



Austrian-Hungarian Diplomatic Relations: 2017-2021

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Abstract

Since Sebastian Kurz was elected Chancellor in 2017, Austrian internal politics has changed significantly, and there is a visible rapprochement with several countries in the region, including Hungary. There is a consensus between Hungary and Austria on many issues, including the defense of Christian culture, the European way of life, and the protection of society. Both countries are urging the establishment of a common European military force and the strengthening of border guards. Austria is Hungary's second most important trading partner in terms of total trade volume, and Austria is one of the largest investors in Hungary today. Considering these points, it is worth examining how the system of diplomatic relations between the two countries has developed in recent years.

Keywords: Diplomatic relations, Austria and Hungary

1. Introduction

The analysis of diplomatic relations is an extremely interesting field of international relations, as both the historical background and the economic, political, and cultural conditions of the subjects (in this case states) are required, but in my opinion, the researcher's language skills are also important for a full understanding of relations. Without knowing the language of the given state, how could the researcher move „safely”, how could he know and understand the subject of his research? It is important to see that, for historical and cultural reasons, coefficients (can) also play a role in bilateral relations that we may think are natural in everyday life and therefore do not attach

sufficient importance to. However, the most difficult task stems from the diversity of relationships: always staying up to date.

Austro–Hungarian relations have always been special in relations between states. The uniqueness of the relationship can also be expressed in the term „special relationship”¹, which is the most used symbol of the British - American relationship. Throughout the history of the two countries, Austria has enjoyed a prominent role in the direction of Hungarian foreign relations. Of course, this „good neighborliness” had little effect on big politics. Bilateral relations have a long history, for example coexisting for centuries, coexisting as part of the Habsburg Empire, or a common organization under the auspices of the Austro–Hungarian Monarchy. It is important to mention here that the Austrians „picked” the Hungarians out of more than ten nationalities, so Hungary was given a leading role in the dualistic state organization. With the end of the Austro–Hungarian Monarchy, Austria lost its former influence in the international system of power, but it remained essential for Hungary to maintain unique bilateral relations. Austria's neutrality, which has existed since 1955², played a very important role in the fact that bilateral relations were not severed during the Kádár-era, except in the period following the defeat of the 1956 revolution. During this period the Kádár-regime had an especially good relationship with neutral Austria, not only cultural but also economic and some political relations have intensified. In addition to the already mentioned neutral status, this could also be explained by the person of the Austrian Chancellor, as Bruno Kreisky, being a Social Democrat politician, did not distance himself from the countries of the Eastern Block, including Hungary.³

Following the change of regime, Hungary, like other post-Soviet countries, sought to revive its diplomatic, scientific, and economic relations with Western countries, especially with its neighbor Austria. The development of bilateral relations did not deteriorate after Hungary's accession to NATO, moreover: the Austrians were the main supporters of Hungary's accession to the EU. Austria played a key role in the enlargement of the European Union to the east in 2004 and has since placed considerable emphasis on supporting the accession attempts of post-communist countries.

2. Peculiarities of Austrian domestic policy

In the last days of World War II, Austria, annexed by National Socialist Germany in 1938, was liberated by the Allies (as agreed in Moscow in 1943), and the country was divided into four occupation zones in 1945 (American, British, French, and Soviet) of which the Soviets had control over strategically

¹ BBC (2012)

² Györkös (2017) P.10.

³ Trauttmansdorff (1983) P.246.

