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## HUNGARY IN EUROPE, EUROPE IN HUNGARY AHEAD OF THE HUNGARIAN EU CO PRESIDENCY

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## Summary

On 1 July 2024, Hungary will assume the rotating presidency of the Council of the European Union. It has never happened before that a member state assuming presidency was subject to an Article 7 procedure, nor that it had EU funds withheld from it due to serious issues concerning the rule of law. The government of Prime Minister Viktor Orbán is a key player in shaping the negative image of the European Union's as it is highly Eurosceptic in its communications, disrupts decision-making processes by using veto rights as blackmail, and uses the EU as a scapegoat in its domestic political communications. What makes the Hungarian presidency's situation much more controversial is that China, Russia, Orbán's illiberal political allies, or Putin-friendly regimes of the Western Balkans might be (among) its beneficiaries. While the details of the Hungarian government's official presidency programme are yet to be known, based on a number of background discussions and public information sessions held by government representatives over the last year, the four main priorities of the Hungarian Council presidency appear to be the following: improving defence capacities, managing demographical challenges, improving competitiveness, and advancing EU enlargement in the Western Balkans. These priorities cover policy areas that are undoubtedly important from a European perspective, but also enable Orbán's government to pursue its own interests. The heads of states and governments of the rest of the EU member states will have to make sure throughout the Hungarian presidency that the Hungarian government doesn't manage to appear on the international stage as the main representative of the EU or that of European values, and that Orbán's opportunities of profiteering from the presidency are minimalized.

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## Introduction

Today, in no small part due to years of anti-EU and anti-Western communications from the Orbán government, the European Union -- of which Hungary is a part of since 2004 -- is often viewed by Hungarians as something external, with which the Hungarian people must battle to preserve their ways. Hungarian citizens, especially the voters of the governing Fidesz-KDNP parties, tend to forget that the EU is not “them” but “us”, EU matters are Hungarian matters, and that there was (and still is) a common interest which prompted Hungary to join the EU. In fact, PM Viktor Orbán and his parliamentary group voted for the EU accession in 1994, worked hard on a smooth accession, and the official position of the now governing parties is still that Hungary’s EU membership is necessary and “Huxit” aka. Hungary leaving the EU, is off the table.

Regionally, the EU has been struggling to maintain its image in Central and Eastern European enlargement countries through the last 20 years, some events, including the 2008 recession, the immigration crisis, Brexit, or Hungary’s Eastern[1] Opening strategy and the following Eurosceptic trend contributed to this phenomenon. In some CEE countries, the EU is viewed as a “piggy bank” and in the eyes of citizens of said countries the sole function of the EU membership is financial gain. Others view the EU as a trade agreement, dismissing the need for shared values. Some go as far as to question the need to be an EU member, advocating leaving the European Union; a view that was made all the more popular by the otherwise rather disastrous Brexit.

Unfortunately, the Hungarian government is a key player in shaping this negative image of the European Union’s as it is highly Eurosceptic in its communications, disrupts decision-making processes by using veto rights as blackmail, makes deals with unfavorable partners outside of the EU such as Russia, and uses the EU as a scapegoat in its domestic political communications. As there will be “double elections” in June 2024 in Hungary, where, for the first time ever, municipal elections and EP elections will be held on the same day, Orbán’s communications machine is already working hard on its large-scale anti-EU election campaign. Coincidentally, Hungary is set to take on the presidency of the European Council in July 2024, which leaves many decision-makers guessing what the self-appointed troublemaker of the European Union will do with this position.

As this is the 20th anniversary of Hungary’s accession into the European Union, and the first time Hungarian citizens born inside the EU get to vote in an EP election, it’s timely to explore the Hungarian public opinion regarding Europe and the European Union. Additionally, inspecting the issue of the Hungarian Council presidency ahead of the presidential term may help both Hungarian experts and foreign readers lift the veil of uncertainty as to what Hungary’s presidency might mean for Europe.

## PART I – Europe through the Hungarian public's eye

### Hungary's journey into the EU

After the regime change of 1989, the political will to join the European Union was strong in Hungary. After a few years of discussions and negotiations, in 1994, the Hungarian parliament officially decided: Hungary seeks a place in the EU. Thus began a ten-year period of preparation and negotiations which culminated in the Hungarian EU accession on May 1st, 2004. The referendum on EU accession took place in 2003, where 84% voted in favor of the accession. However, the turnout for this referendum was only 46 percent. Compared to the General Election turnout of 2002, which was over 70%, the turnout in the referendum was considerably low. While the "EUphoria" of joining the Western world was undeniable, the low referendum turnout left many feeling a little sour, especially the governing coalition of the Hungarian Socialist Party and the Free Democrats, who were campaigning heavily for a high turnout and an overwhelmingly positive vote in favor of the accession[2].

### Public interest in the European Union

The low referendum turnout had a long-lasting effect. It is often referenced to this day by Eurosceptics who seek to question the legitimacy of Hungary's accession, or its place in the EU.

The fact that Hungary produced an even lower, 38,5 percent turnout in the 2004 EP elections, just one month after the accession, further fuels this sentiment. While EP elections generally have lower turnout than national elections across Europe, Hungary has always underperformed in EP voter turnout compared to the European average (The EU average EP voter turnout was 45,5% in 2004, the year of the Eastern Accession). This is further contrasted by Hungary's high national election voter participation, which is usually around 70%.

