

Österreichisches Institut für Internationale Politik Austrian Institute for International Affairs





Hungary, an anti-role model for successful EU integration?

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Policy Recommendations

- The EU needs to clearly state that the countries of the Western Balkans should not follow the role model of Viktor Orbán's "illiberal democracy", as this can hamper their accession process. Moreover, the Western Balkan states need to openly reject the authoritarian-minded ideas.
- 2. Hungary, which several Western Balkan countries perceive as an honest broker, should closely collaborate with EU member states that have strong ties to the region (e.g. Slovenia and Croatia). Furthermore, this close cooperation should also include countries which are sceptical about a possible EU enlargement (e.g. the Netherlands and France) to overcome indifference. Eventually, the collaboration also needs a strong advocate with significant political weight within the European decision-making process (e.g. Germany).
- 3. The EU institutions have to stand up and defend their values. If the European Commission cannot keep its role as a guardian of the treaties, it will lose credibility, and it will further fuel resistance within the EU against the accession of the Western Balkans. The EU needs to considerably speed up its "rule of law mechanism" against Hungary and Poland, or the accession of the Western Balkan countries will recede in the distance.

Abstract

Already from around 2007 onwards the European Union's (EU) enlargement process entered a severe crisis and attempts to overcome the deadlock have failed so far. The trust in the EU's ability to move forward and enable the next enlargement of the countries of the Western Balkans has more or less vanished. Still, there are a number of EU member states actively pursuing the EU accession of the Western Balkans. Hungary is one of those countries. However, Hungary is in conflict with the EU, due to its reluctance to comply

with the EU's values and rules, especially regarding the rule of law. This Policy Brief will look at the issue of Hungary as a role model for the countries of the Western Balkans and how securing good bilateral relations to the Western Balkan countries supports its national interests. The questions are how did Hungary turn from a good pupil to a problem child, how the conflict within the EU shaped its image of a confident critique of the "old" EU and what impact Hungary's role has on the Western Balkan states.

Hungary, an anti-role model for successful EU integration?

1. Shifts in domestic politics in Hungary - from model pupil to problem child

Hungary became a member of the European Union (EU) in 2004 as part of the Eastern enlargement that allowed ten, mostly post-communist countries to achieve their long-standing goal to join the EU. After years of communist rule, Hungary has sought to be part of the European family again and defined its values in accordance with the fundamental values of the EU. At this time, Hungary was considered a "free state" that has made significant improvements in the fields of political rights and civil liberties to be a member of the EU.¹ Hungary has converted into one of the most stable, consolidated parliamentary democracies among the ten new members of the EU.²

"During the past eleven years, Orbán has transformed Hungary into a 'partly free' state and a hybrid regime."

However, the outcome of the nationwide parliamentary elections in 2010 had a significant effect on the political developments and the quality of democracy in Hungary. Viktor Orbán and his Fidesz party (Federation of Young Democrats/Hungarian Civic Alliance) were able to win the elections and secured their supermajority in the Hungarian Parliament. The landslide victory allowed Orbán to realign Hungary's domestic and foreign political directions and choose to go off the well-known path of further democratisation and Europeanisation. During the past eleven years, Orbán has

transformed Hungary into a "partly free" state and a hybrid regime.3 His politics are based on the gradual dismantling of political rights, civil liberties, and the independence of democratic institutions which can be summarised as democratic backsliding. The consolidation of the Fidesz's power was enabled by significant constitutional and legal changes, possible due to the legislative supermajority of the party. One of the essential characteristics of the politics of Orbán is the use of concepts of foreign enemies, e.g., International Monetary Fund, George Soros, the "illegal migrants", and the politics of the EU, which are summarised under the term "Brussels". However, concerning Hungary's position to the EU, the Hungarian population tends to be rather positive, especially about the benefits of a membership within the EU. This positive tendency was still identifiable despite the "Stop Brussels" campaign in Spring 2017. The Parlemeter 2017 of the European Parliament confirms this observation by showing that 56 percent of the Hungarian population stated that Hungary's membership of the European Union is a "good thing" and further 34 percent was neutral about the membership ("neither a good thing nor a bad thing"). Considering the benefits of the Hungarian membership of the European Union, 72 percent were convinced that Hungary had benefited from the membership and only 19 percent stated the opposite.4 Nevertheless, the government also identified some domestic groups which had been labelled as "hostile", such as the entire political opposition, members of the

¹⁾ Freedom House (2005): Freedom House Annual Report. Available at: https://freedomhouse.org/sites/default/files/inline_images/2005.pdf (last accessed 10 May 2021).