important industrial areas. Despite the proclamation of the independence of Austria by the Social Democrat politician Karl Renner (First Chancellor of the First Republic of Austria) on April 27⁴, 1945, the country's true independence could only be achieved as part of a nearly ten-year process. Thanks to the intervention of Karl Renner, the traditional opposition between the Social Democratic Party and the Christian Democratic Party, which caught the wind from the sails of the already weak Austrian Communists, was eased. Austria's domestic political stability and the huge amount of Marshall Aid have greatly helped the economy to recover. The starting point of the Austrians was that the Republic of Austria was not at war with any country. Consequently, in their view, it was not necessary to conclude a peace treaty, only to restore the country's sovereignty by signing a state treaty. At the 1954 Berlin conciliation, the then Austrian foreign minister, Leopold Figl, raised the possibility of the country's neutrality as a possible condition for a peace treaty.⁵ The main goal of Austrian foreign policy after 1945 was to convince the Western allies that the country was capable of independence with a stable domestic policy and economy. Meanwhile, with the Soviets, they tried to believe that Austria would remain neutral in the struggle between the two blocs led by the great powers. Austria thus sought to secure its own independence through the neutrality provided for in international law. In this sense, the country is internationally committed to remaining neutral in all cases, like Switzerland. This solved the problem of the German question: Article 4 of the Austrian State Treaty prohibited *Anschluß*⁶. The Austrians saw independence as a goal and a precondition for permanent neutrality. The Soviet leadership was interested in preventing Austria from joining NATO (and later the EGK), thus weakening NATO's geo-strategic position⁷. Negotiations have begun in Moscow, combining Austrian sovereignty with neutrality under international law, meaning that it will not join any military alliance and will not tolerate foreign force on its territory. The State Treaty was ratified on 15th May 1955 and entered into force on 27th July of that year. With this, Austria regained its full sovereignty, political independence, and territorial integrity after 17 years. Perpetual neutrality is a traditional expression of international law. However, the interpretation of Austrian neutrality is characterized by a kind of duality: military and armed neutrality under international law like the Swiss model; while, according to the thesis of active neutrality, a reasonable foreign policy as a policy of peace is the best guarantee for the independence of Austria.

The Austrian party system after 1945 was characterized by the dominance and shift economy of the two major parties, the Austrian People's

⁴ Németh (2012) P.46.

⁵ Györkös (2017) P.9.

⁶ Bundesgesetzblatt (1955), 39. issue, P.727.

⁷ Németh (2012) P.60.

Party (APP) and the Austrian Social Democratic Party (ASDP). These two parties governed a large coalition for several cycles and operated in a kind of special symbiosis: the offices were distributed in proportion to the votes cast for the parties.⁸ However, this system was not only observed in political life, but also in the field of economy and culture, ie everyday life was completely permeated by party politics. In the election, the two major parties generally won 80-90% of the vote. The traditional bipartisan system has been overturned since the 1990s: the two major parties have been steadily weakening and the number of votes „smoothly” above 30% has been unattainable. At the same time, new political parties have emerged on the palette, such as the Liberal Neos, and existing ones, such as the Freedom Party (FP) or the Greens, are gaining strength. The migration crisis has clearly driven water to the Freedom Party’s mill, which was hovering around 30%, while the APP was almost threatened with extinction: just a few months before the 2017 early elections, the party was measured below 20%.⁹

3. Austro – Hungarian relations after 2010¹⁰

The low point of Austro–Hungarian relations was between 2010 and 2017 when the leading political forces of the two countries differed greatly: Austria was led by the Social Democratic ASDP, while in Hungary the Conservative-Christian Orbán government won a two-thirds majority in two parliamentary elections. This period was marked by a number of conflicting situations, disagreements, and loud, sometimes unfriendly media inconveniences, one of the central players of which was the Hungarian-born Viennese journalist Paul Lendvai¹¹, who launched a one-man war against the Hungarian government. It is a fact that the large Austrian financial institutions (Raiffeisen, Erste) were sensitively affected by the introduction of the Hungarian bank tax, but corporate interests were also imbued with a political charge. There was also a serious contradiction between the introduction of the Media Act and the institution of dual citizenship, which is still not allowed in Austria.

The Hungarian action witnessed during the 2015 migration crisis was widely criticized at that time by European Union member states, including Austria. In connection with the huge migratory pressure on Europe, the Austrian and Hungarian governments differed several times, for example, due to the construction of the Hungarian border fence and the fact that Hungary did not register migrants entering Hungary, saying it should have been done in the first Schengen Member State of entry. In this case, they should have

⁸ Grotius P.1.

⁹ Kovács (13.10.2017)

¹⁰ Szalay-Bobrovniczky (2020)

¹¹ Szalay-Bobrovniczky (2020) P.36.

been registered in Greece and lodged their application there. In November 2015, the Austrian Minister of the Interior Cases, Johanna Mikl-Leitner, announced a border protection measure by the Austrian government on the Austrian–Slovenian border, which meant the elimination of a low point in bilateral relations. The Minister of the Interior practically outlined a plan to build a border fence very similar to the Hungarian one.

