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On the project

Euroscepticism and the European Parliament elections in 2014, the EU's Neighbourhood in light of the Ukraine crisis and power relations in the EU: The EU-28 Watch project is mapping out discourses on these issues in European policies all over Europe. Research institutes from all 28 member states as well as Iceland, Macedonia, Montenegro, Serbia and Turkey give overviews on the discourses in their respective countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in March 2014. Most of the 33 reports were delivered in June 2014. This issue and all previous issues are available on the EU-28 Watch website: www.EU-28Watch.org.

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Hungary

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1. Euroscepticism and European Parliament elections

Krisztina Vida PHD

Competing EU models coupled with national interests to be represented at the EU level

The year of 2014 is a year of three successive elections in Hungary, therefore the European Parliament election has been considered as an important stage between the national election in April and the local election in October. This is the reason why the competition among the parties, and especially the race for the second place behind the ruling centre-right FIDESZ-KDNP, which enjoys the support of the overwhelming majority of the electorate, was a dominant issue in the campaign.

Beyond this natural phenomenon however, the emphasis on European issues definitely increased in comparison to 2009. The relation of the parties to the European Union came to the forefront of this year's campaign. At least four approaches to EU integration could be identified during this campaign: a United States of Europe would be favoured by a small left wing party the Democratic Coalition (DK), a more efficient EU of nation states is advocated by the centre-right alliance of FIDESZ-KDNP, an EU built on solidarity and sustainability would be preferred by the eco-oriented Politics Can Be Different (LMP), while eventually leaving the EU would be an option for the far right and eurosceptic Jobbik.

Such explicit ideas on European integration did not appear in 2009, when the campaign was undoubtedly more dominated by domestic political themes. Furthermore, EU level and national issues became intertwined and the candidates increasingly exposed specific topics that they would represent in the European Parliament. Those included fighting for a European minimum wage with a view to reaching a faster wage convergence, defending the Hungarian agricultural land from speculation, working against regulative excesses by the EU and representing the rights of national minorities (with special regard to Hungarian minorities living beyond the state borders).

At the same time, pan-European aspects (such as for example trans-European infrastructure, energy issues, or foreign policy cooperation) did not appear in the electoral campaign in Hungary. The pan-European political alliances and their top candidates did not play a dominant role either, although the mainstream media did cover this important new element of European direct democracy (including the translated version of the televised "first European presidential debate").

Euroscepticism present but not dominant

Similar to most EU member states, euroscepticism exists in Hungary too. When looking at the recent opinion polls by Eurobarometer, it can be seen that Hungary is close to the EU average in this respect. Namely, 34 percent agreed with the statement "My country could better face the future outside the EU" against the 33 percent EU average.

At the same time, while present, euroscepticism was not the dominating topic in the electoral campaign as it appeared alongside the more euro-optimist attitude by the left-wing and liberal parties and the rather euro-realist, but certainly pro-EU, stance represented by the centre-right ruling party-

alliance of FIDESZ-KDNP. The only eurosceptic party, the far right Jobbik has been campaigning with the following topics: bringing up the Hungarian wages to the European average (mentioned also by the socialists), protecting the agricultural land from speculation (as the derogation period on free purchases runs out), the renegotiation of Hungary's Accession Treaty with a view to narrowing EU-level competences, as well as eventually organising a referendum on Hungary's staying in or leaving the EU. The leader of the party emphasised that he is not anti-European, but the citizens should be given the opportunity to express their views once again, after more than a decade of membership. With this programme (and despite a scandal around one of their prominent candidates) the party finally gained 14.7 percent of the votes which ensured them 3 seats of the 21 assigned for Hungary in the European Parliament. Their challenge now is the affiliation to the party group of the already quite heterogeneous eurosceptics, especially given the fact that some of the leading eurosceptic politicians from Western Europe have already expressed their objections vis-à-vis Jobbik.

