

25 YEARS OF GERMAN-HUNGARIAN RELATIONS SINCE 1989, THE YEAR THE IRON CURTAIN FELL

Bence Bauer / András Hettyey

By opening its border in September 1989, Hungary demonstrated courage and humanity in support of the people seeking to escape from the GDR at the time. The chain reaction this triggered quickly sealed the fate of the German Democratic Republic, ultimately leading to German reunification as well as the expansion of European integration. With that decision by the Hungarian leadership, German-Hungarian relations experienced a peak. For a long time, the “miraculous year” of 1989 was considered the fulcrum of relations between the two countries, generating a fundamental affection for Hungary not only among Germans. 25 years on from these moving and dramatic events, it is time to take stock and put the relationship between the two countries under the spotlight – from the boundless enthusiasm during the years following the fall of the Iron Curtain to the normal everyday experience of living together within the European Union in 2014.

PRECEDING HISTORY

After the suppression of the Hungarian national uprising by Soviet troops in 1956, the communist state and party leadership around János Kádár attempted to placate the population with concessions and small gifts,¹ an approach subsequently referred to as “Goulash Communism”. This included a limited amount of private enterprise, relative modest prosperity, a comparatively good food supply, combined with opportunities to enjoy Western entertainment and leisure pursuits. These circumstances clearly set Hungary apart from the other states of the Warsaw Pact



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1 | Cf. György Dalos, *Der Vorhang geht auf*, Munich, 2009, 64.

and produced a folklore centered on CP General Secretary János Kádár. But they should not detract from the fact that the communist rulers continued to perceive the experience of the Hungarian uprising as a threat. They wanted to prevent a repetition at all cost. In their view, offering benefits to the population was a suitable means. The price they had to pay was ever-increasing public debt. A number of loans taken out in the 1980s, including a bridging loan from the International Monetary Fund, could only hold off the financial collapse for so long. By engaging in this risky behaviour, Hungary ultimately contributed to the demise of socialism in Eastern Europe.²

German-German Encounters on the Shores of the Balaton

While people in the GDR followed developments in Hungary closely and realised the differences compared to developments in their own country, to many visitors from the Federal Republic of Germany it was merely a low-cost holiday destination. Interestingly, Hungary functioned as a place of personal encounters between East and West Germans. Visits to Hungary offered many people the only opportunity to meet family and friends. Besides the capital Budapest, the main backdrop to these German-German encounters was Lake Balaton (*Plattensee* in German). This is where the Germans met up to spend their holidays. For GDR citizens in particular, Balaton was the epitome of a life in "the lap of luxury", which they could never have afforded without help from their friends or relations from West Germany. Many of these encounters were documented right up to the year the Iron Curtain fell, not only in literature³ but also in the records of the GDR secret police (Stasi).⁴

MORE THAN A HOLE IN THE FENCE: THE OPENING OF THE BORDER IN 1989

The path leading to the opening of the border in September 1989 was characterised by numerous individual decisions as well as some misunderstandings and coincidences. Five

2 | Cf. *ibid.*, 67.

3 | Cf. Ingo Schulze, *Adam und Evelyn*, Berlin, 2008.

4 | Cf. Andrea Dunai, "Die Balaton-Brigade", in: Jürgen Haase and János Can Togay (ed.), *Deutsche Einheit am Balaton*, Berlin, 2009, 109.

key moments are worth highlighting: the introduction of the Hungarian “World Passport”, the accession to the Refugee Convention of the United Nations (UN), the dismantling of the border fortifications, the opening up to the West going hand in hand with the loss of trust in the GDR, and finally the Pan-European Picnic as the shining hour of a civil society that believed in a Europe without borders. Without these background events and their joint impact, the dynamic at the Hungarian-Austrian border could not have developed, nor could all the other far-reaching events have happened during the year the Iron Curtain fell.



With the introduction of the so-called World Passport Hungarians started to use their right to travel and stocked up on western consumer goods. | Source: © Tamás Lobenwein, Norbert Lobenwein.

World Passport for Hungary

From 1 January 1988, Hungarians could apply for the so-called World Passport, i.e. a proper Hungarian passport, as a travel document that allowed them to travel to any country in the world – including Western countries.⁵ This development shone a spotlight on the discrepancy between the comparatively moderate communism in Hungary and the orthodox communism of the GDR, which GDR citizens holidaying in Hungary could not fail to notice. It encouraged many of them in their desire to turn their backs on the GDR for good. In 1988, only 283 persons from the

5 | This innovation led to proper shopping tourism in Austria. Cf. Hans Kaiser and Norbert Lobenwein, *89-09 – Momente, die die Welt bewegten*, Budapest, 2009, 24-25.

GDR⁶ were apprehended while attempting to illegally cross the Hungarian-Austrian border. The following year, up to 11 September when the border was officially opened, this number swelled to 7,200. The desperation of those intent on escaping grew day by day, as they felt imprisoned by an inflexible regime while their Hungarian “comrades” already had the freedom to travel wherever they wanted.

