

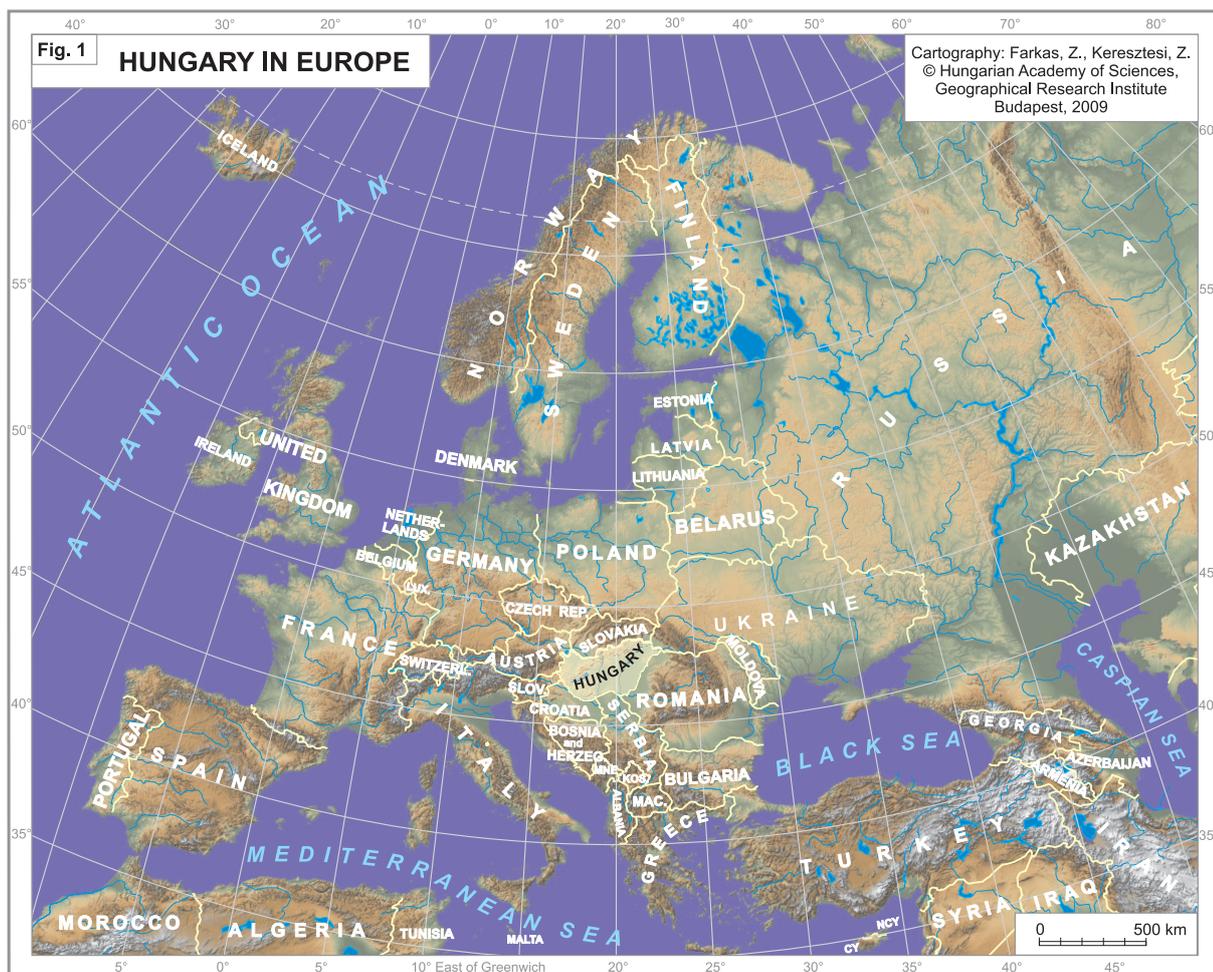
# HUNGARY IN THE WORLD

## (Geographical Location and Geopolitical Situation)

### Geographical Setting

Hungary is located in the Carpathian (Pannonian, or Central Danubian) Basin, in the south-eastern part of Central Europe between 16°05' and 22°58' of eastern longitude, and 45°48' and 48°35' of northern latitude, almost equidistant between the equator and the North Pole (Figure 1). Its territory spans 528 km from the west to the east, and 268 km from the north to the south. Geographical extremes are the village of Garbold in the east, where the sun rises 27 minutes earlier than over Felsőszölnök in the west; the Nagy-Milic mountain peak in the north and the village of Kásád near the River Dráva in the south.

Hungary is a landlocked country. From Budapest the nearest seaport is Rijeka on the Adriatic Sea (Hungarian territory until 1918 and also known as Fiume; 420 km by air). Much further from the Hungarian capital, with a distance of 755 km and 820 km respectively (by air) are the coastlines of the Baltic Sea and Black Sea. Hungary's climate is however largely influenced by the westerly winds arriving from the Atlantic Ocean, the coastline of which is a mean distance of 1000–1500 km from Hungary. Due to its central location the country's territory is a genuine arena of oceanic, continental and Mediterranean



air masses. Hungary is considered to be a lowland country. 83% of its territory is situated below 200 m, while only 2% is higher than 400

m above sea level, the topography providing a favourable opportunity for agriculture and the development of the transport system.

## State Territory and Boundaries

An independent state named 'Hungary' first appeared on the map of Europe following the Conquest of the Hungarian tribes in the Carpathian Basin, under the leadership of chieftain Árpád in 895. With the crowning of his grandson, Stephen I in 1000, the Hungarian Principality turned into the Kingdom of Hungary, which existed with interruptions until 1946. From the early 10<sup>th</sup> century, the whole territory of the Carpathian Basin (around 300 thousand km<sup>2</sup>) became part of Hungary. Due to personal unions (with Croatia (1102–1527), Poland (1370–1384), and Croatia-Slavonia (1873–1918) and annexations, the territory under the rule of the Hungarian Crown reached its peaks between 1370 and 1382 (577 thousand km<sup>2</sup> during the rule of Louis I, the Great) and between 1485 and 1490 (482 thousand km<sup>2</sup>, under Matthias I, known as Corvinus). During the Ottoman (Turkish) supremacy, the territory of the Hungarian state was divided into two parts: the Habsburg Kingdom of Hungary and the Principality of Transylvania, the latter ensuring the survival of semi-independent Hungarian statehood during the 16–17<sup>th</sup> centuries. Following the gradual reintegration of some historical provinces (e.g. Banat 1741, 1860; Transylvania 1848, 1867) and the revival of the Hungaro-Croatian personal union (1873), the territory under the authority of the Hungarian Crown began to approach its medieval one (about 320–330 thousand km<sup>2</sup>). The capital returned from Pozsony (or Pressburg, today Bratislava) to Buda in 1848 (since 1873 Budapest).

