

AMO.CZ

Czech-Hungarian relations: Diverging interests of honorary neighbours

Pavlina Janebová







TABLE OF CONTENTS

| Summary | 2 |
|--|---|
| Introduction | 3 |
| 1. Hungary's foreign policy after 2010 | 4 |
| 2. Current Czech-Hungarian relations | 5 |
| 3. Key factors for future development | 6 |
| Conclusion | 9 |



Summary

- Hungary finds itself increasingly isolated in the EU, given the course of its foreign policy, domestic development regarding democracy and rule of law, but also its antagonising behaviour.
- Hungarian foreign policy aims at ensuring the strategic independence of the country by balancing between commitments to the political West while building relations with non-Western countries, regardless of their political or value affiliations.
- For Fidesz, the EU and its institutions represent an actor against which it must assert itself rather than a platform for cooperation.
- The strategic outlooks of the Czech and Hungarian governments on the future of Europe as well as on the future of the EU's external relations, including relations with Russia, do not align. Improvement at the strategic level of relations is not to be expected in the foreseeable future.
- Following the results of the upcoming parliamentary elections in Poland and Slovakia, Czechia's position in Central Europe might get complicated, given the potential affiliation between Hungary and Slovakia under a SMER-led coalition, and restored relations between Hungary and Poland with the government of Law and justice, relying on support of Eurosceptic, ultra-conservative and nationalist forces further to the right.



Introduction

Hungary's foreign policy has **been at odds with the mainstream of the European Union** (EU) for about a decade, coupled with much criticised steps in the realm of domestic policy, turning the country away from the club of democracies and even acquiring the label of a "**partly free**" and "**transitional or hybrid regime**" from Freedom House or a "**hybrid regime**" from the European Parliament. With the Russian war in Ukraine, the differences between Hungary and the rest of the Union not only in terms of strategic views on international relations, but also the boundaries of acceptable behaviour among allies have been fully laid bare – as well as the consequences thereof.

Since February 2022, Hungary's standing with many of its allies in the European Union and NATO has worsened. The Visegrád Group, once arguably one of the most important foreign policy alliances for Hungary, has practically ceased to exist at the political level. The leader of Fidesz and prime minister of Hungary has even managed to fall out of the good graces of some of his best friends – most visibly in the case of the Law and Justice party in Poland.⁴

The 2015 Concept of Czech Foreign Policy speaks of Hungary as an "honorary neighbour". 5 As a part of the V4, which for a long time has been a dominant alliance for Czech policy in Central Europe, Hungary has been an important partner for Czechia ever since 1993, albeit at different levels of intensity. Apart from the bilateral dimension of mutual relations, since 2010 Hungary's weight has grown at the EU level, due to its use of vetoes to gain leverage in selected issues and also its building an alliance of political forces with similar positions toward EU integration. Given that Hungary is a relevant regional player, as well as a disruptive actor in the Union, Czechia needs to carefully evaluate its place in the Czech foreign policy, the opportunities as well as limits for cooperation, and even the potential constraints that Hungarian foreign and European policy might pose for Czechia asserting its own interests.

This policy brief summarises the main principles on which Hungarian foreign policy is based and delineates possible developments following change in selected areas, with a special emphasis on the consequences for Czech policy in Central Europe and the EU. All of these variables are external to Hungary – 1) the result of the upcoming parliamentary elections in Poland and Slovakia, which might significantly alter the dynamics of the cooperation in the region; and 2) developments at the EU level, i.e. shifts in the power distribution among different political streams in the European Council and the results of the European Parliament (EP) elections in June 2024. As Fidesz won the general election in April 2022, once again forming a constitutional majority in the parliament, and is still occupying first place in the polls, no significant change of direction in foreign policy is likely to come based on internal developments in Hungary.

 $^{^{\}scriptscriptstyle 1}$ "Freedom in the World 2019 - Hungary," https://freedomhouse.org/country/hungary/freedomworld/2019.

² "Nations in Transit 2020 - Hungary," https://freedomhouse.org/country/hungary/nations-transit/2020.

³ "MEPs: Hungary can no longer be considered a full democracy," European Parliament, September 15, 2022, https://www.europarl.europa.eu/news/en/press-room/20220909IPR40137/meps-hungary-can-no-longer-be-considered-a-full-democracy.

