Shaping the Future of Europe

Hungary's Vision for the 2024 Presidency

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DEFENDING EUROPE

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In the EU Council presidency role, the country in question always has considerable informal influence on affairs according to its own national position, so it is worth knowing the Hungarian position on the EU's security policy. Security and defense policy is not just one policy area among many, but the foundation of the whole of European integration history. Cooperation after the Second World War was motivated by military defense, with the European Coal and Steel Community defining national military industrial potential, thus reducing the risk of unilateral armament and the outbreak of wars in Europe (Dobrowiecki & Stepper, 2019). Since then, however, the European security environment has changed dramatically. Hungary will lead Europe at a time when our concept of security is rapidly changing, and we need responsible leaders to reconfigure our institutional toolbox to be ready to tackle new challenges.

2019 was a symbolic year for us. Hungary, together with other Central European countries, celebrated the thirtieth anniversary of regime change, the twentieth anniversary of NATO membership and the fifteenth anniversary of EU membership. These events have been the cornerstone of the foreign and security policy of the countries of our region over the past three decades. 2019 also marked the anniversary of Hungary's rejoining the "West." Today, Hungary is a full and equal member of the Western security architecture and alliance, which has given the country the opportunity to make its voice heard. In recent years, however, it has become clear that the institutions set up after the Second World War are unable to address new challenges. The dilemma is whether a liberal world order can deal with the challenges of our world today. The question should not, however, be whether the "new" members of the Western world, like Hungary, are liberal, but whether the political and security institutional structure we have developed can evolve and whether we will be able to deal with the parallel challenges that threaten our region and our alliance (Rada & Stepper, 2020).

Our changing world has brought new challenges, which have emerged in parallel and caused many headaches for politicians and policymakers. These challenges have called into question the legitimacy, or at least the effectiveness, of the existing security architecture—notwithstanding the real ambitions of U.S. President Donald Trump, who wants Europe to take on a greater responsibility for its security in the NATO alliance—and forced international actors to develop new solutions and responses. Well before the current war began, in the winters of 2006 and 2009, Ukraine and Russia failed to agree on gas supplies, leading Russia to shut off the gas taps. The crisis led to the creation of some kind of common energy policy, at least in terms of energy security. Obviously, we are generously overlooking here the fact that Germany, for example, built the Nord Stream pipeline, pursuing its own energy policy agenda while expecting smaller EU members to fall in line. The situation is similar with migration policy: EU Member States are not equally affected by the problem. The real problem was not the scale of the phenomenon, but the failure of the European Union to respond in a united way. While a new migration pact was eventually reached, the pact has serious shortcomings.

It is popular to portray European integration as a success story because, in many ways, it is. It has increased prosperity in many European countries and eliminated the risk of war in many former crisis zones. All in all, by 2022, a peaceful, prosperous area had been created from Poland to France. But this zone of peace was not created by the European Union itself but rather shaped by the leaders of nations after years of painstaking compromise, weighing the pros and cons of sharing national sovereignty with EU institutions. While some members clearly expect further deepening of integration and others expect more members to join in the future, the United Kingdom has opted to exit, showing that nothing in politics is final or a linear process: There are moments of crisis in the integration story.

The EU is currently going through a period of crisis in several stages, starting with the global economic crisis of 2008, closely followed by the Greek debt crisis. In 2015, the series continued with the refugee crisis (Stepper, 2018). The issue of forced migration into Europe, which has been growing ever since, still divides members. Meanwhile, the Brexit negotiations between 2016 and 2020 created a crisis of legitimacy for the European project. Many see these crises as obstacles on a path to a United States of Europe. Others, however, point to the importance of

Péter Stepper

intergovernmental negotiations. They argue that, after all, international organizations—including *sui generis* entities such as the EU—are only as legitimate as the Member States that make them up. The concept of a Europe of strong nations has been promoted by the Hungarian government since 2010, and it has defined the sovereigntist foreign policy approach envisioned in the Hungarian Nation Security Strategy, which has determined the Hungarian policy on the European Union and on European defense issues in particular (Stepper, 2020).

Russia's invasion of Ukraine at the end February 2022 brought war back to the European continent and raised the stakes for EU defense policy. The Hungarian government sees the ongoing and emerging conflicts around the world as clear evidence that Europe needs to significantly improve its defense capabilities, international crisis response and capacity. Defense policy has therefore been identified as one of the key priorities of the 2024 presidency of the Council of the EU.

COMMON SECURITY AND DEFENSE POLICY

The European Union, which was originally an intergovernmental economic organization, has gradually become a security organization and has acquired powers, which, in a growing number of areas, are now increasingly being used to demonstrate a more state-like attitude. The EU is increasingly treated as an equal partner by its external partners, particularly in international treaties and diplomatic relations. A glance at the number of representations accredited to the EU and the representations run by the EU reveals that the EU's diplomatic representation is the size of that of a major international power. This is true even though multilateral forms of cooperation in the international system are in decline (Molnár, 2019).

