



# Weekly Briefing

**Hungary External Relations briefing:**  
**Hungarian External Relations**  
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## China-CEE Institute

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The 2018 Outlook of Hungarian External Relations already drew attention to the basic discussion topics of the year: migration, and the negotiations on the EU-budget. This week's briefing discusses these themes; however, it also touches upon the EU-integration process in the Balkans and the debate with Ukraine over its education reform.

**1. EU-budget. One of the most critical issues of the year 2018 for the Hungarian foreign policy is how to negotiate and what stand to take in the discussion related to the EU budget between 2020 and 2026.** In early February 2018, the V4+4 meeting was held in Budapest, where the Budget Commissioner, Günther Oettinger and the ministers responsible for cohesion policy and EU-funds of the V4 countries and Bulgaria, Romania, Croatia and Slovenia **agreed on the need for raising EU contributions in the future.** These countries are willing to raise their contribution to 1.1 percent of Gross National Income (GNI). The Hungarian Minister coordinating the Bureau of the Prime Minister, Mr. Lázár evaluated the meeting as a success, however, **it is not difficult to see that the Central and Southern European countries will remain net recipients of the EU-budget, i.e. they will receive more funds, than they must pay in the EU budget.**

Although Mr. Lázár strongly emphasized that all countries in the meeting expressed their wishes to become net contributors to the EU budget between 2020 and 2026, **the timeframe when they really become net contributors, cannot be specified yet, thus this wish, or promise of the respective countries is very vague.** At the same time, it was reinforced by the participants, that they agree on the approach of the President of the European Commission, Mr. Juncker, who strongly underlined, first the goals, then the financial tools have to be specified by the EU members.

A week later, Mr. Lázár told the media, Hungary is willing to raise its contribution to the EU budget to 1.2 percent of the GNI ratcheting up the

promise. (It must be added that currently this figure is at 0.89 of the GNI.) Despite the easily reached consensus of the V4+4 countries on the EU budget, **fault lines are already discernible in the V4 cooperation**, the meeting of the Slovakian and Austrian President demonstrated the **existence of latent disagreements on several questions** when the Mr. Kiska, the President of Slovakia stressed without mentioning countries that some of V4 members use the V4 cooperation for domestic political purposes. It seems to be clear that he must have referred to either Hungary or Poland.

On the other side, four net contributors (Austria, Sweden, the Netherlands and Denmark) have already indicated they are not willing to pay more contributions in the EU budget, although Germany agreed on larger EU-budget contributions, moreover this promise is part of the new big-coalition consensus between the CDU/CSU and the SPD. Despite German willingness to pay more, there are two elements that must be stressed:

- **The promise to raise the budget to 1.1 percent of the GNI only means keeping the size of the budget on the same level, since along with the Brexit there won't be any British contributions after 2020.**

- This week, the Financial Times published an article which claims, **the German government would link EU-funds to willingness of the EU-countries to share burden as for the migration crisis.** Earlier it was claimed EU-funds would be linked to the adherence to basic democratic values, however, it would be more difficult to put this proposal across. At the same, one must add, since the publication of the FT article, it became clear, that according to the German proposal, **those countries who don't agree on the mandatory allocation of refuges, won't be excluded from the system, but those, who participate in the system, would be rewarded by increased EU-funds.**

**2. EU-regulation of migration.** The Hungarian Foreign Minister, Mr. Szijjártó opened a new battlefield where Hungary is willing to go against mandatory migration schemes, when he told the media **Hungary could walk away from the United Nations' negotiations on migration.** The UN started

these negotiations this year aiming at reaching a binding-agreement(s). The reason for the Hungarian refusal is that according to the Hungarian opinion – based on the first draft – the pact would have a pro-migration stance. **The draft underlines that migration is a positive process and more or less unstoppable. This thought clearly goes against the sovereignty principle the Hungarian government has tried to enforce since the beginning of the migration crisis consequently.**

A similar approach can be observed in the negotiations on the proposed EU regulation of migration. In Bulgaria, that holds the EU presidency in the first half of 2018, **the Hungarian Prime Minister rejected the latest proposal of the European Commission which still includes the mandatory allocation of refugees in the EU countries. Mr. Orban emphasized Hungary has prepared an own proposal which focuses on border controls and not on the distribution of migrants.** He underlined the Hungarian basic law makes it clear, decisional authority on the distribution of migrants cannot be delegated to authorities that were not elected by Hungarian voters.

