

## **HUNGARY'S EXTERNAL RELATIONS STRATEGY**

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## **I. Introduction**

The time that has elapsed since the transformation of the political system has brought significant changes in Hungary and the region. This makes it necessary to rethink and further develop the then formulated triple priority of European integration, good neighbourly relations and nation policy.

Accession to the European Union (EU) and the North Atlantic Treaty Organisation (NATO) has anchored Hungary permanently in the community of countries sharing the same values. The decision to join them reflects a conscious choice of values and means a stronger sense of commitment towards Hungary's wider environment. It guarantees the country's security, and enhances the capability to assert her interests. Through her membership, Hungary can address, together with her partners and allies, a wide range of challenges, affecting the country directly or indirectly.

The European Union is the most important framework for Hungarian policy and action. It provides tools and financial support for economic and social modernisation, for catching up, as well as an opportunity to represent Hungarian interests in the world. Through her membership, Hungary has acquired a policy-shaping role, while her room for manoeuvring is influenced by the extent to which she is able to support the common efforts, and thereby to contribute to the further strengthening of the EU and to the success of its global adaptation. It is Hungary's interest and responsibility to actively influence the common decisions that determine the EU's functioning and future, and the direction of the European integration process.

Hungary enjoys fundamentally settled relations with her neighbours, the majority of whom are themselves members of the EU and NATO. Most of the ethnic Hungarians living beyond the borders are now within the European integration framework and its system of values, and the situation of those who remain outside for the time being has become more predictable. The ongoing tasks of building co-operation with the neighbours, and of supporting Hungarians beyond the borders also strengthen the economic and social competitiveness of Hungary, of its neighbours and, therefore, of all Hungarians.

It is by closely harmonising them that Hungary can successfully realise her goals in her neighbourhood policy and nation policy. Developing good neighbourly relations, helping Hungarian communities preserve their identity, assert their rights, promoting their economic, social and cultural development and well-being as well as the nation's integration across borders, these all are processes that build upon, and presuppose each other. Through her support to preserve the culture of national and ethnic minorities within her territory and through the development of the system of minority self-government, Hungary can contribute to the endeavours of protecting minorities in the region. EU membership makes it easier to co-operate and maintain contacts with Hungarian communities in neighbouring countries, as well as with the Hungarian Diaspora in Western Europe and overseas.

The place of Hungary and of Hungarians in the world has changed markedly, and so has the world itself. Globalisation and the network of global relations offer many opportunities for a well-prepared country towards success. At the same time it is necessary to cope with associated risks: to fight against environmental degradation, climate change, global pandemics, international terrorism, proliferation of weapons of mass destruction, illegal

migration, and international crime, to eliminate, or at least reduce poverty and striking inequalities.

In a globalised world conditions within the country are to a large extent shaped by external factors and international processes. The future of each and everyone depends on reaching the right conclusions about the world and their own place and possibilities in it. Foreign policy, decisions shaping external relations contribute to creating the conditions necessary for the security of the country, the economic growth of the nation. They serve to strengthen the sense of a modern Hungarian identity combining national pride with the openness of citizens of the world. They must help to find answers to the unavoidable challenges of globalisation and to the requirements of social and economic modernisation. They must strengthen the competitiveness of both country and nation, making full use of the opportunities offered by the European integration process, and by international relations in general.

Hungary attributes special significance to human rights in general, and to the rights of national and ethnic minorities, as well as to the development and utilisation of institutional solutions and legal safeguards serving these rights in particular. All this contributes to the easing of tensions and conflicts, the handling of their consequences, and to the strengthening of democracy and social stability.

The external relations strategy valid through 2020 embraces the totality of government activities, affects the activities of the non-governmental sector, including local governments and NGOs, and determines the basic principles, goals and tools of Hungary's international actions. It builds upon national and sectoral strategies, integrates national EU strategy, and provides a framework and guidance for the strategies, concepts and actions concerning the external relations of the government and the ministries. Its goal is to facilitate international contacts through the broadest political, professional and social consensus possible.

## **II. Hungary's values and the fundamentals of Hungarian foreign policy**

The values shared with EU partners and NATO allies – respect for human dignity, freedom, democracy, equality, rule of law, human and minority rights, freedom of enterprise, as well as the protection of cultural, religious and ethnic diversity – provide a reliable basis for shaping the external relations of the Republic of Hungary. The country's goal is to promote peace, security, stability, the well-being of her citizens, economic development and the assertion of democratic values.

Modern Hungary is based on the three pillars of a parliamentary democracy, a social market economy and European integration coupled with transatlantic co-operation. A combination of competition and solidarity, of freedom and responsibility guides her activity. The basic principles of her development policies are sustainability based on the harmony of economic development, social well-being and the quality of the environment, and decentralisation based on making decisions at the level that is most appropriate and at the same time the closest possible to the citizens.

Hungary aims to reduce poverty, help democratic processes and develop civil society in the partner countries through her bilateral and multilateral international development and assistance programmes.

By 2020, Hungary aims to be among the most dynamic European countries, gradually approaching a developmental path that is sustainable, securing more jobs, higher incomes, a safe, clean and quality environment, as well as healthy and longer lives for her citizens.

Parliament has determined enhancing competitiveness, strengthening social justice and cohesion and creating the possibility of secure and sustainable development as comprehensive objectives for the period leading up to 2020. The pro-active and predictable Hungarian foreign policy, the close co-operation with EU partners and NATO allies serves these goals. The criterion of a Hungary and of a Hungarian nation respected by their partners is that they combine their rich traditions with considerable knowledge, high-level professional skills, and an open, co-operative culture receptive to what is new. It is thus that Hungarian foreign policy can strengthen the cohesiveness of the nation, deepen co-operation in the Central European region as well as regional and European integration, and can be part of fast and effective reactions to the challenges of globalisation.

