



**Organising for EU Enlargement**

A challenge for member states and candidate countries

**MANAGING EUROPE FROM HOME**

The Europeanisation of the Hungarian Core Executive

OEUE PHASE I

Occasional Paper 5.1 – 09.03

Attila Ágh  
Áprád Rózsás

Budapest University of  
Economic Sciences and Public Administration



FIFTH FRAMEWORK PROGRAMME



Dublin European Institute  
A Jean Monnet Centre of Excellence





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The Europeanisation of the Hungarian Core Executive

Attila Ágh and Árpád Rozsás

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## **ORGANISING FOR EU ENLARGEMENT:**

### **Challenge for the Member States and the Candidate Countries**

The Dublin European Institute, University College Dublin,<sup>1</sup> was awarded, in 2001, a research contract under the EU's Fifth Framework Programme<sup>2</sup> to carry out a comparative study of the impact of the EU on the structures and processes of public policy in six small countries: **Ireland, Greece, Finland, Estonia, Hungary** and **Slovenia**. The Project's partnership, under the direction of Professor Brigid Laffan, Dublin European Institute, University College Dublin<sup>3</sup>, includes: Professor Dr. Wolfgang Drechsler, University of Tartu; Professor Teija Tiilkainen, University of Helsinki; Professor Calliope Spanou, University of Athens; Professor Attila Ágh, Budapest University of Economic Sciences and Public Administration; and Professor Danica Fink-Hafner, University of Ljubljana.

The aim of the research project was to deepen our understanding of the processes of Europeanisation in a number of the existing member states and some of the candidate states.

The research project encompassed the following three objectives:

- The conduct of research which offers immediate policy relevance to key stakeholders in the enlarging Union;
- The conduct comparative, theoretical and empirical research on the management of EU public policy making in three existing member states – Ireland, Greece and Finland – and three candidate states – Estonia, Hungary and Slovenia;
- The shedding light on the capacity of smaller states to adjust and to adapt to the increasing demands of Europeanisation on their systems of public policy-making and thus to identify the barriers to effective, efficient and accountable management of EU business.

### **Research Strategy**

The research design consisted of two phases and within each phase, two levels of analysis. **Phase I** analysed the management of EU business at the macro level of the core executive and was complemented by a micro case study of a recent policy negotiation using decision analysis. **Phase II** of the research broadened the analytical focus to encompass other levels of government – the EU and sub-state – through multi-levelled governance. Here attention was centred upon the emergence of policy networks and the interaction between public actors and the wider civil society in specific, discrete policy sectors.

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<sup>1</sup> National University of Ireland, Dublin (University College Dublin).

<sup>2</sup> European Commission, Community Research Fifth Framework Programme (Socio-Economic Research)

<sup>3</sup> This project forms part of the Governance Research Programme, Institute for the Study of Social Change, University College Dublin, [www.ucd.ie/issc/](http://www.ucd.ie/issc/) and [www.ucd.ie/govern/intex.htm](http://www.ucd.ie/govern/intex.htm).

### **Methodology**

The study employed two specific methodologies: historical institutionalism and rational institutionalism in a new and innovative fashion. The use of combined perspectives provided a theoretically innovative and new approach to the study of the Europeanisation process. Both approaches could be used as they were applied to different elements of the empirical research.

### **Academic and Policy Implications**

This study's findings provide insight into the manner in which diverse state traditions, institutions and political and administrative cultures influence national adaptation to EU governance and how the interface between national policy processes and the Brussels arena is managed. It is expected that these findings will assist those making and managing policy, thus facilitating adjustments to the changing European Union while also contributing to the growing academic debate on Europeanisation.

At various stages during the course of this project the research findings and analysis were presented to a range of stakeholders and academics to facilitate feedback and enhance the analytical process. Further details about the Organising for EU Enlargement (OEUE) project are available on the project web site [www.oeue.net](http://www.oeue.net), along with i) the Project Report, ii) the OEUE Occasional Papers and iii) a selection of papers by the research partners which draw on various aspects their project research.

## **AUTHORS**

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A member of the Department of Political Science, Budapest University of Economic Sciences and Public Administration, Professor Ágh is also the Director of the Hungarian Centre for Democracy Studies and leads the "Together for Europe" Research Centre for EU Studies, Hungarian Academy of Sciences. Over the last fifteen years Professor Ágh has applied his academic experience of comparative and linkage politics to the study of the relations between the countries of Central and Eastern Europe and the European Union. His most recent publications on aspects of this research interest include *Europeanization and Regionalization: Hungary's Preparation for EU-Accession* (Budapest: Hungarian Centre for Democracy Studies), 'Europeanization of policy-making in East Central Europe 'The Euro-Capacity of the Small ECE Countries'', *Central European Political Science Review*, 2/5:152-175, 2001; 'Early consolidation in Hungary and the Europeanization of the Hungarian Polity', in Geoffrey Pridham and Attila Ágh (eds.), *Democratic Transition and Consolidation in East-Central Europe* 2001 (Manchester: Manchester University Press); *Demokratizálás és európaizálás* (Budapest: Hungarian Centre for Democracy Studies).

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Árpád Rózsás is a PhD. Student in the Department of Political Science, Budapest University of Economic Sciences and Public Administration and is associated with the 'Together for Europe' Research Centre for EU Studies, Hungarian Academy of Sciences. Various aspects of Hungary's relations with the European Union feature in Árpád Rózsás' current research on the implementation of EU cohesion policy in Hungary and the role of the core executive in the management of EU affairs. His publications on these issues include, 'Regional Policy in Hungary: Institutional Preparations for EU-Accession' in Attila Ágh (ed.) *Europeanization and Regionalization: Hungary's Preparation for EU-Accession* (Budapest: Hungarian Centre for Democracy Studies), with Attila Ágh, 'Regional Policy in Hungary', *Budapest Papers on Europeanization* No. 11, 2002 (Budapest: Hungarian Centre for Democracy Studies); with Tímea Pálvölgyi, 'The Reform of Constitutional Government in Hungary', *Budapest Papers on Europeanization* No. 5-6 (Budapest: Hungarian Centre for Democracy Studies).



## **ABSTRACT**

### **A Dominant Role for the Ministry of Foreign Affairs but not an exclusive one**

Hungary's engagement with the European Union coincides with the country's modernisation. The systematic changes associated with the Europeanisation of Hungary may be captured in two stages; 'anticipatory Europeanisation' (1989 to 1998) linked to democratisation and 'adaptive Europeanisation' following the opening of the accession negotiations in 1998. This paper illustrates how the management of EU business spanning these two stages has been influenced by a combination of the style of the government in office and the progress of the membership negotiation process. While the dominant role of the Ministry of Foreign Affairs is seen to characterise the management process it is argued here that this role is limited on the occasions when the Prime Minister and Prime Minister's office is actively engaged in EU business.



## HUNGARY AND THE EUROPEAN UNION<sup>4</sup>

Hungary's return to Europe after the era of state socialism began with an economic step, when in 1988 Hungary concluded an agreement on trade and co-operation with the EU<sup>5</sup> and was formalised with its full membership of the EU in May 2004. Shortly after the collapse of the communist regime in 1989, Hungary entered diplomatic relations with the EU and welcomed the 1990 Dublin European Council initiative to start the preparations for association agreements. Negotiations with Hungary, the Republic of Czechoslovakia, and Poland commenced in December 1990, and were completed relatively quickly. On 16 December 1991, the aforementioned countries signed the first three Europe Agreements (followed later by seven other CEE countries). The Agreements were subject to ratification by the parliaments of the parties, but the parts of the agreement relating to trade came into force as early as March 1992 and the Europe Agreement came into effect on 1 January 1994. The negotiations of the Europe Agreements and the subsequent establishment of association institutions marked the formalisation of the engagement between the Hungarian core executive and the European Union.

Essential to the transition process in Hungary was the establishment of western style political structures and approaches (Ágh 1999: 841). Westernisation and especially Europeanisation legitimised the actions of successive Hungarian governments<sup>6</sup> as they pursued the objective of membership of the EU (Ágh 1999: 841). The conclusion of the accession negotiations in December 2002 marked the completion of a process that involved a series of negotiations on agreements, which represented the relationship between Hungary and the EU over some fifteen years. This paper provides an analysis of the management of European issues in the Hungarian core executive as it evolved over time.

The early years of Hungary's democratic transition saw the reestablishment of multiparty democratic political system and its institutions. Simultaneously, the required legal provisions to provide for the regulatory mechanisms and structures of a fully functional market economy were

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<sup>4</sup> In 1987, the European Economic Community (EEC) became known as the European Community (EC). Following the ratification of the Treaty on European Union, the EC was renamed the European Union (EU). For the sake of consistency, the term EU will be used throughout this text to refer to the EEC, EC and EU.

<sup>5</sup> Hungarian efforts to export to the EC were hampered by quotas while formal bilateral relations with the EC were limited by the nature of East West relations. However, in June 1988 the 'Joint Declaration on the Establishment of Official Relations Between the European Economic Community and the Council for Mutual Economic Assistance' facilitated bilateral trade and economic co-operation agreements, the first of which was signed with Hungary that year (Van Ham 1993: 136-137 and 142-143). Van Ham's study of 'The EC's Common Commercial Policy' notes unofficial bilateral negotiations with government officials and agreements with the relevant Ministries and export organisations in some Eastern European countries including Hungary dating back to the 1960s (Van Ham 1993: 89 and 93).

