

Thirteen Years Later – Experiences from the 2011 Hungarian EU Presidency

Introduction

More than a decade ago, in 2010, the Hungarian Government was feverishly preparing for a new challenge. After seven years of EU membership, the symbolic last implementation stage of the post-change of regime foreign policy strategy arrived: In the first half of 2011, Hungary held the rotating presidency of the Council of the European Union.¹ The preparations, not unlike the Presidency as a whole, had at least a twofold dimension. The first was the two-decade-long, illusion-laden momentum of achieving and completing the Euro-Atlantic integration, and the second was the surfacing of conflicts arising from the change of direction in Hungarian economic and foreign policy, which appeared almost immediately after the Second Orbán Government took office.

The decade from the submission of application for membership (1994) to accession (2004) was centred on preparation, on how to comply as much as possible with EU rules and operating principles. The over 80% support rate in the referendum approving accession shows that a sweeping majority of the Hungarian society agreed with this direction. Accession itself was raised to the top of every agenda and in the context of the pressure to comply during the twists and turns of decades of waiting across governments, the fact was lost that no coherent political, economic and social concept had been developed as to what the aims and methods for asserting Hungary's interests as a Member State would be, beyond the receiving support from the structural funds. For the new EU Member States, including Hungary, the years following 2004 were years of learning. These States had to learn how to represent national interests in Brussels, how to lobby in practice, how to use EU budgetary resources and how to engage in the political culture of consensus-building across Europe.

Thus, in 2010, Hungary reached the final stage of EU integration. At the time of accession in 2004, certain steps were still outstanding to achieve full membership, meaning equal treatment. Until 2006, transitional arrangements for the mobilisation of structural and cohesion funds were in place, which only ceased upon the adoption of the new budget. Starting from a base level of 25%, area payment schemes in agriculture Hungarian farmers' payments were slowly brought to the same level as farmers' operating in the old Member States, with a gradual increase between 2004 and 2013. This meant seven years of brutal competitive disadvantage for the Hungarian agriculture. It should be noted that the starting baseline for Polish farmers was 50%. What was left was the most

¹ HORVÁTH-ÓDOR 2010.

symbolic act of EU membership: joining the Schengen system for the free movement of people. On the technical side, we had to wait for the completion of the SIS-II system, providing a computerised information base for the border control system, and for the report of the Committee verifying Hungary's preparedness and the Council decision to adopt it. Once the conditions were met, permanent border controls at the Austrian, Slovakian and Slovenian borders were lifted in December 2007. The same step was taken for air transport from the end of March 2008.

One of the very sensitive social expectations surrounding integration was the free movement of labour. Many old Member States, fearing for their labour markets, had asked for a derogation in this area, which expired after seven years in 2011. Although evaluations in the meantime had not confirmed these fears, and even those Member States that had not made a derogation (the U.K., Ireland and Sweden) benefited significantly from the influx of new workers. Austria and Germany, the most important Member States from the Hungarian point of view, insisted on maintaining the derogation until 2011.

All in all, equal legal treatment, meaning full integration, was achieved by 2013. Integration did not, of course, extend to the economic and monetary union, given that Hungary did not adopt the euro.

The Presidency's task was not made easier by the fact that the Lisbon Treaty entered into force precisely during the Hungarian Presidency, which, for the first time in the history of integration, clearly defined the Presidency's tasks for the Spanish–Belgian–Hungarian trio that was due to take office. For example, European Council meetings were no longer chaired by the Prime Minister of the country holding the rotating presidency, but by the President of the European Council, Herman van Rompuy. However, the country holding the rotating presidency still had a toolkit at its disposal. Of these, the most important was that, as the administrator of the Council's agenda, it could ensure that preferred topics be discussed and as an intermediary, have the discussion of overdue matters brought forward or shelved. As the vast majority of issues discussed in Council formations were of a transitional relevance, the Presidency could only bring issues of its own preference into the negotiating room in consultation with the other Member States and the members of the trio Presidency. The history of integration shows that, during their term, the presidencies inherit 90–95% of the topics from the Council, meaning that only a few percent of the topics can really be considered to be their own initiative. This may not seem like much, but as the (2001 and 2009) Swedish Presidency's efforts to encourage crisis management rules show, a country holding the presidency can leave its own imprint on the development of integration.

The trio and the joint programme of the Hungarian Presidency

The preparation of the Spanish–Belgian–Hungarian joint programme started in 2007 and was directly linked to the Europe 2020 Strategy ("A Strategy for Smart, Sustainable and Inclusive Growth";² following the failed Lisbon Strategy, the development concept Europe

² European Commission 2010.

