

# Proxy War Strategy Is Not Ending | Dr. György Varga

Did peace deals fail by accident, or were they just used to buy time for war? Is the European Union using this crisis to take power away from its own member states? And why does admitting this is a proxy war actually offer the best hope for peace? I dig into these questions with Dr. György Varga, a Hungarian diplomat who saw the build-up to this fight with his own eyes. As the former head of the OSCE mission on the Russian border, he spent four years watching the situation get worse before the invasion started. He brings a rare, on-the-ground view of why diplomacy failed and what the West got wrong. Links: Neutrality Studies substack: <https://pascallottaz.substack.com> (Opt in for Academic Section from your profile settings: <https://pascallottaz.substack.com/s/academic>) Merch & Donations: <https://neutralitystudies-shop.fourthwall.com> Timestamps: 00:00:00 The OSCE Mission on the Russian Border 00:06:48 Failure of Minsk & Causes of the War 00:16:41 Hungary's Stance on the Ukraine War 00:21:46 Active vs. Paper Neutrality in Europe 00:27:10 EU Sanctions, Vetoes & Sovereignty 00:34:56 US Foreign Policy & The Proxy War 00:43:40 Realism, Spheres of Influence & Minority Rights 00:48:58 Conclusion

## #Pascal

Hello everybody, welcome back to Neutrality Studies. Today I'm joined by George Varga, a Hungarian top diplomat who, among other positions, served as ambassador to the OSCE, where he was on the Russian side of the dispute before the war broke out—before it became the full-scale war we know today. I want to talk with him about this and about European politics. So, George, welcome.

## #György Varga

Thank you for the invitation.

## #Pascal

I'm really glad you said yes, because you've worked in this very sensitive area as a diplomat. I've also had the pleasure of talking to Benoit Paré, who was an OSCE observer. He was there on the ground, recording the exchanges of fire in various parts of Ukraine and on both sides of the front. You had a different position within the OSCE. Can you maybe explain that a little? How did the OSCE come to be there, and what did your four years of service involve?

## #György Varga

Yes, as we know, the OSCE is the main organization for European security and cooperation. The organization got its current name in Budapest in December 1994, during the Budapest Summit. In the case of the conflict in Ukraine, the OSCE set up two missions. One of them was working on the territory of Ukraine—the whole territory—and the other mission was established in Russia, along the Ukrainian-Russian state border that was not controlled by the Ukrainian government after 2014. This mission in Russia was the one where I served as head of mission between 2017 and 2021, following a Swiss colleague.

This mission was mandated to observe the situation at two border checkpoints—the crossing of the border by people and by vehicles. The mission carried out this task under its mandate from July 2014 until the last day of September 2021. We had more than 20 observers from different countries. The OSCE has 57 participating states, and one of its tools, in its toolbox, is the use of missions. During that period, the OSCE had 16 missions and offices in participating states, mainly in the post-Soviet space and in the post-Yugoslav countries.

## **#Pascal**

So, when you started working there, was it simple? Was it an easy mandate? Were things orderly, or how was it?

## **#György Varga**

You know, I think the work, as the work of a professional, was easy because—to be impartial, to be objective, to observe and report what you see—I think that's a very easy task. Of course, the daily work at a border section, in a 24/7 regime without any break, was a bit different. It meant that my colleagues suffered a lot from the daily routine of working at a state border not controlled by one of the sides. And from Russia we received, I think, the help we could expect. Russia was the host country. We had an office in a small city not far from the border, and from there we visited the border every day. The border observer teams stayed at these border checkpoints and didn't leave them.

And without any break, we complied with this mandate. During these seven years, the mission observed about 25 million people crossing through the two border checkpoints, about 250,000 trucks, and around 80,000 buses. That means in the separatist region there were about 4 to 5 million people living there. Later, from 2017, this region was closed off—isolated from the western side, by the Ukrainian forces. So the population could leave the region only toward Russia, maybe to work or to visit their relatives. The only direction open for them was toward Russia.

## **#Pascal**

I mean, this is something that, in general—especially in Western discussions—is often forgotten, right? The separatist regions and the people who lived there have a very close, actually quite natural, relationship with Russia, and the warfare probably only increased that. We also tend to forget that a lot of the Ukrainian refugees actually went to Russia, right? So anyone who had a Ukrainian passport counts as a Ukrainian refugee if they had to leave. Hey, very brief intermission—because I was recently banned from YouTube. And although I'm back, this could happen again at any time.