Over the years, Hungarian EP voter turnout always underperformed the EU average (see figure 1.), though not among fellow Eastern Accession countries such as the V4, where EP turnout has been similarly low, if not lower.

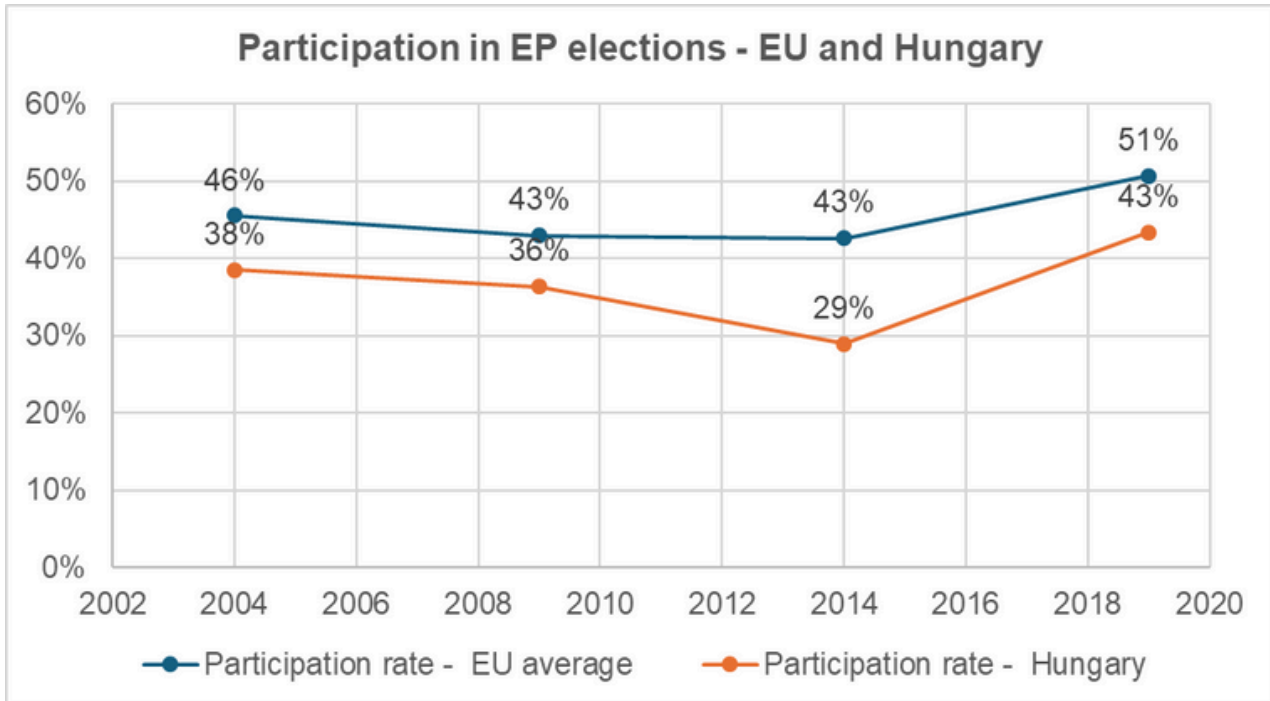


Figure 1.: Hungarian participation rate in EP elections has always underperformed the EU average. Source: <https://results.elections.europa.eu/en/turnout/>. Visualization: Work of the authors.

This relatively low interest could be attributed to a number of different factors: The weak democracy culture of a post-socialist country, the low relative weight of Hungary in EU decision-making, the lack of information and education regarding European affairs, or the perception that the results of the EP elections have low direct influence on domestic politics (which is due to lack of communication regarding the influence of EU institutions in Hungary). The lowest turnout was observed in 2014, due to the national elections taking place just months prior to the EP elections, and voters having election fatigue. Overall, the EP voter turnout stagnated since Hungary’s accession in 2004, unaffected even by the increasingly Eurosceptic communications of the Orbán regime. European Elections in Hungary mobilize only the core voters of political parties and can serve as a large-scale public opinion poll as well as a bartering chip ahead of the next national election, especially among the opposition parties, who are pressured to cooperate in national elections by the often-amended and fine-tuned electoral system of Fidesz-KDNP.

## Public image of the European Union

The changing public image of the European Union in Hungary doesn’t necessarily correlate with the EP vote turnout. Perhaps the most straightforward way to measure the public image of the EU is to look at public support of Hungary’s EU membership (see figure 2.).