Reinforced support for the governing party alliance coupled with voting fatigue

As a result of the EP-election held in Hungary on 25 May, the distribution of the 21 mandates is the following. With 51.5 percent of the votes 12 seats were gained by the ruling centre-right and Christian democratic party-alliance of FIDESZ-KDNP. They are followed by the far right Jobbik Movement for a Better Hungary gaining 3 seats (supported by 14.7 percent of the voters). 2 seats each were acquired by the Hungarian Socialist Party (MSZP) and another left-wing party, the Democratic Coalition (DK) with 10.9 percent and 9.75 percent of the votes respectively, while the liberal minded Together-Dialogue for Hungary (Együtt-PM) and the eco-oriented Politics Can Be Different (LMP) received 1 mandate each, with votes amounting to 7.25 percent and 5 percent respectively.

This result was brought about by over 2.3 million voters, which only make up 29 percent of the electorate. This very low level is unfortunately down from 36 percent in 2009, but still higher than in five other countries of Central and Eastern Europe. As explanations for the low turnout, analysts have highlighted that Hungary just had a national election on 6 April, which of course mobilised a much greater number of voters, a big part of whom might just have suffered from election fatigue with only seven weeks between the two elections. Another interpretation could be that the winning position of FIDESZ-KDNP was certain; therefore many voters did not feel the need to go to the polls. Furthermore – despite the fact that this year EU issues were more exposed in the campaign than five years ago – the knowledge and awareness of the role of the European Parliament in EU decision-making is still low.

Finally, as regards the results, several points can be stressed. For FIDESZ-KDNP the EP-election was a reinforcement of their position (after their victory at the 2009 EP-election as well as their 2/3 majority at both the 2010 and 2014 national elections) and a repeated expression of trust in their personalities and programme by the majority of the voters. This has to be contrasted with the fragmentation of the left-wing political forces, among which the formerly leading MSZP suffered a historic defeat. According to analysts, the socialists had a very weak campaign and are still paralysed by their bad performance at the national election. The relative strengthening of the radical right and eurosceptic Jobbik was actually also due to the high fragmentation of the left.

Links:

- Wikipedia, [European Parliament election \(Hungary\)](#), 25 May 2014.
- Eurobarometer, [Public opinion in the European Union](#), Autumn 2013.

2. The EU's Neighbourhood

Russia – a new strategic partner with some controversies

Tamás Szigetvári PhD

In the past two decades, the official relations with Russia were mostly dependent on the constellation of the Hungarian governments in power. While under the rule of left-wing parties (socialists and liberals) the relations were mostly friendly, the right-wing forces (both in government and in opposition) kept some distance from Russia. After 2010, however, the right-wing FIDESZ-KDNP government has reoriented its foreign policy. The new 'Eastward opening' strategy, based largely on economic interests, tries to strengthen ties with Russia as well as with fast growing Asian economies.

In January 2014, the government signed a secretly prepared agreement in Moscow with Russian state company Rosatom on the modernisation and extension of the Paks nuclear plant with two new blocks, considered as 'the business deal of the century' by the government. The investment would be financed with a concessional loan of 10 billion US dollars offered by the Russian state that has to be paid back in thirty years. The opposition was complaining about the rushed and 'conspirative' decision-making, as well as the timing and the possible consequences; namely a further growing dependence on Russia in the field of energy. Especially the green party LMP questioned the agreement, while the leftist parties would accept, in general, the modernisation implemented by Russians, but they were opposed to the timing and to the way the agreement was concluded. Public opinion was also divided over the hastily adopted agreement, and even some of the closest supporters of the government think that it causes unacceptable risks for Hungary.

The newly formed strategic alliance between the Hungarian government and Russia was put to the test by the Crimean crisis, when the Orbán government was slow to criticise the Russian steps. Hungary (similarly to several other countries in the Central and Eastern European region) continues to conduct a balanced policy vis-à-vis Russia, trying to avoid serious political or economic conflicts, due mainly to the mentioned energy dependence.

Ukraine and ENP– ambiguities in relations

Tamás Szigetvári PhD

Traditionally, Hungary has been one of the major supporters of the Eastern Partnership; especially establishing closer economic and political ties with Ukraine – coupled with giving Kiev a 'European perspective' – was considered as a priority. However, the newly forming close relationship with Russia blurred Hungarian priorities. In early 2014, with the Ukrainian crisis escalating, the Hungarian reaction was characterized by a hesitating, low profile position.