<sup>6</sup> **Governments in Hungary since 1990:**

- i) **1990-1994:** Prime Minister, József Antall (1990-1993) and Péter Boross (1994); coalition government parties Christian Democratic People's Party (KDNP), Independent Smallholder Party (FKGP), Hungarian Democratic Forum (MDF);
- ii) **1994-1998:** Prime Minister Horn, coalition government parties Hungarian Socialist Party (MSZP) and Alliance of Free Democrats (SZDSZ);
- iii) **1998-2002:** Prime Minister, Viktor Orbán, coalition government parties Fidesz-Hungarian Civic Party (Fidesz-MPP), Independent Smallholder Party (FKGP), Hungarian Democratic Forum (MDF).
- iv) **2002- to date:** Prime Minister, Péter Medgyessy, coalition government parties Hungarian Socialist Party (MSZP) and Alliance of Free Democrats (SZDSZ);

put in place. Hungary's progressive engagement with the European Union accompanied these changes. The nature of the modernisation of the political system and the economy was in keeping with the anticipation of the country fulfilling its ambition to become a member of the European Union. When the means to fulfil this ambition were set in train, the evolving relationship between Hungary and the EU impacted upon the country's modernisation. Following the commencement of the accession negotiations, the further development of Hungary's political and economic policy processes and instruments was clearly designed to meet the detailed demands of the European Union regarding the anticipated adoption of the *acquis communautaire*. In retrospect, Ágh argues that the systemic changes associated with the Europeanisation of Hungary may be captured in two stages (Ágh 2003: 93-95). The first stage, described as 'anticipatory Europeanisation' which over the period 1989 to 1998, primarily involved those tasks 'which connected with democratisation in general' (Ágh 2003: 94). The opening of the accession negotiations in 1998 and the Association Partnership represented the second stage, which Ágh terms 'adaptive Europeanisation'.<sup>7</sup>

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<sup>7</sup> The research and analysis leading to Professor Ágh's conclusions are presented in his recent book which incorporates aspect of the research on Hungary for this OEUE project – (2003) *Anticipatory and Adaptive Europeanization in Hungary* (Budapest: Hungarian Centre for Democracy Studies).

**Table 1:** Timeline of Hungary's engagement with the EU

<b>1988</b>	
26 September	Signing of the Agreement on Trade, Economic and Commercial Co-operation between the EEC and Hungary
<b>1989</b>	
8 August	Opening of diplomatic relations between Hungary and the European Union
<b>1990</b>	
8 June	EU representation opens in Budapest
<b>1991</b>	
16 December	Signing of the Europe Agreement establishing association measures between the EU and Hungary
<b>1992</b>	
1 March	Trade related aspects of the Europe Agreement come into effect
28 October	First summit meeting of the EC Presidency, the EU Commission and the Viségrad countries
<b>1993</b>	
21-22 June	European Council, Copenhagen decides that Central and Eastern European association countries may apply for membership of the EU
<b>1994</b>	
26 January	Establishment of Hungarian EU Parliamentary Committee
1 February	Entry into effect of the Europe Agreement of association between Hungary and EU
1 April	Hungary submits application for membership of the EU
8 December	Hungary submits a Memorandum to the EU Presidency
<b>1996</b>	
April	Questionnaire sent by the European Commission to the Hungarian Government
26 July	Hungarian government completes European Commission questionnaire

**Table 1:** Timeline of Hungary's engagement with the EU (cont.)

<b>1997</b>	
16 July	European Commission publishes its <i>avis</i> on the applicant countries
<b>1998</b>	
31 March	Opening statements of accession negotiations between Hungary and EU
<b>1999</b>	
9 July	Hungarian government submits the National Programme for Adoption of the Acquis Communautaire to the European Commission
<b>2000</b>	
8 November	European Commission publishes 'Enlargement Strategy Paper'
<b>2001</b>	
5 September	European Parliament report on Hungary and EU enlargement
<b>2002</b>	
13 December	European Council, Copenhagen – Hungary's accession negotiations completed
<b>2004</b>	
1 May	Hungary joins the European Union

Source: Extracted from Chronology of Relations between Hungary and the European Union (1988-2002) [[www.kum.hu/euint/huneu\\_chr.html](http://www.kum.hu/euint/huneu_chr.html)]

## HUNGARY'S SYSTEM OF GOVERNMENT

By the early 1990s the institutions of central and local government along with the accompanying mechanisms for policy formation and co-ordination in post communist Hungary were in place. Over the period 1989-1990 a parliamentary democracy, involving multiple parties, and the separation of powers (Balázs 1993: 76) along with a prime ministerial system (Ágh 2002: 14) replaced the communist regime and eliminated the Hungarian Socialist Workers Party's domination of centralised government and the public administration. Szabó emphasizes the evolutionary nature of Hungary's transition, which saw a 'quiet revolution' result in the overthrow of the Communist regime (Szabó 1993: 90). Throughout the 1970s and 1980s the regime as practiced in Hungary involved progressive economic reforms and to some extent political tolerance. The New Economic Mechanism introduced market liberalization and subsequent legislative measures enacted by Miklós Németh's transition government (1987-1990) (Nunberg 1999: 100) addressed free enterprise, profit repatriation and the privatisation of state owned enterprises. By 1989 legislative framework for a market economy was in place (Ágh: 2003: 95).

National Assembly and local council elections in 1985 involved multiple candidates and by 1987 a de facto multiparty system existed. In the late 1980s the reformists within the Hungarian Socialist Workers Party successfully overcame the party's conservative wing and encouraged reforms. By 1989 the National Assembly had assumed responsibility for legislation and in October of that year the 1949 Constitution was amended, following a negotiated agreement between the state socialist government and the opposition, to provide for a democratic system and free elections in May 1990.<sup>8</sup> The measures adopted by Miklós Németh, an ambitious Prime Minister with a reformist and quasi-technocratic leaning, involved a shift in power from the party headquarters to the central government, with significant administrative consequences (Ágh 2003: 95). The system created by the reformers, who sought to enhance transparency and accountability, 'placed the Parliament at the apex with the president and the prime minister, and implicitly, all executive functions, subordinated to the legislative branch' (Nunberg 1999: 102).

The shift of power to the centre of government was taken one step further with the strong prime ministerial system, in the likeness of a German type chancellery, introduced by the amendment of the Constitution in 1990. As a next step in the process, a Prime Minister's Office was established, which over several government cycles has become central to the decision making system. Under the Antall (1990-1994) and Horn (1994-1998) governments the Office provided advisory and co-ordinating functions to the Prime Minister and an organizational base for ministers without portfolio. While headed by an administrative civil servant, the number of state secretaries was increased and these senior office holders, whether political appointees or civil servants proved to be influential (Ágh 2003: 99). However, while these prime ministers held

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<sup>8</sup> For a analysis of the amendments to the Hungarian Constitution see Szikinger, Istvan (2001), 'Hungary's Pliable Constitution', in Zielonka, Jan (ed.), *Democratic Consolidation in Eastern Europe*. Vol. 1 Institutional Engineering (Oxford: Oxford University Press); Kukorelli, I. (1995), *Az alkotmányozás évtizedé* (Budapest: Korona Kiadó); Somogyvári, I. (1996), 'Alkotmányozás Magyarországon 1994-1996', *Társadalmi Szemle*, LI/10, 30-51.

office two structural weaknesses limited the role of the Prime Ministers Office. First, the Office lacked the capacity to assist prime ministers in providing policy guidance to all ministries as stipulated in the Constitution. In these circumstances decision making developed from formal institutionalised structures and informal personal channels operating in parallel, it was not uncommon for the formal cabinet structures to be bypassed (Nunberg 1999: 239, 241; Ágh 2003: 100). Second, the absence of long term policy planning exacerbated the situation (Ágh, 2003: 100)

In 1998, following the coming to power of the Orbán government (1998-2002), a further revision of central government included the completion of the transfer of institutional and policy responsibilities to the Prime Minister's Office. The Office was now in a position to guide the orchestration, co-ordination and implementation of policy in all ministries. In order to meet the demands of the increased policy responsibilities, organised in five *referaturas* headed by political state secretaries, the Prime Minister's Office budget was increased significantly (Ágh 2003: 102). However, the relationship between the policy responsibilities of the Prime Minister's Office and ministries was re-evaluated following the election of the Medgyessy government in May 2002. The dissolution of the *referaturas* saw the ministries regain independence in the management of policy while the Prime Minister's Office remains a centre of decision making (Ágh 2003: 167).

The Minister of the Chancellery, with the assistance of deputy state secretaries, prepares the agendas for government meetings and organises its schedule (Nunberg 1999:102; Ágh 2002: 232). The government's central policymaking and executive body is the Ministerial Cabinet. Issues, to be considered by the executive, are first submitted to the Ministerial Cabinet, which directs them to the ministries, whose work it co-ordinates (Nunberg 1999: 103).

As regards the reform of public administration, 'both the Antall and Horn governments wanted to create a European type of non-partisan, professional bureaucracy or civil service' (Ágh 2003: 98). In order to ensure this, Hungary was the first country in the Central and Eastern European region to approve and implement an act on the legal status of civil servants, barely three years after the regime change in 1989. The Act regulated the basic conditions such as education and training, staffing and salaries. It introduced two posts to the leadership of the Prime Minister's Office and in each ministry: a political state secretary and an administrative state secretary. The political state secretaries (political appointees) represent the ministers in the Parliament while the administrative state secretaries (career civil servants) are responsible for the ministries' professional management. Nunberg notes that whereas both the political and administrative state secretaries have a policy role, the state secretaries' weekly meetings have become particularly important as they provide a forum in which differences between ministries can be addressed (Nunberg 1999: 103-104). The hierarchical structure within ministries is designed to ensure a balance between 'political responsiveness and impartial professionalism' and consisting of a minister, a political state secretary, an administrative state secretary and several deputy state secretaries (Nunberg 1999: 109).

A number of observers of central and eastern European countries (among them Numberg 2000, Goetz 2001 and Grabbe 2001) have drawn attention the relationships between the Centre of Government, the core executive and the management of EU accession, whereby the centralisation of accession management has proved to be a strengthening influence (Ágh 2003: 106). Goetz and Wollmann note that the EU accession criteria posed 'exceptional coordinating challenges' (Goetz and Wollmann, 2001: 875-878). The means by which these challenges were met by the Hungarian Centre of Government and core executive are illustrated and analysed in this paper in terms of the structures, processes and actors involved

## **I STRUCTURES**

The Hungarian institutional structures for the management of EU business evolved over the early to mid nineteen nineties. Whereas the administrative structures established in 1996 are generally regarded as having remained stable, their operation has been influenced by the styles of the four governments since 1990, and the needs of various stages in the accession process. This section reviews the structures involved in the management of EU business since the early 1990s noting the revisions and adaptations.

