



## Introduction

Although diplomatic relations are functioning well, ever since the formulation of the modern Hungary in 1920, it is difficult to consider relations as intensive. During the transformation, Hungarian legislators were mainly inspired by and replicated the German model, while following the transformation, French companies showed limited interest, compared to their German competitors; in investing in the region. France is currently (2018) the 8th most important trade partner of Hungary, just behind Slovakia. The increase of 2,8% in 2017<sup>1</sup> made up for the smaller decrease that was observed the year before. Hungarian imports in France represent only 4% (9th position) compared to the 26% level of Germany. Obviously, this underrepresentation, compared to France's role in the EU has a strong impact on political relations both on a bilateral level and on a regional level.

## Political developments of the last decade

Following the democratic transformation, the first prime minister who focused on strengthening relations between Paris and Budapest was Péter Medgyessy. Unfortunately, he did not even fill his term and although his successors continued the intensive talks with Paris, the strategic partnership signed in 2008 has only had a limited impact.

The stagnation in bilateral relations started shortly after Viktor Orbán was elected for his second term in 2010. Not only economic logic, but personal relations and party interests and connections within the EPP, supported stronger relations with Germany, rather than focusing on Paris. A short exception was the period between June 2010

and April 2012, when President Sarkozy was still in office. While their personal relations with Orbán are still excellent, Orbán even hosted the former President at his new office in March 2019, the political focus and coalition building efforts has not made them the closest ally that time.

Prime Minister Orbán found himself in a difficult position, assuming power right in the middle of the economic crisis, when the real stakes were to avoid running the country into bankruptcy. The only solution was to introduce special taxes, with a limited impact on German investments, in order not to overly alienate the most important ally. French companies were among the ones most hit by the forced renationalisation and changing legal environment. Governmental measures hit companies such as Electricité de France (EDF), Auchan, Suez Environment or Sodexo.

On the other hand, Orbán often referred and compared his policies to the Gaullism. There are obvious similarities between the two political movements as political scientist, Eszter Petronella Soós, pointed out in her 2015 study<sup>2</sup>; the accession to power during a crisis, the political weakness of the predecessors, the personal charisma of the leader, the high importance given to the nation and to preserving its sovereignty, a sovereigntist conception of the European Union, a tendency to make use of discretionary executive power and the accusations of systemic authoritarianism. Although the study points out numerous limitations of such an approach, Orbán's self-description suggests his affiliation to certain aspects of French politics that is useful to better understand the current state of bilateral relations.

Relations seemingly turned even colder following Emmanuel Macron's election in 2017. The two politicians are often portrayed as archenemies, however, they have met a number of times at V4 -France consultations and when we

<sup>1</sup> Helyzetkép a külkereskedelemről, 2017, Központi Statisztikai Hivatal, <https://www.ksh.hu/docs/hun/xftp/idoszaki/kulker/kulker17.pdf>

<sup>2</sup> Eszter Petronella Soós: Comparing Orbánism and Gaullism: the Gaullist physiognomy of Orbán's post-2010 Hungary, *Studia Politica: Romanian Political Science Review*, 15(1), 91-108. <https://nbn-resolving.org/urn:nbn:de:0168ssoar-446950>

have a closer look at their policies, their hatred is even less obvious.

## Relations within the EU

Following the EU accession, Hungary cooperated with France in a number of EU policies. However, the differing governance model and in most of the period, governments from differing political families, have limited the chance of closer cooperation, from the strategic level to sectoral level cooperation.

One of these sectoral cooperation areas was linked to the Common Agricultural Policy (CAP) of the EU. In the last decade, the relevance of CAP has seriously decreased. CAP's role in the EU budget is less decisive and the agricultural sector in France also lost its former political relevance. Farmers are less capable and visible when it comes to their capability to act collectively.

Hungary has not played an important role in most of the important fields of French EU policies. While in its threat perception and in its security policy, Budapest increasingly focuses on the Mediterranean region, its strategic alliances, such as the V4, have limited the participation of the country in French initiatives focusing on the South. In security and defence, the shrinking defence budget and its NATO-first policy have been the main obstacles towards closer cooperation. Hungary has not met its international commitments in providing development aid as well, which means that the two countries were not able to cooperate in this field..

Hungary, as a non eurozone member has its conflicting interests when it comes to French initiatives on a closer eurozone integration and a separate eurozone budget. Most importantly, the two countries found each other on opposite sides at the negotiations and search for a solution to the migration crisis. While the list seems extremely long, the last two years since President Macron took his office have brought substantial changes.

As for now, the migration crisis is over and the European position converged in a large extent towards the Hungarian one. The crisis finally provided a chance to turn the region's focus to the threats coming from the South, and Poland's participation in the Berlin process strengthened the Western Balkan dimension of the Visegrad cooperation. The crisis gave a perfect political opportunity to internally justify the increase of the defence budget, which was an important political commitment of Hungary both at the Wales and Warsaw Summits of NATO. The Hungarian intention to meet the 20-20-20 commitments resulted in major weapon procurements, which includes procuring French Airbus helicopters. Viktor Orbán welcomed the initiative of a European army in its early stage and has ever since highlighted his support of the ideas of President Macron to strengthen European defence capabilities.

