

Orbán's blackmail: Hungary threatens to block Ukraine's integration with the EU

Andrzej Sadecki

Hungary is openly threatening to veto the start of negotiations concerning Ukraine's accession to the EU during the meeting of the European Council on 14–15 December, and is blocking the EU's decisions concerning financial and military support for Kyiv. Prime Minister Viktor Orbán is escalating his anti-Ukrainian rhetoric and criticism of the West's approach to the Ukraine-Russia war. Budapest is sabotaging the implementation of strategic decisions regarding Ukraine in an attempt to force the EU to make concessions in the dispute over funds for Hungary. It will be difficult to reach a compromise within the EU because Hungary is questioning not only the opening date of the negotiations, but also Ukraine's integration with the EU as such, even though it had previously supported it. There may still be some room for manoeuvre before the upcoming European Council's meeting though; the President of the European Council, Charles Michel, took part in talks in Budapest on 27 November, and President Emmanuel Macron has invited Orbán to Paris to discuss this issue. However, if the veto is upheld, the start of the negotiations will be delayed at least until the summit scheduled for March 2024. If that fails, the impetus for EU enlargement may be permanently lost, due to the June elections to the European Parliament and the Hungarian presidency of the EU Council in the second half of 2024.

Budapest's vetoes

In recent months, alongside its attempts to dilute sanctions imposed on Russia, Hungary has started hindering EU support for Ukraine. Since spring it has been blocking the payment of funds from the European Peace Facility (EPF) to member states, thus preventing the reimbursement of the costs of military support they had provided to Kyiv (see '[Another Hungarian veto aimed at Ukraine](#)'). Budapest has also declared that it will oppose the allocation of €50 billion in support to Ukraine as part of the revision of the EU's 2024–27 multiannual financial framework (the so-called Ukraine Facility), which is the main instrument of EU monetary assistance for Kyiv.

When the European Commission announced its recommendation on 8 November to start accession negotiations with Ukraine, Hungary declared it would block Ukraine's plans to integrate with the EU. This marked a U-turn from its previous position: after Russia invaded Ukraine, Hungary joined the Central European coalition (albeit with some delay), calling for stepping up Ukraine's EU accession, and in June 2022 it supported granting Ukraine EU candidate status.

Budapest has used a wide range of arguments against opening the negotiations. This is probably intended to boost the impression that it is firmly resisting Ukraine's accession rather than just making a tactical bid to raise the stakes in the game for funds. In his letter to President Michel, which Politico published on 22 November, Orbán called for a 'strategic debate' on Ukraine. He questioned the effectiveness of the EU's policy towards this country, both in terms of meeting the EU's objectives and the problems with absorbing these funds, due to "widespread and systemic corruption in Ukraine". He also called for "an evaluation of the policy of sanctions against Russia and its impact on EU countries." In another letter to Michel, dated 4 December (also published by Politico), Orbán insisted on removing the issue of starting the accession negotiations from the agenda of the European Council's summit.

Even more serious accusations regarding Kyiv's disrespect for the rule of law and democracy (including suppressing the freedom of speech and postponing elections) have been voiced by the leader of Fidesz and other members of his party. Orbán also argues that Ukraine is not prepared for accession, regardless of the fact that opening the negotiations is only the first stage in the country's long process of preparing to join the EU. On 1 December he even suggested that the EU should sign a 'strategic partnership' with Ukraine for 5–10 years, and only then resume the discussion on its accession to the EU.

It is worth noting that the arguments Hungary previously used against support for Ukraine and its Euro-Atlantic integration – which stemmed from Budapest's bilateral disputes with Kyiv, mainly linked to the situation of the ethnic Hungarian minority in Zakarpattia oblast – have almost disappeared from its narrative. Kyiv has already met (or intends to meet by the summit in mid-December) most of these demands. In October, the Ukrainian government removed the Hungarian OTP bank from the list of war sponsors (it had been placed on the list due to its continued operation in Russia), which had been one of the Orbán government's conditions for supporting the release of the next tranche of funds from the EPF. In turn, on 24 November, Ukraine presented proposals to amend the law on education in national minority languages in response to Hungarian reservations (as well as the recommendations of the European Commission and the verdict of the Venice Commission). The amendment is to be put to a vote by the parliament in Kyiv on 8 December, less than a week before the EU summit.

What is at stake for Hungary?

