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## HUNGARIAN-TURKISH RELATIONS AFTER THE SECOND WORLD WAR

Ali Sarikaya

**Abstract:** This article tries to reveal political and economic relations between Hungary and Turkey after 1990. In terms of geography, Hungary lies in the heart of Europe and Turkey is located in Anatolia, where it connects Africa, Europe and Middle East to each other. That's why both countries are the balance between Europe and Asia. Both countries have a common, deep-rooted history. The relationship of Turkish and Hungarian people is based on a long and traditional friendship. The Hungarian and Turkish states came face to face with each other many times in the different periods of history. In different periods, both countries suffered the same fate politically and economically. After a regime change in 1989 in Hungary, the political and economic relations between both countries developed rapidly. Bilateral relations are proceeding on the basis of friendship, cooperation and mutual interests. From the beginning of the 1990s, particularly a few economic agreements were signed between Turkey and Hungary. This quite strong economic cooperation unrestrictedly has been still continuing until present day. At the first stage, with bilateral political visits Turkish-Hungarian relations became more important. At the end of the Cold War, Turkish and Hungarian governments have been attentive to support to each other in numerous international political and economic areas in particular. In this study, post-1990s Hungarian-Turkish relations will be examined with regard to political and economic relations.

**Key words:** Hungarian-Turkish relations, Turkey-EU relations, Turkish-Hungarian diplomacy, Budapest-Ankara line.

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## **Introduction**

The Anatolian peninsula and the Pannonian basin geographically and politically were always considered as a target by other countries that is why both lands were attacked in the different periods. The relationship of Turkish and Hungarian people is based on a long and traditional friendship. Considering the last century, the relation between Turkey and Hungary always were based on being ally countries in the wars. During the WWI, the Ottoman Empire and the Austro-Hungarian Monarchy were ally powers. Turkish and Hungarian relations managed to make headway step by step even in the wars. On the other hand both side could not establish serious political relations during the WWI, apart from battling in the same front. At the end of the WWI, both empires collapsed and suffered same fate with heavy conditioned treaties. Immediately afterwards, Turkey and Hungary reborn from the collapsed imperial ashes. Turkey was founded in 1923 and Hungary, signing Hungarian-Turkish peace treaty in 18 December 1923, became one of the first countries, which recognised officially Turkey thus both new countries begun to establish their first diplomatic relations in their history. Both countries always tried to take sides with each other in the international politics after the mutual convergence policy. At the outbreak of WWII, Turkish-Hungarian relations cut out immediately because both countries carried out a completely different policy during the WWII. Hungary participated the WWII being stuck between Berlin and Rome. Soon after that, Hungary was invaded by Germany. At the end of the WWII, two super powers began to dominate the world policy. Turkey and Hungary were exposed to make a choice between the two super powers like other developing countries in the new world order. In a short while, Hungarians have revolted against Soviet Union in 1956. This revolution passed into Hungarian history as a Hungarian Revolution. Soon after Hungarian Revolution was oppressed mercilessly by the Red Army. Hungary had to stay on the side of the Eastern bloc during the Cold War period. On the other hand, Turkey officially was part of the bloodiest war in the world history, WWII, but it never participated in the war. That is why Turkey was in much better situation than Hungary. Even at the end of WWII, Turkish government kept neutral position in the world politics but the Soviet Union changed its foreign policy towards Turkey. The Soviet Union demanded to establish naval bases at the Turkish straits furthermore it had territorial claims from Turkey. The Turkish government refused swiftly all Soviet demands with good reason. On the other hand, Turkey was not enough powerful in every aspect that it could resist against the Soviet Union and that is why Turkish government had to follow an equilibrium policy against the Soviet Union. As a result, the USA was the balance power for Turkey that resisted against Soviet demands. The Turkish

government requested official military and economic support from Eisenhower; subsequently Turkey became a member country of NATO by sending the brigade to the Korean War. Maybe Turkey was not alone against the Soviet Union but Turkey went completely into US political orbit. Turkish foreign policy always moved in the direction of USA and Western bloc during the Cold War. During the Cold War period, Turkey and Hungary were completely on the opposite sides. Nevertheless Turkish and Hungarian governments maintained to develop the economic and political relations with limited opportunities. For example, Hungarian Foreign Minister Janos Peter paid an official visit to Ankara on 21 July 1968<sup>1</sup>. In addition to this, one of the most effective prime ministers of Turkey in Turkish political history, met with Hungarian Prime Minister Lazar. Turkish Prime minister Bulent Ecevit said that he met Hungarian Prime Minister Lazar in Ankara before he went to Kuwait. “Additionally we discussed about Turkish-Hungarian relations in the recent years. Beside that we agreed about developing economic relations in particular.” Maybe these political mutual visits, due to the development of relations between both countries, were lean and not enough but if considering the period’s political conditions, they were considerably important. When the days of the collapse of the Soviet Union came close, Hungarian-Turkish relations started to develop again. After the dissolution of the Soviet Union, the bipolar world system was over. In this way, Hungary went out of the Soviet orbit likewise the other former Soviet republics. The Turkish government tried to establish much closer political relations with the former Turkic republics in particular after the dissolution of the Soviet Union but in Europe, Hungary was the first country that Turkey wanted to redevelop its relations with. On 10 June 1989, Hungarian president paid an official visit to Ankara for the first time. Turkish president Kenan Evren received Hungarian Head of State Straub as an honoured guest. This was a return visit for the visit that was paid to Budapest by Turkish President Evren 3 years before that. On 7 June 1989, Hungarian President also paid a visit to Hungarian Language and Literature Department of the Faculty of Language History and Geography of Ankara University. At the end of the official visit Turkish and Hungarian delegation signed a remarkable economic agreement.<sup>2</sup> Bilateral political visits in the highest level added a new dimension to Turkish-Hungarian relations.

