

Türkiye-Hungary Relations in the 21st century

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ABSTRACT

Both explicitly and implicitly the paper deals with the unique and multilevel relationship between Türkiye and Hungary from historical, economic and trade perspective. As a theoretical basis international relations' theories will provide a reference framework in order to be able to conduct further analysis about these two countries, as players of the international realm. The analysis will focus first of all on the past decades scrutinizing the two nations' geopolitical and strategic role. Despite numerous differences on political level and throughout history in postmodern era Hungary and Türkiye share the mutual goal of creating economic stability in their respective countries and contributing to regional stability.

Keywords: Hungary-Türkiye relations, internationalization, trade, politics, realism

INTRODUCTION – EARLY HISTORICAL TIES

The relations between Hungary and Türkiye date back to historical lengths and show centuries long cooperation on cultural, economic and political level. To two states share a relative geographical closeness that results multilevel cooperation from influencing each others' culture, to depending on mutual economic activities, thinking of the Ottoman Empire's continuous interaction with the Austro-Hungarian Monarchy way through until the present day's bilateral relations. Not only cooperation but also conflicts have shaped the two countries' current relations.

In the upcoming part I will briefly analyze the ties between the two countries from a historical perspective:

1. The first remarkable relationship of the two nations date back to the 16th and 17th centuries, the period of the Ottoman – Hungarian Wars, when the Empire decided to attack the Hungarian Kingdom for gaining more territory in the Central- European region. These wars had a lasting impact on the political and cultural landscapes of both countries and left a legacy of mutual influence and exchange.
2. During the period of the Habsburg Empire and the Ottoman Empire, Türkiye and Hungary continued to have diplomatic and military interactions, as both empires sought to assert their power in Europe and the Mediterranean. The Habsburg-Ottoman conflict shaped the geopolitical dynamics of the region and influenced the development of Türkiye-Hungary relations.
3. In the 20th century, Türkiye and Hungary established formal diplomatic relations following the dissolution of the Ottoman Empire and the end of World War I. Both Hungary and Türkiye have stabilised its role in the international political arena, by gaining membership of various international organizations.
4. In the 21st century the two countries have tightened cultural and economic relations with common business investments resulting a more close cooperation. Moreover, especially in the past 10 years the role of tourism, education and health care related cooperations have multiplied leading to a never

before seen interconnection of the countries.

Despite periods of political and military conflicts the relations of Hungary and Türkiye have gained stable grounds and developed into a cherished cooperation between two nations that share common roots of historical figures like Atilla, mutual linguistic identities and customs. These existing commonalities have expanded into various cooperations. Currently, for example the two countries have agreed to name the year of 2024 the Turkish – Hungarian Cultural year organizing various events with diplomatic purpose.

THEORETICAL FRAMEWORK

The most remarkable and most frequently cited international relations' theories include among others Marxism, realism, constructivism, feminism and liberalism. Out of these theories I find realism the most suitable as a theoretical framework for my article. Realism, similarly to rationalism (or rational choice theory) considers actors on the international palette as self interested utility maximizing agents that struggle for power. Such states act first of all according to their national interests aiming at power, national security, regional stability and dominance in their overall status. These countries try to overdominate others and to realize

Realism, in its various forms, sees international relations as a struggle for power among self-interested states. It posits that states act primarily in pursuit of their national interests, defined in terms of power. It emphasizes the pursuit of power, security, and national interest as the primary goals of states in their foreign policy decisions. These countries try to overdominate their counterparts in order to realize their national ambitions and to impose relative power on other actors of the international arena.

In the context of Türkiye and Hungary's relations, realism can illuminate the strategic and geopolitical aspects that shape their interactions. Both countries are located at the crossroads of Europe and Asia, with historically significant roles in regional power dynamics. Türkiye, as a key player in the Middle East and Eastern Mediterranean, has sought to assert its influence in these regions through military interventions and diplomatic efforts. Hungary, situated in Central Europe, has pursued closer ties with Western allies while also maintaining a relationship with Russia.

According to realist theory, states engage in strategic behavior to secure their national interests and strengthen position, chances and dominance. The theory of realism is well applicable to the relations of Hungary and Türkiye as both countries aim at regional dominance and in order to strengthen their political powers they engage in bilateral cooperations on levels of economics and politics. For their mutual benefit they created strategic cooperations and signed cooperation agreements in the fields of energy security, trade collaborations, economic development and SME investment projects. Let alone cooperations on political level geopolitical factors also dominate their mutual interests. Hungary aims at dominating the Central-Eastern European region, especially the Visegrad countries, while Türkiye targets a leading role among the neighbouring Islamic countries of the Middle-East and heads of having a strategic role in the Eurasian region especially in the energy sector and piece making missions.