The present territorial borders of Hungary were essentially formed after the dissolution of the Austro-Hungarian Monarchy and the subsequent partitioning of the historical territory of the Hungarian state by the Treaty of Trianon (Versailles, 1920). Between 1938 and 1944, predominantly during World War II, nearly 79 thousand km<sup>2</sup> of land were temporarily reannexed to Hungary by the Axis powers (which included the majority of the Hungarian ethnic territories detached in 1920).

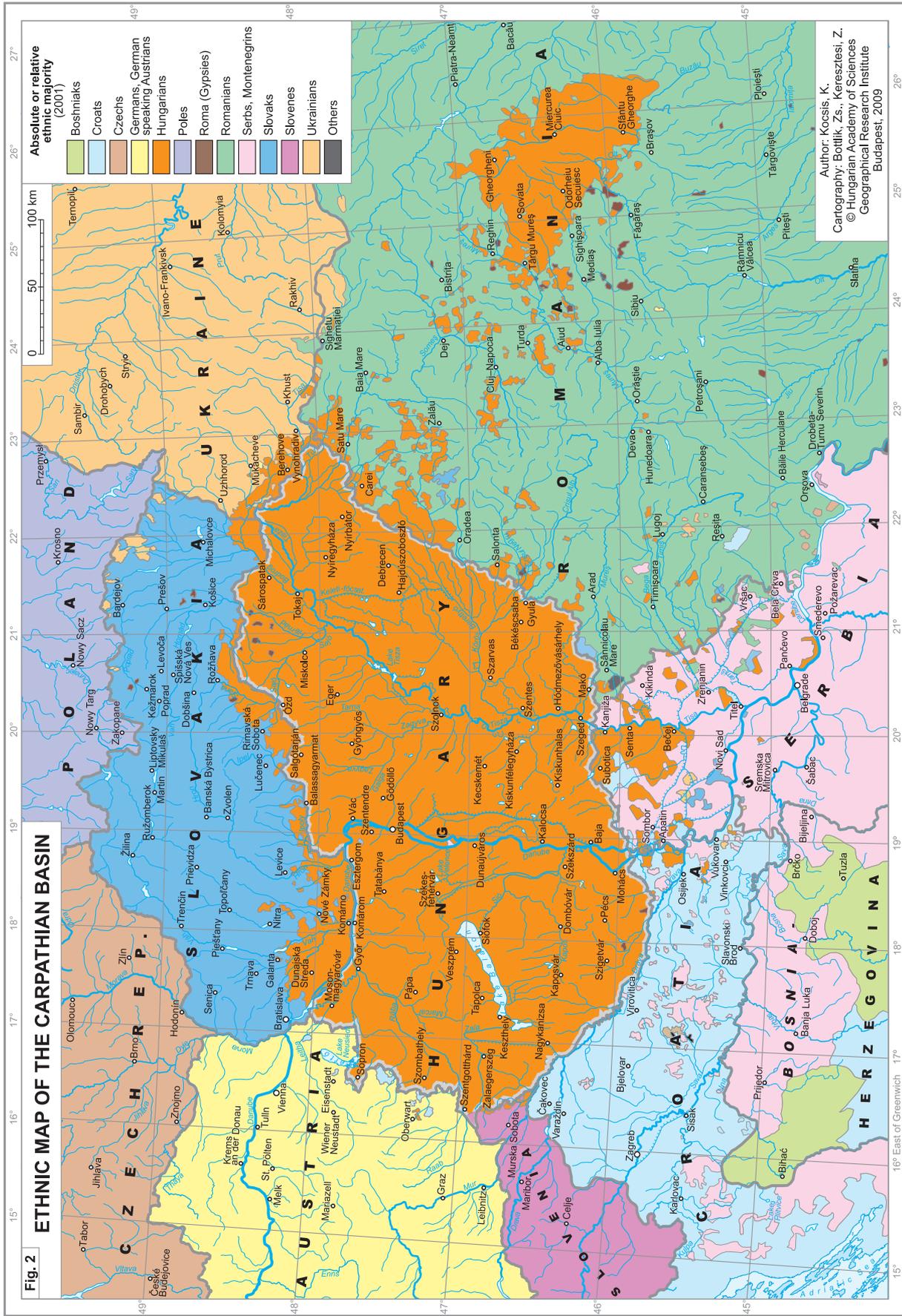
Following World War II, the Treaty of Paris (1947) unwound the Hungarian territorial revisions of 1938–1941, and even three settlements in the region of Bratislava were annexed from Hungary to Czechoslovakia. With this act Hungary's territory decreased to its present 93,030 km<sup>2</sup>. The total length of its national borders amounts 2,246 km, shared by the following countries: Slovakia – 679, Ukraine – 137, Romania – 453, Serbia – 164, Croatia – 355, Slovenia – 102 and Austria – 356.

The compactness of the country's territory (expressed in km<sup>2</sup> of territory per one km of border) is an average of 41.5 km<sup>2</sup>/border km compared with Romania's 74.4 and Croatia's 11.2. Hungary's geopolitical situation changed favourably following the dissolution of its neighbouring federal states (between 1991–1993, involving Yugoslavia, the USSR and Czechoslovakia) into smaller, new nation-states, resulting in a radical transformation in the old alliance system.

## Ethnic Territory and Boundaries

Due to the peace treaties of 1920 and 1947, the current national borders do not necessarily

coincide with the area inhabited by the ethnic Hungarians (*Figure 2, Table 1*). As a result, over



one million ethnic Hungarians live in the border zones of Slovakia, Romania, Serbia and Ukraine and ever since 1920 their presence has imposed a serious burden on the internal and foreign affairs of the affected neighbouring countries, invoking fears of Hungarian irredentism (which were temporarily realised between 1938 and 1944). Ever since 1920 up to the present day, the 'Hungarian question' casts a shadow over interethnic and interstate relations, and the extent of the difficulties correspond with the size of the Hungarian minority living in the given country. Good relations between Hungary and Austria, Slovenia and Croatia are contributed

to by close historical, cultural and economical relations, along with a very similar number of each nation's minorities on both sides of the border and an almost perfect correlation between state and ethnic borders (*Table 2*). These facts serve to notably increase the political stability of their joint borders. By contrast, the events of the two world wars, the subsequent territorial and ethnic annexations, and the sheer numbers and situation of Hungarian minorities in the joint border regions still significantly trouble relations between Hungary and Slovakia, Romania and Serbia, keeping alive these nations' fears of Hungarian territorial revision.