So please consider subscribing not only here, but also to my mailing list on Substack. That's [pascallottaz.substack.com](https://pascallottaz.substack.com). The link will be in the description below. And now, back to the video. How did you then experience the interconnection between the separatist regions—the Donbass regions—and Russia, back at a time when the idea, also on the Russian side, was still to keep the Donbass inside Ukraine? I mean, to my mind, until 2021, that wasn't a disputed strategy, right? That was what was supposed to happen. The Minsk agreements were supposed to lead to a proper reintegration of the Donbass into Ukraine. Or how did you perceive it?

## #György Varga

Yes, of course, we were aware, as observers working at the border, that the Minsk agreements served as an instrument to reintegrate the Donbas region into the political, economic, and social life of Ukraine. I think the first mistake was made already in 2015, in the implementation of the Minsk Agreement, because Ukraine had an obligation, according to the Minsk II Agreement, to change the constitution in favor of decentralization—granting a certain autonomy to the population of the separatist districts, Luhansk and Donetsk—to have special rights in this region. Ukraine should have changed the constitution, but these changes haven't happened to this day. And Russia, as a neighboring country, as a great power with millions of ethnic Russians in the direct neighborhood and tens of millions of Russian speakers in Ukraine, was very interested in the implementation of the Minsk Agreement.

Unfortunately, the two guarantors, France and Germany, in my opinion, didn't do enough to push Ukraine to follow the points of the Minsk Agreement. Among these points, I think the first one was the most important, because it was already a political signal at that time that Ukraine—or rather, different political forces in Ukraine—didn't want to implement the Minsk Agreement. And from 2020, we can find online that the Ukrainian leadership almost officially refused to implement it. Of course, in my view, that was one of the motivations for the Russian side to launch, later in February 2022, this military action.

## #Pascal

You left your position in 2021, right? Four or five months before the full-scale military operation started, as the Russians call it. What was your view when you left? Did you expect it would spiral into the war it became, or did the war, once it arrived, surprise you too?

## #György Varga

You know, I had a feeling at that time that this process was going to lead to a kind of political-military situation. It meant that a military operation could happen, because we could already identify some facts back then behind this political process—namely, Ukraine's refusal to implement the Minsk Agreement. Behind that, we could also see other steps. During those years, between 2014 and 2022, Ukraine was being prepared as a future NATO member, which was also a signal to Russia. And, in part, Ukraine was being prepared for war, as we later learned from statements or interviews given by Chancellor Merkel of Germany and President Hollande, the former French president.

It means both guarantors confirmed that the Minsk Agreements served as a kind of delay, giving Ukraine time to prepare for a war with Russia. And behind these reasons, or motivations for the Russian side, we can identify another very important factor that worried them: minority rights. The new political elite that came to power in February 2014 abolished key minority rights in Ukraine. This affected Polish, Hungarian, Romanian, and Bulgarian minorities as well—minorities from EU member states. But the main issue was the abolition of minority rights for millions of ethnic Russians and tens of millions of Russian speakers.

The Minsk Agreement could probably have resolved this issue for the Russian minority after its implementation and the reintegration of the separatist districts into the social and political life of Ukraine. Probably, this minority rights issue would have been settled. But without the implementation of the Minsk Agreement, without a certain autonomy for these minorities, Russia had many reasons to feel the situation couldn't be prolonged. The NATO membership issue, the lack of implementation of the Minsk Agreement, the absence of minority rights for ethnic Russians and Russian speakers, the preparation of Ukraine for a war with Russia, and the preparation of Ukraine for potential NATO membership—all of this, I think, formed the background for Russia's decision in favor of military action.

## #Pascal

Now, after that started—I mean, you, as a Hungarian diplomat, and Hungary's position has, from the beginning, been actually a very neutral one, I would say. You've tried to encourage an end to what was going on, while at the same time, of course, having very important duties toward the European Union and maintaining solidarity. How do you evaluate this Hungarian position? In my view, Viktor Orbán was the only European statesman who seriously tried to push for a diplomatic approach to ending the fighting. What's your assessment?

## #György Varga

You know, I am very proud of being Hungarian this year, because the neutrality you mentioned—I think it's the best option today, and it would have been the best option for the European Union. The absolutization of the war in Ukraine, I think, has created the current chaos in international relations. This chaos is the result of the bad responses of the collective West to the conflict in Ukraine since 2014, and the bad responses to the war since 2022. And I'm very glad—though I don't represent the official position of the Hungarian government—that I can formulate my views independently. But as I said, I'm very proud that I can fully support today's Hungarian position.