2020 did not include any new development, support programmes and budgets, but sought to set a new direction for how this could be achieved over the relevant ten-year period). With this programme, EU Member States committed to increase economic activity rates, raise R&D spending to 3% of GDP, cut greenhouse gas emissions by 20%, and lift 20 million Europeans over the poverty threshold.

Following consultations between the three countries, the Council approved the concept on 7 December 2009. The lengthy (90-page) document outlines the trio's combined programme for the period between January 2010 and June 2011.³ It is divided into two parts: the first part contains the strategic framework of the programme, which places the programme in a broader context and summarises it from the perspective of those longer-term objectives that have been pursued over the three successive presidencies. The second part is the Operational Programme, which sets out the issues to be addressed over the 18-month period.

The main areas were as follows:

1. Socio-economic challenges: tackling the EU-wide economic crisis by resuming growth through measures to ensure greater supervision of financial markets; supporting green jobs, innovation and the transition to a green knowledge-driven economy.
2. Social affairs and, within this framework, the promotion of social cohesion.
3. Tackling environmental and climate challenges, in all their aspects: energy, transport, reducing greenhouse gas emissions, engaging in joint international action.
4. Justice and home affairs. Implementation of the Stockholm Programme, launched in 2009, common management of immigration and asylum, mutual recognition of judicial decisions and their practical enforcement.
5. External relations, coherent external action. Continuing EU enlargement, setting up the European External Action Service, coordinated civilian–military capabilities.

The Hungarian Presidency Programme

The Hungarian programme,⁴ which chose the slogan “Strong Europe”, was published on 10 January 2011 and grouped the Presidency tasks around four priorities:

1. *Growth, job creation, the EU 2020 programme, the blueprint for making the EU more competitive.* In this area, the Hungarian Presidency sought to promote the sustainability of public finances, fiscal discipline and the stimulation of economic growth at the same time. Towards the goal of strengthening economic governance, the Hungarian Presidency set as its main task the successful negotiations on the so-called legislative ‘six-pack’. Regarding the economic agenda of the Presidency programme, it should be noted that Hungary’s position was fundamentally weakened by the fact that Hungary is

³ Council of the European Union 2009.

⁴ Government of Hungary 2010.

not a part of the Eurozone, and that an excessive deficit procedure was pending against it. As Hungary did not participate in the work of the Eurogroup, the Member States only expected the technical organisation of the meetings.

A new task was to carry through the “European Semester”, which was launched for the first time in January 2011. Hungary was the first country to implement the European Semester, designed to prevent a Greek-style financial crisis. The aim of the European Semester is for Member States to adopt national budgets in line with the Stability and Growth Pact and the Europe 2020 growth strategy. Under the new economic surveillance procedure, Member States submitted their Stability and Convergence Programmes by the end of April and the European Commission prepared country-specific recommendations based on the assessment of their programmes. Recommendations from the first Semester, endorsed by the June 2011 European Council, were to be taken into account by Member States when preparing their national budgets and implementing sectoral policies.

It was a Hungarian Presidency initiative to address the Roma issue at EU level and to coordinate respective national actions. An EU “Framework for National Roma Integration Strategies up to 2020” was adopted by the competent professional body on 19 May and confirmed by the European Council on 23–24 June. The document states that the inclusion of disadvantaged groups, including the Roma, is primarily the responsibility of the Member States, which must adopt an integrated package of measures by the end of 2011. In connection with the Roma strategy, the Hungarian polity could rely on the only member of the European Parliament who identifies as Roma, Lívía Járóka.

2. *The “Stronger Europe” objective was primarily aimed at further strengthening Community policies.* The focus was on strengthening internal cohesion, the future of the Common Agricultural Policy, increasing energy security, water-related policies and the Danube Strategy.

The Council decided that the EU’s integrated energy market should be completed by 2014 and that disconnected ‘islands’ within the EU should be eliminated by 2015. The powerful earthquake of 11 March 2011 in Japan caused a nuclear disaster at the Fukushima nuclear power plant, which supplied the central region of the country. One of the consequences of the disaster was that Member States opposed to the use of nuclear energy immediately took advantage of the situation and began to push for the revision of the entire nuclear energy policy within the EU. The Hungarian Presidency convened an extraordinary meeting of energy ministers on 21 March, where there was a heated debate between countries preferring (France, Italy, V4 countries) and opposed to (Germany, Denmark, Austria) nuclear energy. The Hungarian party which led the discussion is one of the most affected states, as almost half of its electricity supply comes from the Paks power plant. At the meeting, ministers proposed to carry out stress tests at 134 nuclear power plants in Europe.