## Hungary in Europe, Europe in Hungary – Ahead of the Hungarian EUCO presidency

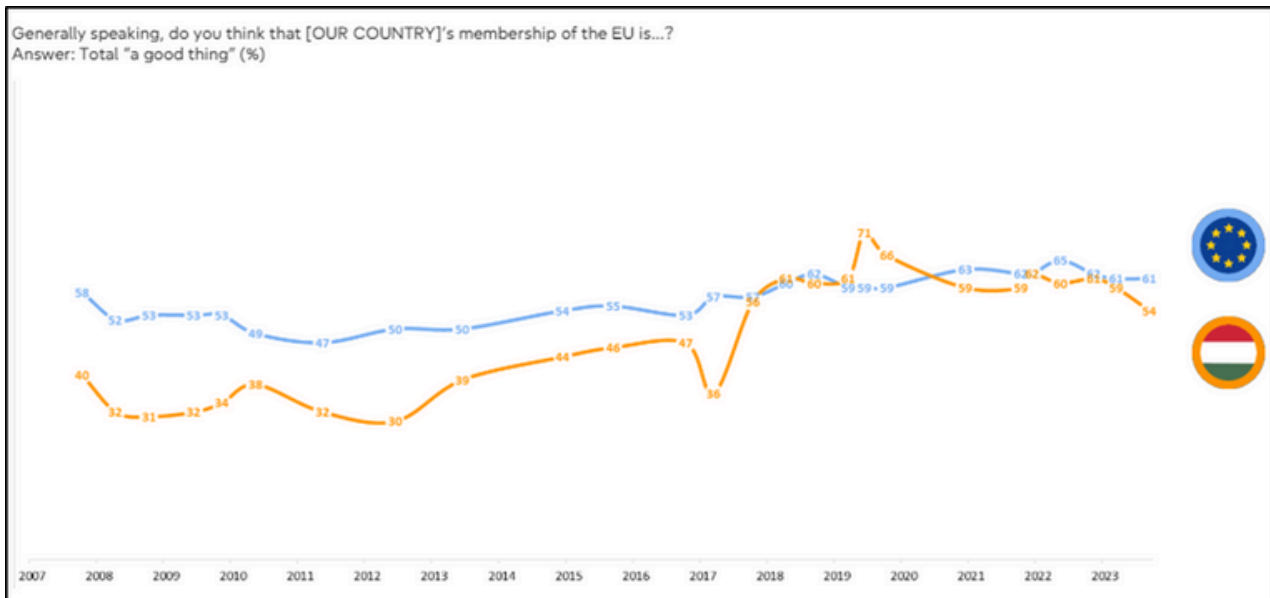


Figure 2[3].: Support for country EU membership, Hungarian and EU average. Source and visualization: Eurobarometer, <https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2024/socio-demographic-trends-national-public-opinion-edition-10/hu-sociodemographic-trends-2024.pdf>

Overall, the Hungarian support for EU membership is lower than the EU average, but it generally increased since the first measurement in 2007. In fact, it rose most during the Orbán regime. The upward trend began around the same time the Hungarian government introduced its “Eastern Opening” strategy in 2012, which is the foundation of its much-criticized collaboration with competitors of the European Union, such as Russia and most recently, the Middle East. 2012 was the year when Hungarian support for the European Union membership was at an all-time low: After the years of the 2008-2010 economic crises, felt heavily by Hungarians, in 2012 only 30% of Hungarians considered Hungary’s membership a “good thing”. After years of slowly growing EU support, the greatest dip was observed in 2017, when in less than one year, support for EU membership fell 11%, from 47 to 36 percent. This was the year of the Orbán governments largest anti-EU campaign, the “Soros-plan” campaign, which suggested that George Soros controls the EU to flood Hungary with illegal immigrants. This goes to show how much damage can be done by a nationalist government and a few million euros spent on anti-European propaganda. Luckily the recovery in EU support was similarly quick (showcasing the volatility and susceptibility of public opinion). In the 2018 national and 2019 EP elections, European values were a part of the opposition election campaigns, and the government tuned down on the anti-EU campaign material, which saw an increase in support of EU membership. The lackluster initial response of the EU regarding the COVID-19 pandemic led to a slight decrease in EU support, but Russia’s invasion of Ukraine initially stabilized it, as being part of the West seemed a preferable alternative to close ties with the aggressor Russia.

In 2023, however, the government set its sight once more on Brussels in their new election campaign for local and European elections and EU support fell 5 percentage points in six months. The damage of this anti-EU campaign and the complementing pro-Kremlin propaganda will only be seen in the upcoming years.

Despite it all, when asked how Hungarians would vote on an EU referendum now, all research shows a sizeable if not overwhelming majority of pro-EU voters. Republikon Institute asked 5000 Hungarians in 2021, where over 75% stated that if there were a new EU referendum, they'd vote to stay in the EU[4]. In May 2024, Závecz Research measured that 77% of Hungarians believe Hungary's EU membership is "advantageous", though among pro-government voters, this is only 64%[5]. However, this same research pinpoints an important problem: 71% believe that EU membership is beneficial mainly because of the money received from the EU, and when asked about Hungary becoming a net contributor, only 45% of respondents think Hungary should stay in the EU (35% of government voters and approximately 54% of opposition voters would want to remain members as net contributors)[3]. This shows that the EU membership is all about EU funds for most Hungarians. It's understandable considering the government doesn't invest in pro-EU campaigns, but spends millions on the opposite, and because of this, the only time Hungarians hear about the EU apart from anti-EU propaganda is from billboards next to new schools or playgrounds showcasing how much EU money went into developing their neighborhood. This brings some bittersweet results. Similar to the support of EU membership in general, the number of people deeming Hungarian EU membership "advantageous" has steadily increased in these 20 years (see figure 3.). This is likely related to the billboards advertising EU funded projects across the country (among other factors), resulting in the EU being perceived as a piggy bank instead of a community based on shared values.

