

Geopolitical correlation between Serbia and Hungary (The importance of connections between the Danube and the Black Sea regions)

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1. Abstract

In its central, navigable part the Danube flows through Hungary and Serbia. These two states are neighbours and in a geopolitical sense, they are a part of the Danube region. The elaboration of the EU Danube region strategy is under way. The Danube region is connected through the Black Sea region with Asia and important energy resources and paths (e.g. Caspian Basin). Close co-operation between the two neighbours is significant for their geopolitics as well as for the two regions.

2. Danube region – introduction

The river Danube is constant, but the countries through which it passes are changeable regarding territorial, political and geopolitical view. They had various mutual relations in the past. The relations were changing depending on political factors, national, cultural, cultural-historical and other characteristics of the peoples and countries, especially regarding the specified similar or different value systems. The neighbouring area of the Danube countries was changed from standstill, mutual isolation, alliance, conflicts and wars. Ottoman Empire, for example, in its further progression into Europe used the Danube for military purpose and economic domination in the fertile Vlačka and Panonia plain.² In their robbery intrusions to the south, the Vikings used the Danube in order to reach the rich Carigrad through the Black Sea, and Argonauts in order to avoid pursuers, went back to Greece with the gold fleece along the Danube, upstream and across the river Po and sailed to Greece.³ It implies that in the past, the river Danube represented nothing but the mere corridor or transversal for unilateral ventures of the countries and peoples such as other land ways.

Depending on the political constellations and structures of power, the river Danube in the past passed through various number of countries. Several centuries ago, there were only two: the German First Reich (Holy Roman Empire of the German nation) and Ottoman Empire. The number of the Danube countries has been increasing since then and nowadays from the spring to

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² Elvis Barukcic/AFP/Getty Images: Surveying Turkish Influence in the Western Balkans, p. 2. Stratfor 01.09. 2010

³ N.K. Lebedev: Conquering the land. Volume I, p. 32., Novo Pokolenje 1948.

the estuary, it amount ten: Germany, Austria, Slovakia, Hungary, Serbia, Romania, Bulgaria, Moldavia and Ukraine.

Nowadays Danube region is a new geopolitical project and the projection of future of the countries of that region which, by the Danube stream, includes also Serbia. It can be said with a good reason that the Danube region is a result of a geopolitical revolution *sui generis*. The SSSR collapse, disappearance of bipolarism in Europe, emergence of new countries including also the war at the area of the former SFR Yugoslavia represent the essential impulses and factors of that geopolitical revolution. The end of bipolar ideological-political power factor domination in Europe marked the transition to universal value standards: human rights in the rule of law, freedom and democracy. At these fundamentals, Europe as a continent and family of the people returns to its nature, i.e. geographic, ethnical, cultural and existentially significant determinants. Geographic characteristics of Europe and economic legitimacy of sustainable development, instead of ideology-political represent new bases of the development of European continent. The term geopolitics in certain view acquired new dimension: communication or collectiveness of the geographic area and people who live there.

The Danube region was the second macro region in Europe initiated and formed by the European Union in the new geopolitical meaning of natural connection between area and people.

3. Synergy of naturalness and values of the European Union and the Danube region

The Danube River Protection Convention was signed on 29 June 1994 in Sofia by 11 countries: Austria, Bulgaria, Croatia, Hungary, Moldavia, Germany, Romania, Slovakia, Ukraine and Czech Republic as well as the European Union who was an initiator and coordinator of that second macro region in Europe. The Convention came into force in October 1998. The Convention had a technical character at the beginning. It included only the protection components of ground and underground waters of the Danube:

- Preservation, enhancement and rational usage;
- Preventive measures and control of hazards regarding accidents, including floods, ice or hazardous substances;
- Reduction measures on polluted burden into the Black Sea basin.

Under the leadership of the European Union, the technical Convention evolved into synergic and geopolitical project of new generation which, according to projection, has a considerably greater significance in relation to classical border connections and land roads. Unlike land magistral roads, the synergic concept of the Danube region emerged from the borders of the Danube region countries and was transferred to the jurisdiction of synergic activities of the Region as a whole within the European Union. Thus, the Convention marked the decrease in unilateral or bilateral relation of the countries towards the river Danube up to that time and the commencement of the synergic activities of the signatories (synergy – derived from Greek *syn* =

together + *ergon* = activity) and it implies mutual activities resulting in synergic effect, i.e. positive effect in the synergy of several fields, factors or powers.⁴

Initiation of synergic activities in the river basin of the Danube is very important. Synergic activities leads imperatively to decrease and in perspective to elimination of the agents of political power, political will or autocracy of certain governments of the Region on one side and inauguration of the geographic naturalness of the area as the main principle in the relation of the Danube region countries. It means that the river Danube becomes the primary integral factor of the area and people within the value system of the European Union.

