



Hungary's Foreign Policy

**after the Hungarian
Presidency of the Council
of the European Union**



MINISTRY OF FOREIGN AFFAIRS OF HUNGARY



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On 1 July 2011 Hungary – after her spell as President of the Council of the European Union – returned to the “daily routine” of life as a Member State, and thus continues to pursue her foreign and Europe policies with the same duties and responsibility as other Member States. This has made it timely for us to review the main premises of Hungarian foreign policy: our values, current status, goals, and future plans.

I. Starting points

The central mission of our foreign policy is to effectively advance our national interests in all aspects that go beyond Hungary's borders. But what is the Hungarian national interest? On what basis can we decide what is and what is not in our interest; what can we consider to be good or bad; what do we support or oppose; what do we want to make happen or prevent? The system of values of Hungarian foreign policy provides the basis for giving answers to all these questions.

A foreign policy based on values

Hungary intends to conduct a value-based foreign policy: this means that our goals and interests are not selected on an ad hoc basis, or shaped by various lobbies and group interests, but are a function of the values which Hungary openly and publicly associates herself with, both in the domestic and global arena. It is on the basis of those values that we define our goals – i.e. the vision of an ideal and, at the same time, an achievable position

in relation to a specific matter – as well as our interests, since everything leading towards the realisation of our goals is in our interest. Having a value-based foreign policy *does not mean that Hungary should inherently limit her relations with countries that do not fully respect*, or interpret differently, the values we adhere to. It does, however, mean that even in pursuing those relations our interests are determined on the basis of our values, and we will choose the most effective means – *including the forms of interactions* – to realise our value-based interests.





The **most important sources of Hungary's values** are for the main part to be found in the founding documents of the international organisations Hungary belongs to: in particular the *UN Charter*, the *North Atlantic Treaty (Treaty of Washington)*, and the *Treaty on the European Union (Treaty of Lisbon)*. Our constitution adopted in 2011 – also known as the Fundamental Law – also represents a commitment to certain values – some of which have foreign policy implications, so it is also among the most important sources of values for Hungarian foreign policy.

Hungary's fundamental foreign policy values, derived from those documents, include the following: *peace, security, the respect of international law, democracy, human rights, personal freedoms and their group expression in the form of collective (community) rights, social responsibility, market economy, sustainable development, freedom of self-expression, freedom of the press, and the respect of cultural diversity*. Values are often found to derive from each other: the consistent implementation of democracy, human rights and social responsibility has resulted in the rights of persons belonging to minorities becoming a universal value, on which the EU lays particular emphasis. Hungary, along with numerous other developed countries, employs the term *collective (community) rights of minorities* for those aspects of minority rights that can only be exercised in a group. Hungary considers minority rights to be a value of equal significance with that of the afore-mentioned basic **universal values**.

One of the most important principles of international law is the right of each member of the international community to defend its sovereignty and territorial integrity. Thus, one of the most important **national basic values** of Hungarian foreign policy is *Hungary's sovereignty and territorial integrity* derived from the respect of international law as a universal value. The other extremely important national basic value, *a sense of shared national belonging spanning borders*, is derived from the universal value of minority rights, and evidently must be interpreted in the context of Hungary's respect for international law (including the sovereignty and territorial integrity of each member of the international community). Of course, many other national values of Hungary's foreign policy stem from universal values: for example the exceptional responsibility we assume for the *development of the Hungarian economy, Hungarian culture and the national culture of minorities living in Hungary, as well as for the state of Hungary's environment*.

In addition, while pursuing the objectives of our value-based foreign policy, we naturally do take into account the tasks arising from Europe's and Hungary's

economic situation, as well as Hungary's international commitments. Values cannot serve as an excuse for omitting, or delaying the necessary steps in connection to these. The **harmonisation of our interests and values** must always be based on the rational analysis of the relevant circumstances and on the conclusions drawn from them.

Even though the methods for achieving our value-driven interests are basically determined by practical considerations, our values do have a place in this phase of decision-making: they set out limits that the selection of methods cannot disregard. A value-based foreign policy is – in a certain sense – the rejection of a Machiavellian stance: it lays down those methods that cannot be conceivably justified to achieve certain goals, even if the goals themselves are in accordance with the values we cherish.

Hungary's foreign policy **range of responsibility can be seen in terms of** three concentric circles: We feel responsible for the freedom, well-being and security of the citizens of Hungary, in the first place, then of our allies (primarily EU and NATO members) and our partners (members of the international community) as well.

Hungary's position in the world

A global realignment of international power relations has taken place in recent years as a result of changes in the economic performance of individual countries or group of countries. In the course of that realignment, the most developed regions of the world – including the EU – have witnessed the emergence of economic difficulties the roots of which were financial problems, thus making reforms and austerity inevitable. Preparing the decisions in connection with the EU's

economic crisis response was part of the most important tasks of Hungary's EU presidency. Despite many decisions successfully taken during the Hungarian and Polish presidencies, the EU continues to face increasingly serious financial and economic problems that raise the necessity for rethinking the EU's economic system and political functioning.



The **relative decline of the political and economic power and leadership of the “West” – basically North America and Europe** – seems to be a medium- or even long-term trend globally. While in 1991 this region accounted for more than half of the world’s GDP, in 2011 this was around 40 %, and as forecasts predict, it will fall to approximately one third by 2025.

At the same time, emerging countries with high growth rates have **strengthened their positions in the world economy. This occurred at the same time as the rise in global political clout** of large countries with such an economic background (e.g. China, India, Brazil and Indonesia). This phenomenon is often described as the increasing multipolarity of the world. The combined GDP of Brazil, China, India and Russia (the BRIC countries) made up 16 % of the world total in 1991, 25 % in 2011 and, if current trends persist, it will reach around 33 % in 2025. This development is not limited to large countries: the role of the whole of the emerging world is increasing.

The realignment of economic power could **gradually cause a shift in the world’s security relations**, as countries in a better budgetary position could then count on a larger pool of resources to develop their defence capabilities. The differences in military potentials are nonetheless not defined by the available financial resources alone, but also by the possession of technologies.

The growth of the economic potential of emerging powers brings with it new requirements and demands which in certain cases diverge, thereby creating new potential conflict zones. The **rapid economic growth** and the resulting **increased demand for energy, raw materials and food** of the emerging powers increasingly highlights the quantitative limits of the globe’s natural resources, even compared to the trends in the previous decades. Access to those resources, along with the need for a paradigm-shift retaining their rate of exploitation (which, beside the environmental aspects, could give a reassuring answer also to the question of dividing up global resources), has become one of the pivotal issues of international relations.

Conflicts of interest arising from demand for energy, food and raw materials, as well as other global challenges – such as global economic, environmental, water management, food, migration and other problems – make the fora for multilateral dialogue and cooperation between states essential.

Hungary attaches great importance to consultations taking place in the framework of the G8 and G20, and at the same time, she considers the need for



the UN to **preserve its leading role in global governance to be a key issue. The UN charter is based on the same universal values** Hungarian foreign policy adheres to. Our goal is to ensure that the UN has the ability to efficiently fulfil the tasks it was created for in the name of these values. Hungary supports any reform that advances this goal.

The global transition and the accompanying economic crisis that is having a particularly serious effect on Europe have found Hungary in a socially and economically weakened position. Cutting the previously high budget deficit, halting the growth of sovereign debt and restarting economic growth had become urgent by the end of the last decade. Our weakened economic position meant that Hungary had difficulties in adjusting to the consequences of the economic crisis, even in comparison to other countries in the region.

At the same time Hungary had to – and still has to – confront a plethora of problems rooted in demographic decline, social exclusion and low levels of trust in public institutions. All these *make it difficult for Hungarian society to successfully face external challenges and embark on economic recovery.* Solving these problems, however, can only be successfully attempted once financial resources are available and the economy starts to grow. So Hungary, as well as all of Europe, needs to manage a situation that appears to be an impasse: the absence of economic growth threatens the sustainability of the welfare state; at the same time, historic experience indicates that social cohesion as well as trust in the future are in turn prerequisites for economic growth. It is a general tendency due to the economic and social challenges that the foreign and Europe policies of each country are increasingly determined by domestic political considerations. As a result of the crisis, fundamental questions of state philosophy and democracy theory have appeared on the agenda.

The worsening economic and social problems and the lack of a clear vision to address them have increasingly cast *a shadow on the reputation of Hungary* within respected circles of international business and politics. This is aggravated by the contrast that only ten years ago, Hungary was hailed as the success story of the region east of the former Iron Curtain. Hungary, struggling with ever more visible economic and internal problems in the second half of the last decade, had seen even her relations with Hungarian communities living abroad reach an all-time low in the aftermath of the unsuccessful 2004 referendum on the possibility of acquiring Hungarian citizenship without a permanent Hungarian residence.



Hungary's foreign policy in recent years has lacked a clear geographical and sectoral profile, and often struggled with directional problems as well, especially in its responses to energy security challenges. As a consequence, it could not achieve a breakthrough in relation to the country's external concerns and it also had little chance to substantially improve the progressively worsening international reputation of Hungary.

In light of the pressing problems facing Hungary, **in the summer of 2010 three urgent priorities were identified: the management of the foreign policy aspects of breaking out of the difficult economic situation, the successful organisation of the EU presidency and achieving a turnabout in "Hungarian-Hungarian" relations.** We called these our short-term priorities.

In the course of implementing that commitment, it has caused some political problems that the domestic political and economic decisions needed to be taken urgently in response to the country's social and economic problems are not always met with agreement, and have become the object of criticism by foreign expert opinion.

As soon as it was formed, the government immediately set out to lay down the foundations of a new Hungarian economic policy. However, **the worsening European and global economic situation makes a visible economic recovery exceedingly difficult**, as Hungary is among the most open economies in the world. **This continues to pose a great challenge for Hungary, and for our diplomacy as well.**

Both the planned and unexpected events of the EU presidency were handled in a well-organised way. **The Presidency achieved its goals for the most part, and reacted successfully to the challenges that emerged in the meantime** (e.g. events in North Africa, the natural and industrial disaster in Japan, the food-related epidemic and the financial crisis affecting member states of the Eurozone). Under the Hungarian Presidency, the EU took crucial steps towards establishing economic governance.

Shortly after the spring elections in 2010 and the formation of the new government, the decision was made on the possibility of granting Hungarian citizenship for those without a permanent Hungarian residence. On 1 January 2011 the **simplified naturalisation procedures were introduced** and Hungary's consular services proved successful in meeting the increased task-load posed by these procedures.

Our priorities

József Antall, the first democratically elected Prime Minister of Hungary after the fall of Communism, made it a tradition underlying Hungarian foreign policy thinking to elevate priorities in foreign relations. **Priorities**, in line with the original meaning of the word, denote **those areas of our foreign policy that are treated with heightened interest**. That is they do not constitute the entirety of our scope of interest, as is often mistakenly assumed. Instead, they cover those judged to be the most important (enjoying primacy in some respect) interests and goals.



Based on Hungary's current situation, Hungary regards the following areas to be of significant importance, i.e. priorities:

- **Regional policy:** the advancement of Hungary's interests in connection with our region (interests in common, or in relation with the other countries of Central, and South-East- Europe), including the advancement of the protection of interests of Hungarians living abroad.
- **Euro-Atlantic orientation:** the representation of our national interests in the EU and NATO, among others working for a strong and united Europe (successful economic crisis management, the prevalence of the community-based method in decision-making) and the further strengthening of transatlantic cooperation.
- **Global opening:** revitalising Hungary's ties with those parts of the world that have been accorded lesser importance in Hungary's foreign policy focus in recent years (or have always been outside the scope of that focus); increasing our role in shaping the global agenda and strengthening our activism in meeting global challenges.

