# Shaping the Future of Europe

Hungary's Vision for the 2024 Presidency







## **Shaping the Future of Europe**

Hungary's Vision for the 2024 Presidency

© Hungarian Institute of International Affairs

Editor: Lillian Zsófia Aronson

Cover: Dóra Szabó-Thalmeiner

Layout: Tamás Lévárt

The present analysis and its conclusions reflect the authors' opinions and cannot be considered the official position of the Hungarian Institute of International Affairs, the Ministry of Foreign Affairs and Trade, or the Government of Hungary.

hiia.hu

Budapest, 2024

## CONCLUSION

## Ágnes Vass

The Hungarian EU presidency starting on July 1, 2024, marks the beginning of a new five-year legislative term within the European Union. The new European Parliament and the new European Commission begin their work under the presidency. This situation presents both opportunities and challenges: opportunities because the Hungarian presidency can set the tone for the next five years and challenges because the presidency's program must be implemented during a transitional period with a newly transformed European Parliament and European Commission.

The rotating presidency of the Council of the EU is significant not only because it puts the presiding country in the EU's political spotlight for six months but also because it allows that country to shape the political agenda at the European level. The presidency chairs Council meetings where legislation which will be implemented across the EU is discussed and adopted by the Member States. Additionally, the presidency is responsible for maintaining continuity in the EU's political agenda, fostering cooperation between member states, and coordinating with EU institutions. It also organizes formal and informal meetings where it can effectively shape policy priorities and address issues that previously received less attention. Every six months, a new presidency injects dynamism, energy, and priorities into the EU's work, focusing on issues that are important to the member holding the presidency and where it has strong expertise.

#### THE HUNGARIAN PRESIDENCY PRIORITIES IN FOCUS

The program of the Hungarian presidency reflects the challenges that Europe faces today, considering the realities within the EU and its neighborhood. As previous chapters have covered, the priorities of the Hungarian presidency include strengthening the EU's competitiveness,



developing defense capabilities, promoting enlargement to the Western Balkans, addressing illegal migration, shaping the future of cohesion policy, developing a farmer-centered EU agricultural policy, and tackling demographic challenges.

Hungary has designed its presidency program to address the real internal and external challenges facing the European Union over the next six months. The EU's geopolitical influence has recently weakened—it struggles to keep pace with major global players, both economically and competitively. The EU is also struggling to manage migration effectively—internally, member states are closing borders to each other rather than tightening external borders, and closer cooperation with countries of origin is needed. The "welcome culture" approach, which has led to further social problems and rising crime rates, does not appear to be a viable solution. Meanwhile, the EU itself is grappling with emigration, an aging society, a growing labor shortage, and a declining birth rate.

Despite being one of the EU's most successful projects, the enlargement policy has lost credibility among applicant countries. The EU has failed to integrate the Western Balkans, even though it is a strategically important region for the EU. This region serves as a transit zone in the migration crisis and is economically vital for creating a more coherent and interoperable economic area, benefiting not only the countries in question but the entire region. The Western Balkans are also affected by emigration, so closer cooperation with these countries would be a more effective way to tackle this problem. It is in the EU's fundamental strategic interest to prevent any power in the region from becoming hegemonic, as this would significantly impact stability and peace. Therefore, a merit-based and credible enlargement policy is needed to effectively integrate those states that wish to join.

Western European reactions to the Russo-Ukrainian war—whether arms supplies or sanctions—have proved ineffective. The situation has also exposed the weakness and unpreparedness of European defense. Europe must significantly improve its defense capabilities, international crisis management, and overall resilience. To this end, the EU needs to strengthen the industrial and technological base of the European defense sector, including defense innovation and enhanced procurement cooperation between member states. In addition to membership in defense alliances, the EU must play a much greater role in organizing, providing, and maintaining its own defense.

Rising energy prices following the outbreak of the Russia-Ukraine war and the collapse of supply chains have made it impossible to maintain an agricultural policy based on subsidies. European farmers are struggling with high fuel prices and shrinking profit margins. Extreme weather conditions, agricultural imports from third countries, food security, and self-sufficiency issues all indicate that agricultural policy needs reform. This reform should emphasize that the problems arising from climate change are not caused by agriculture but rather that proper, sustainable, and efficient agriculture can provide solutions to these problems. However, this cannot be achieved without the proper involvement of farmers in addressing these challenges.

