The War Against Ukraine and the EU

Facing New Realities

Edited by
Claudia Wiesner · Michèle Knodt

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Editors
Claudia Wiesner
Department of Social and Cultural Sciences
Fulda University of Applied Sciences
Fulda, Hessen, Germany

Michèle Knodt
Institute of Political Science
Technical University of Darmstadt
Darmstadt, Germany

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CHAPTER 6

Hungary, the EU and Russia's War Against Ukraine: The Changing Dynamics of EU Foreign Policymaking

Patrick Müller and Peter Slominski

Introduction

The EU's ability to forge a common response to Russia's war of aggression against Ukraine is frequently understood as a crucial 'test case' for its internal cohesion and effectiveness as a foreign policy actor (Zerka 2022). Notably, it marks an important turning point in the European security order, with several EU countries announcing plans to substantively increase their defence spending. Simultaneously, NATO has experienced a 'revival', strengthening its Eastern flank, showing determination to upgrade its defence and deterrence capabilities, and developing a new

P. Müller (✉)
Faculty of Social and Human Sciences, University of Deusto, Bilbao, Spain
e-mail: Patrick.mueller@da-vienna.ac.at

Vienna School of International Studies, Vienna, Austria

P. Slominski
Department of Political Science, University of Vienna, Vienna, Austria
e-mail: Peter.slominski@univie.ac.at

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security concept that pays greater attention to key security threats and aims at building resilience, most notably with respect to Russia and China. Yet, Russia's invasion and annexation of parts of Ukraine not only are considered as a central threat to Europe's security architecture but also as a fundamental challenge to the post-World War II liberal international order the EU is built upon (Gould-Davies 2023). These principles include the respect of international law, sovereignty of states as well as the non-intervention, or annexation, of territory by force. In this respect, Russia's war on Ukraine has been described as a test for the post-national EU with its values of openness, freedom, solidarity and individual responsibility (Zerka 2023). This is even more the case if we bear in mind that the Ukraine war has increased geopolitical conflicts reinforcing pre-existing challenges for the EU's core tenets such as protectionism and the (re-) emergence of a more interventionist state in countries as diverse as China and the US (Gerstle 2022).

Besides the development of a more robust 'hard power'—which, if at all possible, can hardly be achieved in the short term, the most realistic paths the EU might pursue are sanctions against the Russian aggressor and the political, economic as well as military support of Ukraine (Wood 2023). As several of these measures require unanimity among the 27 Member States, the EU's capacity to act is anything but a given. Unsurprisingly, EU institutions like the European Commission are eager to emphasize that the EU and its Member States 'stand united in their unwavering support for Ukraine', while firmly condemning Russia's war of aggression (European Council 2023). In addition, the fact that the EU has so far successfully adopted eleven packages of far-reaching sanctions against Russia is frequently used as evidence to demonstrate its capacity for a decisive and unified response (see the chapter by Knodt and Ringel, in this volume).

At the same time, divergences and tensions among the EU and its Member States persist. As we will argue in this chapter, important internal challenges to the EU's unity as an international actor are not only related to differing views on foreign policy questions, or differing interests and vulnerabilities among Member States. This is the case when it comes to issues like national security, individual economic and energy relations with Russia or the management of dealing with more than eight million Ukraine refugees (UNHCR N/A). Rather, they also involve internal disagreement and increasing contestation of the core values and norms on which the EU is built, including the respect for democracy and the rule of

law, which the EU also seeks to promote externally (see also the chapter by Wiesner, in this volume). In the past two decades, these contestations have occurred in several EU Member States and are typically associated with the rise of populist radical right parties, notably (but not exclusively) in Central and Eastern Europe (Orenstein and Bugarič 2022).