These three priorities evidently are strongly interconnected: each one being pursued and realised in connection with the other two, aiming to take advantage of their inherent synergies. In the execution of our regional policy as well as in opening up to the world we rely on, among others, the instruments of our Europe policy.

II. A sectoral approach to diplomacy

The role of Hungary's foreign policy is to aid government efforts to make Hungary successful in her international relations. In practice, this means that it must assist in the implementation of the government's program and the individual ministries' sectoral strategies by using the tools of political diplomacy – the network of foreign representations and the Ministry's resources.

The sectoral strategies with a strong external dimension, which are thus more characteristically present in Hungary's foreign relations, make up together the profile of Hungarian foreign policy. We aim to highlight this profile through foreign policy strategy and developing diplomatic capacities. The goal is to provide well-defined outlines and visibility for Hungary's foreign relations. In that regard, the following areas are of utmost importance.

The advancement of economic interest

The desire to place the advancement of Hungary's economic interests in the focus of Hungarian foreign policy has repeatedly been articulated over the course of the last couple of years. The Ministry of National Economy has developed **Hungary's new External Economic Strategy** (<http://www.kormany.hu/en/ministry-for-national-economy>), which is currently under consultation with civil society. This strategy defines until 2015 the main directions and tasks of those parts



of Hungary's external economic policy that fall under national competence. The **representation of Hungarian interests in connection with the EU's common commercial policy**, as well as our participation in multilateral economic cooperation fall within the competence of the Foreign Ministry. **It is the duty of the entire Hungarian diplomatic corps to promote the success of these efforts through the means at its disposal.**

Helping Hungarian exports and advancing foreign investments in Hungary is the goal of our foreign policy in promoting Hungarian economic interest. Hungary's image is part of the Hungarian economy's brand: its development strongly influ-

ences both Hungary's export and capital export capacity and the ability to attract foreign direct investment. This relationship is two-way: the presence of Hungarian economic actors abroad influences the international reception of Hungary. The image of Hungary is thus strongly linked to our external economy. **Our diplomacy** – beyond direct diplomatic activity in the economic field – **can indirectly aid external economic relations through country branding activity**, in accordance with the guidelines and concept of the Ministry of Public Administration and Justice's own country brand-building activities. This work can positively influence perceptions about Hungary by aiding, advising and sharing information with Hungarian economic actors. In light of this, taking advantage of synergies between economic and cultural diplomacy is necessary.

Strengthening security

Protecting the security of citizens as well as the secure environment of their freedom and well-being is one of the primary tasks, and a constitutional obligation, of the Government. Starting from Hungary's status as an ally and role in the international community, Hungary's security policy contains in it a sense of responsibility both for the security of the citizens of Hungary's allies and international partners, and thus for the security of the whole world too.

The Foreign Ministry, using the means at its disposal promotes the achievement of the above-mentioned goals and **the implementation of the National Security Strategy** currently under revision.



The main guarantee of Hungary's independence, sovereignty and territorial integrity is the alliance and solidarity based on the Treaty of Washington. The collective security guaranteed by Article 5, along with the possibility of consultation in case of threats to territorial integrity, independence or security as laid down in Article 4, are particularly important dimensions of this solidarity. NATO's own Strategic Concept serves as the starting point for the interpretation and application of the Treaty of Washington. Hungary places a high importance on the **community of values** and **economic cooperation** binding the allies together under Article 2.

Hungary's security is further strengthened by the collaboration taking place within the framework of the European Union's Common Foreign and Security Policy and the Common Security and Defence Policy. In our view, CSDP needs to develop further in coordination with NATO, ensuring optimal burden-sharing. Hungary's membership in both organisations enhances her ability to advance her national interests and allows her to meet the security threats and challenges of our day more efficiently, together with our NATO allies and the EU member states.

Energy security

More than 60 % of Hungary's energy use is currently covered through imports. Hungary's **dependence on imports** as well as the potential effect of singular events anywhere in the world – man-made or natural disasters (see Fukushima), political tensions (see MENA) – could have on the European energy markets make it necessary for Hungarian foreign policy to place great emphasis on questions of energy security and energy diplomacy.



Hungary is more vulnerable in her supplies of natural gas than in that of any other fossil fuel, as was made evident by the gas crises of 2006 and 2009. In order to ensure security of supply, several projects have been carried out, are in the process of implementation, or are under planning (such as the interconnections with neighbouring countries, the North-South energy corridor, Nabucco, the Azerbaijan-Georgia-Romania-Interconnector (AGRI), the South East Europe Pipeline (SEEP) and South Stream).

It is the task of Hungarian diplomacy to support projects leading to increased security of supply. In parallel to this, preparations must be made for potential crises of security of supply in other areas (for example in the supply of oil and electricity). Beyond strengthening the security of supply, Hungarian diplomacy must assist all attempts to create a regional energy market in order to ensure Hungarian consumers have access to energy at a competitive price.

Hungary faces similar questions concerning energy security as do the other countries of Central, Eastern and South-East Europe. Our diplomacy aimed at energy

security is primarily active on bilateral and regional levels, within the framework of the EU, and also vis-à-vis the potential source and transit countries. At the same time, the energy market is becoming **more and more global**. Hungary's foreign policy focus therefore needs to extend to global trends in energy politics, technological and geopolitical developments and their effects on European energy policies and energy markets. This includes the tracking of, and active participation in international bodies dealing with energy.

Promotion of collective rights of national minorities

Hungary's previous constitution stated that Hungary feels responsibility towards Hungarians living abroad. The new constitution – also known as the Fundamental Law – states that Hungary *assumes* responsibility towards Hungarians living abroad. The new Fundamental Law also elaborates in detail on what this assumption of responsibility means: Hungary shall promote the preservation and development of their communities, support their efforts to preserve their Hungarian identity as well as their strive for the fulfilment of their individual and collective rights, the establishment of communal councils, their prosperity in their native lands, and shall promote their cooperation with each other and Hungary.



Since the accomplishment of this constitutional obligation implies tasks in almost all expert fields of our foreign policy, our foreign policy and our policy related to Hungarians living abroad are interconnected in an inseparable way: Hungarian foreign policy is the foreign policy not only for Hungary but at the same time for the Hungarian nation as a whole.

The common goals of the cooperation between Hungary and Hungarians living abroad were laid down in a framework strategy adopted on 24 November 2011 at the 10th session of the Permanent Hungarian Council (MÁÉRT), the joint forum for Hungarian political organisations abroad and the main actors of the political scene in Hungary. Cross-border Hungarian relations encompass nearly all aspects of everyday life, nevertheless, education and culture hold a particular place in relations between Hungary and Hungarians living



abroad. Our aim is to promote the free exercise of these social relations. **One of the sore points in “Hungarian-Hungarian relations” was resolved in 2010**, when Hungarian legislation **made it possible also for the Hungarians living in neighbouring countries to acquire Hungarian citizenship without having to settle in Hungary.**

Hungary’s policy in all partner countries with a Hungarian community follows the same goal: to enhance conditions for the preservation of Hungarian communities and to establish harmonious relations between all three sides of the “triangle” determining the life of these communities, that is in the **Hungarian-Hungarian relations, in the relations between the Hungarian community and the state it lives in, and in the bilateral relations between Hungary and that state.** To this end, Hungary will make use of the possibilities contained within bilateral and multilateral diplomatic ties and in the cooperation with Hungarian communities. We wish to help those voices of the Hungarian communities be accepted which call for the establishment of various forms of autonomy. The conventions of the Council of Europe, whose complete implementation Hungary supports, along with the recommendations issued by the OSCE High Commissioner on National Minorities since the establishment of the office constitute an important common basis for dialogue with the countries concerned. Hungary appreciates the confidential diplomatic work carried out by the High Commissioner to facilitate problem-solving dialogue. We strive to advance the international legal system for the protection of minorities through the diplomatic means at our disposal.

Owing to its supervisory role over the network of Hungarian embassies – including the ones in neighbouring countries and the ones accredited to international organisations – the Ministry of Foreign Affairs has always had a role to play in the policy concerning Hungarian communities abroad. In our current government structure, coordination of the policy on Hungarian communities abroad lies with the Ministry of Public Administration and Justice. The essence of the role the Ministry of Foreign Affairs plays in the policy concerning Hungarian communities abroad consists of promoting, by using the means of political diplomacy, the effective implementation of the framework strategy on Hungarian communities abroad that outlines the vision of a prospering Hungarian nation.

Promotion of agricultural interests

Hungary's political diplomacy has not paid particular attention to agriculture up until now, the only exceptions being Hungary's participation in the common agricultural policy (CAP) of the EU, and certain projects of international development cooperation concerning agricultural production and food security. At the same time, food security has emerged as a major issue going beyond the CAP and international development. The equilibrium between the supply and demand of agricultural



commodities is becoming unbalanced. This development has led to price hikes in all sectors related to agriculture causing inflation and grave social tensions. **Food security and agriculture will be one of the central topics of international relations in the coming years.** This makes the increased attention paid to the interests of Hungarian consumers and agricultural producers by our foreign policy particularly justified.

It is also a task for Hungarian foreign policy to advance – with its own means – the rural development goals of the government, including in particular the provision of healthy food for the population, keeping the country's biosphere GMO-free, the maintenance of rural lifestyles, the elimination of disadvantages originating from the rural way of life, as well as the preservation of the landscape and the culture connected to agricultural production. Agriculture also plays an important role in Hungarian economic development. Agricultural exports currently make up a modest share (6 %) of Hungary's total exports *leaving room for significant potential for further growth*. There are abundant export potentials also for the sale of production technologies. Our agrarian diplomatic network has started to be built in the last couple of years; however, it is still restricted to a limited set of partner countries.

Hungary's agro-scientific base and the country's know-how in producing quality agricultural products allow her to make *meaningful contributions to solving issues of global food supply*. The enhanced application of Hungary's scientific knowledge on climate change is likewise desirable. The Ministry of Rural Development's agrarian strategy and the Ministry of National Economy's external economic strategy have set as their goal the promotion of Hungarian agricultural products in foreign markets. A larger focus on Hungarian food culture is necessary in the context of our country-branding activities.

The promotion of sustainable development

Hungary's new constitution (Fundamental Law) **provides for the contribution to global sustainable development to be one of the priorities of Hungarian foreign policy.** In European integration, sustainability is a horizontal principle that needs to be implemented throughout all EU policies. Hungary is party to numerous treaties on environmental protection. As a consequence, the lion's share of Hungary's environmental protection policy deals with issues that have an international dimension.



The relations between countries whose development has a pronounced effect on each other are particularly important with regard to sustainable development. Thus, **relations and debates with neighbours, and regional cooperation are of key importance.** There are of course global aspects and effects of a country's development as well, so international cooperation and debates are equally important.

The Ministry for Rural Development **has commissioned its agro-diplomatic network to deal with environmental issues** as well, although this – as mentioned before – concerns a very limited number of posts for the moment. This raises the need for the Foreign Ministry and the **political diplomacy under its supervision to increase its role in eco-diplomatic activity.** Hungary can play a part – either on a market basis, or through international development cooperation – in addressing ecological challenges and problems related to natural resources arising in third countries. This is especially true in areas where Hungary has traditionally proved to have internationally renowned expertise and experience, such as in water management, environmentally friendly crop production, livestock farming (adaptation capacity in particular), or soil protection. We are planning to incorporate an *environment diplomacy curriculum in the internal training program of the Foreign Ministry* in order to improve the in-house environment diplomacy capacity. The MFA intends to rely on cooperation with the relevant ministry, as well as civil society and academia in achieving this goal.

Cultural, religious and public diplomacy – the respect for diversity

One of the most important channels for dialogue with the international public at large is provided through the transmission of cultural accomplishments as well as by a mutual interest in cultural values. Besides the fact that Hungarian public diplomacy is aided by Hungarian Cultural Institutes in 19 cities around the world, the diplomatic corps is aware of the need for all diplomats to carry out, among others, cultural diplomatic work too.