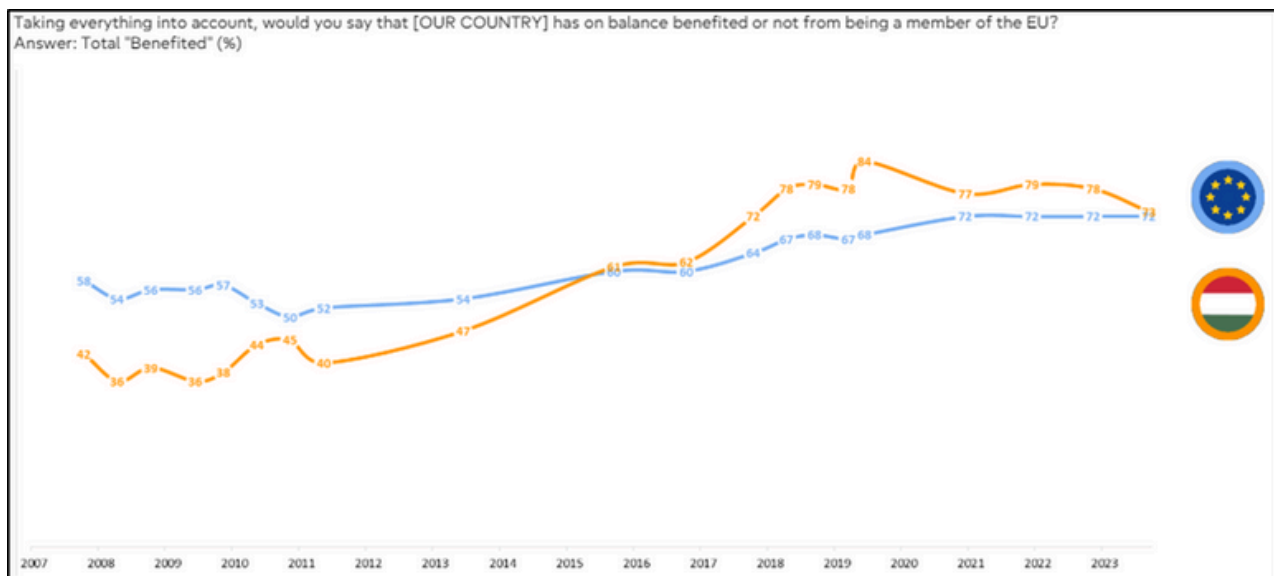


Figure 3[7].: Benefit of EU membership., Hungarian and EU average. Source and visualization: Eurobarometer, <https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2024/socio-demographic-trends-national-public-opinion-edition-10/hu-sociodemographic-trends-2024.pdf>



The data shows us that Hungarians, as net beneficiaries in the EU, think EU membership is advantageous. In fact, Hungary has been above EU average for 9 years in this regard, only converging again with the EU average in 2023. Support for the EU membership is much lower than the amount of people seeing the benefit of Hungary's EU membership, which means many Hungarians consider this a forced marriage built on money. The data shows that around 20% of Hungarians don't support the EU membership but consider it overall beneficial.

Hungary's EU accession was 20 years ago, which means the newest generation of Hungarian voters were already born "in the EU", and this month is the first time these voters will vote on an EP election. It is important to note that the political and democratic socialization of these young voters took place within the confines of the Orbán-era, during the Soros-campaign, the pandemic, the economic and energy crises, and Russia's invasion of Ukraine. Never has it been so difficult to access veritable information about the European Union and its mission. The next generation of voters never experienced the "EUphoria" of becoming part of the international community, nor have they observed a change in government. Democracy and citizenship were weeded out of the school curriculum[8] and political fault lines ran deep enough to break close family bonds. It has never been more important to give Hungarians a sense of belonging and choice, embodied by the European community.

"Brussels" has been in the center of Viktor Orbán's Eurosceptic campaign as an external threat. This necessitates a deeper look into the upcoming Council presidency of Hungary when Orban's government is responsible for driving forward "Brussels" word on important legislation.

## PART II – EU Council presidency of Hungary

On 1 July 2024, Hungary will assume the rotating presidency of the Council of the European Union, but at the time of writing, we know very little of what the Hungarian presidency will actually bring along for the European Union, its member states, and its partners. The second six months of 2024 appear to be extraordinarily unpredictable for Europe and for the rest of the world from a political perspective for several different reasons. June's European Parliament elections and the period of institutional uncertainty they are expected to entail befog the nuances of the 2nd half of the year, while the unforeseeable developments of Russia's unprovoked and unjustified war of aggression on Ukraine and of the Israeli-Hamas conflict may have serious effects on European politics that can hardly even be speculated in advance. Moreover, while Europe is focusing with one eye on its own political developments, it keeps its other eye on the United States because the results of the presidential elections in November can have a massive impact on the "old continent", too. Notably, Hungary's presidency would be rather unique even in the absence of the above-listed uncertainties: it has never happened before that a member state assuming presidency was subject to an Article 7 procedure, nor that it had EU funds withheld from it due to serious issues concerning the rule of law.