⁴ Patrik Galavits, Szabolcs Panyi, "How Viktor Orbán angered his closest friends in Europe," Direkt36, May 15, 2023, https://www.direkt36.hu/en/igy-haragitotta-magara-orban-viktor-a-legkozelebbi-baratait/.

⁵ Concept of the Czech Republic's Foreign Policy,

 $https://www.mzv.cz/file/1574645/Concept_of_the_Czech_Republic_s_Foreign_Policy.pdf.$

⁶ "Hungary – National parliament voting intention," https://www.politico.eu/europe-poll-of-polls/hungary/.



1. Hungary's foreign policy after 2010

Hungary's foreign policy after 2010 when the second government of Viktor Orbán came to office takes place in an interplay of two principles – one is the country's **affiliation in the political West** and its institutions, the most important among them being the EU and NATO. Turning Hungary away from the Eastern block and towards the West was an important element of the party ideology in the 1990s and also during the first Orbán government in 1998–

2002. The second principle, gaining prominence especially after 2014, is a parallel development of relations with non-Western countries, particularly in economic terms.

These mutually somewhat contradictory principles are responding to a perceived trend towards **multipolarisation of the international order**, in which the traditional political West finds itself in an economic decline, while the East is on the rise. Hungary does not see sufficient guarantee of its security and prosperity in a firm anchoring in the Western democratic structures – or any other power block that might arise – but seeks to ensure it by building partnerships with different countries across the world, their political or value systems notwithstanding.

According to Fidesz's foreign policy thinking, Hungary needs to attempt to secure a stable and strong position as a "middle power". According to this reasoning, a choice is to be made between national sovereignty and subordination to powerful actors in the system (global elites, other states, Brussels or Moscow), with the latter constituting the ultimate threat for the interest of the Hungarians. The aim is thus not supposed to be a choice between the West and the East, but ensuring sovereignty and strategic independence. That also means not being constrained by "West-defined norms and values" but instead securing prosperity for the citizens of Hungary. A confrontation between West and East (US vs. China, Russia) is seen as another threat to achieving this goal.

This vision is embodied by the policy of "opening to the East" or "Eastern opening" (Keleti nyitás) – mainly economically motivated building of relationships with e.g. Russia, China, Japan, South Korea, Arab states and Turkic states, based on an assumption that the centre of the global economy is shifting from the West to the East.¹¹ Whereas the West is seen as unduly interfering in Hungarian internal affairs, the target countries of the Eastern opening policy stick to pragmatic business relations and even legitimise the Fidesz regime's ways.

Western Europe, as embodied by the "older" member states of the EU and actors pejoratively referred to as "liberal elites", are seen **as failing to protect Europe's traditional national, family and religious values**. Central Europe, on the other hand, represents a "significant other" in this scenario, and the future of Europe in the mind of Viktor Orbán.¹² This distinction has infamously been referred to in

⁷ "Eastern Opening," https://theorangefiles.hu/eastern-opening/.

⁸ Gabriela Greilinger. Hungary's Eastern Opening Policy as a Long-Term Political-Economic Strategy. Austria Institut für Europa und Sicherheitspolitik, 2023, 1.

⁹ Devin Haas, "Understanding Hungarian foreign policy," Emerging Europe, June 14, 2023, https://emerging-europe.com/news/understanding-hungarian-foreign-policy/.

¹⁰ Péter Visnovitz, Erin Kristin Jenne, "Populist argumentation in foreign policy: the case of Hungary under Viktor Orbán, 2010–2020," Comparative European Politics (2021) 19: 691.

¹¹ "Orbán Viktor: folytatódik a keleti nyitás," Kormányportál, May 26, 2011, https://2010-2014.kormany.hu/hu/miniszterelnokseg/hirek/orban-viktor-folytatodik-a-keleti-nyitas; Zoltán Kovács, "FM Szijjártó announced that Hungary has become China's top investment destination in Central Europe (...)," X, September 11, 2023,

https://twitter.com/zoltanspox/status/1701295042403467403.

