

# The Role of Defense Contractors in NATO's Eastward Expansion

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## Abstract

NATO expansion has been a topic broadly covered by the academic community, with the moves for expansion after the fall of the Soviet Union and, therewith, the collapse of the Warsaw Pact military alliance that pitted the former communist Central and Eastern European states against the American-led West. However, while the academic community has discussed the theoretical motives for this expansion to a great extent, I look at in this thesis the role of a particular entity critical to the expansion of military alliances, defense contractors, in NATO's expansion to Hungary, as one of the first ex-Warsaw Pact countries to join the Western military alliance. In my analysis, I ultimately identify four hypotheses that help to make inferences and assumptions based on the available data and personal consultation possible with such a niche, and yet highly confidential, topic.

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## Introduction

The expansion of NATO is certainly not a new topic in the academic community. Indeed, there are volumes and encyclopedias covering the topic, ranging from the strategic, the philosophical, the political, the economical and, especially for academics like myself, the theoretical. In the following thesis, I will examine a particular aspect of NATO expansion: the role defense contractors played in the so-called “first wave” of post-Cold War expansion. Within this first wave, I will primarily focus on their role in NATO’s expansion to Hungary, thereby testing in my examination four hypotheses.

I have based my analysis and approach to these hypotheses on a variety of sources. These include both primary and secondary sources, with the former including personal contact with the Hungarian Foreign Ministry and the latter comprising of texts and documentations pertinent to the exercise of extracting the unspoken or the eluded intentions of the actors involved. As information specifically related to the actions and roles of defense contractors is not plentiful, my goal in this exploration was to attempt to address this largely missing discussion from mainstream academic discourse. It is true that there exists a number of actors, many of which belonging to the camp of conspiracy theorists, or at least writing in similar tones, but they do not attempt to analyze from both the powerful *and* the accession state points of view the role the military complex played in especially the latter’s approach to the opportunity of accession into NATO. Instead, these texts almost always follow the probable intentions of the American state with regards to maximize economic opportunities for its own corporations and the related desire to take advantage of new market prospects, whether that market be for expanding its state power or its economic base.

I have constructed this thesis so that it draws from the historical and arrives at hypothetical assumptions, which it test based on the evidence available. First, I lay out the history of NATO

expansion since its establishment shortly after World War II. In this overview in Chapter I, I include, however, at certain points of its expansion examples of when defense contractors have been crucial at supporting its growth across the European continent. In Chapter II, I explore the ideas and perceptions of particular scholars who have contributed to the existing literature on expansion. Here, I identify and illustrate how their views build upon each other while indicating the gap left concerning the direct role of defense contractors in their theoretical understandings.

I select in Chapter III the two prevailing theoretical understandings I will use in my case study of defense contractors' roles in Hungarian accession to NATO, which I discuss by testing four hypotheses throughout Chapter IV. Finally, I offer some concluding remarks and areas for further research that could offer more support in identifying the activities and contributions these defense corporations made in the expansion of the Alliance.

## Chapter 1

### NATO Expansion on the Backdrop of the Defense Contractor Industry

NATO's development and expansion has its roots in the establishment of an international network of powers after the end of World War II and in the reaction to Western uncertainty about the intentions of the Soviet Union in Central Europe. Growing out of the Treaty of Brussels, signed by Belgium, the Netherlands, Luxembourg, France and the United Kingdom on March 17, 1948, which laid the foundation of a united Western signal in the face of the spread of communism and to form "a defensive alliance between like-minded nations," NATO was shortly thereafter established by the North Atlantic Treaty as a *de facto* organization to maximize the power of the West through American leadership.<sup>1</sup> While the Treaty of Brussels comprised of only a handful of Western European states, NATO, officially coming into existence on April 4 of the following year, extended this network of powers to include the United States, Canada, Portugal, Italy, Norway, Denmark and Iceland, committing its scope to the security of the transatlantic area north of the Tropic of Cancer.<sup>2</sup> Current U. S. President Barack Obama recognized this in declaring that the "basic premise of NATO was that Europe's security was the United States' security,"<sup>3</sup> supporting the affirmation in the U. S. Senate during the debate on post-communist expansion of NATO to Central Europe that the United States, *too*, as Senator Lugar pointed out at the time, is a European power.<sup>4</sup>

While NATO was busy executing its standardization of forces across all NATO members throughout the 1950s, inherently through a multitude of so-called Standardization Agreements (STANAGs), which decree for example the requirement of the uniform NATO rifle to be used in all

<sup>1</sup> "NATO Archives". <http://www.nato.int/archives/1st5years/chapters/1.htm#f>. Accessed: May 29, 2011.

<sup>2</sup> "NATO – Official Text: Protocol to the North Atlantic Treaty on the Accession of Greece and Turkey, 22 Oct. 1951". [http://www.nato.int/cps/en/natolive/official\\_texts\\_17245.htm](http://www.nato.int/cps/en/natolive/official_texts_17245.htm). Accessed: May 29, 2011.

<sup>3</sup> "NATO – What is NATO?" [http://www.nato.int/cps/en/SID-36E631C7-7E0391F7/natolive/what\\_is\\_nato.htm](http://www.nato.int/cps/en/SID-36E631C7-7E0391F7/natolive/what_is_nato.htm). Accessed: May 29, 2011.

<sup>4</sup> "The Debate on NATO Enlargement". Hearings before the Committee on Foreign Relations of the United States Senate, 105th Congress, First Session. S. Hsg 105-285. Washington: U.S. Government Printing Office, 1998. Pg. 58.

member states,<sup>5</sup> defense contractors Boeing, Douglas (one of the predecessor companies of McDonnell Douglas, which was later bought by Boeing) and Lockheed, of later Lockheed Martin, continued their support of U. S. military power, producing the first B-47 bomber aircraft in 1951.<sup>6</sup> This aircraft later “became the foundation of the Air Force’s newly created Strategic Air Command” and had been deliberately designed for the potential carriage of nuclear weapons to be used against the Soviet Union.<sup>7</sup> As a particularly crucial weapon, as during this time uncertainty was brewing in Central and Eastern Europe, with, for example, the construction of the Berlin Blockade in 1948, the B-47 was an example of the armament of nuclear forces in the region that served to characterize the type of potential warfare that lurked beneath East-West relations. It should come as no surprise, however, that this kind of weaponry developed for universal usage originated in the United States, as one scholar of Germany during the middle of the 20<sup>th</sup> century pointed out, as NATO membership typically meant, for example, that “the United States [would] be the chief source of [any] nuclear fuel” and equipment would only be purchased “from reliable (read: American) manufacturers.”<sup>8</sup> Here, it is possible to infer that the supply of weaponry that would fit the new Alliance would most likely need to come from only the most quality manufacturers, which at the time were not found in Western Europe, but rather they were those on the other side of the Atlantic which manufactured the machinery that liberated Europe. After Greek and Turkish accession in 1952, a major step for NATO was taken when West Germany joined the Alliance on May 9, 1955, with the reasoning from

<sup>5</sup> “7.62 MM NATO AMMO”. [http://www.olive-drab.com/od\\_firearms\\_ammo\\_762mm.php](http://www.olive-drab.com/od_firearms_ammo_762mm.php). Accessed: May 29, 2011.

<sup>6</sup> “Boeing: History – Chronology – 1946-1951”. <http://www.boeing.com/history/chronology/chron07.html>. Accessed: May 29, 2011.

<sup>7</sup> Long, Frank A. “Unilateral Initiatives”. In: Bulletin of the Atomic Sciences, Vol. 40, No. 5 (May 1984). Pg. 52

<sup>8</sup> Kelleher, Catherine. “The Issue of German Nuclear Armament”. In: Proceedings of the Academy of Political Science, Vol. 29, No. 2. The “Atlantic Community” Reappraised (November 1968). Pg. 102.

the West that it would otherwise be hard to fight off any potential “communist danger” without this part of Central Europe.<sup>9</sup>

Nevertheless, as NATO-Europe slowly rebuilt its societies, Old Powers such as France, which has had historical discomfort with Anglo leadership and power in the world moved forward uneasily with its role in the Alliance. Thus, by the end of the decade, in 1959, de Gaulle decided to rescind its Mediterranean Fleet from NATO forces, citing:

*La France se propose de recouvrer sur son territoire l'entier exercice de sa souveraineté, actuellement entamé par la présence permanente d'éléments militaires alliés ou par l'utilisation habituelle qui est faite de son ciel, de cesser sa participation aux commandements « intégrés » et de ne plus mettre de forces à la disposition de l'OTAN.*<sup>10</sup>

Going further, de Gaulle also banned the disposal of all foreign nuclear weapons onto French territory, effectively removing the country from the American-led military network crucial to the structural cohesion of NATO's integrity.<sup>11</sup> This was a shortfall in unifying Western forces against the potential threat of the Soviet Union, particularly since this threat was at times very real with, for example, the Cuban Missile Crisis, in 1962. Four years later, however, all French forces were removed from NATO integrated military command and the Supreme Headquarters Allied Powers Europe (SHAPE), which heads one of the Alliance's two strategic military commands, was moved correspondingly out of the country to Mons, Belgium.<sup>12</sup> The country effectively removed itself from any American command, choosing instead to be the god of “its own skies” again. It would only

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<sup>9</sup> Dübber, Ulrich and Gerard Braunthal. “West Germany”. In: The Journal of Politics, Vol. 25, No. 4 (November 1963). Pg. 780

<sup>10</sup> “Le 7 mars 1966, de Gaulle sort de l'OTAN par Raphaël Dargent”. <http://www.charles-de-gaulle.org/pages/revue-espoir/articles-comptes-rendus-et-chroniques/le-7-mars-1966-de-gaulle-sort-de-l-otan-par-raphael-dargent.php?searchresult=1&sstring=l%26%2339%3Botan>. Accessed: May 29, 2011.

“France proposes to recover its territory the full exercise of its sovereignty, currently compromised by the continued presence of allied military or by the use which is made of its skies, to cease its participation in the ‘integrated’ decrees and to no longer place [French] forces at the disposal of NATO.”

<sup>11</sup> Ibid.