The institutional structures established in relation to the PHARE programme, and an Interministerial Committee, represented the recognition of the need for an organisational response to the demands of implementation of EU measures and for co-ordination within the Hungarian executive structure during, what has been termed, the 'prestage of Europeanisation' by Vida (2002: 58). However, it was the processes of negotiation and implementation associated with the Europe Agreement (1994) and its precursor the Interim Trade Agreement (1992) which saw the establishment of more comprehensive institutional structures addressing the needs of both EU Hungarian relations and Hungary's national management of EU business.

The Europe Agreement stipulated the establishment of three institutions (the Association Council, the Association Committee and the Joint Parliamentary Committee) to facilitate the management of the association process. These 'contact institutions' were established at both government and parliamentary levels in 1992 (Ágh 1999: 843) during the government of József Antall (1990-1993). The Association Council has served as the highest decision making structure governing the implementation of the Agreement. The members of Hungary's government, who joined the European Council and the Commission on the Association Council, were primarily drawn from the Ministry of Foreign Affairs (Besseney Williams 2000: 17). Besseney Williams and Mayhew both suggest that the Council's value stems from bringing ministers together on a regular basis resulting in greater understanding and co-operation (Besseney Williams 2000: 18 and Mayhew 1998: 54). However, Mayhew observes that the role of the Council was limited first, by the absence of policy discussion due the pre-agreed EU positions and second, due to the replacement of bilateral relations by multilateral dialogue (Mayhew 1998: 54).

Detailed technical discussions between civil servants from the European Commission on issues including trade and PHARE have taken place in the Association Committee (Mayhew 1998: 55). A less political environment has allowed problems relating to policy or implementation to be resolved by negotiations among civil servants who have in some cases been meeting since 1989 in the Joint Committee supervising the EU Hungarian Trade and Cooperation Agreement (Besseney Williams 2000: 18). The detail and technical depth of problem solving has been even greater in the expert sub-committees composed of civil servants from the responsible line ministries and the European Commission's Directorates General (Mayhew 1998: 58). The Joint Parliamentary Committee, composed of members of the Hungarian and European Parliaments, was the third bilateral institution to be created under the Europe Agreement. While serving a complementary role to the Association Council the Committee's influence has been confined to the submission of recommendations.

During the early years of the implementation of the Europe Agreement Hungary sought to enhance the significance and aims of these bilateral institutions (Besseney Williams 2000: 18. Mayhew 1998: 54; European Commission 1997). However, the EU's preference lay with the development multilateral structures. Mayhew argues that it was difficult to see how the Association Councils could have been enhanced given that the EU resources were under pressure dealing with ten countries, which were neither member states nor third countries, as well as its structured relations with other regions (Mayhew 1998: 54). Hungary feared the development of multilateral institutional structures, including 'structured dialogue' in 1993, in case they came to replace the existing bilateral structures and the favoured position of the Visegrád countries (Besseney Williams 2000: 22). However, as the candidate countries moved from association to accession mode the nature of the dialogue changed to a broadly based political dialogue and more specific bilateral accession negotiations.

The development of Hungary's executive management of EU business occurred in tandem with the implementation of the Europe Agreement. In keeping with developments at national level in other associate countries, a variety of working groups were set up reflecting the chapters and obligations of the Europe Agreement (Lippert, Umbach and Wessels 2001: 988). In the early nineteen nineties, management of EU business was 'two centered', according to Vida, arising from the division of responsibility between the Office of European Affairs in the Ministry of Industry and Trade and the European Union Department of the Foreign Ministry (Vida 2001: 59). The Office of European Affairs handled European issues related to trade, economics, legislation and assistance programmes whereas the European Union Department in the Foreign Ministry dealt with diplomatic and political relations with the Union. However, the management of EU business in this twofold system was less than effective because of rivalry between the two ministries (Vida 2001: 59). Following Hungary's application for EU membership in April 1994 the process increasingly demanded a national executive structure capable of efficiently co-ordinating policy and negotiations.

By 1996 the balance between the two ministries changed significantly in light of the demands of the accession process. The challenge was felt acutely by the domestic system when a detailed Commission questionnaire had to be answered. The required information could not have been supplied or collated without the involvement of all ministries (Vida 2001: 59). Therefore an effective system of managing government decision making in respect to EU business had to be worked out. This demanded that two issues be addressed. First, the central and efficient management of EU relations had to be ensured. The Prime Minister and the Minister of Foreign Affairs, along with the entire government, needed to be constantly informed in order to influence the issues and formulate the government's position. Second, the co-ordination of the work of the ministries to ensure the integration of policy decisions despite the individual ministries seeking to maintain control.

In order to cope with the above problems, the government of Gyula Horn, in common with those of the other applicant countries, had to identify responsible institutions and facilitate national co-operation and co-ordination (Lippert, Umbach and Wessels 2001: 989). At this critical stage the Ministry of Foreign Affairs emerged as the key co-ordinator whereas the Ministry of Trade and Industry was relegated to the inner circle. This, according to Vida, represented the replacement of the two centred management structure by a mono structure of co-ordination (Vida 2001: 59).

The highest level in Hungary's EU management, the *European Integration Cabinet*, under the chairmanship of the Prime Minister, composed of the ministers of Foreign Affairs, Interior, Justice, the Economy and Finance was established in February 1996 (Ágh 1999: 843). This forum was where Prime Minister Horn was briefed about all relevant issues, and where the matters that could not be settled at lower levels were resolved. A Strategic Task Force on Integration located in the Prime Minister's Office was set up to advise the 'Integration Cabinet' (Ágh 1999: 843).

In line with the creation of the European Integration Cabinet, in May 1996 the *State Secretariat for Integration* (SSI) was established within the Ministry of Foreign Affairs, whose central administrative and co-ordinating functions incorporated the tasks of the former Office of European Affairs and the European Union Department. Regarding all EU issues, the State Secretariat for Integration became the centre for government decisions as well as the single co-ordinator of the work of the line ministries. In order to ensure that the future policy decisions of the government are in accordance with EU law, completing the process that had started in 1992, during the course of 1996 *European Integration Departments* were established in all ministries (Ágh 1999: 843 Lippert, Umbach and Wessels 2001: 995). With the European Integration Cabinet and the State Secretariat for Integration in place, the issue of EU accession management was addressed. To provide for cross-sectoral policy co-ordination, a forum for the meeting of the state secretary of SSI, the deputy state secretaries of all ministries and the presidents of national authorities was established, the *Interministerial Committee for European Integration* (ICEI) (Nunberg 2002: 311).

These institutional structures have formed the foundations of the Hungarian core executive's management of EU business, although they have been subject to alteration under the Orbán and Medgyessy governments. These alterations have reflect the management style of the government in office and the needs of the accession process. The Hungarian system has been characterised by the significant role played by the Ministry of Foreign Affairs in the co-ordination of EU business, therefore its structures are examined first.

### **The Ministry of Foreign Affairs**

The Minister of Foreign Affairs is responsible for leading and co-ordinating relations with the EU. It is the Minister who has represented the government on the Association Council and lead the Negotiation Delegation. Given these roles the Minister reports on developments to the government and Parliament. The Ministry is host to or facilitates the vital institutional elements in the management of EU business, namely the State Secretariat for Integration and External Economic Relations (SSIEER), the EU Co-ordination Department, the Negotiation Delegation, Mission of Hungary to the EU, the Interministerial Committee of EU Integration and the European Integration Council.

### **State Secretariat for Integration and External Economic Relations**

Established under government decree (64/1996), the State Secretariat for Integration (SSI) renamed the State Secretariat for Integration and External Economic Relations (SSIEER) in 2002, is headed by a State Secretary and its internal sections by Deputy State Secretaries. It co-ordinates all aspects of EU-Hungarian relations and ensures a coherent policy approach both internally and externally (Ágh 2003: 107). The centrality of the Secretariat's role is illustrated by its responsibilities in respect to other institutional elements in the management of EU business. The Secretariat's head has represented the government on the Association Committee and supports the Minister of Foreign Affairs in the Negotiation Delegation. Additionally, the Secretariat facilitates the Interministerial Committee for European Integration, the European Integration Council (Ágh 2003: 107; Vida 2002: 60).

The formal management structure of the Ministry of Foreign Affairs is unique in the Hungarian system of government. In addition to the two state secretaries, one political and one administrative common to all ministries, a state secretary heads the SSIEER, the holder of this office is exclusively and directly responsible to the Minister. Consequently, a dual institutional arrangement emerged separating the management of EU business from that of other foreign policy matters. Problems of inefficiency in the Ministry's overall work stemming from this 'duality' have been noted by senior officials (interview material).