In this chapter, we will explore what CFSP bargaining strategies Hungary has employed in its conflict with EU institutions over rule of law issues and how these strategies have affected decision-making processes within the CFSP. We will argue that to account for important developments in EU foreign policy it is important to take the growing relevance of the internal–external policy nexus into consideration. In a situation of growing internal polarization and politicization in the EU, we also witness a growing instrumentalization of foreign policy decisions for domestic gains (Müller and Gazsi 2023). We expect that Member States which have significant material relations with third countries that compete with the EU for influence and also deviate from the EU's normative consensus are more likely to pursue domestic objectives at the expense of the EU's foreign policy cohesion (see the chapters by Smith and by Zarembo, in this volume). We observe this hostage-taking strategy of foreign policy negotiations in the EU's Common Foreign and Security Policy (CFSP) and in NATO, which overlaps with the CFSP in significant ways in the security domain. Hostage-taking has mainly been discussed in the context of EU-NATO relations, showing that states can use their membership in one institution to hold the other institution, in which they are not a member, hostage (Hofmann 2009). Building on and adapting this concept, this chapter shows that the EU *and* NATO member Hungary can hold both institutions hostage in the pursuit of its non-foreign policy objectives (see also Gehring and Oberthür 2009). Specifically, we show how Hungary's populist radical right government has relied on a tactic of blocking and delaying key decisions in the framework of the CFSP and NATO in order to enhance its negotiation leverage in its internal dispute with EU institutions.

Since the government of Prime Minister Viktor Orbán took office in 2010, Hungary has acquired a reputation for democratic backsliding, for letting financial corruption proliferate, and for the erosion of the rule of law (de la Baume 2022). This has brought Hungary into a growing conflict with EU institutions, especially with the European Parliament. In September 2018, the European Parliament arrived at the conclusion that there is a 'clear risk of a serious breach of the EU founding values

in Hungary' triggering the Article 7-procedure which might lead to the suspension of Hungary's voting rights in the council (European Parliament 2018). In 2022, the parliament was even more concerned, stating that 'Hungary has become an "electoral autocracy"' and that further EU inaction 'would amount to a rule of law breach by the council' (European Parliament 2022). In April 2022, the European Commission triggered the so-called conditionality mechanism against Hungary, allowing the EU to cut off a Member State from EU money to protect the EU's financial interests (Wahl 2022). As we will show in this chapter, the Orbán government has repeatedly responded to its growing conflict with EU institutions by blocking and delaying key foreign policy decisions in the framework of CFSP and NATO.

In terms of theory, our argument of hostage-taking in international institutions is based on the understanding of the EU as a multi-level governance system that allows for the linkage of different policy issues and arenas, including overlapping international institutions like NATO. The fact that key foreign policy decisions in the CFSP, as well as in NATO, require unanimity among the Member States provides for negotiation strategies that we call 'hostage-taking'. Here, the 'hostage-taker' uses its veto position within an international organization to increase its bargaining power within the same, or overlapping, institutions. The hostage-taker may link different institutional fields through conditionality to leverage its interest. Accordingly, common governance objectives, joint problem-solving and institutional norms will be subordinated to the promotion of an actor's self-interest. At the same time, the hostage-taker needs to be mindful that using a veto position in an international organization may be costly, not least given the consensus-oriented culture of institutions like CFSP and NATO. To minimise these costs, hostage-taking will often be backed by rhetorical strategies that seek to provide political legitimacy to obstructive behaviour. Among other things, a hostage-taker may produce 'constructed demands' that are framed to appear 'legitimate' but have the sole purpose of dragging out negotiations for as long as possible, thereby increasing the costs for the other side.

The chapter proceeds as follows. We first develop our theoretical argument about hostage-taking in international negotiation and related negotiation strategies. We conceive negotiation dynamics as an interactive process that unfolds between a hostage-taker, here Hungary, and the political target, here the EU institutions and the other Member States.

Subsequently, we examine the case of Hungary's conflict with EU institutions over rule of law issues, which have involved an increasing reliance on hostage-taking strategies in the framework of CFSP and NATO. The conclusion discusses our main findings.

The EU's Multi-level Governance System in a Changing International Environment

The EU has been described as a multi-level and multi-sector governance system, where national actors share important powers with a range of EU institutions, like the European Commission, the European Parliament and the European Court of Justice and EU agencies, with competence attribution differing across different policy areas. While national actors have lost some of their autonomy, they 'are not sub-ordinate' (Mayntz 1999) as they participate in EU-level decision-making. Among other things, this allows different actors in the multi-level EU governance system to link different arenas and issue areas across policy domains (Kardasheva 2013). In the context of the EU, issue linkage has often been studied as a strategy employed by actors like the Commission or the European Parliament that aim at resolving deadlock in negotiations and moving integration forward (Falkner 2011; Héritier 2015; Schmidt 2000). At the same time, the EU's multi-level governance system is itself embedded in an international system, marked by considerable regime complexity, which contributes to overlap between different international institutions (Knodt 2004; Alter and Meunier 2009; Müller et al. 2014). This opens up additional opportunities for linking arenas between international institutions with overlapping membership, mandates and resources (Hofmann 2011). For instance, building on classical work on two-level game theory, it has been argued that linking EU-level negotiations with negotiation processes in international institutions enabled the stalemate in the evolution of EU finance and agricultural policies to be overcome (Kudrna and Müller 2017; Putnam 1988). While issue linkage can be regarded as a familiar negotiation strategy in many EU policy areas, it is uncommon in the field of CFSP. Both constructivist and institutionalist scholars emphasize the importance of informal norms, such as diffuse reciprocity, trust, mutual responsiveness, and the consensus reflex. This 'culture of compromise' (Costa and Müller 2019) that has not eliminated national interests but instead has transformed nation states to Member States which are increasingly unwilling to use their veto-rights in CFSP negotiations or to link