### European concerns regarding Hungary's presidency

The presidency of the Council of the European Union has two main tasks: "planning and chairing meetings in the Council and its preparatory bodies (with the exception of the Foreign Affairs Council), and representing the Council, mediating and brokering compromises between the EU member states and between EU institutions[9]". Without belittling the significance of the presidency, it can be stated that the role is largely symbolic. European institutions function and cooperate, and the Council and preparatory bodies meet and confer regardless of which member state assumes the presidency, and when it comes to "mediating and brokering compromises", it is a task usually carried out not by the representatives of only one member state, but by the representatives of many, depending on the case, with the population-wise biggest and economy-wise strongest countries of the EU playing a key role. Symbolism, however, has been central to the concerns regarding the Hungarian presidency: in simple words, there are deep worries about a government taking over the presidency that has long been pursuing a line of communication extremely hostile to Brussels; that has often gone against the will of the rest of the EU member states in issues of both practical and symbolic significance (such as supporting Ukraine, or introducing further sanctions against Russia[10]);

that has notoriously made gestures towards authoritarian regimes at the expense of embracing European values[11]; and that is, as noted above, a subject to an Article 7 procedure, and to the rule of law conditionality regulation due to serious concerns regarding the rule of law and to systemic corruption. There are no questions about the Hungarian government's ability to manage the administrative tasks of the presidency; the question is whether such a government could be a credible president of the Council of the EU. On 1 June 2023, the European Parliament adopted a resolution[12] (with 442 votes in favor and 144 against) that raised the same concern, and the Hungarian government's actions and communication since then haven't dispelled the doubts.

In fact, Hungarian government officials have repeatedly confirmed that Prime Minister Orbán's cabinet has no intention to change any of its controversial positions due to the presidency, and the government should not be expected to tone down its divergent communication either. As State Secretary for International Communication and Relations, and government commissioner in charge of the preparation and implementation of the operational tasks of the presidency Zoltán Kovács told the press "We know our role and duties concerning the presidency, but it doesn't mean that Hungary is not going to speak out for its own position (...) Just because we're presiding doesn't mean we will give up our own position (...) Working out the consensus doesn't mean we give up ours"[13]. Regardless of the Hungarian presidency's performance it is predictable that if the Hungarian government doesn't at least tone down its conflict-seeking communication towards the EU it will seriously harm the EU's image; also, if the member state holding the presidency vetoes joint decisions it would shed an extremely bad light on European unity.

The damage a Hungarian presidency could do to the European Union has long been seen by many European political actors; a major sign of those concerns was the above-cited resolution adopted by the European Parliament in 2023 (whose main statement on the doubts about the Hungarian presidency was reiterated in another resolution[14] in January 2024). As Hungary will assume the presidency in July, it is becoming too late to prevent it from happening, but it is worthy of recalling that the European Council could have kept Hungary away from it. Over 2023, particularly following the adoption of the EP resolution, the question whether Hungary would lose its presidency was widely debated both at the national and at the European level. Members of the Hungarian cabinet[15] claimed that such step was impossible, but legal experts thought otherwise. According to a study published by the independent Dutch organization on European legal matters The Meijers Committee[16], for example, the Hungarian presidency could have been prevented by the European Council through introducing a general rule that a member state that is subject to an Article 7 procedure, or faces budgetary conditionalities due to concerns about the rule of law, that member state should be delayed in holding the presidency.

Another potential method of not letting Hungary assume the presidency could have been the moving forward of the Article 7 procedure. The procedure was triggered against Hungary by the European Parliament in 2018, and it can theoretically lead to the suspension of Hungary's voting rights in the European Council. For such a decision to be made either nine member states (one third of the member states) or the European Council itself should request a vote, but that hasn't happened yet. For long, one of the main reasons why no vote was initiated in Hungary's case was the alliance of the Hungarian governing party Fidesz-KDNP and Polish governing party Law and Justice (PiS), especially because Poland was also subject to an Article 7 proceeding (since 2017). With Hungary and Poland protecting each other's interests in the European Council, it seemed impossible to reach the unanimity required for revoking a member state's voting rights, and the governments of the rest of the EU members states weren't enthusiastic about jumping into a political endeavor that was almost certainly bound to fail. However, the Polish opposition's success in the 2023 parliamentary elections, as a result of which PiS fell out of government, changed the landscape as the Hungarian government lost its most important European ally. While some governments, the Italian and the Slovakian one in particular, are still unlikely to support the measures against Hungary, chances of a successful Article 7 procedure have increased. Still, the European Council didn't show any willingness to pursue the proceedings and seek a vote, and the Article 7 procedure is still stuck in its 1st phase.

### The Hungarian presidency's priorities

Despite all the controversies discussed above, Hungary is expected to assume the presidency of the Council in July, but the Hungarian presidency's official priorities and program are not going to be published before the second half of June. According to Minister for EU Affairs János Bóka the government's decision of not releasing the official presidency plans until the last minute is not unusual, and the cabinet doesn't want the program to be caught up in the campaign of the European Parliament elections either[17]. While the details of the Hungarian government's official plans are yet to be known, cabinet members have shared pieces of information on what they expect to be in the presidency's focus. Based on a number of background discussions and public information sessions held by government representatives over the last year the four main priorities to be identified are

- improving defence capacities,
- managing demographical challenges,
- improving competitiveness, and
- advancing EU enlargement in the Western Balkans.