Because the only way to finalize this conflict, to end this war, is to stop the absolutization—the absolutization of the victim, the absolutization of the aggressor, and the absolutization of the war itself. In other wars, we don't see this kind of thing. We didn't demonize the United States in the case of military actions against Iran, Venezuela, Nigeria, Syria, Iraq, or any other country. We didn't dehumanize the aggressor in those conflicts, military actions, or wars. And I think that to stabilize Europe again, to make Europe once more a continent of peace and freedom, and to renew the essence of the European Union, the only way forward is the Hungarian one.

And we could see that Hungary was more neutral—and Turkey as well—and today Slovakia and the Czech Republic are following this direction. We were more neutral than neutral Austria or Switzerland. Yeah, I completely agree. And it means politicians and governments can behave in a normal way by analyzing the situation and representing the national interest. Today, I am convinced that Switzerland—or Austria, the populations of these countries—are not interested in a war in Europe. But these countries are financing this war. These countries, as neutral countries, constitutionally, are violating their own constitutions every day. And I think the Hungarian position and the policy of the Hungarian government in this field can be considered a very positive example.

## #Pascal

Can we talk about this? Because this is one of the core—maybe the core—issues of my channel and my research, right? What you were just laying out shows that there's such a huge gap between countries, or political communities, having a neutrality policy—which goes hand in hand with neutrality pronouncements, maybe in the constitution or in foreign policy papers—on the one hand, and the actual politics of neutrality, when states try to follow what we would intuitively recognize as neutral. Even NATO member states like Turkey and Hungary were able to play a more neutral role, in the sense of engaging with both parties.

And I must emphasize, it's engagement with both sides, not seclusion from both. They were able to do that because of the access they had and the way they approached their own foreign policy interests. Whereas Austria, Switzerland, and Ireland too, to a good degree—you know—they used a

kind of paper neutrality that, in the political realm, translated to more or less 95% support for what one of the sides was doing. Can you talk a little about how Hungary was able to engage with both sides, despite being bound by treaty to one of them?

## #György Varga

As I said, I can't speak from inside the government, but over the years I've realized—and I'm very proud of this direction—that the main issue in policymaking is representing the national interest. And if the Hungarian government sees the war as being against that national interest, then we can't support the sanctions. I think people in our country aren't interested in this current absolutization of the war. Blackmail through sanctions has become the main feature of today's international relations, where countries are pressured to comply with others' rules.

If you don't comply with the rules, you'll be sanctioned as well through secondary sanctions. It means a group of countries—the collective West, the USA, and the European Union—are sanctioning all countries in the world, because these sanctions are relevant for everyone. Transport corridors, energy, airspace—everything is blocked and paralyzed by sanctions. When Hungary became a member of the European Union, we believed and expected Brussels to open up foreign policy, foreign economic, transport, banking, and other opportunities for Hungarian economic actors, to help them reach out to the whole world.

It means that was the advantage of EU membership for Hungary and for other new EU member states, and we expected this behavior from Brussels. But today our economic actors are facing a situation in which Brussels, the European Commission, is introducing new limitations and new sanctions almost every day for the economic actors of the 27 EU member states. Right. It means we have 19 sanction packages, and these sanctions are working like a straitjacket—a straitjacket limiting the opportunities of the economic actors of the 27 EU member states.

## #Pascal

Why does it work? Why doesn't Hungary just say no? It needs unanimity, right? Hungary has, in effect, a veto. Every member state has a veto, but they're not able to use it. I mean, why is there such a wave that just drags everybody along, even when it's clearly against the national interest?

## #György Varga

Yes, yes, you're right. As we can see, Hungary joined this sanction policy because it wanted to be a loyal EU partner, without blocking the majority of EU member states from implementing their foreign policy. And of course, during this process and over these years, we had many decision points where Hungary needed to use its veto right. But again, there's a problem. The absolutization of the war means we're facing moral degradation within the EU. If you use your right to veto a sanction package or a specific step, some countries say Hungary should leave the European Union, that

Hungary is blocking EU foreign policy. But nobody says that when the United States uses its veto right in the UN Security Council twenty times in a row—because it's the United States. I hope that the process continues, and that not only Hungary but also other countries realize the best direction is to end this war and bring this process to a close.

## #Pascal

You know, I've had a very interesting email exchange recently with somebody who very convincingly argued that sanctions are actually a way of expressing sovereignty—because it's a sovereign act, right? It's a foreign policy tool used by the institution that governs a certain place. And we can see how the United States has been using these sanctions forever, for a long time. The EU, for a long time, didn't; then it started, but it didn't do secondary sanctions. It went along with those and used sanctions only on the outside. And now it's starting to use sanctions on the inside, even against individuals, which is kind of the ultimate way a sovereign designates foe and friend—both outside and inside.