The adoption of a macro-regional strategy for the Danube, the Danube Strategy, was a major achievement (24 June 2011 European Council meeting). The Danube Strategy aims to kickstart and develop economic growth, jobs and a create liveable Danube basin through coordinated responses to cross-border challenges. The Danube Strategy covers several areas, including infrastructural development, ecological aspects, navigability

of the Danube, energy production, support for small and medium-sized enterprises, social and cultural aspects, etc. Commissioner Johannes Hahn for Regional Policy, when presenting the Danube Strategy (9 December 2010), considered the parallel application of environmental protection and sustainable economic aspirations to be a feasible proposal. The objectives and proposals of the Danube Strategy follow the 2008 Baltic Sea Strategy and cover the 14 countries participating in the project (8 EU Member States and 6 non-EU countries, namely Austria, Bulgaria, the Czech Republic, Hungary, Germany, Romania, Slovakia and Slovenia), as well as candidate and potential candidate countries Croatia and Serbia.

3. *Strengthening the EU's citizen friendly approach.* This included the preservation and promotion of cultural diversity, facilitating the acceptance of Romania's and Bulgaria's accession to the Schengen area, the elaboration of a European refugee status, and the strengthening of judicial and home affairs cooperation within the framework of the Stockholm Programme. It also included the incorporation of the Charter of Fundamental Rights into the Treaties and the objective of a European Year of Volunteering. However, the agenda of the "Citizen Friendly Europe" chapter became increasingly focused on migration and asylum, partly because of the 'Arab Spring' and partly because of the debates surrounding the expansion of the Schengen system. With the North African migration flows mainly affecting Italy and Malta at the time, the Hungarian Presidency repeatedly put the events in the Southern Neighbourhood on the agenda of the relevant Council formations.

It was an outstanding achievement of the Hungarian Presidency that, at the Council meeting of 9 June 2011, it was declared that Romania and Bulgaria are well prepared to apply the Schengen *acquis* in full, namely, all the conditions for their entry into the system were met. However, at the next meeting of the EU ministers of interior affairs (23 September, by then under the Polish Presidency), the two countries' accession to the Schengen system was rejected. The Netherlands and Finland, who had the most arguments against their accession (citing corruption, organised crime), did not even consider the two-step Hungarian proposal to abolish border controls with the two countries in 2011 only at sea and airports, and to decide on the integration of land crossings later.

4. Finally, the *global responsibility programme*. In this point, the main priorities were the conclusion of accession negotiations with Croatia and the start of Iceland's accession. The promotion of the effective functioning of the European External Action Service and the continuation of the Eastern Partnership programme were also included.

The Hungarian Presidency gave priority to the further progress of the enlargement process in the Western Balkans, and, more specifically, to the conclusion of accession negotiations with Croatia. At the beginning of 2011, when the Hungarian Presidency started, seven negotiating chapters were still open. It was largely thanks to the repeated efforts of Hungarian diplomacy that the negotiations accelerated and were concluded on 30 June 2011.

The Western Balkan Forum was also held during the Hungarian Presidency (20 June), in Luxembourg. These meetings took place in spring every year, but in 2011 the busy schedule arising from the events in Libya meant that the meeting had to be postponed

to the summer. Finally, the European External Action Service set 20 June as its date, and set the following main topics for the forum: the European perspective on the region, regional cooperation and the issue of elections. The relevant representatives of the Council of Europe and the Organisation for Security and Cooperation in Europe (OSCE) were also invited.

No progress was made in the negotiation process with Turkey, but the 27 June round of negotiations with Iceland opened four chapters, while also closing two of them.

In the area of the EU's external representation, following the Spanish Presidency the Hungarian Presidency was the second to be involved in the practical implementation of the changes introduced by the Lisbon Treaty. The European External Action Service, set up by the Lisbon Treaty, had been operational since December 2010, and the aim of the Hungarian Presidency Programme was to actively help integrate the EU diplomatic machinery into the daily routine. This was a success. Not only did the Hungarian side manage to chair external relations working parties, but it also effectively ensured the EU's external representation in crisis situations in Belarus, Iran and Libya. On dozens of occasions, the Hungarian Foreign Service deputised for the EU High Representative at events with third countries or regions (e.g. EU–Montenegro, South Caucasus, Central Asia, Israel). The Hungarian Presidency was tasked with the organisation of the biennial Asia–Europe Meeting (ASEM) (6–7 June 2011, Gödöllő). In addition to the 27 EU Member States, the meeting was attended by the foreign ministers of the ten ASEAN States, Australia, New Zealand, Russia, China, Japan, South Korea, India, Mongolia and Pakistan. One of the main topics of the meeting was addressing non-traditional security challenges (natural disasters, nuclear accidents, energy and food security), which had become particularly pressing in the wake of the earthquake in Japan.