The international relations theory of realism argues that states try to maximize their power and stabilize their positions in the international arena while nourishing military capacity, defence forces, diplomatic relations and international cooperations. The political relationship between Hungary and Türkiye reflects the ambitions of these countries to make their individual power stronger and their national interests more dominant on an international level. Both countries' aim can be understood as a rational political agents attempt to self-interestedly maximize their own powers. Taking into consideration such factors as power dynamics, geopolitical dominance, regional factors can help us to better understand and examine certain countries' role and place in the realm of international cooperations and relations. Looking at the complex interconnectedness of Hungary and Türkiye realism can serve as a good theoretical basis for understanding

their driving factors and underlying motivations behind their highlighted aims for mutual cooperation.

Core Principles of Realism

Realism is grounded in a pessimistic view of human nature and the international system. It is based on several core assumptions:

1. **Anarchy:** Realists believe that the international system is anarchic, meaning there is no overarching authority above states. This lack of a central authority leads to a self-help system where states must rely on their own means to ensure survival.
2. **State-Centrism:** The state is the principal actor in international relations. Other actors, such as international organizations or non-governmental organizations, are secondary to the interests and actions of states.
3. **Rationality:** Countries can be considered rational actors when making decisions based on calculating risks and rewards in order to maximize their benefits as players of international relations focusing on national interests, that is reflected in regional power and state security.
4. **Power:** Every state is in pursuit of national power as a reflection of natural behaviour. Power can have several forms from economic power to military power through political power, but in all case it is a tool through which countries can achieve their goals and under certain conditions can impose their national interests on other countries.
5. **Security Dilemma:** In an unstable international environment and an unpredictable political realm one country's steps to increase its dominance and political power can lead to more political conflict, regional instability and growing insecurity, resulting unnecessary conflict and uncertainty.

Realism as a theory has been impacted by both external and internal factors throughout the years. Several authors from the ancient times had a huge impact on classical realism shedding light on the negative and cruel aspects of human nature and state power. Niccolo Machiavelli in his work titled "The Prince" describes the necessity of pragmatism and the merciless nature of pursuit for power. At the same time, Thucydides' discussion of the Peloponnesian War highlights the role of power politics and the unavoidability of conflict. So as to arrive to Hobbes' "Leviathan" in which he describes the world and especially life as "nasty, brutish, and short" without the intervention of central political authority. Later on, approaching the end of the 20th century, Kenneth Waltz thought further the theory of realism and created his own theory of neorealism (structural realism) discussed in his work titled "Theory of International Politics" (Waltz, 1979). Opposed to his scholar predecessors Waltz placed the emphasis on the importance of international systems and structures rather than the negative aspects of human behaviour. He underlined that anarchic system urges states to react harshly and instantly, regardless of their internal peculiarities. The power distribution within the state system, particularly the balance of power, determines state behavior and international outcomes.

Further developments in realism include John Mearsheimer's offensive realism and Stephen Walt's defensive realism. Offensive realism posits that states are inherently aggressive and seek to maximize their power to achieve hegemony. Defensive realism, on the other hand, suggests that states are primarily concerned with maintaining their security and will seek power only to the extent necessary to ensure survival. Realism remains a vital framework for analyzing contemporary international relations in our contemporary political world. Its principles can be applied to understand various global phenomena. Despite its enduring influence, realism faces several criticisms, who argue that realism overemphasizes conflict and competition, neglecting the potential for cooperation and the role of international institutions. Realism's state-centric approach is seen as inadequate in addressing the influence of non-state actors, such as multinational corporations, terrorist groups, and international organizations. Moreover, realism is often criticized for its pragmatic, sometimes amoral stance, which can justify unethical actions in the pursuit of power. Alternative theories, such as liberalism and constructivism, offer different perspectives by

emphasizing cooperation, international institutions, and the role of ideas and identities in shaping international relations, but this paper does not aim to elaborate on these ideas. Consequently, it argues that realism provides a robust framework for understanding the perennial dynamics of power and security in international relations. While it has evolved and diversified over time, its core principles remain relevant in analyzing contemporary global issues. Despite its limitations and criticisms, realism's focus on the anarchic nature of the international system and the centrality of power continues to offer valuable insights into the behavior of states and the unfolding of international events.