*Table 1. Ethnic stability of the state borders in the Carpathian Basin (2008)*

Border section	State border total		Out of this			
			Ethnic boundary*		Non-ethnic boundary**	
	kms	%	kms	%	kms	%
Hungary–Austria	356	100.0	345	96.9	11	3.1
Hungary–Slovakia	679	100.0	95	14.0	584	86.0
Hungary–Ukraine	137	100.0	7	5.1	130	94.9
Hungary–Romania	453	100.0	244	53.9	209	46.1
Hungary–Serbia	164	100.0	106	64.6	58	35.4
Hungary–Croatia	355	100.0	320	90.1	35	9.9
Hungary–Slovenia	102	100.0	52	51.0	50	49.0

*Remarks:* \*Ethnic boundary: The state border coincides with the ethnic-lingual boundary. \*\*Non-ethnic boundary: The state border does not coincide with the ethnic-lingual boundary. The same ethnic group lives on both sides of the border (dominantly ethnic Hungarians).

*Source:* Hungarian Central Statistical Office ([www.ksh.hu](http://www.ksh.hu)) and calculations of Kocsis, K.

*Table 2. Ethnic reciprocity in the countries of the Carpathian Basin (2001/2002)*

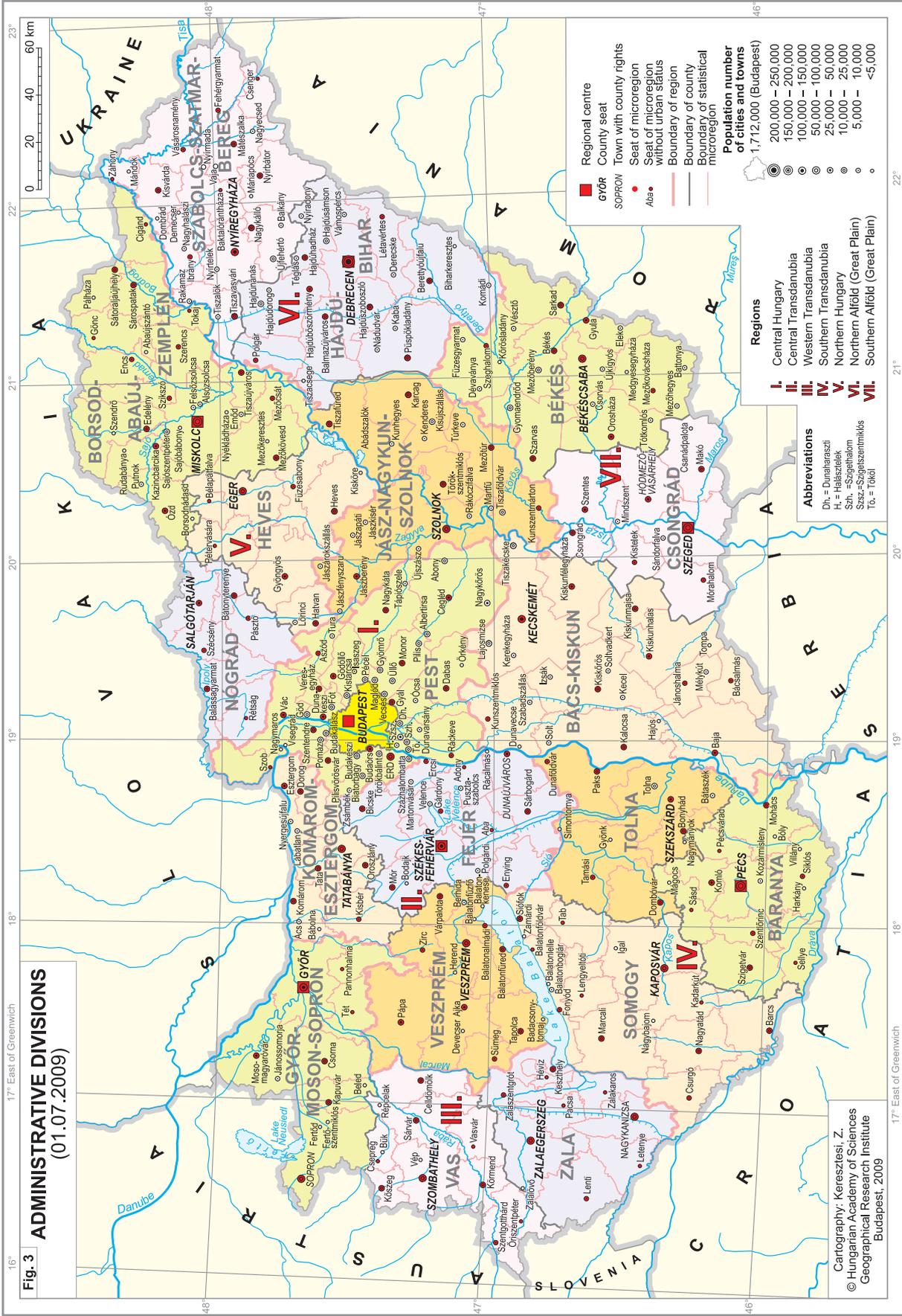
Minorities	Absolute number	Minorities	Absolute number	Reciprocity ratio
Hungarians in Romania	1,431,807	Romanians in Hungary	7,996	179.0 : 1
Hungarians in Slovakia	520,528	Slovaks in Hungary	17,693	29.4 : 1
Hungarians in Serbia	293,299	Serbs in Hungary	3,816	76.9 : 1
Hungarians in Ukraine	156,600	Ukrainians in Hungary	6,168	25.4 : 1
Hungarians in Croatia	16,595	Croats in Hungary	15,620	1.1 : 1
Hungarians in Slovenia	6,243	Slovenes in Hungary	3,040	2.1 : 1
Hungarians in Burgenland (A)	6,641	Germans in West Hungary	2,831	2.3 : 1

*Source:* Census data 2001 (A, H, HR, SK, UA), 2002 (RO, SLO, SRB).

## Administrative Divisions

Hungary's territory is subdivided into 19 *counties* ("megye" in Hungarian, "comitatus" in Latin) and the *capital* (Budapest) into NUTS 3 (Nomenclature of Territorial Units for Statistics) level units, which have been grouped together since 1996 into 7 *regions* (NUTS 2) for statisti-

cal and development purposes (*Figure 3*). The counties are subdivided into 174 *microregions* ("kistérség") as LAU 1 (Local Administrative Unit, former NUTS 4) units, including Budapest as its own microregion. The LAU 2-level is represented by the 3,175 *local municipalities* (in-



cluding 24 capital districts). Among the localities there are 328 *urban settlements*, out of which 23 are called '*towns with county rights*' ("megyei jogú város"). The latter (all county seats and towns with at least 50 thousand inhabitants) are not independent administrative units, rather they belong to the territory of the respective county.