Hungary Signing up to the Refugee Convention

With Hungary’s accession to the UN Refugee Convention in March 1989, sending refugees back to the state that they had fled from was prohibited purely in legal terms.

One step that would subsequently prove crucial for GDR citizens’ intent on fleeing their country was Hungary becoming a signatory state of the UN Refugee Convention in March

1989, to take effect on 12 June 1989. Originally, Budapest did not have GDR citizens in mind at all when signing the Convention. The government’s intention was, in fact, to assist people who had fled to Hungary from Romania and to strengthen the application of human rights. What drove these refugees was the ruthless policy of razing villages put in place by Romanian dictator Nicolae Ceaușescu. In March 1988, he announced that the number of villages would be reduced from 13,000 to between 5,000 and 6,000 and that the inhabitants of the villages up for demolition would be relocated to “agro-industrial” cities.⁷ This affected particularly the ethnic German and Hungarian minorities, many of whom sought refuge in Hungary. Application of the UN Refugee Convention meant that sending refugees back to the state from which they had fled was prohibited purely in legal terms.⁸ It is said that 60,000 people came to Hungary from Romania in 1988.⁹

Hungary’s accession to the Convention made the authorities in East Berlin nervous. In line with agreements made with the Soviet Union, the Czech Republic and Romania,¹⁰ Hungary had also signed a bilateral agreement with the

6 | Cf. Árpád Bella, “Gedanken über die Grenztruppe der Wende”, in: Kaiser and Lobenwein, n. 5, 16-17.

7 | Cf. Andreas Oplatka, *Der erste Riss in der Mauer*, Vienna, 2009, 49.

8 | Cf. Hans-Hermann Hertle, *Die Chronik des Mauerfalls*, Berlin, 2009, 64.

9 | Cf. Joachim Jauer, *Urbi et Gorbis – Christen als Wegbereiter der Wende*, Freiburg, 2008, 143.

10 | Cf. Oplatka, n. 7, 53.

GDR (in 1969), which obligated the signatory states to ensure “that citizens of the other state will not travel to any third states for which their travel document is not valid”.¹¹ Furthermore, the agreement on mutual judicial assistance provided for the extradition of criminals, i.e. in the view of the GDR government also those who had committed a criminal offence by illegally crossing the border or illegally refusing to return pursuant to section 213 of the GDR Penal Code.¹² In principle, this agreement could no longer be applied after the Refugee Convention had entered into effect on 12 June 1989 without violating international law.

The head of the Hungarian state security services did agree with the GDR view that “the political and legal order of the GDR precludes the prosecution of GDR citizens by the state on the grounds of reasons cited in the Convention and there can therefore be no refugees within the meaning of the Convention from the GDR”.¹³ But what this meant in practice for actions to be taken in Hungary was still totally unclear. The GDR citizens did not consider themselves refugees, and they did not ask for asylum. Moreover, they were regarded rather as migrants by the Hungarian side. While a literal interpretation of the wording of the Convention would not have supported its actions, the Hungarian government subsequently referred to the spirit of the Refugee Convention¹⁴ when justifying its decision to allow East Germans to travel across the border to the West.

GDR citizens who were intent on leaving did not consider themselves refugees, and they did not ask for asylum. Moreover, they were regarded rather as migrants by the Hungarian side.

The Dismantling of the Border Fortifications

The alarm system (type SZ-100), which stretched over 246 kilometres, was installed between 1965 and 1971. It was erected some 500 to 2,000 metres inside the actual border. Any attempt to break through alerted the nearest guard post. By the late 1980s, the installation had become technically outdated and false alarms were not uncommon. To maintain the system operational would have required

11 | Hertle, n. 8, 62.

12 | Cf. Oplatka, n. 7, 131.

13 | Hertle, n. 8, 64.

14 | Cf. Oplatka, n. 7, 103.

extensive investments.¹⁵ Commander in Chief of the Hungarian border guards, János Székely, alerted the Ministry of the Interior to this fact back in 1987. In his report, he came to the conclusion that the system had outlived its usefulness, technically, politically and morally.¹⁶ On 26 October 1988, Minister of State Imre Pozsgay, considered a reformist, paid a visit to the border crossing of Hegyeshalom and concurred with Székely's assessment.¹⁷ Added to this was the fact that by then Hungarians were already able to travel freely using the "World Passport", which meant that there was no longer any reason to hermetically seal the border. In the Minister's view, the only people to potentially be stopped were citizens from "brother countries", the borders and any travel restrictions were still valid.



Hungarian border guards started to dismantle border fortifications in spring 1989, which was officially announced on 2 May 1989. | Source: © Tamás Lobenwein, Norbert Lobenwein.

But the crucial motivation for the decision by Miklós Németh's government to have the border fortifications dismantled was of a financial nature. The Prime Minister simply deleted the item for the replacement of the barbed wire fence system from the draft budget for 1989 because he was no longer prepared to commit the necessary funds to this purpose. The dismantling began on 18 April in strict

15 | Cf. Andreas S. Schmidt-Schweizer, "Die Öffnung der ungarischen Westgrenze für die DDR-Bürger im Sommer 1989", *Südosteuropa Mitteilungen*, 1, 1997, 36.