The migration issue is still on the table in many aspects, as referred in our briefing on domestic politics, the ‘stop Soros’ legislation proposal of the Fidesz, intends to rein in the activities of international organizations focusing on refugees. The proposal sparked a heated debate, but not only in Hungary, but abroad as well. 18 international (Greenpeace, Human Rights Watch etc.) and 237 national civil rights and refugee-organizations joined the communique adopted in Berlin, Germany this week. **Hungarian organizations would be most likely closed due to the expected fines, despite the fact their functions are already restricted, the organizations argue. That would stand in sharp contrast with the freedoms guaranteed in the basic law of Hungary, i.e. freedom of assembly, freedom of speech and freedom of movement.**

**3. EU-integration in the Balkans.** In Bulgaria, the Hungarian Prime Minister, Mr. Orban has put emphasis on speeding up the EU-integration process of the Balkan countries. He told the press, that ultimate decisions must

be taken with regard to the EU-membership of the Balkan countries. **He also underlined, especially Serbia and Montenegro are the countries whose EU-membership is to be supported by Hungary.** At the same time, he added not only the EU-membership of these countries is crucial, **but they must be connected to Europe infrastructurally as well. He said: “If there are no trains, no rapid trains, if there are no roads, motorways, political declarations won’t suffice, and the Balkans won’t be able to integrate with the EU-economy.”** The support of the EU membership of the Balkan countries from which four are candidate countries, two are potential candidates according to the European Commission, seem to be an integral element of the Hungarian foreign policy. **In our understanding there are two obvious reasons why the Hungarian government pursues his policy:**

- New countries in the EU would further diminish the influence of liberally thinking Western countries, moreover, Balkan countries would more likely accept and support Hungarian points of view on migration. Needless to say, the new enlargement wave would also put new countries between Hungary and the regions sending migrants toward Europe.

- Fast growing Balkan economies are potential for the Hungarian economy, the Hungarian economy could benefit from the inclusion of these countries, in particular, EU-funds could be used to connect these countries to Hungary.

**Until the Brexit, the Hungarian foreign policy concurred with the United Kingdom on EU-integrations issues, basically postponing – if it was possible – further steps leading to deeper integration. And now when the UK is about to leave the European Union, Hungary must find new allies (in addition to Poland, Czech Republic, in some question to Romania, Bulgarian and Croatia) since the negotiating power of integration sceptics has been weakening by the Brexit.**

**4. Education reform in Ukraine.** Over recent months, the Hungarian government has protested the new education law adopted by the Ukraine parliament last September, which restricts educational trainings in the native

language to the pre-school level, and first four classes in the elementary school. Not only Hungary, but Romania, and Poland took a similar stand on the issue. The resolution of the Venice Commission of the Council of Europe has found Ukraine's efforts to "promote the consolidation and development of the Ukrainian nation" legitimate, however, it urged the Ukrainian government to reconsider some elements of the legislation, since as it puts: "This criticism seems justified due to a number of reasons." The steps taken by the Hungarian government are in line with efforts to protect and help Hungarian minorities in neighboring countries, thus since the adoption of the new law, the Hungarian government block all Ukrainian integration efforts (in the NATO and in the EU).

**To sum it up, it is very likely that the Hungarian foreign policy won't be able to back out of this hard rhetoric on the migration crisis, it has been using lately, at least until the parliamentary elections in April. If there is no change in the rhetoric, and German proposal is adopted, Hungary must face the problem of significantly shrinking EU funds after 2020.**

**The inclusion of the Balkan countries in the European integration seems to be a strategic move of the Hungarian government since this way allies in several questions where the Eastern European mainstream differs from the Western European political dogmas, could be secured. However, even in this case, EU-funds, thus the consent of the net contributors (in particular that of Germany) is needed to include these countries, and to develop their infrastructure (vital for the Hungarian economic interests).**