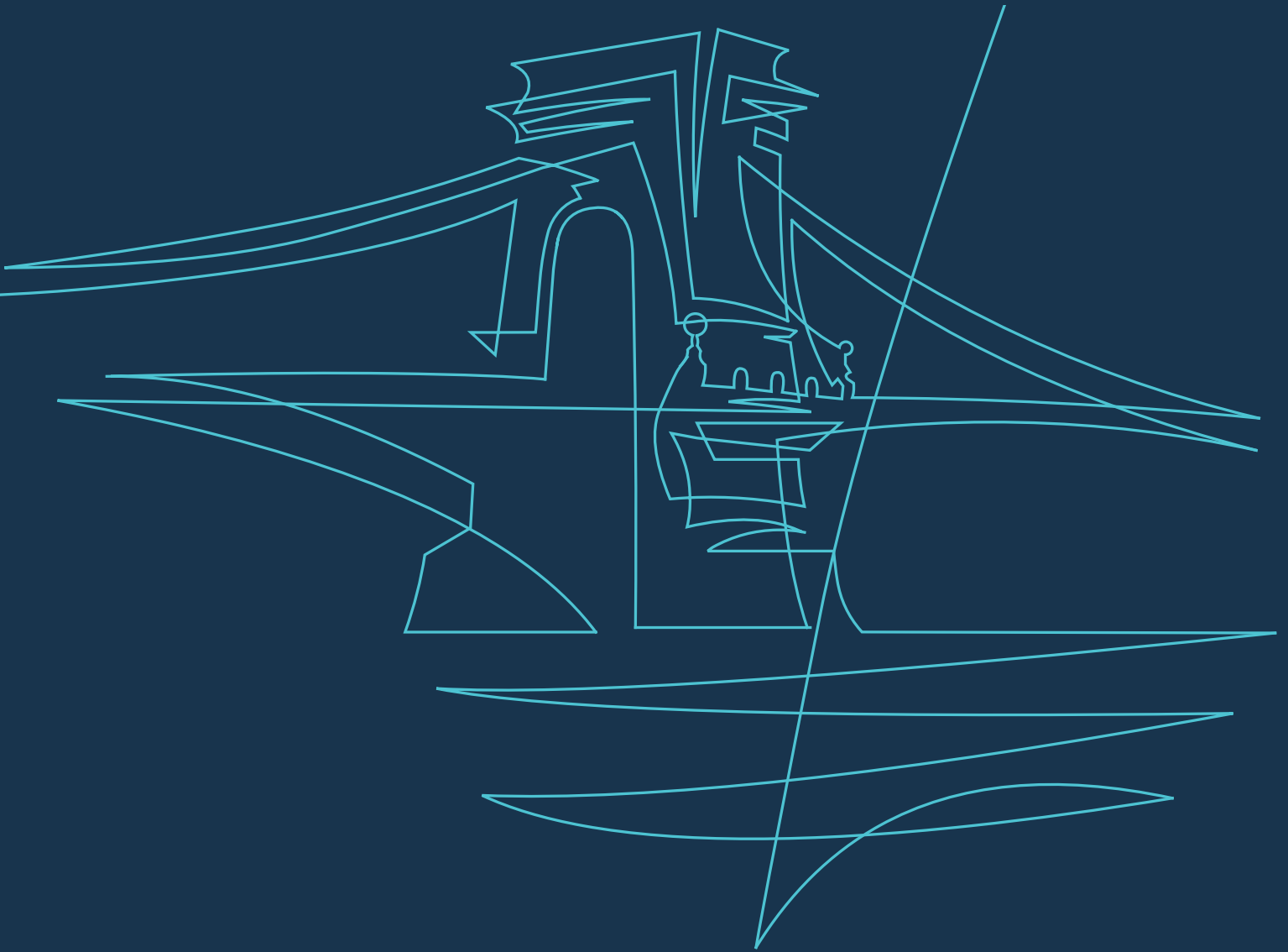




# BUDAPEST BALKANS FORUM

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## THE WESTERN BALKANS AS A HUNGARIAN FOREIGN POLICY PRIORITY



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## **The Western Balkans as a Hungarian foreign policy priority**

Standing at the center stage of Hungarian foreign policy, the Western Balkans region is key to the security and prosperity of Hungary. When considering the challenges and opportunities presented there, Hungary's key aim is to help maintain and promote stability throughout the region, and to support its more-than-timely integration into the European framework. These aims are essential for a secure neighborhood—a long-neglected necessity for prosperity and stability in the whole of Europe.