These priorities cover policy areas that are undoubtedly important from a European perspective, but it is also apparent that they are of key importance to the Hungarian government. It is hard not to see the Orbán cabinet pursuing its own interests when placing these four fields in the Hungarian presidency's focus.

### **Improving defence capacities**

Russia's invasion of Ukraine in 2022 gave a major push to the European defence industry: national governments sharply increased their defence spendings, and consequently, the stock prices of major European arms manufacturers skyrocketed[18]. Yet, the European Commission is still far from being satisfied with the state of the Union's defence industry and with the member states' methods of improving their respective capacities. In March 2024, the Commission published its new European Defence Industrial Strategy "to enhance and support the Member States' efforts to invest more, better, together, and European"[19]. It is clear that defence is going to be in the focus in the EU's attention in the coming years, and even though the recently launched European Defence Industrial Programme provides merely €1.5 billion in financial support from the EU budget over the period 2025-27[20], an amount not too big when it comes to defence spending, but Commissioner for Internal Market Thierry Breton has already signaled that his intention is to set up a much larger fund, "even probably in the amount of €100 billion"[21].

Apparently, the Hungarian presidency's planned priority of improving defence capacities is in line with the European mainstream, but it is worth taking a look at what benefit the Orbán government may seek from it. Arms procurement has been high on the Hungarian cabinet's priority list for years; between 2017 and 2021, Hungary purchased and ordered weapons from Germany for €2.36 billion, which made Hungary the biggest spender on arms in Germany in the period. However, the government's aim is not only to purchase weapons, but also to manufacture them. Germany's largest defence company, Rheinmetall has become the Hungarian government's strategic partner: the firm opened a factory in the Hungarian city of Zalaegerszeg in 2023, and two further factories are planned to be built in the very near future in Kaposvár and Várpalota. The factories will primarily manufacture armored fighting vehicles and ammunition. Notably, Rheinmetall is also in business partnership with 4iG, a largely Hungarian state-backed infocommunications giant, which used to belong to Hungary's richest oligarch, Lőrinc Mészáros. In 2022, Airbus Helicopters Hungary, a company co-owned by Airbus Helicopters and the Hungarian state opened its helicopter factory in the town of Gyula. In 2022, the Hungarian government announced the purchase of 12 jet trainer aircrafts from Czech Aero Vodochody; interestingly, the aeroplane manufacturer had been purchased only a year before the deal by Kristóf Szalay-Bobrovniczky with a state-guaranteed and state issued loan.

A year later, Szalay-Bobrovniczky was appointed minister of defence. Improving European defence capacities is certainly a legitimate priority for a presidency, particularly under the current global circumstances, but it is very likely that for the Hungarian government seeking financial gains is at least as important as strengthening Europe.

## **Managing demographical challenges**

The priority of ‘managing demographical challenges’ is practically an umbrella term, and a sort of disguise to cover two issues that have long been core to the Fidesz-KDNP governments’ political narrative: migration and family policies. Although it is unknown what exact practical measures the Hungarian presidency would take in order to advance the topics within the EU, it is certain that at the level of communication the Hungarian government will (as it has already done) place them in opposition to each other. For several years, cabinet members and Fidesz-affiliated public figures have been communicating about migration and family support policies as two different and virtually incompatible policy approaches combatting the decline of Europe’s population: George Soros and his loyal (or well-paid) inferiors in Brussels allegedly aim to handle the demographic challenge by settling large groups of Muslim immigrants in Europe, but Orbán and his party would rather incentivize starting families and bearing more children, as the often repeated explanation goes. “[Some] think that population decline can be stopped by the relocation of the foreign peoples of faraway lands. But in reality, mass migration, the millions brought here by Willkommenskultur mean the global plan of the settling of the new working class. These ideas and the politicians who possess them don’t take the cultural aspects of demography into account. (...) Here in Europe, where peoples live on thousand-years-old and cultural grounds, this is the most important dimension of migration. Over here, migration is a question of identity”[22], as Orbán himself explained in his speech at the Budapest Demographic Summit of 2021.

Demographic Summits take place in Budapest every two years since 2015, and they probably provide the best guideline to understand what one can expect from the Hungarian presidency on the demographic priority’s front. The Summits are major international events where Orbán hosts his close political allies from around the globe[23] with the primary aim of spreading fear about migration and praising the Hungarian government’s family policies attempting to incentivize the starting of families. The events are of high political relevance for the government for two main reasons: first, emphasizing the need for supporting families (which, in the context, means hetero-normative, traditional, and ideally Christian families) is the only strong positive political message Fidesz-KDNP operates with.

Second, the large-scale international events showcasing heads of states and governments from around the world supporting the Hungarian government serve the purpose of strengthening Orbán's image as a globally acknowledged leader of the conservative right, who stands as an example not only in Europe, but also on the other side of the Atlantic[24]. It is logical to assume that the Hungarian presidency will attempt to seek similar benefits from the priority of 'managing demographical challenges'.