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<sup>1</sup> Milliyet newspaper, online archive, 21-07-1968. [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>2</sup> ibid, 07-06-1989.

## **Political relations after the 1900s**

Relations between Hungary and Turkey are usually based on mutual interests, and deep-rooted friendship. During different periods, Turkey particularly maintained good and strong relations with Hungary. All Turkish governments implemented an amicable policy towards Hungary due to the deep friendship so far in the history and for many times both countries had common interests. On other hand, Turkey and Hungary were in the opposite blocs during the Cold War. Turkey restrained of establishing relations with communist countries.<sup>3</sup> That is why the relation between both countries was quite weak and scrawny. At the end of the dissolution of the Soviet Union, Turkish-Hungarian relations returned to normal level. Primarily the political landscapes of both countries should be analysed lengthy and largely after the 1990s. These years were quite turbulent period for Turkey because none of the Turkish governments managed to establish stable democracy or build a democratic system in a normal way. As a matter of course Turkish democracy's fate faced with military coups many times in different periods. As a result, Turkish democracy was interrupted on several occasions. Unfortunately Turkish democracy's history is rife with military coup or anti-democratic events. Military coups became always keystone on the democracy history of Turkey because Turkish governments changed completely the foreign and internal policies immediately after the military coups. Pro-military governments always had gone into towards the USA's orbit. In the last periods of the Cold War, on September 12, 1980, the Turkish Armed Forces, headed by General Kenan Evren, Chief of the General Staff, assumed control of the Turkish Government in a coup d'état. This was the third of such coups in the past 25 years.<sup>4</sup> The third military coup not only changed the Turkish administration but also devastated the Turkish social structure. In addition to that Turkish foreign policy was created on the basis of US interests. Commander of the Turkish armed forces K. Evren who overthrew the government in 1980, usually carried out a pro-USA and pro-Western policy. On the other hand he did not disregard to develop the relations with the Soviet Union and Eastern Bloc countries including Hungary. On 24 June 1986, Turkish Prime Minister Bulent Ulusu paid an official visit to Budapest. Hungarian Prime Minister Gyorgy Lazar met Turkish prime minister in front of the airplane stairs. They negotiated about the Cyprus issue. One day after Turkish President Evren was welcomed as well in Budapest by the invitation of the Head of the Council of Ministers Pal Losonczi. During the Turkish official visits to Hungary, Turkey took

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<sup>3</sup> Kiliti, E., 2008. *Törökország és Magyarország gazdasági, kereskedelmi és politikájának elemzése*. Budapest Economic college, Budapest, pp.11–12.

<sup>4</sup> Vanderclute, B. A., 1984. *Democracy by Coup: The Turkish Government under Military Control (1980-1983)*. Rutgers University, p.12.

concrete steps to develop relations with Hungary. In the later years, on 5 June 1989, Hungarian president paid official visit to Ankara for the first time. Turkish president Kenan Evren received Hungarian Head of State Straub as an honoured guest. This was a return visit for the visit that was paid to Budapest by Turkish president Evren 3 years before. 2 days later Hungarian President Bruno Straub paid an official visit to the Hungarian Language and Literature Department in the Faculty of Language History and Geography of Ankara University<sup>5</sup>. After the bilateral official visits in the highest level added a new dimension to Turkish-Hungarian relations because this convergence policy was the most effective concrete step before the dissolution of the Soviet Union. Hungary was regarded as a gate to be opened to Europe that Turkey can spread its free trade areas. For that reason the Turkish government held political visits with Hungary on the highest level. Besides that Turkish-Hungarian governments established mutual parliamentary friendship groups under mutual agreement. On the 8th of March 1990, Turkish-Hungarian parliamentary friendship groups were constituted in accordance with the law no:3620 on the foreign affairs<sup>6</sup>. Addition to those Hungarian and Turkish governments made some improvement on the visa conditions, so mutual diplomatic visits could have been paid easily. On 15 February 1990, both governments published a decree in the accordance with the law no: K/19/1990. According the law, the owners of the diplomatic passports from the both countries will be held exempted from visa for 20 days<sup>7</sup>. So that the law increased the frequency of the bilateral diplomatic visits between both countries. Besides that, the frequency of diplomatic visits not only increased the relations between both countries but also increased the mutual relations based on mutual support and common interests on the international politics. So Turkish-Hungarian diplomatic treaties added a new dimension to the future of both countries. Some politicians also left a mark on the diplomatic relations. For instance, Turkish president K. Evren paid several times official visits to Hungary and developed the relations between both countries before the 1990s. In addition to that, another Turkish President Suleyman Demirel managed to develop the relations between both countries during the 1990s. S. Demirel was an efficient politician in the Turkish political history from 1964 till the 2000s, even when he was suspended from policy between 1980-1987.<sup>8</sup> Demirel also was known as a conciliator politician and a pacemaker. Suleyman Demirel had been a high