16 | Cf. Gyula Kurucz (ed.), *Das Tor zur deutschen Einheit*, Berlin, 2000, 107.

17 | Cf. Schmidt-Schweizer, n. 15, 39.

secrecy.¹⁸ When this work was continued at Hegyeshalom in front of representatives of the international press, nobody foresaw the consequences. Paradoxically, the Romanian leadership responded several weeks later by work to establish fortifications at the border to Hungary in order to stop people from fleeing there. Joachim Jauer, correspondent for the German TV network *ZDF* at that time, summarised the events in that day's broadcast: "A historic, a moving moment; today, Hungary ends the forcible split between East and West right here".¹⁹

GDR Refugees in Hungary

Many people in the GDR watched Jauer's reporting with great interest. What aroused even broader international attention were the TV recordings and pictures of the two Foreign Ministers of Austria and Hungary, Alois Mock and Gyula Horn. In a symbolic act, they cut the fence near Sopron on 27 June. In fact, by then the dismantling of the border fortification had advanced to such a degree that it had been necessary to re-erect a small section of barbed wire fencing for this event.²⁰ The picture of the two ministers in action with their wire cutters went around the world. GDR citizens, who had their summer holidays coming up, followed the events in Hungary closely. They realised a gap was opening up in the Iron Curtain that might allow access to the West. During that summer, hundreds of GDR citizens who were intent on leaving reached the embassies in Warsaw and Budapest and the Permanent Representation in East Berlin.

The Foreign Ministers of Austria and Hungary stirred international attention, when they cut the fence near Sopron on 27 June 1989 in a symbolic act.

In Hungary, the embassy of the Federal Republic had to be closed on 13 August 1989 – the 28th anniversary of the construction of the Berlin Wall – due to overcrowding.²¹ Csilla von Boeselager, Hungarian by birth and founder of

18 | Cf. *ibid.*, 40.

19 | Jauer, n. 9, 129.

20 | Speech by former Prime Minister Miklós Németh on the occasion of the Point Alpha Prize award ceremony on 15 Jun 2014 in Geisa, 3, http://pointalpha.com/sites/default/files/downloads/erwiderung_miklos_nemeth.pdf (accessed 27 Aug 2014).

21 | It is said that 171 persons intent on leaving the country were on the premises at that time. Cf. Jauer, n. 9, 157; Oplátka, n. 7, 153.

the Hungarian Maltese Charity Service, stepped in valiantly and organised assistance to the refugees. She was supported by the priest of the parish of the "Church of the Holy Family" in Budapest-Zugliget, Imre Kozma. Thanks to their efforts, the church premises were opened the very next day. As this refuge soon also became overcrowded with 200 to 300 new arrivals every day,²² refugees were cared for in Csillebérc and Zánka, with a total of 48,600 people being looked after over a period of three months.²³

During those August days, there was a lively diplomatic exchange between Bonn, Budapest and East Berlin. Secretary of State Jürgen Sudhoff shuttled repeatedly between Bonn and Budapest, and the ambassadors from Bonn and East Berlin beat a path to the door of the Hungarian Ministry of Foreign Affairs for separate meetings. The West German government was intent on the refugees being allowed to travel to the Federal Republic as soon as possible. The embassy of the Federal Republic equipped these people immediately with a passport. But as these passports did not have a valid Hungarian entry stamp, they could not be used to leave the country. The Hungarian decision-makers wanted to make absolutely sure that they were acting in line with the rule of law, which is why they did not allow people to leave the country with such West German passports issued retrospectively in Budapest. The Hungarian government therefore made it known that it considered the airlifting of the refugees from the embassy under the auspices of the International Red Cross in the night from 23 to 24 August from Budapest to Vienna a one-off humanitarian act. However, the Hungarians became increasingly supportive of West Germany. The situation of the refugees remaining in Hungary became increasingly tense by the day. Some found they could still not leave the country and travel to Austria. Others realised that people were at least no longer handed back over to the GDR. The Hungarian authorities also refrained from entering escape attempts on the passports. Sooner or later, so people thought correctly, they would be able to leave the country legally.²⁴

22 | Cf. Jauer, n. 9, 162.

23 | Cf. Hans Kaiser (ed.), *Der Grenzdurchbruch bei Sopron – Weg nach Europa*, Budapest, 2012, 193.

24 | Cf. Andreas Oplatka, "Eine Bresche im Eisernen Vorhang", *Neue Zürcher Zeitung*, 26 Jun 2014, <http://nzz.ch/international/europa/1.18330432> (accessed 26 Aug 2014).



The invitation to the Pan-European Picnic even found its way to the GDR citizens vacationing in Hungary. | Source: © Stiftung Paneuropäisches Picknick '89.