¹² Veronika Jóźwiak, "The Visegrad Group from Hungary's Perspective," PISM, December 13, 2016, https://pism.pl/publications/The_Visegrad_Group_from_Hungary_s_Perspective; https://2015-2019.kormany.hu/en/the-prime-minister/news/central-europe-will-be-the-future-of-europe; Viktor Orbán, "Together we will succeed again," Miniszterelnok.hu, September 21, 2020, https://2015-2022.miniszterelnok.hu/together-we-will-succeed-again/.



relation to the EU migration policies, where the Visegrád Group rebuilt an image of an important actor by refusing any sort of compulsory relocation scheme for asylum seekers. However, it is often used for defending anti-LGBTIQ policies or **rebuffing criticism of the deficits in the rule of law sphere in general.**¹³

While the entrenchment in the political West at the same time as maintaining intense relations especially with Russia has been seen as problematic by Hungary's partners in the EU and NATO for a long time, and increasingly more so after February 2022, it leaves the Hungarian government in a comfortable position. The country maintains veto powers in both the EU and NATO, together with their security and prosperity guarantees, while it enjoys the benefits of relations with third parties that are not always ideologically aligned with the EU or NATO. Such an approach has clearly been weakening the international position of the EU and its capacity to act, given its value oriented foreign policy,14 but the cost that it comes at for Hungary in terms of reputation and rule of law-related financial sanctions has not yet reached such a stage that it would push it to leave the EU. Such a development is not to be expected in the foreseeable future, in spite of some of Viktor Orbán's rhetoric. On the contrary, given that the consequences of such an action would, under the current circumstances, be very costly for the country, Hungary's sometimes antagonising actions and conflictual behaviour are to be understood rather as striving to maximise room for political manoeuvre inside the Union. In line with the principles described above, the EU or "Brussels" as its centre, represents an antagonistic actor in the Fidesz foreign policy, i.e. a subject against which the member states' capitals must assert themselves and their interests, rather than a partnership through which interests can be pursued by cooperation.

Whereas an increasing isolation of Fidesz's Hungary is taking place in the EU, the government keeps building **alliances in the Western Balkans**, arguably in an attempt to gain a position of regional leadership. One of the key foreign partnerships has evolved over the past decade between Orbán's Hungary and Alexander Vučić's Serbia,¹⁵ in spite of the deficits in the sphere of rule of law and respect of democratic norms, acknowledged by both the EU and the United States. Another important ally is the Bosnian Serb leader Milorad Dodik. That again is in **conflict with the interest of the EU** which has been struggling to maintain its influence in the region vis à vis Russia but also China.

Lastly, a crucial element affecting Hungarian regional policy are **Hungarian ethnic minorities in the neighbouring states**. This is no different from any other government of Hungary since 1990, Orbán's governments after 2010, however, have focused on building even stronger ties with the Hungarian communities abroad, gaining their **political support**. Most visibly, the rights of around 150 thousand ethnic Hungarians in Ukraine have for a long time been a point of contention between the two countries, and likely will remain so in the future, potentially influencing the policy of the EU towards Ukraine, including in the matter of its accession.

2. Current Czech-Hungarian relations

Bilateral relations between Czechia and Hungary since 1993 have been relatively warm and **unproblematic**. Unlike with Hungary's direct neighbours, they have not been complicated by historical issues – except for the Beneš decrees which, though, have been more of a problem in relations with Slovakia. There also is not a significant Hungarian ethnic minority on the Czech territory that would be a cause for political

¹³ Zsuzsanna Szelényi, Tainted Democracy (London: C Hurst & Co. Publishers Ltd., 2022), 342.

¹⁴ Ibid., 339; András Hettyey, "The illusion of autonomy and new others: role conflict and Hungarian foreign policy after 2010," Journal of International Relations and Development (2022) 25: 279.

 $^{^{\}scriptscriptstyle 15}$ "Serbia-Hungary relations reach a new level," Magyar Nemzet, June 20, 2023,

https://magyarnemzet.hu/english/2023/06/serbia-hungary-relations-reach-new-level.