That work is based on the goals set

out by the Bálint Balassi Institute and the Ministry of National Resources. Promoting the fulfilment of these goals is considered as a priority for Hungarian foreign policy. Our cultural, scientific and sport achievements, our interest in the performance of our partners and our openness to cooperation with them constitute an important part of the image our international partners have of Hungary. As a legacy of 1848, 1956 and 1989, Hungarians are known as a **freedom-loving nation** by the international public, with the tradition of our fights for freedom linking us together with all freedom-loving peoples.

The Carpathian basin has traditionally been a place, where different cultures lived together and influenced each other. Hungary's history and geography make it possible to conduct cultural diplomacy with the transmission of cultural values of the East and West in both directions as part of its profile, acting as a sort of cultural "turnstile". One of the priorities of the EU presidency was the effort to strengthen European policy dealing with cultural diversity. Hungary intends to pursue that effort, not only in connection with the EU, but also as a guiding principle for our foreign policy as a whole. In a global context, the policy of **cultural diversity** may provide a valuable contribution to the process of dialogue of civilizations conducted under the auspices of the UN.

Hungarian academia actively participates in the **international scientific world**, both as a part of the EU's common higher education and research area, and on a global level. The World Science Forum is Hungary's outstanding contribution to international scientific collaboration. Through our foreign policy efforts we would like to ensure that Hungary develops into a leading centre for science, research, and innovation in



the region. It is the task of Hungary's representations abroad to raise awareness about the possibilities in research, and educational cooperation offered by Hungarian universities and research institutes. Hungary wishes to strengthen ties with Hungarian researchers, artists and athletes living abroad, who can be thought of as Hungary's *cultural ambassadors*. Encouraging the international mobility of students and professors, in line with the EU's ambitions, is also an important part of Hungarian diplomatic activity.

Promoting the international cultural and scientific ties of Hungarians abroad as well as raising awareness of their achievements internationally also form part of the tasks of Hungarian diplomacy.

Diplomacy is facing radically new challenges as a result of a revolution in communication and information technologies. The related increase in the role and power of global public opinion, makes it necessary to develop a **public diplomacy** capable of responding to these fast-paced new developments. The changes in communication technologies have broadened the space for public debate and at the same time provided possibilities for multi-level dialogue with the public.

In the last couple of decades, Hungarian foreign policy has accorded relatively little attention to the religious dimensions of international relations, even though religion plays an important public and social role around the world. Followers of the six world religions make up the predominant majority of the world's population. It is in Hungary's interest to take into account religious factors in international relations, and if possible, take into account their implications and, if appropriate, take advantage of opportunities for cooperation in reaching **common goals, such as peace or social development**. Ensuring religious freedom globally, increasing tolerance between religions and fostering interfaith dialogue are sources of global peace and stability and therefore, Hungary intends to play an active role in promoting them.

Hungary views dialogue and the exploration of possibilities for cooperation with the Holy See – as a distinguished partner – desirable in all aspects of international life. Good relations between the Christian churches – Western Christianity and the Orthodox world – are particularly important for Hungary. This is a crucial aspect of relations between European states, both within and beyond the EU, as well as in interethnic and social relations within individual regions. Hungary intends to accord special attention to maintaining contacts with Jewish communities. This is important for Hungary, because of the long tradition of this religion's presence in Hungary, along with the great influence it has exerted over the centuries on the development of Hungarian culture. Hungarian diplomacy will work to ensure the



worthy remembrance of the Holocaust and the preservation of its memory as a historical reminder. Both domestically and internationally, Hungary will fight any form of Holocaust denial.

Christian-Muslim dialogue is of particular significance for Europe, due to geographic proximity and the close coexistence of the two religious communities. Both monotheistic religions are a factor in the creation of cultural and public identities, as well as the basis of values influencing social life, and a source of individual and communal spirituality. From these points of view, mutual understanding and respect of Christianity and Islam are especially important, both for the internal stability of each region, and in the relations that exist between them. Hungary flatly rejects equating religions with any kind of extremism wrapped up in religious ideologies. Hungarian foreign policy is committed to freedom of religion and is striving for maintaining contacts, dialogue and cooperation with any religious community open to such exchanges.

III. Geographical dimensions of Hungarian foreign policy

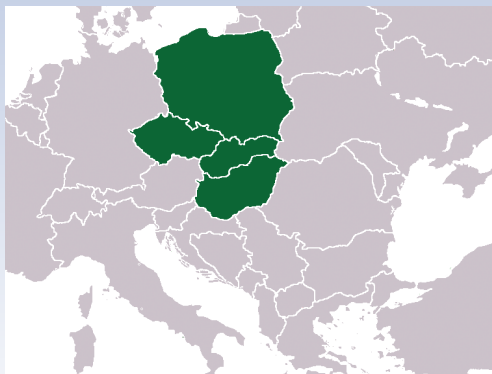
Seen from a global perspective, Hungary belongs to the transatlantic sphere, within the transatlantic sphere Hungary belongs to Europe and in Europe, Hungary belongs to Central Europe. Hungary feels responsible for her surroundings both in narrow and broad terms, including the fate of her region, allies and the world. Our interests and aspirations in given regions and relations derive from this multi-layered foreign policy identity that is founded on values and structured in a geographical context.

a.) Regions defining Hungarian foreign policy identity

Hungary is linked to a wider Central Europe through solidarity rooted in common historic experiences. Hungary is connected to the European Union and the transatlantic sphere through legal treaties. These connections constitute a regional overview of the responsibilities deriving from Hungary's position in the international community, and as such define Hungary's foreign policy identity.

Our closer and wider region

In the context of Hungary's foreign policy strategy "regional" means a geographically wide Central Europe. Evidently, we maintain more intensive relations with those concentric circles which are closer to Hungary but in view of our common regional issues we also attach significance to those further away. The aim of our policy concerning the region surrounding Hungary (our "regional policy") is to strengthen European cohesion by helping all parts of our region attain the political values and living standards of Western Europe.



Fulfilling the common interests of the peoples of Central Europe and intensifying bilateral and multilateral cooperation with these countries in pursuing these common interests are among the most important priorities of Hungarian foreign policy. It was reflected by the fact that the Hungarian Prime Minister's first official



trip abroad was to Warsaw and that Poland, Romania and Austria have been designated as strategic allies of special importance right from the very beginning of the current legislative cycle.

The common economic, military, and energy security of wider Central Europe provides the **basic reference framework for Hungary's energy and security policies**. The strengthening of military and economic security that guarantees the sovereignty, territorial integrity, democratic governance, and social well-being of the countries of the region is in Hungary's interest. Regarding the minority policy aspects of security policy, we are convinced that the stability of interethnic relations can be provided most effectively by structures capable of incorporating the ambitions of nationalities living as minorities (primarily autonomies).

In relation to the neighbouring countries, it is desirable for us that our **bilateral ties** serve simultaneously the enhancing of economic cooperation, the harmonisation of economic and environmental interests, as well as the protection of Hungarian communities (minorities). The establishment of a network of economic offices with regional branches (economic area of the Carpathian-basin) is a priority task for our foreign policy. One of the basic building blocks of economic ties – especially for small and medium-sized enterprises – is to increase cross-border and border region cooperation, and within that, to develop the transport infrastructure and communal transport services.

Due to the position of Hungary and our nation, the policy towards our neighbours and the policy concerning Hungarians living abroad are inseparable: both shape each other with their set of goals and means of implementation forming an integral union. Monitoring the situation of Hungarian minorities and acting in their defence if their interests suffer form part of our policy towards our neighbours. It is inseparable from our endeavour to establish close cooperation and a relationship based on trust with our neighbours.

The **Visegrad countries**: Hungary, Poland, the Czech Republic, and Slovakia boast similar living conditions, thanks to which economic ties between these countries – especially since our joint accession to the EU – have started to develop dynamically, and now feature prominently in each other's external economic ties. The weak transport and energy infrastructure linking the countries of the region hamper better exploitation of our economic potential. The development of transport and energy infrastructural links has increasingly been at the centre of cooperation between the Visegrad countries in recent years. The Europe-wide debate on the future of the EU, along with many other important EU-related questions on the agenda – includ-



ing the multi-annual financial framework and, as part of it, the future of the cohesion policy and CAP, and the importance of energy policy, European Neighbourhood Policy and enlargement – highlight the fundamentally important common interests of Central European countries. It also shows the need for joint action in implementing them. There is a consensus between Visegrad members that the current format of cooperation suits our common interests, so fundamental changes to it, or enlarging it to new members is not necessary. At the same time, it is desirable to further strengthen the already well-established Visegrad brand in order to boost the international prestige of the *Visegrad* region.

Alongside multilateral cooperation, Hungary attaches great importance to our bilateral relations with the Visegrad countries. Conditions for a problem-solving dialogue have significantly improved in Hungarian-Slovak relations since the 2010 change of government in Bratislava. Slovakia has made the first steps towards restoring the conditions of existing minority rights when the country joined the EU. A strategic alliance between the two governments is particularly evident in the area of energy security, which has been forged, among others, in starting to link the gas pipeline networks of the two countries. Hungary is committed to continue the process of rapprochement. Hungarian-Polish relations – traditionally amicable, flourishing thanks in a large part to the outstanding work of civil society – were strengthened by the cooperation between the Polish and Hungarian presidencies of the EU. Hungary intends to maintain this very close cooperation based on traditions and joint regional interests even after the year of our EU presidencies is over. Hungary's relations with the Czech Republic are likewise exceptionally friendly. Both countries mutually view one another as "honorary neighbours", and maintain strong economic and political relations.

The main direction of EU enlargement is towards the **West Balkans**. It is primarily the process of *EU integration that offers the possibility for the countries of the region to break out of the stagnation following the Balkan wars and to join the development path of Western Europe*. One of the central questions of Hungary's Balkan policy is the availability of EU funds (especially the pre-accession instruments /IPA/) for the countries of the region and the enhancement of their active and effective use. Hungary intends to advance this, among others, by sharing experiences regarding EU accession, the use of EU funds, institutional capacity-building and democratic transition. In the context of the enlargement process of the Western Balkans, Hungary emphatically supports Serbia's EU accession, while insisting that the European values be fully respected and the accession criteria be fully met, as well as the keeping open of the possibility for Serbia's NATO accession. Hungary is acting along similar principles and with equal attention in promoting Montenegro's EU integration proc-



ess. Hungary believes that Macedonia's advancement in the integration process is of urgency for safeguarding the security and stability of the region. Hungary considers that the stabilising role Albanian foreign policy has exerted in recent years is remarkable. Among others, this is part of the reason why the country's successful EU integration is in Hungary's interest.

The most important development of security policy in the last couple of years was *the NATO accession of several countries from this region*. Today, only the accession of Montenegro – which appears to be ever closer – is missing for NATO to surround the entire Adriatic. The stability and the catching up of the region, the improvement of the investment environment, including legal certainty, are in Hungary's interest. All these and the interests of the Hungarians living in Voivodina contribute to Hungary's support for further Euro-Atlantic integration of the region. Hungary deems the continued involvement of her allies, including the United States, in maintaining the stability and enhancing the prosperity of the region to be necessary. Hungary remains committed to participating in the military operations in the Western Balkans (KFOR, EUFOR/ALTHEA). The nature of this participation will be determined by the needs of the region and the organizations in this regard and the possibilities of Hungary. The strengthening of the EU's policy on cultural diversity and its communication to the region could make an important contribution to the internal stability of the Balkan countries, including an enduring and acceptable settlement of the ethnic tensions prevailing in Kosovo.