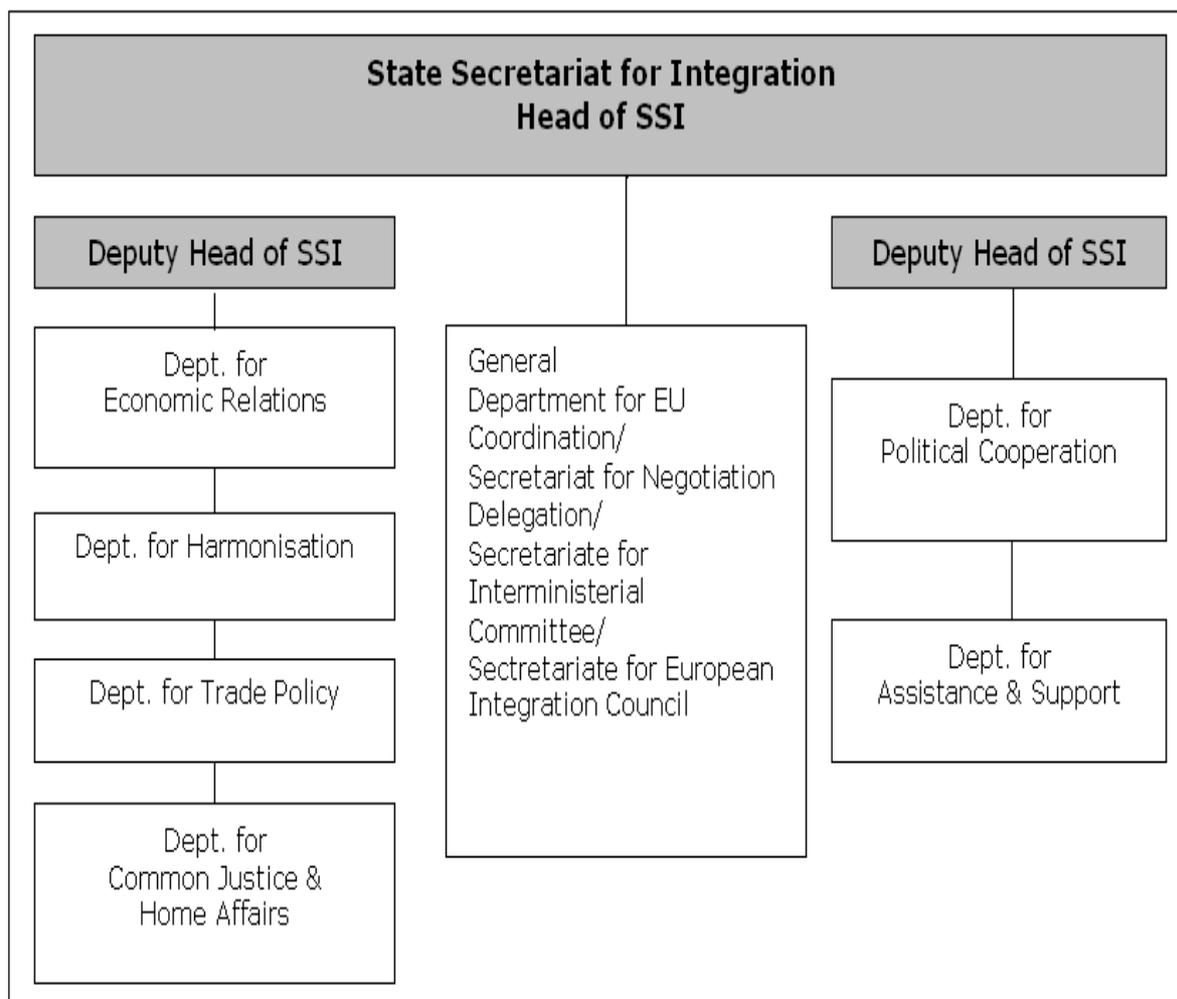
The Secretariat's progressive development found favour with the Commission in its opinion on Hungary's application for membership of the EU (European Commission 1997). Its internal structure has been based on departments, organised in two sections, each headed by a Deputy State Secretary. However, the responsibilities of the sections and the departments have been changed to varying degrees by successive governments. The division of responsibility with one

section responsible for political matters and human resources and the other addressing economic and legal affairs represented the structure at the time of the change from the Horn government to that of Orbán in 1998 (Nunberg 1999: 312).

Under the Orbán government the General Department for EU Co-ordination was the hub of the State Secretariat for Integration (see Figure 1), providing support services to the Negotiation Delegation, the Interministerial Committee for European Integration and the EU Integration Cabinet. The Department for Political Co-operation, responsible for issues related to Common, Foreign and Security Policy, the future of the EU and the communications regarding the EU at a national level, and the Department for EU Assistance and Support, covering the PHARE, SAPARD and ISPA programmes and the preparation of the National Programme for the Adoption of the 'Acquis' constituted one section. The other section was comprised of the departments responsible for EU business in respect to economic relations, legislative harmonisation, trade policy and Justice and Home Affairs. The re-organisation of the SSI under the Orbán government had required only minor changes, however, that of the Medgyessy government was more complex.

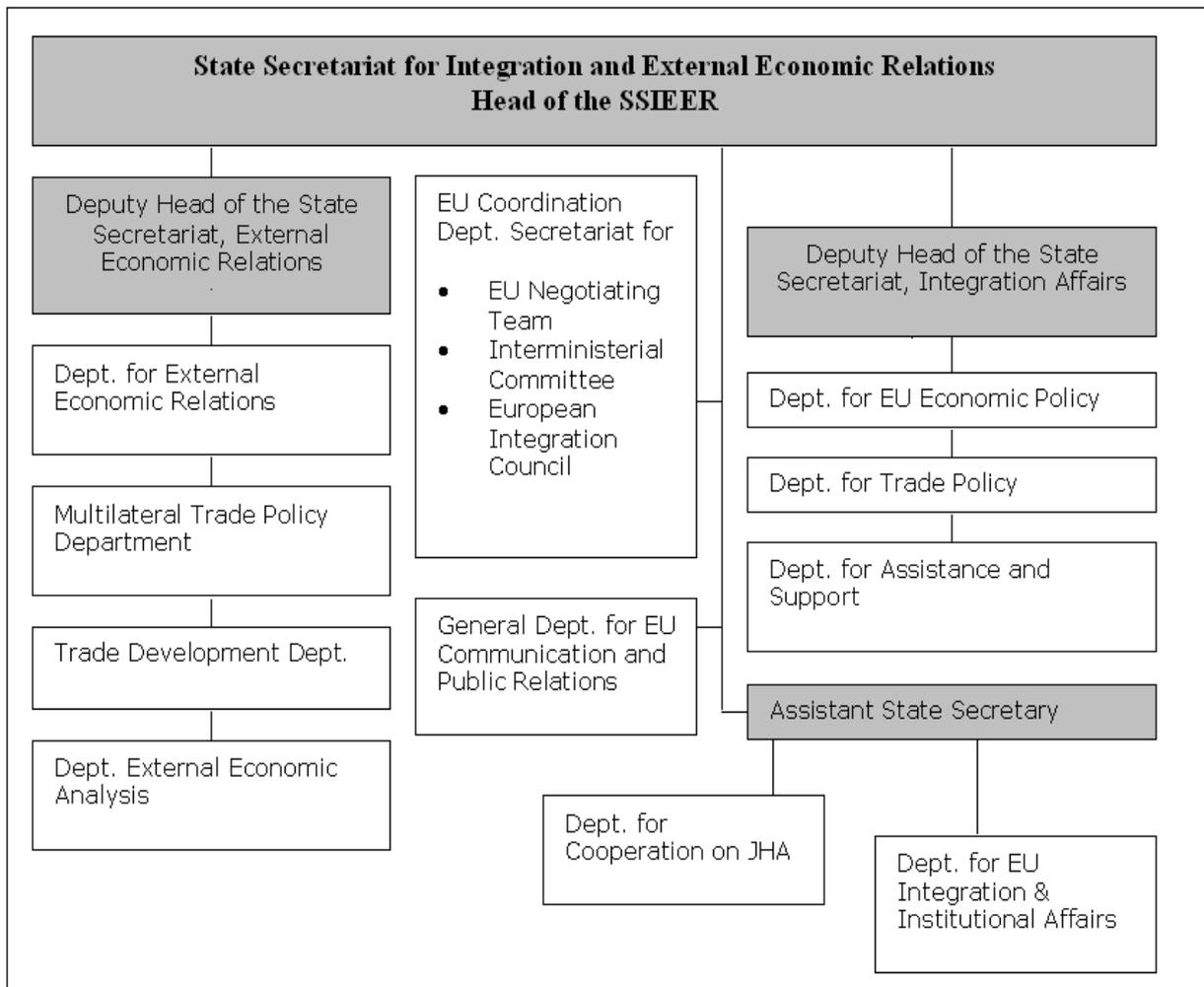
Following its election in 2002, the Medgyessy government changed the number and policy responsibilities of the departments under the Secretariat's two sections and altered the lines of command (see Figure 2). External economic relations were added to the Secretariat's responsibilities and its name was adjusted accordingly to the State Secretariat for Integration and External Economic Relations (SSIEER). The sections' structures have been changed as a consequence, and EU business has been concentrated in one section. The range of EU business handled by the section responsible for external economic relations is limited to when its policy brief interacts with aspects of EU integration (Vida 2002: 60). Whereas the second section is host to departments addressing EU policies on economics, trade, assistance, institutions, integration and Justice and Home Affairs. The head of this section is the Deputy Head of the State Secretariat responsible for Integration, a subdivision, hosting the departments for EU Integration and Institutional Affairs and Co-operation on Justice and Home Affairs, is headed by an Assistant Secretary of State (Ministry of Foreign Affairs 2003).

**Figure 1:** Structure of the State Secretariat for Integration (SSI) under the Orbán government (1998-2002)



Source: Vida 2002: 73 and organigramme of the Ministry of Foreign Affairs held on file.

**Figure 2:** Structure of the State Secretariat for Integration and External Economic Relations under the Medgyessy government (2002 - )



Source: Vida 2002: 74 and Ministry of Foreign Affairs [www.kum.hu/euint](http://www.kum.hu/euint)

Co-operation among ministries takes place through the *Interministerial Committee for EU Integration*. The Committee is answerable to the government through the Ministry of Foreign Affairs. It is chaired by the SSIEER and supported by the General Department for EU Co-ordination. The Committee brings together those heading the ministerial EU departments, state secretaries and deputies, along with a number of permanent invitees from state institutions, including the National Secret Service, the Chancellery, and the Office of Economic Competition (Nunberg 2000: 311; Vida 2002: 61). Following the opening of the EU accession negotiations in 1998, the Committee's working groups were transformed into expert groups organised along the lines of the chapters of the 'acquis communautaire'. The groups have been chaired by civil servants from the relevant line ministry responsible for the given 'chapter' and are composed of experts from the ministries with horizontal responsibilities (Ministries of Justice, Foreign Affairs and Finance) and other ministries with a direct interest in the issue under consideration. In the case where an issue has proved to be of similar significance to a number of ministries, the one to take responsibility for co-ordination is decided by the Committee.