The system of Hungarian counties, as substantial administrative units of the country, looks back upon nearly a millennium's history. The function, organisation and territorial divi-

sion of the counties have profoundly changed since the time of their founder, King Stephen I (975–1038). The main historic prefixes since have caused them to be known as Royal, Nobiliary, Civic, then Socialist (Council/Soviet) counties, and since 1990 as the Local Authority County. Following the partitioning of the country in 1920 and many administrative reforms, the number of counties steadily decreased during the first half of the 20<sup>th</sup> century (1910: 71, 1920: 34, 1930: 25, 1950: 19).

## Hungary's Place in the European Pattern of Economic Development

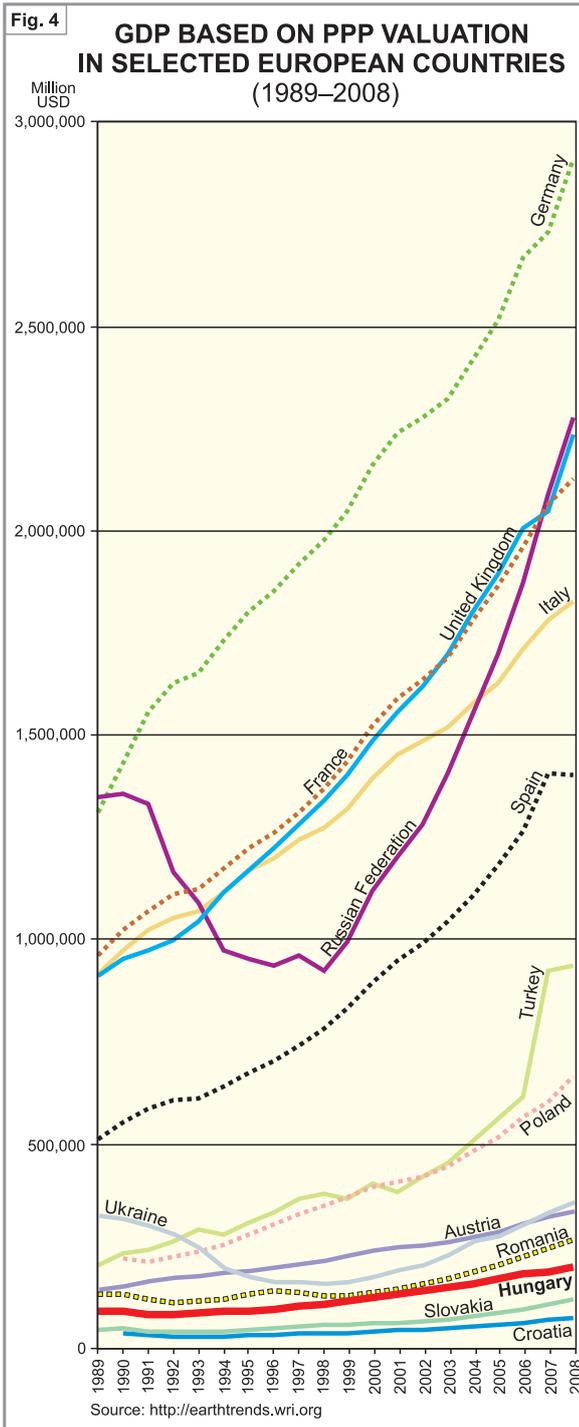
The economies of the post-Communist countries were shattered by the political, economic and social changes that swept through the eastern half of Europe, magnified by the post-1989 disintegration of socialist federal states (the USSR, Yugoslavia and Czechoslovakia) along with the emergence of territorial, ethnic and religious conflicts. The scope and duration of this eco-

nomics crisis, which was frequently accompanied by rampant inflation, varied from country to country. Owing to the timing of economic restructuring and privatisation, along with the introduction (or the absence) of shock therapy, the trough in both time and extent shifted and was aggravated from west to east. Annual GDP had shrunk (in comparison to the levels of 1989)

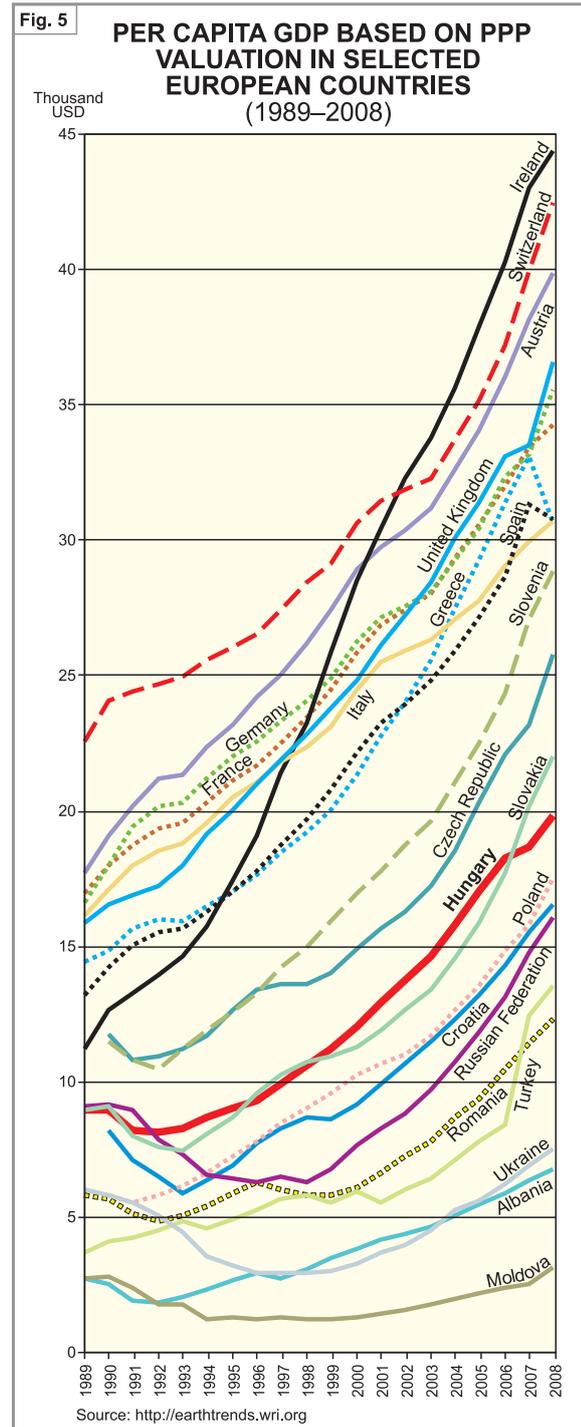
Table 3. GDP data of selected European countries (2008)

