase**

The first phase will last until 2003 and its objectives are to create the new organizational structure, dislocation and planned number of personnel, to establish a system for future savings, to improve the work and living conditions, and to increase the attraction and the retainability of the military.

In this phase, most of the resources will be spent on the quality-of-life improvement programs and the modernization of military bases, which play key role in the future. A smaller amount will be allocated for the improvement of readiness and training and the acquisition of military equipment.

**The second phase**

In the second phase (until 2006) the priorities include the continuation of the quality-of-life improvement programs, the increase of the readiness and training level, as well as the acquisition of the most necessary military equipment.

**The third phase**

The main goal of the third phase is the technical modernization of the armed forces. In this phase most of the available resources will be dedicated to the acquisition of military equipment with a smaller amount for training and readiness programs.

**The framework of the new structure**

The basis for the new structure of the Defense Ministry – including the HDF – will be the better manning of combat units, the healthier ratio of commanding and executive organizations, and the downsize of number and personnel of the supporting institutions.

According to the new structure the Portfolio will consist of the Ministry of Defense (MoD) and the General
Staff, which is integrated into it, as well as the HDF, the MoD offices, supporting institutions and those organizations which are under the direct supervision of the Minister of Defense. The focus of HDF will be the ground forces, which will become more effective, and the more cost-efficient air force. According to their readiness and manning, the units belonging to the services will be divided into reaction, main defense, and reserve and territorial defense forces.

The reaction forces will be able to immediately execute the missions within and outside the territory of Hungary. The main defense forces can be applied basically within Hungary in a close cooperation with the reinforcing allied forces. Their manning and readiness level will be in compliance with this role. The reserve and territorial defense forces will execute their missions after their mobilization and cohesion training. The peacetime manning of the HDF will radically improve. As a result of the restructuring, the HDF will meet the manning conditions of the forces offered for NATO. The manning status of the ground forces will increase from 22 per cent to 63 per cent, the air force from 47 per cent to 95 per cent, the entire HDF from 30 to 50 per cent.

General Staff
The General Staff will integrate into the Ministry of Defense. The Minister of Defense will oversee the HDF via the Chief of General Staff. The General Staff will be the military-professional planning, organizational and decision-preparing staff for the Minister of Defense.

The division commands will cease to exist making the command more operative. The Ground Corps Command located in Székesfehérvár and the Air Command at Veszprém will accomplish operational command functions.

Logistics
The central logistics and the support- ing and servicing military organizations will be subordinated to the Logistics and Support Command.

In the interest of the operative functioning of the military high leadership, a Joint Operations Center will be established even in peacetime at the General Staff’s protected command post. During crisis management, the staff of the Center will be gradually increased from the General Staff.

The fusion into ‘basis garrisons’ will allow a more economical operation of the low-effectiveness military organizations, which can barely continue to function. As a result, the HDF will withdraw from 23 settlements and will hand over 73 barracks and other establishments in 36 different settlements.

The human block
The human block will provide the necessary balance in the number of officers and NCOS within the framework of the new system. It will be able to prevent the distortion of age structure and rank pyramid and, at the same time, regulate the rate of in- and outflow. The practice of fresh graduates leaving the military before completing the mandatory service time after a symbolic repayment will cease to exist.

‘Up or out’
An objective assessment system based on performance will be established and will be the basis for promotion, assignments and participation in education and training. The promotion – beyond tying to the assignment – will be based on competition, taking into consideration the performance of the real requirements and the most suitable and prepared people will be chosen. The ‘up or out’ principle will prevail. The decision for retirement will be determined by the time limit of the current assignment, the age and the possibilities for further promotion (career advancement).

The HDF restructuring – mainly in the first two years – will cause a force reduction of 15,000 personnel, altering the current 52,000 peacetime establishment to 37,500. A complex compensation package will be introduced to ease the transition to civilian life for those affected.

The current technical condition and the future defense expenditure have an effect on the HDF’s technical modernization concept. The requirements formulated and accepted in the NATO armed forces development proposals and the Defense Capability Initiatives (DCI) will be determinant in the modernization’s execution.

Problems
In terms of NATO cooperation, the biggest problems are the undeveloped information equipment and infrastructure; the obsolescence of communications and radar equipment; the poor shape and uninteroperability of air traffic control, navigation and lighting systems; the worn-out condition of vehicle parks; the insufficiency of electronic warfare capability; and the obsolescence of the existing equipment.

Two basic resources
There are two basic resources for the execution of the tasks: the increasing military budget and the savings derived from the restructuring. The extra expenditure for the personnel from the three phases of restructuring will be about 93 million dollars. According to our best knowledge the total investment expenditure for the ten-year period will be around 410 million dollars. These pretensions include the expenses for the organizational changes in the armed forces, the personnel, and the creation of service-, life- and working conditions.
In spite of the short-term significant expenditures, during the 2001-2006 fiscal years in the salaries and other personnel allowances the expected savings will be around 383 million dollars (if it is compared with the necessary budget for the personnel in 2000). These savings – after the corrections concerning the extra money spent on the additional salaries for NCOs and contract soldiers – can be utilized in other areas.

The dislocation changes will cost about 5 million dollars, offset by the 13 million dollar savings gained through closing the barracks (year 2000 figures).

**Conclusion**

Hungary lifted euro-atlantic integration as its foreign affairs strategy. Now, a measure of its trustworthiness is whether or not one of its institutions – in this case the military – is able to meet the mutually accepted requirements. Of course this is important not just for the community but also for the country’s security and sovereignty.

Fitting into the NATO structure is not a short-term task. Other countries, which joined earlier, needed years for the establishment of the necessary conditions for mutual application. Nowadays, the fitting goes together with the adaptation to the changed circumstances. The armed forces must be reorganized in a way that shifts from territorial defense and prepares it for deployment out of country and response to challenges endangering the region or the country.