Whereby the institutional elements discussed above, relate to the internal aspects of the management of EU business, the *Hungarian Mission to the EU* and the *Negotiation Delegation* address the external aspects of the management process. The *Hungarian Mission to the EU* was established in 1990 and is headed by a diplomat. Developments in the accession process are reflected in the increase in the Mission's number of staff and their composition. During the course of the accession negotiations the Mission had a staff of 23 or so, however, in light of pending EU membership the number of staff has been significantly increased to the region of 100. Whereas half of the staff come from the diplomatic service, the remainder are policy attachés, appointed by line ministries and they are responsible for one or more policy areas. The work of the Mission has been organised in three sections during the accession process, the Political Section, the Community Policies Section and the Industry and Trade Policy Section. Between these sections all aspects of the negotiating chapters have been addressed and the expert attachés have participated in the negotiation process.

*The Negotiation Delegation* was the formal body responsible for the examination and analysis of the Hungary's strategic and tactical approach to the accession negotiations.<sup>9</sup> The Minister of Foreign Affairs was the head of the Negotiation Delegation, assisted by the Head of the SSIEER and Head of the Hungarian Mission/Chief Negotiator (Lippert et al 2001: 995, see the institutional chart of accession management p. 993). In addition the delegation had twelve permanent members drawn from the State Secretariat for Integration, senior civil servants representing the ministries and state institutions: Finance, Justice, Interior, Economy, Transport, Agriculture and Rural Development, Environment and Water Management, and the National Committee for Norms and Standards. However, the delegation met in Budapest on an occasional basis only and the

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<sup>9</sup> Hungarian Ministry of Foreign Affairs 'Negotiation Delegation', [www.kum.hu/euint/cord5.html](http://www.kum.hu/euint/cord5.html) [consulted 22.03.2003]

Minister of Foreign Affairs, the head of the SSI and the Chief Negotiator provided the vital link to Brussels (Vida 2002: 47).

The analysis of the institutional elements of the Ministry of Foreign Affairs illustrates the structural dimension of its centrality to the co-ordination and management of EU business in the Hungarian executive. The role of the Ministry of Foreign Affairs has been always been important but its significance has been influenced by the extent of involvement by the Prime Minister's Office and the Prime Minister in European business which has varied since the 1990s.

### **The Prime Minister's Office**

The degree and extent of the involvement by the Prime Minister's Office and the Prime Minister in European business has altered with the changes of government, reflecting government policy towards Europe and the stage of the negotiation process. Under the Horn government, when the management of EU business was under review in 1996 as part of the EU application process, a European Integration Cabinet and a Strategic Task Force on Integration were established (Ágh 1999: 843). The Integration Cabinet existed within the government and was composed of the ministers of Foreign Affairs, Interior, Justice, Economy and Finance under the leadership of the Prime Minister. Established in the Prime Minister's Office to advise the Integration Cabinet the Strategic Task Force on Integration involved some 18 working groups whose membership was drawn from academic bodies, civil society, the media and the private sector (Ágh 1999: 843 and Nunberg 2000: 311). These bodies facilitated the preparation of issues to be forwarded to the government for decision and the overseeing of accession management by the Prime Minister and his office.

The coming power of the Orbán government in 1998 brought changes reflecting the government's approach to the role of the Prime Minister's Office and priorities in respect to EU business. Prime Minister Viktor Orbán abolished both the Integration Cabinet and the Task Force, and established a Department of European Integration in the Prime Minister's Office. This Department formed part of the long-term strategy and planning section but, given that its work was confined to the provision of information and policy scenarios to central government, it was not at the core of managing EU business.

Due to a critical change in the objectives of the PHARE programme, from facilitating general democratisation and economic transition to supporting exclusively the adoption of the *acquis communautaire*, a new section was established in the Prime Minister's office, headed by a minister without a portfolio. It was hoped that this structure would facilitate an improvement in the management of EU funding by overcoming previously identified limits in expertise and capacity which were believed to have contributed to delays and loss of funds. Whereas the PHARE Department addressed inefficiencies, the European Commission remained highly critical of Hungary's management of the PHARE programme.

Under the structural style adopted by the Orbán government, the full cabinet seldom discussed the detail of EU business or accession management. When the accession negotiations required that the agreed negotiating position be modified or changed Prime Minister Orbán made the decision on important issues (Juhász 2001). Ministers were briefed on the negotiations by the Ministry of Foreign Affairs and the details of policy issues were handled by the ministries. The prime minister was usually involved only in those issues which had significant influence on domestic politics (for example, the purchase of agricultural land by foreigners). In addition, the abolition of the two highest forums for the management of EU accession (the EU Integration Cabinet and the Task Force) was a major setback in domestic cross-sectoral co-ordination of EU accession policy issues, as it eliminated what Nunberg called the 'adequate opportunity for ensuring that policies are fully integrated across sectoral lines' (Nunberg 2000: 312). Prime Minister Orbán's approach can be described as 'remote', resulting in the very significant involvement of the Ministry of Foreign Affairs in EU business.

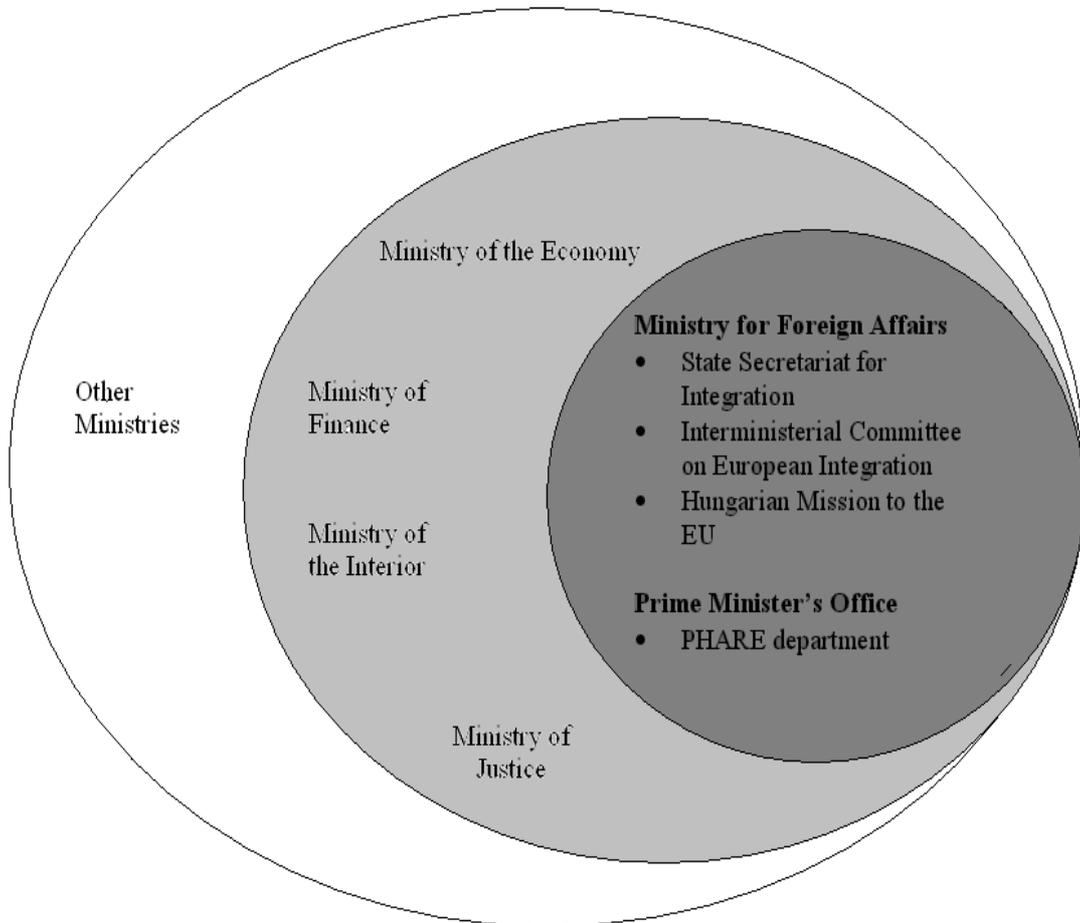
The Orbán government was responsible for the detailed accession negotiations in respect to the adoption of the *acquis communautaire*, from the spring of 1998 to that of 2002. This meant that all policy specific chapters were negotiated and provisionally closed during their government cycle, while the Medgyessy government on taking office in May 2002 had to deal with the chapters of a budgetary nature under the Danish Presidency. Thus the new government faced a different stage in the accession process to that of its predecessor. This, combined with the different governing style and more 'up beat' approach to the EU, resulted in a revision of first, the role of the Prime Minister and his government in the management of the accession process, and second, the involvement of the Prime Minister's Office in EU business. Prime Minister Medgyessy re-established the Integration Cabinet under his leadership and comprising the ministers for Foreign Affairs, Finance, Economy and Agriculture. The Integration Cabinet is supported by an expert team whose members include many of the independent experts from the former Integration Task Force. In fact, this structure reflects that of the Horn government in which Prime Minister Medgyessy was Minister of Finance. These revisions have seen the Prime Minister and his office re-establish a central role in overseeing the management of the accession process. The new units established in the Prime Minister's Office are indicative of the stage of the negotiations. Given this government's responsibility for preparing a National Development Plan, the former PHARE section was absorbed into a Department for the National Development Plan and EU Assistance, which are complemented by a Department for Regional Development. Finally, a Department of Public Relations and Communication was established in light of the referendum on EU membership.