As a neighboring country, Hungary takes a stance toward the Western Balkans that is framed by its historical heritage, which unites Hungary and the region in a cultural entity. The region is a foreign policy priority for Hungary, which is why it is in Hungary's strategic interest to maintain the security and stability of the region, to improve bilateral relations, and to exploit its growing economic potential. The Euro-Atlantic integration process provides the primary framework for relations with the Western Balkans; Hungary is a strong and committed supporter of the EU (and NATO) accession of these countries, as the benefits of integration are in line with Hungarian foreign policy interests. Hungary is also cooperating with its Western partners within this framework, taking advantage of its gateway role in the region.

On March 12–13, 2024, the Hungarian Institute of International Affairs will organize its traditional Balkans conference, the Budapest Balkans Forum, for the eighth time. The two-day event will once again bring together leading decision-makers and experts from the Western Balkans and Europe to discuss current issues and challenges of the Western Balkans in public and private panel discussions. The Budapest Balkans Forum aims to stimulate dialogue on the Western Balkans with the involvement of the Western Balkan countries and to provide a platform for discussing topical issues that are crucial for the future of the Balkans, such as energy security, demographic challenges, and labor shortage. Budapest's (historic) mission is clear: to act as a gateway to maintain and promote dialogue between the Western Balkans and the rest of Europe. Hungary's role in the region is outlined below.

### **Hungary and the Balkans: Interconnected from the Past**

From a historical perspective, the Balkans have always been an important point of reference for Hungary, and we have been an inescapable factor in the lives of our neighbors in Southeast Europe over time. Hungary's geographical location has determined its role as a sort of gateway between western Europe and the Balkans, and therefore the threads of Hungarian and Balkan history have been permanently intertwined over the centuries. The Balkans, as a region of empire transformation (or empire-changing space), still play an important role not only in Hungarian foreign policy but also in the history of the European powers.

The roots of Hungary's relations with the Balkans go back to the Middle Ages, the most fundamental manifestation of which is the more than eight-hundred-year-long coexistence of the Croatian-Hungarian Personal Union; its cultural and social impact is still significant today. It was also the expansion of the medieval Kingdom of Hungary that made it possible for a significant Hungarian minority to be concentrated in the Balkans today—partly in Slovenia, Croatia, and in the largest number in Vojvodina, which today enjoys autonomy within Serbia. Although the Treaty of Trianon separated the Hungarian-inhabited areas from the kinstate, Hungary's responsibility for maintaining the linguistic and cultural unity of the Hungarian population beyond its borders has not ceased. The presence of Hungarian minorities in the region inevitably brought with it the need for Budapest to establish high-level political-economic relations with its Balkan neighbors.

Recognizing the security threat posed by the expansion of the Ottoman Empire, the Kingdom of Hungary and the "small states" of the Balkans sought to act in alliance against the conquerors. Although they never met in person, János Hunyadi and Skanderbeg—"Athleti Christi"—tried to coordinate their uprisings against the Ottomans, which are still remembered with fondness throughout the Balkans. Hundreds of years of Ottoman rule created a community of destiny between Hungary and the countries of the region. Hence, during the period of the Austro-Hungarian Monarchy, the Hungarians played a major role in shaping the Monarchy's policy toward the Balkans. Although Vienna set the political guidelines, the intellectual and ideological background was provided by Budapest.

The region, as an area of imperial transition, carries the danger of instability, the avoidance of which has been a constant feature of Hungarian foreign policy. Going back to these traditions, but properly identifying the challenges and opportunities of the current geopolitical environment, two pillars can be identified when examining the interests of our country in the Western Balkans. On

the one hand, Hungary feels and assumes responsibility for maintaining peace and security in the region, and on the other hand, it also focuses on the untapped economic potential of the Western Balkans. These two pillars are framed by support for Euro-Atlantic integration.

### **A Stable Neighborhood, a Safer Hungary**

Guaranteeing stability in the Western Balkans is a matter of national security for Hungary. Given our geographical location, addressing new types of cross-border security challenges through cooperation is a priority. In the post-Cold War era, we are also facing new types of challenges, such as migration or energy and supply security, which are becoming more frequent due to globalization.