The Pan-European Picnic in Sopron on 19 August 1989

The Pan-European Picnic was organised by figures from the Hungarian opposition from Debrecen and Sopron. Many of them came from the Hungarian Democratic Forum (MDF), some were active in the Alliance of Young Democrats (FIDESZ), the Alliance of Free Democrats (SZDSZ) or the Independent Smallholders' Party (FKGP). The idea of holding this picnic at the border was the brainchild of Ferenc Mészáros from Debrecen. Over dinner, after having earlier listened to a talk about a Europe without borders given by MEP Otto von Habsburg in Debrecen, the town that saw the dethronement of the Habsburg family, Mészáros discussed the idea of a friendly get-together at the Hungarian-Austrian border in the form of a picnic with Georg von Habsburg. Although this proposal was initially rejected, Mészáros brought it up again at a meeting of the Debrecen branch of the MDF on 30 June and found a supporter in Mária Filep. She embraced the idea enthusiastically, partly because she had been sensitised to the issue through

experiences in Transylvania (Romania) and in connection with refugees from there.²⁵

In Sopron²⁶ they found a location that was both suitable and historically relevant.²⁷ The organisers were also able to attract the reformist communist Imre Pozsgay and Otto von Habsburg himself as patrons. The flyer's slogan "Baue ab und nimm mit!" (i.e., "Take it down and take it away") was meant to promote the picnic as an event for people to join in. The participants were able to dismantle a short section of the Iron Curtain, which had been retained for forestry-related purposes, as an expression of a Europe without borders. It was not until a few days before the picnic that it became clear that a border crossing would be opened temporarily from 3 to 6 p.m., too late to obtain anything other than verbal permission from the Austrian side.²⁸ The idea was for Hungarian and Austrian participants to be allowed to cross the border with their passports.

It is still unclear how GDR citizens present in Hungary at the time found out about the event. Many of them reported that they had received the German flyers from strangers, and there were also intensive preparations made at the church of Father Kozma in Zugliget.²⁹ The fact is that the border guards commanded by Lieutenant Colonel Árpád Bella were entirely unprepared for the arrival of the East Germans in Sopron. Bella decided not to intervene and ordered his colleagues to turn their backs to the Hungarian side and to check only people coming across from Austria. This allowed 661 GDR citizens to cross

25 | Mária Filep gave a brief and succinct eight-minute account in Sopron at an event organised by the Konrad-Adenauer-Stiftung entitled "Das Tor zur Freiheit in Europa" (The Gateway to Freedom in Europe) held on 18 Aug 2014, cf. live recording, 1:09:15 – 1:17:10.

26 | László Magas, László Nagy, János Rumpf, Pál Csóka and Félix Örs were active in the local branch of the MDF.

27 | After the 1956 uprising, many Hungarians moved across the western borders. There was also a mass grave of participants in the uprising not far from the location of the picnic, at Sopronkőhida prison. László Magas, 1989 – "Das Jahr der Wunder", in: Kaiser and Lobenwein, n. 5, 64.

28 | Cf. László Nagy, A Páneurópai Piknik és az 1989. szeptember 11-i határnyitás, in: László Nagy, *Gazdaság és Társadalom: A soproni határáttörés*, Sopron, 2014, 19.

29 | Cf. Kurucz, n. 16, 92.

into Austria by early evening,³⁰ the largest mass escape since the construction of the Berlin Wall. This turned the Pan-European Picnic into a fateful moment for the GDR.



The term “border breakthrough” was used when GDR citizens stormed an old wooden gate close to Sopronpuszta during the Pan-European Picnic to cross the Hungarian-Austrian border. | Source: © Tamás Lobenwein, Norbert Lobenwein.



In view of the large number of people in Sopron, Lieutenant-Colonel Árpád Bella decided not to intervene and to let things run their course. Honoring his courage, he received several awards afterwards. | Source: © Tamás Lobenwein, Norbert Lobenwein.

30 | Cf. Krisztián Ungváry, “Ungarn und die BRD”, in: Haase and Can Togay, n. 4, 156.



The actual location of the Pan-European Picnic was not far from Sopronkőhida further inland. | Source: © Tamás Lobenwein, Norbert Lobenwein.

THE PERMANENT OPENING OF THE BORDER ON 11 SEPTEMBER 1989

Imre Pozsgay succinctly summed up the insights gained from the picnic, which the authorities had permitted partly by way of a test to probe Soviet response,³¹ as follows: "It was the people fleeing in panic on 19 August that evicted the GDR from the group of negotiating parties."³² This cleared the path for initiating serious talks between Hungary and the Federal Republic of Germany at the highest level. The fact that a solution to the refugee situation had become extremely urgent by then was demonstrated not only by the overcrowded refugee camps and the mass exodus at the picnic, but by far more tragic events. During the days following the picnic, the army used heavy weapons to prevent several GDR citizens from fleeing near Kópháza. Also, GDR refugee Kurt-Werner Schulz sustained a fatal head injury from shots from a machine gun wielded by a Hungarian border guard in a melee close to Kőszeg.³³

Finally, on 25 August, secret German-Hungarian negotiations took place at Gymnich Castle between Chancellor Helmut Kohl, Foreign Minister Hans-Dietrich Genscher, Prime Minister Miklós Németh and Foreign Minister Gyula

31 | Cf. Kaiser, n. 23, 136.