<sup>12</sup> “NATO – Structure”. <http://www.nato.int/cps/en/natolive/structure.htm>. Accessed: May 30, 2011.

regain full membership in the Alliance almost fifty years later under the administration of Nicolas Sarkozy, retaining only an independent nuclear deterrent.<sup>13</sup>

Meanwhile, in 1979, the Martin Marietta Company, a defense contractor and major predecessor company of Lockheed Martin, began developing the Pershing II missile system “to meet NATO standards” and to be correspondingly used in NATO European security network.<sup>14</sup> Its contribution helped to establish a more permanent physical presence of American-led NATO power across member states. After expanding to include Spain in 1982 following the fall of the Franco dictatorship in that country, NATO made this presence palpably known, simulating a nuclear attack and caused panic in the Kremlin,<sup>15</sup> and reinforced the realist understanding of uncertainty in the international system and the consequences this can have on effected nations, in this case the Soviet Union. Defense contractors continued to be intertwined in the power relations of states during the 1980s, with McDonnell Douglas signing a memorandum with the United States government, Italy and Spain to develop jointly the MD AV-8B Harrier II Plus, which made its maiden flight in 1992.<sup>16</sup>

The 1990s were characterized by a continued cooperation of the state with the defense industry as the influence of NATO continued to be expanded, with President Bush expressing to McDonnell Douglas employees that he intended “to sell 72 F-15 dual role fighters” to foreign countries.<sup>17</sup> Later, in 1995, the first MD F-18 Hornet aircraft was delivered to Finland to be used in that country’s air force.<sup>18</sup> This decade also saw the Alliance expand and redefine the types of external relationship with pursued with non-Allied states, establishing the Partnership for Peace (PfP) at the

<sup>13</sup> Stratton, Allegra. “Sarkozy Military Plan Unveiled”. The Guardian. June, 17, 2008.

<sup>14</sup> “Lockheed Martin History”. <http://www.lockheedmartin.com/aboutus/history/index.html>. Accessed: May 30, 2011.

<sup>15</sup> “The ‘Second Cold War,’ 1980-1985 – Superpower Diplomacy”. <http://www.americanforeignrelations.com/O-W/Superpower-Diplomacy-The-second-cold-war-1980-1985.html>. Accessed: May 30, 2011.

<sup>16</sup> “Boeing...” Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> “Boeing: History – Chronology – 1993-1996”. <http://www.boeing.com/history/chronology/chron15.html>. Accessed: May 30, 2011.

beginning of 1994, primarily aimed at the countries of the former Soviet Union but includes the traditionally neutral countries of Switzerland, Austria, Finland, Sweden and Ireland, in order to foster a dialogue especially with former Warsaw Pact member states; they now make up the smaller group of 22 out of 50 countries involved in the Euro-Atlantic Partnership Council (EAPC).<sup>19</sup> In addition, its Mediterranean Dialogue forum serves as a channel for parlanace with key Middle Eastern and North African states.<sup>20</sup>

NATO moved to expand officially to offer full membership to the first wave of former Warsaw Pact countries on July 8, 1997 when it officially invited Hungary, Poland and the Czech Republic to join Alliance, all of which became members in 1999.<sup>21</sup> Since then, NATO has continued to expand to other countries in the region, incorporating already every former Warsaw Pact member that was not part of the Soviet Union, and the three Baltic states that were. Moreover, NATO has also most recently expanded in 2009 to include the formerly non-aligned countries Croatia, the second former-Yugoslav country to join after Slovenia, and Albania. While expansion has not always been fluid—as rounds of expansion have not been in steady intervals—it has always followed the idea that a larger NATO means a larger compatible military network whose infrastructure and technological collaborations maintained by a throng of defense contractor corporations.

In the next chapter, I will explore what the scholarly community has identified as the primary motives underlying the existence of this transatlantic military network. Accompanying the literature are the many theoretical points of view that help to determine the probable reasons for expansion. While this appears to some extent in the literature review, I will examine this in greater detail in the chapter thereafter when I identify key assumptions in my theoretical framework.

<sup>19</sup> “NATO – Topic: Euro-Atlantic Partnership Council (EAPC), The”. [http://www.nato.int/cps/en/SID-E36D3164-7D8EB121/natolive/topics\\_49276.htm](http://www.nato.int/cps/en/SID-E36D3164-7D8EB121/natolive/topics_49276.htm). Accessed: May 30, 2011.

<sup>20</sup> “NATO Topics: NATO’s Mediterranean Dialogue – Linking Regions Together”. <http://www.nato.int/issues/med-dial/index.html>. Accessed: May 31, 2011.

<sup>21</sup> Granville, Johanna. “The Many Paradoxes of NATO Enlargement”. In: *Current History*, Vol. 98, No. 627.



## Chapter 2

### Literature review

Understandably, there is a vast amount of literature on the role of NATO itself in Europe and also the theoretical implications of both its actions as well as the potential motives behind both of the United States and also those of the stronger Western European nations. The role of NATO, therefore, particularly in the post-Cold War world, has come under widespread scrutiny, and especially considering the salient examples of its unrelenting commitment to preserving an environment for security among and for member nations, with efforts in Libya as the most recent and apparent example, is one of ambiguous continuity. On the one hand, the Alliance has had to continue to modify its identity in an almost amoebic fashion to support its ongoing existence. On the other, it has also had to maintain a sense of meaning for the continued attraction of belonging to the “West” without reducing the confidence in transatlantic collaborative meaning. After all, as Layne indicates, the Alliance is in part “an instrument of geopolitical containment” and partly “designed to ensure that America will do reflexively what it will not do deliberately,” thereby portraying itself with a mission without having to indicate externally any specific courses of action to achieve that mission.<sup>22</sup> In effect, Layne is a strong supporter of the role NATO plays in maintaining security in transatlantic relations.

Nevertheless, one modification that has remained constant since NATO’s beginning is its expansion to include continuously more European countries.<sup>23</sup> Originally as part of a counterweight to Soviet presence in Eastern Europe and Central European satellite countries, NATO expansion to Western European countries was part of a commitment to provide security to World War II-era

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<sup>22</sup> Layne, Christopher. “Atlanticism Without NATO”. In: *Foreign Policy*, No. 67 (Summer 1987). Pgs. 25-26, 28.

<sup>23</sup> While one could ask theorize here why the focus of NATO has always been continued expansion into farther depths of Europe, as understood from the perspective that the focal point of European presence is in Western Europe, and not North America, I will refrain from including any speculation here that concerns any discussion of why NATO does not and did not seriously consider additional membership by any, technically “North American” countries such as Mexico, for example, in the containment of the spread of communism in the Caribbean.

Allied countries as well as to those reclaimed by the Allies from Axis occupation. But what were the particular actors involved and reasons for the inclusion of former Warsaw Pact countries in Central Europe after the end of Soviet presence? A host of authors have expended great amounts of energy and executed countless hours of analysis in order to answer this question, relying on a wide variety of theoretical and historical examples to support their hypotheses. These authors highlight certain particular actors, ranging from groups of elites to individual politicians and theories to shed light on the motives and practices involved in NATO expansion to particular countries.

Keohane is one particular support of NATO for its cohesive strength, emphasizing the benefits of its characteristic of strength derived from its shared “social values” as opposed to the “diverse membership” of the Organization for Security and Cooperation in Europe (OSCE), as it lacks “the same kind of deep common interests” found in NATO.<sup>24</sup> Here, he later implies the expression of “deep common interests” as really only likely to be possible with the existence of “institutions dominated by a small number of members,” as they are able to move forward in a more cohesive direction as opposed to multi-polar organizations such as the United Nations General Assembly, whose decision-making process, like the OSCE, can more easily be snagged by policy plurality.<sup>25</sup> He adds in a separate work that such institutions are indeed “constructed to help powerful states achieve their interests,” calling to the fore the fact that after 1990 Europe has been involved in a “struggle by European institutions to play prominent roles in important policy areas.”<sup>26</sup> This struggle, or competition, also drives NATO expansion, but Keohane stops short from explaining what exactly goes into this competitive practice, choosing instead to remain more on the surface-level of interaction and negotiation between international institutions. While it is true that, in

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<sup>24</sup> Keohane, Robert O. “International Institutions: Can Interdependence Work?”. In: *Foreign Policy*, No. 110, Special Edition: *Frontiers of Knowledge* (Spring 1998). Pg. 91.

<sup>25</sup> *Ibid.*

<sup>26</sup> Keohane, Robert O. “Multilateralism: An Agenda for Research”. In: *International Journal*, Vol. 45, No. 4. *Multilateralism: Old & New* (Autumn 1990). Pg. 759.

their collaborative work with Nye, Keohane and he posit that transnational interactions are able to “promote attitude changes,” they this speaks more on the level of international organizations, whose management is typically further from the state, and not particularly the role played by those large corporations the effect of whose business almost primarily affects foreign governments and not the development of particular sectors of their service economies.<sup>27</sup> An example they offer is a major oil company, which, while obviously affecting the macroeconomic situation of a particular country, also makes a direct difference in the daily lives of citizens in the particular target country. On the other hand, a military corporation almost exclusively is a relationship with the government only, leaving private citizens almost completely outside of this relationship.

Haglund and others also wrote extensively on NATO’s existence after the Cold War’s ending, contemplating the idea of NATO’s “going” East” and the host of considerations related with such an advance. They focused on more concrete structural and political specifics, drawing on the theory of structural realism, which “foresees no great longevity for an alliance whose historical adversary has disappeared.”<sup>28</sup> Haglund and his colleagues, Mattox and Rachwald, present the issues of expansion from a number of perspectives, including an illustration of four national policies as case studies.

- 1) The United States, as the primary actor in the Alliance;
- 2) Canada, as an example comprised of a combination of European ambivalence and a default position of scrutiny to “anything that appears to suggest the need to make new security commitments or extend old ones;”
- 3) And, collectively France and Germany as classical representations of the problems arising between major Western European countries and their opinions on the best solution for issues concerning the future of European security.<sup>29</sup>

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<sup>27</sup> Nye, Joseph S., Jr. and Robert O. Keohane. “Transnational Relations and World Politics: An Introduction”. In: *International Organization*, Vol. 25, No. 3. *Transnational Relations and World Politics* (Summer 1971). Pg. 337.

<sup>28</sup> Haglund, David G. (ed.). “Will NATO Go East? The Debate Over Enlarging the Atlantic Alliance”. Kingston, Ontario: Centre for International Relations at Queen’s University, 1996. Pg. 3.

<sup>29</sup> Ibid.

The type of theoretical discussion here involves the idea that the system itself is the issue determining not actually whether NATO *will* expand, but *how* and *when*. In other words, the discussion revolves around what efforts need to be made on a structural level in order to admit new nations, for example, into the Alliance without simultaneously aggravating Russia. Nevertheless, the role of specific entities to be used in this *how* is left out of the discussion. Included is, however, the role of Russia and how it would interact as a special partner without having full membership. As of 2011, Russia has become such a partner, participating as one of the 50 countries of the Euro-Atlantic Partnership Council (EAPC), a political framework developed by NATO for promoting dialogue between itself and 22 non-NATO countries ("partner" countries) under the auspices of the Partnership for Peace (PfP).<sup>30</sup> Therefore, as this new status for Russia has been realized, Haglund and his colleagues would point at the change in the security structure between Western and Eastern European countries as a necessary solution that allowed the Alliance to finally expand into former Warsaw Pact territory with the official invitation of Hungary, the Czech Republic and Poland one year after their book was published, in 1997. While structural realism addresses overarching security concerns, it cannot fully explain expansion, because it leaves out the underlying processes that advanced nations to certain security-gaining agreements.