¹⁶ "Hungarian Money, Orbán's Control," http://hungarianmoney.eu/.



disputes. **Trade exchange** between the two countries has been smooth and after the slowdown caused by the Covid-19 pandemic reached around 13 billion EUR in 2022, putting Czechia at 8th place among the partners of Hungary as measured by mutual trade turnover, while Hungary is at 9th place in relation to Czechia.¹⁷

Around 2015 and the so-called migration crisis, Czechia under the leadership of the Social Democrats, found itself unable as well as unwilling to define itself against the strong Hungarian position in the discussion about the character of the EU migration and asylum policy. With this political dispute, which was consciously framed by Hungary as well as Poland as a collision between the West and East, a long-term overrating of the importance of the V4 in Czech foreign policy started which arguably contributed to the damaging of Czechia's reputation in the EU. Bilateral relations blossomed especially during Andrej Babiš's (ANO) time in office as the Czech prime minister, when he often hinted at the value affinity between himself and Viktor Orbán. Besides migration however, the areas of cooperation at the EU level between the two countries remained relatively general and stable – distribution of cohesion funds allocated for the "new" member states and defending the use of nuclear energy resources.

The quality of mutual bilateral relations has worsened since the **change in the Czech government** in 2021, given the participation of **TOP 09** and the **Pirate Party** in the coalition whose representatives had been voicing criticism of the Hungarian domestic as well as European and foreign policy even before. Potential allies for Fidesz were to be found among the **Civic Democrats** (ODS) and the **Christian Democrats** (KDU-ČSL), however a certain lukewarmness was visible on the side of the Czech government in the bilateral dimension as well as in the V4 even before the Russian invasion of Ukraine in February 2022. That was likely a reaction to Viktor Orbán's support for Andrej Babiš of ANO during the election campaign of 2021. Fidesz has also been developing relations with the far-right **Freedom and Direct Democracy (SPD)**.

Hungary's **tepid approach to condemning Russian actions** has contributed to making mutual relations between the current Czech government and Fidesz significantly colder, also at the Visegrád level where Czechia and Poland have been among the biggest supporters of Ukraine in the EU.¹⁸ It is apparent that **the strategic outlooks of the two governments on the future of Europe as well as the future of the EU's external relations, including relations with Russia, do not align.** Although Fidesz's preference against deepening EU integration and arguing **for a** "Europe of nations" are in line with the positions of certain factions in the Czech coalition parties (ODS, KDU-ČSL), **joining Hungary in promoting the idea is not in the Czech interest**. Moreover, certain actions, or rather a lack thereof on the part of Hungary towards Russian cyberespionage activities, could represent a **security threat** even for Hungary's NATO allies, including Czechia.¹⁹

3. Key factors for future development

Hungary's position in the EU has been getting increasingly uneasy, especially since Fidesz was forced to leave the European People's Party in 2021 and Russia invaded Ukraine in February 2022. Continuing relations with Russia, together with the antagonising behaviour at the EU level is leading to a long term loss of trust of allies and isolation of the country. For several years, Hungary has found itself in a

¹⁷ "Maďarsko – Businessinfo.cz," https://www.businessinfo.cz/navody/madarsko-souhrnnateritorialni-informace/2/#3.1.

¹⁸ Pavlína Janebová. Trends of V4 States' Policies in Eastern Europe. Prague: Association for International Affairs (AMO), 2022, 16. https://www.amo.cz/en/trends-of-visegrad-european-policy/trends-of-v4-states-policies-in-eastern-europe/.

¹⁹ Szabolcs Panyi, "Western allies puzzled by Hungary's mild reaction to Russian hacking," July 14, 2022, https://www.direkt36.hu/en/nyugati-szovetsegesek-furcsalljak-az-orban-kormany-enyhereakciojat-a-kulugy-orosz-hekkelesere/.



defensive position in the EU, not managing to translate its priorities into the directions the EU is taking, instead using leverage to block some of its steps, thus causing frustration amongst its partners. This has been accompanied by the launch of **the EU conditionality mechanism**, as well as the holding up of **the Recovery and Resilience Facility funds**, together with the fact that the government's plan of building the economy with the help of relatively cheap Russian energy is turning out to be unsustainable. Potential changes to the position of Hungary will be affected (among other factors) by developments in the following areas.

3.1. Results of the Polish and Slovak parliamentary elections 2023

Relations with the Polish ruling party Law and Justice are one of the biggest costs that Hungary had to endure resulting from very different positions on Ukraine and Russia. Over time, the friendship seems to have been at least partially mended and the parties still to a great extent **share their views on the EU** and its future. Both also rely on each other's support should the time come for a vote among the member states regarding the rule of law deficits in either Poland or Hungary.