Country	GDP per capita, USD (based on PPP valuation)	GDP PPP total (billion USD)	Population number (thousand)
Switzerland	42,841	327.0	7,633
Ireland	42,780	191.4	4,475
Netherlands	40,434	664.5	16,433
Austria	39,647	331.1	8,352
Sweden	37,526	345.8	9,214
United Kingdom	36,571	2,241.5	61,291
Germany	35,552	2,921.3	82,170
France	34,262	2,125.8	62,046
Spain	30,757	1,430.2	46,501
Italy	30,705	1,838.2	59,865
Greece	30,661	344.7	11,242
Slovenia	28,894	58.8	2,034
Czech Republic	25,755	268.6	10,428
Slovakia	22,242	120.2	5,405
<b>HUNGARY</b>	<b>19,830</b>	<b>199.0</b>	<b>10,034</b>
Lithuania	18,855	63.3	3,357
Poland	17,560	669.2	38,110
Croatia	16,474	73.0	4,433
Russian Federation	16,161	2,292.8	141,875
Turkey	13,447	1,005.4	74,766
Romania	12,698	273.0	21,498
Bulgaria	12,372	94.3	7,621
Serbia	10,911	80.2	7,354
Ukraine	7,634	353.0	46,237
Bosnia & Herzegovina	7,618	29.3	3,843

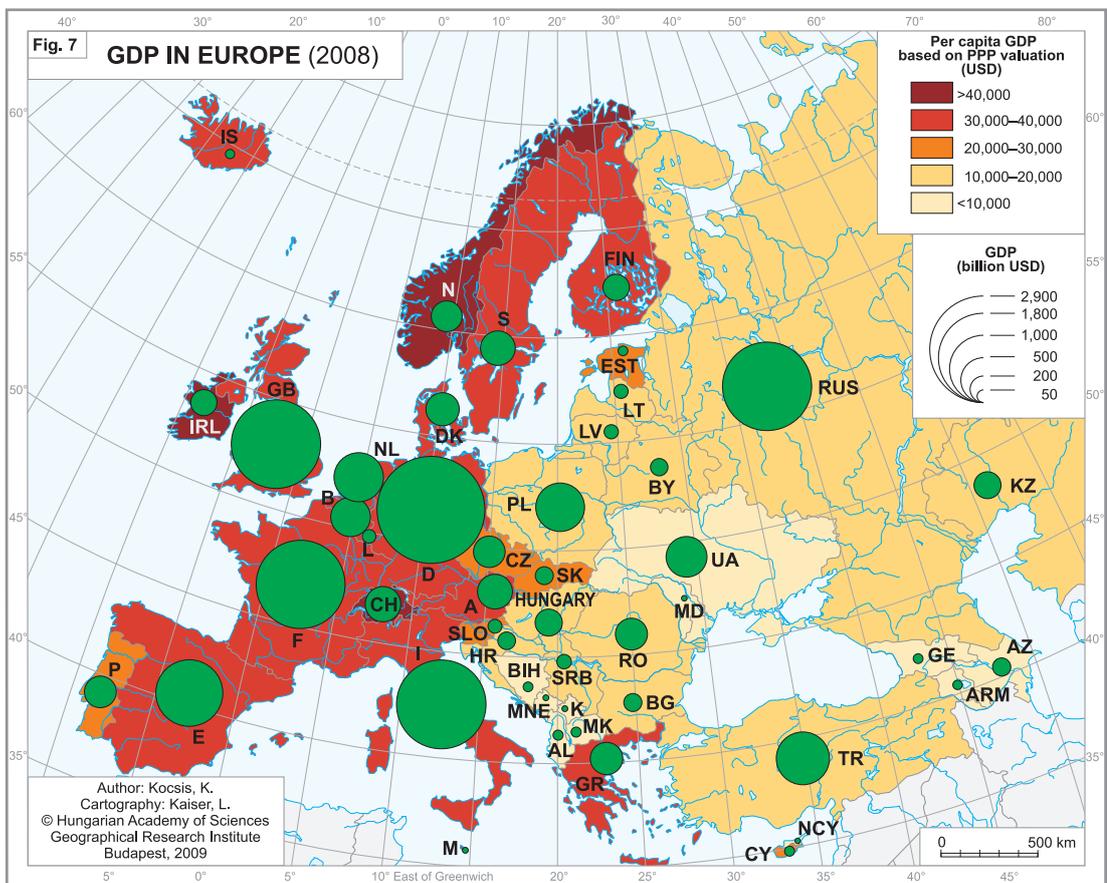
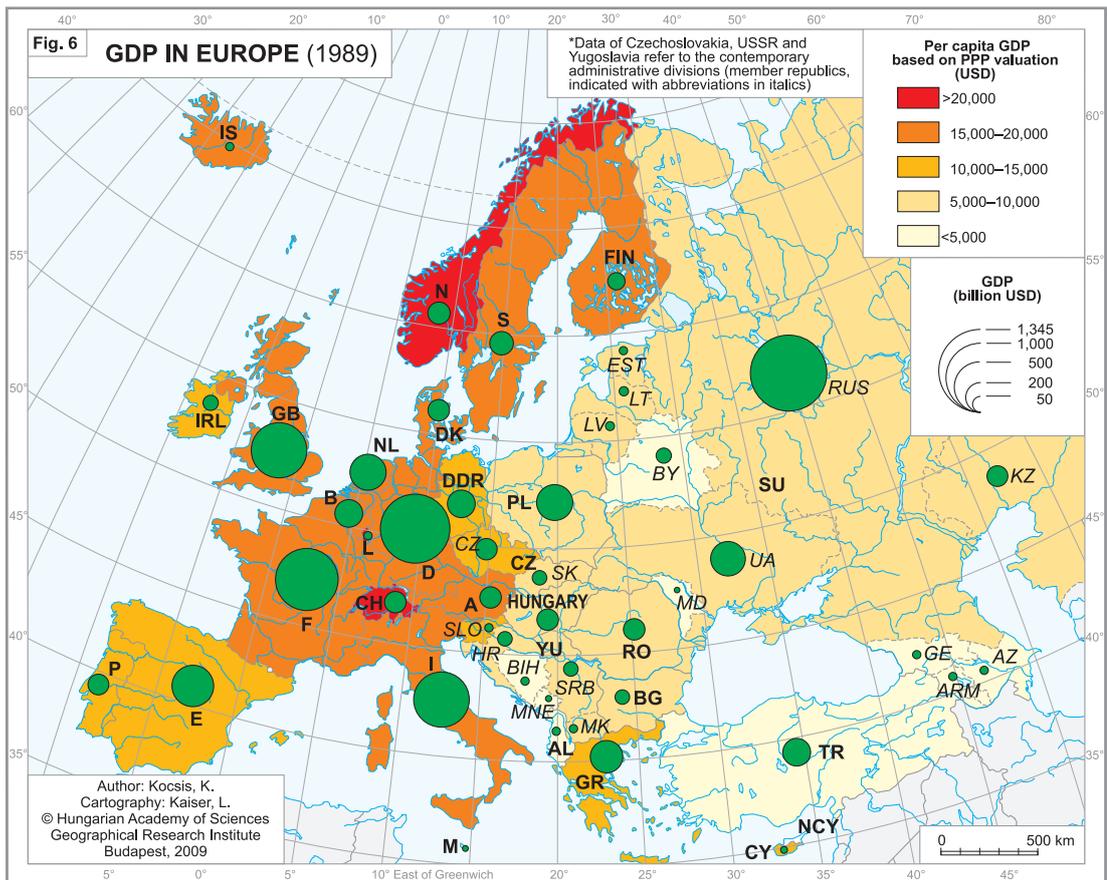
Source: <http://imf.org>, [www.prb.org](http://www.prb.org)