The early statements of the Prime Minister after the Crimean crisis concentrated on the security of the 150,000 ethnic Hungarians in Ukraine. In his inauguration speech delivered on May 10, the Hungarian Prime Minister stressed the importance of guaranteeing the rights and even the autonomy of the Hungarian minority living in the Trans-Carpathian region of Ukraine. The statement came as a reaction to a tightening of the rules on language use, which harmed the Hungarian minority. At the same time, with Russian militants just claiming autonomy in Eastern Ukraine, the statement shocked the Kiev authorities, who summoned the Hungarian ambassador for explanation, and also triggered criticism from the Polish Prime Minister, who called Mr. Orbán's statement "unfortunate and disturbing". The Hungarian government states, however, that there is nothing new in this respect in Hungarian foreign policy and that territorial autonomy was not even mentioned in the speech.

Moreover, both the willingness of Hungary to transport natural gas to Ukraine, and the harmonious cooperation of Hungarian and Ukrainian anti-terrorist units to free a Hungarian citizen captured by

separatist forces in East Ukraine, prove the existence of good relations between the two countries. The new type of relations with Russia may however, to some extent, alter the Hungarian position towards the Eastern Partners. The Hungarian foreign policy treats Azerbaijan and Georgia as important economic partners within its 'Eastward opening' policy. At the same time, relations with Armenia are still frozen (due to the unfortunate Safarov-affair).

Turkey's accession – generally supported but not widely discussed

Krisztina Vida PhD

Hungary has always been very positive and supportive concerning the full EU membership of Turkey. The official Hungarian position is that Turkish accession to the Union is a mutual interest of both parties. Therefore the negotiations should be conducted in a fair manner and – as it was stressed by leading politicians from the Hungarian government – Budapest will assist Ankara in every way in this process. Once all criteria are met, the country should be allowed to join. At this point it must be mentioned that according to representatives of the left-wing opposition, if Turkey really wants to join the EU it must defend and not violate human rights. A sharp criticism against the Erdogan government was voiced by a Hungarian socialist MEP who expressed her anxiety at an EP session as regards the freedom of speech and right to peaceful demonstration in Turkey (as a reaction to the events in Taksim square in June 2013). As regards bilateral relations, they are good, not burdened with any sensitive issue (such as for example immigration which is not relevant in the case of Hungary). Hungary used to be considered by Turks as a friendly country and Hungarians are perceived as their 'brothers and sisters'. Trade relations are thriving, the exchange of goods amounts to around 1.5 billion euros annually, which – according the Prime Ministers of Turkey and Hungary – can be at least doubled by the end of 2015. During their official visits to each other in 2013, both Prime Ministers emphasised the importance of the promotion of investments, business activities, educational exchange programmes and cultural relations. Furthermore, since early 2014 Hungarians can travel without a visa to Turkey. Hungary could not offer the same degree of liberalisation in return due to binding Schengen rules, but within those rules Hungary managed to introduce the most favourable arrangement possible for Turkish businessmen, artists and athletes. In general however, accession of Turkey to the European Union is not a central issue in Hungary. Arguments in favour of or against accession are neither discussed widely in the media nor in political or expert circles.

Links:

- Ministry of Foreign Affairs, [Summary of the deliberations of the V4 - Eastern Partnership Countries Informal Ministerial Meeting](#), 29 April 2014.
- LIRA, [Ukraine at Crossroads. Prospects of Ukraine's Relations with the European Union and Hungary](#), 2013.

3. Power relations in the EU

Krisztina Vida PhD

Germany's key role recognised, but not vehemently commented

It is clearly seen in Hungary too, that since the outbreak of the financial and economic crisis the key role of Germany in European integration has further strengthened. In respect to saving the euro area, and indirectly also the whole EU, Germany took the lead in searching for solutions to two big challenges: The first, building up a legal framework that would prevent similar crises by imposing more