Mattox and Rachwald identify the area into which NATO expanded since the 1990s as characterized by "inherent weakness in determining its own destiny and yet a central position attractive to other larger and more powerful nations."<sup>31</sup> They break with Haglund, offering a sub-structural theory for expansion and pointing out that the individual nations themselves within the Alliance drive expansion to ensure the greater security of the continent, instead of focusing solely on the hegemonic power and role of the United States alone; effectively, Europeans, too, should

<sup>30</sup> "NATO – Topic: Euro-Atlantic Partnership Council (EAPC), The". [http://www.nato.int/cps/en/natolive/topics\\_49276.htm](http://www.nato.int/cps/en/natolive/topics_49276.htm). Accessed: May 15, 2011.

<sup>31</sup> Mattox Gale A. and Arthur R. Rachwald (eds.). "Enlarging NATO: The National Debates". London: Lynne Rienner Publishers, Inc., 2001. Pg. 3.

spearhead the building of “a consensus...over a security and defense identity” and collaborate towards a united effort concerning pan-European security, the French desire to limit the strength of a re-united Germany while wanting simultaneously more control for themselves over the collective defense of the continent.<sup>32</sup>

Nevertheless, national interests can only address expansion so long as they depict successful cases of expansion. In the European case, the countries receiving support for prospective NATO expansion—Romania by France, Slovenia and Slovakia by Germany—were relegated to “later”, while the American-supported countries—Hungary, Poland and the Czech Republic—were slated for accession talks without much resistance by the other, more powerful countries of the Alliance.<sup>33</sup>

Jacoby describes the motives of Central and Eastern European states to join so-called ‘Western clubs’ like NATO as being driven by local elites and their desire to finally “return to Europe”, while simultaneously using the prospects of accession to “refashion their own rules or organizations.”<sup>34</sup> Joining him are Kovács and Wodak and colleagues who underscore and qualify this “return”, particularly in the Hungarian case, as “a positive outcome of a long history of suffering” and an exercise in “identity strategy”.<sup>35</sup> Elites thus participated actively in the accession to NATO through persuasive tactics that served to “reconstruct” the local identity so that it may be more pliable to NATO-accessionist motives. Especially in Hungary, due to its “troubled national identity,” involving among others the Hungarian diaspora in neighboring countries in the region and the subsequent questions of their potential fringe positions as sudden outsiders vis-à-vis an “integrated” Hungary, elites were instrumental in encouraging the local population to favor entrance into

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<sup>32</sup> Gallis, Paul. “France: NATO’s ‘Renovation’ and Enlargement”. In: *Enlarging NATO: The National Debates*. London: Lynne Rienner Publishers, Inc., 2001. Pgs. 55-71.

<sup>33</sup> “NATO Acad. Forum: Conferences”. <http://www.nato.int/acad/conf/enlarg97/nelson.htm>. Accessed: May 30, 2011.

<sup>34</sup> Jacoby, Wade. “The Enlargement of the European Union and NATO: Ordering from the Menu in Central Europe”. Cambridge: Cambridge University Press, 2004. Pg. 2.

<sup>35</sup> Kovács, András and Ruth Wodak (eds.). “NATO, Neutrality and National Identity: The Case of Austria and Hungary”. Vienna: Böhlau Verlag GmbH & Co. KG, 2003. Pg. 19.

NATO.<sup>36</sup> This draws somewhat from the role elites play determining mass identity, as theorized by Kaufman, although here elites are held responsible for determining what masses want, using identity as a tool for advancing that determination.<sup>37</sup> Playing into the idea of national interest, the elites then are interested in their control over the population,<sup>38</sup> but exactly the ways in which this control is exerted is not necessarily clear-cut, and the methods and tools can range from many things, including the use of defense contractors, although their role has very rarely been theoretically examined.

On the other hand, taking a rather institutionalist stance and examining how much outsiders' efforts to influence local actors to the point where the latter group becomes essentially open to stringent reforms without debate or significant elite opposition, Jacoby presents at times some startling evidence for elite desire for the "return". For example, he indicates that in the June 1999 parliamentary session, Hungarian politicians approved almost automatically 152 of the 180 laws as-is and without any debate, simply because they were a part of the European Union's *acquis communautaire*, implying an insouciant willingness to be subjected to "invasive reform demands" from the West.<sup>39</sup>

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<sup>36</sup> Ibid., Pg. 11.

<sup>37</sup> Kaufman, Stuart J. "Spiraling into Ethnic War: Elites, Masses, and Moldova's Civil War". In: International Society, Vol. 21, No. 2 (Autumn 1996).

<sup>38</sup> Within the political scene of the country, Dákai separates NATO-accessionist opposition into three groups: members of the Hungarian Justice and Life Party, the Workers' Party and a collection of "green movements, religious organizations and peace movements." Both of the first groups claimed NATO entry would fundamentally be an extension of American dominance in the region, with the former emphasizing the internationalization of the country no longer "with Soviet tanks, but with New York banks" and the latter claiming that NATO would "help Hungary only in the defense of the capitalist system." Whatever the case may have been, neither group, nor the third group of various movements and organizations was in any way close to being effective enough to combat elite persuasion of the population, particularly because of extenuating circumstances and privileges concerning media control and/or influence. The usage of television, both in advertising as well as in even placing characters in key TV shows to forward the NATO program, was apparently helpful in gaining favor and reinforcing voter belief that entering NATO would be beneficial to the country's future interests. This also includes even media for children aimed at socializing the younger generation, who would effectively be the one to be the first brought up in Hungary as a member of the Alliance, to becoming more familiar and comfortable with NATO membership. For more, see: Dákai, Zsuzsanna. "NATO Membership and Hungarian Domestic Politics in the Nineties" In: Kovács, András and Ruth Wodak (eds.). "NATO, Neutrality and National Identity: The Case of Austria and Hungary". Vienna: Böhlau Verlag GmbH & Co. KG, 2003. Pgs. 84-85; and Jacoby, Wade. "The Enlargement of the European Union and NATO: Ordering from the Menu in Central Europe". Cambridge: Cambridge University Press, 2004. Official party names in Hungarian are the *Magyar Igazság és Élet Pártja* (MIÉP) and the *Magyar Kommunista Munkáspárt*, respectively.

<sup>39</sup> Jacoby, Pg. 4.

Jacoby's core argument revolves around the Central and Eastern European elite's ability to "emulate" the norms of the West to the point when they can finally be accepted in to the fold of "Europe". The role of NATO, in this case, is one of direct influence on those in power but through the usage of elite-directed opinion without expressly demanding upfront specific instructions for change. Rather, expansion was achieved through by encouraging local elites to show the West reform can be possible, which was in consequence rewarded by reelection results from voters.<sup>40</sup>

Contributing to the institutionalist camp, Schimmelfennig characterizes NATO expansion as one based on the proliferation of constructivist liberal values. In his perspective, the sheer desire to become a part of the Western international community was the prime driver behind Central and Eastern European societies' willingness to revamp their local structure and accept Western concepts. By using "rhetorical action", evocative of the Wendtian tradition of the speech act, the West was successful in convincing the former communist states to consider their past systems to be inferior to the Western model and therefore promoted the ideas of the "pan-European democratic community".<sup>41</sup> Implementing these "community-based rules" found in Western institutions propelled the Central and Eastern European countries into NATO, for example, whose actions Schimmelfennig describes in part as pursuant to "club theory,"<sup>42</sup> which is helpful to answering Jacoby's question of why these countries were so eager to leave one bloc only to want to be acceded to another in which their national sovereignty were under similar restriction due to exogenously originating influence.<sup>43</sup>

Also explaining from the liberal standpoint, Rimanelli examines the United States' ultimate advocacy for the expansion of the Alliance in parallel with the expansion of the European Union to

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<sup>40</sup> Ibid., Pg. 143.

<sup>41</sup> Schimmelfennig, Frank. "The EU, NATO and the Integration of Europe: Rules and Rhetoric". Cambridge: Cambridge University Press, 2003. Pg. 5.

<sup>42</sup> Ibid., Pgs. 21-27.

<sup>43</sup> Jacoby, Pgs. 20-22.

Central and Eastern Europe. He cites, for example, NATO's intention to integrate "all NACC and OSCE members in NATO's Partnership for Peace" and potentially further full integration into the Alliance but only for those "committed to *Transatlantic values* and security," involving, among others, politico-economic reforms, pro-Western policies and democratization.<sup>44</sup> Through a series of summits and negotiations among NATO member countries, Rimanelli portrays the protracted interactions that finally resulted in the acceptance of particularly the United States and Germany of the so-called Aspirant states into the Alliance while also depicting the "struggles" the Allies "agonized" over when considering further expansion to "lesser-ready" countries, such as Romania and Bulgaria, and "unready" countries like Albania and Macedonia.<sup>45</sup> In the latter group, these countries were wrought with crumbling civil-military infrastructures, which prevent them from fulfilling any basic contribution to regionally critical Allied engagements. Using this logic, then, the role of defense contractors in the case of Hungary, Poland and the Czech Republic ensured that they were "more-ready", or at least perceived so, to support their American-spearheaded case vis-à-vis the other countries already in the Alliance.

All these and additional accounts of the expansion of NATO consider the move from a plethora of vantage points, but, as I have indicated throughout, almost no one has directly investigated deeply the role of defense contractors in the eastward expansion. Aside from some relatively fleeting coverage of the Gripen case in Hungary, only a tiny handful of scholars have probed the effects defense contractors have had on any decision making in the process and question of whether to expand the Alliance.

Before getting to certain details on the roles of these defense contractors, it would be beneficial to examine first some potential theories governing their actions. In the next section, I will

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<sup>44</sup> Rimanelli, Marco. "NATO's 2002 Enlargement: US-Allied Views on European Security" in: NATO and the European Union: New World, New Europe, New Threats. Hall Gardner (ed.). Hants, England: Ashgate Publishing Ltd., 2004. Pg. 95.

<sup>45</sup> Ibid., Pgs. 100-101.

attempt to examine some potential hypotheses addressing the roles the defense contractors played in the expansion, particularly to Hungary.

## Chapter 3

### Theoretical framework

In order to approach the hypotheses I posit in the third chapter, I will first identify the theories on which they are based. Here, I will present and outline the parts of realism pertinent to the role defense contractors played in the expansion of NATO to Hungary. On the one hand, realism helps to explain how defense contractors were used from the vantage point of the United States in its push to expand NATO. Liberal intergovernmentalism, on the other hand, contributes to the understanding of how they were used by Hungary during its accession process.