- 1. Migration as a challenge in the region:** Migration is a major challenge in our neighborhood, as the region is crossed by one of the busiest migration routes in Europe. The issue is linked to the integration of the region into the European Union (EU), and it is in the interest not only of Hungary but also of the European Union to have closer institutional cooperation with the region.
- 2. Energy security as an opportunity:** Since the outbreak of the Russian-Ukrainian war, the position of the Western Balkans has become more important for the energy security of Europe as a whole. On the one hand, the gas and oil pipelines in the Balkans are strategically located as gateways to Europe's energy resources in the Black Sea and Caspian Sea countries, while the Greek and Croatian LNG capacity could provide a solution to secure Europe's energy supply. Promoting cooperation with the region on energy-related issues and the interconnection of the region's infrastructure is also a priority for Hungary.
- 3. Ensuring stability and security in the region:** Integration and disintegration are both present in the region and the outstanding (typically bilateral) issues pose challenges to the stability and security of the Western Balkans and hinder progress in the Euro-Atlantic integration process. To guarantee stability, Hungary is playing a prominent role in EUFOR Althea and NATO KFOR missions and is performing above its strength in terms of the size of the troops. In KFOR, Hungary provides the third largest contingent after Italy and the United States, with 365 troops, and the importance of our mission presence was confirmed by the incidents in North Kosovo in 2022–2023; both the Serbian and Albanian parties see

Hungary as a credible partner. Similarly to the Kosovo exercise, the number of Hungarian troops stationed in EUFOR is 266, which also puts Hungary in the lead among the V4 countries. After Hungary proved its ability to lead a NATO operation under Major General Ferenc Kajári's command of KFOR, this year for the first time EUFOR Althea will be led by a Hungarian commander, Major General László Sticz. This is not only a military-diplomatic success for Hungary, but also a strong signal to our Western partners that they trust the Hungarian Defence Forces and thus our country's preparedness and expertise. It is also important that this is the first time in history that a former socialist, central European country has taken over the command of these two international missions.

- 4. *Reconciliation of bilateral issues between states in the region:*** A clear incentive for the normalization of bilateral relations would be a more credible stance toward integration on the part of the EU, something that is strongly supported by Hungary. The Western Balkans should remain the primary target area of the EU's enlargement policy, as it is a region surrounded by EU member states. Integrating a region with a population of seventeen million and modest economic size would not impose a disproportionate financial burden on the Community, nor would it significantly change the political and decision-making dynamics within the EU. Ultimately, continued political will is essential to accelerate the EU's enlargement, without which the Western Balkans will remain caught in a web of bilateral and multilateral conflicts and security challenges.

### **Hungary's Role in Developing the Economic Potential of the Region**

Hungary's economic interests in the Western Balkans are determined by its geographical proximity and the presence of the Hungarian minority community living there. The region is a prime target for Hungarian foreign trade and investment. Hungary (also) supports the gradual integration of the Western Balkans into the EU in its economic interest—and thus the region's early integration into the EU Single Market—if this is not an alternative to full membership. Hungary's economic presence has grown significantly in recent years: between 2015 and 2022, exports of goods to the region increased by almost 150 percent, exceeding €4.5 billion in 2022.

Serbia continues to be a destination for Hungarian foreign trade, which is confirmed by its size, population and proximity, as well as the presence of Hungarians in Vojvodina. Hungarian exports of goods to Serbia reached €3.4 billion in 2022, but as the volume of trade with the other Western

Balkan states is still smaller in comparison, the market has a lot of untapped potential. There is no doubt that maintaining relations with Serbia is essential in political, minority policy, economic and energy terms; the Hungarian-Serbian Strategic Cooperation Council, established in Palić in summer 2023, has taken relations between the two countries to a new level—a unique cooperation format in the region. With large local Hungarian companies such as MOL, OTP and 4iG, Hungary is seen as a stable partner throughout the region, and deepening this partnership is in Hungary's fundamental economic interest.

### **“Hungary Connects”**

The fabrics of a common historical past fully embrace the relations between Hungary and the (Western) Balkans. Our country has a good knowledge and understanding of the problems of the region, and our deep cultural ties and neighborly location bring with them our interest in deepening the political-economic relationship. In an ever-changing geopolitical context, it is therefore imperative that Hungary remains visible, but also continues to be a predictable partner in the region. The benefits of this deepening relationship are bilateral, as the region benefits from our presence and vice versa.

Hungary is, if you like, a natural ally of the Western Balkans, and our strategic position as a gateway to the EU makes Budapest the mediator between the Western Balkans and the EU. As the motto of the Budapest Balkans Forum, the flagship conference of the Hungarian Institute of International Affairs, says for the third year running, “Hungary connects.”