Finally, and possibly most importantly, the two leaders are both committed to diminish the existing party structures, strengthen the role of the European Council and change the current balance of power of the European Union, even though they aim to reach these goals in fundamentally different ways. While Macron calls for a closer and deeper integration of the EU, possibly with the tighter incorporation of the Eurozone members, Orbán is one of the loudest supporters of strong nation states on the European stage, advocating for the strengthening of national level competencies to the expense of the European Commission. Orbán praised Macron's letter on the Future of the EU openly, suggesting that there are a number of points he could fully support (such as stricter EU borders or European Army). He suggested the initiative itself to start to discuss vital questions is so important, that he fully backs President Macron efforts to introduce them on the EU Agenda.<sup>3</sup>

Orbán hinted in a number of interviews, that he sees Macron as a potential ally in selected questions, and suggested in a recent radio interview that he agreed

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<sup>3</sup> Macron's EU vision wins him unlikely ally in Hungarian PM Viktor Orbán, The Times, March 6, 2019

<https://www.thetimes.co.uk/article/macron-s-eu-vision-wins-him-unlikely-ally-in-hungarian-pm-viktor-orban-b86xkmhrg>

personally with Emmanuel Macron not to support Frans Timmermans candidacy for leading the EU Commission. <sup>4</sup>

In terms of the similarities and differences between the two countries' societies and what they think of as the most stressing challenges ahead of their countries respectively, the campaign and the results of the European Parliamentary elections itself were spot-on indicators. According to the Parliament's 2019 Spring Eurobarometer '*Closer to the Citizens, Closer to the Ballots*', conducted in the three months prior to the elections, Hungarian and French people view common European topics radically differently. In France, combating youth unemployment surged to the top of the priority list in the period between September 2018 and February-March 2019, with combating climate change and protecting the environment in second and the fight against terrorism in third place. Immigration and the protection of the Union's external borders are only in the bottom half of the list<sup>5</sup>. Meanwhile in Hungary, it is no surprise that due to the government's intensive thematic campaigns and slogans over the past years, immigration has topped the list, alongside with the protection of the external borders in fourth, combating youth unemployment in third, while combating climate change and protecting the environment only in eighth place. <sup>6</sup> It would be an exaggeration to say that these survey findings directly matched voting results in France, with the right-wing RN party taking first place by securing 23,31% of the votes. However, the Green party (EELV) surprisingly took the third place just behind President Macron's coalition with 13,47%, a result that aligns more with what the Eurobarometer had found<sup>7</sup>. In Hungary, though, the result was shocking for the local Greens compared to the rise of their Western European counterparts, as gathering only 2,19% of the votes means they were knocked out of the EP. Viktor Orbán's governing

coalition secured a comfortable victory by taking 52,14%, a result that resonates well with the Hungarian findings of the spring survey.<sup>8</sup>

## Economic relations

Hungarian trade relations are relatively weak with France. France exports products worth approximately 3,5 billion EUR to Hungary annually, which makes Budapest highly irrelevant for the French economy (26th position on the list of export destinations). From a Hungarian perspective, relations are slightly more important. The 4,26 billion EUR export volume makes France the 7th most important export market of Hungary. About 75% of the French export to Hungary consists of industrial, mechanical and IT products. While not a dominant item in the overall export share the fact, that more than 11% of the global French pharmaceutical export is directed to Hungary is relevant from a French perspective.

The structure of the Hungarian export to France is slightly different. Mechanical, electronic and IT products constitute 39% of Hungarian exports, while transport equipment (the flagship industry of Hungary) have a 22% share.

French investments in Hungary have more than tripled in the last 20 years, making France one of the top 5 investors in the country. Almost all major French companies have subsidiaries in Hungary, however, car manufacturers' presence is relatively weak, which is the main reason that France underperforms in the Hungarian economy.

<sup>4</sup> Orbán: Maradjon az én titkom, hogyan sikerült rávenni Macront, hogy ne támogassa Timmermanst, Index, July 12, 2019 [https://index.hu/belfold/2019/07/12/orban\\_maradjon\\_az\\_en\\_titko\\_m\\_hogyan\\_sikerult\\_ravenni\\_macront\\_hogy\\_ne\\_tamogassa\\_timmermanst/?fbclid=IwAR0YSQVhgyJ\\_nD\\_HIqSw1bGI3OMBts9IO6h3eLodxlp803R-4-q\\_L6klyqs](https://index.hu/belfold/2019/07/12/orban_maradjon_az_en_titko_m_hogyan_sikerult_ravenni_macront_hogy_ne_tamogassa_timmermanst/?fbclid=IwAR0YSQVhgyJ_nD_HIqSw1bGI3OMBts9IO6h3eLodxlp803R-4-q_L6klyqs)

<sup>5</sup> Spring 2019 Eurobarometer of the European Parliament. Eurobarometer 91.1. France <http://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2019/parlemeter-2019/national-factsheets/fr-fr-factsheet-parlemeter-2019.pdf>

<sup>6</sup> Spring 2019 Eurobarometer of the European Parliament. Eurobarometer 91. 1. Hungary <http://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2019/parlemeter-2019/national-factsheets/hu-hu-factsheet-parlemeter-2019.pdf>

<sup>7</sup> 2019 European election results - France. <https://election-results.eu/national-results/france/2019-2024/>

<sup>8</sup> 2019 European election results - Hungary. <https://election-results.eu/national-results/hungary/2019-2024/>