Each chapter of this book delves deeper into these problems, their interrelationships, and potential responses. The EU's continuing loss of competitiveness, control over its external borders, and exclusion from strategic decision making are not new problems. Over the years, individual committees have attempted to halt or reverse these trends. For example, the Lisbon Strategy adopted in 2000 aimed to make the EU the most competitive knowledge-based economy in the world by 2010. However, the lag was already evident then, and the EU's responses to changes in the global economy and politics have not been very effective. At the same time, a series of decisions were taken at the EU level, primarily to support the process of federal institution-building, which limited the sovereignty of member states in certain areas.

#### THE EUROPEAN UNION AT A CROSSROADS

The European Union and its predecessors began primarily as an "economic project," but there were also political and security interests involved. The process of European integration itself is comprised of three elements: economic (mainly the common market), political, and defense integration. These elements continue to be crucial determinants of the integration process today. However, the proportions, conditions, and consequences of integration in these areas are not always consistent.

In the context of the Hungarian EU presidency, the issue of European defense, especially in light of the armed conflict in our immediate vicinity and its effects, is key to understanding the current situation of the EU and the presidency's

Conclusion 107



program. Two important defense conceptions have emerged in Europe. One is the Atlanticist approach, which argues that Europe should shape its defense policy to fulfill its allocated tasks within the transatlantic alliance but not be so autonomous that it can defend itself without U.S. protection. The other, the European approach, advocates for a defense system in Europe that is capable of defending the continent. Which approach will be pursued in the long term is not yet a settled question. If we believe in European strategic autonomy, though, Europe must be able to defend itself. Until that is achieved, Europe will always depend on others to guarantee its security and protection, a dependency that comes with a price—not just in terms of security, but also economically and commercially. A defense-independent Europe would largely redefine the dynamics of the transatlantic relationship, but it is important to note that it would not replace or challenge its foundations.

The question of whether the EU will commit to an Atlanticist or a European security concept in the long term leads us to the broader question of the EU's strategy in world politics: Does the EU want to be part of the "Western world," implementing decisions taken there at the local level, or does it want to take decisions independently as an independent pole in a multipolar system? The European Union has the potential to define itself as an independent pole based on its economic strength, but achieving this requires political will above all. The Hungarian EU presidency intends to take steps in this direction. More and more EU leaders recognize that the EU should do more to guarantee its own security. Currently, around 80 percent of defense procurement by EU member states comes from outside the EU. However, guaranteeing the EU's security is just one aspect of what strategic autonomy entails. It also involves strengthening economic competitiveness, protecting external borders, and ensuring the EU's ability to defend its own interests in any given conflict.

### WHAT CAN WE EXPECT FROM THE PRESIDENCY?

During its rotating EU presidency, Hungary has a prime opportunity to prioritize the issues that matter most to it politically. Therefore, it is crucial in which direction Hungary guides the EU's development and future. To enhance the success of the Hungarian presidency, EU citizens themselves will play a role. The European Parliament elections, held just before the start of the presidency, revealed how citizens feel about EU decisions, with significant

numbers voting against the green transition and the current handling of the migration issue. These two issues were key motivators for voters in most European countries. Hungary has integrated these concerns into its presidency program and will collaborate with other member states to implement an EU program that respects the people's interests over the next six months.

In addition to identifying seven key priorities important to both the Hungarian government and EU citizens, the program represents significant steps toward a post-federal union. Hungary aims to ensure stability during this transitional period while the new Parliament is established, the President of the European Commission is elected, and the new Commissioners take their seats. The Hungarian EU presidency, therefore, faces significant challenges, but its program represents a considerable investment in reversing the federalist shift and building a strong Europe of strengthened nations, in collaboration with the member states.

What can we expect from these six months? There is a possibility that the new European Competitiveness Pact will be adopted during the Hungarian EU presidency. Additionally, a common Council position on the European Defence Industrial Pact may be reached, which the Polish presidency, following that of Hungary, will have the opportunity to negotiate with the European Parliament. The Hungarian presidency also has the potential to invigorate the EU accession process for Western Balkan countries and bring demographic issues to the forefront through horizontal policy approaches. Furthermore, it offers a great opportunity to ensure that, after these six months, the policies advocated during the presidency are reflected in the new institutional cycle and become integral to decision making in both political and financial planning in the longer term.

Conclusion 109