#### *3.1 Realist perspectives*

Realism sees the world as a collection of states as primary actors in international relations, each with its own desire to maximize its power in the international system. In addition, according to Morgenthau, the state seeks simultaneously to make sure ambiguity among state actors remains at a low level, reminding the international community in one of his many texts of how important the future of interstate relations depends on how *states* “go about and protecting [their interests]”.<sup>46</sup> Mearsheimer contributes to this in his discussion about intentions. In effect, he points out that uncertainty is essentially inevitable when one state attempts to evaluate the intentions of another.<sup>47</sup> Still, Waltz goes further here and offers the idea of self-help, by which each state acts when approaching others in the anarchical environment of uncertainty in the international system. The state, in this perspective, relies on the “peaceful development of its [own] resources” and means in order to advance its national interests in the face of others.<sup>48</sup>

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<sup>46</sup> Morgenthau, Hans J. “Changes and Chances in American-Soviet Relations”. In: *Foreign Affairs*, Vol. 49, No. 3 (April 1971). Pg. 441.

<sup>47</sup> Mearsheimer, John. “The False Promise of International Institutions”. In: *International Security*, Vol. 19, No. 3 (Winter 1994-1995). Pg. 10.

<sup>48</sup> Waltz, Kenneth. “The Politics of Peace”. In: *International Studies Quarterly*, Vol. 11, No. 3 (September 1967). Pg. 200.

This, precisely, is where the role of defense contractors comes in in realist understanding. Because they embody the state's power as one type of internal resource—defense contractors essentially develop weaponry that reflect the military capability of a particular state—they can be used, therefore, to extend that state's power with respect to other states. Waltz supports this even further with his identification successful economic resources, intrinsically including large corporations, of which defense contractors are a part, and the ability to convert them into military capability.<sup>49</sup> This relationship between economic success and military might is precisely where I consider my realist hypotheses later in this thesis. Gilpin supports this connection, combating individuals who have attempted in the past to remove economics from the realist understanding of state order, drawing on the importance economics played in the power politics even in ancient Greek civilization.<sup>50</sup>

As the most powerful state of NATO, especially economically, the United States translates this economic success into the expansion of its power through NATO, as supported by prominent heads of state including former president Bill Clinton. The Alliance, originally between only post-World War II Western states was a power-based reaction to the palpable new world order as it became clear that the Soviet Union was also keen on taking advantage of the power vacuum in Europe. Indeed, "Washington views NATO as an instrument of geopolitical containment" as a way of ensuring not only the preservation of an array of Western values,<sup>51</sup> but also promoting actively their survival and proliferation to those demonstrating a desire to subscribe to them in the face of "unstable, highly nationalistic states with centralized and potentially oppressive governments."<sup>52</sup>

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<sup>49</sup> Ibid., Pg. 202.

<sup>50</sup> Gilpin, Robert G., "The Richness of the Tradition of Political Realism". In: *International Organization*, Vol. 38, No. 2 (Spring 1984). Pg. 293.

<sup>51</sup> Layne, Pgs. 25-26.

<sup>52</sup> Clinton, Bill. As quoted in: Christopher Layne and Benjamin Schwarz. "American Hegemony – Without an Enemy". In: *Foreign Policy*, No. 92 (Autumn 1993). Pg. 7.

To that end, Robert Art offers an explanation for why homegrown military defense has never really come to complete fruition in Europe<sup>53</sup>, particularly in the post-World War II world. Throughout the Cold War, the countries of Europe, devastated from the atrocities and effects of the first half of the century, were in no position to decide for themselves what would be the correct solution for their own peace and security. Besides the more salient difficulties that characterized the constant disagreements stifling French accordance with the United States and the United Kingdom on a number of key security-related political decisions, there were also the structural issues that needed to be resolved by a broader, exogenously led coalition, chaired by the United States. Interested in maintaining a sense of order and committed to ensuring not only that the destruction that world war brings never happen again but also that American presence be visible in the face of socialist aggression, the United States committed all of its resources to establishing the so-called “pluralistic security community” comprised of the United States, Canada, Western Europe, the Scandinavian countries and Japan forged a commitment to each other.<sup>54</sup> As part of this establishment, defense contractors developed and expanded over time, both in the United States, as well as in other major NATO countries, as part of constructing an Alliance-wide network of compatible military resources, and thus a set of countries compatible with American leadership.

### *3.2 Liberal intergovernmentalist perspectives*

In comparison with the realist understanding of NATO expansion, in which the United States simply would like to guarantee its hegemonic power over Western Europe and beyond by chairing a military alliance, Moravcsik's intergovernmentalism helps to explain further Layne's argument of European 'nationalisms' and their propensity to “lapse into those same bad old habits

<sup>53</sup> As understood here as the coalition of the European Union and all its predecessor forms.

<sup>54</sup> Art, Robert J. “America's Grand Strategy and World Politics”. London: Routledge, 2009. Pg. 269.

that the Alliance was supposed to cure.”<sup>55</sup> In its NATO leadership, the United States positions itself as the core of the organization and is, by far, the largest contributor to the Alliance’s budget and operational expenses, contributing over a fifth of all three common-funded budgets and programs.<sup>56</sup> Within intergovernmentalism, however, other, smaller countries also become the wielders of decision-making powers—and thus are also the main beneficiaries of the fruits of that power, depending on *how* they seize the opportunities presented to them. It is, as Roger Morgan aptly identifies from Max Weber, based on the understanding that the society of European cooperation in this perspective is one based on a *Gemeinschaft* and not one of *Gesellschaft*, drawing on the internal distinction between political units and the extent to which they extend their welcome to externally originating actors to participate in domestic decision-making procedures.<sup>57</sup>

While Layne may have been correct in pointing out that many “West Europeans have grown tired of their subaltern status in the alliance and want Europe to play an autonomous political role,” Moravcsik qualifies this assumption by pointing out that it is truly a select few who are again seizing on this opportunity.<sup>58</sup> Liberal intergovernmentalism, in the Moravcsik perspective, assumes that extraterritorial preferences, while executed internationally through interstate cooperation, are nonetheless derived from national interests and domestically based initiatives.<sup>59</sup> This comes into consideration especially in the prospects the Hungarian government considered when it was presented with the possibility of NATO membership and the presence of foreign defense contractors in its territory. The Hungarian state then had to decide whether to take advantage of the opportunity of engaging these contractors, whether to enhance its position versus other powerful

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<sup>55</sup> Layne, Christopher and Benjamin Schwarz. “American Hegemony – Without an Enemy”. In: Foreign Policy, No. 92 (Autumn 1993). Pg. 10.

<sup>56</sup> “NATO – Topic: Paying for NATO”. [http://www.nato.int/cps/en/natolive/topics\\_67655.htm](http://www.nato.int/cps/en/natolive/topics_67655.htm). Accessed: May 6, 2011.

<sup>57</sup> Morgan, Roger. “A European ‘Society of States’—but only States of Mind?”. In: International Affairs, Vol. 76, No. 3. Europe: Where Does It Begin and End? (Jul 2000). Pg. 563.

<sup>58</sup> Layne. “Atlanticism...” Pg. 23.

<sup>59</sup> Morgan. Pg. 568.

states in the region or the existing Alliance structure, or to serve itself by modernizing its infrastructure.

This kind of collaboration is essentially another avenue by which these countries flex their regional dominance. Morgan underlines this by indicating that this idea is couched in the fact that the “need for deliberate initiatives by representatives of economic and other interests, and entrepreneurial action by the embryonic European authorities [is] already in existence to move the process of integration forward.”<sup>60</sup> Liberal intergovernmentalism therefore helps to explain the reason how actors, presented with various entities of more powerful nations, are still able to exercise their own desires and preferences, are still able to use these representatives for their own gain.

How does this help in forging an understanding of the role of defense contractors in the United States’ goals and the aspirant Hungarian state’s reactions in NATO’s expansion eastward? While liberal intergovernmentalism helps to explain the potentials of smaller states as larger, more powerful states attempt to exert their power, it can also be applied to the premediated motives for American military expansion in Europe. As the idea for a coordinated effort against the Soviet Union was based in Washington, and the contribution to its activities are realized mostly from the United States, and the same countries which strongly influence European development itself, the sources of power remain unchanged and domestic preference remains intact.

By trading protection for economic accordance with the help of predetermined opportunities for its defense complex industry, the United States used its position to provide the appearance of cooperation while simultaneously attempting to secure the necessity of its presence. In presenting the need to have a unified security network, it was acting in its national interest of removing the uncertainty that would have otherwise continued to exist in countries like Hungary

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<sup>60</sup> Morgan. Pg. 564.

after the dissolution of the Warsaw Pact. Moreover, economic considerations are also at play not only in the arena of the trade of goods and services, and in the area of military spending and support, but they also served to increase the attractiveness of Hungary itself and opened up the opportunity to modernize its infrastructure to “return” to the level of the more technologically advanced West. As part of this opportunity, defense contractors and privately owned domestic manufacturers of aircraft and weaponry are some of the beneficiaries—but more importantly—executors of this modernization.

In following, I will examine their role through four hypotheses developed with the preceding theoretical considerations at hand. In doing so, I hypothesize their positive contribution to the support for American military expansion to Hungary, as well as for Hungarian development intentions. For this effort, I will analyze the level of lobbying and political cooperation and announcement of intention, as well as the political discourse connected to the expansion of the Alliance, both in the United States as well as in Hungary, to bolster both the call for security in the region as well as to support their own private operations and infrastructures.

## Chapter 4

### Case study: NATO Expansion to Hungary

Keeping in mind the preceding discussion, I will now turn to the specific case of the Republic of Hungary within the context of the role of defense contractors in that country's accession into NATO in 1999, after receiving approval from the then-16 member nations throughout 1998. In turning to this specific case, I will attempt to show in the following section where the theoretical ideas mentioned above can be considered in the many aspects involved in Hungary's accession to the Alliance based on solid details in connection with various types of historical data detailed below.

Taking a closer look at various pieces of information, including but not limited to a myriad of news sources, transcripts of United States Senate Foreign Relations Committee (FRC) hearings preceding the ratification of NATO expansion by the United States Congress, Senator voting records, particularly on the ratification of Resolution to Treaty Document number 105-36<sup>61</sup>, campaign financing records of members of the FRC, Hungarian Parliamentary minutes, press releases from major defense contractor corporations, such as especially the Lockheed Martin Corporation, and secondary sources comprising of personal consultation with academic and political figures and also Hungarian military literature, it becomes rather clear the theoretical role taken on both sides of the expansion process.

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<sup>61</sup> The ratification of this Resolution effectively signified the official approval of the United States, pending accordance of all other 15 NATO member states at the time, to invite the Czech Republic, Hungary and Poland to join the North Atlantic Treaty Organization. Detailed in this ratification are all Senators of the 105<sup>th</sup> United States Congress, which ratified the Resolution in question, including those whose constituencies are also comprised of corporate representations of major defense contractors ("The Debate on NATO Enlargement". S. Hrg. 285. Hearings on October 7, 9, 22, 28, 30 and November 5, 1997). This document is accompanied by additional hearings documents including, but not limited to: "North Atlantic Treaty Organization [NATO] Enlargement Costs" of the Senate Appropriations Committee, S. Hr. 105-451, and "Administration Views on the Protocols of the North Atlantic Treaty on the Accession of Poland, Hungary and the Czech Republic", S. Hrg. 105-421 (February 24, 1998).

