

## **Hungarian foreign policy strategy: is it possible to implement a radically different foreign policy as a member of the EU and NATO?**

**European Café, 17. May 2023.**

### **Background**

Although the perception of Hungarian foreign policy depends largely on political affiliation, most foreign policy actors and the international media agree that Hungary has become progressively isolated in the last years. The government rejects this accusation, arguing that it continues to cooperate with most EU and NATO member states on pragmatic issues. At the same time, it acknowledges that its bilateral relations have deepened with countries outside of their traditional alliance system recently. There are economic reasons for this: in the last four years, South Korea has been the most important foreign investor three times, while China has been the most important foreign investor once. However, in terms of total investment, the EU Member States, especially Germany and the US, are still our most important partners.

In the often raised 'interests vs. Values' debate, the government regularly emphasises the primacy of interests: in their view, Hungarian foreign policy is 95% of the time decided along with Hungarian economic interests, including the need to keep the country financially viable. Furthermore, in order to be able to represent its own conservative views in the remaining 5% of international politics, such as family policy, the defence of Christian values and the role of nation states. However, representing Hungarian national interests is difficult to understand in the context of taking out loans with high interest rates from the Far East in order to make up for the loss of EU funds or gracefully renouncing EU loans on the grounds of political disputes.

Unfortunately, foreign policy, seemingly based on pragmatism and economic interests, is not nearly as coherent as it is perceived from the government side. The complete absence of strategy (not only written but also unwritten) means that all issues that arise are dealt on a case-by-case basis in foreign policy decision-making, meaning that the position on all issues has to be decided at the highest level. In this system, the role of individual initiative is enhanced, i.e. it is easier to get the case made where there is an owner of it. Pragmatism is often superseded by emotional politics, which treats the European Union and, more recently, the United States as 'useful enemies' in domestic politics. This is dangerous and counterproductive, even if it seems fruitful in the short term.

One of the consequences of a foreign policy driven by these economic interests is that we systematically ignore the values and interests of our allies, but we are baffled when other countries do the same.

Rather than strategic thinking, Hungarian diplomacy is currently characterised by a narrow-minded, short-term-only way of thinking. We almost never take into account the long-term consequences of our decisions and the damage they may cause. It is easy to put a price on a Chinese battery factory that is being built and difficult to see the consequences of a failed US chip factory or other Western investment that is not materialising. It is easy to find argument supported by numbers for opening up to the East when all alternatives have been destroyed.

Foreign policy at the moment is mainly about foreign trade, which officially has as one of its main goals to get us out of the middle-income trap. However, it is questionable to what extent this goal is served by total vulnerability to the battery industry, which further increases our exposure to the automotive industry.

An interesting sign of the misdirection of foreign policy is that, despite the government's arguments that it is driven by economic interests, it does nothing to ensure that Hungarian companies can participate in the biggest project of the next two or three decades in Europe, the reconstruction of Ukraine. The government takes care of this by claiming that it will be done exclusively with Western involvement, and that states that are now actively supporting Ukraine, such as the Czech Republic or Slovakia, will be squeezed out of business opportunities. This also includes the surprising optimism with which the Hungarian government views the future of the V4: the government believes that there has been no consensus on Russia so far, but it is doubtful whether this issue can simply be swept under the carpet in the future.

In the long term, it is damaging and dangerous for the government to portray the country's main allies as enemies, whether for emotional or resentment reasons or for domestic political vote-buying purposes. The decline of Western democracies is one of the government's favourite cane toppers, and the prime minister seems keen to share his thoughts on the 'twilight of the West' in order to gain exposure in the international press. However, this has no positive effect beyond the sporting value, and in fact further erodes our federal system.

CEID hopes that, with the involvement of a wide range of experts, a minimum foreign policy can still be established and the misdirection of recent years corrected. In our expert roundtable discussion, we made the following proposals to this end:

## Proposals

1. there is a need for a long-term foreign policy strategy, prepared with the involvement of experts, setting out specific objectives, instruments, timeframes, and analysing and assessing the foreign economic and foreign policy environment.
2. a precise definition of the much talked about "national interests" would be timely. Understanding the choices of foreign policy interests and values also requires a broader discussion of the concept of nation.
3. as foreign policy has become too much influenced by the foreign economy, there is a need to separate the two areas. A different strategic approach and organisational functioning is needed in the management of external relations and the coordination of foreign economic issues. Separating the two areas could ensure a more efficient future. The current foreign policy leadership's restraint in its harsh communication and a more diplomatic tone in international politics would certainly benefit us.
4. the fine-tuning of the foreign policy narrative in the pro-government media: openly pro-Kremlin statements and the production of enemy images from our alliances undermine the fundamentally

pro-Western commitment of Hungarian society (which, by the way, has also been confirmed in referendums) and make Hungary a security policy risk. Government communications and intelligence services must be subordinated to a reliable politician committed to Western values.

5. Hungarian EU Presidency. The Hungarian EU Presidency offers a chance to present the Hungarian position in a more "nuanced" and cooperative form than at it is now. Let us use this opportunity to strengthen our alliances.
6. Restoring Hungarian-American relations is a key issue for Hungarian foreign policy. However, as the US will increasingly be all about the presidential election campaign, it is likely that the US administration and the US Embassy in Budapest will be shaped by this.
7. Russia: review of Paks 2. As the ready made, meeting the European standards nuclear power plant built by Rosatom is becoming less and less likely, alternative solutions are needed: replacing Russian partners with French, American or Southern European ones could improve Hungary's international image while helping to diversify the country's energy policy.
8. early ratification of Sweden's accession to NATO, regardless of the Turks' decision.
9. Approach the Ukrainian leadership, granting ambassadorial agrément as a first step, followed by a high-level meeting. Obviously, the Ukrainian language law cannot be avoided, but to subordinate everything to it is a complete miscalculation.