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<sup>5</sup> Milliyet newspaper, online Archive 24.06.1986. [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>6</sup> TBBM (Grand national Assembly of Turkey), online Archive, law, decree, agreements with Hungary [online] Available at:[<http://www.resmigazete.gov.tr/default.aspx>]

<sup>7</sup> ibid

<sup>8</sup> Sunay, C., 2017. Suleyman Demirel: From 27 May to March 12, University of Dicle, *Journal of Faculty of Economics and Administrative Sciences*, Vol.: 7, Issue: 12, p.23.

bureaucrat for 10 years, a prime minister for 12 years and a president for 7 years in 91-years-old Turkish Republic. He was an important political witness for 29 years in 50-years-old Turkey at that time<sup>9</sup>. He was the president of Turkey between 1993 and the 2000s. On the other words he made his mark on the Turkish political history at the end of the Cold War period. When he became the president of Turkey, he placed very much importance on the relations between the two countries. Immediately afterwards his inauguration, Demirel paid an official visit to Budapest on the 8th of September, 1994. He met with Hungarian President Arpad Göncz and they signed a friendship treaty.<sup>10</sup> Besides that, Turkish president Demirel visited some Ottoman memorial places in Hungary. Szigetvar castle was one of them. He attached importance to Turkish-Hungarian relations additionally he requested a Turkish-Hungarian friendship park to be established in Szigetvar city where Suleiman the Magnificent and Hungarian Castellan Zrinyi died. After Suleiman the Magnificent died, his internal organs were buried. Soon afterwards Sokullu Mehmet Pasha, who was the most famous Pasha in the period of Ottoman Empire, ordered the soldiers to construct a tomb.<sup>11</sup> As a result, the Hungarian side responded the request positively and Hungarian-Turkish Friendship Park was established in 1994.<sup>12</sup> Afterwards the park was restored by the cooperation of Hungarian-Turkish government in 2016. Hungarian-Turkish authorities and visitors are still visiting the park and it also became one of the famous places in Hungary. Süleyman Demirel maintained the official visits to Hungary. In 1997 he paid another official visit to Budapest. He also made a speech about Turkish-Hungarian friendship. He said that at the development of relations between countries are not only based on the governments but also the individual's contribution.<sup>13</sup> In addition to that, Turkey not only supported politically Hungary but also supported with some economic treaties and provided political support globally. Because Hungary was trying to adopt the new regime after the dissolution of the Soviet Union. Especially Turkey under the administration of Demirel tried to forge closer ties with Hungarian administration in that time.

After the collapse of the Soviet Union, the Hungarian state swiftly started to adopt the policies of the opposite power. First of all, it changed the form of government and administration that

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<sup>9</sup> Karabakkal, H. (n.d.) *Political leadership and Suleyman Demirel model*. Istanbul university institute of social sciences and International relations of Doctoral program, p.2.

<sup>10</sup> Milliyet newspaper, online archive, 08-09-1994 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>11</sup> Peker, A. U., 2016. *Suleiman the Magnificent*. Tomb Palanka Excavation and Research Project, Szigetvar: Tika Hungary, November 2016, p.3.

<sup>12</sup> Kaynak, V., 2016. Hürriyet Newspapers, 7 September 2016. [online] Available at: <<http://www.hurriyet.com.tr/turk-macar-dostluk-parkinin-acilisi-yapildi-40218628>>

<sup>13</sup> Török Füzetek, 1997. *A Magyar-Török Baráti Társaság Időszaki Lapja*, 5. évfolyam, szeptember 1997, p.3.