Orbán's main objective is to get at least some of the EU funds unblocked. The total amount of funding for Hungary currently being withheld by the EC exceeds €30 billion (including around €22 billion in cohesion funds, and €10.4 billion as part of the National Recovery and Resilience Plan (NRRP), of which €3.9 billion are loans). Budapest and the EC have been discussing this issue for over a year. As part of the so-called rule of law conditionality mechanism, Hungary has undertaken to implement a number of reforms, including measures to curb corruption. So far, EU institutions have assessed that Budapest has made only partial progress in implementing these. In October, the *Financial Times*, citing sources in the European Commission, reported that €13 billion could be unfrozen for Hungary, and Reuters informed on 30 November that it could receive around €10 billion. The EC has already decided to unblock €900 million for pre-financing investments from the REPowerEU fund (a chapter of Hungary's NRRP). However, Hungary is unlikely to be granted access to the remaining part of the NRRP envelope due to the insufficient progress it has made in

completing the 27 'super-milestones'.

Currently, Budapest very much needs to receive at least part of this money, as it is essential to implement public investments, stabilise the budget and boost the confidence of investors and financial markets. According to EC forecasts, Hungary is set to fall into recession this year (-0.7% of GDP); the budget deficit will reach 5.8% of GDP, and inflation will stand at 17.2%. Numerous investments have been suspended due to the freezing of the EU funds and the need to make budget cuts.

The domestic and international context

In addition to the arguments against supporting Ukraine and its EU accession which Prime Minister Orbán has presented internationally, at home Fidesz has unleashed an aggressive campaign focused on these issues ahead of the European Parliament elections scheduled for June 2024. So-called national consultations began in late November; these take the form of a non-binding instrument which the Orbán government has used on many occasions in recent years to simulate direct democracy. As part of the consultations, questionnaires are being sent to all citizens (to be returned by 10 January) containing questions formulated in a biased way, suggesting answers that would support the government's stance. This time, 4 out of the 11 issues discussed concern Ukraine, including military and financial support for Kyiv and its aspirations to join the EU. The remaining questions are focused on criticism of the EU and defence of Hungarian sovereignty. In addition, the government has launched a massive billboard campaign using the slogan "Let's not dance to their tune" featuring Ursula von der Leyen and Alex Soros (very reminiscent of how images of Jean-Claude Juncker and George Soros were used before the European elections in 2019). In the government's narrative, 'Brussels' wants to impose costly support for Kyiv on the citizens, while funds for Hungary are being withheld.

Although Orbán is known for his *quid pro quo* approach to politics, it should be considered that his position on Ukraine is also influenced by his close links with Moscow. Hungary is the only Central European country that has not reduced its dependence on Russia and its influence, which makes it extremely vulnerable to pressure from the Kremlin. Over the past two years, it has continued (and even temporarily increased) to import raw materials from Russia. Furthermore, despite various obstacles, the expansion of the Paks Nuclear Power Plant by Rosatom has been continued, and the resumption of intensive contacts culminated in Orbán's meeting with Vladimir Putin in October this year (see '[The Orbán–Putin meeting in Beijing: Hungary drifting away from the West](#)').

Prospects

The key problem during the December EU summit will be Orbán's threat to veto the launch of accession negotiations with Ukraine, where a unanimous decision of all the member states is required. If the financial support in the form under discussion is blocked, it will make the assistance to Ukraine more difficult. However, in the worst-case scenario the Hungarian veto can be bypassed, as the other 26 countries can agree to allocate funds for this purpose outside the EU budget. This type of move was already considered in a similar situation in December 2022, when the EU's support package for Ukraine for 2023 (which Hungary also blocked), was discussed until the last moment.

Even if Budapest can be temporarily dissuaded from blocking the opening of negotiations with Kyiv, it may still veto decisions at later stages of the accession process. Orbán currently seems to see blackmailing his EU partners on strategic matters as the only way to pursue his own interests. Hungary's policy may also lead to the crumbling of the EU consensus on support for Ukraine, and could embolden other countries to question its legitimacy or scale. In the longer term, Budapest's excessive use of the veto is strengthening the voices which have been demanding the replacement of the principle of unanimity in the EU with qualified majority voting.

Hungary's objection to starting accession negotiations with Ukraine would be tantamount to its withdrawal from the position that has united the Visegrad Group for almost two decades, namely support for European integration of the Balkan and Eastern Neighbourhood. This would also mean forsaking the foundations on which Hungary's foreign policy since 1989 has been built: namely, supporting the European integration of neighbouring countries where ethnic Hungarians live. It is Hungary that has criticised the EU in recent years for failure to make progress in enlargement policy, especially with regard to the Western Balkans – but today this country is itself becoming the main obstacle in this process.