²⁾ Bertelsmann Stiftung (2006): Hungary Country Report BTI 2006. Available at: https://www.bti-project.org/content/en/downloads/reports/country report 2006 HUN.pdf (last accessed 10 May 2021).

³⁾ Freedom House (2021): Freedom in the World 2021 - Country Report Hungary. Available at: https://freedomhouse.org/country/hungary/freedom-world/2021 (last accessed 10 May 2021).

⁴⁾ European Parliament (2017): Parlemeter 2017: A Stronger Voice – Citizens' View on Parliament and the EU. Available at: https://euagenda.eu/upload/publications/untitled-108549-ea.pdf (last accessed 11 May 2021).

LGBTIQ⁵ community, and universities, journalists, and Non-governmental Organisations (NGOs) that are not conducting their activities according to the Fidesz's directives and policies.

"His politics are based on the gradual dismantling of political rights, civil liberties, and the independence of democratic institutions which can be summarised as democratic backsliding."

2. The relations between Hungary and the EU - with special regards on the issue of the rule of law

After the EU accession of Hungary in 2004, the relations between Hungary and the Union have developed relatively stable. However, the afteraccession crisis in Hungary, the global financial crisis in 2008, and the economic downturn caused a tendency towards Euroscepticism for the following succeeding Hungarian government in 2010. The elections and the rise of the power of Orbán in 2010 determined not only the domestic political developments but also the future of EU-Hungarian relations. Since then, several domestic reforms were adopted - the implementation of a new Hungarian constitution in 2011, the judicial reform to reduce the prerogatives of the Constitutional Court, the increasing of the voting quorum to a two-thirds majority in the Parliament for a range of policy fields, and a new media law. Thus, Fidesz could consolidate its power while undermining the independent institutions and the rule of law. Orbán described his system in 2014 for the first time as an "illiberal democracy". He characterised these democracies as not liberal, not Western, and maybe not even democratic, but highly successful.6

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The migration crisis in 2015 allowed Orbán to proceed with his domestic political strategies on a higher, European level, where he became an emblematic figure of fighting against the mandatory relocation quotas of refugees. This made him a visible Central European player, who offered an alternative to EU politics by prioritising the alleged national state interests. By pursuing his interests, he used a destructive attitude that shatters the political culture of the EU, which is based on cooperation and willingness to compromise. Beyond this dispute, Hungary's national political course also clashed with the EU law, which consequently caused prosecution by the Court of Justice of the European Union: "Hungary has failed to fulfil its obligations under EU law in the area of procedures for granting international protection and returning illegally staying third-country nationals".7

During the coronavirus pandemic Hungary violated its constitution by introducing a so-called enabling act, which allowed the government to govern by decree for an indefinite period without parliamentary control. The act seemed like a peaking point of the Prime Minister's power. The EU itself was in a crisis and unable to respond adequately to several controversial laws being passed within this period, such as a crackdown law on the LGBTIQ community in Hungary. These developments further fuelled the discussion within the EU on how to proceed with its problem child. Until this point, the EU's efforts have not changed Hungary's political positions significantly. Therefore, the EU decided to implement a so-called "rule of law mechanism" to sanction Hungary financially for violating the

⁵⁾ LGBTIQ stands for Lesbian, Gay, Bisexual, Transgender, Intersex and Queer.

⁶⁾ Magyar Nemzet (2014): Orbán Viktor miniszterelnök teljes beszéde a 25. Bálványosi Szabadegyetem és Diáktábor rendezvényén. Available at: https://magyarnemzet.hu/archivum/orban-viktor-teljes-beszede-2-4054256/ (last accessed 11 May 2021).

⁷⁾ Court of Justice of the European Union (2020): Judgment in Case C-808/18 - Commission v Hungary, Press Release No 161/20. Luxembourg, 17 December 2020. Available at: https://curia.europa.eu/jcms/upload/docs/application/pdf/2020-12/cp200161en.pdf (last accessed 11 May 2021).



fundamental values of the EU. This mechanism was approved during the negotiation of the long-term EU budget 2021-2027 and the Recovery Fund - an answer to the coronavirus crisis. However, these laws had to be declared in unanimity; consequently, Hungary and Poland blocked all drafts of the mechanism, until it was watered-down significantly. The now existing rule of law mechanism ties financial sanctions with the rule of law, which is indeed unprecedented in EU history, yet former versions of the mechanism were much stronger and favoured more effective measures. In domestic politics Orbán achieved to sell this result to the Hungarian population as a victory against "Brussels".8

"Consequently, the Fidesz party decided to pull the trigger and resigned on own terms from its EPP membership - prior to a possible forced expulsion."