were based on Communist regime. Hungary was the member country of Warsaw Pact during the Cold War period. The Hungarian state carried out pro-Soviet policy during the Cold War. After the dissolution of the Soviet Union, Hungary started to forge closer ties with USA and Western powers. Immediately afterwards, the Hungarian state demanded to be a member country of NATO. Turkey was one of the first countries that supported Hungary joining the NATO. Turkish government and Turkish President Demirel signed a decree on 12 November 1998. According to the decree, Turkish government approves the process of Hungary being a member of NATO.<sup>14</sup> Addition to that some Turkish delegations always supported Hungarian NATO membership process in the international meetings and conferences. Consequently Hungary became a member country of NATO in 1999. Hungary has been a member of NATO since 1999. In November 2004, the Hungarian armed forces gave up universal conscription.<sup>15</sup> The attempts of Turkish delegations support to Hungary were welcomed by the Hungarian administration. The mutual political and economic supports between Turkey and Hungary were based on common interests. Turkey wanted to develop its political and economic relations and forge closer ties with the Balkan Peninsula and Central European countries at the end of the Cold War. Hungary was a gate where it opens to Europe and Balkan Peninsula. That is why maintaining closer relations with Hungary was amongst the interests of Turkey. Turkey was very important country for Hungary as well politically and economically. After the regime change, Hungarian economic policy felt the need of diversity. Besides that Hungarian government wanted to expand its foreign trade operations. Turkey was a good opportunity for the Hungarian economy. Because Turkey is located between two continents and neighbourhood country to Middle Eastern countries where it can expand its market share and also it is rich with the regard to underground resources. All these mutual economic and political interests caused Hungary and Turkey to forge closer ties with each other. Consequently closer ties between both countries took place. Besides that, Hungary also managed to get in touch with Middle East and Caucasus countries through Turkey and establish political relations with all these countries. So Turkey and Hungary went into being ally countries. Particularly, Turkish-Hungarian relations took shape and developed between 1993-2000 during Demirel's terms of presidency. Political visits increased between both countries and carried out a common and based on mutual interests policy pursued in this period. Turkey had a quite rough time after 1996. Turkey had its biggest economic depression and got into political conflict. Additionally, it had a renewing Kurdish

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<sup>14</sup> TBMM, online Archive, 28 November 1998 [online] Available at: <<http://www.resmigazete.gov.tr/default.aspx#>>

<sup>15</sup> Górka-Winter, B. and Madej, M., (n.d) *NATO Member States and the New Strategic Concept: An Overview*, The Polish Institute of International Affairs, p.56.

minority issue. That is why Turkish-Hungarian relations have decelerated in 1999. Turkey to retired into its shell because of internal political and economic problems. Turkey had no time to develop the foreign relations with its allies because of grappling with the problems. In 2000, Turkish President Demirel retired and A. N. Sezer became Turkish President and Prime Minister was B. Ecevit in that time. The relations between the President Ahmet Necdet Sezer and the Prime Minister Bulent Ecevit have been straining over that period of nine months. The main reason for this was the fact that the President Sezer had permanently vetoed the government's decisions, and the prime minister had considered that by such acts the president exceeded his powers.

The last financial and economic crisis in Turkey bursted out straight after the regular monthly meeting of the National Security Council on February 19 and reached its peak on February 21-22. The basic factors for the crisis could be arranged in three clusters: economic problems, political factors and pending issues of the society.<sup>16</sup> By having its most devastating economic crisis, Turkish society got into social crisis, many people lost their jobs even some them committed suicide. This crisis has the most devastating social issue in the history of Turkey. Because of that Turkey started to carry out a much more internal policy. On the other hand, Hungary was in pretty better political and economic situation than Turkey. Hungary maintained to carry out a pro-European policy. Hungary continued to implement the Europe Agreement correctly and contributed actively to the smooth functioning of the various joint institutions. The Association Council met in December 1999 and September 2000. An Association Committee meeting was held in April 2000. The system of sub-committees continued to function as a forum for technical discussions. The Joint Parliamentary Committee comprising representatives of the Hungarian and European Parliaments met in November 1999 and April and October 2000. Hungary's trade with the EC continued to increase. Hungarian exports to the EC rose from € 14.7 billion in 1998 to € 17.3 billion in 1999 and Hungarian imports from the EC from € 16.9 billion in 1998 to € 18.6 billion in 1999. The most important EC exports to Hungary were machinery and electrical, transport equipment, chemical products and base metals and materials. The most important EC imports from Hungary were machinery and electrical, transport equipment and textiles. In February 2000, Hungary transmitted its programme for restructuring aid to the Hungarian steel industry. As the plan did not fully meet the Commission's criteria for granting restructuring aid, the Commission requested the Hungarian authorities to amend the plan accordingly. In April 2000, a second Joint Assessment

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<sup>16</sup> Hristov, S., 2001. *The crisis in Turkey*, IRIS report: The crisis in Turkey, May 2001, Sofia, p.2.