One of the achievements of Hungary's EU presidency for Central Europe has been to launch the EU's **Danube Strategy** on the basis of an Austro-Romanian initiative. Since it is a so-called "rolling" strategy (i.e. a package of projects whose composition continuously varies), its close monitoring and elaboration continues to be important in the period following the Hungarian EU Presidency as well. The EU's macro-regional strategies, such as the Danube Strategy or the Baltic Strategy, which served as its model, create the EU's vision and, at the same time, ensure its implementation in terms of the future and the development orientation of a given region, through projects initiated by the region's countries and NGOs. Hungary has an interest in the environmentally conscious ("green") develop-





ment of the Danube basin, both from an economic and security policy point of view and for the sake of Hungarians living abroad, that will achieve the transportation and other development goals of the Danube Region Strategy with the complete fulfilment of environmental considerations.

Hungary's relations with **Romania and Bulgaria** were mostly pursued on a bilateral, rather than a regional level. Hungary attaches prime importance to bilateral ties. Hungary will continue – as was the case during our EU Presidency – to do everything for the *two countries' Schengen accession*. The Danube Strategy lends a significant regional dimension to Hungary's cooperation with the two Southeast European partners. Hungary basically concurs with the Romanian view that the Danube Region Strategy and the issue of the Black Sea region are strongly connected. The possibility of trade in energy and goods with the South Caucasus, Central Asia and other regions through the Black Sea raises for Hungary too, the importance of the Black Sea region and of the transport between the Black Sea and Central or Western Europe. *Hungary plans to increase her activities in multilateral cooperation formats focusing on the **Black Sea region*** (EU Black Sea synergy, BSEC). Our goal is to develop a Black Sea profile in our foreign policy. It could be based on developing the synergies to their full potential between the countries of the Danube Region Strategy and the Black Sea region.

The priorities of the EU's Eastern Partnership, namely improving conditions for investments and the strengthening of the security of energy transit in **Eastern Europe and the South Caucasus** correspond to Hungary's national interests in these regions. The region – including Ukraine, the largest state of Eastern Europe and Hungary's largest neighbour – is in the centre of Hungarian foreign policy interests. The Hungarian EU Presidency placed a great emphasis on advancing the success of the Eastern Partnership. Hungary will remain actively committed to the success of the Eastern Partnership even after the completion of the year of Hungarian-Polish presidency. It is in Hungary's interest that the *Eastern Partnership should remain a preeminent part of the EU's Neighbourhood Policy* and successfully serve the target countries in adapting their structures to the standards of the EU. It is important that the strongest possible consensus on the need for the *Eastern Partnership prevail within the EU*. This is why in part Hungary is opposed to any kind of diametric comparison of the Eastern Partnership and the European Neighbourhood Policy's southern direction. *The security and development of transit routes for people, goods, and energy in the two regions forming the target areas of Eastern Partnership* are in Hungary's interest. It is among the key goals of our policy concerning the countries of the Eastern European and South Caucasian regions to solve their frozen conflicts and to ensure state sovereignty and full territorial integrity in both regions.



Political conditions in Belarus constitute a unique problem for the European rapprochement of the Eastern European region. Hungarian diplomacy actively supports the EU's efforts to enable Belorussia to undergo democratic transition.

The closing declaration of the Eastern Partnership summit in Warsaw, co-chaired by Hungary, has demonstrated that EU member states and institutions are ready to pay attention to the Eastern Partnership even in the midst of the financial crisis and the transition taking place in North Africa, and that they are capable of united action in their relations with the Eastern partners. In light of the *Warsaw summit and the results of the Polish and Hungarian Presidencies in general*, it is particularly important that the Eastern Partnership countries profit from the improved EU possibilities. Their political spheres need to consistently prove their identification with the values of the EU and their readiness to embrace a European perspective. Hungary believes that the Eastern Partnership should lead to the opening of the prospect for EU membership for those partner countries who desire this and who can justify their intention by taking steps towards political and economic transition.

Hungary would like to begin – through initiatives targeting civil society – to build the **“western dimension”** of her regional policy covering Austria, Slovenia, Croatia, Switzerland, Germany and Italy. One of the possible areas of cooperation in the “western dimension” could be finding synergies between the Danube Region Strategy and the Adriatic-Ionian Strategy. The “western dimension” is extremely important in the context of Hungary's energy policy and in general, the transport routes affecting Hungary, in relation to which we have particularly important interests. Hungary intends to place greater emphasis on sharing cultural traditions with the countries of the region.

Our relations with Austria are not only exceptional because of the historic traditions binding us, but also because of the common interests and challenges shared by the two countries today. The countless matters of common concern connecting our societies and economies obviously occasionally raise questions that have to be answered. Well-functioning forums are maintained to jointly review and solve these questions. Hungary's relations with Slovenia have always been characterised by a friendly atmosphere. Hungary wants to intensify these relations in every policy area, including regional policy issues. Hungary views Croatia's accession to the EU as a historic success. It is desirable that Hungary and Croatia continue to view each other as equally important regional partners and that this partnership manifest itself in solidarity regarding energy policy based on common interests of the Central European region.



Hungary views relations with the Baltic States and the area that could be described as the Aegean region (Greece, Turkey, Cyprus) through the prism of regional policy.

Hungary views **Greece and Turkey** as key partners – along with the EU, NATO, their other members and the great powers – in shaping Hungary's Balkans and Black Sea policies. Hungary considers it important that their relations, including the **Cyprus** question, and other aspects of their foreign policy develop in a direction that allows for Turkey's European integration to advance unhindered and strengthens stability in the Mediterranean region. Hungarian foreign policy was striving during our EU Presidency, and is striving now as well – within our means – to facilitate the settlement of the dispute between Athens and Skopje in order to ensure the stability and Euro-Atlantic integration of the Balkans.

Hungary follows with attention the development of the Turkish political model and the influence it exerts especially on countries with predominantly Muslim populations. Hungary accords great importance to **Turkey's interest in the Balkans**, since our interests regarding the stability, modernisation and Euro-Atlantic integration of the region coincide. Hungary wishes to build on our shared commitment to the respect of cultural diversity. Within this framework, we intend to enhance our cooperation for the exploration, protection and touristic use of Turkish memorials in Hungary and Hungarian memorials in Turkey as our shared European heritage. Turkey is also an indispensable economic and energy policy partner to Hungary. In the context of stability of the Black Sea and South Caucasus regions, Hungary follows closely the role played by Turkey in these regions as well.

The **Baltics** have, in the recent past, been the greatest success story of our wider region: the Baltic countries have realized their goals. They have broken out from the "Post-Soviet zone, joined the institutions of Euro-Atlantic integration and are dynamically leaving behind the living conditions of Soviet times. Hungary supports the goal of the Baltic countries to end their energy isolation from the rest of Europe. The cooperation among the Baltic countries themselves is an important factor in the European influence of our region. We support the cooperation between the Visegrad region and the Baltics (V4+B3), which could be particularly successful in the areas of Europe policy and the policy concerning the post-Soviet region. Hungary considers it to be of strategic interest in solving minority issues and in restoring good relations in the Polish-Lithuanian relations. Hungary deems it important that Latvia, overcoming her internal political problems, be able to continue its promising economic crisis management policy. In the case of Estonia and Finland, our common Finno-Ugric roots constitute an especially important link that makes it all the more opportune to jointly strive for the promotion of the Finno-Ugric community within the European Union.

Europe

The subject of Hungary's Europe policy consists of the policies dealing with the institutions of the European Union and the policies falling within their competence (*EU policy*), on the one hand, and of Hungary's bilateral relations with European countries (*European bilateral policy*), on the other hand.



Hungary's Europe policy needs to offer answers to some **fundamental questions concerning the future of, not only Hungary, but our continent as well as the Western world**, or at least it should give voice to the emerging issues to be dealt with. The sovereign debt crisis, in a deeper sense, hides a crisis in growth. The crisis highlights not only the need for budgetary discipline and enhancing growth, but the contradiction between competitiveness and the sustainability of European social achievements. Maintaining these social achievements is obviously costly, but the social cost of their dismantlement and the historic risk this poses are stronger arguments for keeping them. Social cohesion itself offers a competitive advantage (as is the argument for maintaining cohesion policy: there is no external competitiveness without the internal cohesion of the EU). Giving up the "European dream" could entail giving up the unity of Europe as well. Hungary's Europe policy must therefore take this risk into consideration in each policy area whenever decisions are taken or proposals are made to the Government or the Parliament.

The financial crisis has resulted in short-term considerations and decisions being given prominence. The jittery movements of the financial markets and the credit rating agencies, which in part reflect these movements, in part influence them, play an increasing and on some occasions decisive role in determining the fate of governments or even the outcome of a European Council meeting. **Hungary's Europe policy must strengthen efforts aimed at combating the leadership crisis and restoring the power of democratically elected governments.** Governance needs to be claimed back from the markets and the credit rating agencies: political actors with democratic legitimacy should control the markets and not the other way around.



Hungary continues to be strongly committed to European integration even in a time of economic hardship and the ensuing difficulties in the cooperation within the EU: Hungary has faith in the future of the European Union. In line with this, the Hungarian government wants to pursue an active EU policy. Our goal is to strengthen the European Union and the role of Hungary in the European Union.

After our successful Presidency of the Council of the European Union the main task is to **enhance Hungary's long-term ability to advocate and represent her interests**. The aim is to establish a well-structured operative model for preparing decisions and advancing interests – based on the fundamentals laid down in the first half of 2011 by Hungary's EU Presidency (network and positive image) – that uses the existing resources and methods more efficiently and enables the long term enhancement of Hungary's capacity to advance her interests.

In order to effectively represent her interests, Hungary needs to act in a coordinated and professional way within the EU institutions. Hungary's EU-policy has to be *credible and dependable*. Hungarian interests must be identified, represented consistently, and integrated into European objectives. Hungary's action must be characterised by *firm positions and by a readiness for making compromises*.

Hungary is intent on establishing a **strong and united European Union**. Hungary wishes to take part in building a Union that deepens the cooperation among member states, strengthens its internal cohesion, is based on solidarity, takes steps towards more political integration, is effective and focuses on problems. Decisions on the EU should generally be made by **the community method**; therefore the community method – that allows for participation by the EU institutions and every Member State – *should take precedence over intergovernmental decision-making*. Crisis situations could lead to the temporary strengthening of intergovernmentalism which can only be accepted if a return to decision-making within the framework of the Treaty is possible in the short run. The decision adopted at the December 2011 European Council meeting constitutes a less desirable scenario. The United Kingdom has vetoed changing the Treaty which has, for the moment, left the "17+" solution in place in an intergovernmental framework. Since the intergovernmental treaty places state budgets under such strict joint scrutiny that is equivalent to the further handing over, or limiting of sovereignty, the nine governments outside the Eurozone – apart from the UK already staying outside – will need to ask for parliamentary approval to join. As the debate currently stands, the new rules pointing towards a fiscal union would only apply to the member states using the common currency, so it would not bind Hungary immediately, but only from the moment she joins the Eurozone. The Hungarian



strategic objective of joining the Euro is still valid but the final decision rests with the National Assembly.

The starting point of Hungary's policy concerning the European Union is a **commitment to European values**. Hungarian involvement forms part of a creative contribution to the common debate, and can be characterised as open and ready for compromise. In key issues that affect national interests, Hungary takes the initiative and acts resolutely.

European integration must not be interpreted as a restriction on Hungarian ambitions. In defining Hungarian aims, **we must first and foremost take the needs of Hungarian society into consideration**, and if possible, we strive to remove the barriers preventing the realisation of Hungarian strategic interests.

Hungary's EU policy objectives are closely linked to the issues of economic progress, strengthening of security, taking advantage to the maximum extent of the benefits of being an EU member and cooperating with Hungarians living abroad.