At the same time, it is important to mention that while political-diplomatic relations have stalled, those based on cultural, social, and economic grounds have persisted. The Austrian historian Roman Sandgruber described this period as follows: „Political relations under the Orbán government are struggling - but not personal ones.”¹² In addition, cooperation appears at almost all levels of high politics and low politics: in addition to discussing strategic decisions, many forms and systems of cross-border cooperation have been launched between the ministries and between the federal provinces and the Hungarian counties. In 2012, the Hungarian government announced a strategic partnership program, which aims to co-operate in certain specific economic areas (for example production, R&D, transportation, etc.). Six companies with an Austrian background are currently participating in the Strategic Partnership.¹³ Over the past decades, more than 40 functioning twinning relationships have developed. In April 2017, for example, the Austrian Government opened an honorary consulate in Pécs. Furthermore, the only university in Budapest that offers full German-language education is the Gyula Andrássy German-Language University, which is outside the German-speaking area and is celebrating its 20th anniversary this year. Among other things, Austria participates in the financing of the university, in addition to Hungary, Germany, and Switzerland.

4. The person of Sebastian Kurz, a new era in Austro–Hungarian relations?

Sebastian Kurz is a Viennese-born Austrian politician who has been the Secretary of State for Integration in the Ministry of the Interior since 2011 and has been Austria's youngest foreign minister since 2013 at the age of just 27. On May 10, 2017, Reinhold Mitterlehner, the president of the APP (and also the vice-chancellor of Austria), resigned after realizing that the party was unable to renew under his leadership. The leadership of the Austrian People's Party (APP) has elected Sebastian Kurz as its president, bringing a complete overhaul of the party's life, starting with a change in its name and logo (Neue Volkspartei, turquoise), which may seem like a small step forward from spring 2017. Kurz – in the eyes of the Austrian public – is a sympathetic politician

¹² Krieglsteiner (2016) „Unter der Regierung Orbán sind die politischen Beziehungen belastet – die zwischenstaatlichen aber nicht.”

¹³ Aussenwirtschaftszentrum Ungarn (March, 2021) P.10.

who, despite his young age, is not an extreme, determined, yet tolerant, elegant, and attractive manner, so he fits into the Austrian mentality.¹⁴ With the election of Sebastian Kurz, pollsters measured that support for the APP was around 33-35%, an improvement of more than 10% on his previous position and clearly inseparable from Kurz.¹⁵

In his article published in early 2021, Hans Rauscher explored the similarities and differences between the Austrian and Hungarian political systems. Even the title of the article suggests that some Western politicians and journalists refer to Kurz's policy as „Orbán light”, suggesting that Hungarian and Austrian politics have been in agreement in many respects in recent years. The main point of agreement is the opposition to illegal immigration. Furthermore, the Austrian People's Party has also successfully taken over some of the issues traditionally part of the far-right, thus reducing the far-right lunar court and increasing the conservative polling station. Like the Hungarian ruling party, Kurz maintains good relations with a number of large entrepreneurs, and with their help he became a pro-government owner of two influential Austrian dailies, the *Kurier* and the *Krone Zeitung*, enabling the chancellor to have the so-called Message-Control. Influencing the judiciary would have pushed the boundaries of authority, by which time the Greens became a coalition partner and blocked the initiative.¹⁶

5. The first Kurz government (2017-2019)

In the early parliamentary elections in the autumn of 2017, the renewed People's Party, led by Sebastian Kurz, achieved a 31.5% result.¹⁷ The young chancellor candidate has managed to stop the erosion of the APP, and the party has gained unexpected popularity for years.

So, the People's Party had several options with whom to enter into a coalition:

- He chooses a grand coalition with the socialists, which can be said to be almost „classic”, but has been stagnant since the 2000s,
- or he votes in favor of forming a government with the Freedom Party.