In a final showdown, the European People's Party (EPP) strongly considered the expulsion of Hungary's governing Fidesz party. This step was anticipated after Hungary had already been temporarily suspended of its membership, right before the European Parliamentary Elections in 2019. Consequently, the Fidesz party decided to pull the trigger and resigned on own terms from its EPP membership - prior to a possible forced expulsion.

In June 2021 the Hungarian government deepened its isolation from the European Union by passing a controversial decree called "Anti-Paedophilia Act". Supposedly, the decree shall protect children from severe child abuse, however at the same time the decree is also an "anti-LGTBIQ" legislation by banning the "promotion of homosexuality" among young people under the age of 18. The decree caused a political outcry within the European Union since the law represents a break with the main values of the Union such as

the right to freedom of expression, free trade and provision of services. The caused controversy is the latest step of Hungary towards the creation of a "perfect" illiberal democracy based on conservative, Christian values.

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3. Hungary's "à la carte-politics" towards the EU

Despite the presented tensions, a relatively stable relationship with the EU is of significant importance for Hungary; therefore, the government tries to avoid irreversible political scenarios, such as "Huxit". From a strategic point of view, an EU membership offers several advantages, which brings Hungary, for example, in the position of being one of the biggest beneficiaries of the EU budget. It seems that for the Prime Minister, the EU membership still has more benefits than costs, according to a cost-benefit rationale - in this scenario, the European project is rather of an economic nature than a political one.

"In his alternative vision of Europe, Orbán acts as self-serving strategist - EU integration is essential when it serves the national interest."

Hungary's domestic and European politics seem to be in confrontation regarding fundamental European values, especially the rule of law. Nevertheless, the Prime Minister insists that there is no disruption of the rule of law in Hungary because, from his point of view, there are no objective criteria

⁸⁾ MTI (2020): Magyarország csatát nyert Brüsszelben. Available at: https://hirado.hu/belfold/belpolitika/cikk/2020/12/10/magyarorszag-csatat-nyert-a-brusszelben (last accessed 11 May 2021).

⁹⁾ Buchholz, Katharina (2020): Which Countries are EU Contributors and Beneficiaries? Available at: https://www.statista.com/chart/18794/net-contributors-to-eu-budget/ (last accessed 11 May 2021).

to define and measure this concept.10 Taking up a minority position on the interpretation for rule of law, this approach even strengthens his leadership over the "other Europe". In his alternative vision of Europe, Orbán acts as self-serving strategist - EU integration is essential when it serves the national interest. Therefore, vertical integration, for example, setting the bar for the rule of law conditionality, endangers the Hungarian status quo of consolidated "illiberal democracy". Unlike the vertical approach, horizontal European integration may further consolidate the Hungarian regime's influence in neighbouring regions such as the Western Balkans. A horizontal European integration includes, among others, the accession of the Western Balkan region into the EU, which would be in the interest of the Orbán regime. Hungary and the region share a similar history and political systems - by leading them into the EU, Orbán might gain more followers for his "other Europe".

4. Hungarian relations to the Western Balkans

Divisions have emerged among the EU countries, which are jeopardizing the EU's policy on enlargement for the six Western Balkan states; Albania, Bosnia-Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia. On one hand certain EU member states are not satisfied with the process of reforms by the Western Balkan countries, hence they are slowing down or even blocking the process. This again undermines the EU's credibility to deliver on enlargement. And on the other hand, some EU countries, like Hungary and Poland, although very supportive of the EU's enlargement process, are themselves no longer complying with the norms and rules of the EU. This provides an argument for the more cautious EU members not to accept the seemingly more reformreluctant countries of the Western Balkans into the EU, as long as the set conditions have not been fully implemented. Countries as the Benelux states¹¹, France and Denmark are demanding a strict adherence of the political conditionality, especially a thorough implementation of the reforms in the areas of justice and rule of law. Whereas Hungary - for example – is opposed to this narrow interpretation of conditionality, which it perceives as a political judgement of the Western Balkan countries. The Hungarian government's position is that the current enlargement process should not be asking for stricter rules or new accession methodology than in the previous accession rounds and that exactly these changes are the reason for the delay of the process.¹² It is important to note that Hungary's opinion does not follow a normative dimension or reasoning, meaning that there is no underlying interest in promoting liberal democracy, but is mainly motivated by strategic national interests.