To achieve these objectives the following must be realized:

- The establishment of a **"Europe of Citizens"**: the EU must remain fundamentally value-based and a service-provider for European citizens.
- **Strengthening and asserting the values of the European social model**. The challenges of the 21st century are jeopardising the survival of the European social model. The EU is a community not only of interests, but also of values. The road to enhancing the social market economy leads on to the open assertion of our values. The respect of our common values and principles is not open to debate, therefore we have to endow the European Union with the appropriate means to continuously be able to press Member States to respect these values and uphold these principles.
- **Achieving equal membership and securing equal treatment**. A solution must be found to abolish all kinds of differentiation between old and new member states. We must strive to avoid deepening the divisions between different groups of member states within the EU (closer cooperation among the Eurozone members, reform of the CAP or Cohesion Policy, budgetary review, overhaul of the regulation on financial mar-



kets). No walls should be built within the EU that persistently exclude a group of member states from cooperation.

- **Preserving existing achievements.** The organic development of the European Union has led to a system that is able to provide welfare for geographically and socially diverse member states. Multi-speed Europe does indeed exist. We do have to prevent, however, the emergence of new chasms and fragmentation, whether through institutionalised means, or by means outside the Treaty. The current system of the EU provides guarantees for the less developed member to be able to catch up over time. This was one of the main aims of Hungary's EU accession. These achievements and accomplishments based on solidarity and equality must therefore be taken into consideration in every decision and policy area.
- **Reconciling external and internal objectives.** We must seek to find solutions at the EU level to the pressing questions that are of greatest concern to Hungarian society. The European and national agendas should converge. Only the coherence of both domestic and international objectives can contribute to a successful membership of Hungary in the European Union and to the realisation of the goals set out at the time of our accession.
- **Consistency.** Credibility is based on dependability: it must be clear for what Hungary stands for and why.
- **Working for the objectives of the policy concerning Hungarians abroad.** The government has clear policy concepts on Hungarian communities living abroad that were elaborated jointly with the Hungarians living abroad, in the framework of MÁÉRT¹, and laid down in a strategic framework document. This provides the framework for our activities in the EU: the final goal is to strengthen the Hungarian nation and increase its unity. The objectives of the policy on Hungarians abroad should be reflected in Hungary's EU policy as well. These two areas cannot be dealt with separately, nor can we place more emphasis on one to the detriment of the other.

¹ Permanent Conference of the Hungarian ethnic parties abroad, parties in Hungary and the Hungarian government.

The main objectives of Hungarian EU policy:

- **Supporting a stable Euro, and the effective functioning of the financial sector.**

Hungary has committed herself to switching to the Euro once the conditions have been met. Therefore, managing the Euro-zone-crisis in an effective way is essential for Hungary too. It is vital for us, on the one hand, that the euro remains a stable and successful currency and a successful project, and, on

the other hand, that the measures taken to effectuate this positively influence Hungary's future position in the Eurozone. It has already become clear that the strengthening of the euro can only be achieved through rigorous economic coordination, the consolidation of fiscal policies, and by operating strict supervisory and monitoring mechanisms. Enhanced control over the financial sector needs to be implemented not only at a European, but also on a global level. The particularities of the new member states most severely affected by the crisis need to be taken into consideration when designing this new regulatory framework.



- **Preserving structural, regional and cohesion policies.** Hungary wants to achieve that Member States maintain among their most important common objectives the strengthening of the EU's internal cohesion and the elimination of differences in competitiveness. Hungary is convinced that through strengthening solidarity among Member States Europe can assure equal opportunities for all European citizens, so that they can profit from the added values of EU membership. We should make all partners accept that the structural, regional, and cohesion policies have to be maintained, since by supporting these policies, the Union as a whole becomes more competitive and ultimately stronger as well.

- **Preserving the Common Agricultural Policy.** Europe cannot abandon the idea of producing sufficient and secure food for its citizens. In world trade, we also have to strive to ensure strict regulations governing food quality which converge to the European standards. Through our regional develop-



ment policy we want to make sure that leading a rural life should not disadvantage any European citizen.

- **Revitalising Europe.** It is in Hungary's fundamental interest to make Europe economically more stable, stronger, more unified and dynamic. The completion of the internal market needs to be speeded up, primarily in the areas of free movement of labour and services. The European economy should move towards creating more jobs in order to raise the employment level on the continent. The EU has to be able to compete with other regions of the world in the areas of employment, work-efficiency, productivity, and in applying R&D achievements. The further development of the single market and its extension (just like its enlargement in space) constitute the sine qua non of this revitalising drive.
- **An internally united and globally strong Europe.** The European Union is seeking a way to solve the debt crisis and to find a new balance between fiscal discipline and economic growth. Both strengthening economic governance and implementing the Europe 2020 Strategy serve this aim. Boosting investment in education, R&D and innovation, as well as climate protection and social inclusion are currently the most important community priorities.
- **Supporting small and medium-sized enterprises.** Hungary must become the promoter of an SME friendly environment in the EU.
- **Energy security.** The demand for energy security, which has become an increasingly important topic in recent years, derives directly from the vision of a "Europe of Citizens". One of the most important elements of energy security is the fastest possible establishment of a European energy community within the framework of the single market.
- **Sustainability.** The global food crisis at the end of the last decade and the problems associated with climate change have highlighted the problems of sustainability in such important sectors as agriculture and water management. The latter has been elevated to a prominent EU issue by the Danube Region Strategy.

It is especially important to take into account the aspects of *integrated security of sources* and sustainability when planning the next Multi-annual financial framework of the EU.



- **Preserving the human sources of freedom and well-being.** The quantitative and mental reproduction, as well as the harmonious coexistence of the workforce are important human factors in freedom and well-being (including the smooth functioning of the economy). The demographic situation of Europe is one of the sources of the EU's long term weakness. Hungary seeks to emphasise these aspects while shaping Europe's image.

We consider it particularly important that the European economy should secure its workforce demand primarily from internal resources, therefore:

- the Member States, with EU support, should secure the reproduction of their societies through dynamic **family policy**;
 - in order to foster economic activity the EU should encourage Member States and European transnational actors to develop **primary education, vocational training and adult learning**;
 - preserving the values of **cultural diversity**, providing for the coexistence of communities with different cultural backgrounds and ensuring their sense of well-being within their own culture should be treated as an overall aspect of Union policies in practice as well.
- **Well-functioning Common Foreign and Security Policy.** We know too well that Europe will remain weak on the world stage as long as no progress is reached in this area. For Hungary, the main tasks for the future fall into two categories: 1) as a Member State, Hungary must act in order to improve the functioning of the European External Action Service, and thereby to enhance the efficiency of CFSP and CSDP; 2) Hungary must do its utmost to strengthen the Hungarian presence in the EEAS and to improve the domestic conditions for our participation. It is likewise a priority for Hungary to continue assuming an active role in the international crisis management activities of the EU and in the necessary capacity-building based on existing institutions.

Enlargement by fulfilling the criteria. We support the continuation of the enlargement process provided the candidate countries fulfil all the accession criteria, the accession of the new member states strengthens the unity and the common values of the Union, and it contributes to the maintaining of the common policies and the deepening of internal cooperation. Under these conditions, enlargement will enhance the EU's dynamism and enrich its internal resources. For Hungary, the earliest possible accession of *Croatia* is of particular importance. Hungary places great emphasis on the EU's role in ensuring – and if necessary enforcing – the consistent respect, even after accession, of the membership cri-



teria by its Member States whose accession took place on the basis of these criteria. *Enlargement to the Western Balkans* is in Hungary's fundamental interest also taking into consideration the ethnic situation of the region. For this reason, in the context of enlargement it is an important task for us to strengthen the policy of the EU aimed at supporting cultural diversity that has been passed down the generations and the coexistence of traditional communities. *Turkey* deserves a special place in Hungary's enlargement policy. Hungary considers Turkey's accession, from a Hungarian as well as a European point of view, to be of strategic interest, but we are aware of the difficulties of the process and the resistance of some member states. Hungary is nonetheless convinced that Europe's future cannot be envisaged if the remarkable development taking place in Turkey does not follow a European model.

Hungary can assert her principles and achieve her objectives in sectoral policy areas if she groups allies around her. Hungary needs to establish a system of alliances of varying formations subsequently using it as the basis for bilateral relations.

In addition, Hungary's Europe policy takes into consideration that European co-operation also has dimensions that are not part of the EU framework. In many areas of life, decisions are not made, or – in the case of shared competences – only partially made at EU level. The preparation of decisions made at EU-level is overwhelmingly influenced by the cooperation of Member States. However, not all European countries are Member States of the EU, including those who through their participation in different organisations – e.g. in the European Economic Area (EEA), such as Norway, Iceland and Lichtenstein, or through bilateral mechanisms, as Switzerland – are closely connected to European integration. For this reason, Hungary's **European bilateral policy** plays a significant role in her Europe policy.

The consultation on positions regarding policies *falling into EU competences* is an important part of Hungary's cooperation with fellow EU Member States. In the context of her cooperation with third countries, Hungary follows with attention their relations with the EU and their interests in relation to EU common policies. Equally important is the cooperation with both EU Member States and third countries in *those dimensions of certain policies which fall partly or fully outside EU competences*. Within that, Hungary is extremely keen on the promotion of economic cooperation opportunities.

The European economic crisis and the debates on the future of the EU place the issue of Central Europe in a new light: dilemmas surrounding the place and role in



Europe of our region, particularly of the countries outside the Eurozone. Hungary remains convinced that the most developed part of the Eurozone still needs – in an economic, security, and political sense – the prosperity and stability of Central Europe to be guaranteed. Central Europe, likewise requires the problems be solved and economic growth be restored in the Eurozone. It is vital that we all think about the future of Europe together, and make decisions based on taking into account each other's situation and interests. In that spirit, Hungary strives to ensure that **Member States playing a crucial role in EU decision-making grant more attention to our region and strengthen their own Central Europe policy**, and that our cooperation with them – as a response to the crisis – contributes to the deepening of the common identity of European society.

The coexistence of the EU's Common Foreign and Security Policy (CFSP) and the national foreign policies has resulted in a dual system in **Europe's foreign relations**. Hungary considers it important that CFSP represent an added value for the assertion of European interests taking place in the context of Member States' foreign policy. At the same time, Member States should keep in mind that by conducting the foreign policy falling into their competence, they are also shaping Europe's presence in the world, and therefore, they owe mutual solidarity to each other as well as to the Common Foreign and Security Policy.

In our cooperation with Western European non-EU member countries, we pay special attention – in line with the objectives of the EU's CFSP and its specific measures – to the possibilities of a joint presence in regions outside Europe or of joint actions in tackling global challenges.

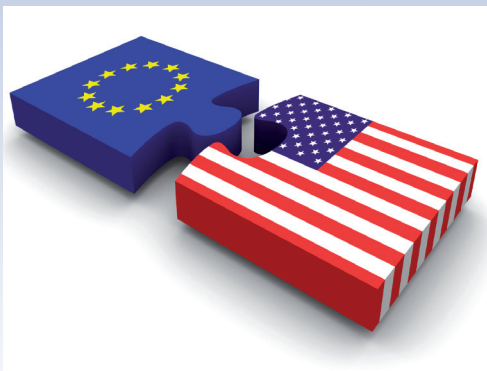
Membership of NATO offers an important domain for Hungary's cooperation with several European countries. In our relations with countries that are members of both the EU and NATO, Hungary intends to place emphasis on cooperation aimed at reinforcing the coordination and burden-sharing between the EU's CFSP and NATO's policy. In case of non-NATO member states, the aspects of their cooperation with NATO, our joint participation in international operations, as well as our bilateral military cooperation constitute important areas of our security policy relations.

Hungary intends to establish a systematic dialogue with the **Hungarian diaspora in Europe**. In developing our relations with European partners, Hungary wishes to rely on their knowledge, cultural life and the esteem they enjoy in the majority society.

Transatlantic area

The powers of North America, the United States and Canada, are our allies that have the readiness and capacity to guarantee Hungary's security; they are our foremost economic partners and the **main external sources of Hungary's social and economic modernisation**.