According to opinion polls before the parliamentary elections, 40% of Austrians mentioned immigration and security as the main topic of the election, and 29% mentioned social affairs¹⁸, which obviously had a major impact on the candidate for Chancellor. Kurz eventually entered into a coalition with the Freedom Party, which disrupted the „traditional” grand coalition. In 2017, the APP and the Freedom Party took a common position on

¹⁴ Fricz (2019)

¹⁵ Kovács (14.10.2017)

¹⁶ Rauscher (2021)

¹⁷ Bundesministerium für Inneres

¹⁸ Kovács (14.10.2017)

the issue of immigration, one of the main topics in the parliamentary elections, which greatly facilitated Kurz's choice of a coalition partner. The right-wing coalition was made up of a more moderate, traditionally governing force, the Austrian People's Party, and a radically anti-migration party, the Freedom Party, which provided a guarantee to protect borders, curb illegal migration, and abolish mandatory quotas.¹⁹

The critical voices mentioned above have been relegated to the background in recent years, and following the election of Sebastian Kurz in 2017, the former friendly relations between the two countries have been restored. In recent years, there has been a consensus between Hungary and Austria on a number of issues, including Christian culture, the European way of life, and the protection of society. Furthermore, both countries are urging the establishment of a joint European force and the strengthening of border prosecutions. Following the election of Sebastian Kurz as Chancellor in 2017, Austrian domestic and foreign policy has changed significantly, and a clear rapprochement can be observed with the V4s and several countries in the region, including Hungary. However, it is important to note that it was stated by both the Austrian state leaders and the leaders of the V4 that Austria's accession to the Visegrad countries is not part of the long-term plans.²⁰ Austria's self-determination (partly) also stems from its neutrality: it sees itself as a Central European state that forms the basis of its regional policy.

Following the inauguration of the Chancellor in January 2018, Hungarian Prime Minister Viktor Orbán was one of the first to visit the newly elected Austrian Prime Minister. At a press conference after the meeting behind closed doors, the Hungarian Prime Minister highlighted Austria's lucky situation, the withdrawal of the Soviet Union in 1955. Orbán emphasized the role of the Austrians as an almost „permanent” mediator in history, as a result of which they acted as a kind of bridge between Central and Eastern Europe, with Christian culture, a European way of life, and the protection of society as its main cornerstones. The biggest challenges for the two countries are migration and border protection.

Austro-Hungarian relations are characterized by regular, high-level bilateral meetings, partly due to centuries of coexistence and, on the other hand, strong economic relations and similar views on illegal migration and mass immigration.

¹⁹ Fricz (2019)

²⁰ Alexe (2018)

	Head of State level	Head of government and ministers level	Secretary of State or lower level
2017	16	2	1
2018	7	4	1
2019	7	11	1
2020	2	-	-
2021	1	-	-

High-Level Bilateral Meetings 2017-2021²¹

The border protection of both countries is based on the closure of the Balkan migration route and the protection of the European Union's external borders. Austria has repeatedly sent police and border guards to Hungary's southern border to help control it. Since Sebastian Kurz's chancellorship, cooperation between the two states has deepened. The priorities of the Austrian Presidency of the EU Council in 2018 have also been set along with the motto „Protective Europe”²²:

- Preserving Europe's security and combating illegal migration,
- ensuring prosperity and competitiveness through digitalization,
- Stability in the European Union's neighborhood - the prospect of accession for the countries of the Western Balkans / South-Eastern Europe.²³

The Austrians (like Hungary) see the realization of the above goals in the protection of the external borders of the European Union, which can be achieved by protecting the borders of the countries along the migration route and within the framework of bilateral cooperation and on the other by strengthening Austrian border protection. Austria will continue to be an important security partner for Hungary in the future, as there is an agreement between the two countries on the issue of migration, and the success of the Hungarian border protection is also in the interest of the Austrians.

The common platform generates economic mergers and new business relationships indirectly and involuntarily. In this way, diplomacy strategies will also become stronger and more active, and historical differences will gradually ease.

The economic growth of both countries depends significantly on their export activity. Since 2010, foreign trade between Austria and Hungary has also been developing dynamically. According to the data of the Central Statistical Office, the total trade volume in 2015 was approx. EUR 9.8

²¹ Homepage of the Embassy of Austria in Budapest

²² eu2018.at

²³ sp.