### **III. Developments in the international environment**

#### **Globalisation – an opportunity and a challenge**

The world has entered an unparalleled period of transformation affecting all walks of life. Never before has such a degree of co-operation and mutual dependence been experienced between states and regions. This has a fundamentally positive effect on the development of the world, as sharing the achievements of technological, economic and social development, reducing the significance of political boundaries, helping the natural regional integration of adjacent areas, and expanding the cultural space is now a must. New markets are opening up, and it is easier to access state of the art technologies. Strong international capital flows offer extra opportunities for development.

Cultures, economies and societies have a strong, direct impact on each other. Globalisation connects on the one hand, transferring values and models of behaviour, and disconnects on the other, drawing attention to cultural dividing lines. This is accompanied by a fear of loss of identity and of historical roots.

Most of the new challenges, including the rapid consumption of natural resources and increasing environmental risks, can only be handled in comprehensive, multilateral frameworks. The significance of joint regulation and European integration grows, and there is a need to enhance NATO's role, to deepen the Common Foreign and Security Policy of the European Union, to co-operate efficiently in the United Nations Organisation (UN). The emergence and strengthening of non-state actors in international relations, exercising an influence rivalling that of the states, calls for the development of the tools created on the basis of the exclusivity of nation states, and for the reform of international organisations.

#### **The components of security**

The security of individual states is closely related to that of many other states, not just the ones geographically close. It is necessary to prepare for less predictable situations requiring much more flexible adaptation than hitherto. Security is a comprehensive category. Attention must also be paid to its non-military - political, human and minority rights, economic,

informational, technological, environmental, and health - aspects. Assisting deprived groups in catching up, reducing social exclusion, poverty and striking income inequalities are fundamental issues of social safety. The challenges can emerge simultaneously, strengthening each other. The security of the country cannot be separated from the sense of security of its citizens.

Global security challenges – economic and social tensions, extremist ideologies, ethnic exclusion, international terrorism, the proliferation of weapons of mass destruction and their means of delivery, natural and man-made disasters, public health risks and epidemics, the illegal drugs and weapons trade, international organised crime, and particularly a combination of these – affect the international community as a whole, though not in the same way and not to the same extent. Their effects can be further aggravated by the risks stemming from the malfunctioning of some states.

Traditional threats continue to be a significant risk in certain regions, while they have been reduced in other places. The risk of any traditional military threat to Europe – and thus to Hungary – and to North America is low in the medium term. It is necessary to react, however, to the threats presenting themselves in other parts of the world, to the traditional conflicts affecting the inhabitants of states of a given region, and indirectly the entire Euro-Atlantic area as well.

The future of human civilisation depends on the reduction of the burden on the environment, and on the sustainability of the use of natural resources. The world has to cope with the accelerating climate change and its dangerous impact, the difficulties of water supply, flood disasters, and to halt the deterioration of the physical environment as well as the loss of biological diversity through the broadest joint efforts.

Growth requires the safety of production, i.e. raw materials and technology, and the security of trade, i.e. of markets as well. Satisfying energy needs is a huge challenge: the vulnerability of the developed world needing the resources is increased by the uneven occurrence of non-renewable energy sources, and the fact that a significant proportion of sources and delivery routes is to be found in unstable regions and countries.

Global security risks can set off mass migratory movements. International migration is definitely an ever more determining influence in the world. It plays an important part in strengthening European knowledge-based economy, at times in reducing labour shortages, but at the same time it exerts tremendous pressure on the labour markets, on the systems of social benefits, and raises the issue of the integration of migrants belonging to different ethnic groups. However, population flows cannot be stopped, and the goal of migration policies must be to treat the phenomenon adequately.

### **Economic trends**

The driving forces behind unrelenting world economic growth are the ever more effective economic policies, trade liberalisation and technological progress. The rapid expansion of trade and of direct foreign investments upgrades the role of the extremely dynamic Asian countries in particular. The region, an ever stronger pole of world economy, exerts a growing influence on the use of natural resources and on international monetary developments.

World trade continues to grow at a much faster pace than production: the openness of economies and their degree of mutual dependence are increasing. Large-scale imbalances can occur whose handling requires international co-operation and the further development and strengthening of the international monetary system.

The bulk of direct foreign investment continues to flow towards the developed world. The advantage of the United States over other countries and regions as regards productivity and competitiveness, as well as research and technology, will remain and could even grow. At the same time, new, mainly Asian, countries emerge as big exporters of technology. The dynamics of enterprises, enterprise co-operation and financial services is less and less related to national economies. The role of the state is changing: in addition to the simple social-redistributive function, tasks typical of a developing state are gaining ground.

World agriculture is growing dynamically and will be able to feed the world population, which will have grown to seven and a half billion in a decade's time. At the same time food, which is already scarce in some regions, counts increasingly as a strategic product, and the demand for agricultural products is expected to increase dramatically in the years leading to 2020.

Worldwide trade and payments imbalances can trigger hectic developments, increasing interest rates, which are rising anyway because of the decrease in savings. This would have an extremely unfavourable effect on indebted countries. The dragging on, or the failure, of WTO negotiations could divert the global liberalisation endeavours towards regional or bilateral frameworks, or could result in protectionist trends growing stronger.

Uneven development, the lagging behind of certain regions, such as Africa, the relocation of jobs requiring medium-level skills away from the developed countries, growing unemployment and increasing differences in income constitute sources of tension. The dissatisfaction of those who lose out in the worldwide redistribution of labour can weaken the political base of the democratic political systems.

### **The role of the European Union**

To be able to further develop European integration, the EU must respond to the global economic, security and environmental challenges, use the opportunities offered by globalisation, moderate its unfavourable impacts, and face the threats stemming from regional conflicts, terrorism, the proliferation of weapons of mass destruction, organised crime and illegal migration. It must keep pace with the American economy and make use of the dynamism of the Asian region. The budget must ensure the financing of the existing community policies and arm the EU with the means appropriate to the new tasks and challenges.

Today the EU is one of the greatest commercial powers, exporters and importers of capital, the first provider of aid and main advocate of the protection of the environment, with a currency that is a serious competitor to the dollar. It is one of the main actors shaping the rules of world trade. Yet its economic strength and role are for the time being not matched by a commensurate political role. It can maintain its global economic influence and strengthen its global political role by way of implementing its employment and economic growth goals, developing community policies and institutions.