of the Hungarian authorities and the Commission services on medium term economic policy priorities was signed. Hungary was the first of the associated countries to pass to the second stage under the Europe Agreement in June 2000. This led to further liberalisation as regards the provisions on establishment. In March 1999 the Council mandated the Commission to open negotiations with the associated countries with a view to new reciprocal concessions for agricultural products. The negotiations, which form a part of the overall accession process, have been carried out on a reciprocal basis and with the aim of leading to a fair equilibrium between the interests of the European Community, the EU Member States and those of Hungary. The negotiations have been based on the principle of neutrality with respect to the functioning of the CAP.<sup>17</sup>

Hungarian administration rapidly continued to implement the policy of EU harmonisation process. So Turkish and Hungarian relations suspended in 2000. Turkish President Sezer was not that much willing to carry out a closer and effective foreign policy. That was another reason of the relations between Turkey and Hungary were decelerating. Additionally, even Turkey had hard times, it maintained to support Hungary to be a member country of EU. On the other hand, Turkey also tried to maintain European Union full membership process even in the time of troubles. On 27 April 1987, in Luxembourg, the foreign ministers of the twelve European Community countries agreed to refer Turkey's application for EEC membership to the commission for a protracted study of the problems involved. On 7 June 1990 the Commission adopted a set of proposals called "the Matutes Package." The package was purely designed to contribute to the modernisation of Turkey's economy and to allow Turkey to move as close to the community as possible. Turkish politics is complicated and very different from other examples of similar situations such as in Greece and Spain, as the army in Turkey sees itself as the guardian of the Secular Republic, and whenever secularism is threatened the army feels a duty to protect it. However, this attitude is contradictory to the European Union's understanding of democratic values and norms. Therefore, although the EU wants Turkey to be a secular and modern state, it does not want Turkey to be modernised through the hands of the military. On 4 March 1998, following the request of the Luxembourg European Council, the European Commission adopted its Communication on a European Strategy for Turkey. Finally, the ground-breaking event for Turkey-EU relations took place during the Helsinki summit in December 1999. There, the European Council gave Turkey the status of candidate country for EU membership, following the Commission's recommendation in its second Regular Report

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<sup>17</sup> Regular Report from the Commission on Hungary's Progress towards Accession. 8 November 2000, p.7.

on Turkey. This was a major achievement for Turkey as it had been rejected from being a candidate country in the 1997 Luxemburg summit.<sup>18</sup> Turkey became a candidate country for the full of membership anymore. That was quite effective achievement for Turkish foreign policy history. The European Council in December 2004 decided to open accession negotiations with Turkey on 3 October 2005 and set out the framework and the requirements for starting accession negotiations with Turkey. Firstly, Turkey was to bring into force six pieces of legislation enhancing human rights and the functioning of the judiciary and secondly, Turkey was expected to sign the Adaptation Protocol extending its existing Association Agreement with the EU to all new Member States, including the Republic of Cyprus.<sup>19</sup> In 2004 Hungary became officially an EU member country. On May 1, 2004, ten countries – Poland, Hungary, the Czech Republic, the Slovak Republic, Slovenia, Estonia, Latvia, Lithuania, Cyprus, and Malta – joined the European Union.<sup>20</sup> Hungary's EU membership also was important for Turkey, because there are strong relations between Turkey and Hungary. It means that the country which has good relations with Turkey, had joined EU. During the EU full membership process, Turkey always felt the need of Hungary's political support, on the other hand Turkish-EU relations took a new meaning. The EU-Turkey relations which have a past of nearly half a century, certainly entered into a new era with the accession process of Turkey to the Community in December 1999 in Helsinki. Besides that, Turkish and Hungarian relations took a new meaning as well. Thus Turkish-Hungarian relations would have been taken shape in the framework of EU relations. Apart from that, Hungarian administration tried to support Turkey in the every platform of EU meetings all the time. In 2004 Turkey and Hungary got into different period in their political history. Hungary became an EU member country in 2004 and AKP (Adalet ve Kalkınma Partisi, AKP) under the leadership of R. T. Erdogan (Justice and development Party) came into power alone in 2002 and 2004. Turkey returned to EU full membership process swiftly and self-assuredly after AKP came into power.

The EU membership process occupied an important place in the Justice and Development Party (AKP) discourse as well as policy making which was reflected in the reconsideration of Turkey's domestic and foreign policy priorities and attempts at solving sensitive issues and long-standing disputes since the party assumed power in 2002.<sup>21</sup> During the first AKP

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<sup>18</sup> Aksu, K., (n.d.) *Turkey–EU Relations: Power, Politics and the Future*. Cambridge Scholars Publishing, pp.12–13.

<sup>19</sup> European Commission, 2005. *Turkey 2005 Progress Report*. Brussels, 9 November 2005 SEC (2005) 1426, p.4.

<sup>20</sup> Cameron, D. R. (n.d.) *The Challenges of EU Accession for Post-Communist Europe*. Department of Political Science Yale University, p.2.