Economic Relations between Türkiye and Hungary

In the following I am planning to illustrate the strengths of economic relations between the two states through statistical data gained from the two country's official sites and through the analysis of secondary literature. Trade between Türkiye and Hungary has seen significant growth over the past few decades. According to the Turkish Statistical Institute (TÜİK) bilateral trade volume reached approximately USD 2.7 billion in 2020. Key exports from Türkiye to Hungary include machinery, vehicles, and textiles, while Hungary exports machinery, pharmaceuticals and electric equipment to Türkiye.

Focusing on the past decade, it can be said that trade relations between Türkiye and Hungary have witnessed significant growth, driven by mutual economic interests, geopolitical considerations, and strategic partnerships. As it has already been stated, Türkiye and Hungary share a historical relationship that dates back to the Ottoman Empire. In the modern era, their relations have been shaped by shared membership in international organizations like NATO and their strategic positions within Europe and Eurasia. The common history has paved the way for further economic cooperation.

Among the previously mentioned economic relations one of the most rapidly expanding are the trade relation between Hungary and Türkiye, especially in the past decade. Data retrieved from the Turkish Statistical Institute and the Hungarian Central Statistical Office shows that the bilateral trade volume has risen from \$1.5 billion in 2013 to more than \$3 billion in 2023. Export from Türkiye to Hungary which primarily focuses on machinery, vehicles, textiles, and agricultural products has grown immensely. Comparing the data of 2013 with that of the 2023 can be seen that Turkish exports to Hungary grown from 800 million USD to 1.8 billion USD. At the same time Hungarian exports to Türkiye that includes machinery, electronic equipment, pharmaceuticals, and chemicals have also grown significantly, from 700 million USD of 2013 to 1.2 billion USD in 2023.

In the following I am going to look through certain sectors, especially automotive industry and agriculture and food sector, that have changed significantly and grown deliberately in order to improve the Turkish Hungarian trade relations. The automobile industry has long been significant in both countries and has grown into one of the most important drivers of industrial and economic development and innovation. Hungary, being situated in the geographical center of Europe is in the crossroads of manufacturing suppliers and production factories that function as industrial hubs attracting global automobile companies from Audi, Mercedes-Benz to Opel and Suzuki. Türkiye, on the other hand, located between Europe and Asia, boasts a vibrant automotive sector, with major manufacturers such as Ford Otosan, Tofaş (a joint venture of Fiat and Koç Holding), and Oyak-Renault. The country's strategic location, skilled labor force, and strong domestic market have made it an attractive destination for automotive investment.

Over the past decade, the automotive industry in Hungary and Türkiye has experienced substantial growth, as evidenced by various economic indicators and trade statistics.

1. Production Volumes:

- In 2013, Hungary produced approximately 500,000 vehicles. By 2023, this number had increased to over 600,000 vehicles annually.

- Türkiye's vehicle production rose from around 1.1 million units in 2013 to nearly 1.4 million units in 2023.
2. Exports and Trade:
 - Hungary's automotive exports have grown significantly, with the automotive sector accounting for about 30% of the country's total exports. In 2023, Hungary exported approximately €25 billion worth of vehicles and automotive parts.
 - Türkiye's automotive exports also saw impressive growth, reaching nearly \$30 billion in 2023. The European Union, including Hungary, is a major market for Turkish automotive exports.
 3. Bilateral Trade:
 - The trade volume of automotive products between Hungary and Türkiye increased from about \$300 million in 2013 to over \$800 million in 2023. This growth reflects the deepening economic ties and mutual investments in the automotive sector.

Several significant investments and collaborations have fueled the growth of the automotive industry between Hungary and Türkiye:

1. Joint Ventures and Partnerships:
 - Turkish companies have invested in automotive component manufacturing in Hungary, leveraging Hungary's strategic location within the EU.
 - Hungarian automotive firms have explored opportunities in Türkiye's dynamic market, establishing joint ventures and partnerships to produce and supply automotive parts and systems.
2. Research and Development:
 - Both countries have placed a strong emphasis on research and development (R&D) in the automotive sector. Collaborative R&D projects have focused on advanced manufacturing techniques, electric vehicles (EVs), and autonomous driving technologies.
 - Hungary's ZalaZone Automotive Proving Ground and Türkiye's Marmara Research Center have been pivotal in fostering innovation and technological advancements.
3. Government Incentives and Policies:
 - The Hungarian government has provided various incentives, including tax breaks and subsidies, to attract automotive investments. These policies have contributed to the establishment and expansion of several automotive plants.
 - Similarly, Türkiye has implemented policies to boost domestic production and exports, such as the localization of automotive production and support for electric vehicle manufacturing.