by 10–15% in the Visegrad countries (including Hungary) by 1991–1992; by 20–30% in South-East Europe by 1992–1993, and by 30–40% in the Baltic states by 1993–1994. GDP had also sunk by approximately 30% in the Russian Federation by 1997–1998, and by 51% in Ukraine by 1995–1998 (Figure 4). GDP figures last seen in 1989 only returned to Poland after 5 years, and the recovery took 7 years in Hungary and Slovakia, 11 years in Croatia, 12 years in Bulgaria and Romania,



13 years in Latvia and Lithuania and 14 years in Russia. In the meantime, the developed western nations had increased their GDP by 80–110% between 1989 and 2008; Ireland (a nation of 4.5 million inhabitants) was akin to an economic miracle achieving GDP growth of 381% over the period mentioned. The richest countries in Europe (defined by having GDP per capita of 30,000 USD or more, based on PPP valuations) were and are to be found in the western part of



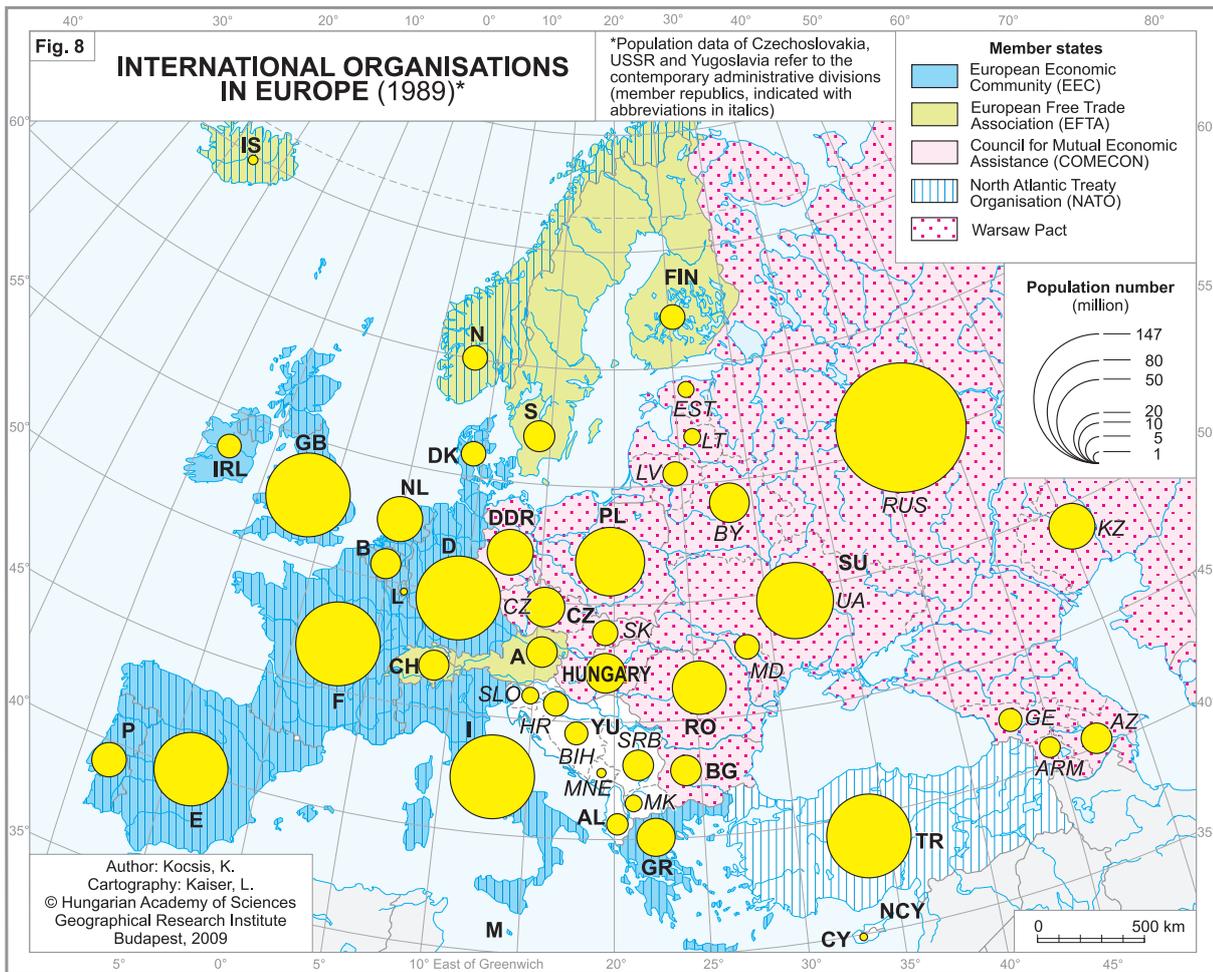
Central Europe and in North and North-West Europe (figures 5 through 7, Table 3). Regional inequalities between the post-Communist countries during the last two decades have barely decreased. In this respect Hungary's position has

not changed: per capita Hungarian GDP (based on PPP valuations) is only behind the respective data for Slovenia, the Czech Republic and Slovakia among the former socialist countries (similar to 1989).