The above analysis of the institutional structures for the management of European Union business in the Ministry of Foreign Affairs and the Prime Minister's Office notes how they reflect the different approaches adopted by the Orbán and Medgyessy governments in particular. Taggart and Szczerbiak describe Viktor Orbán's approach as 'national interest' Euroscepticism' (2001: 18). Ágh argues that given the Orbán's government concern with domestic matters and foreign policy focused on relations with neighbouring countries, he exercised a remote control in respect

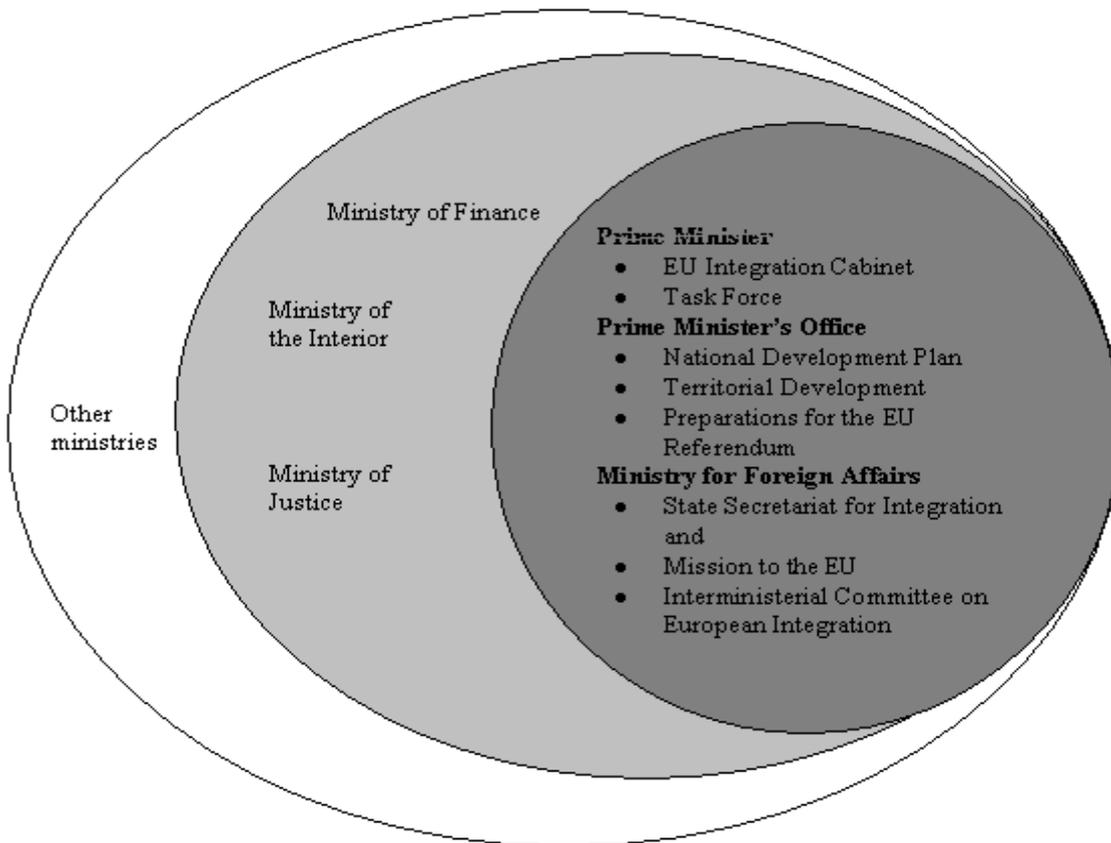
to the management of accession despite the overall increased power of the Prime Minister's Office (Ágh 2003: 107). Furthermore, Ágh asserts that the Orbán government's majoritarian approach created an administrative institutional dualism between the Centre of Government and the State Secretariat for Integration, which is unique among the candidate countries (Ágh 2003: 91, 166). However, whereas the Medgyessy government extended the responsibilities of the State Secretariat for Integration, the role of the Prime Minister and his office in the accession process was enhanced to provide for a more direct role in the management of the process. Thus the political and administrative divide which existed under the Orbán government was removed and the organisation of the Prime Minister's Offices redesigned to reflect its enhanced role in EU business and the immediate needs in the final stages of the accession process (Ágh 2003: 166).

The nature of ministerial responsibility for EU business adopted under the Orbán (1998-2002) and Medgyessy (2002 to date) governments is represented in Figures 3 and 4 respectively by placing the ministries and departments in a series of circles indicating their degree of involvement in EU affairs.

**Figure 3:** The Hungarian Core Executive under the Orbán government (1998-2002)



**Figure 4:** The Hungarian Core Executive under the Medgyessy government (2002 -)



While the horizontal co-ordination of EU business has been principally fulfilled by the Ministry of Foreign Affairs, the ministries for Justice and Finance also bear significant horizontal responsibilities, which have seen them involved in the management of EU business.

The *Ministry of Justice* is responsible for co-ordinating and monitoring the approximation of existing and draft Hungarian legislation with the *acquis* and EU legislative norms. The harmonisation of legislation began under the Europe Agreement but gained momentum following the publication of the Commission's 1995 White Paper (Balázs 2002: 150; Horváth 2002: 409). In co-operation with the State Secretariat for Integration and line ministries, the Ministry's General Department for Legal Harmonisation conducted the 'screening' of legislation and drew up the National Programmes for the Adoption of the *Acquis*. The Department continually monitors the programmes' progress and the Ministry, in co-operation with the Ministry of Foreign Affairs, keeps the government informed based on their regular reports evaluating measures undertaken by line ministries (interview material). Whereas individual ministries are responsible for ensuring that draft national legislation complies with EU norms it is the Ministry for Justice, which co-ordinates and monitors compliance (Verheijen 1998: 25 and interview material). During the course of the accession negotiations representatives of the Ministry's EU department have participated in all the expert delegations (Ministry of Foreign Affairs [www.kum.hu/euint/cord1.html](http://www.kum.hu/euint/cord1.html)).

The *Ministry of Finance's* horizontal co-ordinating functions stem from its responsibilities regarding the financial regulations associated with EU financial assistance (PHARE, SAPARD and ISPA).<sup>10</sup> Aspects of this financial assistance have had an impact on a number of the chapters of the accession negotiations and representatives of the Ministry have participated in all the expert delegations. Furthermore, the Ministry is responsible for the monitoring and the allocation among ministries of the financial resources made available for the management of EU accession. This role has demanded careful assessment of the demands of ministries as well as the resources necessary for successful adoption of the *acquis*.

The range of policy fields handled by the *Ministry of the Interior*, including 'Justice and Home Affairs', environment and local government, has resulted in it becoming increasingly involved in EU business. The increasing number of EU measures under Justice and Home Affairs, particularly since 'September 11', has seen the Ministry having to quickly prepare positions on European policy. A task likened by one official to 'shooting at a moving target' (interview material). The significance of the Ministry's role in respect to local and regional government has increased with each stage of Hungary's regionalisation.

The involvement of the remaining Hungarian ministries in EU business and the accession negotiations varies according to the impact of the *acquis* and EU norms on their respective policy responsibilities. However, as noted above EU departments were created in all ministries by 1996, and in 1998 the government decided that ministries should receive funds from the state budget to enhance the capacity and prestige of these departments (Vida 2002: 57). During the course of the accession negotiations in respect to each chapter, a representative of the responsible ministry has headed the relevant expert group having been designated by the State Secretariat for Integration and External Economic Relations, in co-operation with the ministry. Their

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<sup>10</sup> On EU membership the Ministry for Finance's role is expected to be enhanced through its responsibilities relating to the Structural Funds as the designated 'Paying Authority'.

responsibilities, which have been carried with the assistance of a designated co-ordinator from the State Secretariat, have included the supervision of the preparations for 'screening meetings' in Budapest and Brussels, the drafting of the Hungarian position paper and the presentation of the negotiation position to government in cooperation with the horizontal ministries.<sup>11</sup>

## II PROCESSES

The range and form of the processes and procedures, which have accompanied the institutional structures associated with the management of EU business in Hungary, have varied over time. They have been influenced first, by the stage of the association or accession process and second, the style of the government in office. The separation of the co-ordination and management of EU business from the Centre of Government has impacted on the conduct of EU business and the policy procedures adopted by successive governments, civil servants and independent experts.

Under the governments of Horn (1994-1998), Orbán (1998-2002) and Medgyessy (2002-to date) the State Secretariat for Integration in the Ministry of Foreign Affairs has played the principle co-ordinating role. The Integration Cabinets of Prime Ministers Horn and Medgyessy facilitated the significant involvement of both Prime Ministers and a select group of their government in the policy process behind their respective government decisions on EU policy. The absence of the Integration Cabinet during the intervening term of the Orbán government limited the role of government to taking the final EU policy decision and that of the Prime Minister to taking decision in exceptional circumstances. The impact of the differing management styles of Orbán and Medgyessy governments on the handling of EU business is evident in respect to the processes and procedures.

Having generally found policy co-ordination to be inadequate and accompanied by informal or parallel means of decision making which by-passed the formal structures of cabinet, Nunberg suggests that Inter-Ministerial Committee on European Integration (ICEI) facilitated the correlation of policies across policy sectors (Nunberg 2000: 312; Forrás). However, research for this project suggests that the working procedures of the ICEI have left something to be desired (interview material). Although the chairing of the committee by the SSIEER facilitated co-ordination, the Ministry of Foreign Affairs is but a line ministry and therefore it had neither authorisation nor enough power to make a final decision unilaterally on highly problematic issues, in the event of ministries not being able to reach common positions. Also rivalry among ministries has been a problem, for instance, on occasions the lead ministry of the working group has taken responsibility for all aspects of the subject and ignored the opinions of other ministries to which the subject has been relevant (interview material).