All in all, the automotive industry is a major contributor to GDP in both countries. In Hungary, the sector accounts for approximately 4% of GDP, while in Türkiye, it represents about 5% of GDP.

Agriculture and Food Products Trade

The trade of agricultural and food products between Hungary and Türkiye has experienced significant growth over the past decade. Due to their favourable geographical locations both countries have long been significant agricultural producers and exporters. Hungary is a top crop producer thanks to its fertile soil and good climate. Although Türkiye has a diverse climate but still capable of growing and producing a huge range of agricultural products from fruits to vegetables through crops. The expanding economic relations are rooted in both countries' need for food security, accelerated agricultural productivity and shared market access. Both Hungary and Türkiye enjoy the advantages of grown agricultural and food products' imports and exports.

1. Trade Volume:
 - Similarly to the growths witnessed in the automotive industry the trade volume of food and agriculture products has grown from 300 million USD in 2013 to more than 700 million USD in

2023, which figure represents a compound annual growth rate of 8%.

2. Exports from Hungary to Türkiye:

- The export of food and agriculture products from Hungary to Türkiye show us a growth rate of 150 million USD in 2013 to 400 million USD in 2023, with exporting dairy products, meat, cereals and processed food.

3. Exports from Türkiye to Hungary:

- Being rich in fruits and vegetables Türkiye's exports to Hungary focuses on fruits, especially figs, vegetables like tomatoe, nuts, and olive oil. The significant export growth rate shows us a doubled amount with a change of 150 million USD in 2013 to 300 million in 2023

Numerous sectors have been significantly dominant in driving the growth of agricultural trade between Hungary and Türkiye:

1. Cereals and Grains:

- Hungary is a significant exporter of cereals, particularly corn and wheat. The demand for these products in Türkiye has been driven by its growing population and the need for animal feed in its expanding livestock sector.

2. Fruits and Vegetables:

- Türkiye's favorable climate allows for the production of a wide variety of fruits and vegetables. Turkish exports of citrus fruits, tomatoes, and other vegetables to Hungary have increased, driven by consumer demand for fresh produce and the expansion of supermarket chains.

3. Dairy and Meat Products:

- Hungary has a well-developed dairy and meat industry. Exports of poultry, pork, and dairy products to Türkiye have grown, supported by Hungary's reputation for high-quality agricultural products and Türkiye's rising consumption of animal protein.

4. Processed Foods:

- The trade of processed foods, including ready-to-eat meals, snacks, and beverages, has also increased. Both countries have capitalized on each other's markets, with Hungarian processed foods finding a growing market in Türkiye and vice versa.

The growth in agricultural trade between Hungary and Türkiye has been facilitated by several bilateral agreements and cooperative initiatives:

- The Free Trade Agreement (FTA) between Türkiye and the European Union, of which Hungary is a member, has played a significant role in reducing trade barriers and tariffs, thereby facilitating smoother trade flows.
 - Specific bilateral agreements focusing on agricultural cooperation, sanitary and phytosanitary standards, and food safety have also been instrumental.
 - Investments in agricultural infrastructure, technology, and logistics have supported the growth of trade. Hungarian companies have invested in agricultural production and processing facilities in Türkiye, while Turkish companies have explored opportunities in Hungary's food processing sector.
 - Collaborative research and development (R&D) initiatives have focused on improving crop yields, developing sustainable farming practices, and enhancing food processing technologies. These efforts have been supported by academic institutions, government agencies, and private sector partnerships.

The expansion of agricultural trade has had positive impacts on employment and economic development in both countries:

- In Hungary, the agricultural sector employs around 5% of the workforce, while in Türkiye, it employs about 20% of the labor force. The growth in trade has created additional jobs in farming, food processing, logistics, and retail.
- Agriculture contributes significantly to GDP in both countries. In Hungary, agriculture accounts for approximately 4% of GDP, while in Türkiye, it represents about 7% of GDP. The increase in trade has bolstered economic growth, particularly in rural areas.

CONCLUSION

We have seen how multifaceted and interconnected the relationship between Hungary and Türkiye is. Starting with historical ties, I have analysed economic and trade interactions between the two states showing in one hand the growing interest in each other, on the other hand the similarities between these two strategically important countries. I have chosen two sectors (automotive industry and food and agriculture industry) to illustrate the growing dynamics within the past decade. WE have seen that these cooperations were driven by mutual economic interests, favourable trade agreements and strategic investments. All of these, resulted increased export capabilities, economic growth and more dominant international roles in both sides. As they continue to adapt to future trends, Hungary and Türkiye are well-positioned to further enhance their economic and trade relationship, ensuring mutual prosperity and growing regional dominance.

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