32 | Imre Pozsgay, "Mit Deutschland und den Deutschen bei der Wende", in: Kaiser and Lobenwein, n. 5, 64.

33 | Kurt-Werner Schulz thereby became the last casualty of Germany's division. Cf. Oplatka, n. 7, 168.

Horn. According to reminiscences of Kohl and Németh, the Hungarians conveyed their decision, made three days earlier, to open the border for GDR citizens on a normal basis after debating their difficult situation due to their contractual links with the GDR.³⁴ Helmut Kohl was touched: "Tears came to my eyes when Németh had uttered this".³⁵ In response to the question what was expected in return for this generous gesture, Németh asserted that Hungary would not sell people. Although the GDR leadership made frantic efforts to change Hungary's mind, its pleas fell on deaf ears. Minister of State Imre Pozsgay stated the following opinion: "It is not up to Hungary to defend other countries' borders."³⁶ Subsequently, the Hungarian side negotiated exclusively with the Federal Republic of Germany and only reported decisions for information to its "actual" ally within the Warsaw Pact, the GDR. In legal terms, Hungary suspended the application of the 1969 agreement unilaterally, justifying this step with the Refugee Convention, which was considered to take priority over bilateral agreements. This allowed for people to leave Hungary with GDR documents. Finally, Foreign Minister Horn made an announcement that was broadcast on the evening news on 10 September that the border would be opened at midnight that night. Jubilant GDR citizens immediately set off on their journey towards the West. The GDR regime had come another step closer to its demise.



GDR citizens could only flee on foot from Hungary to Austria, leaving behind their belongings and many cars. In order to live in freedom, the refugees gave up their entire existence. | Source: © Tamás Lobenwein, Norbert Lobenwein.

34 | Cf. *ibid.*, 194.

35 | Helmut Kohl, *Erinnerungen 1982-1990*, Munich, 2005, 922.

36 | Jauer, n. 9, 181.

GERMAN-HUNGARIAN RELATIONS FROM 1990

The central foreign policy objective of the first freely elected Hungarian government was to integrate Hungary as quickly as possible into the Euro-Atlantic structures.

After the momentous events of 1989/1990, German-Hungarian relations initially took a positive course. The central foreign policy objective of the first freely elected Hungarian government under the conservative Prime

Minister József Antall was to integrate Hungary as quickly as possible into the Euro-Atlantic structures, which in concrete terms meant pursuing membership of the European Union and NATO.³⁷ Germany was one of the most important partners supporting these efforts, which were initially viewed with some scepticism in Western Europe. "Germany had become the strongest advocate of the interests of the accession hopes within the Community and the most important mediator between the West-European integration communities and the accession candidates."³⁸ Based on various geographic, economic and political considerations, Germany supported Hungary's efforts in its rapprochement with the EU and NATO (as well as those of the remaining countries in Central and Eastern Europe).

This common interest was strengthened further by two factors. For one, Helmut Kohl and József Antall developed a close friendly relationship.³⁹ Just a few weeks after the first free elections in April 1990, the Hungarian Prime

37 | The conservative MDF governed between 1990 and 1994, first under Prime Minister József Antall (until 1993) and after his death under Péter Boross (1993 to 1994) in a coalition with the Independent Smallholders' Party (FKGP) and the Christian Democratic People's Party (KDNP). The Hungarian Socialist Party (MSZP) governed from 1994 to 1998 and from 2002 to 2010, initially (until 2008) in coalitions with the Alliance of Free Democrats (SZDSZ) and later (until 2010) on its own. The Prime Ministers were Gyula Horn (1994 to 1998), Péter Medgyessy (2002 to 2004), Ferenc Gyurcsány (2004 to 2009) and Gordon Bajnai (2009 to 2010), each nominated by the MSZP. From 1998 to 2002, the country was governed by the conservative FIDESZ under Prime Minister Viktor Orbán in a coalition with the MDF and the FKGP. Since 2010, the FIDESZ-KDNP alliance has been in government, headed by Prime Minister Viktor Orbán.

38 | Peter Becker, *Die deutsche Europapolitik und die Osterweiterung der Europäischen Union*, Baden-Baden, 2011, 24.

39 | Cf. András Hettyey and András Rácz, "German-Hungarian Relations: A marriage held together by money, not love?", in: Andris Spruds (ed.), *Friendship in the Making: Transforming relations between Germany and the Baltic-Visegrad countries*, Riga, 2012, 69.

Minister travelled to Germany and had a meeting with the Chancellor. Further high-ranking meetings followed over the next few years. In addition, economic relations between Hungary and the Federal Republic of Germany were expanded. After the fall of the Iron Curtain, the trading volume between the two countries increased enormously. From 1990 to 2000, Hungarian exports to Germany rose by 500 per cent, and imports from Germany quadrupled between 1990 and 2004. Germany quickly became Hungary's most important trading partner. German companies, for their part, benefited from the fact that they had invested in Hungary very soon after the fall of the Iron Curtain. By 1994, investments in Hungary had risen to the equivalent of 1.4 billion euros.