There are three likely scenarios for Poland after it holds the parliamentary elections in October 2023: 1) a government formed by the United Right, led by Law and Justice, who however would most likely be forced to rely on the support of the Eurosceptic, ultra-conservative and nationalist forces further to the right, 2) post-election deadlock in which no party is able to build a stable government and the country would have to wait for a snap election and 3) a government formed by the current opposition parties led by the Civic Coalition.²⁰

Another important element that will likely play into the developments is the parliamentary elections in Slovakia planned for the end of September 2023 where two most likely scenarios come into consideration – either a government formed by the populist pro-Russian SMER led by Robert Fico, or an incongruous and likely unstable coalition led by a pro-EU Progressive Slovakia.²¹

The first of the scenarios for Poland would be ideal from Fidesz's point of view. Not only would it give Hungary a chance to build upon common preferences when it comes to EU policies and continue opposing the EU mainstream, but the influence of the Confederation Liberty and Independence party on Polish policy would likely cause it to assume an even harder stance towards Brussels, while attempting to somewhat water down Polish support for Ukraine.²² Such a development would be bad news for Czechia whose relations with Poland would weaken while Polish-Hungarian relations would again draw closer. Czechia's isolation in the V4 would be deepened if Robert Fico's SMER managed to form a government in Slovakia.

While the second scenario would engage Polish political actors in further campaigning and without sufficient capacities to devote to foreign policy and EU policy, materialisation of the third scenario would spell disaster for Fidesz, as it would mean **losing its biggest ally in the discussions about the future direction of the EU** as well as dealing with the rule of law deficits, only partly replaceable by a SMER government in Slovakia and other more or less sympathetic leaders throughout Europe, and would **cast Hungary into an even deeper isolation**. As Poland would not have much capacity to focus on Central Europe, there would be **even less interest in the V4 cooperation** at the political level. Together with Hungary and Slovakia (under a SMER-led government) building a new Eurosceptic

²⁰ Vít Dostál. Outlook for post-election Czech–Polish relations. Prague: Association for International Affairs (AMO), 2023.

²¹ Michal Sirový, "Kdo vyhraje slovenské volby? A hlavně, kdo pak dokáže sestavit vládu?," September 8, 2023, https://archiv.hn.cz/c1-67240900-kdo-vyhraje-slovenske-volby-a-hlavne-kdo-pak-dokaze-sestavit-vladu.

²² Dostál 2023, 6.



and Russia-friendly partnership, this would also complicate the situation for Czech policy in Central Europe.

3.2. Development at the EU level

Given the current **defensive stance of Fidesz in the EU**, a chance for a way forward for them could be the success of conservative, nationalist and populist forces in the upcoming European Parliament (EP) elections,²³ as well as in elections to national legislatures, resulting in changes in governments and thus **altering the political balance** in the European Council as well as influencing the policy plans of the next European Commission.

Since leaving the EPP group, Fidesz MEPs belong to the "non-inscrits", which comes at the price of significantly lower influence in the EP. Fidesz's remaining point of contact with the EPP is one representative of the Fidesz coalition partner, Christian Democratic People's Party (KDNP) who remains an EPP member. However, Fidesz currently holds 12 out of the total 21 seats allocated to Hungary in the EP, which is a number that might significantly increase the size and thus political influence of any faction that it might possibly join. Another victory for Fidesz in the EP elections is to be expected in 2024, gaining at least as many seats as in 2019. The European Conservative and Reformists (ECR) group has been mentioned most frequently as a possible alternative allegiance to the EPP for the Fidez MEPs,²⁴ however, the discontent about relations with Russia has hampered Viktor Orbán attempts at uniting the EU populist-(far)-right in the past. Whether Viktor Orbán tries creating a new group (which, looking at previous attempts seems to be the preferred way) or the Fidesz MEPs attempt to join the ECR, a key factor affecting success in this endeavour would be the stage of the Russian war and the salience of the topic at the EU level.