The aim of the common foreign and security policy is to transform the EU into a single political actor, speaking with a single voice, and gain greater political leverage in order to take on an active role in international relations and in both its own defense and that of its Member States. It is important to stress, however, that the EU's foreign policy does not interfere in the foreign policy positions of individual members. The search for consensus and joint action among Member States is an opportunity for

the EU to remain a key player in the international system. But this search for consensus can be hampered by differences between Member States on foreign policy, diverging interests and the search for the lowest common denominator in decision making. Although the idea of a common foreign policy was not included in the Treaties of Paris and Rome establishing the European Communities, the coordination of different foreign policy instruments such as enlargement policy, aid, trade policy, humanitarian aid, sanctions policy and crisis response has evolved steadily since the beginning of the integration process.

The *Common Foreign and Security Policy* (CFSP) is therefore only one instrument in the Union's system of external relations instruments. The EU is a kind of civil, normative or liberal power, in a Kaganian sense, seeking to contribute to strengthening stability—not only its own stability but also that of its environment—through mainly soft policies in the field of external relations and to the shift or extension of security in the more benign sense (Manners, 2002). Unlike the American liberal foreign policy, which is *ab ovo* interest-driven (realist), European foreign policy is more submissive (surrealist) and respects abstract concepts, such as the rules-based world order, rather than follows the interest of Member States (Rada & Stepper, 2023).

In 1992, the Maastricht Treaty created the EU with a pillar structure, the first pillar being the European Communities, the second the common foreign and security policy and the third justice and home affairs cooperation. The EU's common foreign and security policy was built on the European political cooperation that had been in place since the 1970s. Since then, with successive amendments to the EU Treaties, the institutional system and decision-making processes of the *Common Security and Defence Policy* (CSDP) have evolved. Learning from the tragic experience of the Balkan wars, the establishment of the institutional framework for a common security and defense policy began in the late 1990s. The Treaty of Nice in 2001 was an important milestone in the institutionalization process. With the integration of the Western European Union (WEU) into the EU, the European Security and Defence Policy (ESDP) was established, followed by the Common Security and Defence Policy in 2007 with the Lisbon Treaty. The first EU civilian and military crisis management operation was launched in the early 2000s (Molnár, 2019).

CHANGES INTRODUCED
BY THE LISBON TREATY (2009–2020)

The Lisbon Treaty has brought about a major change in strengthening the instruments and institutions of foreign and security policy. The new amending treaty introduced the possibility of *Permanent Structured Cooperation* (PESCO) and the mutual assistance and solidarity clause. The name of the European Security and Defence Policy was changed to the Common Security and Defence Policy. The creation of a High Representative for Foreign Affairs and Security Policy in 2009, with a much broader responsibility than before, and the European External Action Service (EEAS) in 2010, were also important steps towards greater coherence between the external activities of the Council of the European Union and the European Commission (Molnár, 2019).

In CFSP decision-making processes, which are still intergovernmental—i.e. based on consensual agreements between member states—the European Council and the Foreign Affairs Council, a formation of the Council of the EU, play a key role. Brussels is represented in international relations by the President of the Commission, the President of the EEAS, the High Representative for Foreign Affairs and Security Policy and the EU's diplomatic body, the EEAS. The Commission exercises its right of initiative through the High Representative and together with the member states. The main instruments for decision making are the general guidelines set by the European Council and the decisions adopted by the European Council and the Council. Most decisions are taken by consensus (Molnár, 2019).

THE MAIN ACTORS WITHIN EU DEFENSE POLICY

Within EU defense policy, there are three primary actors to note. The European External Action Service (EEAS) operates under the authority of the EU High Representative for Foreign Affairs and Security Policy and is an autonomous body of the European Union. It is the EU's diplomatic body, composed of a central administration and the Union's delegations. The EEAS is responsible for supporting the High Representative for Foreign Affairs and Security Policy in the development and implementation of the EU's common foreign and security policy. It is responsible for maintaining diplomatic

relations and strategic partnerships with non-EU countries, cooperating with the diplomatic services of countries and international organizations. It also plays a key role in peacebuilding, security, EU development policy, humanitarian aid and crisis response, the fight against climate change and human rights (Molnár, 2018).