CFSP negotiations to issues under negotiations in other policy domains (Lewis 2000; Bickerton 2012; Schimmelfennig and Thomas 2009).

Still, we can expect to see more competitive bargaining situations—including the use of veto positions—when EU-decision-making is highly politicized within the domestic arena; when the Member State which is willing to use—or threaten with—its veto shares few interests and/or norms with the other Member States; or when Member States have mutually exclusive policy preferences thereby making a compromise unlikely (Thomas 2021). While competitive bargaining appears well-suited to explaining Hungary's negotiation strategies within CFSP and NATO against the background of the Ukraine war, we argue that Hungary's issue-linkage strategy is not only a tool to block consensus but is—at the same time somehow paradoxically—also a source for possible compromise. Contrary to Thomas' argument, the current negotiation constellation cannot be characterized by a mutually exclusive policy preference. Instead, Hungary may be willing to compromise under the condition that it receives money from the Covid-recovery fund and/or concessions in the Article 7-procedure.

Hostage-Taking in CFSP and NATO Negotiations

From such a perspective, we suggest conceiving Hungary's Ukraine-related negotiation strategies as a form of hostage-taking. Hostage-taking constitutes a strategy in which the linking of different arenas or issue areas primarily serves to increase an actor's own clout. Here, the threat or use of the veto position in one negotiation-setting is used to inflict substantive, asymmetrical cost on other actors to realize political objectives in another negotiation-setting. These costs may be material in nature, or they may involve reputational costs. For instance, if a Member State blocks a common EU foreign policy decision, it not only limits the EU's capacity to promote important foreign policy objectives but also undermines its image as an international actor. The growing relevance of foreign policy decisions in times of augmented security risks, geopolitical change, growing competition and an increasingly fragmented international order makes foreign policy decisions particularly relevant to strategies of hostage-taking, as the incapacity for timely, effective and unified action can involve significant costs for the EU. This, in turn, increases the threat potential of individual Member States to impose substantive costs to an international institution by blocking or delaying

key foreign policy decisions (Higgott and Reich 2022). What is more, foreign policy decision in the CFSP and overlapping international institutions like NATO are particularly vulnerable to hostage-taking as they grant significant (veto) powers to individual Member States. Constituting a domain of 'core state powers', foreign policy cooperation is particularly sensitive for Member States, which seek to preserve their national capacity to act. Both within the CFSP, as well as within NATO (which since the accession of Finland has 22 Member States in common with the EU) important decisions, are still taken by consensus. By granting a veto position to their Member States, key foreign policy decisions in the framework of CFSP and NATO may be delayed or even blocked by individual Member States.

At the same time, it is important to note that relying on coercive negotiation strategies like hostage-taking marks a significant break with the consensus-oriented culture that prevails in the CFSP. In particular, works on normative institutionalism and research on the Europeanization of foreign policy have pointed to the importance of CFSP's "culture of cooperation", marked by procedural norms like information sharing, consensus-seeking, and the respect of previously agreed language and positions (Thomas 2011; Schimmelfennig and Thomas 2009). While Member States may still seek to protect important national interests on some sensitive issues in CFSP negotiations, national representatives in CFSP-bodies are generally expected to avoid unilateral actions and to play a constructive role in building consensus (de Flers and Müller 2012). What is more, research has generally assumed that negotiation dynamics in the CFSP framework are largely insulated from negotiations in settings dealing with internal EU policy areas. Employing veto-threats in CFSP negotiations as an instrument for gaining leverage in negotiations in other EU policy domains thus represents a significant departure from core procedural CFSP norms and established negation practices. Yet, taking foreign policy decisions hostage may not be limited to the CFSP-arena. A hostage-taker may also use a veto position in an overlapping institution like NATO to increase leverage in another institution. Interestingly, works on regime complexes and overlapping international institutions have thus far primarily focused on broader institutional relationships like competition, the division of labour, or coexistence (Hofmann 2019). Others have looked at the interaction of overlapping institutions in terms of the diffusion and transfer of standards and norms (Jachtenfuchs and Knodt 2002).