Hungary's public administration is based on a continental tradition involving the institutionalisation and formalisation of working processes and procedures. Although, the

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<sup>11</sup> Hungarian Ministry of Foreign Affairs 'The negotiating team and the heads of expert groups', [www.kum.hu/euint/cord5.html](http://www.kum.hu/euint/cord5.html) [consulted 22.07.2003].

traditional influence was weakened during the transition to a market based economy and the process of institution building, there is evidence of its re-emergence in the currently more stable period. However, the split in the national administration's responsibilities between EU matters and all other matters has seen the emergence of processes and procedures in the management of EU business which differ to those adopted by the national administration as a whole. Successive Hungarian governments have sought to ensure that the management of EU accession is effective and meets the standards set by the European Commission. The combination of approaches involving financial incentives and maintaining staff continuity has resulted in the emergence of an 'EU elite' among civil servants in the central public administration. The civil servants of the EU elite have experienced few changes with each government. Also, many of the diplomatic staff in Hungary's mission to the European Union, including the Mission's head, and the ministerial attachés have been assigned to their posts for longer than six years, contrary to the normal practice in the diplomatic service where posts are held for 4 to 5 years. The characteristics of this elite group and the continuity of their service in the same field has resulted in EU business being conducted on the basis of strong personal relationships among the domestic and European actors, and informal processes and channels of communication. This is illustrated by the observation in 2001 of the Head of the Hungarian Mission to the EU and Chief Negotiator, Endre Juhász,

In fact, most of the negotiating is conducted informally through meetings with the services of the European Commission and ambassadors and staff members of the Permanent Representations of the Member States. In addition to personal contacts with his counterparts in Brussels, the Chief Negotiator prepares proposals for his government based on his assessment of the concrete situation on the spot.<sup>12</sup>

Procedural guidelines on the management of EU business include the Cabinet Standing Orders on the formulation of policies (Nunberg 2000: 314); the National Programme for the Adoption of the *Acquis*, which identifies priorities, generally assigns responsibilities and lays down timetables (Nunberg 2000: 309); and the Principles of the Accession Negotiations outlining Hungary's objectives, ministerial responsibilities, and method of negotiation. Under the Principles, Hungary sought the earliest possible accession to the EU, expressed its intention to assume the same obligations and acquire the same rights as existing member states and noted that it did not require opt outs or permanent derogations. The principles guiding co-ordination identified the State Secretariat for Integration and External Economic Relations in the Ministry of Foreign Affairs as the main co-ordinating body and noted that ministers are responsible for the agenda in their field of competence. Finally, the principles specified that communications with Brussels must be conducted through the SSIEER ensuring that Hungary 'speaks with one voice'.<sup>13</sup> A combination of first, the different approaches adopted by the Orbán and Medgyessy governments to the management of EU business and second, the different stages in the negotiations process for

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<sup>12</sup> From an interview published in The Hungarian Quarterly, Volume XLII, No. 163, Autumn [www.hungary.com/hungq/no163/1.html](http://www.hungary.com/hungq/no163/1.html) [consulted 28 March 2003].

<sup>13</sup> Hungarian Ministry of Foreign Affairs 'The Principles of the Accession Negotiations' and Co-ordination of accession negotiations', [ww.kum.hu/euint/cord1.html](http://www.kum.hu/euint/cord1.html) [consulted 22.07.03]

which each government has been responsible, have to varying degrees influenced the operationalisation of the Principles of the Accession Negotiations.

The 'remote' approach adopted by the Orbán government to the management of the accession negotiations meant the depoliticisation and professionalisation of the process. Political direction merely involved general guidelines for the negotiators (Ágh 2003: 107). As mentioned above, Prime Minister Viktor Orbán was closely involved only in cases of importance for domestic politics. Hungary's relatively advanced stage of preparation by the late 1990s, along with the experience and negotiating skills of the civil service 'EU elite' in the SSIEER and the Hungarian Mission to the EU made this possible. The principle of 'speaking with one voice' and channelling all communication with Brussels through the SSIEER effectively designated the Minister for Foreign Affairs, , the head of the SSI and the Chief Negotiator as the key players. Given the Minister for Foreign Affairs, János Martonyi's , direct involvement in the execution and co-ordination of the EU negotiations, he came to be seen as 'Mr. Hungary' in EU circles and 'Mr. Europe' by Hungarians, thus acting as the Minister for European Affairs in all but name (Ágh 2003: 107). Describing the negotiations process in 2001 the Chief Negotiator, Endre Juhász, stated

All written negotiating positions are approved by the government itself, in full plenary session of all ministers. ... The Minister of Foreign Affairs personally represents Hungary when the Accession Conference is held at ministerial level. ... The Chief Negotiator negotiates formally at deputy level at the Accession Conference and informally between sessions. ... Of course the negotiations are not just about arguments in support of the initial Hungarian negotiating positions. The situation often requires modifying the initial position or presenting a new one very rapidly. When such a decision is needed, it is made by the Prime Minister, if the matter is really important, or by the Minister of Foreign Affairs based on consultations with the State Secretary for European Integration and the Chief Negotiator.

Overall Endre Juhász found the process to be 'a clear and simple hierarchy for formulating decisions'.<sup>14</sup>

Ágh states that the negotiating teams in all the accession states had to make a choice between derogations designed to assist vulnerable sectors and the speed of the negotiations (Ágh 2003: 143). The Orbán government were anxious to complete the accession negotiations as quickly as possible and the government rather ambitiously proposed that Hungary would join the EU in 2002. Position papers were completed and submitted by the end of 1999 and requests for derogations were kept to a minimum. This negotiating strategy was based on the expectation that the enlargement of the EU would be staggered with Hungary among the first three or four states to join. However, during the course of 2001, the view that 10 of the accession states should form a 'big bang' enlargement gained credence in EU circles, despite the concerns of the 'frontrunners' about protracted negotiations and delays posed by the less developed states. Ágh

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<sup>14</sup> From an interview published in The Hungarian Quarterly, Volume XLII, No. 163, Autumn [www.hungary.com/hungq/no163/1.html](http://www.hungary.com/hungq/no163/1.html) [consulted 28 March 2003].

suggests that the choice of speed over derogations made by Hungary, Slovenia and Estonia, in contrast to Poland and the Czech Republic, was less suited to the negotiations in the context of a 'big bang' enlargement (Ágh 2003: 143 and 145).

EU accession was widely supported by the public, the political community and sectoral interests in Hungary. The negotiation positions were subject to limited criticism due first, to the broad consensus for the Principles of the Negotiations and second, to the fact that since the signing of Europe Agreement the Hungarian legislature took into account the requirements of EU membership with the result that by the mid nineteen nineties a significant range of legislation complied with EU norms. What criticism there was related to the absence of the representation of various interests and territorial actors from the national process for EU business. However, the rapid and efficient completion of negotiations on the chapters of the 'acquis' began to falter and became subject to criticism by middle of 2001. The combination of factors which contributed to this change included the sensitivity of the chapters remaining open; the adoption of the 'big bang' approach to enlargement and; the national opposition party's criticism of negotiation outcomes at this time and the absence of all party consultations in the accession process nationally. Furthermore, although limited, EU matters raised during the 2002 election campaign included criticism of the Orbán government, by the opposition MSZP, for failing to renegotiate concessions of the free movement of capital and foreign ownership of land (Fowler 2002: 4 also see Batory 2002: 4).

When the Medgyessy government took office in May 2002 the legislative matters were well advanced with twenty four chapters provisionally closed and the 'chapter by chapter' approach to the negotiations had concluded (Ágh, 2003: 143). The failure, during the Spanish Presidency, of member states to agree on budgetary and agricultural issues meant that the conclusion of the enlargement negotiations were concentrated in final months of 2002 under the Danish Presidency. Furthermore, these 'horizontal issues' became part of a single bargaining process (Ágh 2003: 152). This represented a new stage in the accession negotiations and the changed circumstances placed new demands on Hungary's management of EU business. It fell to the Medgyessy government to first, lead the negotiations on the controversial issues of concern to the EU and all accession states, the budget and agriculture, and issues specific to Hungary, decentralisation, competition policy and media policy<sup>15</sup>; and second, organise the management of EU business during the final stage of the accession process. While SSIEE remained central to the process, the modifications to the core executive's institutional structures, described above, which facilitated the involvement of the prime minister and the cabinet in EU business were not without effect. Unlike his predecessor Prime Minister Medgyessy became actively involved in EU meetings of senior officials and member state governments. This saw an element of politicisation enter the

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<sup>15</sup> The closure of Chapter 20 on Culture and audio-visual policy required the amendment of Hungarian legislation regarding public media, however, as long as Orbán maintained its control of public media boards the opposition were not prepared to agree to any legislative change. The election of the Medgyessy government in May 2002 brought with a change in the management of public media which facilitated the necessary reforms for compliance with the 'acquis'.

hierarchy described by Endre Juhász in the quote above and the operationalisation of the Principles of the Accession Negotiations.

### **III AGENTS**

A combination of factors contributed to the emergence of an 'elite group' of civil servants involved in the management of EU business. Broadly, these relate to first, staff experience and continuity, second, recruitment procedures and training, and third, the split in the national administration between the institutional structures and processes for managing EU business and those for all other matters between 'EU and non EU' parts.

Among the senior civil servants who have been involved in the accession negotiations are some whose experience of EU matters dates back to Hungary's trade agreements with the European Union in the late nineteen eighties and before. These civil servants have held senior posts in the departments responsible for co-ordinating Hungary's management of EU business since the early nineteen nineties and have been appointed by successive governments with few changes occurring on the formation of each new government.

The European experience of Endre Juhász, who was appointed Minister without Portfolio in charge of European Co-ordination by the Medgyessy government in May 2003, dates back to the nineteen seventies when he was secretary of the trade mission in the Hungarian Embassy in Brussels. As head of the European Affairs Office and political secretary in the Ministry of Industry and Trade and subsequently Chief Negotiator, Endre Juhász has seen through the implementation of the Europe Agreement and the accession negotiations under four successive governments. The head of the SSIT, Péter Balázs, appointed in 2002, initially gained his experience of the European Union as a councillor for trade in the 1980s. Under the Antall government he served as State Secretary in the Ministry of Industry and Trade and subsequently was Ambassador to Denmark and later Germany under the governments. The practice of reappointing experienced senior officials by successive governments is reflected at more junior levels with civil servants seldom moving away from the domain of EU business. This continuity is contrary to the common practice whereby governments on taking office make significant personnel changes at all levels of the public administration.