Failure of the Eastern Partnership Summit

The Eastern Partnership cooperation process was launched by the European Union at the Prague Summit on 7 May 2009. The initiative, part of the European Neighbourhood Policy (2004), aimed to develop economic and political relations between the EU and six former Soviet republics (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). The programme encourages participants to bring their legal systems closer to EU standards, but does not offer them the status of membership. Community funding for this framework of cooperation increased from an initial level of €450 million in 2008 to €785 million in 2013. A further 50% was added for institutional development and 20% for regional funds. What gives the Eastern Partnership meetings a special significance is that the EU's attention has been focused mainly on the South, i.e. the Euro-Mediterranean Partnership (2008), but, with this initiative, the two main strands of the neighbourhood policy became more balanced.

Originally, the Hungarian Presidency planned a second Eastern Partnership Summit in Gödöllő that was to be held in May 2011. However, on 17 February 2011, the Government announced that, following consultations with the Permanent President of the

European Council, the Hungarian EU Presidency and the incoming Polish Presidency had taken the initiative to hold the Summit in Poland in the second half of 2011. According to the announcement, “the planned May date of the meeting was congested with other major international events such as the G8/G20 meeting or the OECD 50th Anniversary Ministerial Council”, creating insurmountable organisational and logistical problems. As the event was “extremely important for both Hungary and the EU as a whole”, the Hungarian side did not wish to risk the programme and the effectiveness of the summit, and decided to postpone it.

The change in the date (30 September) and venue (Warsaw instead of Gödöllő) of the summit did not involve any change in the content of the summit. Poland co-initiated the Eastern Partnership with Sweden, and agreed with the Hungarian side that Hungary would co-host the summit, just as Poland was originally to co-host the summit in Gödöllő. Even so, the postponement of the meeting may be considered one of the political failures of the Hungarian Presidency. Not from the perspective of integration as a whole, and not in the merit, since Hungary was given an appropriate role as co-host of the Warsaw meeting, but in the sense that the French, harbouring an aversion towards Hungarian domestic politics, deliberately organised the G8/G20 meeting for dates already in the Hungarian Presidency’s previously fixed agenda. Press reports also suggested that the French move was motivated by U.S. resentment of the Hungarian Government’s economic policy decisions.

African Spring

Learning from the failure of the 2009 Czech Presidency, in the run-up for the Hungarian Presidency it was seriously considered to make preparing for unexpected situations a presidency priority. The Czech Presidency was already shaken to its core on day four by the escalation of the conflict in the Middle East. For Hungary, this was the case not only with the Japanese nuclear disaster, but also with the series of uprisings known as the “African Spring”, which swept through Tunisia, Egypt, Libya, Yemen, Bahrain and Syria with elemental force. The popular uprisings created a huge ripple effect in international relations, and the EU, as the most active global player besides the U.S., was actively involved in the events both as an organisation, but also through the policies of its Member States, as leading powers. The former, organisational dimension was the less powerful one: the coordination of the EU’s foreign and security policy had just been transferred to the High Representative (Catherine Ashton) under the newly effective Lisbon Treaty, leaving the country holding the presidency to coordinate the EU’s action, which could hardly be described as having been united.

In the first uprising in Tunisia and Egypt (January 2011), the Hungarian Foreign Minister was the first to visit the region to assess the humanitarian situation. In the case of Libya, EU evacuation assets and crisis management experts were mobilised in coordination with the Commission, and in the framework of the EU Civil Protection Mechanism. In Libya, a country also affected by the African Spring, the Hungarian

Embassy coordinated consular and evacuation tasks for EU citizens, representing the EU and later several non-EU countries. Those fleeing the country were allowed to leave Libya and Chad using Hungarian flights.

The EU sanctions package, based on UN Security Council Resolution No. 1970 against Libya, but in many respects going beyond it, was quickly prepared and submitted to the Council by the RELEX working party under the Hungarian Presidency.