On the one hand, realism would help to explain how defense contractors were used from the standpoint of the great powers, specifically the United States in this case, to advance the power agenda of the strongest actors and the desire to expand their realm of influence. After all, many scholars, including Dr. Michael Mandelbaum, of Johns Hopkins University, identify one part of the rationale for NATO as “[keeping] the US engaged in Europe,” implying the default need for dominance among others.<sup>62</sup> One side of this realist perspective is that the defense contractors were used to support the hegemonic interests of the United States government in the region by helping to “sell America” as a physical force in Hungary instead of the United States’ simply placing through other means its artillery into the Central European space. Alternatively, the realist explanation of NATO expansion to Hungary would be that the United States wanted to create an American-led military network, and it used defense contractors to harmonize defense structures according to the Western model. Here, “professionalization” of forces was cue for the “Americanization” of forces.

On the other hand, liberalism can be used to detail concurrent motives for undergoing the accession process. Here, defense contractors either served as middlemen between the Hungarian state and communicated Budapest’s desires to Washington, however intricate and subtle the connections, or they contributed fundamentally to the purpose of the modernization of certain existing infrastructure and/or weapon arsenals existent in the country prior to the system change at the beginning of the 1990s. As such, Hungary went through the accession process as part of a preference to improve its domestic military foundation to make sure it would be more attractive for NATO accession, and thereby convinced other actors closely related to the state of its worth. As a result, the country also received a more favorable evaluation of its readiness as it took advantage of

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<sup>62</sup> “The Debate...”. Pg. 83.

the situation to join the group of nations in the world with higher-standards of military foundation,<sup>63</sup> particularly of the West, whereby the potential opportunism of defense contractors was used to the country's infrastructural advantage.

In the following, relying on several analyses of the available data, I put forth four theoretically based hypotheses and seek to provide an understanding of actions undertaken and intentions expressed with respect to NATO expansion and the processes revolving that expansion to Hungary, drawing on the assumptions I have introduced above. I have formulated two of these hypotheses based on realist considerations and two based on liberal considerations. For the sake of better understanding of the interrelationship between the four hypotheses, I will discuss one from each side interchangeably, as I consider such a structure provides a more realistic (not *theoretically*, but rather *secularly*) depiction of representations of the international discourse between states as a constant exchange of opinions.

In connection with this type of presentation of my arguments, it should be noted that, due to the myopic nature of the role of defense contractors in NATO expansion, the evidence I will present in explaining these theoretical applications is mostly circumstantial and indicative and not final or attributable. Understandably, the available information can be equivocal "given the politically sensitive nature of [the] questions" regarding certain figures, and reaching the level of detail desired and required for clear answers would require the timeframe of mid- to longer-term project not feasible for this paper.<sup>64</sup> Therefore, I place emphasis on the interpretive nature I have used when analyzing speeches, relating them where possible to empirical evidence gathered from both national databases as well as secondary reporting of transactions, exchanges or events.

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<sup>63</sup> Ibid. Pg. 37. Here, Madeline Albright makes it clear that through her experience, she finds the countries of the region who are preparing to enter NATO are showing proactive efforts to convince the West of their willingness to enter into the Alliance.

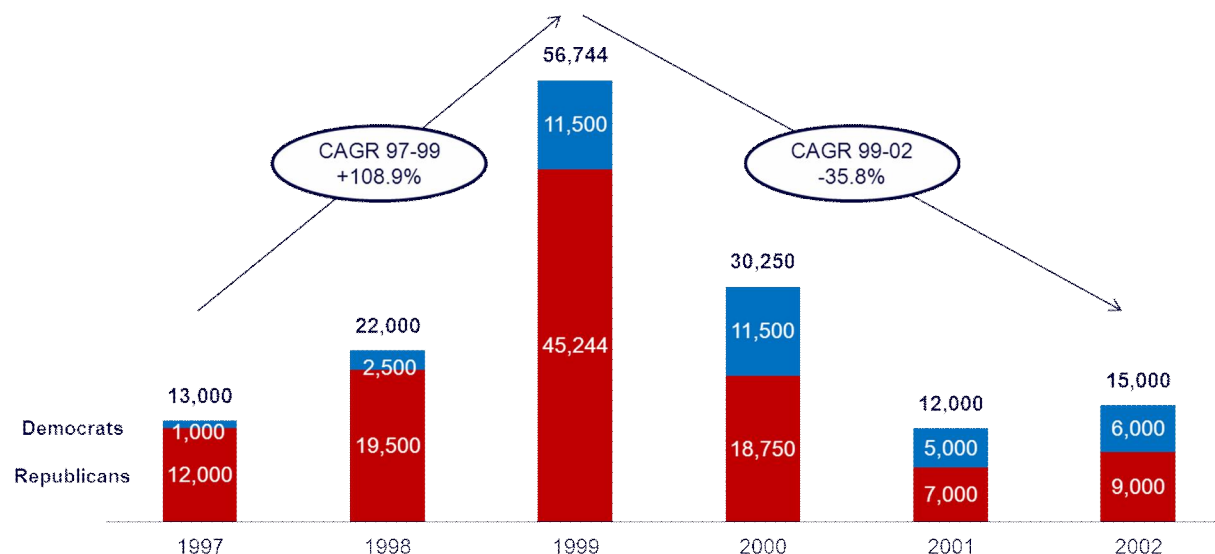
<sup>64</sup> Personal interview with official at the Hungarian Ministry of Foreign Affairs. May 7, 2011.

*4.1 Realist hypothesis 1: Defense contractors were integral in NATO expansion to Hungary in order to support the national interests of the United States as a hegemonic power in the region.*

In addition to the sources listed above, for this section I also considered the economic development of various relevant defense contractors who were active in the region, as per citation and documentation in sources such as the Stockholm International Peace Research Institute (SIPRI). This literature assisted in supporting or shedding more light on certain claims concerning the exact contribution made by defense contractors (particularly among more conspiracy-seeking literature, which I will refrain from discussing in this work) to their representative in the U. S. government. Essentially, the data portray the American state with some active involvement in making sure that specifically key decision-makers in the Hungarian military establishment would be more apt to buy, and therefore become Western. In supporting the American military defense complex, the Hungarian government would effectively support American physical power, both within the country as well as in the region.

Certain major players of the American defense complex showed their appreciation for support by key senators who pushed for NATO enlargement for their continued support in their respective political roles. For example, Senator William Roth, then-Chairman of the Senate NATO Observer Group and President of the North Atlantic Treaty Assembly, received in the years immediately following his support to expand NATO campaign finance contributions from The Lockheed Martin Corporation. More interestingly, almost all members of the Senate FRC received campaign financing from both Lockheed Martin and Boeing, with contributions from both companies increasing sharply through the accession of Hungary to NATO in 1999, and suddenly dropping in the years thereafter, implying the importance of their votes during Congressional sessions running up to this event (Figure 4.1).

Figure 4.1: Campaign contributions, Senate Foreign Relations Committee<sup>1)</sup>  
in USD



1) Includes contributions only from The Lockheed Martin Company and Then Boeing Company, including those through intermediary donors.

Source: Federal Election Commission, The Washington Post

As Hungary, along with the two other first-round accession countries, entered NATO in 1999, there is a visible trend of campaign financing in the positive until that year. Afterwards, a significant drop in campaign finance contribution by the big to defense contractors is indicative of their lobbying interest of key supporters of NATO expansion. After all, the senators of the FRC were extremely significant for convincing the rest of the Senate to vote 'yes' to the resolution on the ratification of Document 105-36, which officially approved in the United States Congress the question of NATO expansion. Defense contractors, therefore, supported state efforts financially to expand NATO, while at the same time the American state sought simultaneously to expand their own reach, and thus effectively American power.

As seen in Figure 4.2, members of the Senate Foreign relations committee in office during the debate on the "first wave" accession received a large amount of campaign financing

contributions from the top two American defense contractors during the years from 1997 to 1999, which is when Hungary was admitted into the Alliance. From 2000, their contributions drop sharply, falling on average by 71% among the top five receiving senators between the two groups of 3 years, that is, between the time periods of 1997-1999 and 2000-2002.

In Figure 4.3, this phenomenon is seen even more clearly among members of the Senate Appropriations Committee, which is responsible for allocating funds to various organizations supported directly by the government, including the United States involvement in NATO.<sup>65</sup> These senators were therefore responsible for approving monies to be earmarked for American commitment in the expansion of the Alliance and thus were particularly significant in realizing ratification of the motion to expand. Here, the drop between the same 3-year periods is more drastic, reaching almost a 90% reduction in funding of the top five recipients of campaign financing from Lockheed Martin and Boeing.

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<sup>65</sup> "Committee Jurisdiction". <http://appropriations.senate.gov/about-jurisdiction.cfm>. Accessed: May 31, 2011.

Figure 4.2: Campaign contributions, Senate Foreign Relations Committee, 1997-1999 and 2000-2002<sup>1)</sup>  
in USD

