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# A triangle of (mis)trust: HUNGARY'S ENLARGEMENT STAKES IN SERBIA AND KOSOVO

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# 1. Introduction

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Since regaining executive power in 2010, Hungarian Prime Minister Viktor Orbán has turned his country's domestic political and social spheres upside down, while rendering Hungary instrumental in its obstructionism at the heart of the European Union's (EU) decision-making and operational machinery. In his quest for ally and resource diversification, Orbán is multifaceted in his relations with the six countries of the Western Balkans, among which Serbia undoubtedly stands out as his preferred partner. Budapest's brotherly relations with Belgrade, predominantly cemented upon the inter-personal connections between Orbán and Serbian President Aleksandar Vučić, frame a sizeable portion of its approach to EU enlargement. In light of this privileged partnership, though, several concerns emerge not only in relation to Budapest's enlargement vision but also with respect to its political ties to other countries in the region—where Kosovo stands out as the most critical case.

Hungary currently finds itself at a triangular juncture between Serbia and Kosovo, built on the premise that maintaining bilateral relations equally with both countries could compromise its well-nurtured ties with Belgrade. To avoid this, Hungary will enact a policy supportive of Serbia's domestic and international goals, even if that has negative implications for Kosovo's national interests and places Hungary's open recognition of Kosovo under scrutiny.



## 2. The Orbán years: Hungary's foreign and enlargement policy since 2010

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Viktor Orbán has established himself at the helm of a new paradigm of government and values that has gradually gained traction across the EU and beyond. The consistent crushing majorities that his political party, Fidesz, has garnered in the Hungarian parliament over the past 14 years has given the Prime Minister and his executive carte blanche to do and undo at their discretion—even at the expense of the rule of law, the separation of powers, and the liberal-democratic institutional architecture. In the framework of his self-termed governance ideal, the illiberal State<sup>1</sup>, Orbán has slowly subverted Hungary's steady relations with the West, fraternising with like-minded autocrats in the East—like China, Russia, and the Central Asian republics—and establishing a pragmatic approach to foreign relations. Against the global decline of the neoliberal economic and political world order, the Hungarian premier believes the world is destined to operate in blocs and defends the need to build bridges across these blocs using a connectivity-based model.

In his endeavor to reduce Hungary's dependence on trade with the West and enable the country to catch up with EU partners through economic growth, Orbán has sought diversification through the pursuit of non-traditional alliances, with the goal of making Hungary a link between the Western and Eastern universes of values and governance. In parallel to this, Orbán has pursued cooperation with and within the Visegrád Group, also known as the Visegrád Four, comprising the Czech Republic, Hungary, Poland, and Slovakia. For him, intra-Visegrád cooperation represents the preservation of shared interests in times of high migratory pressure and great geopolitical shifts, based upon the common belief that "Central Europeans are the ones who respect the original values of the EU: family, religion and sovereignty".

Another of Hungary's main foreign policy concerns lies in the immediate extra-EU vicinity, namely the six countries of the Western Balkans. The Orbán government has traditionally held the view that the main direction of an enlarged EU needs to be towards the Western Balkans, as a stable and developed

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<sup>1</sup> 'Prime Minister Viktor Orbán's Speech at the 25th Bálványos Summer Free University and Student Camp', 2014. <https://2015-2019.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-at-the-25th-balvanyos-summer-free-university-and-student-camp>

Southeastern flank is in Hungary's interest.<sup>2</sup> Budapest's strategic foreign policy interests in the Western Balkans are manifold, spanning trade and investment, the protection of national minority rights, energy security, and regional stability. However, three main dimensions structure Hungary's favourable position towards the accession of the Western Balkans to the EU: the economic, the security, and the ideological.

Despite Budapest's ambition for an enlarged EU, not all countries hold the same significance in the regional context or vis-à-vis Budapest's interests, and therefore the relations with the six partners are not cultivated to the same extent.

## 2.1. Dancing to the same tune: Hungary-Serbia relations

The three dimensions that articulate Hungary's policy interest in the Western Balkans find their clearest manifestation in Serbia, the economic field being the most important. Hungary is Serbia's fifth largest trade partner globally while Serbia is Hungary's seventeenth, their trade exchange amounting to €3.6 billion, five times higher than a decade ago.<sup>3</sup> A particularly strategic strand of the two countries' economic friendship has emerged in the energy realm, further enhanced in the context of Russia's invasion of Ukraine and the decision by a majority of EU Member States to diversify their energy sources away from Moscow. The welcoming of energy resources regardless of the supplier is a core principle in both countries' approach to economic relations—a principle that predated the EU's boycott of Russian energy.