"Divisions have emerged among the EU countries, which are jeopardizing the EU's policy on enlargement for the six Western Balkan states."

Hungary is actively advocating for the accession of the Western Balkan countries to the EU. It also took a leading role on that issue within the Visegrád Four Group (V4), consisting of the four Central European states, the Czech Republic, Poland, Slovak Republic and Hungary. Hungary as the "driving force of enlargement" also showed interest in joining the by Germany 2014 initiated Berlin Process, which aimed to reignite a new dynamic into the EU's enlargement process. However, Hungary

¹⁰⁾ Magyar Hírlap (2020): Orbán Viktor: Mi vagyunk a jogállamiság utcai harcosai. Available at: https://www.magyarhirlap.hu/belfold/20201125-orban-viktor-mi-vagyunk-a-jogallamisag-utcai-harcosai (last accessed 11 May 2021).

¹¹⁾ Jungbluth, Jürgen (2020): Evaluating the Positions of the Visegrád Group and the Benelux Union on the EU Enlargement Policy and the EU Accession of the Western Balkan Countries, KKI Policy Brief, Institute for Foreign Affairs and Trade. Available at: https://kki.hu/en/evaluating-the-positions-of-the-visegrad-group-and-the-benelux-union-on-the-eu-enlargement-policy-and-the-eu-accession-of-the-western-balkan-countries/ (last accessed 11 May 2021).

¹²⁾ Huszka, Beáta (2017) Eurosceptic yet pro-enlargement: the paradoxes of Hungary's EU policy, Southeast European and Black Sea Studies, 17:4, pp. 591-609, here p. 595.

was not invited by Germany to join, only Poland, as the only country from the V4-Group, was allowed to participate. During Hungary's EU presidency in 2011 the EU accession of Croatia was made a priority by Hungary and their work has contributed hugely in pushing both parties to finalise the accession negotiations. By 2013 Croatia finally joined the EU. Hungary is overall perceived as a constructive partner in the context of the EU's enlargement process and therefore the Hungarian Olivér Várhelyi was awarded with the EU Commission's portfolio of Neighbourhood and Enlargement in 2019.

"Hungary is actively advocating for the accession of the Western Balkan countries to the EU."

motivation supporting EU Hungary's in enlargement is driven by national interest. First of all, the geographical proximity of Hungary to the region, which in cases of instability - such as the wars in the 1990s and the migrant crisis in 2015 - affects its own security at its borders. Secondly, the Hungarian minority living in the Western Balkan region compels the Hungarian government to establish good working relationships with the regimes in the region to ensure the minorities' protection. Hungary is the country geographically the closest to the region and there are nearly 254 000 Hungarians, about 3.5% of the population living in Serbia.¹³ Thirdly, there are strong economic links and interests for Hungary in the region, despite being a rather small market. Hungary over the last years had an interest in strengthening economic ties and in increasing trade with the Western Balkans.¹⁴ For example, the Hungarian

Export Promotion Agency has launched a Western Balkan Investment Scheme in 2020 with an overall available budget of HUF 2,85b billion (approx. EUR 7 million) for Bosnia and Herzegovina, Montenegro and Serbia.¹⁵ Fourthly, the Hungarian government is looking for politically like-minded partners in the region. Victor Orbán attempts by establishing good personal relations with certain leaders in the wider region, such as the Serbian President Aleksandar Vučić or the former Macedonian Prime Minister Nikola Gruevski and recently Slovenian President Janez Janša, to build a network of sympathetic partners. And finally, enlargement is a policy area where Hungary can pursue a distinct independent foreign policy.¹⁶ Hence, the enlargement is a national interest, which is pursued by Viktor Orbán to style himself as a personal role model for the entire Western Balkan region.

"Political leaders in the Western Balkans gratefully acknowledge this much needed support from an EU member."

Hungary is perceived by some Western Balkan countries as an honest friend. Although the case of former Macedonian Prime Minister Gruevski, who fled the country to Hungary with the assistance of the Hungarian embassy in Tirana to avoid a jail sentence and was immediately granted political asylum in Hungary in 2018, was criticised by some countries, but seemingly had not developed into an obstacle or effected the countries relations negatively. Not for all politicians in the Western Balkans Orbán might be considered as a role model, however he is well-regarded for acting in the interest of the Western Balkan states in relation to the continuation of the enlargement process. Political leaders in the

¹³⁾ Statistical Office of the Republic of Serbia (SORS): Population by ethnicity, age and sex, Census 2001. Available at: https://data.stat.gov.rs/Home/Result/3102010403?languageCode=en-US (last accessed 10 May 2021).