<sup>21</sup> Akşit, S. and Şenyuva, Ö., 2013. *Domestic Politics and Perceptions of Turkey-EU Relations*. University of Warsaw, 18-22 September, 2013, Warsaw, Poland, p.2.

government Turkish-EU relations developed and took a new dimension. Apart from that, the ruling party maintained to forge closer ties with Hungary. The Hungarian-Turkish relations developed much more after FIDESZ came into power in Hungary. The Hungarian ruling party came into power in 2010 and in that time AKP became much more powerful unexpectedly. Particularly the political relations began with some mutual political visits before 2010 years. Turkish Prime Minister Erdogan had been attaching an importance to the relations between both countries. That is why he was willing to pay an official visit to Budapest the soonest. February 2013, he paid an important official visit to Budapest. He met Hungarian Prime Minister Orban Viktor in Budapest. Immediately afterwards, Hungarian Prime minister Orban paid a return visit to Ankara on 18 December 2013. 32 different agreements were signed between Turkey and Hungary in Ankara. Hungarian Ambassador to Turkey, Janos Hovari said that non-neighbourhood country prime ministers paying mutual visits and signing agreements in the same year are quite rare situation.<sup>22</sup> The mutual official visits did not remain limited with prime ministers. In 2014, Turkish President A. Gül paid an official visit to Budapest by the invitation of Hungarian President J. Ader. In 2015 J. Ader paid a return visit to Ankara by the invitation of Turkish president R. T. Erdogan.<sup>23</sup> Additionally, they signed the agreement that the cultural centre will have opened in the both countries. Yunus Emre Institute was opened in Budapest and Balassi institute was opened in Istanbul as well. Plus both institutes provided scholarships for students from both countries. Thus Erdogan and Orban tried to develop the relations between both countries in the whole platform. It can be said that there is quite strong political relation between Turkey and Hungary.

Besides that, Hungarian government gave incredibly support Turkey about the Cyprus issue. On 16 October 2014 a representation agency was opened for TRNC – Turkish republic of northern Cyprus in Budapest.<sup>24</sup> This representation agency is still in operation in Budapest.

### **Economic relations after the 1990s**

The economic relations between Turkey and Hungary were not that much active compared with political relations. During the Cold War period, Turkey and Hungary were implementing completely different economic policies. As a matter of course, both countries exported and imported with the different countries in the scope of political situation. After the WWII and the

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<sup>22</sup> Saral, E., (n.d.) *Turkish-Hungarian relations in the recent period*, Hacettepe University, p.729.

<sup>23</sup> *ibid* p.730.

<sup>24</sup> *ibid*, p.731.

Hungarian Revolution in 1956 there were low level economic convergence between Turkey and Hungary. After the 1960s, economic recovery began between both countries. For example, Hungarian commercial delegation paid an official visit to Ankara under the presidency of Andras Kozsla who were one of key officials in Hungarian Ministry of Foreign Commerce.<sup>25</sup> Hungarian economic delegation visiting Turkey was so important for developing the economic relations in the future. Maybe both sides did sign that much effective economic agreements but it was still important considering the political situations. Immediately afterwards, Hungarian foreign minister Frigyes Puja gave an interview to Milliyet newspaper in Budapest before he paid official visit to Ankara. He told the journalists that Hungary and Turkey can develop economic and political relations much more.<sup>26</sup> It can be said that Turkish and Hungarian administrations were trying to develop economic relations mutually even in the political hard times. After both sides were willing to forging closer ties with each other, Hungarian side maintained to establish good and active economic relations with Turkey. Hungarian Secretary of State for Industry Pal Simon paid official visits to Istanbul. Afterwards he crossed to Ankara with Hungarian official delegation to develop official relations and economic cooperation with the Turkish government.<sup>27</sup> Hungarian economic delegations not only visited Ankara but also visited other big Turkish trade cities. In a short span of time, the indication of economic recovery has occurred. After the effort of developing the economic relations from the Hungarian side, the Turkish side also contributed to develop economic relations. Turkish Prime Minister Bulent Ecevit said that he met Hungarian Prime Minister Lazar in Ankara before he went to Kuwait. “Additionally we discussed about Turkish-Hungarian relations in the recent years. Besides that, we agreed about developing economic relations in particular.”<sup>28</sup> During the mutual political visits and convergence, Turkish and Hungarian economic delegations and some business foundations maintained to have a meeting with each other. Both sides started to have the fruits of their efforts to develop economic relations. Hungary also wanted to establish a bulb factory. It would produce coal-fired energy. In this direction, Turkish and Hungarian economic councils signed an agreement in Budapest.<sup>29</sup> Plus Turkish and Hungarian vice ministers of