## Improving competitiveness

Similarly to managing demographic challenges, the priority of improving European competitiveness appears to be a legitimate priority for a Council presidency; however, from the Hungarian government's perspective, competitiveness has a special semantic domain. Since Russia's war of aggression on Ukraine, the Orbán government has continuously been claiming that the EU sanctions against Russia are botched, and primarily pose a threat to the European economy as they hurt the community's position in the global competition. Over the course of 2023 and the first half of 2024, the narrative has only broadened and become even more prevalent in the government's communication. As Minister of Foreign Affairs and Trade Szijjártó put it in May 2024: "the botched measures taken in response to the armed conflict amounted to a 'deep blow' from a competitiveness point of view, energy prices and inflation skyrocketed as a result of the sanctions"[25]. In general, the government considers the European Union too much ideologically driven when it comes to making economic decisions; as Szijjártó explained in the same interview: "...the other main source of problems is that the EU keeps applying an ideological approach to economic issues, and as a result of that, the world is again on a road towards the emergence of blocs, which also hinders economic growth"[26]. The Hungarian government has demonstrated well over the recent years what an ideology-free approach to competitiveness and economic growth means to them: a virtually uncritical cooperation with China or Russia, even at a time of war. It has also been proven that the Hungarian government's approach to European competitiveness comes from its own interests. Over the recent years the cabinet has officially set as a target for Hungary to become a "battery superpower": Hungary has lured vast foreign direct investment in the field by creating a very friendly political and regulatory environment and providing large subsidies to the investors. As a result, the number of battery factories already built, under construction or in planning in Hungary is above 30, and in 2023, China became Hungary's single biggest investor[27] primarily through the arrival of major Chinese battery manufacturers in the country. The popping up of battery factories in Hungary has given rise to severe political and environmentalist criticism, but those are not subjects of the current study.

It is very important from a European competitiveness point of view, however, that after the Hungarian government had put almost all its eggs in the same battery basket, the spring of 2024 brought rather worrying news from the market: the sales of battery electric cars plummeted both globally and in Europe[28]. Minister of Economic Development Márton Nagy knows that this development could be detrimental to the Hungarian economy, and he chose to urge action at a European level. In February, at the informal meeting of EU ministers in charge of competitiveness, Nagy “emphasized the need for the European Union to initiate a widespread support program aimed at boosting electric vehicle adoption across member states”[29], and two months later, at an economic forum held in Debrecen, he elaborated that “... the infrastructure must be developed, hundreds of thousands of electric charging stations are needed (...) as if Europe had forgotten to build a network (...) ... this is the most important economic question for Hungary, to which [the government] will give a new boost during the Hungarian Council presidency”[30].

While the Hungarian government’s suggestions towards the EU on supporting e-mobility can actually have legitimate positive consequences for the community, it is difficult not to see that Hungary has invested huge funds in an industry, and now it is asking for the EU to allocate funds to boost the market of what that industry produces. It is very much possible that under the priority of improving competitiveness, the Hungarian presidency will attempt to advance a less ‘ideologically driven’, and more pragmatic European approach towards cooperating with autocratic regimes and will support EU programmes that are beneficial for the Chinese battery investment based Hungarian economy.

## **Advancing EU enlargement in the Western Balkans**

As the Hungarian government hasn’t published any official foreign policy strategy for more than a decade, it gained significant media coverage when in 2023, PM Orbán’s political director, Balázs Orbán (not related to the PM) wrote an article in a Fidesz-affiliated media outlet based on a strategic briefing in late 2022 given by the Prime Minister. According to Balázs Orbán the Prime Minister’s vision is that Hungary would catch up with the more developed states and would “reach a regional middle power status within Central Europe”.

The idea of becoming a regional middle power was never fully clarified, but in practice, it certainly includes the spreading of the Hungarian sphere of influence in the Western Balkans. This strategy includes various cooperations with political and business actors in the region, but Orbán’s strong alliance with Serbian President Aleksandar Vučić, and with the separatist Bosnian Serb president Milorad Dodik are certainly among the most important and most controversial ones.



Through cherishing his Serb connections, Orbán clearly follows the Russian path[31]. Vučić is a strong political ally of Orbán's on a number of policy issues including migration and the approach to the war in Ukraine, while the Hungarian government provided a €110 million loan to Republika Srpska, one of the two entities of Bosnia and Herzegovina, with an interest rate of only 5%[32], and spent millions of euros in Republika Srpska officially within the framework of an economic development program, which, according to local analysts, was practically a donation to Dodik's election campaign[33]. When the Hungarian government argues for the EU integration of Western Balkans states, it does so knowing that the enlargement in the region would result in states joining the community that could be Hungary's allies when it comes to conflictual issues such as the state of rule of law, or the EU's approach to Russia and the war in Ukraine.

It is also noteworthy that while the Hungarian presidency would prioritize enlargement towards the Western Balkans, government officials don't even mention Ukraine and how Brussels could support Kyiv on its path towards the EU. The Hungarian government was fiercely against providing Ukraine candidate status, and Hungary's representatives keep hindering Ukraine's accession[34], thus it is not too far-fetched to expect the Hungarian presidency to be an obstacle in Kyiv's way, too. According to Politico's report[35], the current Belgian presidency is working hard to make it possible for EU-Ukraine accession talks to begin before Hungary assumes presidency on 1 July.