In light of the demands posed by the implementation of the Europe Agreement Hungary's administration, in response to a SIGMA survey, identified the lack of qualified and adequately trained staff as a problem (Verheijen 1998: 29). By the mid nineteen nineties recruitment and training programmes had been put in place to ensure the availability of officials with knowledge of the European Union, legal expertise and language skills. The Integration Cabinet, in 1996, agreed upon a training strategy specifically designed for the accession process (Nunberg 2000: 315). Senior civil servants (administrative state secretaries down to deputy department heads), local government officials, members of parliament and officials from state offices have attended a variety of training programmes funded from different services including PHARE (Nunberg 2000:

315). Scholarships and fast track opportunities for young professionals (Nunberg 2000: 315; Vida 2002: 57) along with higher salaries for civil servants specialising in EU business were introduced to make employment in this specialist area of the civil service more attractive (Vida 2002: 57). The staffing levels along with the expertise and skills available in the Ministries' EU departments are generally thought to have adequately met the demands of the accession process (Nunberg 2000: 314; Vida 2002: 68). This process has involved approximately 350 officials in the negotiating team and some 600 officials indirectly (Nunberg 2000: 68; Vida 2002: 314). The design of the institutional structures for the management of EU business and their operation, as described above, involving the separation of EU affairs from domestic matters in the Ministry of Foreign Affairs and the line Ministries resulted in the division of civil servants. Nunberg suggests that such a split in the national administration between EU and non-EU parts has caused deep fragmentation (Nunberg 2000: 21). The demand for EU expertise in the nineteen nineties saw suitably qualified civil servants drawn away from a wide range of public administrative tasks into the EU departments of the various Ministries. And the general policy of fostering continuity and incentives to encourage loyalty and motivation within the EU departments further emphasised the elite status of the civil servants specialising in EU business.

### **The Hungarian Parliament**

Throughout the association and accession processes the Hungarian government monopolised the country's representation in common with the style generally adopted by the governments of the Eastern and Central European countries (Ágh 2001: 421). However, the parliamentarisation of the EU and the demands of Europeanisation challenged the Hungarian parliament to develop necessary structures and processes to address legislative tasks, formulate positions on negotiations with the EU and communicate the issue to the population (Ágh 2001: 421)

The Parliamentary Committee on European Community Affairs was established in 1992 as a special committee when the trade and commercial elements of the Agreement came into effect (Ágh 1999: 843; Gyori 2001: 120). It was the first such Committee in the Parliament of a Central and Eastern European country. In May 1994, after the election of the Second Parliament, the Committee was abolished and a new parliamentary standing committee was established as its successor, named the Committee on European Integration Affairs. The Committee's tasks were defined as (i) examining matters regarding Hungary's relations to the EU including monitoring the implementation of the Association Agreement and the preparation for full membership; (ii) operation as the Hungarian side of the Hungarian-EU Joint Parliamentary Committee; (iii) the monitoring of the harmonisation of Hungary's laws to the *acquis communautaire*; (iv) and raising public awareness in Hungary about the EU (Gyori 2001: 123).

The Committee's ability to fulfil these tasks during the course of the nineteen nineties was hampered by lack of expert staff and financial resources (Besseney Williams 2000: 13). Furthermore, it proved to be one of the least influential standing committees in the Parliament (Ágh 1999: 843). The lack of interest, expertise and languages on the part of members of Parliament along with the parliamentary parties focus on issues related to the democratic

transition and the management of the economy are seen by Ágh to have contributed to the Committees lack of credibility (1999: 844). Besseney Williams also draws attention to the 'rivalry' between the Committee on Foreign Affairs and the Committee for European Integration Affairs and notes that the latter committee gained specific responsibilities as the division of labour between the two committees 'emerged over time' (2000: 14). After the election of the third parliament (1999-2000) the chairpersons of the two Committees István Szent-Iványi (Foreign Affairs Committee) and József Szájer (Committee for European Integration Affairs) formalised the division of labour. The Foreign Affairs Committee focused on issues related to Common Foreign and Security Policy while the Committee for European Integration Affairs dealt with matters pertaining to the European Community and Justice and Home Affairs.

Ágh argues that one of the consequences of the Hungarian Parliament's limited involvement in the EU debate in the late nineteen nineties was that it failed to provide a communication channel for organised interests (Ágh 1999: 843). This featured among the institutional reforms, which Ágh suggested the third Parliament (1998-2002) would have to address along with the establishment of a suitably powerful committee to mandate the Hungarian negotiation delegation and sector specific sub committees (Ágh 1999: 845). Responsibility for cooperation with civic society and non-governmental organisation was given to the Committee for European Integration Affairs.

With the start of the accession negotiations, experts and political leaders considered the possibility of augmenting the role of the parliament in the policy process associated with Hungary's accession to the EU along the lines of the 'Nordic model'. In 1999 the Hungarian Socialist Party submitted a proposal for the establishment of a Grand Committee on the European Union. The Orbán government rejected the idea of a Grand Committee but provided for the European Integration Affairs Committee to extend invitations to party leaders and other members of parliament on a monthly basis. However, in the absence of formal rules of participation interest was limited.

The election of the fourth Parliament (May 2002) saw agreement reached on the establishment of a Grand Committee on European Integration in September 2002, chaired by Katalin Szili, speaker of the Hungarian Parliament and composed of leaders of all the parliamentary parties, the chairs of relevant Parliamentary Committees and the Ministry of Foreign Affairs. Whereas, the Grand Committee is responsible for strategic decisions on EU matters the Committee for European Integration Affairs maintains responsibility for monitoring the implementation of the European Agreement and the harmonisation of legislation pertaining to Hungary's accession to the EU. The division of labour between the Committee for European Integration Affairs and the Committee for Foreign Affairs agreed during the previous parliament remains in place.

Given the general support among the parliamentary parties for EU accession since the early 1990s and the technical nature of the EU business the Committee for European Integration Affairs has tended to conduct business in an apolitical manner (Besseney Williams 2000: 15; Batory

2001: 13<sup>16</sup>). Government proposals on EU matters have passed through the Parliament with relative ease (Ágh 1999: 840). A series of joint declarations by the majority of the Parliamentary parties stated that Hungary's interest lay in joining the European Union at the earliest possible date (Gyôri 2000: 1). However, on entering the opposition, Viktor Orbán criticized the EU and warned against the negative consequences of membership in a series of public speeches made a couple of months after losing office (Ágh 2003: 167, 171). Despite this critical approach the FIDESZ continued to support Hungary's membership of the EU and signed the cross party declaration supporting the completion of the accession process (Fowler 2003: 4). The FIDESZ's 'soft' and volatile euroscepticism (Fowler 2003: 4; Ágh 2003: 167) combined with first, the government parties small majority in the Parliament and second, the need for some of the remaining legislation associated with accession to be passed by a two thirds majority, suggested that during the latter stages of the accession process the Medgyessy government may have face demands from opposition parties necessitating a consensual approach (Fowler 2002: 4; Fowler 2003: 4). Batory concludes 'that broad party political support for joining the EU by no means implies that the issue of integration is depoliticised' (Batory 2002: 539).

## **CONCLUSION**

The Europeanisation of Hungary's core executive has been influenced by a combination of factors, which reflect the nature of the country's engagement with the European Union, the stage in the accession negotiations process and the approach adopted by the government in office. Whereas these factors are not mutually exclusive their central impact can be identified in the institutional structures and policy priorities associated with the management of EU business since 1990, as discussed in this article.

The commencement of the accession negotiations in 1998 marked, as suggested by Ágh, the transition from a period of 'anticipatory Europeanisation' to one of 'adaptive Europeanisation'. The institutional structures and policy procedures of the anticipatory period reflected the countries ambition for full membership of the EU and the needs of its progressive engagement with the European Union from diplomatic relations through trade agreements to the Europe Agreement. However, the operationalisation of these institutions and procedures during the 'adaptive' period was guided by the specific demands of the European Union and the accession process.

Although this guidance has been significant the distribution of the responsibilities for the management of EU business, throughout the Hungarian core executive has also reflected the style of the government in office. The mono structure for the coordination of EU business, which emerged in 1996, saw the State Secretariat for Integration established in the Ministry for Foreign

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<sup>16</sup> An interesting paper by Agnes Batory considers the identities of Hungarian political parties and European integration. When assessing the extent to which party identity and ideology are reliable guides to the positions of political parties on the European integration Agnes Bartory found that 'while ideology does not account for the clear-cut choice between support and rejection of EU membership by [Hungarian] parties, it is nonetheless a necessary explanatory variable in the context of the basis and strength of parties' European orientations' (Bartory 2001: 3).

Affairs. Given the domestic focus and 'remote' approach adopted by Prime Minister, Orbán, the Minister of Foreign Affairs led the accession negotiations on policy. The Secretariat served a central role, which resulted in the professionalisation and depoliticisation of the management of EU business, in other words a political and administrative duality, during the term of the Orbán government. In contrast, responsibility for the negotiation of the financial elements of accession combined with a more 'upbeat' approach to European Union saw a more politicised process under the Medgyessy government. The Prime Minister and the Prime Minister's Office regained an active involvement in the process. The Ministry of Foreign Affairs and the State Secretariat for Integration and External Economic Relations remained at the centre of the process but not exclusively. The institutional structures and processes set in place by the Medgyessy government in 2002 were designed to address the conclusion of the accession process, on membership of the EU the government must consider the needs of the challenges posed by the new circumstances (Ágh 2003: 167).

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