Following the signing of the Lisbon Treaty settling the main institutional issues of the EU for quite some time, the common task of the next few years is to determine the best combination of deepening and enlarging European integration that will allow for the most effective solutions to problems arising from global challenges and from the EU's own evolution. Political union is not part of the immediate agenda, and the jury is still out as to the extent to which the coming period will be characterised by unity in the development of the EU, or as to how cohesion can be ensured in an EU comprising enhanced co-operation.

### **Central, Eastern and South-Eastern Europe**

By now four of Hungary's neighbours are members of the European Union, and three of them members of NATO as well, which provides a new quality to their relations. Subject to fulfilling the membership criteria, further neighbours may join these organisations, though this perspective is not evident in every case, since it depends both on the internal development of each country and on the absorption capacity of the EU and of NATO.

The progress of European integration results in stability gaining ground, in an increased willingness of states to co-operate. The perspective of enlargement provides an incentive for reforms required for democratisation and modernisation in the candidate countries. The democratisation and catching up of the non-EU member countries in Hungary's neighbourhood continue, although at a different pace. However, the ideas of nationalism and ethnic exclusion have not yet disappeared and, coupled with economic and social tensions, carry the danger of destabilisation.

## **IV. Hungary's place, role and room for action**

### **Hungary and the global challenges**

By European standards Hungary is a medium-size country with limited resources, strongly integrated both globally and regionally. It depends greatly on foreign trade, foreign capital investment, and, to an increasing extent, on the foreign expansion of domestic enterprises. It can best utilise the advantages of globalisation and best protect itself from its unfavourable effects through European integration, co-operation within the region, and combining her efforts with those of the EU. For the sake of successful modernisation and sustainable development, she has to adjust to the global, European and regional trends, as well as to influence them.

Global environmental change is increasingly affecting the state of Hungary's environment as well as her competitiveness. Conversely, efficient participation in the international political, economic, research and technological co-operation in the field of environment is an important factor in the success of modernisation.

The strengthening of international migratory flows has a multiple influence on Hungary becoming a country affected by emigration, immigration and transit alike. Against a decrease in the domestic population and a low level of employment, the controlled inflow of trained workforce can help growth and redistribution as well as the sustainability of the provision of pensions. The process, however, needs to be managed. The resettlement of members of Hungarian communities from neighbouring countries may add to Hungarian economic growth, but will weaken the given community. The country also needs to prepare for

emigration, but its main economic asset, the gage of its competitiveness being skilled labour, it is in her interest to make the most of the skills of her citizens, and if they leave on a temporary basis, to use the experience they accumulate after their return.

The level of traditional military threat against Hungary is low in the mid-term, but the risk presented by natural or man-made dangers and disasters, and by international organised crime, has significantly increased. The country is not a direct target of terrorism but has to take into account its possible consequences: Hungarian citizens, travellers or soldiers serving in international operations could find themselves in danger; Hungarian economic interests and critical infrastructures could be damaged. The country's territory can become a transit route for refugees or terrorists, or even a final destination for the former.

Hungary deems it particularly important to preserve the disarmament and arms control agreements. It is especially important to prevent a further weakening of the Treaty on Conventional Forces in Europe and of the nuclear non-proliferation regimes, and to implement the confidence and security-building measures worked out in the Organisation of Security and Co-operation in Europe (OSCE).

### **Hungary in the European Union**

Hungary as a full member of the Union becomes a "policy-shaper", leaving behind the passive, reactive attitude and mentality concentrating on tactical issues stemming from her former "policy-taking" status, provided that she allocates sufficient budgetary resources and an adequately trained staff to the task. The country's influence, the ability to assert her interests also depend on her contribution to achieving common European goals.

Hungary can realise a historically outstanding development programme, modernising the infrastructure, strengthening economic and human competitiveness, increasing the rate of employment, and improving the quality of the environment. A direct positive effect can be expected from the efficient use of financial transfers and from the neighbouring countries becoming EU members.

Hungary must catch up with the economically more developed member states and must use the opportunities provided by her geographical position. As measured by her GDP the country has gone more than a quarter of the way in catching up economically since its political transformation, the low employment rate slowing down the process in spite of the good productivity indices. In order to accelerate, conditions of a further significant inflow of foreign direct investment must be ensured, and the impact of factors not connected to modernisation explaining external imbalances must be alleviated.

Hungary's international competitiveness is closely connected with the development of EU competitiveness. Her interests are best served by an EU deepening integration, keeping its openness, and functioning democratically, transparently and effectively.

On the European market, crucial for the Hungarian economy, competition for capital and for the establishment of production and services bases is ever more intensive. To stand her ground Hungary must preserve her openness, continue to attract trans-national companies, strengthen their network of domestic suppliers, the small and medium-sized enterprises, and connect with the production and services network of the big companies operating on the EU market.



As the EU increasingly becomes a genuine global political factor, Hungary can channel its global interests with growing effectiveness into community policies, the Common Foreign and Security Policy, and the European Security and Defence Policy.

EU external relations are also Hungary's external relations. The European Neighbourhood Policy also serves the stabilisation goals of Hungarian regional policy, contributes to the improvement of the situation of Hungarian minorities in the countries concerned, and offers an opportunity for Hungarian activities providing added value for the whole of the EU. European co-operation in the field of justice and home affairs enhances the protection of Hungarian citizens.

### **Hungary and NATO**

NATO is the agent of European collective defence, a vital component of European security, the main institutional framework for the United States to play its role in European security, and at the same time the primary guarantor of Hungary's security, first and foremost in traditional military terms.

Hungary intends to strengthen transatlantic co-operation, the unity of European-American action, and NATO's role in consultations on security policy and strategy. It is in her interest for the alliance to prepare for crisis management in a broader geographical area, and to continue its enlargement on the basis of common values and of the preparedness of the candidate countries.