billion²⁴, making Austria Hungary's second most important trading partner, and today it is the fourth largest investor in Hungary (after Germany, Luxembourg, and the Netherlands) with an investment volume of over EUR 8 billion. In 2019, with a direct investment of around EUR 6.9 billion (about 10% of total direct investment), it was still the third biggest investor after Germany and the Netherlands.²⁵ Austrian companies are market leaders primarily in the brick and sugar industry, the car trading industry, the paper industry, and construction and real estate development, while the Austrian presence is also dominant in the retail and financial sectors.²⁶ Meanwhile, Hungary is Austria's eighth-largest export market in the world.²⁷ In 2019, Hungary was the most important market for Austrian exports in the Central and Eastern European region, with about EUR 5.6 billion, and the sixth-largest in the world.²⁸ In terms of Austrian imports, it even exceeds that of China, which has traditionally had close trade relations with Hungary. Examining the Austro-Hungarian foreign trade more closely, we see that the structure of goods exchanged between the two countries is quite similar, Austria and Hungary supply similar products. This mirror-like development can be explained by the intertwining of many freight means of transport and on the other hand by the fact that these are trade relations between two highly developed national economies.²⁹

²⁴ bmeia.gv.at/hu

²⁵ Aussenwirtschaftszentrum Ungarn (March, 2021) P.9.

²⁶ bmeia.gv.at/hu

²⁷ Aussenwirtschaftszentrum Ungarn (March, 2021) P.3.

²⁸ Aussenwirtschaftszentrum Ungarn (March, 2021) P.9.

²⁹ bmeia.gv.at/hu

	2019	2020	2021 (First semester)	Percentage change over the same period of the previous year
Austrian exports of goods in millions of euros	5.587,8	4.897,5	2.830,5	+16,8
Imports of goods from Austria expressed in millions of euros	4.296,5	3.853,4	2.303,1	+24,9
Austrian exports of services in millions of euros	1.721	1.431	286 (Q1)	-41,0
Imports of services from Austria expressed in millions of euros	1.694	1.463	344 (Q1)	-11,6
Austrian direct investment	6.959	6.302	No data	No data
Hungarian direct investments in Austria	219	172	No data	No data

Economic relations with Austria³⁰

Of course, there are issues, on which there has been disagreement between the two countries during the first Kurz government, the most important of which is the disagreement over the issue of nuclear energy: Paks II has received a number of criticisms from Austria launching a project. Austria has been voting for renewable energy for years.³¹ In addition, in a statement issued in September 2018, Sebastian Kurz justified the sanctions against Hungary. In his view, there was no compromise on the rule of law, and he, therefore, considered the infringement procedure under Article 7 to be lawful.³² The above harsh statement can be explained by the Austrian Presidency and is very surprising, as there has been no example of this in recent years, and the views on migration are the same.³³ The other controversial issue is the legislation introduced on 1 January 2019, according to which the children of non-Austrian children of EU citizens working in Austria determine the number of family benefits and personal income tax relief on the basis of the local price level, which is negatively affected many commuting Hungarian families living mainly on the border. As a result of the

³⁰ Aussenwirtschaftszentrum Ungarn (March, 2021) P.3.

³¹ Stubnya (2019)

³² Eur-Lex, Article 7

³³ Rettman (2018)

above-mentioned legislation, the European Commission has initiated infringement proceedings against Austria.³⁴ The case is currently before the Court of Justice of the European Union, as Austrian law also conflicts with two EU regulations: Article 4 of Regulation (EC) No 883/2004 on the coordination of social security systems states that foreign nationals have the same rights and obligations as to the citizens of that nation. It also states that „cash benefits” (such as family allowances) may not be modified or reduced on the grounds that the person entitled or a member of his family resides in another country (Article 7). Article 7 of Regulation (EU) No 492/2011 on the free movement of workers within the Union also deals with the principle of equal treatment, according to which workers in a given state, regardless of their nationality, are entitled to the same social and tax advantages.³⁵

In May 2019, after less than a year and a half of joint rule, the right-wing People’s Party-Freedom coalition government coalition disintegrated after appearing in a video of Ibiza two years earlier about Austrian Liberal Vice-Chancellor Heinz-Christian Strache accusing the politician of corruption. Strache resigned immediately, but after the outbreak of the scandal, the Freedom Party continued to hold the post of interior minister, which Kurz and the People’s Party did not accept, preferring to resign the entire government and hold early elections. Federal President Alexander Van der Bellen said that citizens’ confidence in public institutions could only be restored through early parliamentary elections.³⁶ During the transition period, the country was governed by an expert government. The People’s Party politicians have assessed the situation well: thanks to the successful campaign of the APP, the popularity of both the party and the chancellor candidate has raised the renewed People’s Party to unprecedented heights for years.