And this, again, is part of this silent sovereignty grab from the lower level. Because, of course, the EU is not a nation-state—Hungary is. But we're in this strange process where the Brussels center is taking away more and more sovereign rights. How do you see that? Do you think the European member states are going to let it happen—that more and more of this sovereignty goes to the EU without it ever being properly done through a referendum, or even through discussions—when, little by little, it just starts moving up to the higher level?

## #György Varga

I think we can see some efforts from certain European regional powers that are interested in concentrating the decision-making process in Brussels and taking away some opportunities from the national level, from the member states. They're using the opportunity of the Ukrainian war because, through the absolutization of this war, they can refer to the need to centralize our decision-making process. We should avoid using the veto right, because the European Union can respond to new challenges only in a more compact way.

It means we have a lot of slogans about how the European bureaucracy today is working against the sovereignty of the member states. And, as I said, the absolutization of the war—yes. And, according to my opinion, we shouldn't always think within the framework of absolutizing different wars or conflicts, because we're facing conflicts every day. The Greenland issue is coming, the Venezuela issue is coming, and other conflicts too. This is the history of humankind. And a big group of European politicians, in my view, would like to misuse today's war in Ukraine to centralize the European Union and turn it into a kind of United States of Europe or something like that. I think these concepts are fighting against each other, and I'm a supporter of the sovereign one.

## #Pascal

Yeah, I mean, I think a lot of people in Europe are, on the one hand, conscious that Europe needs to live together, so there needs to be some form of structure. On the other hand, Hungarians like to be Hungarians and Swiss like to be Swiss, and we understand that there's a difference. But this tension has always been there. Also, on the other hand, the process of trying to push everyone in the same direction—which, of course, is best for the top dog that tells everybody where to go—well, that top dog for the longest time used to be the United States. Now, for the first time, the top dog is kind of looking at the smaller ones and saying, "Hey, can I have that piece? Or I'm going to help myself to that piece." How do you think the Greenland issue—or, let me rephrase that.

The United States did a lot of things that are so obviously against international law—the rules that, you know, especially the Europeans like to profess, like sovereignty. I mean, the invasion of Venezuela, the war against—I mean, the 12-day war against Iran, what's happening, I mean, the genocide in Gaza, the way Iraq was invaded, the actions in Syria, the Golan Heights, and so on. There are so many examples of things that were clearly contrary to international law, and the EU somehow went along with them. But now it's going to be about their own plot of land. How do you think this is impacting them now? We're also looking at Davos at the moment.

## #György Varga

Yes, I think that with the Trump administration, political realism returned to international politics. And it was not a surprise to me, because under the Biden administration we saw a liberal approach to international relations—still driven by the national interests of the United States, but covered with moral reasons and a value-based approach. Today, the Trump administration is using a more direct approach based on political realism, and for me, that's not a surprise. My starting point in assessing the foreign policy of the American administration is always the same: the war in Ukraine.

From the point of view of the war in Ukraine, in my opinion, the Trump administration is playing a positive role because, already during the 2024 campaign and after coming to power, the president confirmed he wanted to end this war. Marco Rubio, the Secretary of State, said on March 6 last year that the war in Ukraine is a proxy war between the United States and Russia. For me, that was a very important turning point because it was crucial to recognize the basis of this war. After the declaration of this proxy war by the new administration, I felt calmer, because I believed we would enter a new phase and quickly move toward ending the war in Ukraine.

It didn't happen, and unfortunately it didn't happen because of the behavior of the European elite opposing the policy of the new U.S. president to end the war. As we realized on the 2nd of March—if I remember correctly, six weeks after President Trump came to power—the Coalition of the Willing was set up in London. And during this year, we can see the hesitation of the U.S. administration in either ending the war or supporting it. Because the U.S. has a double role in the war in Ukraine: the U.S. is a participant in a proxy war, as Marco Rubio recognized, and at the same time it's trying to be a mediator between Ukraine and Russia. And this double role, I think, is a very difficult task.

## #Pascal

So do you see it as an actual double role, or do you just think of it that way? Because other people are saying it's a farce, right? It's a cloak over reality. And the reality was admitted by Mr. Rubio: it's a proxy war. So if the war is still going on a year later, the logical conclusion is that the current U.S. administration is still willing to fight a proxy war. I mean, in a sense, they're not willing to give up—probably for leverage, right?