On the first year anniversary on 19 August 1990, the first freely elected Prime Ministers of Hungary and the GDR, József Antall and Lothar de Maizière, met in Sopron. | Source: © Tamás Lobenwein, Norbert Lobenwein.

Contractually, bilateral relations between the Federal Republic of Germany and the Republic of Hungary were based on the "Agreement on Friendly Cooperation and Partnership in Europe", which was signed in Budapest on 6 February 1992. This agreement stipulates that Germany is "in favour of the prospect of the Republic of Hungary acceding to the European Union", and that it will promote accession "as soon as the political and economic conditions are fulfilled".⁴⁰ Furthermore, the contracting parties agreed to develop their

40 | Agreement between the Federal Republic of Germany and the Republic of Hungary on Friendly Cooperation and Partnership in Europe, signed in Budapest on 6 Feb 1992, <http://ungarisches-institut.de/dokumente/pdf/19920206-1.pdf> (accessed 11 Jul 2014).

The German-Hungarian Forum was established in 1990 as a platform for open dialogue in the areas of politics, civil society, the economy and culture.

economic relations, to further cooperation in the areas of science and technology, and to intensify cultural exchange in all areas and at all levels. This contractual basis was soon

complemented by a first cultural agreement, signed in 1994. The German-Hungarian Forum was established as early as 1990 to serve as a platform for open dialogue in the areas of politics, civil society, the economy and culture. After the Hungarian parliamentary elections in the spring of 1994, a socialist-liberal coalition formed around Prime Minister Gyula Horn. While the respective governments now belonged to different political camps, this did not affect the good relations. Prime Minister Horn was held in high esteem in Germany, as he had been Foreign Minister when the border was opened. Significantly, his first visit to the West took him to Germany.

During the period from 1994 to 1998, plans for Hungary's potential accession to the EU and NATO took shape. Germany acted as a reliable partner throughout the lengthy accession negotiations, including in complicated specific issues of integration. Besides the economic interests, Germany hoped the integration of the countries from the Central and Eastern European region would also help to guard against poverty, migration and nationalism. Wolfgang Schäuble, the leader of the CDU/CSU faction in the Bundestag at the time, expressed it succinctly: "If it was only about economic integration, the accession of the Central and Eastern European states might not even be that urgent; but because security and stability are at stake, it is of paramount importance."⁴¹ Considering that the war in Yugoslavia was raging at the time close to Hungary's southern border, this was an important aspect.

After the 1998 elections, both countries had a new government. In Hungary, the conservative FIDESZ party gained the majority, and Viktor Orbán began his first premiership. In Germany, by contrast, a coalition was formed comprising the SPD and the Alliance 90/The Greens (Bündnis 90/Die Grünen) under Chancellor Gerhard Schröder. However, the changes in government in both countries did not affect the existing objectives, and the German government's policy

41 | Cited in Wolfgang Zellner and Pál Dunay, *Ungarns Außenpolitik 1990-1997*, Baden-Baden, 1998, 124.

on expansion continued to exhibit a high degree of continuity.⁴² Consistent support was provided with the accession negotiations between Hungary and the EU, which had just begun and would continue until 2002. In the meantime, Hungary achieved its other major foreign-policy goal when it became a member of NATO in March 1999. From that time onwards, Germany and Hungary were also linked by a security and defense alliance.

In 2001, the Andrassy University Budapest (AUB) was founded as a major cultural project of the two countries. This joint project involving the Federal Republic of Germany, the Republic of Hungary, the Republic of

Founded in 2001, the Andrassy University Budapest is a role model. Master's courses and an interdisciplinary PhD programme conducted in German are offered.

Austria, the German Federal State of Baden-Württemberg and the Free State of Bavaria is the only university outside the German-speaking region whose study programmes are conducted in German. It offers Master's courses as well as an interdisciplinary PhD program. The university attracts special appreciation for acting as a role model. The former German Foreign Minister Guido Westerwelle, for instance, stated in a speech at the university in May 2013: "Education is one of the crucial resources of a globalised world. It is no coincidence that foreign culture and education policy is one of the pillars of our foreign policy. As a place that is a living embodiment of the international spirit and a forum for the exchange of ideas on Europe's future, the Andrassy University Budapest is therefore particularly close to our heart."⁴³

When considering the bilateral relations, one should also examine the disagreements and the different assessments of political events. When the Iraq crisis was at its height in January 2003, the then Hungarian Prime Minister, socialist Péter Medgyessy, signed the "open letter of the eight", in which the UK, Denmark, Poland and Spain amongst others affirmed their solidarity with the USA and their support for a US invasion of Iraq. The German government and Chancellor Schröder expressed firm opposition to such a military operation. The lack of prior consultation with the ally Hungary put considerable strain on German-Hungarian

42 | Cf. Becker, n. 38, 189.

