

Hungary: a Foreign Policy Stress-Test Case for NATO and the European Union?

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While the strategic plans of the fourth Orbán government are still in the making, we already have a first idea of the foreign policy of the new Orbán government. Given that we will have more continuity in this policy area (Foreign Minister Péter Szijjártó will keep his position), and some plans have already been revealed, the picture is more clear than elsewhere. In this blog post, I aim to highlight some of the challenges that the Hungarian government can pose for European and NATO policies.

Transformative or chaotic?

While Orbán presents himself as a transformative leader on the European stage, his track record in this respect has been rather poor. Apart from the issue of migration, Hungary's influence at the European Council has been comparatively marginal. It has not succeeded in presenting constructive policy proposals that would have aimed for a different vision of Europe. Orbán's negative take on Europe is more obvious than any constructive attempt. And given that his closest allies these days are those politicians who want to demolish the European Union as it is (from former Trump counsellor Steve Bannon, whom he hosted recently in Hungary, to Dutch populist Geert Wilders whom he meets regularly and Lega Nord's federal secretary Matteo Salvini, who regards Orbán as a hero), he seems to be rather more interested in creating chaos than in creating a new order - at least on the long run. Orbán, as other [troublemakers of Europe](#), sees the weakening of the elites as his primary goal, hoping to benefit from the resulting chaos.

Orbán's past course of action has shown that he approaches the European Union [selectively](#): In his new term, he is likely to extend his two-pronged approach of both 'less' and 'more' Europe – which he fails to mould into one coherent vision. He will seek to weaken the EU to prevent it from interfering with national policies on justice and home affairs that are regarded as controversial in Brussels. At the same time, he will support and pursue engagement with the EU in areas such as the single market, external border patrols and deportations, as well as European defence and EU enlargement. The latter are also supported by Orbán because they are longer term plans without the need of any immediate commitments. On the other hand, Orbán really hopes that he will be able to extend his influence beyond Hungary's borders e.g. by creating a sphere of influence on the Western Balkans not only through media [buy-ups](#) and energy deals, but also by supporting the EU integration of these countries. And so far as the defence cooperation is concerned, this is at the moment rather an empty topic without concrete obligations, which makes it an easy option to prove his pro-Europeanism towards the European People's Party and the Brussels public.

Although not without effect, Orbán's actions have so far been 'obstructionist' rather than constructive. His approach often provides fresh impulses to EU debates, yet Orbán is rather discreet about his true plans for the future EU. Government sources indicate that he wants to construct a broader Eurosceptic block around Hungary and Poland: As a new sceptical alliance within the EU, they would then take on the role previously played by the UK. In this way, they

would counterbalance the more integrationist visions for Europe held by Germany and France. And while we can see that the region is far from being homogeneous,

the [recent speech](#) of Andrej Babis for example made it blatantly clear that his vision on Europe is not so different to Orbán's.

After Orbán won a two-thirds victory again, he will use his leverage on European politics even more confidently than he did before. Orbán's strategy is not to play the good boy and try to avoid the negative consequences of his policies. Just the opposite: Orbán openly threatens to use Hungary's veto power at the budget negotiations. And there are at least three examples from the recent past that clearly indicated that these are not only empty threats.

Feel the force of the veto

Firstly, the European Union's China policy. Hungary was the only EU Member State that [did not sign](#) the EU's highly critical statement against the Chinese government's One Belt One Road Initiative. The construction of the USD 2.7 billion Budapest-Belgrade railway development was awarded to the Chinese without a public procurement tender and the project will be financed with a Chinese loan. After the project was announced, Hungarian PM Viktor Orbán boasted that 'if the European Union is not going to provide financial support, we will turn to China.' This project, if implemented, will grant Chinese companies important concessions to operate in the European Union, i.e. it can serve as an entry point for China to the European markets. In this case, Hungary openly acted against the interests of the European Union.

Secondly, after years of negotiations and preparations, [the Hungarian government did not support](#) an EU-Africa Deal on solving the migration crises, as they found it too 'migrant-friendly'. The irony of the situation is that the core of the agreement is exactly what the Orbán-government is calling for a long time: to support the countries closest to the international crises to keep the refugees closest to the conflict zones to avoid another round of mass refugee inflow. While Hungary could not hamper the implementation of the deal (it was passed anyway), this was nevertheless an important message and an unfortunate move with which it could antagonise important partners, such as the Austrian government.

Thirdly, Hungary was the only country that has been actively blocking Ukraine's Euro-Atlantic integration on a multilateral level, because of the country's education act that the Orbán government regards as discriminative in relation to the interests of the ethnic Hungarians in Transcarpathia. While this issue is more important for NATO than for the European Union, it has a European implication as well. EU countries such as Latvia were strongly critical about the Orbán government's moves in this respect. And even the most important friend of the Hungarian government, the Polish government [asked](#) the Secretary General of NATO to stand up as a problem-solver in this conflict. This tense relationship between Hungary and Ukraine also poisons the attempts to develop bilateral relations with the United States – that regards the Ukrainian issue a vitally important one, which adds unto the isolation of Hungary within the more Atlanticist block in the European Union.

There are signs that some EU-governments, including those which are usually in favour with the Hungarian government, are starting to get fed up with Orbán's obstructionist behaviour. Yet there are more dangers looming from the European Union.

First, the European People's Party seems to be [more critical and frustrated about Orbán](#) than ever, and according to some sources, Merkel's CDU wants to put Hungary under [strong pressure](#) to make it abandon the controversial Stop Soros laws aiming to crack down on civil society, and also to make a deal with the Central European University.

Second, the budget negotiations for the next term are threatening Hungary (and possibly Poland) to lose funds – mainly because of the strengthening of the conditionality principle and by binding the granting of funds to the rule of law. And these initiatives are coming from serious places: the European Commission and the Committee on Budgetary Control of the European Parliament. While these plans looked unrealistic and utopian a few years ago, it seems to be almost sure that after Brexit, there will need to be more rules for distributing the scarcer resources. With huge and loud corruption scandals involving EU funds in Central Eastern Europe, pushing for conditionality is more or less a must for Western politicians if they do not want to see more support for Eurosceptic parties because of irresponsible financial dealings of the EU.

And last but not least: after the Committee for Civil Liberties, Justice and Home Affairs (LIBE) passed the Sargentini-report on the situation in Hungary, which will be brought to a plenary vote this autumn, Hungary can face a similar threat regarding Article Seven later this year as Poland faces now. While the Hungarian government attacked the document fiercely, the report expresses opinions about the misdealing of the Orbán government that are rather widespread in Brussels. The report needs to be passed with two-thirds - which means that the voting behaviour of the EPP, which was [already divided](#) in the previous vote on the issue, will be crucial.

Meanwhile, Germany and France are seeking a compromise on euro area reform, which can lead to deeper integration among its members – but can on the other hand lead to the exclusion of non-eurozone members. Also, in other policy areas, cooperation in smaller groups than the EU-27 is likely to spread. Given this prospect, Germany's insistence on the point of view that the EU has to embrace all of its members and safeguard its cohesion is crucial also for Hungary, since it does not want to be pushed aside. However, it looks more and more as if the future will be a multi-speed Europe, in which Hungary already voluntarily has chosen a peripheral position by rejecting the introduction of the euro, the creation of a European Public Prosecutor's Office, by disregarding EU norms and showing an increasing appetite for the use of the veto. Yet, Hungary's negative image can hurt the reputation of other post-socialist EU members as well. There are increasing, and justified worries among some CEE and Baltic states that if Hungary continues to play the bad boy, they could pay a high price in the coming years.