Conversely, the way members in overlapping institutions obstruct negotiations in one institutional setting to extract concessions in another has received little attention thus far.

For the hostage-taker, the instrumentalization of foreign policy as a strategy to enhance leverage in intra-EU negotiations requires the ability to impose substantive and asymmetrical costs on the negotiation partners. By blocking or delaying certain decisions, the hostage-taker may seek to progressively increase the costs for the other parties or may even decide to take further foreign policy decisions hostage to increase the stakes. At the same time, the use of veto-threats in foreign policy settings is not cost-free. On the one hand, using veto-threats involves reputational costs, given the consensus-oriented policymaking culture prevailing in CFSP and in overlapping institutions like NATO. As such, a hostage-taker will often try to mitigate reputational costs by trying to make his demands appear legitimate. This may involve a recourse to 'constructed' arguments, where important positions put forward in the negotiations do not represent the real issues at stake but simply serve as a pretext for delaying, or even blocking, foreign policy decisions. This can involve the exaggeration of certain institutional, procedural or political constraints to buy more time and deflect pressure. Moreover, it may involve a hostage-taker making high opening demands in a foreign policy setting that clearly exceeds realistic expectations, e.g. by arguing that important foreign policy interests are at stake (Dür and Mateo 2008). Here, the rational is to avoid—at least publicly—the impression of instrumentalizing foreign policy decisions for other purposes. Overall, for a hostage-taker constructed negotiation positions serve the purpose of maintaining the appearance of adhering to act within the discursive bounds of the institutional culture prevailing in a given foreign policy setting. Here, the intention is to limit the reputational damage and deflect the pressure that comes with such an aggressive negotiation strategy.

At the same time, the targets of hostage-taking strategies in foreign policy settings will seek to defend their interests by taking measures designed to overcome blockade and stalemate in foreign policy negotiations. Hence, we conceive of hostage-taking as an interactive process between a Member State (hostage- taker) and the remaining Member States and EU institutions which unfolds over time. In particular, the targets of hostage-taking can be expected to take countermeasures designed to increase the pressure on the hostage-taker. This may involve "tit-for-tat" strategies that inflict damage on areas important to the

hostage-taker in order to change the relative costs of hostage-taking behaviour in their favour (Axelrod and Dion 1988). Here, the multi-level and multi-sector EU governance system grants ample opportunities for EU institutions and other Member States to increase the pressure on a hostage-taker in other negotiation settings and to retaliate against veto-threats and blockades. Similarly, in situations where a hostage-taker is blocking negotiations in overlapping international institutions like NATO, other EU Member States may seek to motivate powerful countries like the United States into taking action against the hostage-taker. At the same time, this may involve strategies of blaming and shaming, which can inflict reputational damage on the hostage-taker. Moreover, the targets of hostage-taking can try to circumvent or out-lever the veto position of a Member State. For instance, in the framework of the CFSP, the High Representative for Foreign Affairs may resort to policy positions and declarations that are supported by a large majority, but not by all EU Member States in situations where a Member State blocks progress (von der Burchard and Herszenhorn 2021). In the following, we examine the hostage-taking strategies employed by Hungary in its conflict with EU institutions over rule of law issues, as well as the EU's response.

Hungary and the EU's Rule of Law Crisis

The gradual erosion of the rule of law and democratic institutions in Hungary under the government of Prime Minister Viktor Orbán has led to increasing conflict with EU institutions. In September 2018, the European Parliament arrived at the conclusion that there is a 'clear risk of a serious breach of the EU founding values in Hungary' triggering the Article 7-procedure, which allows the Union to suspend the country's voting rights (European Parliament 2018). However, the decision as to whether such serious and persistent violations of core EU values exist requires unanimity in the council. Hungary, as the affected Member State, could not have blocked the vote but could have counted on the support of Poland, against which the EU has also initiated Article 7 proceedings. This meant that further steps in the procedure had little chance of success as long as both Member States politically supported each other. Against this backdrop, the EU has worked to strengthen its rule of law powers and eventually adopted the Conditionality Regulation (2020/2092) to protect the Union's budget (European Union 2020). Under this regime, the Commission, after consulting the Member State concerned, is entitled

to propose implementing measures to the council if 'breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way' (Article 4(1) of the Conditionality Regulation).