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<sup>25</sup> Milliyet Newspapers, online archive, 26 March 1971 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>26</sup> Milliyet Newspapers, online archive, 9 January 1977 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>27</sup> Milliyet Newspapers, online archive 3 June 1979 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>28</sup> Milliyet Newspapers, online archive 18 March 1979 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>29</sup> Milliyet Newspapers, online archive 18 July 1980 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

commerce signed an agreement of economic and cooperation. Turkey and Hungary would produce fluorescent bulb.<sup>30</sup> So both sides made their efforts to develop the economic relation an official. Before the collapse of the Soviet Union, the Hungarian president paid an official visit to Ankara to negotiate about the political and economic situation between Turkey and Hungary. Hungarian president paid official visit to Ankara for the first time then. Turkish president Kenan Evren received Hungarian Head of State Straub as an honoured guest. This was a return visit for the one that was paid to Budapest by Turkish President Evren 3 years before that.<sup>31</sup> It can be said there were quite active political and economic mutual visits between Turkey and Hungary in the last 10 years before the collapse of the Soviet Unions. At the end of Cold War, Hungarian administration changed its administrative system and economic policy likewise other former Soviet republics did. It turned its way rapidly to western countries and towards the USA. So the economic and political difference between Turkey and Hungary disappeared. Both countries implemented nearly same economic and foreign policy. During the 1990s good economic relations started between the two countries. When considering Turkish economy, it is not that much powerful compared to Western markets and it is not based on modern industry. From the Second World War until the economic crisis in 2001, Turkey's economic catching-up with the developed economies was weak and volatile. The low productivity growth and relative stagnation through the 1970s was primarily the result of policies of import substitution, subsidisation of agriculture and economic dirigisme, which resulted in a suboptimal allocation of resources. And in spite of some steps towards reform and liberalisation in the 1980s, economic growth was plagued by recurrent crises, as a result of inadequate macro-economic policies and financial opening in a weak institutional and regulatory environment. The volatile growth pattern culminated in the 2000/2001 crises, which led to the breakdown of the currency peg to the US dollar, a sharp depreciation of the Turkish lira, and a contraction of GDP by 5.7% in real terms in 2001. But there was a silver lining: the strong incentive the crisis created for bold reforms led to five years of economic recovery during 2002-07. Turkey was largely spared the horrors and economic destruction of the Second World War, mainly because it maintained armed neutrality. However, its economy stagnated during the 1940s, in large part because of the strongly curtailed foreign trade and increased military expenditure. After the war, it was nevertheless well positioned to engage in a robust process of economic convergence with the United States, like the Western European economies, but it

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<sup>30</sup> Milliyet Newspapers, online archive 5 February 1981 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

<sup>31</sup> Milliyet Newspapers, online Archive 5 June 1989 [online] Available at: <<http://gazetearsivi.milliyet.com.tr/Ara.aspx?araKelime=macaristan&isAdv=false>>

failed to take advantage of the effervescent post-war economic reconstruction.<sup>32</sup> Although Turkey implemented neutral policy during the WWII and was a somewhat open and liberal economy, Turkey could not catch up with the economic developments.

Considering Hungarian economy is also not the economy that kept up with the economic developments in its period. By the 1980s the country was described by insolvency, it was on the border of a financial and economic collapse. This led to the restart of the reforms, and the correction of the economic policy. The most important actions made way for certain private initiations and private firms. Moreover, Hungary took a radical and very important step. Without asking the permission of the Soviet Union, and against the COMECON, Hungary applied to the IMF and to the World Bank, and became a member very soon. This measure resulted in very different circumstances of the soviet system, and also in the strengthening of market elements. Hungary had more favoured institutional, organisational conditions to create a market economy. In the same time, the standstill of the political system and the high proportion of state property meant that Hungary was still going in the direction of debts, and break away from the developed world. The communist system collapsed in Central-Eastern Europe not only because of the economical tensions, lack of balance, operational problems and growing social problems. The main and direct reasons of the transition were the weakening of the party state system, the changing of the political circumstances and the creation of the circumstances of a constitutional state. After 1989, despite all the expectations of the people, the first years of the transition brought a deep and long-lasting recession to Hungary. GDP fell, the loss of

Foreign trade accounted for about 23-24 %, industrial and also agricultural production decreased. On the other hand, there was a significant change in the structure of ownership; the number of private firms raised sharply, most of them as a continued development of the last system's "second economy". Apart from this, the main forms of black or hidden economy took shape. One kind of such businesses were the illegal business, with some kind of contact to the underworld, the other type were includes registered businesses that avoid paying taxes on most of their activity.<sup>33</sup> Hungary as a member of Eastern Block, until the end of 1980 has been managed with a centre planned economy. In this process, the GNP wherein the average growth

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<sup>32</sup> Macovei, M., 2009. *Growth and economic crises in Turkey: leaving behind a turbulent past?* European Commission Directorate-General for Economic and Financial Affairs, European Communities, October 2009, p.5.