It is Hungary's strong ambition that the substantial practical and political co-operation between NATO and the EU should intensify, and that the two organisations should act in unison on complicated and sensitive issues of international security.

### **Hungary and its neighbours**

The relations with neighbouring countries constitute a singularly important field of Hungary's endeavours in foreign and security policy, nation policy and economic co-operation. It is political, social, economic and environmental developments in the region that have the most direct impact on the security of the country. The stability of the Central, Eastern, and South-east European region, the progress of democratic institutions and of the market economy, and an increasingly intensive co-operation are fundamental Hungarian interests.

It is in Hungary's strategic interest to see countries of the region meet the political and economic criteria of accession and become members of the EU and NATO, to politically support their endeavours to this effect, and to provide practical assistance in their preparation. Hungary wholeheartedly supports neighbouring Croatia's EU and NATO accession, and the gradual realisation of Serbia's perspective for integration. She considers stabilisation in the Western Balkans, and the preparation of countries of the region for EU and NATO partnership a key issue. She strives to solve or handle problems concerning minority, environmental, water management and other issues remaining after countries of the region become members of the EU.

Besides the continuously expanding trade in goods and services, the economic significance of Central, South-Eastern and Eastern Europe is also underlined by growing Hungarian

investment. Harmonising the systems of infrastructure, science, research and development and innovation, health, education and environment management, which are determining factors in ensuring sustainable growth, improves the conditions for co-operation, the competitiveness of the individual countries and of the region as a whole. The flow of capital and technology, the joint or co-ordinated utilisation of the advantages of production co-operation ventures and trade makes all the countries of the region more successful. Working out development programmes jointly, using EU resources, can make national economies even more efficient.

The EU membership of Hungary and its neighbours allows greater scope for regional co-operation and competition as well. Thanks to a network of political and economic relations, Hungary enjoys a wide range of opportunities along the Danube, in the Carpathian Basin and in the Balkans. Her geographical position in the intersection of East-West and North-South international corridors, whose significance is growing, offers an opportunity for the development of the road, rail and river infrastructure, of transit routes, and for the diversification of the supply of energy.

### **Hungarian nation, Hungarian identity**

Hungarian identity is shaped by idiosyncratic national, Central European and European values, interests and experience. The Hungarian nation lives in a triple geographical and political geometry in the community of Hungarian citizens, in the indigenous minority Hungarian communities of the neighbouring countries, and in the Diaspora. The cohesion, the responsibility for each other and the co-operation of parts of the nation are based on a common language, a common cultural and historical identity.

Hungary's interest is to be able to make a simultaneous success of interstate co-operation shaped by common security, economic and other interests, and relations with the Hungarian communities living in the neighbouring states. This presupposes that a mutually advantageous model of co-operation be worked out between the majority and minority communities of the countries concerned.

The situation of the Hungarian communities inside and outside the EU shows great variety. Schengen membership provides an additional element of differentiation. Within the area, the complete opening of the borders lends a new quality to neighbourhood relations, offers new development opportunities to the border regions, upgrades sub-regional co-operation across the borders, and removes barriers to Hungarian-Hungarian relations. This positive effect is boosted by Hungarian policies striving to develop the transport infrastructure along and across the borders, also mobilising EU resources. On the other hand, special solutions will be necessary to maintain unhindered contacts for ethnic Hungarian citizens of neighbouring countries with a visa obligation.

The expanding European Union provides the framework for the development and integration of the Hungarian nation, as well as for Hungary's nation policy and neighbourhood policy. Hungary is interested in the EU promoting cultural heritage and diversity, defending and developing linguistic, cultural and minority rights, helping unhindered contacts between mother countries and their minorities.

The principle of subsidiarity can bring substantial decentralisation in the region, can help the regional organisation of the minority Hungarian communities, the favourable development of majority-minority relations, thereby creating a new opportunity to realise endeavours aiming

at autonomy. Hungary, as she puts co-operation with the neighbouring states on new foundations thanks to EU enlargement, continues to pay attention to and to support the legitimate endeavours of the minority Hungarian communities, and makes a positive contribution to their economic and social development.

## **V. Main strategic objectives**

Membership in the European Union provides the framework and the basis for Hungarian action on the three main strategic objectives presupposing and complementing each other.

Hungary's main partners are the member states of the European Union and the neighbouring countries, the United States and NATO allies.

Hungary pays special attention to fostering relations of co-operation with the partner countries most important in terms of economy, culture and civil society. It is in her best interest to co-operate with the Visegrad countries, with EU member neighbours within the Union, in support of the European integration, or the European engagement of countries not yet members.

The United States is a prominent ally, a defining actor of global politics, whose participation is indispensable for the success of efforts aimed at solving global problems.

Hungary develops relations of partnership with Russia in the framework of the dialogue pursued by the European Union and NATO, and on the basis of bilateral economic interests.

Developing relations with China, India, Japan, the Republic of Korea, and the fast-developing regions of the world boosts Hungary's export opportunities, and strengthens her competitiveness.

### **First objective: a competitive Hungary in the European Union**

#### **A united community of values and interests**

The European Union is a community of values and interests based on solidarity and on the common heritage of a European civilisation, serving the well-being and security of its citizens. In order to make it successful, there is a need to positively define European values, strengthening European identity and cohesion, and to lay out a vision of the European Union's 21<sup>st</sup>-century mission and the perspective of political integration.

Hungary's interests lie in an EU capable of unity in action, operating in an effective, democratic and transparent manner. This may include enhanced co-operation of groups of member states as long as it serves to deepen integration, keeps in mind the long-term interest of the whole community, and is open to all member states.

#### **Hungary in the EU**

Hungary wants to be an active mover of co-operation aimed at building Europe and deepening integration. She will take the initiative in introducing measures to raise the living standards

and quality of life of European citizens, and in developing EU policies. She works with other member states to find answers to internal and external challenges to integration; she is prepared to actively contribute to averting external threats and to strengthening the broader security of EU citizens.