## International Relations

Following World War II, due to its geographical location and the Yalta Agreement (1944), Hungary became part of the USSR's sphere of influence (i.e. the Eastern Bloc). As a new socialist country it took part in the foundation of the economic and military organisations controlled by the Soviet Union (*Comecon 1949, Warsaw Pact 1955, Figure 8*) and joined the *United Nations* (14 December 1955). During four decades of socialism, located on the 'wrong' side of the 'East-West dichotomy', Hungary was present-

ed with little opportunity to integrate into the western European ebb and flow, but it became a member of the most important international economic and financial organisations relatively early (*GATT 1973, IMF 1982*), despite criticism from other Eastern Bloc countries. By the late 1980s Hungary had established diplomatic relations with 130 states of the 159 UN members and operated 63 embassies and 10 general consulates in-line with the economic and political interests of the contemporary regime.



Hungary set an example of regime change to other Eastern Bloc states being the first country to begin dismantling the 'iron curtain' in 1989 and to sign the EC Association Treaty. The collapse of Comecon, the Warsaw Pact and the Soviet Union in 1991 terminated the country's dependence on Moscow. A newly independent state, the Republic of Hungary declared its main foreign policy goals to be: 1. Euro-Atlantic integration; 2. The maintenance of good relations with neighbouring countries; and 3. The provision of support for ethnic Hungarians living abroad in the frame of the new nation policy. Signing *basic treaties* with Slovenia in 1992, Ukraine in 1993, Croatia and Slovakia in 1995, and with Romania in 1996, Hungary has firmed its relations with its neighbour countries. In 1996 (together with Poland and South Korea) Hungary became a member of the *OECD* (Organisation for Economic Cooperation and Development), an international organisation of 30 countries predominantly comprised of high-income economies. Hungary joined *NATO* in 1999 (together with the Czech Republic and

Poland), and *European Union* accession followed on 1 May 2004 (Figure 9).

The primary influence over the country's developmental framework and foreign policy is the EU. Hungary was the first to ratify the Treaty of Lisbon (13 December 2007), which has been conceived to raise EU integration to a higher level. The next important step towards a more active EU presence was accession to the EU's internal borderless territory in the frame of the *Schengen Treaty* (21 December 2007).

Besides maintaining balanced political and economic relations with neighbouring states, in the frame of its new nation policy Hungary also strives to win room for the acceptance of ethnic Hungarians together within the European community. In the furtherance of this aim in 2001 the Hungarian government passed Law LXII (known as the *Hungarian Status Law*) to formalise ties with ethnic Hungarians in neighbouring states, granting them rights in Hungary and direct benefits from the Hungarian government.

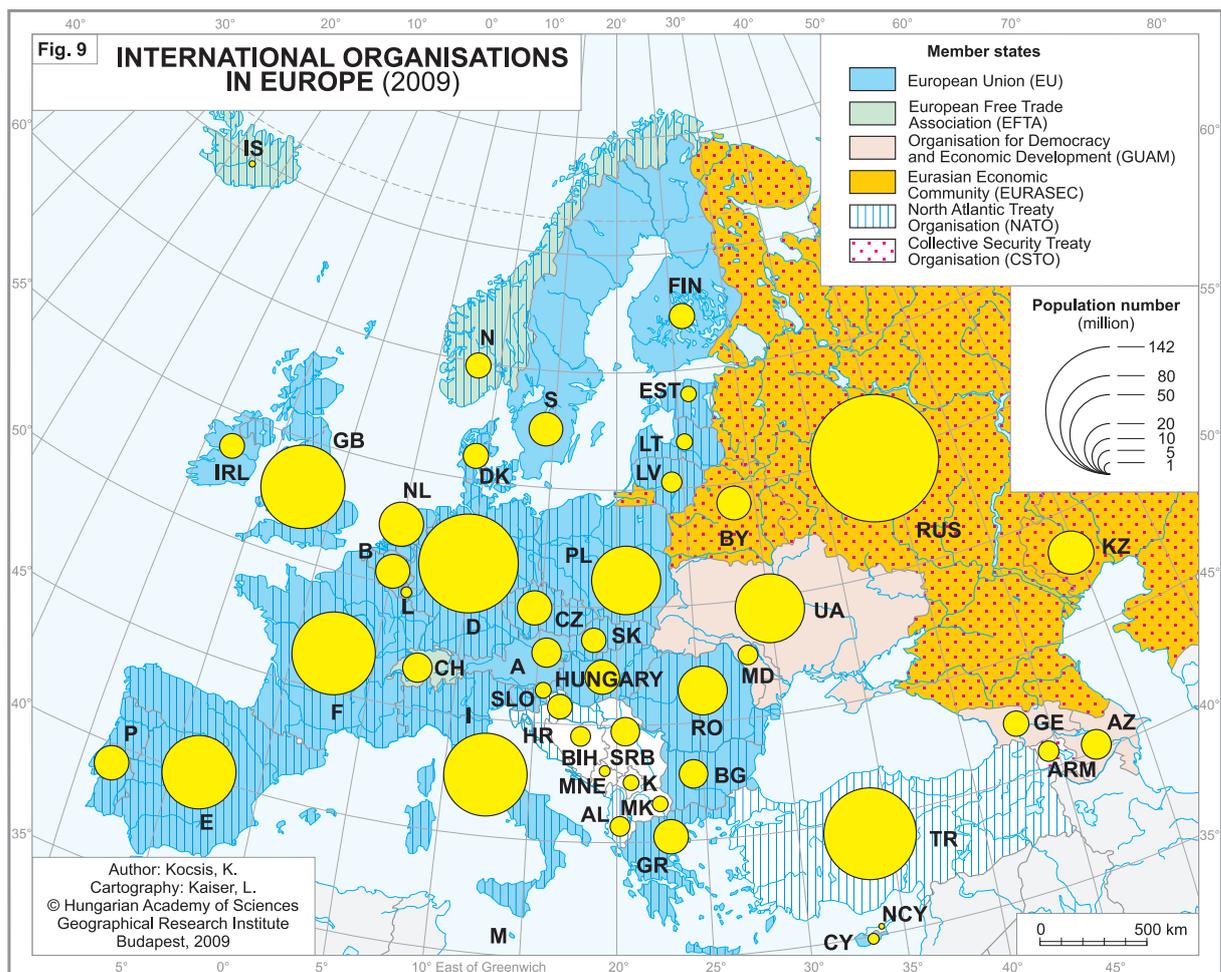
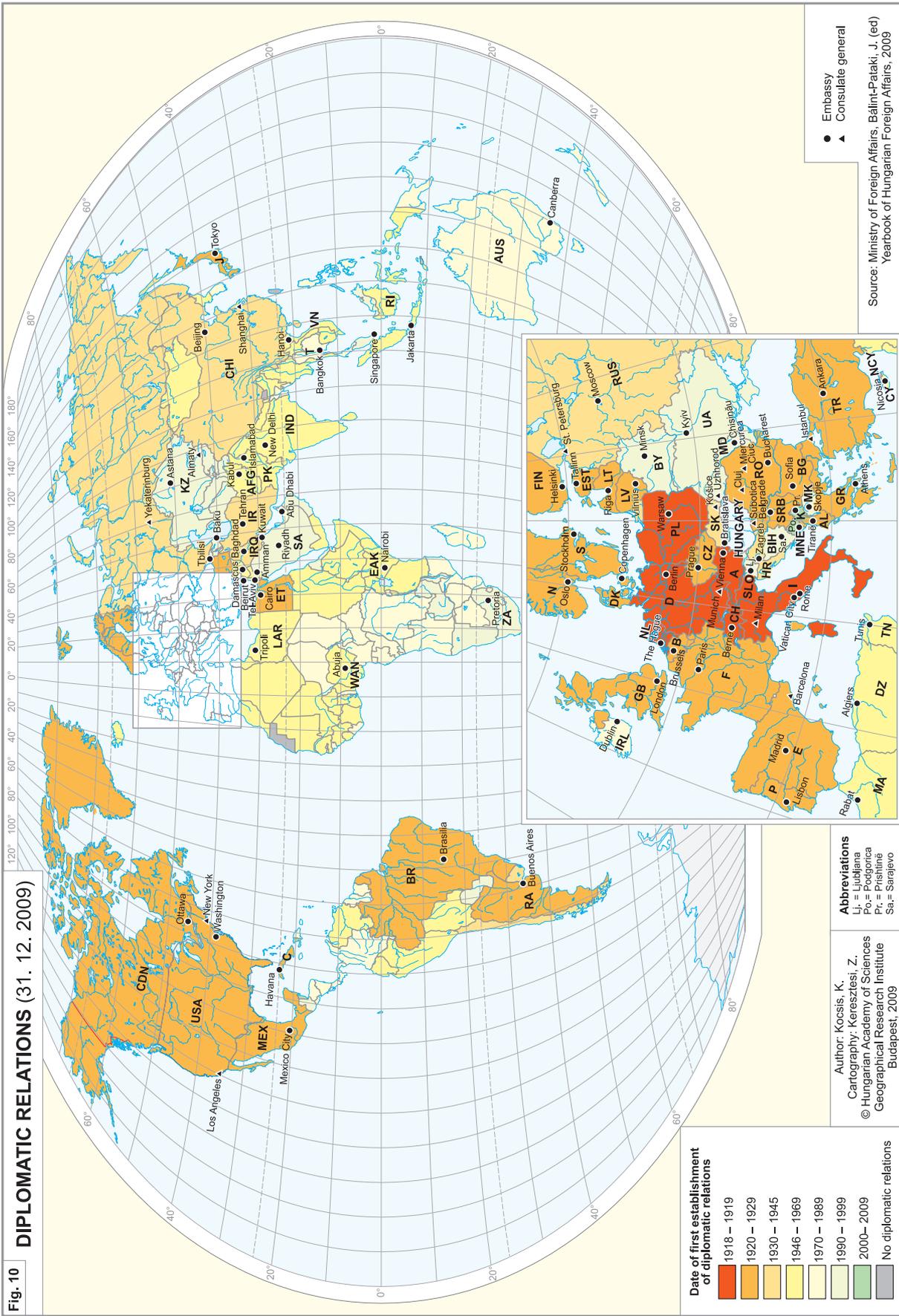