In the security dimension, Hungary and Serbia also show high levels of convergence. Both countries view the fight against illegal migration and asylum seekers as a key priority in economic, sociological, and demographic terms. Although Budapest's decision to build a four-meter fence along its border with Serbia to deter migrants triggered a bitter response at first, Belgrade never enacted any countermeasures against Hungary, suggesting that bilateral relations remained stable and that Serbia was determined to reap the long-term benefit of Hungary's allyship in their common crusade against immigration.

The ideological convergence of Hungary and Serbia's governance systems is well embodied in the political identity of their leaders. Viktor Orbán and Aleksandar Vučić cemented their political control almost in parallel, with the Hungarian Prime Minister and the Serbian President both regaining power in the early 2010s, barely two years apart. Both leaders share a right-wing populist, autocratic style, as well as a nativist approach towards their respective nations.

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<sup>2</sup> 'Strategic step forward made in relations between Serbia, Hungary', 2023. <https://www.srbija.gov.rs/vest/en/208572/strategic-step-forward-made-in-relations-between-serbiahungary.php>

<sup>3</sup> *Id.*

They have tended to mirror each other's progressively centralist and illiberal policies in the realms of media freedom, human rights, and the rule of law.<sup>4</sup>

## 2.2. Old acquaintances, new problems: Hungary-Kosovo relations

As with Serbia, the three dimensions that structure Hungary's policy interest in the Western Balkans also find their expression in Kosovo—albeit to a significantly lesser degree. In the economic realm, bilateral trade has almost tripled since 2015 and is expected to reach an all-time high, with telecommunications and audio equipment ranking as the most important sector.<sup>5</sup> By and large, however, Kosovo remains a marginal partner in Hungary's trade relations, arguably due to rule of law concerns that put the investment climate at risk. The security domain represents a primary area of interest. This reached its peak during the 2015 refugee crisis, with Kosovo's location as a transit country along the 'Balkan route' reinforcing its role in Budapest's fight against mass migration. Kosovo was nevertheless viewed as a less important transit country than other states in the region, such as Serbia and North Macedonia, which limited Prishtina's influence vis-à-vis Hungary. Kosovo's status as a country of origin for thousands of asylum seekers further reduced its leverage. The ideological dimension is less clear in Kosovo. This reflects both the widespread and open support that most of Kosovo's political parties profess towards the EU and its relatively unstable political system and volatility, which reduce the potential for a concentration of authority in the hands of a single party or individual.<sup>6</sup>

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4 Maja Živanović, 'Serbian Leader 'Following Orban' in Controlling Media - Freedom House', *Balkan Insight*, 2023. <https://balkaninsight.com/2019/06/05/serbian-leader-following-orban-in-controlling-media-freedom-house/>

5 'Hungary's trade expected to be record-breaking in 2023 with this small country', *Daily News Hungary*, 2023. <https://dailynewshungary.com/hungarys-trade-expected-to-be-record-breaking-in-2023-with-this-small-country/>

6 Agon Maliqi, 'Transition to what? Western Balkans democracies in a state of illiberal equilibrium', *Sbunker*, 2020. <https://sbunker.net/uploads/sbunker.net/files/2020/December/04/Transition-to-what-Western-Balkans-democracies-in-a-state-of-illiberal-equilibrium1607078207.pdf>

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## 3. Enlargement à la Orbán: Hungary's engagement with Serbia and Kosovo

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Despite holding well-established diplomatic ties with both Serbia and Kosovo, Hungary's relationship with the two countries is uneven—which correlates directly with the degree of convergence around Budapest's strategic foreign policy interests. While Serbia occupies a fully convergent position on Hungary's priority list—in the economic, security, and ideological senses—Kosovo, for the most part, fails at this exercise. In the current geopolitical context, it is worth asking how the current and future role of Hungary, as a strategic axis between Serbia and Kosovo, will play out.

The Hungarian approach to the main events that framed the Belgrade-Prishtina dialogue in 2023—namely the local elections in the four municipalities in the north of Kosovo and the ensuing episodes of violence, the abduction of three Kosovo police officers by Serbian forces, and the Banjska attack on 24th September—gained dynamism as the year unfolded. Budapest visibly shifted from maintaining a low profile to avoid compromising its ties with Serbia, to initiating a subtle game of leverage and obstruction in favour of Belgrade. A request made by Orbán to Aleksandar Vučić was viewed as being instrumental in the release of the three police officers, which allowed Hungary to present itself as an increasingly instrumental diplomatic mediator between Belgrade and Prishtina—if only, at least for now, through informal engagement.<sup>7</sup> Hungary's impartiality, however, can be clearly put into question: the Orbán executive has been key to shielding Serbia from any potential sanctions from the EU—a radically different approach to that taken with Kosovo, against whom Budapest did not hesitate to support retaliation from Brussels.