Key tasks for the next few years are

- to fully exploit the opportunities offered by Schengen, the zone of freedom, security and justice;
- to fully integrate into the foreign and security policy framework and the European external action service in the making;
- to use the next budget review to ensure the determining role of EU policies, and to finance these policies adequately through the transformation of the own resources system;
- to prepare for the successful completion of Hungary's 2011 EU presidency;
- to create the conditions for joining the Euro zone, and to introduce the Euro in Hungary;
- to review the Lisbon strategy, and to increase the EU's competitiveness.

### A Union of competitiveness and solidarity

Hungary's aim is to strengthen the institutions and the community decision-making method of a united EU providing common responses to global challenges, co-operating to meet the goals set out jointly, deepening its cohesion and being close to its citizens, and to accomplish the single market and the four freedoms.

Consistently implementing the Lisbon goals, using the economies of scale stemming from of a truly single market, ensuring the sustainable development of the EU, promoting economic growth and employment through reforms of the labour market, the social welfare systems, education and training offer the best chance of preserving the European social model combining security with greater flexibility. These endeavours must be accompanied by the broadest possible expansion of social dialogue indispensable in welfare societies.

In addition to preserving and modernising existing EU policies, and enhancing their efficiency, new ones need to be created with special regard to

- maintaining and strengthening the financing of the cohesion policy serving the economic advancement of member states and the competitiveness of the community as a whole;
- keeping the renewed Common Agricultural Policy within community competence;
- expanding common research and development policy;
- developing consistently the Common Foreign and Security Policy, European Security and Defence Policy, and Justice and Home Affairs policy;
- creating a comprehensive common migration and refugee policy, dealing with all stages and causes of migration, considering entry, residence, integration as well as return to the home country;
- drafting an energy policy also dealing with the development and financing of infrastructure, of connecting networks.

### An open Union

A Union with a global mission must promote criteria of sustainability - competitiveness, security, protection of the environment, social values and cohesion - in its external relations, too.

Hungary aims for the continuation of EU enlargement with European countries sharing its values and goals, meeting the political, economic and institutional criteria of accession, respecting and promoting the rule of law, human and minority rights, functioning as democracies and market economies, and strengthening internal EU cohesion, thereby bringing about the unification of Europe. The EU must provide a credible European perspective for European countries sharing its values.

## **Second objective: successful Hungarians in the region**

### Regional co-operation and integration

In order to modernise, and to assert her regional and EU interests, Hungary makes use of the potential of co-operation and coalition-building, especially in the Central European region. She relies on the pulling power of neighbouring, south German and north Italian regions, on the Visegrad Co-operation, on the Regional Partnership co-operation and on the natural community of interest of the new EU member states in issues of modernisation. She seeks coalition partners in the EU for her interests laid out in this strategy. She encourages the strengthening of Central European identity and co-operation based on common cultural and historical values and on economic interests.

Hungary initiates building relations, exploring and using the potential of mutual benefits along the Danube, in the Carpathian Basin and in the Balkans. She strives to fully exploit synergies of bilateral and multilateral co-operation and of regional initiatives. Her aim is to strengthen her role in capital investment in the region, thereby contributing to development. She offers co-operation in handling cross-border security risks, with special regard to drugs and human trafficking, smuggling in firearms, illegal products and technologies, and to eventual terrorist activities in the region.

Hungary strives for a partnership of modernisation with the countries of the region, extended to the fields of economic and transport policy, environmental security - with special regard to flood protection, environmental and nature protection - energy, regional development, minority policy and civil society.

In order to strengthen sectoral and inter-regional relations and to eliminate disadvantages in border regions, Hungary takes initiatives

- to co-ordinate regional and infrastructural development plans;
- to develop transport connections along and across the borders;
- to develop environmental and energy co-operation;
- to co-ordinate ideas in defence policy and capacity-building.

Hungary utilises support from EU cohesion and regional development funds in border regions included in the European Territorial Co-operation Objectives, and in launching East European and South-east European trans-national co-operation programmes. She encourages partial EU financing for TEN-energy infrastructure projects. She urges the elimination or easing of

impediments to border crossing; visa facilitation and liberalisation in the EU; and offers further opportunities for contacts through border traffic agreements.

### Regional stabilisation, European integration, NATO accession

Hungary supports and assists neighbouring countries in their Euro-Atlantic rapprochement and integration. With her EU and NATO partners, she participates in stabilising the region, in crisis management operations, in establishing arms control and non-proliferation regimes, in building democratic institutions, in strengthening the rule of law. She takes on an active role in assessing and averting risks in the region in the field of justice and home affairs, in helping the EU-conformity of institutions of countries aiming at EU integration, thereby assisting the EU in its endeavours as well.

Hungary encourages an effective European Neighbourhood Policy, which builds balanced relations based on co-operation and risk-handling in the eastern and southern direction, and leaves open the opportunity for EU accession for East European countries, Ukraine and Moldova among them, helping their preparation by political and practical means. She reinforces her presence in the Eastern partner countries of European Neighbourhood Policy.

### Minority communities: key players in the internal and European integration of the region

The EU framework is an opportunity for national minorities to play a positive role of crucial importance in bilateral relations and for states to create parallel strategies co-ordinated with common regional development plans in the interest of minorities.

Starting from this, Hungary

- pays special attention to preserving the cultural diversity and multilingualism of the region;
- encourages multi-ethnic areas to actively participate in creating cross-border macro-regions;
- urges asserting the rights of national and ethnic minority communities and their members, securing the conditions of their development through individual and community forms of autonomy in keeping with European principles and practices;
- supports the idea of a Europe of regions and urges the exploitation of different forms of co-operation within the EU with a view to developing regional, including minority communities.

### Support for minorities

Hungary

- supports initiatives in international organisations, in the European Union and especially in its own region, aiming at the discrimination-free development and community-building of national and ethnic minorities;
- strives for the acceptance of community rights, the balancing of disadvantages stemming from a minority situation to gain ground in addition to individual human rights;
- develops the Hungarian minority self-government model, launches cultural, educational and economic programmes jointly with the mother countries of minorities;
- aims to establish orderly, institutionalised co-operation with non-Hungarian minority communities living within the borders of Hungary, as well as minority and Diaspora

communities outside Hungary's borders whose mother tongue, national or roots consciousness is Hungarian, with a view to the development and support of these communities.