Evaluation

For the first time since Hungary joined the EU in 2004, Hungary prepared a presidency programme with no relevant experience, but the resulting programme could be considered an ambitious one, especially after the drab Slovenian (January–June 2008) and the distinctly weak Czech (January–June 2009) Presidencies.

The overall picture is that the Hungarian side was capable of preparing for the technical management of the semester's tasks, even in the period of the change of government, and was able to maintain institutional consensus on a number of current or pending policy issues. During the Hungarian Presidency, a total of 103 cases were concluded, of which 43 were concluded under the ordinary legislative procedure with the European Parliament (twenty at first reading, six at second reading and one at third reading) and 60 Council and Presidency conclusions were adopted. The data indicate that Hungary could forge compromises between the many interests and, in doing so, discern relevant issues in a way that facilitates successful decision-making.⁵

At the end of the Hungarian presidency, the political parties assessed the country's six-month performance in the working party of the Hungarian Parliament for the EU presidency. According to ruling party representatives, Hungary successfully fulfilled the tasks of the Presidency and succeeded in meeting the "Stronger Europe" presidency objective. Foreign Minister János Martonyi described Hungary's role as that of an "honest broker", and said that the greatest achievements were the completion of the economic legislative six-pack, the advancement of the Schengen enlargement and the conclusion of Croatia's accession. The Government Commissioner in charge of the Presidency's programmes, Ferenc Robák, recalled that the parliamentary elections had left very little time to prepare for the events, but they were still managed economically, in a high quality. Including the preparations, the Hungarian Presidency of the EU in the first half of 2011 cost a total of €70–75 million, or around HUF 22 billion, amounting to one of the leanest budgets of presidencies to that date. Presidencies in recent years had all spent over €100 million on presidency tasks and preparations.

Opposition parties acknowledged the professional performance of the Presidency, but added that they could not consider the presidency a success because of the "negative

⁵ Data from the Hungarian Presidency website (EU2011.hu). A concise summary of the Presidency's semester in VASALI 2011: 52–64.

political elements” surrounding the programme. According to Vilmos Szabó (MSZP), Hungary’s prestige did not rise after the presidency and “the number of negative news stories about Hungary broke a record”.

Jobbik’s assessment was summarised by Zoltán Balczó. He said that, over the past six months, the EU had moved towards the creation of a centralised European state with the assistance of the Hungarian Presidency. Overall, he said that Hungary successfully met Brussels’ expectations and the EU had moved closer to a superstate, which, however, according to him flies in the face of Hungarian interests.

Former Foreign Minister Péter Balázs, who played an active role in the preparation and launch of the Presidency, used the term “half-success” in his assessment. He argued that while the “Hungarian Presidency has done an excellent job” in implementing the programme, the “EU Presidency has not become a celebration in Hungary: its beginning was marked by political turmoil, its continuation by tension and uncertainty [...]. At the end of the Presidency, Hungary’s overall image is in more dire straits than before”.⁶

The European Parliament assessed the Hungarian Presidency on 5 July 2011. The Hungarian Prime Minister, who had travelled to Strasbourg to attend the meeting, stressed that Hungary fulfilled its commitments and was convinced that, following the enactment of the economic governance regulations, the accession of Croatia, the adoption of EU border protection and the Roma and Danube strategies, the EU was stronger than before. Although the EU faced three grave challenges in the first half of 2011 (the Eurozone crisis, the Fukushima nuclear disaster and the events in North Africa), it was able to respond quickly and effectively to all of them.

The President of the European Commission, José Manuel Barroso, also cited the completion of Croatia’s accession as a success, rendering it the 28th Member State of the EU as of 1 July 2013. He praised the economic legislative six-pack, the launch of the reform of the Schengen system and the strengthening of the EU’s external borders.

The leader of the EPP, Joseph Daul, also praised the Hungarian achievements, and underlined that the rotating presidency continues to have a major role in decision-making following the changes introduced by the Lisbon Treaty, and that the Hungarian Presidency took its share of this responsibility.

Apart from the EPP, the other EP parties (Socialists, Liberals, Greens) followed the same approach they took when the Hungarian programme was presented (19 January): following the brief, positive praise for the technical part of the programme and the acknowledgements addressed to Hungarian diplomacy, they moved on to their criticism of Hungarian domestic policy, which was not a part of the Presidency programme. In the nearly two-hour plenary debate, yet again, the bulk of the attention was paid to the Hungarian media law and the new constitution, with critics interpreting them as a sign of the dismantling of Hungarian democracy.

⁶ BALÁZS 2011.

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