You continue the warfare because you haven't reached a diplomatic agreement—a mutual agreement on what would be a proper settlement for both sides. So you continue diplomacy by other means, right? As Mr. Clausewitz taught us. But if you interpret it as a problem of a double role, it's like, okay, on the one hand, we have people who still want to fight the proxy war. On the other hand, we have people like Mr. Trump who—let's be benign and say—actually want to end it. So how do you think this is working?

## #György Varga

As I said, I assess the situation from the point of view of the war in Ukraine. The new national security strategy of the USA, signed two months ago, is a positive step for me because it confirms the Monroe Principle. I can't say that this moral principle is an optimal tool for every country, but from the point of view of ending the war in Ukraine, it gives hope that if the United States considers the Western Hemisphere an exclusive sphere of interest, then it should also respect the legitimate security interests of other great powers.

We cannot expect Russia or China to respect the Monroe Doctrine in the Western Hemisphere without allowing them the right to pursue legitimate security interests in their own neighborhoods. This is a very big contradiction. We can recognize the legitimate interests of the United States in Cuba, but we cannot recognize the legitimate security interests of Russia in neighboring Ukraine. That's a major contradiction, and based on our experience from the Cuban Missile Crisis in 1962, the Soviet leader Khrushchev and Fidel Castro made a very sane decision to de-escalate the situation.

## #Pascal

Yeah, so when you're saying this gives you hope, you mean the hope not of a fair world—because obviously the Monroe Doctrine isn't fair—but the hope of avoiding a war among the superpowers, a nuclear war that could annihilate us all. I mean, you're hoping for that kind of realism, that there needs to be a balance in order to prevent an all-consuming Third World War?

## #György Varga

Yes, I think the basis of this current chaos should be eliminated. If the United States expects respect from other great powers in the Western Hemisphere, we cannot stabilize the world without granting

similar rights to those powers as well. The basis of today's chaos is that there are no rules. The United States claims the right to consider the whole Western Hemisphere as its own, but the Russian Federation cannot defend members of the Russian ethnic minority in Ukraine. And if you remember, we can compare the situation in Kosovo and the situation in Ukraine from the point of view of defending the rights of national minorities. The United States, from another continent, came to bomb the Serbs on behalf of defending the rights of national minorities in Kosovo.

But in the case of Ukraine and Russia, we refused the legitimate rights of the Russian Federation to do anything. And again, this shows the moral degradation of the collective West in a certain way, because I cannot understand why the European Union has been willing to tolerate the discrimination of national minorities in Ukraine. As a Hungarian, I have experience with our Hungarian minority group there, and every minority group suffers a lot in Ukraine after 2014. And Ukraine, as an associate member of the European Union and a future member, as we hear every day, I cannot understand why European politicians didn't force Ukraine to provide national minorities with the necessary rights, because it's also a security factor.

And I cannot understand the experts of the Council of Europe or the OSCE, the experts in the field of national minorities, NATO, or the European Union. A security policy expert should recognize that it's a very dangerous security factor if millions of people belonging to an ethnic group, or speakers of a different language, are treated as a security challenge. In the case of Ukraine, the neighboring country is a permanent member of the UN Security Council, a nuclear power, a great power. And this state will not tolerate the lack of minority rights in its direct neighborhood, just as the USA didn't tolerate the lack of minority rights on another continent in the case of Serbia.

## **#Pascal**

Yeah, I mean, this is the sad point where the acceptance or rejection of minority rights usually has something to do with the direct interests of the superpower, of the great power involved. And this is where all the accusations of hypocrisy, of course, are coming from. But, Ambassador Varga, this was very, very interesting. I thank you for all these testimonies and your analysis. For people who want to read more from you, is there a place where you regularly or occasionally publish?

## **#György Varga**

I try to be very passive. Sometimes, when I get nervous, I write. And I accept invitations, but I try to stay passive.

## **#Pascal**

Okay, okay. That means, everybody, if you start seeing a lot of articles from Ambassador Varga, you'll know we're heading into nervous times.

## **#György Varga**

I have some articles in German. They've appeared in Germany and Switzerland. And in Hungary, we have regional and national media outlets where I've published as well. But as I said, I'm not interested in a very high level of activity.

## **#Pascal**

In that case, I'll just invite you back here—maybe with a couple of other colleagues from the diplomatic service. It's always a pleasure to talk to diplomats.

## **#György Varga**

Of course, I won't refuse.

## **#Pascal**

Thank you. We'll have you back here. Ambassador George Varga, thank you for your time today.

## **#György Varga**

Thank you for the invitation again.