Starting from the belief that the self-organisation and community building activities of Hungarians in a minority or Diaspora situation are indispensable for Hungarian communities and culture to survive beyond the borders, Hungary

- supports open minority institutions for education, culture and mass communications closely co-operating both with the majority institutions in their country and with institutions in Hungary;
- supports Hungarian minorities in neighbouring countries in keeping with the principles, practices and support schemes in the EU, and in responsible partnership with the concerned states and communities;
- focuses, in addition to normative funding helping to preserve identity, on development programmes promoting competitiveness and thereby advancement in the country of birth, also using EU funds;
- offers a proportionately larger support to Hungarian communities in the Voivodina and in Trans-Carpathia who cannot yet enjoy the benefits and opportunities offered in an EU framework.

### **Third objective: responsible Hungary in the world**

Hungarian foreign policy strives consistently for a worldwide promotion of democratic values, in line with the principles of universal international law set out in the United Nations Charter and in the Final Act of the Conference on Security and Cooperation in Europe.

The UN has a defining role and responsibility in maintaining international peace and security, in protecting human rights and fundamental freedoms internationally and in handling global challenges and threats. It plays an important role in co-ordinating and establishing the norms for peace-support operations, humanitarian assistance and international action. A notable new approach strives for a unified handling of development, aid and environmental protection programmes, taking into consideration the correlation of peace, security, sustainable development and human rights.

Bilateral and multilateral diplomacy, complementing and supporting each other, are also keys to successful international economic relations. Accordingly, Hungary participates actively in the work of organisations playing a decisive role in shaping the conditions for political, economic and trade co-operation, such as the World Trade Organisation (WTO), the World Bank, the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD).

Hungary shares the fundamental statement of the European Security Strategy that security is a precondition of development, and gives preference to peaceful, civilian instruments serving lasting solutions. Partly on her own, but mainly in a multilateral framework, working primarily with EU partners and NATO allies, she strives

- to contribute to maintaining international peace and security through participation in peace-support operations, and the promotion of good governance, the rule of law and human and minority rights;

- to help prevent or resolve, in line with the norms of international law, conflicts between states and within countries;
- to urge constructive co-operation between international actors – states, international organisations, national and international non-governmental organisations;
- to strengthen, based on her values, international law widening guarantees for minority rights, effective multilateralism, and international organisations;
- to participate actively in international institutions destined to handle global problems, first and foremost the UN, and to support their reforms;
- to actively support the broad respect for democratic values, and their gaining ground beyond the Euro-Atlantic area;
- to support democratic development, to reduce poverty, and also to help Hungarian business presence through an expanding Hungarian international development policy;
- to contribute to the efforts of the international community to stop or slow down environmental degradation and climate change;
- to contribute to lasting stability, a comprehensive settlement of conflicts, a reduction of threats to security stemming mainly from terrorism, the proliferation of weapons of mass destruction, organised crime, and mass migration in the Euro-Atlantic area;
- to retain in the long run NATO's central role in the Euro-Atlantic security system, and to adjust its activities to the changing terms of security policy in the 21<sup>st</sup> century;
- to retain the solidity of transatlantic relations, including the military presence and the active role in Europe of the United States, the enlargement of NATO, and the strengthening of co-operation between the European Union and NATO;
- to actively support EU common foreign and security policy, European security and defence policy, and EU action combining civilian and military, diplomatic, development, trade and environmental tools, in the European region first of all.

## **VI. Fields of action**

### **Security**

Hungary will continue to participate in peace-support operations aiming at strengthening international security. She will increase her defence spending, develop the military, law enforcement and civilian components of her force contribution, and the capabilities enhancing the country's international status and role. She undertakes an active role in international disaster relief operations. She contributes to guaranteeing high public health, disease control and food safety standards, whether the risks are inadvertent, or stem from threats related to bioterrorism.

The primary frameworks for fighting terrorism are the UN, NATO and the European Union. Hungary contributes to common measures aimed at fending off dangers, at prevention and, if needed, intervention. She urges the promotion of good governance, human rights, democracy, education and economic prosperity, all of which strengthen stability, and weaken the grounds of reference for terrorists and groups driven by extremist ideologies.

Hungary wishes to promote a better understanding between different cultures. She puts the experiences gained at the time of political transformation, during the transition from dictatorial rule to democracy at the disposal of interested countries and societies.



Handling the social, economic and environmental factors of security in a complex manner, Hungary pays special attention to energy security, which demands national efforts to increase energy efficiency, to modify the structure of consumption, and to produce and utilise renewable energy resources, as well as diplomatic efforts to secure energy imports and to diversify sources and supply routes. She urges the creation of a common EU energy policy and the establishment of supply security at the EU level.

Climate change has become the most serious environmental risk factor affecting sustainable development. Hungary's efforts, in line with EU strategy and action, aim to reduce to the minimum the probability of global environmental change with its expected drastic effects, i.e. by reducing greenhouse gas emissions, and to prepare the country, its population and disaster relief authorities for handling the apparently unavoidable consequences.

## **Economy**

Hungary's goal is for economic performance and living standards to consistently and rapidly approach the EU average. A growth- and development-oriented economic policy resting on a lasting internal (state budget) and external balance serves as the basis to this goal. Economic, social and demographic developments to be expected until 2020 will increase future state expenditure, while coverage is to be secured by fewer and fewer taxpayers and contributors to social and health insurance. This requires launching and implementing such changes that will ensure that the state's basic tasks can be financed in the next few decades. To be successful in the competition among countries and macro-regions conditions of flexible adaptation must be created to provide quick and adequate responses to emerging challenges.