The idea and concept of the Danube region has an essential intention to prevent classical isolations, controversies and confrontations (ideological, political, national, etc.) which manifested in the past and to build the resource of the long time fluid synergy directed also towards the Black Sea region.

4. The European Union – naturalness and synergy of the Danube region

In comparison to the technical Convention of the Danube region in 1994, the European Union significantly extended its strategy of development and functioning of the Region as a natural connector with the Black Sea region, i.e. Black Sea economic association. According to the concept of the European Union, the Danube region is developed by the technical Danube River Protection Convention into the macro region in compliance with consolidation of the natural area and people in reaching positive synergic effects.

The Danube region, in the extended content includes 14 countries in relation to primarily 11 countries which were the signatories of the Convention in 1994, and in the perspective it shall include also the European Union. The new countries of Danube region in 2010 are: Serbia as a coastal country of the river Danube, then Bosnia and Herzegovina as well as Montenegro. Regarding the constitutive republics of the former SFR Yugoslavia, only Macedonia is not a part of this second macro region of the European Union.

In the course of further development of the positive synergic effects of the Danube region, the European Union adopted the Resolution and strategy of this macro region in 2010. Resolution, besides other things, commences and refers to the concept and positive experiences of the strategy of the European Union for the Baltic region. The resolution also refers to other conclusions, documents and programs. The resolution specifies 10 coastal and 4 indirectly associate countries: Bosnia and Herzegovina, Montenegro, Slovenia and Czech Republic. The resolution specifies that the river Danube and Danube region are a significant land corridor and area within the cohesive European Union program, which includes the member countries of the European Union and the potential member countries. The resolution specifically lists: cohesion

⁴ Wahrig Deutsches Woerterbuch – Bertelsmann, Wissen Media Verlag GmbH, Guetersloh/Muenchen 2006.

of the Region, then transportation, tourism, agriculture, fishing, economics and social development, energy, surroundings, extension and political neighbourhood.

Furthermore, the Resolution emphasises the imperative that every macro regional strategy should be incorporated into the regional policy of the European Union as an integral part of the coordinated policy for the whole territory of the European Union. The need for analysis of the additional synergy values of the positive synergic effects is emphasised in the course of exercising the real territorial cohesion within the European Union territory. Regarding to this context, the call to the authorized Committee of the Region to clearly identify the government structure of the Region countries is also significant in the future policy towards the Danube region. Especially significant is the approach of the Resolution and strategy which excludes economic isolation and independence of the Danube region countries.⁵

In compliance to the content and spirit of the Resolution, several statements and approaches can be identified and cognitively emphasised. Firstly, that the Resolution exclusively specifies the European Union as a territory in singular, i.e. unique in the real territorial cohesion of the European Union. Secondly, that the Resolution excludes economic independence of the Region countries. Thirdly, it identifies the government structure. This item, logically, refers to various levels of transition, adjustment and adoption of the mutual values of the European Union in certain countries of the Danube region, i.e. to differences which complicate the synergy of the positive effects on which it is based and to which the complete strategy of the European Union is directed towards this macro region.

The President of the Danube region Committee Johannes Hahn, in his presentation in Ruse (Bulgaria), especially emphasised the importance of the mutual activities. He called for the Region countries to “establish the sense of mutual achievements”, to “open new forms of cooperation“ and referred to the fact that the Region countries show aspirations for “the new path of the mutual activities”.⁶

5. Serbia and Hungary in the Danube strategy of the European Union

The Danube region was categorized as macro economic region of the European Union of the “great economic potential”. The European Union Committee has prepared and is still making addendums to the corresponding macro economic strategy. The strategy directs the governments of the countries of the Region to focus on using the natural resource of the river Danube in the course of natural and not synthetic political union of the area and population of the Danube region as an integral part of the European Union territory. The basic objective of the Strategy is economic development which the river Danube offers in its natural surroundings.

Emphasis on increase in economic potentials represents also the clear call to the political structures and governments, especially countries in transition to turn to economics and domains

⁵ <http://www.europarl.europa.eu/European> Parliament/European Strategy for the Danube Region – 21 January 2010.

⁶ <http://europa.eu/rapid/pressReleases> Action.doreference=SPEECH/10/227 - 7.12.2010.

of enhancing the life quality of the residents of the Danube region as a mutual living area, unlike to excess and burden of preoccupation with political issues.