In April 2022, the European Commission finally triggered the conditionality mechanism against Hungary. This was followed by a process of assessment and information exchange with the Hungarian government, which led to a Commission proposal for a council decision in September of the same year. In particular, the Commission called for the suspension of funds under the Cohesion Policy of €7.5 billion (European Commission 2022b). However, the subsequent decision-making process revealed divergences among EU Member States. A group of twelve Member States led by France, Germany and Italy called on the Commission to reconsider its proposal, arguing that certain progress made by the Hungarian government on anti-corruption measures had not been sufficiently taken into account (Tamma 2022). Conversely, other Member States, including the Benelux countries, Denmark, Sweden and Latvia, supported the position of the Commission calling for the blocking of the 7.5 billion.

In December 2022, the EU Member States were able to forge a political compromise and agreed to reduce the blockage of funds from the Cohesion Policy from €7.5 to €6.3 billion (European Council 2022). At the same time, the freeze of a further €5.8 billion in Corona aid assigned to Hungary from the EU's so-called Recovery and Resilience Facility (RRF) was considered but a positive assessment of Hungary's spending plan was decided (European Commission 2023). This measure ensured that these funds, which are also being withheld by the EU, will not expire at the end of 2023. At the same time, however, the EU Member States made the actual disbursement of the RRF conditional on further reform efforts by Hungary in the fields of rule of law, judicial independence and anti-corruption, and on the protection the EU's budget. To specify these objectives, the Commission has drawn up 27 'milestones' that have to be fulfilled by Hungary before any disbursement can take place. Hungarian government representatives considered the agreement reached an important success, as it meant that not only would the disbursement of money from the RRF not simply expire but also that the withholding of EU funds was reduced by €1.2 billion. Hungary had thus at least gained time to be able to loosen the disbursement of further EU funds in the future after all. However, this agreement has not resolved the conflict

between the EU and Hungary. While signalling a will for compromise, the EU continued to block billions in funds earmarked for Hungary, whose disbursement is linked to a series of far-reaching reforms. In response, Hungary instrumentalized important foreign policy decisions within the framework of the CFSP, as well as within NATO, to exercise pressure on its European partners. As we will show below, Hungary's government used hostage-taking strategies to manage the conflict with EU institutions, also contributing to the compromise reached in December 2022 on the disbursement of part of the EU funds.

Taking Foreign Policy Decisions Hostage: Hungary in the CFSP and NATO

To forge a unified response of the EU and its Western allies towards Russia's war against Ukraine, CFSP and NATO have functioned as central settings for cooperation. Given the high salience of the Ukraine war, these foreign policy settings also provide important opportunities for countries like Hungary, whose right-wing populist government has developed close relations to Russia, to take foreign policy decisions hostage. As we will show, Hungary's government has sought to make use of these opportunities, blocking important foreign policy decisions related to the Ukraine war in both the CFSP and NATO and so increasing its leverage in its rule of law conflict with EU institutions.

Hungary in the CFSP: Instrumentalizing Decisions on the Ukraine War

Hungary not only maintains close political and economic ties with Russia but also has difficult relations with Ukraine, especially with respect to Hungarian minority communities (Nattrass 2022; see also the chapter by Knodt and Wiesner, in this volume). Mindful of the importance of its relations with Russia, Hungary has repeatedly insisted on watering down both joint sanctions against Russia and a common approach towards supporting Ukraine. Taking such decisions is not only crucial for the EU to be able to act decisively on the conflict. It is also important for the EU to demonstrate foreign policy unity and strength in the face of intensifying security threats and future crises. The decision-making process for the ten EU sanctions packages against Russia adopted to date within the framework of the CFSP requires unanimity among the Member

States. The various sanction measures against Russia must also be renewed every six months, again requiring the consent of all Member States. Similarly, important EU measures to support Ukraine also require unanimity (European Commission 2022a).