Investment and increasing exports will remain the main driving force of growth in the next few years. In Hungary's open economy international economic and trade relations play a crucial role. A predictable international economic environment is essential to achieve stable, sustainable growth. As a member of the European Union, and in line with community policy, Hungary encourages in its multilateral and bilateral relations a dismantling of barriers hampering economic co-operation and a mutually beneficial further development of international trade regulation. She pays attention to use synergies of external relations of government and companies. Successful company contacts help the development of interstate relations just as good relations between states ease the way to business co-operation.

With a view to serving the priority task of improving international competitiveness, Hungary's goal is to concentrate EU funds, too, on creating employment, improving labour skills and the quality of physical infrastructure, and encouraging investments, as well as to promote and strictly monitor the efficient utilisation the use of these funds.

The knowledge- and technology-intensive driving sectors of Hungarian development represent a high added value. Modern, innovative industry (electric equipment, environmental technologies, the automotive industry, pharmaceuticals, biotechnology, bio-energy, ICT), business and trade services (European transport networks and related financial and logistical centres, regional business service centres) and tourism (especially health, cultural and conference tourism) are worth noting in this respect. The full utilisation, in line with European and global trends, of Hungarian agro-food potential, relying on reinforced market research and exploration and on the use of the full scale of the tools of marketing, merits special attention. Increasing the export performance of and promoting investment in the environmental industry also offer considerable potential.

The trade of goods and services with EU member countries represents a defining part of Hungarian foreign trade in the long run. The country's goal is to accomplish the single European market and to use to the fullest extent possible the opportunities of economic co-operation this creates. The markets of Russia and some East European countries, South East Europe, the United States, China and other Asian countries, and the Middle East constitute priority directions in the development of external economic relations. The Hungarian state assists domestic companies, especially SME, in their internationalisation, taking part in exploring export opportunities, in seeking partners, and in marketing.

Hungary supports initiatives aiming at an efficient multilateral regulation of the international flow of capital. In addition to domestic laws and regulation, Hungary's international commitments guarantee the basically unimpeded flow of FDI into the country. Accordingly, Hungary ensures favourable conditions to the continuous inflow and presence of FDI, and helps Hungarian FDI, directed mainly towards Central and Eastern Europe and the Balkans, and strengthening the country's economic potential.

## **Environment**

As a consequence of the problems of climate change and of cross-border environmental impacts, the role of environmental protection is increasing in policy shaping and in exerting a strong influence on external relations. With a view to sustainable development and broadly interpreted competitiveness, Hungary strives to actively participate in

- handling global environmental challenges, especially in international efforts in the fields of climate change, use of renewable energy, preservation of biodiversity, securing of healthy living conditions, and improving the quality of life;
- improving environmental security, especially through international co-operation in law and technical regulation aimed at reducing the risks of environmental degradation, the risk of flooding in particular.

## **International development co-operation**

Hungary supports the efforts of the international donor community serving the UN Millennium Development Goals, aimed at responding to global challenges, first and foremost to alleviate poverty, to support backward regions, to reduce hunger, epidemics and infectious diseases, to secure schooling, gender equality and sustainable development.

Hungary's interest is to take part in international development co-operation reinforcing security as well as economic ties through reducing differences in the level of development. In keeping with her commitment as an EU member, she will earmark 0.17 percent of her national income in 2010, and 0.33 percent in 2015, to development co-operation, in which Hungarian NGOs are destined to play an important role.

Hungary agrees with the view that the most urgent task is to reduce poverty in Africa and ease deprivation. At the same time, she strives for the international donor community to shape a geographically balanced development policy. She maintains a close international development co-operation partnership with Eastern and Southern Europe as well as several needy Far-Eastern countries. She takes part in easing the problems of supply and in reconstruction work in settlements and areas suffering from the consequences of natural disasters.

## **Migration**

In keeping with EU principles and goals, Hungary takes action in a decisive manner against illegal migration. She keeps under control and harnesses for the benefit of economic growth the natural phenomenon of legal migration. She prepares for the integration of migrant workers and other foreigners staying in the country over a longer period, gradually raising the level of society's readiness and capacity for inclusion. She strives to create the conditions necessary for the successful integration of refugees into society and the labour market, while stopping people from using the refugee claim procedure for the purpose of economic migration. She pays special attention to immigrants with a Hungarian ethnic or cultural identity living in neighbouring countries and in the Diaspora, but, considering the aspiration of advancement in the country of birth, does not seek to encourage their resettlement in masses.

## **Culture, science, education**

With the expansion of the tools of diplomacy, wider social participation in decision-making and a sharp increase in public media coverage, culture exerts an ever stronger influence on the development of external relations. In the changed world, innovative players, besides preserving their own identity, values and culture, must be capable of adopting universal values and supplementing them with elements based on individual, national and regional identities. Hungary, with its rich and diverse cultural heritage, can clearly benefit from the appreciation of culture as a factor of external relations.

Each and every citizen shapes the image of the country through his or her own behaviour, activities, and thereby bears partial responsibility for its evolution. The task of cultural foreign policy, building on the possibilities offered by the 2011 Hungarian EU Presidency among others, is to project a modern and credible image of Hungary and the Hungarians. This image

- reflects national culture as a whole and places it in a Central European context;
- presents the cultures of national and ethnic minorities living within the country;
- builds on historical and sociological facts;
- presents the achievements of Hungarian scientific research; and
- presents the achievements and the place of sports in national identity.

The historical experience and the current situation of the nation calls for a Hungarian contribution to the international dissemination of the practice of cultures growing together, complementing each other, demonstrating that opposition between cultures can be reconciled, dividing lines eliminated or eased.

The task of the Hungarian science community is to strengthen its home base, to integrate into the international bloodstream of research and development, the European Research Area in particular, and to make use of the advantages offered by EU membership. It has to ensure that the new results of science, wherever they may see the light, are accessible to and mastered by future generations of Hungarians, and has to do its best to turn the attention of society towards the future, and strengthen its readiness for renewal. The physical assets of science should be concentrated to create centres whose standards enable Hungary to play an outstanding role in the international, especially the EU division of labour in the field of scientific cognition.