For Orbán to have a chance of forming a coalition at the EU level, either the conflict would have to de-escalate to such an extent that it would no longer be seen as unacceptable for potential partners to align with Fidesz, or **another agenda** would have to arise that would be strong enough to drown out differing positions towards Russia. Another possibility would be to at least somewhat **adjust the so far adamant position of Hungary towards Ukraine or Russia** – which, however, at this point would no longer be very credible.

The most natural Czech partners for Fidesz in the European parliament are Andrej Babiš's **ANO**, which is attempting to rebrand itself in a conservative direction. With the future of ANO in ALDE / Renew being questioned,²⁵ their cooperation following next year's elections is not excluded. While Fidesz might be interested in building **closer relations with the ODS** – and the two parties certainly share some opinions regarding EU integration – **their different strategic visions** regarding Ukraine and Russia as well as **the composition of the Czech governmental coalition** make it highly unlikely that ODS would respond positively.

Should the success of Eurosceptic and/or nationalist parties in the upcoming EP elections materialise, their support might be crucial during **the formation of the new European Commission**. Fidesz might use this opportunity to ask for **a release of the funds blocked** on the basis of the rule of law conditionality mechanism and the funds from the Recovery and Resilience Facility.

²³ Nicolas Camut, "Right wing set for big gains in 2024 EU election, polling shows," August 9, 2023, https://www.politico.eu/article/european-election-2024-polls-right-wing-big-gains/.

²⁴ Aneta Zachová, Federica Pascale, Vlad Makszimov, "Declaration debacle exposes sticky far-right rift," November 25, 2022, https://www.euractiv.com/section/politics/news/declaration-debacle-exposes-sticky-far-right-rift/.

²⁵ "ALDE Party Bureau statement on the participation of Mr Babiš at CPAC event," May 28, 2023, https://www.aldeparty.eu/alde_party_bureau_statement_on_the_participation_of_mr_babi_at_cp ac_event.



As pragmatic as it may be, leveraging political support for the European Commission in return for concessions on the rule of law thus would not contribute to stable and sustainable cooperation in the EU. It is in the interest of Czechia to resolve the matters regarding rule of law in the EU through transparent and fixed mechanisms.

Conclusion

The security of Ukraine is a vital interest of Czechia and a key prerequisite for its own security and prosperity. So is an efficiently working EU, capable of acting in a united manner vis à vis its international partners – even despite the particular different political priorities and preferences of its member states. While Hungary remains a relevant regional as well as EU partner for Czechia, it is increasingly apparent that the space for cooperation – which there clearly is and which should be further explored – and mutual trust are at the moment limited due to different outlooks on these strategic issues.

Although potential changes in the Central European regional dynamics following the upcoming parliamentary elections in Slovakia and Poland might bring changes for Czechia as well as Hungary, **none of the plausible scenarios will thus bring the countries closer together. Radically different views on the future of relations at the EU and with Russia** will most likely prevent an institutionalised cooperation between Czech governmental parties and Fidesz in the European parliament, even though alignment may be found between individual MEPs on specific issues. Some level of agreement between the two countries might be found in **selected EU policies** – e.g. regarding support for the use of nuclear energy.



Association for International Affairs (AMO)

AMO is a non-governmental not-for-profit Prague-based organization founded in 1997. Its main aim is to promote research and education in the field of international relations. AMO facilitates the expression and realization of ideas, thoughts, and projects in order to increase education, mutual understanding, and tolerance among people.

+420 224 813 460

f www.facebook.com/AMO.cz

www.amo.cz

www.twitter.com/amo_cz

info@amo.cz

info@amo.cz

Žitná 608/27, 110 00 Praha 1

www.youtube.com/AMOcz

Pavlína Janebová

Pavlína Janebová is the AMO Research Director. She focuses on Czech foreign and European policy and Central European cooperation. Pavlína is a graduate of European Studies which she read at the Faculty of Social Studies, Masaryk University, where she currently pursues a PhD degree in International Relations and European Politics.



The publication is supported by the Friedrich Naumann Foundation for Freedom. The Friedrich Naumann Foundation for Freedom is not responsible for the content of this publication, or for any use that may be made of it. The views expressed herein are those of the authors alone. These views do not necessarily reflect those of the Friedrich Naumann Foundation for Freedom.

The publication was supported by the Ministry of Foreign Affairs of the Czech Republic in the framework of the grant program Czech Foreign Policy Priorities and International Relations.