<sup>33</sup> Csizmadia, L., 2008. *The Transition Economy of Hungary between 1990 and 2004*. Aarhus School of Business University of Aarhus June 2008, pp.12–13.



rate is 2.05% during the years of 1961-1998; growth in 1989-2010 with the transition to a free market economy in 1989 amounted to 0.78%. In the last four years the growth rates are: 2011 (1.6%), 2012 (1.7%), 2013 (1.1%), 2014 (2.8%).<sup>34</sup> So Hungarian economy suffered a regime change and it did not keep up with the contemporary economic developments. Additionally, both countries were economically in the hard times during the 1990s. By the 1990s, Hungarian new administration wanted to expand its market share to large territories and the Turkish government wanted to establish good and active economic-political relations with former Soviet republics because Turkey wanted to expand its market share to large territories due to these countries needed much more export-import products after the regime change. This was a big opportunity for Turkey to create its foreign market field. The Turkish government established strong economic relations with the countries of the Balkan Peninsula and Central European countries through Hungary. In addition to that, Hungary expanded its market share to Middle Eastern countries through Turkey as well. It can be said that Turkish-Hungarian economic relations are based on exact mutual interests. Hungarian and Turkish governments signed remarkable trade agreement on 25 December 1994. According to this trade agreement, the double taxation was removed so it provided economic stimulus for Hungarian-Turkish investments.<sup>35</sup> By means of the economic stimulus agreement, Turkish-Hungarian investors obtained a chance to make investments without paying double taxation. Later on, both sides maintained to develop economic relations. The free trade and protection agreement was signed between Turkey and Hungary on 24 January 1998.<sup>36</sup> Both countries first aimed at developing the economic relations later on they arranged some mutual regional economic meetings.

Usually the trade and economic relations continued between Turkey and Hungary in the frame of the signed agreements. After Hungary became an EU member country, some economic agreements were revoked because Turkey was not a member of the EU. Turkey was not part of free trade agreements with the EU but it was part of the Custom Union. By 2004, Turkish-Hungarian economic relations continued in the frame of EU economic conditions. Nevertheless Turkish and Hungarian governments maintain economic cooperation with signing the economic agreements in the different fields. For example, a free trade and economic cooperation agreement in the frame of EU was signed and accepted between Turkey and Hungary on 25

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<sup>34</sup> Sümer, K. K., 2016. *Hungary Turkey Relations: History, Present and Future Scenarios*. Eurasian Academy of Sciences Eurasian Studies, October 2016, p.5.

<sup>35</sup> TBBM, online archive, 25-12-1994, number 22152 [online] Available at: <<http://www.resmigazete.gov.tr/default.aspx#>>

<sup>36</sup> TBBM, online archive, 24-01-1998, number 23240 [online] Available at: <<http://www.resmigazete.gov.tr/default.aspx#>>

June 2017. Considering the export-import values for both countries, the values are as much as it can affect the GDP but it still remarkable and it can be reached to market share through each other.

## **Conclusion**

Normally Turkish-Hungarian relations never reached on a desired level in one way or another way. By the reason of some political and economic obstacles or some global political activities, Turkish and Hungarian governments were exposed to exhibit completely opposite political attitudes in all those times. Both countries were obliged to carry out a foreign policy oppositely. So Turkish-Hungarian relations were stuck between two superpowers (USA-USSR) for long decades. Despite of all negative factors, it can be said that Turkish-Hungarian relations were always developing. In addition to that both governments willed to develop the relations by signing various agreements and paying mutual official visits even during the Cold War period. Particularly, mutual political visits had widespread media coverage and economic agreements added a new dimension to Turkish-Hungarian relations during the Cold War and Turkish and Hungarian diplomatic delegations maintained to pay mutual visits as well. Although both countries stood on opposite sides, policy convergence between two countries continued. After the dissolution of USSR, Hungary began to carry a pro-Western policy. So Turkey and Hungary converged on same political environment after a long time. Turkish-Hungarian relations have developed the relations much more in expectation because there were no political obstacles anymore. Contrary to expectations, Hungary adopted swiftly to the Western political order. After a while Hungary became a member to NATO and joined the EU. On the other hand, Turkey was still in the process of acquiring membership in the European Union, although it was a NATO member country for so long time. After Hungary became a member country of the EU, a larger political distance was formed between Turkey and Hungary. Hungary was an EU member country and carried out a foreign policy in the frame of EU requirements. On the other hand, Hungary stood by Turkey during European Union full membership process, it always expressed that EU needs Turkey in all public platform. Hungarians positive political stance to Turkey caused them to forge closer ties with each other. As a result of these, mutual political visits continued. Hungarian-Turkish relations were on sufficiently good level in the comparison with the countries, which were on the different political platform. Additionally inter-parliamentary relations between the Turkish and Hungarian parliaments also constitute an important dimension of our bilateral relations. The on-going parliamentary contacts through

high-level visits by Parliamentary Friendship Groups and Specialised Committees contribute to deepening cooperation. As it has been stated before, Hungarian-Turkish political economic relations are not on the expected level considering the past.

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