43 | Speech by Foreign Minister Guido Westerwelle at the Andrassy University Budapest, 6 May 2013, http://auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2013/130506-BM_Andrassy_Universitaet.html (accessed 16 Jul 2014).

relations.⁴⁴ Another point of contention was the draft of a European constitution, where Hungary insisted on the inclusion of aspects of minority policy.

In 2004, Hungary acceded to the EU. Fears that a “wave” of cheap labour from the new Member States might drive up unemployment and depress wages turned out to be unfounded.

Apart from these incidents, the two countries did not lose sight of the common goal of Hungary’s EU membership. On 1 May 2004, Hungary acceded together with the Baltic states, Poland, the Czech Republic, Slovakia, Slovenia, Malta and Cyprus. Because of fears in some old Member States that a “wave” of cheap labour from the new Member States might drive up unemployment and depress wages, the EU enacted transitional arrangements, which allowed Member States to restrict the freedom of movement for job seekers from the new Member States for a period of up to seven years. Germany availed itself of this option. However, these fears turned out to be unfounded. According to a study by the German Institute for the Study of Labor, there was neither a strong influx of cheap Eastern European labour, nor did wages go down in Germany. “Original reservations about an opening up of the German labour market to Eastern Europeans leading to “social distortions” in the country and a putative “benefit tourism” have not been confirmed by the results of years of observation.”⁴⁵

CURRENT STATE OF GERMAN-HUNGARIAN RELATIONS

On the whole, Hungary’s EU membership has furthered the continued strengthening of German-Hungarian economic relations. In 2013, Germany was once again by far the most important trading partner, followed by Russia, Austria, Slovakia and Italy. Just over a quarter of Hungarian exports went to Germany. Between 2011 and 2013, the bilateral trading volume rose from some 36 billion euros to approximately 39 billion euros.⁴⁶ Conversely, Hungary was

44 | Cf. Hettyey and Rácz, n. 39, 87.

45 | Institute for the Study of Labor, “Zehn Jahre EU-Osterweiterung: IZA-Direktor Zimmermann zieht positive wirtschaftliche Bilanz”, 28 Apr 2014, <http://newsroom.iza.org/de/2014/04/28/zehn-jahre-eu-osterweiterung-iza-direktor-zimmermann-zieht-positive-wirtschaftliche-bilanz> (accessed 15 Jul 2014).

46 | German Federal Foreign Office, “Beziehungen zu Deutschland”, http://auswaertiges-amt.de/sid_FE29F375416C72E8187CC12BEC3B59A9/DE/Aussenpolitik/Laender/Laenderinfos/Ungarn/Bilateral_node.html (accessed 11 Jul 2014).

ranked a respectable 16th on the list of Germany's largest trading partners, even above the emerging powers of India and Brazil. In Eastern Europe, Hungary was Germany's fourth largest trading partner behind Russia, Poland and the Czech Republic.⁴⁷

By 2012, the volume of foreign direct investments registered in Hungary amounted to some 78 billion euros, 19 billion of which came from German companies. There are over 3,000 businesses in Hungary that were founded entirely or in part with German capital, employing over 300,000 people in total, i.e. some seven to eight per cent of the Hungarian labour force. A number of major German companies have established subsidiaries in Hungary, including car manufacturers such as Audi, Mercedes and Opel as well as companies from various other sectors (SAP, ThyssenKrupp, Bosch and Deutsche Telekom). In one of its reports, the German-Hungarian Chamber of Industry and Commerce stresses the advantages Hungary offers to German investors as follows: "While Hungary has not been a "low wage country" for some time, it offers many foreign companies an attractive mix of productivity, qualifications, costs and regulatory framework where their workforce is concerned."⁴⁸ According to a survey, 84 per cent of the German companies intend to expand their investments by 2020.⁴⁹

By 2012, 19 billion euros of direct investments came from German companies. There are over 3,000 businesses in Hungary that were founded with German capital.

Representatives from both countries frequently mention that the stable economic exchange provides the foundation for close German-Hungarian relations. However, there have been occasions over recent years when the resilience of these relations has been put to the test. In the spring of 2010, after eight years of a socialist-liberal governing coalition, FIDESZ gained a two-thirds majority in the Hungarian parliament. The party of Prime Minister Viktor Orbán embarked on fundamental and far-reaching political and economic reforms. These included the new constitution,

47 | Cf. Hettyey and Rácz, n. 39, 76.

48 | Press release by the German-Hungarian Chamber of Industry and Commerce of 9 Dec 2010, http://ahkungarn.hu/fileadmin/ahk_ungarn/Dokumente/Bereich_CC/Presse/2010/2010-12-09_DUIHK_Verguetungsreport.pdf (accessed 15 Jul 2014).

49 | Cf. József Czukor, "Magyar-német kapcsolatok 2014 elején", *Külügyi Szemle*, 1/2014, 9.

which was adopted in April 2011. During the term from 2010 to 2014, the government also introduced a new media law, new electoral legislation as well as special taxes in the banking, energy and telecoms sectors. In terms of economic policy, the reforms were aimed particularly at reducing the high level of public debt.