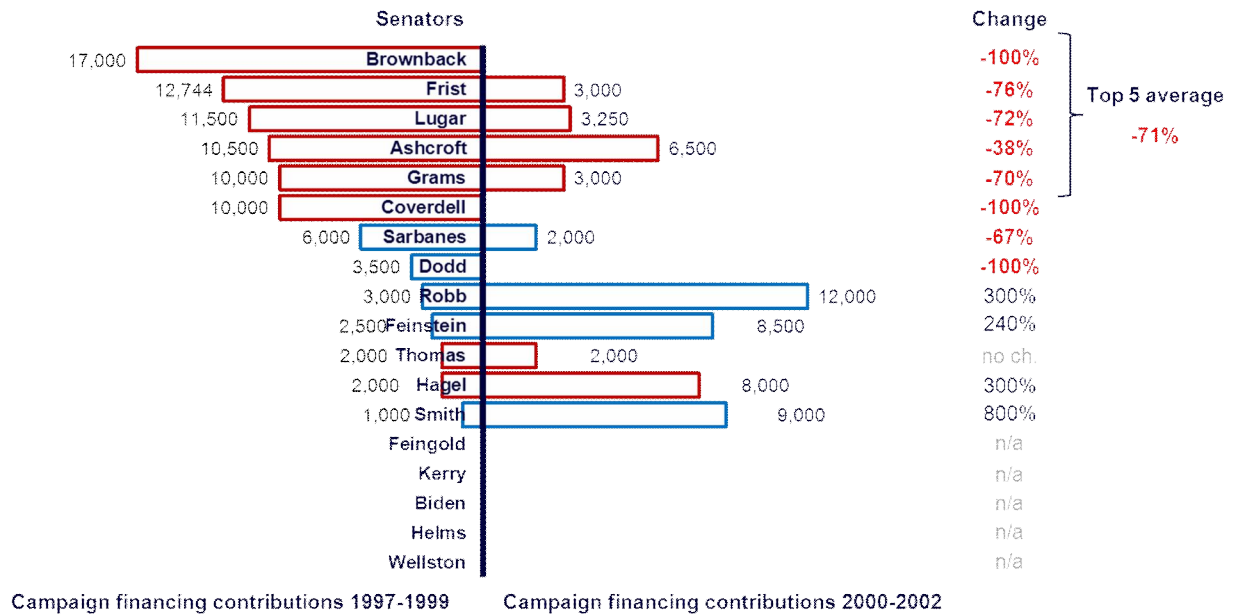
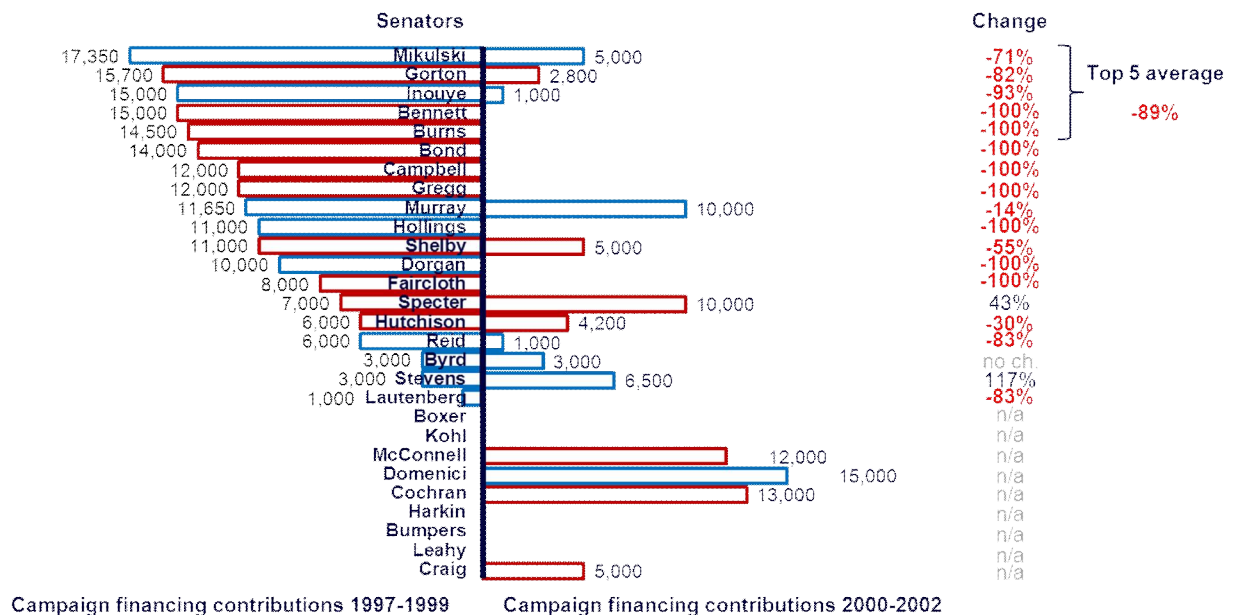


Figure 4.3: Campaign contributions, Senate Appropriations Committee, 1997-1999 and 2000-2002<sup>1)</sup>  
in USD



1) Includes contributions only from The Lockheed Martin Company and Then Boeing Company, including those through intermediary donors.

Source: Federal Election Commission, The Washington Post

Information indicating this proactive intervention by the state to ensure Central and Eastern European countries' join the NATO area comes from William Harding of the Multinational Monitor. Harding points out the explicit action of the United States government's "assisting" aspirant states by creating the Central European Defense Loan Fund in the amount of \$647 million "for exports of U.S. military equipment" to Hungary and the other two accession states; this support mechanism was already under consideration even prior to the selection of the three countries, implying a state-originating interest in the expansion of particularly American presence.<sup>66</sup> Here, we can see an example of when Nye, although a liberal, brings to the table the assumption that realism "is better at explaining interactions than interests"; the American government promoted heavily its own defense community to Central Europe to gain a toehold in the region before so that it could have a more achievable possibility of planning on a more permanent regional presence in the future.<sup>67</sup>

The American government, facilitated by the use of its defense contractors to enter into Hungary, did not necessarily intend to execute a collaborative effort with the Hungarian political elite, as I will discuss later, concerning the expansion of NATO; rather, it fits more into Waltz's criticisms of interdependence: the American government was still more interested in the spread of its power, only it was adaptive enough to pursue more avenues of ensuring this than through absolute force. Rather, it acted according to the new structure of power distribution in the post-war era, paying attention to the "specification of the functions of different parts, and the distribution of capabilities" of guaranteeing the expansion of its power.<sup>68</sup> By supporting the venture actions of its defense contractors, it essentially contributed to its own plans of power expansion venture. For

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<sup>66</sup> "Pentagon Welfare NATO expansion".

[http://www.thirdworldtraveler.com/Pentagon\\_military/PentagonWelfare\\_NATO.html](http://www.thirdworldtraveler.com/Pentagon_military/PentagonWelfare_NATO.html). Accessed: May 23, 2011.

<sup>67</sup> Nye, Joseph. "Neorealism and Neoliberalism". World Politics, Vol. 40, No. 2. January 1988. Pg. 239.

<sup>68</sup> Ibid., Pg. 241.

example, then-Lockheed Martin executive Dain Hancock organized a sleuth of F-16 presentations, also in Hungary, in 1996, before any real discussion of accession, in order to persuade the Hungarian state to prepare itself for NATO.<sup>69</sup> This preceded the later dinner event key-noted by Madeline Albright in the summer of 1997 where she “[sang] the praises of NATO” to a host of not only twelve senators but also the Lockheed Martin-heavy Committee to Expand NATO.<sup>70</sup>

This is supported by Valasek’s observation of, not only Senators, but also the House of Representatives telling Bill Clinton to remove the 1976 Arms Export Control Act,<sup>71</sup> thereby clearing the way for defense contractors such as Lockheed Martin to promote its products in key markets, including Hungary.<sup>72</sup> Titled Presidential Defense Directive-34 (PDD-34), the lifting of the moratorium on weapons transfers to non-aligned regions is regarded as “[support for] a strong, sustainable US defense industrial base [that is] a *key national security concern*, and not purely an issue of commercial concern.”<sup>73</sup> Essentially, the President was swayed by the opportunity to use the American defense contracting industry as part of its efforts to bolster overall state security in potential, politically opportune areas as part of its agenda to seek national security in regions in which

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<sup>69</sup> “Lockheed Martin’s CEO Completes Visit to Central Europe”.  
[http://www.lockheedmartin.com/news/press\\_releases/1997/LockheedMartinSCEOCompletesVisitCen.html](http://www.lockheedmartin.com/news/press_releases/1997/LockheedMartinSCEOCompletesVisitCen.html).  
 Accessed: May 20, 2011.

<sup>70</sup> “Multinational Monitor”. <http://www.multinationalmonitor.org/mm1998/031998/hartung.html>. Accessed: May 30, 2011.

<sup>71</sup> Valasek, Tomas. “NATO Expansion: Jackpot for US Companies?”. Global Dialogue. Vol. 1, No.2. Autumn 1999.  
<http://www.worlddialogue.org/content.php?id=36>. Accessed: May 24, 2011.

<sup>72</sup> Dr. Mora, Frank O., Lt. Col. Antonio L. Palá. “US Arms Transfer Policy for Latin America.” In: Airpower Journal. Spring 1999, Pg. 76-92. Written from the perspective of opening up arms sales in previously turbulent areas of Latin America, the article identifies some key issues driving the reasoning behind why the Clinton Administration finally overturned the then-20 year-old ban on weapons transfers by the United States. Part of this reasoning is rooted in the idea that it is in the interests of the United States’ security policy in non-allied countries to use its military corporations as tools for harnessing support, as other countries in the world, including for example even Belarus, has attempted to fill the void of American weapon sales. This implies the effectiveness of the United States’ supporting of its defense contractor resources as instruments in working towards establishing American dominance in areas that would otherwise be influenced militarily, and thus politically, by rival nations. Both Senators Daniel Graham (D-FL) and Robert Lugar (R-IN), the latter of the Foreign Relations Committee supported the lift of the moratorium on weapon sales, while Senator Joe Biden (D-DE) opposed it. However, all three supported the expansion of NATO to Hungary, the Czech Republic and Poland, thereby intrinsically understanding the importance of American presence in previously non-aligned regions.

<sup>73</sup> Ibid. Pg. 79. Emphasis added.

it is, or will be, the dominant actor. In a related statement released by the White House, the transfer “of conventional arms [is] a legitimate instrument of U.S. foreign policy”, going further to make it clear that this activity therefore “[deserves] U.S. government support.”<sup>74</sup>

#### *4.2 Liberal hypothesis 1: Defense contractors were integral in NATO expansion to Hungary in order to provide the Hungarian political elite with another avenue of communication to the American state*

While in my first realist hypothesis the Hungarian state was more-or-less involved in a holistic approach from NATO-led United States and was viewed in a more passive position during the involvement of NATO accession, it does not explain then the actors within Hungary and what their actions were in the face of these exogenously originating corporations. To start, actors of the Hungarian state also recognized, and possibly echoed, the very similar descriptions Madeline Albright and others had proclaimed when referencing the fundamental principles of the community of NATO member state nations:

“...The Alliance—and this I want to emphasize—is not instructing us, but rather it is inviting us. This rarely happens in our history, and only very few states are offered this. The invitation into the Alliance of the Republic of Hungary and its people speaks of an achieved result for the people who of the six billion on this earth, ten million of which have done a significant amount in recent years, not only for its own ascent in the world, but also for reconciliatory political relations with its neighbors. In its decision, NATO has taken into account, or rather considered to be fundamental, the achievements the Republic of Hungary has made in democracy, freedom, national economy and the strengthening of tolerance towards other peoples.”<sup>75</sup>

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<sup>74</sup> “Clinton’s Conventional Arms Export Policy: So Little Change”. Arms Control Today, May 1995. <http://www.fas.org/asmp/library/articles/actmay95.html>. Accessed: May 27, 2011.

