The power struggle between the European Union and Hungary

A decade of tension

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16 February 2012

The **Resolution on the recent political developments in Hungary** adopted
by the European Parliament

expresses "serious concern at the situation in Hungary in relation to the exercise of democracy, the rule of law, the respect and protection of human and social rights, the system of checks and balances, equality and non-discrimination."



315 votes in favour



263 votes against

49 abstentions

3 July 2013

The **Tavares Report**, adopted by the European Parliament



concludes that the Hungarian government's "systemic and general trend" of moving the goalposts is incompatible with the EU's fundamental values and "considers that – unless corrected in a timely and adequate manner – this trend will result in a clear risk of a serious breach" of these values.



370 votes in favour



249 votes against

82 abstentions



16 December 2020

The Regulation of the European
Parliament and of the Council
on a general regime of conditionality
for the protection of the Union
budget, adopted

It provides for the suspension of EU budget payments to a Member State which, due to its non-compliance with the principles of the rule of law, endangers (or risks endangering) the EU's financial interests.



12 September 2018

Rapport Sargentini, adopted by the European Parliament

calls on the Council to "determine (...) the existence of a clear risk of a serious breach by Hungary of the values on which the Union is founded" (triggering of article 7 of the Treaty on European Union).



448 votes



197 votes against

48 abstentions



16 February2022

The Court of Justice of the EU dismisses

the actions brought by Hungary (and Poland) against the conditionality mechanism in relation to compliance with the rule of law.



The **Delbos-Corfield Report**, adopted by the European Parliament



expresses a "breakdown in democracy, the rule of law and fundamental rights in Hungary, turning the country into a hybrid regime of electoral autocracy".



433 votes in favour



28 abstentions



27 April 2022

The European Commission notifies Hungary of the triggering of the conditionality mechanism



18 September 2022

The European Commission proposes to the Council of the EU

"budget protection measures under the conditionality regulation", namely the suspension of 65% of the commitments under the cohesion policy (approx. €7.5 billion). This comes on top of the blocking of resources from the "Recovery and Resilience Facility" (up to €5.8 billion in grants and €9.7 billion in loans).





Věra Jourová

Vice-President of the European Commission

In charge of values and transparency. She must "coordinate the Commission's work on upholding the rule of law, working closely with the Commissioner for Justice". Viktor Orbán called for her resignation after she commented that Hungary is a "sick" democracy, in September 2020.



Gwendoline Delbos-Corfield.

MEP (Greens/EFA, France)

Rapporteur for the most recent resolution of the European Parliament on Hungary.

Didier Reynders

European Commissioner for Justice

One of his key missions is to "lead the work of the Commission to ensure that the rule of law is upheld across the Union", and to achieve this he is to "use the full toolbox at [his] disposal to prevent and identify breaches" of the principles of the rule of law.



Johannes Hahn

European Commissioner for Budget

His tasks include overseeing "the Commission's work to protect the financial interests of the European Union". He is therefore on the front line to respond to Hungary's criticism of the management of European funds and the resulting financial sanctions.





Viktor Orbán

Prime Minister

Prime Minister since 2010 (and from 1998 to 2002), founder and president of the Fidesz party. A figurehead of "illiberal democracy", his opponents blame him for an ongoing erosion of the rule of law and democratic principles in Hungary since 2010. He is also accused of major irregularities (according to reports by the European Anti-Fraud Office (OLAF)) in the allocation of European funds.



Judit Varga

Minister of Justice

Minister of Justice since 2019. Her ministry coordinates Hungary's European policy and is in particular in charge of Hungary's permanent representation to the EU.



Bálint Ódor

Hungarian permanent representative to the EU

Hungary's permanent representative to the EU since September 2022, appointed after the resignation of Tibor Stelbaczky in June 2022. While Stelbaczky had the profile of an expert in EU affairs, having already served prior to Viktor Orbán's return to power, Bálint Ódor has only served under Orbán's governments and his experience in Brussels only began in 2020.