stringent rules of sound public finances in the member states and the second, creating the financial means to assist member states and banks, which were encountering unprecedented problems of financing. In both directions of the reforms since 2010, Germany – and personally Chancellor Angela Merkel – has played a crucial role. This leading role has however not been very intensively commented on in the Hungarian media, nor by the politicians of the different sides. The reason for that is perhaps on the one hand, that Hungary is not a member of the euro area, on the other hand, that it could avoid becoming a 'programme country'. At the same time, from among the different new arrangements initiated by Germany, Hungary joined the Fiscal Compact but not the Euro Plus Pact. The former will only entirely bind Hungary after joining the euro zone. But Hungary – as a signatory party – already takes the balanced budget rule seriously and it also has a debt break rule in its new Basic Law. As regards the Euro Plus Pact, the government agrees with all points of it, except for harmonising the corporate tax base; therefore Hungary is willing to cooperate in the other aspects of the Pact on a voluntary basis (but so far formally remaining outside). In general, the role of Germany in the years of crisis management at the EU level has been seen rather positively in Hungary: not as supportively and encouragingly as in Poland, but certainly not as critically as for example in Greece.

Overcoming the debate with a new approach

The Hungarian government elected in 2010 (and re-elected with another 2/3 majority in 2014) decided not to oppose the two concepts of public finance consolidation and growth. Therefore, the austerity versus growth debate has not been as salient as in other EU member states. In fact, according to the rhetoric of the Orbán government, Hungarians have already suffered from several rounds of austerity since the systemic changes, so the population should not suffer again. Thus, despite the fact that Hungary was on the brink of insolvency in 2010, the new government decided not to tackle the situation by loading all the burdens on society. This was also the main reason why Hungary wanted to get rid of the loan package of the IMF-EU-WB as soon as possible. The successful repayment of the loans ahead of schedule was in line with the Orbán government's 'freedom fight', i.e. freedom from the debt burden in general that puts a break on the economy, and freedom from institutions which (in exchange of financial assistance) wish to prescribe the domestic reforms in particular. Since autumn 2010, Hungary has been conducting an unusual consolidation policy which aims to involve all actors of the economy into burden sharing on the revenue side of the budget, while on the expenditure side not making socially too sensitive cuts. The economy started to recover recently with growth rates expected to be well above 2 percent in both 2014 and 2015. Meanwhile, after nine years Hungary was released from the excessive deficit procedure in 2013 and the very high (nearly 80 percent) public debt seems to be gradually decreasing. Employment is up while unemployment is on the decline. Nevertheless, as those measures have either offended interests (e.g. of multinationals or banks) or are simply seen as ineffective or counterproductive; the opposition, many representatives of the domestic and international media, and the European Commission have been continuously criticising the government's 'unorthodox' economic and budgetary policy. While the improving macroeconomic performance of Hungary is increasingly recognised, the methods leading there (including hasty decision-making, too little consultation with the opposition and stakeholders, introducing rules retrospectively, etc.) are still being questioned.

Brexit can hopefully be avoided

As far as a potential UK exit from the EU is concerned, this issue does not really appear in the public discourse and no opinion polls have been conducted on the topic in Hungary. Analysts do stress however that in the event of the UK leaving the EU, the internal power constellations would immediately be changed: the Franco-German axis would be strengthened and the relative weight of all other member states would be enhanced. Another aspect is the unwanted reinforcement of anti-EU

forces in Hungary and across the Union as a spill-over effect of the British attitude. Finally, without the UK the weight of the EU in global affairs would also diminish. As regards the British competence review, Hungary would absolutely be in favour of improving the efficiency of EU decision-making by rationalising the scope of EU level regulations and by respecting the principle of subsidiarity even more. But this should be done under the Lisbon Treaty and pertain to all member states equally. Forming an à la carte Europe where each member state would be able to pick and choose the major policy areas where they are willing to cooperate could lead to disintegration of the Union as a whole which is to be avoided. Revising the exercise of competences via Treaty change might also be counterproductive, as it would just open a Pandora's Box, accompanied by "risky" national ratifications. Based on this, it can be stated that Hungary is interested in the continued full membership of the UK in the European Union, in avoidance of any fragmentation of EU structures, as well as in a strong UK whose criticism must be heeded and discussed at the EU level. Instead of building a greater wall of opt-outs or leaving the EU, Hungary would like to see Britain remaining in the Union and further enhancing its cooperation with the member states, with special regard to the Central and Eastern European region.

Links:

- Ministry of Foreign Affairs, [Europe policy of Hungary](#), December 2011.
- Krisztina Vida, [Britain Outside Europe? The Hungarian View](#), 30 May 2014.