The **North Atlantic Treaty (Washington Treaty)** forms the basis of our alliance, and especially **Article 5** guaranteeing collective defence.



The principle of collective defence makes the signatory European countries, including Hungary, part of the world's strongest military alliance; it provides not only protection to us, but at the same time, imposes obligations on Hungary. Article 2 providing for a value-based community and economic security community constitutes an important common basis as well.

All that – beyond Hungary's status as an ally – justifies the strategic goal of our foreign policy to strengthen relations with the North American powers and – by making use of the instruments provided by our EU membership as well – to *advance European-American cooperation*. It is highly desirable to make the interests of our American and European allies in different policy fields and in other regions of the world converge as much as possible.

The transformation of the global economic order has not reduced the importance of transatlantic relations, but has even augmented the mutual dependence of Europe and North America: the majority of challenges are common, so we can address them efficiently together. It is in our common interest that the current strategic partnership and alliance between the EU and the North American powers should persist in the future. We need to further intensify our economic cooperation – especially within the framework of the Transatlantic Economic Council (TEC) – and joint actions in other parts of the world and in multilateral fora.



The **economic profile** of Hungarian-North American relations has started to loose prominence in recent years. It is our common goal and – in the current crisis situation of the world economy – our vital interest, too, to enhance our economic cooperation and make it more visible also in Hungarian-American political relations. It is essential to make sure that Hungary's allies are sufficiently aware of, and understand our situation, our economic and political ambitions, as well as the underlying values, purposes and security policy aspects. For that reason, Hungary supports a frank dialogue between the allies encompassing all areas.

Hungary deems it particularly important to maintain or even increase **the political, security and economic interest of the US with regard to the region of Central, Eastern and South East Europe**. It is in the interest of the US leadership that her allies do not find themselves in a position of uncontrollable energy dependence on foreign powers, where diversification becomes impossible. That objective coincides with our interests. For this reason, it is necessary to promote the transatlantic dimension of our cooperation with our Central European allies.

Hungary wants to bring it to the attention of our North-American allies that regional cooperation in Central Europe, especially the Visegrad cooperation, represents an added value in the enforcement of the common goals of the alliance. We need to inform a wide circle of American policy-makers and professionals about the results our regional cooperation has achieved in recent years, thereby strengthening Central Europe's image and relations among our allies. That ambition should become one of the main objectives of Central European regional cooperation in the coming years.

We envision an increased role for the **Hungarian community in the United States** in developing bilateral relations with Washington. For this reason and to help the preservation of Hungarian identity in America, Hungary wishes to extend the cooperation with their organizations, in accordance with the guidelines of the Diaspora Council established in November 2011.

b.) Global opening

Hungary's network of foreign relations in the past two decades could be characterised as gradually turning away from geographically or geopolitically distant areas, such as Latin America, Sub-Saharan Africa and certain parts of Asia and the Post-Soviet region. As a result of repeated austerity constraints, we have normally closed embassies in these regions. While the austerity pressure persists, nevertheless, Hungary must acknowledge the *dynamics of growing appreciation in international life of regions which enjoyed less prominence in our diplomatic relations.*



As the Prime Minister, the Foreign Minister and other ministers and state secretaries have reiterated in numerous public remarks, the **strengthening of Hungary's global attention is a goal of the Hungarian government.** In a *geographic sense* this means that Hungary seeks mutually beneficial possibilities for cooperation, both in multilateral and bilateral frameworks, also with those states that have fallen out of Hungary's focus in the past two decades, or with whom relations have never been intensive. In *policy terms* this means the intensification of our interest in issues which at first glance do not necessarily concern Hungary, but are important globally and are therefore gaining increasing attention on the global stage (e.g. terrorism, global food supply, global health, the ecological balance of the seas, desertification). At the same time, we must take note of the fact that, as a result of global events being more closely interrelated, *issues that seemingly have only a minor effect on Hungary can influence conditions that are of prime concern to Hungary's development and to her foreign policy which is supposed to assist it.*

The global opening of our foreign policy strengthens our international position, on one hand, and may contribute to the geographical diversification of Hungarian external economy, on the other hand, the latter being one of the priorities of the Government's External Economic Strategy. With its diplomatic means, global opening thus supports the Government's efforts to create new jobs.



Hungary's moral responsibility for the fate of the world is also an important aspect. It was with this conviction that Hungary strove to gain a seat on the UN Security Council as a non-permanent member. In the course of the campaign for SC membership and the preparations made for our planned engagement, Hungarian diplomacy acquired a wealth of valuable experiences and contacts that can be utilised in the context of our policy of global opening. The fact that the bid was unsuccessful did not change Hungary's intention regarding a global opening of her foreign policy, nor our shared sense of responsibility for the common concerns of the world. Numerous global matters directly affect Hungary, such as *global energy security, volatility of food and commodity prices, climate change, water scarcity, etc.*

Due to the limited financial possibilities of the Foreign Ministry, the supply of information necessary for the global attention of Hungarian foreign policy will primarily be achieved not by establishing new institutions, but through **efficiency gains within existing structures**. As part of this, Hungary will increasingly rely on the possibilities inherent in multilateral diplomacy. Hungary will strive for a harmonized coordination between bilateral and multilateral diplomacies, as well as our activities carried out in regional and global international institutions. Hungary's activities in the UN and **our cooperation within the UN** with other states are an important part of global opening. It is equally important to create a **new Hungarian development strategy**. An important element of this strategy will be that Hungary, in parallel with the growing budgetary possibilities we hope for, intends to increase the amount of development aid that is spent under national competence. The sectoral priorities for spending the development aid will be determined by the sectoral interests of Hungarian foreign policy. As a tool of global opening, Hungary intends to intensify relations with such states as well, in which we will not be able to open diplomatic representation in the foreseeable future.

The post-Soviet region

Among the states of the post-Soviet area, **Russia** is a partner of exceptional significance for Hungary, on the grounds of her size, resources, status as a global power and our traditional ties. Since 2010, a re-founding of Hungarian-Russian relations has started. Finding mutually acceptable solutions for both sides for the contentious economic issues is an important aspect of that overhaul. The arrangement allowing for the repurchase of the package of MOL shares represents a milestone in this process.

Beside *cooperation in energy and in other areas of the economy*, Hungary deems the following areas of cooperation to be especially important: enhancing our *long-*



standing scientific cooperation, widening intellectual and cultural contacts to further mutual understanding, facilitating people to people ties, enhancing EU-Russia and NATO-Russia partnerships, and cooperation in security policy.

By way of cooperation with the Russian central government, Hungary wishes to strengthen our multifaceted relations – among others – with **the regions of Russia**, with special regard to the areas inhabited by peoples related to *Hungarians*.

On account of their national development or strategic choices, some countries of the region might belong to other regions as well, thus Hungary takes them into account in her policies with other regional focus too, e.g. we deal with the Central Asian region in the context of our Asia policy as well. The Eastern European and South Caucasian parts of the post-Soviet region are discussed above, in relation to Hungary's regional policy.

The post-Soviet space needs to be treated in its diversity, and we must be able to apply a differentiated approach when formulating the aims and interests of Hungarian foreign policy, or choosing a toolkit. Hungary needs to react to the constantly changing events of the region rapidly, recognising newly emerging elements. It is especially important to maintain regular high level contacts with appropriate timing.

Out of economic and security policy considerations, **it is in Hungary's interest that the states of the mega-region neighbouring Hungary adopt democratic values as fast and as fully as possible, and make their politics, economic life and legal system more transparent and predictable.** Hungary endeavours that ties in education and science – e.g. the training of scholarship holders in Hungary – provide the basis and intellectual background for bilateral relations. These ties also serve as long term investments in bilateral cooperation.

Hungary intends to utilise and benefit from the fortunate circumstance – stemming from our history of origin – that we can connect readily to the Central Asian, Caucasian, Finno-Ugric and Slavonic peoples through **kinship and linguistic ties** as well as our common historic heritage. On the other hand, the Ukrainian and Armenian national minorities living in Hungary can become a real bond between Hungary and their kin-states.

Hungary ascribes great importance to **visa facilitation** with regard to promoting people to people contacts, and in the long term to the granting of *visa*



exemption in the case of both Russia and countries of Eastern Europe and the Caucasus.

Trade and economic cooperation is a decisive element of Hungary's ties with the region that was formerly part of the Soviet Union. Hungarian capital investment in the region is not negligible. **About a quarter of all FDI originating from Hungary targets this area.** In the course of developing these ties, beyond conscious planning, Hungary can rely on the favourable image she enjoys in this region, the lasting memory of former visits or academic trips to Hungary, or the **good reputation of Hungarian products.**

The enhanced importance and specialty of the economic ties with this region are based on the fact that the region is of fundamental importance for us in terms of **energy supply and transport**, and even if our efforts of energy diversification succeed, it will remain so in the long term. The South Caucasian region is an alternative energy resource area and energy transit route, while Kazakhstan, Turkmenistan and Uzbekistan have significant gas and oil deposits even by international comparison.

Central Asia, lying at the crossroads of Asia, the post-Soviet region and the wider Middle East, is an area of growing importance for Hungary in terms of **energy, economy, security policy and culture.** The importance of the region is illustrated by the growing assertiveness of the EU, the US, Russia, China and India in advancing their interests. In Central Asia, Hungary enjoys a good reputation and a certain degree of social capital through personal contacts dating back to the Soviet times, while a special element of our relationship is an awareness of common origins.

Besides energy ties, constituting the central element in her relations with Central Asia, Hungary sees good opportunities for cooperation in *various areas of the economy and the environment.* Hungary is ready to share with the states of the region her experiences, gained in the course of democratic transformation, in promoting human rights and cultural diversity. The EU and Hungary could play a markedly important role in the modernisation of production technologies for food, energy and industrial crops. It is likewise expedient to study the possibility of Hungarian contribution to the construction of no-evaporation irrigation systems and soil amelioration programs. Hungary's interests and ambitions in the region coupled with the need for developing relations render the extension of *our network of diplomatic representations* in the region necessary (foremostly in Uzbekistan and Turkmenistan), in line with our possibilities.



Asia

As the world economic crisis shifts the global balance of power, the weight of Asia has increased significantly inducing many to call this century “the century of Asia”. High growth rates have made the emerging Asian countries – including the two most populous countries in the world, China and India – a rapidly expanding, huge market with approximately two and a half billion inhabitants.

To secure the uninterrupted trajectory of their growth the **emerging economies** need the resupply of competitive, skilled workforce, the strengthening of business-friendly environment and the securing of new sources of energy and raw materials. As regards energy and raw materials, even **those Asian countries which belong among the most highly developed countries in the world** – Japan, South Korea and Singapore – are in need of them.

The internal integration processes of Asia point in the direction of the emergence of an area constituting the world's most populous and therefore largest market. The Southeast Asian states strive to establish a market competitive with that of more populous states through regional integration. That is how the Association of the Southeast Asian Nations (ASEAN) was formed upon their initiative in 1967, which today encompasses one of the most dynamically growing economic areas of the world, and therefore deserves special attention in our foreign policy.

At the same time, a substantial part of Asian countries are made up of societies which are **falling behind global development** and can show only modest growth. Helping them catch up is a key issue to Asia's overall ascension. Even if to different extents from country to country, *providing food* for the population still remains a grave problem in the whole of Asia, especially in the medium term. Global climate change and the resulting floods and other natural disasters, on the one hand, and *water scarcity*, drought and soil degradation, on the other hand, pose a serious threat to Asian agricultural production. *Demographic challenges* in Asia are twofold: India and several South Asian countries face food shortage and social concerns related to overpopulation, while the countries of Northeast Asia – mainly Japan, China and South Korea – face the challenges of an ageing population. All of these are issues in whose analysis and management Hungary could offer her Asian partners significant experience and capacities for scientific cooperation.