Péter Szijjártó

Minister of Foreign Affairs

Minister of Foreign Affairs since 2014. While the European agenda is now chiefly under the remit of the Ministry of Justice, the head of Hungarian diplomacy remains a visible figure in Brussels, not directly concerning affairs related to the rule of law, but in other areas, which contribute to heightening tensions between Hungary and its European partners, even with its ideological ally, Poland, on the issue of sanctions against Russia.

In its reports on the rule of law in Member States, the European Commission focuses on four areas:



The legal system

The Commission notes a wide range of issues concerning the independence of the judiciary. In its 2022 report, it observes that there has been no progress following the criticism voiced to Hungary in its previous reports and by the European Parliament under the procedure of triggering article 7 of the Treaty on European Union.



Media pluralism and freedom

For example, the Commission criticises the lack of financial and editorial independence in public service media outlets, unfair competition in favour of pro-government media on the advertising market and independent journalists' difficulties in accessing information.



Under the framework of the fight against corruption

The Commission criticises the lack of progress on a wide range of issues, including the insufficient nature of independent anti-corruption monitoring mechanisms, regulations on conflicts of interest, the financing of political parties and lobbying, while describing "an environment where risks of clientelism, favouritism and nepotism in high-level public administration remain unaddressed".

Other institutional issues related to the checks and balances system

The Commission criticises the transparency and quality of the legislative process, and the Hungarian government's extensive use of emergency powers, the lack of effective application of national and European court rulings, and pressure in relation to civil society.





More broadly, the **European Parliamen**t has identified 12 areas of concern related to compliance with the rule of law in Hungary:

- the functioning of the constitutional and electoral system
- the independence of the judiciary and of other institutions and the rights of judges
- corruption and conflicts of interest
- privacy and data protection
- freedom of expression, and in particular media pluralism
- academic freedom
- freedom of religion
- freedom of association
- the right to equal treatment, including LGBTIQ rights
- the rights of persons belonging to minorities, including Roma and Jews, and protection against hateful statements against such minorities
- the fundamental rights of migrants, asylum seekers and refugees
- economic and social rights

Responses from the Hungarian government and its supporters



Condemnation of the ill-will of "liberals", for political and ideological reasons, against a government which asserts its conservative, "illiberal" and anti-immigration stance.



Attempts to put the notions flagged by critics into perspective, starting with the concept of rule of law, by suggesting that there are many definitions that vary from one country to the next.



Accusing Western European countries of applying "double standards" with regard to Central Europe and Hungary in particular, pointing out situations identified in various Western countries that are allegedly similar or identical to the situation in Hungary.



In addition, since the European Commission triggered the conditionality mechanism, the Hungarian government has expressed a desire for compromise, and has undertaken to implement 17 measures inspired by the Commission's recommendations. These measures are designed to introduce a solid framework to combat corruption and the misappropriation of European funds, with in particular the creation of an independent authority to oversee the use of funds, and the options for citizens to institute court proceedings against the prosecution service when it decides not to investigate a corruption case.

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Funding at stake

Recovery plan

Provisional allocation, under the "Recovery and Resilience Facility"



Grants
original ceiling
€7.2 billion



After adjustment of national allocations in June 2022
€5.8 billion



Loans up to €9.7 billion



Cohesion policy

As part of the "Investment for Jobs and Growth" objective, through the various European funds, the allocation for Hungary for the 2021-2027 period is €21.73 billion. For the record, over the 2014-2020 period, Hungary received €26.5 billion.

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The procedure underway

19 Nov. 2022



This was the deadline set for Hungary to notify the Commission of progress made in the actual implementation of the 17 reforms.

24 Nov. 2022



The European Parliament encouraged the Commission and the Council, through a resolution adopted on 24 November, by 416 votes in favour against 124 against and 33 abstentions, to consider the Hungarian government's proposed reforms as insufficient and to suspend funds for Hungary.

End Nov. 2022



The Commission must publish its assessment of the Hungarian measures in view of the criticism expressed in the notification of 27 April and the proposal of 18 September.

19 Dec. 2022



Deadline for the Council's decision regarding the potential suspension of European funds.