6. The second Kurz government (2020-2021)

The APP won the early elections with a result of 37.5%.³⁷ The election is considered by political experts to be of historical significance, as there has never been such a big difference between the first and second place winners in the history of the second Republic of Austria. Meanwhile, the popularity of the Austrian Socialist Party has fallen to a historic low, and many say a Hungarian „model” is emerging in our western neighbor: the emergence of a dominant, ruling center-right party, without which the formation of a government is almost impossible. The APP has been strengthened under the expert government: about 250,000 people have „voted” for the Freedom Party in the last few days alone. After the election, Kurz said he was willing to sit at

³⁴ hvg.hu

³⁵ Kalas (2020)

³⁶ Magyar Nemzet (2019)

³⁷ Statista.de (2019)

a negotiating table with every party in parliament. However, both the Socialists and the Freedom Party have indicated they are unwilling to enter into a coalition with the People's Party, and the Liberal News did not get enough votes to gain an absolute majority in the legislature together with the People's Party. Kurz's only chance of this remained the swollen Greens for 13.9% popularity. Coalition talks dragged on for a quarter of a year as Conservatives and the Greens took markedly opposite views on the key issues they represented. Finally, the announcement was made on January 1, 2020: the coalition agreements were successfully concluded, so cardinal issues for the APP, the fight against illegal migration, and political Islam were included in the government program, while climate policy was introduced under pressure from the Greens. The Ministry of the Interior, the Ministry of Foreign Affairs, and the Ministry of Defense came under the control of the APP, and a Ministry of Integration was established, also under the supervision of the Conservatives. Meanwhile, the Greens have come under the influence of the environment, energy, infrastructure, transport, technology, and innovation.

The Hungarian Prime Minister has repeatedly called Austria a „laboratory” and the processes taking place there, such as the cooperation between the People's Party and the Greens, and later the crisis caused by the coronavirus. Sebastian Kurz was also praised in front of members of the press, who managed to stand up to the break-up of the coalition with the AFP and the government crisis and emerged stronger and victorious.

Following the formation of the governing coalition, a small number of diplomatic meetings could take place in 2020, following the outbreak of the coronavirus epidemic in February, with complete closures and epidemiological restrictions across Europe. On 14 July 2020, Austrian Foreign Minister Alexander Schallenberg had an official visit to Budapest in the framework of the „Central Five”³⁸ Foreign Ministers' Meeting. The informal consultation focused on the economic effects of the crisis caused by the coronavirus epidemic. There was also talk of the possibility of future successful cooperation.

After the announcement of the emergency state in Hungary, criticism came from some Austrian parties, including the pro-government Greens, the opposition ASDP, and the Neos. According to the Liberal-Left parties, „democracy was in jeopardy” after the introduction of an extraordinary legal system in Hungary, which allowed only measures to strengthen the government's decision-making power in the event of an epidemic emergency. At the same time, the People's Party and the Chancellor themselves have spoken in an extremely restrained, non-hostile manner.

³⁸ Informal cooperation between Austria, Czech Republic, Hungary, Slovakia and Slovenia

There was also an agreement between the two states in criticizing the distribution of vaccines in the European Union: the heads of government said they were stubborn and unjust. Austria and Hungary have also delivered tens of thousands of vaccines to the Czech Republic, which has received fewer doses of vaccines from the European Union. Therefore, both countries have separate pathways for vaccine procurement: Austria purchased 1 million doses of the Sputnik vaccine and entered into separate agreements with Pfizer / Biontech. Meanwhile, in addition to the Russian vaccine procurement, Hungary also successfully used the Chinese-developed Sinopharm vaccine in the 2021 spring vaccination campaign.