Fig. 10

DIPLOMATIC RELATIONS (31. 12. 2009)



In the *East Central European* sphere Hungary participates in numerous *regional co-operation forums*, such as in the Visegrad Group (with Poland, Czech Republic and Slovakia), in the Quadrilaterale (with Croatia, Italy and Slovenia) and in the Regional Partnership (with Austria, the Czech Republic, Poland, Slovakia and Slovenia). As a supporter of the Euro-Atlantic integration of the west *Balkan* countries, Hungary is participating in EU's Security and Defence policy missions (EUFOR in Bosnia and Herzegovina and EULEX in Kosovo). The Hungarian contribution is important not only in terms of military assistance, but also in the economic reconstruction of South-East Europe; the region where over half of outward Hungarian FDI (Foreign Direct Investment) is directed to. In the framework of the EU's Neighbourhood Policy, Hungary also strives to promote *Ukraine's* aspirations of accession to the EU and NATO. Maintaining balanced relations with *Russia* based on mutual interests is of key importance from the point of view of securing Hungary's energy supply. Besides the *USA* – which possesses a privileged position in Hungary's network of foreign economic and diplomatic relations – the following macroregions are of primary importance for Hungary with a view to improving competitiveness, providing new markets for Hungarian companies, securing capital investments and for diversifying the energy supply: Asia (e.g. China, South Korea and India), Middle East-Gulf states and North Africa.

The new priorities of Hungarian foreign policy are reflected in the statistics and geographical location of diplomatic missions (*Figure 10*). Following 1989 Hungary closed 17

(mostly African and Asian) embassies in countries which have lost their political importance for Hungary (e.g. Angola, Cambodia, Laos, North Korea and Zimbabwe). Parallel to this, 35 new embassies were established, mainly in the successor countries to the disintegrated federal states (e.g. the USSR, Yugoslavia and Czechoslovakia) and in the Asian and African regions of primary economic importance mentioned above. The new general consulates over the last two decades have predominantly been established in select metropolises of the country's most important partners, e.g. in the EU (Munich, Milan, Barcelona); in the Americas (Chicago, Los Angeles, Toronto, São Paulo); in China (Shanghai, Hong Kong); and in Russia (Yekaterinburg). To strengthen its ties with the Hungarian minorities living in the Carpathian Basin, Hungary's new general consulates have also been established in towns that are of significance for ethnic Hungarians of the neighbouring countries (e.g. Miercurea Ciuc/Csíkszereda RO; Subotica/Szabadka SRB; Uzhhorod/Ungvár UA; and Košice/Kassa SK).

Particular mention should be accorded to the fact that recently several international organisations have moved their regional or managerial offices to Budapest: the UN's FAO (Food and Agriculture Organisation) Regional Office for Europe and Central Asia, the FAO's Joint Service Centre, the European Centre of the International Federation of Red Cross and Red Crescent Societies, the administrative and service centre of the Office of the UN High Commissioner for Refugees, and the Institute for Innovation and Technology of the European Union.