In the framework of Kosovo's ongoing applications to the Council of Europe (CoE) and to the EU, it is feared that Hungary will adopt a consistently obstructive position to meet the expectations of Belgrade. The Hungarian government pledged to Serbia that it would not support any of Kosovo's attempts to join European bodies and subsequently voted against Kosovo's

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<sup>7</sup> Interview with Anna Orosz, Research Fellow at the Hungarian Institute of International Affairs. Budapest, 6th November 2023.

CoE membership.<sup>8</sup> Although Kosovo still managed to pass the required two-thirds majority among the 46 member countries in the first round of voting, it became clear that Budapest was willing to openly take Serbia's side despite the diplomatic backlash, underlining that recognizing Kosovo does not necessarily mean supporting it. Ahead of Prishtina's future accession steps, Budapest remains of the opinion that Kosovo will need to address structural obstacles, foremost its relations with Serbia, before it can make progress towards European integration.

At the EU level, Orbán's Hungary has made enlargement policy one of its foremost priorities, and it will continue to pursue its own enlargement vision within the Union across several dimensions. Ahead of the upcoming European elections in June, Budapest has made clear that it wishes to retain the enlargement portfolio, but it is aware this is unlikely given the criticism the current Commissioner, Hungarian diplomat Olivér Várhelyi, has received. In parallel to this, Hungary's six-month presidency of the Council of the EU is likely to go ahead as planned in July, but the Hungarian government will be heavily constrained in its ability to implement its agenda, let alone its enlargement roadmap. As Hungary will assume the presidency shortly after the European elections, it will have limited capacity to interact with the incoming European Commission, being mostly tasked with keeping the EU house in order until all its bodies are constituted. In the meantime, however, Budapest will continue to feed its enlargement strategy through its well-nurtured network of advisors on EU integration matters posted within all the Western Balkan governments—a diplomatic advantage that could backfire in the context of relations between Serbia and Kosovo.

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8 Alice Taylor, 'Serbia says Hungary will vote against Kosovo EU, CoE membership', Euractiv, 2023. [https://www.euractiv.com/section/politics/news/serbia-says-hungary-will-vote-against-kosovo-eu-coe-membership/?utm\\_source=flipboard&utm\\_content=user%2FEURACTIV](https://www.euractiv.com/section/politics/news/serbia-says-hungary-will-vote-against-kosovo-eu-coe-membership/?utm_source=flipboard&utm_content=user%2FEURACTIV)



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## 4. Conclusions: a message to Brussels

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The consolidation of new geopolitical and ideological alliances at the global level has rendered the role of rogue EU Member States, like Hungary, increasingly critical in a 27-party Union that often lacks the capacity to react in a quick and unified way. This year is set to be a dynamic one in electoral terms, with key elections in both Europe and the United States. The illiberal international, which Hungary spearheads in Europe, awaits with anticipation a potential return of Donald Trump to the White House, implying a sharp turn in foreign policy priorities and a dramatic redirection of funds, human capital, and security guarantees away from Europe.

The normalization process between Serbia and Kosovo, as well as both countries' European integration bids, are bound to be hit by this new reality, and this will require the EU to speak more frankly and bravely against undemocratic partners. The EU has largely persevered with its policy of appeasement towards Serbia, both out of fear that Serbia could get closer to Russia and China's authoritarian spheres of influence, and out of reluctance to break Belgrade's current geopolitical balance. The EU and its Member States lack the initiative to enact sanctions against Belgrade, from which Hungary clearly benefits. But it is precisely Hungary's outright opposition to sanctioning Serbia, based on grounds that demonstrably go beyond the economic and geopolitical, that the EU uses to justify its unwillingness—and, thus, its inability—to hold Belgrade to account.

It seems that rather than a triangle of purported stability, the relationship between Serbia, Kosovo, and Hungary is one of trust and mistrust. Its stronger side, namely the Hungarian-Serbian link, is set to thrive in a global arena of increasing authoritarianism, while the weaker end, Kosovo, will likely struggle without more and better support from the EU's Member States.