<sup>75</sup> *A szervezet - ezt hangsúlyozni szeretném - nem utasít, hanem hív bennünket. Ez ritkán fordult elő a mi történelmünkben, és csak nagyon kevés államnak tesznek ilyen ajánlatot. A meghívás a szervezetbe a Magyar Köztársaság és népe által elért teljesítménynek szól, annak a népnek, amely a közel hatmilliárd fős emberiség tízmilliójaként nagyon sokat tett az elmúlt évek során, nemcsak a saját maga felemelkedéséért, hanem a szomszédos államokkal való megbékélés politikájáért. A NATO a döntésében figyelembe vette, sőt, alapvető szempontként kezelte azt, amit a Magyar Köztársaság a demokrácia, a szabadság, a nemzetgazdaság teljesítményében és a más népek iránti tolerancia erősítésében tanúsított.* Gyula Horn, Hungarian Prime Minister, Speech at the Hungarian Parliament after the NATO summit in Madrid. See the Parliamentary debate on the related political declaration confirming Hungary’s intent to join NATO. Available at: <http://www.parlament.hu/naplo35/293/293tart.htm>.

Gyula Horn, therefore, in his eloquent address to the Hungarian Parliament, presented Hungary as ready to undertake all efforts to prepare for its “calling” from the West. He continues later in his speech to reflect upon the fact that Hungary, too, has made a decision to join the concert of nations in NATO, qualifying his position with the declaration that “at the same time, accession [to NATO] guarantees domestic protection and a lower-cost security...providing opportunities for investments, technical progress and tools for renovation and job creation.”<sup>76</sup> However, simply making statements and speeches in political fora may not have been enough to get the point across to Washington that Budapest was preparing itself for accession. As such, alternative routes were sought out to portray Hungary as a prospectively good future partner in the Alliance.

While American politicians may have focused all of their energies on expansion for their own national gain, Hungary was busy courting defense contractors to raise its standing vis-à-vis the large North American power. Hungary welcomed its Western counterparts’ defense contractors into its own territory, inviting them to make use of Hungarian airfields, not for reasons connected with UNPROFOR, but also to have the chance to meet their executives during presentations of their stock of aircraft.<sup>77</sup> As such, the Hungarian state was ensuring the transfer of its intentions be known through the Western defense contractor community, with the Americans enjoying direct support from key Senators, as I have shown above.

Among these contractors were “Boeing, Lockheed Martin, Dassault (France) and a Saab / British Aerospace consortium,” which are all Western. It is thus rather telling that is no Russian or any non-NATO country defense contractor was invited to this showcase, with the Hungarian state garnering altogether at the time approximately \$1 billion from these contractors to make its military

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<sup>76</sup> Ibid.

<sup>77</sup> NATO Newsletter by Hungarian Parliament. <http://www.parlament.hu/nato/anews2.htm>. Accessed: May 19, 2011.

stock more attractive and compatible to Western standards.<sup>78</sup> The Russians, on the other hand, did not give up either in trying to keep Hungary in their sphere of military influence, even offering to trade Hungarian wheat in order to support the sale of their MIG-29.<sup>79</sup>

In any event, all of this “shopping around” served to establish yet another way for the Hungarian state to relay its intentions to, among others, the United States government. In attendance, for example at the primarily politically oriented “NATO Workshop on Political Military Decision Making”, which took place the year before the showcasing of Western aircraft, were not only representatives of the Hungarian Foreign Affairs Ministry, Dr. László Kovács and Dr. István Gyarmati, but also three defense contractual representatives from Lockheed Martin.<sup>80</sup> Gyarmati, interestingly enough, was a local supporter of expansion, submitting through the Project for the New American Century, an organization promoting “American global leadership”, an open letter in collaboration with erstwhile Lockheed Martin executive Bruce Jackson on the importance in part on NATO’s expansion eastward.<sup>81</sup> Jackson also supported the “New Atlantic Initiative Statement on NATO Enlargement” (NAISoNE) along with representatives from Boeing and McDonnell Douglas, as well as many prominent politicians including Donald Rumsfeld, Dick Cheney, Bob Dole, Henry Kissinger, Colin Powell and Paul Wolfowitz, who served on the board of the U. S. Committee to Expand NATO, an interest-group founded by Bruce Jackson himself.<sup>82</sup>

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<sup>78</sup> Valasek, Pg. 5.

<sup>79</sup> Ibid. This is also discussed openly among agrarians on the eMagyarország portal:

<https://edemokracia.magyarorszag.hu/forum/posts/listByUser/270/6693.page>. Accessed: May 29, 2011.

<sup>80</sup> “Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary and the Czech Republic (Senate – March 18, 1998)”. <http://www.fas.org/man/nato/congress/1998/s980318.htm>. Accessed: May 27, 2011.

<sup>81</sup> “Project for the New American Century”. <http://www.newamericancentury.org/russia-20040928.htm>. Accessed: May 26, 2011.

<sup>82</sup> “U. S. Committee on NATO – Profile – Right Web – Institute for Policy Studies”. [http://www.rightweb.irc-online.org/profile/US\\_Committee\\_on\\_NATO](http://www.rightweb.irc-online.org/profile/US_Committee_on_NATO). Accessed: May 26, 2011.

#### *4.3 Realist hypothesis 2: Defense contractors were integral in NATO expansion to Hungary in order to bind the Hungarian military establishment to the Western, often American-led military network in Europe*

So far, I have already presented above the role of contractors in supporting American national interest, but while national interest could be one side of the realist explanation, it does not completely answer the question of how defense contractors helped to secure that national interest. The presentation alone of another form of American power in Hungary achieves only a certain extent of power expansion. Thus, in my second realist hypothesis, I claim that defense contractors helped to expand the structure of the American-led military network in Europe by producing Western-originating equipment to be used in NATO-related activities in accession countries. Here, this hypothesis builds upon the principle of the bolstering of national interest by bringing in the factor of an international network, binding Hungary, quite literally, to the American power structure.

Essentially, defense contractors function as means to an end, following the neorealist logic of powers having to modify their techniques of political competitions in a region depending on particular structural characteristics. In this case, because one of the core points of contention for Hungary to join the NATO alliance centered on its ability to fulfill certain standards related to its weaponry, the United States had to focus its efforts on gaining power by taking advantage of the situation at hand: power, in this case, would be extended not through outright conquering by means of standard political agreement; rather, Washington had to use the very sources from which that military standard is derived to secure its security interests. Their function falls into the complex policy design on how to approach aspirant states by utensils to be used in the execution of a successful operation—or in this case, rather, weapons for ensuring a successful battle for the liberation of the so-called ‘gray zone of insecurity’ of Central Europe.<sup>83</sup> Just as a general would lead the command of various types of forces in a large military operation for, as an example, to re-

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<sup>83</sup> “The Debate...” Pg. 43.

capture a lost area from the enemy, representatives of the United States, from the realist perspective, proceeded to indicate the clear intent to assist the three countries in their return to the West, using all necessary measures to make sure the United States supported that effort.

Within the many hearings in the United States Senate on whether the United States would be one of the 16 existing NATO member countries to ratify the motion officially inviting Hungary, the Czech Republic and Poland to NATO, many a Senator expressed the necessity for the United States to do all in its power to take advantage of such a once-in-a-lifetime opportunity. For a large number of them, including for example Senator William Roth, who was also Chairman of the Senate NATO Observer Group and President of the North Atlantic Treaty Assembly at the time, boldly proclaimed that "NATO enlargement is the surest means of doing for Central and Eastern Europe what American leadership through alliance has done so well for Western Europe," adding, in particular, that "[it] is not an act of altruism but one of self-interest [of the United States]."<sup>84</sup>

In addition to presenting the argument that NATO expansion will make America, in particular safer, other prominent figures, both in the Senate and from other political backgrounds, have even continued rather matter-of-factly to refer to the importance of physicality in American regional presence through NATO. Senator Chuck Hagel, building on the testimony of Zbigniew Brzezinski, in their depositions before the Senate Foreign Relations Committee, expressed the desire to "[build] a long-term structure, a long-term process of creating the architecture of peace across all of Eurasia" with the expansion of NATO and its physical presence.<sup>85</sup> Norman Augustine, another former Lockheed Martin executive, pledged to supply Hungary with "Western-produced, NATO-

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<sup>84</sup> Ibid.

<sup>85</sup> Ibid., Pg. 62.

standard" equipment.<sup>86</sup> These indications show the absolute, proactive involvement of the United States government in guaranteeing the future involvement of America in Central Europe through the support of America-friendly imposition of one option for a way forward in the future of Central European development.

Assistant Secretary of Defense for International Security Affairs Franklin D. Kramer solidified this implication in his prepared speech to the Senate by detailing that the "defense establishments of the United States...will continue to help" these countries to enter into compatible military structures.<sup>87</sup> Along with Lockheed Martin, McDonnell Douglas (now part of The Boeing Company) also showcased its prime fighter jet, the F/A-18, in an attempt to woo the Hungarian state into accepting its product line to prepare its defense force for compatibility with the existing NATO security establishment. Signing a deal with then-Minister of Industry, Trade and Tourism Szabolcs Fazakas, McDonnell Douglas detailed that it would "improve the Hungarian balance of payments" and therefore "offer broader opportunities" for the country.<sup>88</sup>

#### *4.4 Liberal hypothesis 2: Defense contractors were integral in NATO expansion to Hungary in order to assist in the modernization of the Hungarian defense infrastructure, including i.e. weaponry and bases*

Finally, while the call for national security as supported by an active placement of compatible equipment with the American-led military network in Europe on the one hand, and the desire to express the desire to become part of this network on the other, happened all with the help of defense contractors, none of them explains the fate of existing infrastructure in Hungary. Indeed,

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<sup>86</sup> "Lockheed Martin's CEO Completes Visit to Central Europe". Lockheed Martin Press Release. April 7, 1997. [http://www.lockheedmartin.com/news/press\\_releases/1997/LockheedMartinsCEOCompletesVisitCen.html](http://www.lockheedmartin.com/news/press_releases/1997/LockheedMartinsCEOCompletesVisitCen.html). Accessed: May 23, 2011

<sup>87</sup> "The debate..." Pg. 103.

<sup>88</sup> "McDonnell Douglas Signs Business Agreement with the Government of Hungary". <http://www.thefreelibrary.com/McDonnell+Douglas+Signs+Business+Agreement+with+Government+of+Hungary-a018916532>. Accessed: May 26, 2011.

after decades of relying on Russian or Warsaw Pact equipment, the Hungarian state was prepared to upgrade—or modernize—at least some of its existing resources, resulting potentially in an increase in defense spending, which I will address below. In one respect, one argue that this increase in spending may have been simply in response to the call for local national security and a required upgrade of forces in order to prepare for a new European security order after the fall of the Warsaw Pact, giving states in the region an excuse to “modernize” as addressed by Moravcsik.<sup>89</sup> His question considers whether this is necessary to “[open] to the West” as part of the “scientific-technical revolution” befalling states after the end of the Cold War.<sup>90</sup> However, it contradicts the actual political situation concerning continental security in Europe at the time. In other words, the number of conflicts in Europe was falling. By 1998, just before Hungary’s official accession, the number of major wars in Europe was even zero, with the number only increasing to 1 by the following year.<sup>91</sup>

Thus, a final perspective on the role of defense contractors is essentially the straight-forward desire of the Hungarian state to modernize its infrastructure. Defense contractors presented themselves as vessels for modernizing the existing force of Hungary in order to make the country more “ready” and effectively, but also correspondingly more “compatible” with NATO security infrastructure, as is one of many major points insisted upon in various debates among politicians discussion the potential entry of the Visegrád countries into the Alliance.<sup>92</sup> This, none the less, served to be a win-win situation for both sides, as the state could also benefit from improved facilities and equipment.