In December 2022, the Hungarian government refused to approve an EU aid package to Ukraine (der Spiegel 2022). The EU aid package included a loan of €18 billion to Kiev to support, among other things, the operation of hospitals, emergency shelters and the electricity supply. Against this background, the Czech presidency called for a reassessment of the European Commission's proposed freezing of EU funds for Hungary (see above). At the same time, the Czech government, in its function as EU presidency, sought ways to adopt the aid package without Hungary's consent. To this end, it was decided on 10 December that the loans should not be covered by the EU budget as originally planned, but should instead be taken over by individual EU Member States. A unanimous decision would then no longer be required to move forward with the aid package, effectively circumventing the Hungarian blockade. At the same time, the Hungarian government was given time to join the original plan for the aid package, which provided for the guarantees for the loans to run through the EU budget. This made a first compromise possible, whereby the Hungarian government finally abandoned its original veto position against the EU aid package for Ukraine on 12 December. At the same time, Hungary also gave up its opposition to a minimum tax directive planned by the EU, which, however, Poland continued to block, which meant that Hungary's decision in this regard had no particular urgency (Allenbach-Ammann 2022). It was also important for Hungary to ensure that there would be no loss of its entitlement to EU funds. The Hungarian government's concession promoted the compromise described above that involved more limited financial sanctions against Hungary, with the EU Member States deviating from the Commission's original demands.

However, even though Hungary had abandoned its initial veto positions in the EU negotiations on the EU aid package for Ukraine as well as on the EU minimum tax directive, it still had a considerable threat potential vis-à-vis the EU. The hostage-taking of EU negotiations by the Hungarian government merely shifted to other issues, in the context of the EU in particular to decisions relating to the extension of sanctions against Russia. Hungary had initially used its veto position in CFSP decisions on the imposition and extension of sanctions packages against

Russia, primarily to influence the design of specific sanctions measures. The Hungarian government insisted, for example, in February 2023, on the removal of certain individuals from the EU sanctions list. In addition, in February 2023, Hungary blocked a proposal by all other 26 EU Member States to reduce the regular renewal period of EU sanctions against Russia from six to twelve months, which would have had the effect of limiting Hungary's blocking options. The fact that Hungary has not yet used its veto position in the CFSP negotiations on EU sanctions against Russia more aggressively could also be due to the fact that Budapest is aware of the escalation potential of such a step. After all, Poland is a staunch supporter of EU sanctions measures and its support is of central importance for Hungary, especially in the course of the Article 7 proceedings. In particular, in the event of a far-reaching Hungarian blockade of EU sanctions, Poland could deviate from protecting Hungary from far-reaching consequences—up to and including loss of votes in the council—in the ongoing Article 7 proceedings (Hegedüs 2021).

Hungary and the NATO Accession of Finland and Sweden

While initially strategies of taking foreign policy negotiations hostage by Hungary's government were largely focused on the CFSP, there were also subsequent attempts to instrumentalize decisions within the framework of NATO. At the centre of these were the negotiations on the admission of the EU Member States Finland and Sweden into NATO. In the course of the Ukraine war, there was a far-reaching change of direction in the security and defence policies of Finland and Sweden, which applied for NATO membership in May 2022 after a long period of military neutrality. In the ensuing process for the admission of the two countries into NATO, the consent of all NATO countries was required. Moreover, all NATO Member States had to sign the accession protocols, which usually requires a national parliamentary decision. While this was done in less than ninety days in most NATO Member States, the process stalled due to the attitudes of Turkey and Hungary. Turkey's government emphasized early on that it attached certain political conditions to the ratification of the accession protocols of Sweden and Finland. The reservations about the accession of Sweden, which the Turkish government accuses of supporting the Kurdish terrorist organization PKK, were particularly serious.

Turkey's very explicit and confrontational position on Sweden's NATO accession allowed the Hungarian government to adopt a somewhat toned-down veto threat. Yet the Hungarian government under Orbán has maintained extremely close political relations with the Turkish government of Erdogan for many years (Verseck 2019). The Hungarian government mainly referred to procedural domestic reasons for non-ratification. This was also officially confirmed by Hungary to diplomatic representatives of both states. The NATO allies were thus confronted with a situation in which Hungary, unlike Turkey, at least officially did not associate any clear arguments and demands with its stance. At the same time, Hungary repeatedly postponed ratification, with its official justification changing over time. For example, it was increasingly emphasized that due to the implementation of the reforms demanded by Brussels with regard to the rule of law, the Hungarian Parliament was busy and could not devote sufficient time to the NATO accession process (Tamma 2023). In doing so, the government in Budapest sent a signal to its EU partners that the ratification of Finland's and Sweden's membership applications was linked to Hungary's conflict with the EU institutions on the rule of law. Subsequently, there was also increased criticism of Sweden's position by government representatives from Hungary. In particular, this criticism referred to critical statements made by Swedish representatives, including Prime Minister Ulf Kristersson, with regard to issues of democracy and the rule of law in Hungary.