The High Representative chairs the Foreign Affairs Council and, as one of the vice presidents of the Commission, is also responsible for coordinating the Commission's external relations tasks. The High Representative's role is to facilitate the process of finding compromises between member states to develop a common EU position, negotiated in several steps and unanimously adopted by EU countries in bilateral and multilateral international fora. In other words, the High Representative complements, but does not replace, national diplomacy. In addition to traditional diplomatic tasks, the High Representative's role in the Commission means that they are responsible for coordinating the various foreign policy instruments (e.g. aid, trade, humanitarian aid and crisis management).

While the first High Representative, Catherine Ashton (2009–2014), focused on using her role for mediation, both Federica Mogherini (2014–2019) and Josep Borrell (2019–2024) focused on greater coordination of the EU's different instruments and strengthening strategic thinking on foreign policy and security matters. The work of the current High Representative so far has highlighted weaknesses in the CFSP area due to a lack of coordination between Member States.

The European Commission (EC) has a limited role in the CFSP, covering only part of the EU's external relations. It can play an important role mainly through aid and development policy. Compared to other policy areas, in the CFSP area, the Commission only has the right of initiative through the High Representative, who is also Vice-President of the EC, and does not exercise significant executive powers (Arató & Koller, 2019).

The decision-making process is still characterized primarily by intergovernmentalism, the search for consensus and thus for the lowest common denominator. The decisions negotiated in the CFSP area, however, correspond to the common position of the elected Heads of State or Government of all the Member States. Accordingly, the ability and potential of each Member State to act as an advocate depends on its ability to mobilize and persuade the leaders of the other Member States in accordance with

its own foreign policy objectives. In this context, the EU's leading Member States are also only "first among equals." Smaller EU Member States can block common foreign policy action, whether that be the military intervention preferred by France or the softer foreign policy instruments, like sanctions, preferred by Germany.

Despite the fact that the governmental public is still dominant in the CFSP and within it in the CSDP area, the Commission's role has been growing steadily in recent years. In March 2015, the Russian aggression in Ukraine and the deteriorating security environment led EC President Jean-Claude Juncker to call for an EU army. Although this army did not materialize, since 2016 the Commission's role has been strengthened not only in areas traditionally associated with EU external action and human security, but also in the Common Security and Defence Policy. For example, the European Defence Fund (EDF) was established in 2017 on the basis of the European Defence Action Plan (EDAP) prepared by the European Commission. The EDF coordinates and complements Member States' investments in defense research, prototyping and the acquisition of defense equipment and technologies. Its importance lies in the fact that it allows, for the first time, the financing of military expenditure from the EU budget.

The Commission has also developed a proposal on the need to introduce *qualified majority voting* (QMV). It identified three specific areas in which QMV could be applied: human rights displacements, EU sanctions, and the launch of civilian missions. Its adoption was strongly opposed by sovereign governments, including Hungary and Poland (Koenig, 2022). The European Parliament supported the proposal, but no decision was taken at the level of the Council.

The EC representative also participates as an observer in the Political and Security Committee (PSC) meetings and may put forward proposals. In the budgetary field, the Commission has long played a key role, not only in proposing the EU's Multiannual Financial Framework (MFF), but also in implementing the CSDP budget, which was roughly about €300–400 million per year in the 2014–2020 MFF (Dobreva & Cîrlig, 2016). In September 2019, the new President of the European Commission, Ursula von der Leyen, announced the creation of a "geopolitical committee" in a so-called mission letter to Josep Borrell (von der Leyen, 2019). Without offering a concrete definition, she stressed the importance of linking the internal and external aspects of different policies.

HUNGARIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION (2024) AND THE CFSP

Hungary will take over the Council presidency from Belgium on July 1, 2024, until the next trio of presidencies takes over from January. In terms of broader foreign policy issues, Hungary will remain a strong supporter of EU enlargement, especially in the direction of the Western Balkans (Dobrowiecki & Stepper, 2021). Even though some partnership programs of the EU look like they are doomed to failure, most probably Hungary will continue to support the diplomatic efforts, primarily from Poland, to keep the Eastern Partnership alive, even if the war in Ukraine completely destroyed the good relations with Belarus and increased political tensions among pro-Russian and pro-EU parties in Moldova and Georgia (Dobrowiecki & Stepper, 2020).

According to the Hungarian government, the ongoing and emerging conflicts on the continent and around the world clearly demonstrate that Europe needs to significantly improve its defense capabilities, international crisis response and capacity. Hungary argues that the European Union must play a greater role in guaranteeing its own security, strengthening its resilience and capacity to act. In addition to the implementation of the Strategic Compass, which defines the main directions of EU defense policy, Budapest will place particular emphasis on strengthening the European defense industrial and technological base, including defense innovation and enhancing defense procurement cooperation between Member States. Strengthening European security and defense has become a priority in the context of the steadily deteriorating security situation in Europe over the last decade, strategic competition and increasingly complex security challenges. According to Budapest, the EU must assume greater responsibility for its own security and defense ("Programme of the Hungarian Presidency," 2024). Discussions about European sovereignty in defense, which increases European strategy autonomy are very welcome in Hungary (Fiott, 2018).