Another point of agreement is the illegal migration that has been mentioned several times during the second Kurz government – so far – in three cases:

- For the first time in November 2020, the issue of illegal immigration and the fight against Islamic terrorism was again on the political agenda in connection with the terrorist attack in Vienna, as all the assassins had a migration background.
- Another debate on asylum policy began this year after two young people with refugee status in Austria raped and murdered a 13-year-old girl in Vienna.³⁹
- Regarding the current situation in Afghanistan, Sebastian Kurz strongly rejected the allocation of refugees on the basis of quotas and increasingly favored local assistance. Austria has provided € 18 million in emergency aid to Afghanistan to help those in need on the ground and to obtain refugee status in one of its immediate neighbors, in order to avoid a migration crisis similar to 2015.⁴⁰

April 18, 2021, marked the 10th anniversary of Sebastian Kurz's entry into the federal government from the presidency of the Austrian People's Party's youth section⁴¹: Kurz took up the position of secretary of state at just 24 years old. The People's Party has changed significantly over the last ten years, mainly due to the „blood refreshment” brought by Kurz, but at the same time significant (geo) political changes have taken place in Austria and throughout Europe. Kurz soon became one of the most popular politicians in Austria, right after the president, and after his appointment as foreign minister in 2013, he became one of the most powerful ministers in the Austrian government. Even as Secretary of State for Integration, he had a strong vision of illegal migration and thanked Hungary several times for closing the Balkan

³⁹ Berliner Morgenpost (2021)

⁴⁰ Bundeskanzleramt (26.08.2021)

⁴¹ Dolna (2021)

route. The curiosity of Kurz's politics lies in the fact that as a conservative he can still remain modern. Interestingly, by 2021, its popularity has dropped significantly – to a depth not seen since 2013 – to around 33%.⁴²

Regarding economic relations, significant changes can be observed in the relationship between the second Kurz government and Hungary, but these cannot be explained by economic policy decisions, but rather by the Covid-19 epidemic. While GDP grew by 4.9% in 2019, Hungary experienced a 5% economic downturn in 2020 due to restrictions due to the coronavirus.⁴³ According to preliminary economic calculations, Hungary may return to the pre-crisis economic indicators in 2021⁴⁴, which can be partly explained by economic protection measures and the growing role of the state - for example, the state acquisition of banks and energy suppliers.⁴⁵ In 2020, Hungary was the eighth most important market for Austrian goods in the world, the sixth most important in the EU, and the third-largest in the Central and Eastern European region.⁴⁶ Austrian exports in 2020 fell by almost 12.4% compared to the previous year. All in all, Hungary is Austria's ninth most important economic partner in the world, with a total trade volume of about 8.75 billion euros.⁴⁷ According to a survey conducted by the Austrian Labor Office in July 2020, more than 98,000 Hungarian citizens worked in Austria, a decrease of only 3.4% compared to the data before the coronavirus.⁴⁸

In addition to the criticism of the emergency situation in Hungary, there has been significant controversy in recent months regarding border protection: the Austrian Minister of the Interior Cases has also questioned the success of Hungarian border protection.⁴⁹ Another pivotal point in Austrian politics, especially since the governing coalition of the Greens, is environmental protection. On August 24, 2021, Greenpeace activists protested in front of the building of the Hungarian Representation in Vienna against the „giga investment” on Lake Neusiedl. In their opinion, the construction endangers the wildlife of the lake on the common border section, and the construction in the Hungarian part may also have a detrimental effect on the Austrian part of the lakeshore. The Austrian government has applied to the Hungarian authorities to make the plans public.⁵⁰

The child protection law passed by the Hungarian parliament in June caused a great storm in Hungary and throughout the EU. Austrian Prime

⁴² sp.

⁴³ Aussenwirtschaftszentrum Ungarn (March, 2021) P.4.

⁴⁴ sp.

⁴⁵ Aussenwirtschaftszentrum Ungarn (March, 2021) P.9.

⁴⁶ sp.

⁴⁷ Sp.

⁴⁸ Finanzen.at (2020)

⁴⁹ Kronen Zeitung (2021)

⁵⁰ Der Standard (2021)

Minister Sebastian Kurz fully supports the decision of the head of the European Commission, Ursula von der Leyen, to oppose the controversial law of the Orbán government.⁵¹ According to Kurz, the Hungarian procedure has crossed a border. The major Austrian ruling party has received a number of criticisms from the opposition for joining the protest late, but in the end, Austria has also joined some EU member states in protesting against Hungarian law, which they say is contrary to European values and discriminates against certain minorities on the basis of sexual orientation. Karoline Edtstadler, the Austrian EU minister, called the Hungarian law worrying but stressed that the Austrian government should be aware of all the facts before making a final verdict.⁵² Incidentally, the Austrian People's Party has been the subject of numerous domestic criticisms for not being represented at the Pride parade in Vienna.⁵³