Power relations in Asia cannot be taken out of their global context. The **relationship between China and the US is increasingly becoming the number one issue of world politics**. The globally important bilateral relationship between the world's

most populous country and the one with the greatest economy is determined by the dichotomy of cooperation and clash of interests. At the same time, **besides China, India has also emerged as an inevitable player of the global economy and politics, whereas Japan and South Korea have been that for a long time. The relations of these four Asian powers to one another and to the rest of Asia, as well as their relations outside Asia, have global consequences.**

Hungarian foreign policy will not miss these implications in our Asia policy, therefore, it is our premise that **all our goals in Asia should be in harmony with the goals we pursue with our allies.** It is in Hungary's interest that cooperation between Asian powers and our allies takes place along common interests of security policy, especially in the fight against terrorism, maintaining the security of transport routes (for example against pirate attacks) and concerning other global challenges (climate change, water security, cyber security, etc.). In view of Hungary's interest in maintaining world peace, and of the effects mutual economic dependencies exert on our economy, Hungary has a vested interest in Asia's stability. Of all the security policy issues in Asia, it is particularly important for us to see the inter-Korean conflict and the tensions surrounding the South China Sea coming to a point of resolution, as well as the stabilisation of Afghanistan, the launching of the Afghan nation-building process based on a broad consensus, and the settlement of the relations between Pakistan and our allies.

On account of our direct and indirect – that is via the external trade of other European countries – links, it is in our interest that the developed economies of Asia grow stronger, the pace of development of emerging economies is upheld and the catching up of those lagging behind begins.

Hungary wishes to take advantage of the fast growth of the Asian countries for promoting our own economic development and modernisation. Despite its low share in our external trade (that is lagging behind the European average), it is for economic reasons that we consider Asia as one of the prominent focus of our foreign policy. Their **relatively low share in Hungary's foreign trade conceals a significant potential for growth increase, in view of the robust development of Asian economies.**

Hungary continues to strive for an extremely strong cooperation with our traditional partners in East Asia: Japan and South Korea, whose economic actors have played an exceptional role in Hungary's economic development since the early 1990s. Hungary and these countries are bound by a shared set of political values as well. In addition, we maintain significant economic ties based on shared values with Australia and Indonesia in the Asia-Pacific region.



Hungary is building a multi-faceted cooperation, having the economy in focus, with China's central organs and provinces. While respecting the "one China" principle, Hungary accords special attention to relations with Taiwan. Hungary has an interest in an economic and financial cooperation between China and the EU that mutually takes account of each other's interests, with a special regard to eventual opportunities for the Central European region. Hungary wishes to maintain regular high level contacts in bilateral relations, while further strengthening expert level contacts. Hungary intends to continue the political and human rights dialogue with China, thus facilitating on our part the elimination of the remaining obstacles to unhindered cooperation covering all sectors (including the defence industry) between Europe and the world's most populous country.

In view of the common democratic values forming the basis of our political systems, Hungary and the European Union consider India as a partner of special importance in Asia. Hungary welcomes the **strengthening of India's cooperation with our allies**, most notably the US, and its increasing engagement in dealing with global problems. Hungary supports that – in line with its increased importance in world politics – the second most populous country of the world should obtain a seat on the UN Security Council. Hungary deems it important that our political relations help enhance economic cooperation. Both in the real economy and in the financial field, Hungary expects India to play a role in assisting our economic recovery. Hungary wishes to pay special attention in our relations to agricultural technology transfer, as well as cooperation in environmental industry, water management and scientific cooperation.

Hungary accords special attention to developments **in ASEAN**, while striving to advance our economic ties and looking for possibilities for joint actions with our Southeast Asian partners in international institutions too.

Hungary intends to maintain her active role in EU-Asia cooperation even after the Hungarian EU presidency is over. ASEM, providing Europe and Asia with a forum for dialogue not only enriches Hungary's Asia policy with a new dimension, but our efforts pursued in its framework will also enhance the possibility for Hungary's Asia policy to represent an added value for the whole of Europe.

Our nation is bound to Asia by common origins, as well as by the memory of Asia researchers having left behind a great legacy, such as Alexander Csoma de Kőrös, Ármin Vámbéry and Aurél Stein. It is important that in the context of strengthening **cultural ties** these aspects receive more attention.



Middle East and North Africa

The Middle East and North Africa (MENA) region has long been at the forefront of international attention for a number of reasons, but foremost in the context of security policy. The democratic transition process referred to as the “Arab Spring” has in particular directed attention to the region in the last few months.

The **events of 2011** have spectacularly demonstrated that economic development and the construction of democratic institutions based on the respect of human rights, proportionate representation and transparency cannot be treated as separate objectives. Democratic structures alone cannot remedy the sustainability problems of the economy: the new regimes of North Africa are in need of assistance to stabilise their democratic achievements and to solve their sustainability problems as well.

Illegal migration, terrorism, religious fanaticism and ever stronger illegal commercial networks in the region pose a **challenge**, both directly and indirectly, to Hungary's national security and socio-economic development.

Hungary has good assets for maintaining ties with the region. We have a broad network of foreign representations in North Africa, the Middle East and the Persian Gulf area, our bilateral ties are well structured, contractual frameworks are in place with most partners, and our political contacts are regular. *We have lately experienced a remarkable boom in our Arab relations.*

The Arab Spring, unexpected as it was, did not find Hungary unprepared, a fact that – going beyond our national interests – also brought added value for the Hungarian Presidency of the EU. Thanks to Hungary's network of contacts, favourable image and – not least – the performance of Hungarian diplomats active in the region, Hungary provided *irreplaceable assistance to her allies* during the Libyan conflict.

Priorities of Hungarian foreign policy concerning the Middle East and North Africa include: *consolidating peace and security* in the region, and as a part of it, promoting sustainable growth and supporting the *democratisation* process, as well as strengthening our *energy security* and widening the scope of our *external economic relations* by taking advantage of the opportunities that arise in the region.



Hungary has a keen interest in that the **southern dimension of the EU's** Neighbourhood Policy creates favourable conditions for realising these goals. Therefore, relying on the possibility of cooperation with Member States that are major stakeholders in the area, e.g. France, Italy, Spain, Greece and Cyprus, Hungary wishes to increase the level of her activity in shaping and renewing that policy.

Consolidating peace and security, as well as the stability of the region constitute not just an economic, but also a fundamental security policy interest of Hungary, in light of the threats emanating from the region which increasingly take on a global scope. Hungary is convinced that these challenges can be addressed most effectively, at their roots, in the region itself, within the social context that nurtures them. It is our common goal to steer the Southern Mediterranean and the Middle East regions towards peace, prosperity and democratic transition.

The **settlement of political conflicts** in the region is an important aspect of consolidating peace and security. While Hungary has an indirect interest in solving the Western-Sahara conflict, we are still active in the process through our engagement in the international military mission there. The situation in Iraq and Iran, along with the problems related to the Middle East conflict, has an indirect bearing on Hungary through their global effects. We find it important that Iran credibly prove her allegations regarding the peaceful nature of her nuclear program.

Deriving from our values, as well as on grounds of family bonds and friendships held by a significant segment of Hungarian society, Hungary has a prominent interest in the **settlement of the Israeli-Palestinian conflict**. In Hungary's view, this should be achieved through negotiations, with both sides refraining from unilateral actions and rejecting violence. The settlement should include the mutual recognition of the right to self-determination of the Palestinian people, as well as of the right of Israel to an existence as a state and to security. Hungary deems it especially important that, until a final settlement is reached, steps should be taken by both sides to warrant the personal security of the population, to guarantee the respect of human rights and to safeguard the cultural heritage. Hungary deems it desirable and actively promotes the EU's unified action for an acceptable settlement, as soon as possible, of the conflict that has been dragging on for decades.

Hungary's relations with Israel have been elevated to a high level in political, as well as economic, cultural and scientific areas during more than two decades since the restoration of diplomatic ties. It is in Hungary's interest to continue strengthening them. Connecting factors in our relations are the Jewish community living in Hungary and numbering around 100 thousand, as well as the community of around 200 thousand Hungarian-speaking Israelis, or Israelis of Hungarian descent.

In order to diversify the country's external trade, Hungary intends to develop trade, investment and touristic ties with the well-performing countries of the Gulf, the Middle East and the North African region which constitute potential markets for us. Given that North Africa provides a significant part of Southern Europe's gas supply (and to a smaller extent, oil supply too) and the Gulf countries provide a growing amount of liquefied natural gas (LNG) and oil, strengthening cooperation with the region is crucial for Hungary as well. Although, it does not directly affect our security of supply, **it is in our strategic and economic interest to enhance the activities of MOL in the countries of the region.**

In the wake of the Arab Spring, Hungary has been offered a greater opportunity than before to assist the democratisation process of the region. Among others, it can take the form of sharing the experiences of Hungary's own transition with the new democracies, in function of their needs.

Sub-Saharan Africa and the Sahel

Hungary and the countries of the regions of Sub-Saharan Africa and Sahel have enjoyed intensive relations for decades. These relations, however, were primarily based on the block politics of the Cold War. These ties broke up in the aftermath of the democratic transition in Hungary and the changes of system that took place on the continent of Africa. They were only partially replaced by pragmatic economic relations, because *Hungarian economic actors showed a diminishing interest in the often unstable African countries.*

By the time *Hungary joined the EU*, Hungarian-African relations were in need of a complete overhaul. This has only been achieved partially. It is true that with *EU accession, our Africa policy was put in a wider institutional and political framework; however, we profited from the possibilities inherent in that only to a very low degree of efficiency.* Hungary's Africa relations were nonetheless strengthened during our EU presidency, as a result of staging many joint events with the African, Caribbean and Pacific (ACP) countries.

Sub-Saharan Africa enjoys an increasing appreciation in the global political and economic power field. Especially *African countries with large reserves of raw materials and energy resources have accelerated their economic growth.* Next to the remarkable development of some areas, though, the majority of the continent still faces serious economic, environmental, food security and social problems, along with the inherent security risks. Difficulties of development in the Sahel region and the resulting problems, especially the spread of Islamic radicalism, are particularly



significant for Europe. This is due partly to the geographic proximity of this region, and partly to the security and migratory pressures it exerts on North African states. *Hungary must take part in solving these problems* on grounds of moral considerations, security interests, and, also as a member state taking part in EU programs to attain the global development goals.

Outside the context of our bilateral relations, *Hungary is connected to Africa through the EU's common foreign and security policy, as well as the EU programs for co-operation and humanitarian aid. Hungary can only participate actively and take initiatives in these, however, if we have our "own" Africa policy at hand:* a network of connections, well-defined interests, clear goals, ideas on development policy, and based on all these, firm positions that we can harmonise (or eventually clash) with other member states.

The political, security and economic interests of Hungary, along with our humanitarian outlook all make it necessary that Sub-Saharan Africa form an integral part of Hungary's foreign relations. Hungary needs to have stronger interstate relations with the Sub-Saharan and Sahel regions and be better informed about African developments.

Hungary needs to take increased advantage of the possibilities contained in the EU's Africa policy. In this context, Hungary needs to actively get involved in EU projects and carry out effective preparatory work vis-à-vis Hungarian economic actors or NGOs potentially capable of participating in the implementation of the projects.

Hungary needs to review how to address the problems arising from the shortcomings of our network of representations in Sub-Saharan countries within the limits of our current financial possibilities. At the same time, it would be pertinent to consider the **(re)opening of at least two embassies**, one in West Africa and the other at the headquarters of the African Union, in Addis Ababa. It could substantially improve our chances of participating in international development projects.

Although it could not entirely substitute governmental or diplomatic activism, **Hungarian civil society did counterbalance the shortcomings to some degree** through its uninterrupted activity and interest in the values, problems and inherent potentials of Africa.