## 5. Policy recommendations

- 01 Hungary's enlargement enthusiasm is to be reckoned with—but caveats must apply.** Member States should acknowledge Hungary's push for the EU's enlargement policy, and they should support its agenda as long as it abides by the Union's principles of democracy, equality, and the rule of law. Vis-à-vis candidate and potential candidate countries, Member States should take an objective approach based on applicants' reform achievements and merit-based accomplishments. Member States should, moreover, not engage in hindering candidates' and potential candidates' progress over bilateral questions, for the sake of preserving the meritocratic nature of the process.
- 02 Kosovo's EU application needs to move forward.** The EU Foreign Affairs Council, or the Political and Security Committee (PSC) on its behalf, should table the discussion on Kosovo's candidacy, submitted in December 2022, and request the European Commission to issue an Opinion on the matter.
- 03 Non-recognition cannot stop progress.** Kosovo and its EU Member State allies should push for the enactment of Article 49 of the Treaty of the European Union (TEU) through the same route that was activated for the signing of Kosovo's Stabilisation and Association Agreement (SAA). This provision would allow for the EU Council as a legal subject, instead of the 27 Member States, to constitute Kosovo's counterpart. This, however, would only act as a legal shortcut in the short and medium run, as it would eventually be necessary for all Member States to individually ratify Kosovo's accession treaty—for which only a more solid agreement, most likely including Serbia, could incentivize the five non-recognizers to support the move.
- 04 Appeasing Serbia impacts the EU's independence and ability to react.** Member States should take a stronger stance against Serbia's democratic backsliding, acknowledge its obstructionism in the dialogue with Kosovo, and overcome their skepticism to punish this worrying trend. There is clear evidence that impunity for Serbia emboldens Hungary, and vice-versa. To circumvent the likely Hungarian veto against

potential sanctions towards Belgrade, be it through freezing the funding under the Instrument for Pre-Accession Assistance (IPA) III, freezing of assets or travel bans, Member States could enact political and economic measures of a bilateral nature. The prospective enactment of sanctions would also strip Hungary of one of its main bargaining chips at the EU level.

**05**

**The Banjska attack is an EU matter and needs to be thoroughly investigated.** The European Commission should follow up on the European Parliament resolution of 19th October and pursue an independent investigation into the 24th September events in the village of Banjska to identify the facts and motivations behind the attack, and accordingly enact sanctions against its perpetrators.

**06**

**National EU expertise can help keep Hungary's local influence in check.** Member States should consider the establishment of bilateral agreements with the countries of the Western Balkans to provide technical and political assistance to the ministries and offices dealing with European integration, just as Hungary does. Budapest's region-wide network of country advisors currently enjoys too much power, and there is a risk of sensitive information falling into unfriendly hands—with direct repercussions on the EU's leverage to, for instance, mediate in the dialogue. Likewise, Western Balkan governments should request advisory expertise from trusted Member States to counter the excessive influence of the Hungary-appointed experts. Similarly, at the EU level, the European Commission should consider increasing its technical presence through the Technical Assistance and Information Exchange (TAIEX) and Twinning cooperation instruments.

# About us

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The Balkans in Europe Policy Advisory Group (BiEPAG) is a joint initiative of the European Fund for the Balkans (EFB) and Centre for the Southeast European Studies of the University of Graz (CSEES) promoting the European integration of the Western Balkans and the consolidation of democratic, open countries in the region. BiEPAG is grounded in the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. It adheres to values that are common to a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. It is composed of prominent policy researchers from the region and wider Europe with demonstrable comprehension of the Western Balkans and the processes shaping the region. Members are Florian Bieber (Coordinator), Bojan Baća, Dimitar Bechev, Matteo Bonomi, Srđan Cvijić, Milica Delević, Nikola Dimitrov, Marika Djolai, Vedran Džihić, Donika Emiri, Richard Grieveson, Dejan Jović, Damir Kapidžić, Marko Kmezić (Assistant Coordinator), Srđan Majstorović, Jovana Marović, Zoran Nechev, Tena Prelec, Corina Stratulat, Nikolaos Tzifakis, Alida Vračić, Gjergji Vurmo, Natasha Wunsch.

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The European Fund for the Balkans is a joint initiative of the Erste Foundation, Robert Bosch Foundation and King Baudouin Foundation that envisions and facilitates initiatives strengthening democracy, fostering European integration and affirming the role of the Western Balkans in addressing Europe's challenges. Its strategy is focused on three overarching areas – fostering democratisation, enhancing regional cooperation and boosting EU Integration. The EFB supports the process of affirming the efficacy of EU enlargement policy across the Western Balkans, improving regional cooperation amongst civil society organisations based on solidarity and demand-driven dialogue. It provides means and platforms for informed and empowered citizens to take action demanding accountable institutions and democracy. The focus is on continuous reforms of the policies and practices of the Western Balkans countries on their way to EU accession.

**[www.balkanfund.org](http://www.balkanfund.org)**

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The Centre for Southeast European Studies was set up in November 2008 following the establishment of Southeast Europe as a strategic priority at the University of Graz in 2000. The Centre is an interdisciplinary and cross-faculty institution for research and education, with the goal to provide space for the rich teaching and research activities at the university on and with Southeast Europe and to promote interdisciplinary collaboration. The Centre also aims to provide information and documentation and to be a point of contact for media and public interested in Southeast Europe, in terms of political, legal, economic and cultural developments. An interdisciplinary team of lawyers, historians, and political scientists has contributed to research on Southeast Europe, through articles, monographs and other publications. The centre regularly organizes international conferences and workshops to promote cutting edge research on Southeast Europe.

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