7. The impact of the Austrian domestic political crisis of autumn 2021 on bilateral relations

In the autumn of 2021, major changes took place in Austrian domestic politics: the opposition-led parliamentary commission of inquiry into the Ibiza scandal charged Chancellor Sebastian Kurz with corruption charges, and the threads were traced back to 2016. Allegations of corruption included public opinion polls and central manipulation of public opinion. According to political analysts, Kurz and his narrow circle, former members of the APP's youth organization, decided in 2016 to fundamentally change Austrian political life, which had previously been bipolar and based on the transition economy of the two major parties' life is ingrained. Kurz built a movement instead of the old party structures, with the aim of freeing the APP from the shackles of the grand coalition and bringing a new political style into Austrian political life: instead of continuous bifurcation, he wanted to pursue a policy of cooperation. As we have seen in the chapters above, it has gained enormous popularity among voters in a short time. Kurz's system („System Kurz”, as political analysts called it in Austria) was designed to keep the Chancellor and his narrow layer of trust in power.⁵⁴ On October 9, 2021, Sebastian Kurz resigned as chancellor due to corruption investigations against him. Kurz continued to hold the position of party chairman of the APP and the position of a faction leader. On December 2, 2021, he resigned from the above-mentioned positions and also announced his retirement from public life.

⁵¹ Böhmer (2021)

⁵² Vienna.at (2021)

⁵³ Hagen – Schmid (2021)

⁵⁴ KKI podcast

„My country is more important than my person. Stable conditions are needed now. Therefore, in order to resolve the stalemate, I want to make room to prevent chaos and ensure stability.”⁵⁵

It has become a common belief in the APP that the office of chancellor and party chairman should be held by one person. The Austrian domestic political crisis last autumn was finally resolved with the election of Karl Nehammer as interior minister and his appointment as chancellor.⁵⁶ Nehammer is „hard-line” on the refugee issue, so in this and the current situation in Ukraine, he is cooperating with the Hungarian government on the reception of refugees, but due to the Hungarian parliamentary elections on April 3, 2022, there is a general „wait-and-see” from Austria.

Conclusion

As a neighboring countries, relations between Austria and Hungary will continue to be an important cornerstone of the two countries' foreign policy, and their regional cooperation may be one of the keys to their economic and security policy success. For historical and cultural reasons, this relationship will always be unique. However, it is important to see that current political changes can have a serious impact on bilateral relations. The question is what the results of the Hungarian parliamentary elections in 2022 will bring, and what effect this may have on the cooperation that has begun and on the agreement between the two countries on certain issues. Of course, any changes in Austria's domestic politics cannot be left out of the formula, be it the early election following the 2019 Ibiza scandal, the difficulties of post-election coalition negotiations, or the domestic political scandal that erupted in the autumn of 2021. The question is how, in the light of the above, Hungarian - Austrian relations will develop in the future, and how much will the upheaval of Austrian domestic politics affect it. What will be the outcome of the Austrian People's Party in the next parliamentary elections after the loss of the charismatic party chairman? Can the party recover from the political scandals of recent years? Although the APP remains one of the most popular parties among voters, the party's popularity has plummeted in recent months.⁵⁷ According to a December 2021 poll, the Socialists (26%) overtook the People's Party (24%), which has been unprecedented for years.⁵⁸

⁵⁵ Bundeskanzleramt.at (09.10.2021): „Mein Land ist mir wichtiger als meine Person. Was es jetzt braucht, sind stabile Verhaeltnisse. Um die Pattsituation aufzulösen, möchte ich daher Platz machen, um Chaos zu verhindern und um Stabilitaet zu gewaehrleisten.”

⁵⁶ Politico (2021)

⁵⁷ derstandard.at (10.12.2021)

⁵⁸ sp.

Another important variable in bilateral diplomatic relations is the European Union and its future, as well as the ongoing geopolitical changes that may pose a series of (security) challenges for the entire continent, including the Central and Eastern European region like the Ukrainian conflict. Another question is how the coronavirus pandemic is evolving and how the governments of individual states and the European Union are adapting to these changes.

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