Hungary must take on a bigger role than hitherto in the economic utilisation of scientific achievements, in the process of innovation expanding and accelerating all over the world. She

aims to considerably increase the number of experts in technical and natural sciences, and, building on international co-operation, to

- strengthen companies' research and development activities and create competitive innovation capacities;
- reach and surpass the EU average innovation indices;
- tangibly increase the ratio of new products introduced in the market and the number of patents.

Education can serve the international competitiveness of the Hungarian economy and society, and of the younger generation in particular, by being flexible, accommodating the needs of the labour market, preparing for life-long learning with a special focus on foreign language learning and on using ICT skills, and by strengthening openness towards diverse cultures. In addition to ensuring the international competitiveness of the curricula and of those enrolled in higher education, the new tertiary education system aims to strengthen links between academia and the economy. As a member of the European Higher Education and Research Areas, Hungarian tertiary education has the task of increasing teacher, researcher and student mobility and of playing a bigger role on the international education market. The training in Hungary of foreign students contributes to making the country better known and to shaping a network of relations helping the promotion of Hungarian interests.

## **VII. Institutions and tools of external relations**

In the context of European integration and globalisation, Hungary's external relations extend far beyond the sphere of traditional diplomacy. They need a renewable, effective and co-ordinated set of tools, while foreign policy and diplomacy continue to play the leading role in the system of external relations.

In developing her external relations and meeting her goals, Hungary relies on

- the country's economic strength and performance;
- the science and technology, research and development, and innovation capacity (including that of multinational companies settled in the country);
- the expanding international development policy;
- the goals, tools, and instruments stipulated in the Europe policy strategy and in sectoral strategies, especially the one on external economic relations;
- the whole integrated system of Hungarian diplomatic service, including the activities of the special attachés, accomplishing a unified representation of Hungary in EU, bilateral and multilateral diplomacy;
- the armed forces, law enforcement and civil experts increasingly mobilised for international operations under the evolving concept of security;
- the law enforcement forces and national security services able to prevent threats stemming from security challenges, in successful co-operation with foreign partner organisations;
- cross-border people-to-people contacts, especially Hungarian-Hungarian relations;
- the institutional network of nation policy;
- partnerships, in addition to that of government agencies, of local governments, sister city relations bringing co-operation to the level of the citizen, and the role played by federations of local governments in EU organisations;

- the networks built by higher education institutions and the co-operation built through the European Higher Education and Research Areas and through foreign language training programmes;
- the institutions of cultural relations, including the network of Hungarian cultural institutes abroad, educational and cultural attachés, and Hungarian cultural seasons abroad;
- institutes and teams researching international relations, especially the supporting activities of the Institute of International Affairs;
- NGOs taking on a role in external relations.

The prime minister and foreign minister are key actors in shaping external relations on the level of national government and in building and implementing a comprehensive strategy, while other members of government, executives in central administration, government and ministerial commissioners contribute within their sphere of competence. In addition to the government, the President of the Republic, Parliament and parliamentary parties play an eminent role in external relations. Employers' and employees' organisations representing the real economy, local governments and their federations and civil organisations interested in foreign policy and external relations also play an active role. The latter's activities are especially useful in Hungarian international development policy and in post-crisis reconstruction tasks. The expanding civil sector in international relations is further strengthened by EU mobility programmes and co-operation schemes aiming to develop education and research.

The development of external economic, Hungarian-Hungarian, cultural, educational, sports, science and technology, environmental, tourism, local government and regional relations deserves special attention in diplomacy.

External relations encompass society as a whole, presuppose wide-ranging non-governmental relations and demand the strengthening of the service functions and transparency of foreign policy, external relations and diplomatic activities. To meet the goals of this strategy, intensive, carefully planned and co-ordinated co-operation is needed, which government and civil, non-governmental organisations, economic and social partners and representatives of culture, science, education and sports may successfully conduct based on a consensus continuously shaped at regular forums and institutionalised dialogue. Efficient government implementation, a better co-ordination of the international activities of various ministries, the elimination of unnecessary duplications require active and continuous consultations and the strengthening of the co-ordinating role of the Ministry of Foreign Affairs.

It is important to see co-ordinated action by Hungarian members of European Parliament, delegates to the Council of Europe, the Committee of Regions, the Council of European Municipalities and Regions (CEMR), the Representation of Hungarian Regions and the Hungarian Permanent EU Mission in Brussels to ensure an efficient assertion of national interests.

The modernisation of Hungary's missions abroad, the review of their tasks and network follow the priorities of this external relations strategy. There are more and more new forms and methods, such as joint missions with other EU partners, joint protection of EU citizens' interests, common visa offices, and diplomats serving at other countries' missions. It is also a novelty that some Hungarian foreign missions take up a regional co-ordinating role in planning and implementing international development policy.

Consular services, legal assistance, advice and representation of interests must adapt to the growing international relations of Hungarian citizens and businesses. Special attention must be paid to extraordinary events such as natural disasters, humanitarian catastrophes, armed conflict or terrorist attacks, which may affect Hungarian citizens. Hungary's economic interests also call for continuous and intensive liaising with Hungarian citizens living abroad.

This strategy must be reviewed regularly involving members of governmental and non-governmental organisations, civil external relations actors, research teams and parliamentary parties, taking into consideration the accumulated experience and adapting it to changing circumstances. Political and public support for Hungarian foreign policy and external relations must be continuously strengthened, with the aim of reaching consensus on the main objectives. This allows for a more predictable, more consistent, and therefore better accepted policy, and thus is a factor not only of an efficient promotion of interests, but also of competitiveness in the broader sense. The strategy is put into practice through action plans of the Ministry of Foreign Affairs, other interested ministries and missions abroad after consultation with governmental and non-governmental players.

The ultimate aim of the endeavours and activities outlined in this strategy is for the complementary and carefully coordinated co-operation of governmental and non-governmental organisations participating in shaping Hungarian external relations to serve the security, well-being and prosperity of citizens, society and nation.