Recent experiences also show that, although usually on their own initiative, some companies already have a well-functioning network of business contacts in Africa.



This is especially true in the areas of agriculture, health, services, energy and construction.

The civil (NGO) and business communities have long advocated a dialogue with the authorities responsible for foreign affairs. This process started in the summer of 2010: at the initiative of the Ministry of Foreign Affairs, **several meetings between the academia and NGOs focusing on Africa took place**. Well-functioning information transmission and cooperation channels were established with **the relevant economic advocacy groups** as well. Both the civil and the academic sectors have expressed their desire to continue the cooperation. The Ministry also has an interest in maintaining contacts.

It is a priority for our Africa policy to closely follow the humanitarian issues, including food aid, along with agricultural, environmental, water-management and health issues, and to assess the needs for sharing our experiences related to democratic transition, if possible, in connection with involvement in relevant international projects.

At the same time, we find it important to emphasize that *Africa* is not only a continent of problems waiting to be solved. And it is *rich not only in natural resources, but in cultural values as well*. This cultural wealth is an irreplaceable part of the world heritage. African **cultural diversity**, however, is a threatened value: local conflicts, massacres, changes in the environmental conditions, migration and changing lifestyles threaten or destroy many of these cultural values. Hungary, within the limits of the possibilities at her disposal, tries to advance that African countries, the international community and the European Union accord the appropriate attention to the protection of the values of African cultural diversity which form part of the world heritage, in order to safeguard them for generations to come.

Latin America

The 33 countries of Latin America with a combined area of 21.1 million square kilometres and home to almost 600 million inhabitants (close to 10 % of the world population), have recently **embarked on a path of dynamic development similar to that of Asia**, featuring, though, significant internal differentiation. The region produces 8 % of global GDP and 5 % of global industrial production. Overcoming former internal political instability, the majority of the Latin American countries are now led by democratically elected governments. The consolidation of democracy and the opening up of the markets and their joining to mechanisms of international economic cooperation led to accelerated economic growth. Efforts at integration



have been increased in the existing frameworks or in new formations, further improving thereby the region's position in international relations and the world economy.

Despite dynamic economic growth, income-inequality continues to represent a grave problem: approximately 35 % of the population lives in relative poverty or absolute poverty. Several countries struggle with problems of *sustainability, migration and governance* (the state's limited capacity to act). Latin American political leaders are well aware of the fact that the solution of these problems and the more efficient use of their potentials can be brought about only by setting up an education system offering high-level professional training and through the **transfer of know-how and technologies from the developed world**.

The region is directly affected by global challenges, that is the reason why the countries concerned – and especially regional powers – are increasingly active in addressing global issues (climate change, biodiversity, poverty, migration, organised crime, drug trafficking), sometimes even taking the initiative at international fora. Latin America represents a considerable voting power *in the UN* and in other international organisations; its position *influences the most important global political and economic decisions that affect the international community as a whole*.

Brazil has already joined the group of emerging global powers. Argentina and Mexico – also members of the G20 – have similar ambitions, using their strengthened regional positions.

The context of Hungary's Latin America policy is not to be neglected: the region has a special importance for our ally, the United States on grounds of geographic proximity and close historical and cultural ties, as well as for (home) security and economic reasons. The region represents a *growing significance for the EU* too. The EU regards several Latin American countries as its strategic partners, while agreements of cooperation have been concluded with some of them.

Hungary must change the present situation detrimental to our political and economic interests: while the international significance of Latin America has been increasing, in parallel with that, the intensity of Hungary's relations with the region, and as part of it, *our diplomatic presence there, have not increased but dramatically weakened*. The number of our representations decreased drastically due to austerity measures that were not always properly justified. (At present, Hungary has only four embassies in the region: in Brazil, Argentina, Mexico and Cuba.) Regrettable proof of Hungary's diminishing presence in Latin America is that **the entire**



continent accounts for no more than a 0.5 % share in Hungary's international trade. Interest by Latin American countries in Hungary, however, is promising: seven countries (Brazil, Mexico, Argentina, Chile, Venezuela, Ecuador and Cuba) have an embassy in Budapest.

In shaping our new Latin America policy, we focus on countries with which we can establish a **political cooperation based on shared values** and common interests. This in turn provides opportunities for raising our trade and investment relations to a higher level and to enhance human contacts. In developing our relations, we wish to pay special attention to the presence of the Hungarian diaspora in Latin America (an estimated number of 150-200 thousand people).

To attain these goals it is inevitable to reestablish our **diplomatic presence** in the region, in line with our interests, and within the limits of our financial possibilities. Already in the short term, it seems feasible to re-launch our consular activities in *Sao Paulo, an economic and financial centre, and the most important base for the Hungarian community in Brazil.* Hungary hopes that the improvement of our economic situation will make it possible to go ahead with the reopening of our embassy in Santiago de Chile, and to strengthen our presence in other countries too, which have a special importance for us because of economic reasons, or in the context of our policy on Hungarians living abroad. This can be done in several ways: opening representations, joint missions with other EU member states, accrediting ambassadors at large, or enlarging and improving the efficiency of our network of honorary consuls.

In order to explore possibilities for cooperation and to revitalize our relations, high level **official visits to the region** and contacts between government experts **must become more regular**, not only in priority relations, but also in countries where there is a potential for cooperation. It is desirable that Hungary participate in EU-Latin America cooperation in a proactive way, developing and communicating clear and well-defined positions. **Our role in the transfer of know-how between Europe and Latin America** likewise **needs to be strengthened.**

It is our goal that **our relationship with Latin America should contribute to the regional and sectoral diversification of our external trade**, as it was *identified as a priority in the Strategy of External Economic Relations of the Ministry of National Economy.* In this context, possibilities will be explored for cooperation with our main Latin American partners in third countries, e.g. in joint projects in Africa, especially in the area of food security. We intend to pay more attention to the demand from Latin American countries for educational and scientific cooperation. We should en-



courage the Hungarian scientific community and Hungarian companies interested in participating to strive for increasing their presence in Latin American research and development projects related to alternative energy sources. Boosting our tourism ties is no less important. Besides revitalising trade and investment cooperation, Hungary wishes to pay attention to and, where possible, profit from the **experiences gained by successful Latin American countries on their development path.**

We need to develop stronger and more active relations with the **Hungarian diaspora of Latin America** which is the largest such community following those in the US, Canada, and Israel, and fortunately, notwithstanding a generational change, continues to be active. The closing of our missions in the region was experienced as a sensitive loss by these communities and it made keeping in touch with Hungary more difficult for them. We wish to support – with specific measures of the government – Hungarians living in Latin America in maintaining their national identities and the cohesion of their communities, by gradually involving them in the development of bilateral relations, especially in economic and trade relations and in the areas of culture and education.

IV. Strengthening the service providing nature of our work

Hungary's foreign policy is not an end in itself, but is a **public service**: it offers the following: strengthening the security in an international context, enhancing the international visibility of the community (our country and nation), securing the external resources for our well-being, broadening the opportunities for external educational and cultural contacts and – last but not least – ensuring access to consular protection for our citizens. Accordingly, Hungary's foreign policy governance develops its modern working methods in order to enhance the efficiency of foreign policy work.



Strengthening the coordination between the external relations of different sectors of government serves Hungary's international prestige and contributes to the efficiency of representing our foreign policy interests. A key element of this is the **unified foreign representations** whose central tenet is that the ambassador supervises the cooperation of all Hungarian missions and other sectoral institutions in the host country, making sure they act in unity and coordinate their activities. The unified foreign representation system may – in a certain sense – be viewed as a quality insurance: a guarantee to our citizens that the Hungarian state will provide services in each relation following the same professional standards.



Taking full advantage of our budgetary means – which are currently rather limited, but will hopefully increase in the future –, we will **continue to modernise our consular services**.

The success of this – apart from all the practical aspects – reinforces the link between state and citizen and is also a key question in ensuring the good public image of Hungary abroad. Hungarians living, or getting into trouble abroad will – through the quality of the consular services – measure the way the state or its government takes care of its citizens or members of the nation. Foreigners' first contact with Hungary is often through the consular services: they get their very first impression about Hungary when they walk into the consular room.



Developing electronic administration for all aspects of consular work that is not connected to in-person administration, as well as the necessary amending of the accompanying procedural rules are essential. Modernisation of consular offices in function of our financial possibilities is on-going. We are looking for cost-effective solutions and further possibilities for cooperation that could be jointly set up with our EU partners in order to ensure a more efficient protection of our citizens' interests.

Developments in Hungary's consular services thus far have made it possible to meet the requirements for issuing Schengen visas, as well as to carry out the duties arising from the implementation of the citizenship law.

It is among the most urgent tasks to enable our consular services to process at a high quality level the **administrative and other affairs of the more than one hundred thousand new citizens** who will present themselves in the wake of the implementation of the law on preferential acquisition of Hungarian citizenship. The two main strategic directions for improving the efficiency of consular work in connection with the growing number of tasks to perform are the *flexible development of the network of consular representations and the refinement of electronic administration*.



Changes are under way to improve efficiency in the Foreign Ministry's **diplomatic information work**. The primary task of diplomatic information activities is to support efficient decision-making through the *provision of information* that accurately reflects international relations. In addition, it also fulfils an indispensable role in the international exchange of information. In the world of information explosion, the exchange of information is a vital area of international cooperation, especially between EU partners and NATO allies.

The explosive growth in the amount of freely available information in recent years has made the use of **computer-aided data selection and processing** indispensable in our diplomatic work. **Hungary plays a pioneering role in European cooperation in this regard:** the forum for cooperation between EU member states on open source information, the so called **Budapest Club**, was launched as a Hungarian initiative.

Open source information constitutes the basis for the information activities of the diplomatic apparatus which then gets supplemented, corrected, validated



or discarded by information obtained by **diplomatic means** (accordingly, these are in large part classified for the sake of information protection). Open source and classified information are equally indispensable for making the necessary foreign and security policy decisions, setting up a **system of constructive diplomatic positions**, and for the efficient protection of Hungary's and her citizens' interests.



A decision has been taken in the Ministry of Foreign Affairs to designate the anniversary of the 1335 Visegrad summit between the Hungarian, Polish and Czech monarchs as the **day of Hungarian Diplomacy**, marking the first major multilateral accomplishment of Hungarian diplomacy. This will provide – each year as of 2012 – an opportunity for the public to get a first-hand look at the main scenes and methods of our diplomatic and consular work.

The MFA intends to intensify **cooperation and dialogue with the non-governmental public actors**. Hungary's foreign relations are being shaped by, on the top of the government's foreign policy – and as part of that, the international relations of government bodies and agencies –, the foreign relations of other public actors (National Assembly, parties, local governments, civil organizations maintaining international relations, churches, trade unions, businesses). The common foreign policy goals of governmental and non-governmental actors form the Hungarian foreign policy consensus. Mapping out this consensus through dialogue as well as cooperation along those lines could improve the efficiency of realising the common goals.

The Ministry wants to develop a **system of yearly planning** of Hungarian foreign policy: the blueprints tailor-made for each relation will take into account the possibilities of cooperation with civil society and other NGOs in developing ties with various countries and institutions. In order to increase efficiency, the MFA will use new methods for synchronizing the timing and contents of our high-level diplomatic contacts.

The MFA's **system of internal training and the training offered prior to foreign service** will be renewed. In this context, colleagues will be provided with the necessary background information for a modern diplomacy with a policy-based approach, along with the latest information on the developments and achievements of specific policy fields.



In an indirect way, it is related to the public service feature of diplomacy that the MFA intends to introduce measures that help ensure a proper **balance between career and family life** for employees of the Ministry. Due to the spread of family-friendly work methods, our colleagues have more appropriate working conditions and will be at the disposal of consular clients and diplomatic partners to serve them in a more effective way.