¹⁴⁾ Hettyey, András (2013): Ungarns Wirtschaftsbeziehungen mit den Ländern des Westbalkans, Donau-Institut Working Paper No. 11, Andrassy Universität Budapest. Available at: https://www.andrassyuni.eu/pubfile/de-50-11-di-wp-hettyey-ungarns-wirtschaftsbeziehungen-mit-den-landern-des-westbalkans-final.pdf (last accessed 11 May 2021).

¹⁵⁾ Hungarian Export Promotion Agency (n.d.): Western Balkans Investment Scheme. Available at: https://hepa.hu/en/tender/directorate-of-western-balkan-project-implementation/Western-Balkans-Investment-Scheme (last accessed 11 May 2021).

¹⁶⁾ Huszka, Beáta (2017) Eurosceptic yet pro-enlargement: the paradoxes of Hungary's EU policy, Southeast European and Black Sea Studies, 17:4, pp. 591-609, here p. 593.

Western Balkans gratefully acknowledge this much needed support from an EU member. Similarly, the conflict with Serbia over the improvement of minority rights in 2011 and the building of the fence to Serbia to ward off migrants in 2015, did not damage the bilateral relations long-term.¹⁷ During the last years the relationship between Orbán and Vučić strengthened and regular visits between these two heads of governments took place. Their cordial relationship is understandable due to their similar worldviews and interest in maintaining political control in their country.18 Orbán's anti-role model is one which politicians with a similar political outlook are considering to follow, hence it is becoming an alternative role model, one Brussels is not too keen in seeing gaining popularity.

"It has to be made clear to the Western Balkan countries that Orbán is a negative role model, which should not be copied."

Hungary's scepticism towards Brussels and its stands on the rule of law, freedom of media and justice at home has actually contributed to an overall slowing down of the enlargement process, as the more cautious EU member states want to avoid a case like Hungary in the future. Due to this rhetorical distancing from Brussels, Orbán is considered to be one of the strongmen in the region, who managed to dominate the Hungarian political system over the last 10 years. The accession of countries with like-minded politicians, might in future support Orbáns stance on issues within the EU. Building an "illiberal block" of friendly states within the EU, who would take Orbán's side, when in conflict with "Brussels", is considered as a problem. Still, all EU member states decide on EU's enlargement and if

the Western Balkan countries give the impression to follow the Hungarian model, the accession might be further delayed. It has to be made clear to the Western Balkan countries that Orbán is a negative role model, which should not be copied. Orbán's policy of supporting the Western Balkan states' EU accession on one hand, but alienating Brussels on the other could be perceived as a contracting one. However, Orbán is guided by national interests and his personal ambition to become a respected leader in his own right in the region. These can be fulfilled either way with the Western Balkan countries in or outside the EU.

¹⁷⁾ Huszka, Beáta (2017) Eurosceptic yet pro-enlargement: the paradoxes of Hungary's EU policy, Southeast European and Black Sea Studies, 17:4, pp. 591-609, here p. 599-601.

¹⁸⁾ Bíró-Nagy, András; Hare, James (14 November 2020): Understanding the Orbán-Vučić Relationship, Policy Solution. Available at: https://www.policysolutions.hu/en/news/511/understanding the orban-vucic relationship (last accessed 11 May 2021).



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The Policy Brief is published in the framework of the <u>WB2EU project</u>. The project aims at the establishment of a network of renowned think-tanks, do-tanks, universities, higher education institutes and policy centres from the Western Balkans, neighbouring countries and EU member states that will be most decisive for the enlargement process and Europeanisation of the region in the upcoming years. The WB2EU project is co-funded by the European Commission under its Erasmus+ Jean Monnet programme.

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ISSN 2305-2635

The views expressed in this publication are those of the authors and not necessarily those of the Austrian Society of European Politics or the organisation for which the authors are working.

Keywords

Hungary, Western Balkans, EU integration, rule of law, role model

Citation

Griessler, C., Elek, F. (2021). *Hungary, an anti-role model for successful EU integration?* Vienna. ÖGfE Policy Brief, 14'2021

Imprint

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