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<sup>89</sup> Legro, Jeffrey W. and Andrew Moravcsik, “Is Anybody Still a Realist?”. In: *International Security*, Vol. 24, No. 2 (Autumn 1999).

<sup>90</sup> Ibid. Pg. 39.

<sup>91</sup> Stockholm International Peace Research Institute. *SIPRI Yearbook 2003*. Oxford: Oxford University Press, 2003.

<sup>92</sup> “The debate...”. Within the seven hearings of the document, the status and levels of “readiness” are addressed throughout both prepared speeches and the question-and-answer sessions.

Here, Moravcsik's theory of modernization and preference in relation to state behavior becomes more comprehensible. Hungary's desire to join NATO (its preference) was driven by its concurrent desire to modernize its infrastructure (for my case, in particular, its military infrastructure), and it sought the help of Western corporations to help it achieve that goal, as I have indicated above in the acceptance of defense contractors' actions to promote their various products, including certain airplanes.

Within the Hungarian political elite many were aware of the challenges facing the state before its final accession into NATO, with the then-Minister of Defense, János Szabó, even outlining very broadly many challenges to be addressed in the upcoming process to prepare, or modernize, the country. In addressing these "challenges" the Hungarian military should engage itself in all these challenges to prepare the military for its new, Western "model". Following the 32 groups of challenges indicated, Szabó concludes that Hungary "should note that in joining NATO, it will switch from a forced military structure to one of a professionally developed model" in which the country will become prepared with "ready, open, informed, able to react and full of creative professionals," key characteristics desired by the West and which are attainable with defense contractor assistance.<sup>93</sup> Aside from all the other advantages Szabó identifies, he makes it clear that orienting the country to NATO was a particular way of modernizing the country with the intention of consciously identifying the country as part of "European civilization."<sup>94</sup>

To demonstrate the seriousness of this move to prepare, Hungary actively increased its military expenditure to 1.7% of GDP by 1997, even before NATO accession was even apparent,

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<sup>93</sup> Szabó, János. "A NATO-csatlakozás kihívásai" (The Challenges of NATO Accession). *Hadtudomány: A magyar hadtudományi társaság folyóirata*. Vol. 8, No. 3. September 1998.  
<http://www.zmne.hu/kulso/mhht/hadtudomany/1998/ht-1998-3-3.html>. Accessed: May 19, 2011.

<sup>94</sup> Ibid. "A NATO-orientációt támogató társadalmi preferenciák rendszere oly módon bontakozik ki ebből a meglehetősen ambivalens értékrendből, hogy a gyenge személyi tehervállalási kedv mintegy kompenzálja magát az európai civilizációs azonosságtudatban, a közös európai biztonságkeresés érdekében viszont hajlamos kompromisszumokat kötni a nemzeti jellemző biztonsági építmény kizárólagosságával szemben."

reaching later even 1.8% of GDP by 2001, just before it involved itself in the Gripen scandal<sup>95</sup> that later rocked the country's political establishment.<sup>96</sup> Both increases "intended to support planned force reorganization and modernization of equipment," as detailed by Szabó and supported by the SIPRI report.<sup>97</sup> After all, the latter goes further in stating that "the prospect of NATO membership has been an important incentive for reforms in the defense sector of aspirant states in the period leading up to membership,"<sup>98</sup> with the fact that Hungary's political elite was also well aware of the fact that "that failure to address these problems would harm their chances for NATO accession and therefore [prompted] the political leadership...to implement important changes in their systems of armed forces control."<sup>99</sup> Lockheed Martin continued to receive support to forward this effort, especially to NATO accession countries, including, later in 2003, when it received the approval to carry on bolstering the "enhancement" of the NATO countries of "Eastern Europe".<sup>100</sup>

#### *4.5 Culminating remarks*

In the preceding, I have attempted to show the role defense contractors have played in many aspects of Hungary's accession to NATO. There are certain reasons described above detailing from both sides, that of the invitation and that of the aspirant countries, the intentions expressed and the

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<sup>95</sup> The Gripen scandal, which I will not explain further in this paper, concerns the case of bribery by the Swedish JAS Gripen aircraft manufacturer, owned by Saab, in its exporting of planes to Hungary (and the Czech Republic and South Africa. For more information, see: [http://svt.se/2.58360/1.1597692/utskriftsvanligt\\_format?printerfriendly=true](http://svt.se/2.58360/1.1597692/utskriftsvanligt_format?printerfriendly=true). Accessed: May 29, 2011.

<sup>96</sup> Stockholm International Peace Research Institute. SIPRI Yearbook 1999. Oxford: Oxford University Press, 1999. Pg. 293.

<sup>97</sup> Ibid.

<sup>98</sup> SIPRI Yearbook 2003. Pg. 242. The other political criteria included: demonstrating commitment to and respect for OSCE norms and principles, including resolution of ethnic and territorial disputes; showing commitment to economic liberty and social justice; and ensuring that adequate resources are committed to achieve political and military integration with the alliance.

<sup>99</sup> Molnár, Ferenc. "Democratic Control of Armed Forces in Hungary". In: Civil-Military Relations in Europe: Learning from Crisis and Institutional Change.

<sup>100</sup> "Lockheed Martin Awarded Contract to Support International Air Sovereignty Operations Center Program". Lockheed Martin Press Releases. [http://www.lockheedmartin.com/news/press\\_releases/2003/LOCKHEEDMARTINAWARDEDCONTRACTSUPP\\_OR.html](http://www.lockheedmartin.com/news/press_releases/2003/LOCKHEEDMARTINAWARDEDCONTRACTSUPP_OR.html). Accessed: May 25, 2011.

actions executed. While Madeline Albright and her contemporaries were focusing on the idea of “making *America* safer,”<sup>101</sup> Hungarian officials were actively pursuing defense contractors in order to make Hungary better, as János Szabó, for example, outlined.<sup>102</sup>

However, although defense contractors worked on many levels and with numerous types of people in the accession of Hungary, the proceedings did not occur completely without error. The alarm caused by an overly zealous American official who cause a small scandal in the Czech Republic due to the blatant favoritism played towards one defense contractor’s aircraft over another is embarrassing.<sup>103</sup>

Nor is it completely possible to remove Russia from the role of Western defense contractors in Hungary’s accession to NATO. The fact that the Russian MIG-29 plane was still on the table for consideration, after the Hungarian state realized the immense cost that would have to be attributed after all to Western defense contractors was higher than the Orbán government was willing to pay, is telling.<sup>104</sup> György Peták, a former Hungarian air force lieutenant, identifies the dilemma nicely, drawing attention to just how many expenses are really necessary for “NATO adaption”: that is, whether to upgrade the existing fleet of mostly MIG-29s, or to acquire completely new “NATO-compatible planes”.<sup>105</sup> Finally, Hungary ended up making the decision to attract Western corporations and cooperation to the country but maintained to a certain extent its existing fleet. It

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<sup>101</sup> “North Atlantic Treaty Organization (NATO) Enlargement Costs”. Hearings before the Committee on Foreign Relations of the United States Senate, 105th Congress, First Session. S. Hsg 105-451. Washington: U.S. Government Printing Office, 1998. Pg. 9. Emphasis added.

<sup>102</sup> Szabó, Ibid.

<sup>103</sup> Allegedly, the F-16, F/A-18 promotion came under scrutiny when Senator Christopher Bond (R-MO), who represented the headquarters of McDonnell Douglas, now Boeing’s Defense, Space and Security division, blew the whistle for a Senate investigation of the US government’s handling of promoting certain defense contractors’ products of those of other contractors. For more information, see: Valasek, Tomas “NATO Expansion: Jackpot for US Companies” <http://www.worlddialogue.org/content.php?id=36>. Accessed: May 24, 2011.

<sup>104</sup> “REPTÉR”. <http://repter.adatpark.hu/cgi-bin/hir.php?hid=22>. Accessed: May 30, 2011.

<sup>105</sup> Dr. Peták, György. “A MiG-29 repülőgépek korszerűsítése a NATO-kompatibilitás érdekében” (The Modernization of the MiG-29 airplanes in the Interest of NATO compatibility). *Hadtudomány: A magyar hadtudományi társaság folyóirata*. Vol. 9, No. 1. March 1999. Pg. 5.

welcomed the opportunity from Western defense corporations to revamp some of its military in order to gain acceptance into the Alliance without completely disbanding its entire Russian-originating weaponry. Thus, it can be seen how defense contractors, particularly those from the West, served to tip Hungary even more strongly in favor of joining NATO, in spite of Russia's attempts, and Hungary's decision, to continue to station MIG-29 aircraft in the country. Effectively, they served to assist the country in finding its place, or perhaps returning to it, in the post-Cold War Euro-Atlantic community.

## Conclusion

In this thesis, I have attempted to demonstrate that defense contractors contributed to the process of NATO expansion by taking on particular roles for the states involved, particularly the United States and Hungary. In doing so, I have shown the historical involvement of key American defense contractors throughout the history of the Alliance, indicating where they had particular impact on its development and expansion. Then, I have indicated that the existing scholarly literature on the topic of NATO expansion broadly does not include a discussion of defense contractors themselves within NATO's historical expansion, following this with a theoretical analysis to support my culminating arguments on my four hypotheses.

While it is therefore apparent that both countries each had particular motivations during the process of NATO accession, it leaves open some particular areas that should be covered by some further research. For example, an indication of any financial contributions defense contractors made to with Hungarian politicians over the same period of time would be helpful to know in identify a more holistic view of the international involvement of these corporations. Also, more research could be extended to include the actions of the European defense contractors; however this would require some modification or addition of other theoretical aspects to include a more pluralistic approach to the power dynamic among NATO members. Finally, the role defense contractors played in the Polish and Czech governments would also be a beneficial supplement to this analysis.

Moreover, the role of Russia and its defense complex remains to be examined. Due to the prevalence of many of its weaponry and aircraft across Central and Eastern European countries, a hypothesis could be formulated to explain their role in retaining some sort of power position extant outside of NATO. This would also support the role of Russia in Europe as a power that should be treated seriously, not only for its historical role as a power balancer in Europe, but also still as a

contemporary military giant. In any case, the role of defense contractors in NATO expansion has shown that there are particular possibilities to be had not only on the side of the powerful member state, but on that of the aspirant one as well. Therefore, NATO expansion should be considered to be an opportunity not only for the proliferation of a certain set of security measures, but also one for the opportunity for political and economic growth.

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