Budapest intends to focus on three main pillars in the field of common security and defense policy: strengthening the EU's military response and crisis management capabilities, increasing the effectiveness of European military capability development, and strengthening the European Defence Technological and Industrial Base and promoting defense innovation

("Programme of the Hungarian Presidency," 2024). Key elements of enhancing the EU's military response capability and strengthening its crisis management capacities are the EU Rapid Reaction Capability (EU RDC) and the establishment of the related command and control system. The Hungarian presidency also attaches importance to, and intends to support, the regular organization of joint exercises by providing a national live-fire exercise, as they promote interoperability between the forces of the members and improve the decision-making mechanism ("Programme of the Hungarian Presidency," 2024). In the current security situation, guaranteeing stability in the Western Balkans and the Sahel region and supporting these regions through EU military missions, as well as maintaining security-focused dialogue and cooperation and through the channels of the European Peace Facility, are among the priorities of the Hungarian presidency. It is important for Hungary that civilian missions also consider the areas of minority protection and cultural heritage protection in their overall activities. The presidency's priority is also to increase the sustainability of the *European Peace Facility* (EPF), to maintain the global balance and to complete the review of the EPF ("Programme of the Hungarian Presidency," 2024).

Hungarian foreign policy has repeatedly stated that the EU can only be a credible security actor if it has the military capabilities to match its level of ambition. To increase the effectiveness of capability development, we must exploit the maximum potential of existing EU defense initiatives. Therefore, the Hungarian presidency has made a strong commitment to promoting strategic thinking on the future of PESCO and to contributing to the PESCO Strategic Review, the second decision-making phase of which will take place during the Hungarian presidency. In addition, if the ongoing review of the functioning and tasks of the *European Defence Agency* (EDA) leads to a revision of the Council Decision on the Agency during the Hungarian presidency, Budapest most probably will also support this ("Programme of the Hungarian Presidency," 2024).

The EU's efforts to promote defense research, development and innovation and to increase defense industrial capabilities have been successful, and their consistent continuation is a priority for the Hungarian presidency. To this end, Hungary wants to promote reflection on the future of the European Defence Fund (EDF) and contribute to the strengthening of the European Defence Technological and Industrial Base. Our presidency thus intends to pay particular attention to the consistent pursuit of the objectives set out in the *European Defence Industrial Strategy* (EDIS), regarding the

expansion of financing opportunities, the expansion of production capacities, the enhancement of security of supply and the early production of research, development and innovation results. Upcoming legislative tasks related to the *European Defence Industrial Programme* (EDIP) will also be taken care of by the presidency ("Programme of the Hungarian Presidency," 2024).

The EU's bilateral security and defense partnerships could be developed further and, most probably, Hungary will put more emphasis on deepening EU–NATO cooperation despite the clear political limitations caused by the Turkish red lines due to Cyprus (Rada & Stepper, 2019).

CONCLUSION

There are many visions for European defense: building a European army, strengthening European sovereignty, increasing strategic autonomy. Member states are united in diversity as they say, so most probably the future of EU CSDP will be built on this traditional motto. Our strategic cultures differ, as do the sizes of our armies and the productivity of our defense industrial sectors. However, the shifting geopolitical environment makes it impossible to ignore the urgent need for increasing Europe's own defense capabilities. Partnerships are just as important for maintaining the economic achievements of Europe. From the Hungarian perspective, the EU indeed needs to be "geopolitical" and use the new concept of European Political Community wisely, to quicken the enlargement process without compromising the values we all stand for.

The sustainability of new defense projects will be key, because the lack of proper budgetary sources is evident, despite the much-anticipated recent improvements. A significant number of resources were allocated by the EPF to help Ukraine, while European industry cannot ramp up the ammunition production in its own factories. The EU needs to address both issues at the same time, and an immediate ceasefire and peace negotiations would ease the pressure on the Members States and would give them time to continue building their national defense industry in a sustainable way.

Crisis management operations are just as important now as they were in past decades, even if public attention is significantly less. It will be a huge challenge to prevent the security situation from deteriorating in the Sahel region, which could become a hotbed of instability for Europe in the coming years.

Hopefully, the Member States and the EU institutions will find the right balance to tackle the aforementioned challenges. During the presidency period in the second half of 2024, Hungary can advance the current legislative processes. The presidency comes at a time when the European security environment is rapidly changing, and we need strong leaders willing to have critical discussions to reconfigure our institutional toolbox to be ready to tackle new challenges.

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