In March 2023, however, there was movement in the political ratification process with regard to Finland's application for NATO membership after it became clear that Turkey would abandon its blockade of Finland's membership. At the beginning of March, Hungarian Deputy Prime Minister Zsolt Semjen demanded that a parliamentary session dealing with NATO enlargement to include the two Nordic countries, originally scheduled for 20 March, be postponed for a week. The reason given was the ongoing negotiations with the EU Commission on rule of law issues (Daily Sabah 2023). With Turkey's change of position, however, Hungary was in danger of becoming increasingly isolated on the question of Finnish accession, which also disproportionately increased the costs of the hostage-taking for Hungary. Without further addressing the alleged problem of a "heavy workload" or "the lack of time", the Hungarian Parliament finally voted in favour of Finland's NATO accession on 27 March, while the decision regarding Sweden was further postponed. Through this 'release of a hostage' move, Hungary, on the

one hand, signalled a willingness for compromise, but, on the other hand, still retained the possibility of exerting pressure on its European partners through the pending ratification of Sweden's NATO accession. The hostage-taking of the multilateral negotiations on Sweden's NATO accession must thus be understood as a process that will continue, not least because of Hungary's unresolved conflict with the EU institutions over the rule of law.

Conclusion

This chapter has highlighted how, as the conflict between Hungary and the EU over backsliding on democracy and the rule of law has intensified, a mode of contestation in EU foreign policymaking has gained prominence in which strategies of holding foreign policy decisions hostage play a crucial role. A recently published study by Ramses Wessel and Viktor Szép (2022) has identified thirty cases of vetoes, veto-threats and delays in the area of CFSP in the period between 2016 and 2022, 60% of which fell on Hungary. This shows that Hungarian attempts at hostage-taking in the context of the EU's response to the Ukraine war are not just isolated cases, but are part of a broader pattern of behaviour in CFSP negotiations. This also means that in order to understand "domestic" negotiation results at the EU level, such as the compromise reached in December 2022 on the disbursement of part of the EU funds, it is increasingly necessary to also illuminate their relationship to key foreign policy decisions. Simultaneously, it is increasingly important for the understanding of negotiation dynamics in the CFSP domain to pay attention to the fact that individual Member States can instrumentalize important foreign policy decisions for the assertion of their interests within other EU policy domains. This also applies to institutions that overlap with the EU, such as NATO.

Overall, it has become clear that the Orbán government's attempts to hold foreign policy negotiations hostage to increase its leverage vis-à-vis its European partners thus far have had only limited success, especially with regard to the loosening of EU funds intended for Hungary. At the same time, however, it is becoming apparent that the determining mode of negotiation with Hungary is a mutual trial of strength, whereby threats of blockade by Hungary are answered by the other EU partners with strategies of circumventing Hungary's veto position, isolating Hungary in the NATO negotiations, and building up counter-pressure. This also

raises the question of the effects of strategies of hostage-taking—and associated countermeasures by the other EU Member States—on the existing culture of cooperation within the framework of foreign policy institutions such as the CFSP but also within NATO. In both institutions, informal norms based on cooperation, voluntary consensus-seeking and active information exchange traditionally play an important role.

If the instrumentalization of the veto position held by EU Member States in central foreign policy institutions becomes common practice, this will further weaken the decision-making capacity of central foreign policy institutions. Recently, for example, the government in Bucharest threatened to block Austria in the framework of the OSCE and the NATO Partnership for Peace if the government in Vienna did not give up its blockade against Romania's accession to the Schengen area. This also shows that long demanded institutional reforms—such as the extension of EU majority decisions into the area of CFSP—would not only have the advantage of simplifying decision-making in the foreign policy domain. It would also ensure that strategies of instrumentalizing veto positions within the CFSP for the assertion of interests in other EU policy areas by individual Member States are no longer possible. In times of increased polarization and politicization in the EU, it is essential that foreign policy does not increasingly become the plaything of hostage-takers.

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