These measures sparked repeated disagreements between the Hungarian government and its international partners, particularly the European Commission in Brussels. The German government, headed by Angela Merkel since 2005, also signalled its concerns about what was happening in Hungary. Criticism in the violation of democratic standards voiced by Berlin was a case in point.⁵⁰ In December 2010, for instance, deputy government spokesman Christoph Steegmans talked about the controversial media law, stating that the changes in the Hungarian media legislation were being “observed” very closely. This also applied “in particular to the implementation of the new provisions. As a future holder of the Presidency of the Council of the EU, Hungary naturally bears special responsibility for the image of the European Union in the world.”⁵¹

The German-Hungarian relationship is built on a solid foundation. Despite disagreements about the controversial media law, talks have never ceased.

Similar thoughts were expressed by government spokesman Steffen Seibert in October 2012: “Those who hold a two-thirds majority must remember that a two-thirds majority goes hand in hand with a great democratic responsibility towards those who are in the minority.”⁵² Nevertheless, the German-Hungarian relationship is built on a solid foundation. Talks never ceased during those months, and criticism remained constructive and trusting. Chancellor Merkel and Prime Minister Orbán have met three times for bilateral discussions since 2010, and President János Áder visited Berlin in March 2013.

50 | Cf. Hettyey and Rácz, n. 39, 71.

51 | The Federal Government, government press conference of 22 Dec 2010, <http://bundesregierung.de/ContentArchiv/DE/Archiv17/Mitschrift/Pressekonferenzen/2010/12/2010-12-22-regpk.html> (accessed 11 Jul 2014).

52 | The Federal Government, government press conference of 10 Oct 2012, <http://bundesregierung.de/ContentArchiv/DE/Archiv17/Mitschrift/Pressekonferenzen/2012/10/2012-10-10-regpk.html> (accessed 12 Jul 2014).

One topic to which discussions during these meetings return to time and again is the high level of public debt and the resulting economic crisis in the European Union. This issue in particular shows that Berlin and Budapest share a similar assessment of the situation. The Chancellor is known to stress that the solution to the problems has to be based on budget consolidation and structural reforms. In line with these goals, the Hungarian government began taking measures to curb new debt from 2010 onwards. In 2012, the budget deficit consequently amounted to just two per cent of GDP. This caused the European Commission to propose to the EU Finance Ministers in May 2013 to lift the excessive deficit procedure imposed on Hungary since 2004, which the EU Economic and Financial Affairs Council approved in June 2013.

Another important area of cooperation besides politics and the economy is security. Officers of the Hungarian Armed Forces receive training at the German Federal Armed Forces Command and Staff College in Hamburg. When Hungarian soldiers served in Kosovo as part of the KFOR Mission, they were partly under German high command. German and Hungarian soldiers also worked together in Afghanistan.



On the 25th anniversary of the Pan-European Picnic, Prime Minister of Thuringia Christine Lieberknecht joined the memorial conference of the Konrad-Adenauer-Stiftung and visited the sight of the breakthrough in Sopronpuszta. | Source: © Szecsódi Balázs, KAS Ungarn.

There is also great diversity in the cultural relations between Germany and Hungary. Besides the Andrássey University, actors include the Goethe Institute in Budapest (from 1988), the secondary school Thomas Mann Gymnasium (from 1992), die Central Agency for Schools Abroad (ZfA) as well as the ifa (Institut für Auslandsbeziehungen). The Konrad-Adenauer-Stiftung, the Hanns Seidel Foundation and the Friedrich Ebert Foundation all maintain a field office in Budapest and help to strengthen German-Hungarian relations through conferences, exhibitions and seminars. The German Academic Exchange Service (DAAD) has sent several German-speaking lecturers as well as language assistants to Hungarian universities and other institutions of higher education. The Alexander von Humboldt Foundation awards research scholarships to Hungarian academics, provides support to academic conferences and gives donations to academic institutions.⁵³ In Germany, the Collegium Hungaricum Berlin and the Hungarian Cultural Institute in Stuttgart fulfil a similar role. There are also various instances of town twinning. The ethnic German minority living in Hungary adds to the colourful patchwork of German-Hungarian relations; numbering some 186,000, it represents the second-largest nationality in Hungary. To commemorate the large numbers of displaced Hungarian Germans, the Hungarian parliament took a decision in December 2012 to designate 19 January as a national day of remembrance for the expelled Hungarian Germans.

All in all, Germany and Hungary can be proud of their achievements over the last 25 years. Building on the events of the *annus mirabilis* of 1989, the two countries have succeeded in maintaining a trusting partnership, which can also weather occasional differences. Not only are there the frequently emphasised close economic links, the two countries also cooperate well in the areas of security, culture and education. Hungary therefore remains one of Germany's most important partners in Central and Eastern Europe, and Berlin will conversely always serve as an important point of reference for Budapest.