## Conclusions on Hungary's Council presidency and the EU's approach

As elaborated above, the Hungarian presidency has a potential to cause a serious damage to the image of the European Union. This danger has long been clear for several political actors within the EU institutions, but apparently, there was never enough political will within the European Council to take meaningful action in order to prevent Hungary from assuming Council presidency. Once again, the short-term interest of not causing any serious disturbance within the community by taking unprecedented measures in response to the unprecedented behavior of the Hungarian government outweighed the relatively longer-term dangers.. The EU's "Hungary problem"[36] will never go away by making more and more compromises.

As pointed out above, the priorities of the Hungarian presidency – at least according to our knowledge at the time of writing – may very much seem to be in line with the European Union's interests, but they clearly serve the Hungarian governments interests, too. This, of course, is not a problem per se: why couldn't a government prioritize issues important for them as long as the entire community can benefit from them? What makes the Hungarian presidency's situation much more controversial is that China, Russia, Orbán's illiberal political allies, or Putin-friendly regimes of the Western Balkans might be (among) its beneficiaries. The heads of states and governments of the rest of the EU member states will have to make sure throughout the Hungarian presidency that even in its temporary position of special importance the Hungarian government doesn't manage to appear on the international stage as the main representative of the EU or that of European values, and that Orbán's opportunities of profiteering from the presidency are minimalized.

## Footnotes

- [1] The second Orbán government's economic strategy ran under the project name „Eastern opening strategy”, it features the economic vision of the Fidesz-KDNP government, including revitalizing Hungarian relations with Russia, China and the Middle-East. The specifications of this strategy feature extensively in: Parliament Decision 1/2014 (I. 3.) on National Development 2030 - National Development and Spatial Development Concept, Hungarian url: <https://net.jogtar.hu/jogszabaly?docid=a14h0001.ogy&xtreferer=a1600007.nfm>
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- [6] Ibid.
- [7] European Parliament (2024): Eurobarometer Socio-Demographic Trends, 10th Edition (2007-2023), Hungary. Available online, url: <https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2024/socio-demographic-trends-national-public-opinion-edition-10/hu-sociodemographic-trends-2024.pdf>
- [8] Compared to the 2006 curriculum, citizenship has been removed from the main areas of competence, in 2018, society, citizenship and economic literacy were removed from literacy goals, and teachers' professional independence and flexibility have been excessively restricted by law. See Chrappán (2021) – The evolution of NAT between 2010-2021. url: <https://akjournals.com/downloadpdf/view/journals/2063/31/1/article-p30.pdf>
- [9] European Council – Council of the European Union (2016)
- [10] For instance: Euronews (2024/I)
- [11] In 2024, Hungary celebrates the 20th anniversary of its EU accession, but the government failed to commemorate the event; moreover, on 9 May, Europe Day, Prime Minister Orbán welcomed Chinese President Xi Jinping in Budapest, further deepening the ties between China and Hungary. Euronews (2024/II)
- [12] “[the European Parliament] ...questions how Hungary will be able to credibly fulfil this task in 2024, in view of its non-compliance with EU law and the values enshrined in Article 2 TEU, as well as the principle of sincere cooperation” – European Parliament (2023)
- [13] Euronews (2024/III)
- [14] European Parliament (2024)
- [15] For instance: „Member states' rights to the rotating presidency of the European Council are decided in a unanimous vote. The EP has no say in the matter (...) Those with real weight on the matter have never even contemplated the idea that Hungary should not be allowed to fulfil its role.” Varga (2023); “I cannot imagine it [postponing the Hungarian presidency]. Legally it cannot happen at all, although nothing's impossible in politics, so only because something is legally impossible, it can still happen politically, but I can't imagine it happening. This idea is not supported by any member state.” Navracsics (2023)
- [16] The Meijers Committee (2023)
- [17] Bóka (2024)

[18] The Economist (2023)

[19] European Commission (2024)

[20] European Commission, Defence Industry and Space

[21] Breton (2024)

[22] Orbán (2021)

[23] For instance, keynote speakers of the latest, 2023 Demographic Summit were, among other, Italian Prime Minister Giorgia Meloni, Serbian President Aleksandar Vučić, Bulgarian President Rumen Radev, or Christian-conservative evangelist Nick Vujcic - Demographic Summit (2023)

[24] In 2021, former US Vice President Mike Pence was one of the keynote speakers of the Summit. As Fidesz-affiliated press proudly reported for long after the event, in his speech, which was primarily anti-abortion, Pence “long praised the Hungarian government’s family policy, and called Viktor Orbán’s step of placing family policies in the focus of his governance brave” – Magyar Nemzet (2021)

[25] Szijjártó (2024)

[26] Ibid

[27] Szijjártó (2023)

[28] Automotive News (2024)

[29] Kovács (2024)

[30] Nagy (2024)

[31] Among many others: President Vučić recently called President Putin’s Russia Serbia’s “true friend” [Tass (2024)], while President Dodik reassured the Russian president this February of the Bosnian Serb Republic’s “good relations” with Putin and Russia, and reaffirmed that Republika Srpska would not join any Western sanctions against Moscow [Radio Free Europe (2024)].

[32] Radio Free Europe (2022)

[33] Radio Free Europe (2021)

[34] For instance: Euronews (2024/IV)

[35] Politico (2024)

[36] Nguyen (2024)

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