The transport potentials of the river Danube are used only 3-6 %. The objective of the macro economic strategy is multiple capacity increase in the following period. For that purpose and the total macro economic development, the European Union provided the Fund of 100 billion euros for the period of 2007-2013. Of that one part has already been consumed, but significant assets remain for the following three years. The Fund is intended to be used for mutual and concrete synergy projects, and not unilateral and internal ventures. As specified by Johannes Hahn, the member of the European Union Committee, a quality synergy project is required accompanied by "only political decision and efficient management" for using the assets.⁷

Serbia and Hungary, i.e. Hungary and Serbia are enabled to use the Fund. According to the current positions, the countries of the Danube region which are also the members of the European Union are entitled to fund assets. The potential candidates, i.e. non-integrated countries can use the fund assets through integration. These countries can use the assets from other funds, but to lower extent in comparison to the countries which are the members of the European Union. However, the current propositions of using the fund should be added with the aim to strengthen the cooperation between 14 countries of the Danube region: eight members of the EU: Austria, Bulgaria, Hungary, Germany, Romania, Slovakia, Slovenia and Czech Republic and six other countries: Bosnia and Herzegovina, Montenegro, Croatia, Moldavia, Serbia and Ukraine. According to this, the president of the Committee of the European Union specified: "We have the possibility to create the mutual vision... It is our duty to ensure that this vision becomes feasible, prosper future of the whole Danube region."⁸



Map 1: Hungary and Serbia in Europe

Forrás:

http://sr.wikipedia.org/sr-el/%D0%A1%D0%BB%D0%B8%D0%BA%D0%B0:Serbia_Hungary_Locator.png

⁷ Johannes Hahn <http://www.euractiv.com/>

⁸ EurActiv 2.11.2010 <http://www.euractiv.com/>

6. The new generation of the cooperation

The addendums of the funds, dedicated EU Fund foresee four main areas of the cooperation, i.e. results of the synergy of positive effects which are opened as well as four main fields of cooperation between Serbia and Hungary within the Danube region: transportation, energetic infrastructure, mobility and tourism. The special attention shall be paid to the connection of railway networks, development of trans-national gas and electricity networks and tourism expansion across the Region.

Unlike classic bilateral cooperation between countries, the political principle of the Danube region cooperation is not a centralized decision making on projects and realization. The principle is multileveled. It starts from the lowest level (has the authentic insights into the needs and possibilities of the local area and people), and only afterwards the regional level. Both levels take the responsibility for implementation of the Danube strategy in the coordination with the governments of the countries of European level. Regarding the projects, it is important to join the political engagement, competencies and resources through all government levels.⁹

That political principle is an imperative in the synergy of positive effects, for preparation and realization of the projects between Serbia and Hungary within the Strategy of the European Union and the Danube region. That principle is not an imperative for classic bilateral relations, which are traditionally carried out at the government level.

Serbia and Hungary have relatively developed relations of the classic bilateral type. The cooperation between Serbia and Hungary within the Danube strategy are, however, in the initial phase. Whereas Hungary is the signatory of the Convention on the Danube protection in 1994 together with 10 other countries and included from the beginning into the projects of the Danube strategy of the European Union, Serbia was included on 24.9.2009 by the Government decision in formation of “the Workgroup for cooperation with the European Union in Podunavlje area”. The Workgroup prepared the document named “Position of the Republic of Serbia for participation in the preparation of the complete European Union Strategy for the Danube region”. The documents were adopted by the Government on 10.6.2010. The same year on 20th October, the first agreement between Serbia and Hungary was signed in Segedin within the Danube strategy of the European Union named “IPA Program of cross border cooperation Hungary-Serbia”. The representatives of the partner organizations of two countries prepared and submitted 170 projects of which 69 were accepted and were awarded the sets for realization in compliance with the propositions of the Danube strategy of the European Union, i.e. “new generation of cooperation”. “Shared management system” was also implemented. The program is realized within the Fund of Danube strategy of the European Union 2007-2013 (Fund of 100 billion euros).

Signing the Program and initiating the projects within the Program represents the integration of Serbia and synergy of positive effects of the Danube region in compliance with the propositions of the European Union Strategy. The multiplied levels of activities in synergy have

⁹ <http://www.euractiv.com/>

been marked as the beginning of “new generation” of the relations between Serbia and Hungary. The name “new generation” emphasises the creative difference between the classic bilateral economic and political relations and synergy of positive effects of the Danube region Strategy.¹⁰

In the information on the Program, it was stated that IPA Project is in compliance with the Decree of the European Union Council no. 1085/2006 and the Decree of the European Union Council for the Danube region no. 718/2007. The documents regulate the realization of the project in synergy. They also represent a means of the access assistance as the source for financing the candidate and potential candidate countries (Serbia, Bosnia and Herzegovina, etc.). The assistance is at the same time the support to the adoption and application of the legal standards of the European Union as well as the preparation for implementation and management of mutual relations. This statements may be accompanied also by very important educative assistance element relating to synergy area, i.e. ”new generation“ of relations and it implies the new way of thinking which is different from the classic one. It signifies te implementation of the new philosophy of thinking on relations in the natural integral area of the Danube region.

IPA Project comprises the areas of Segedin and Subotica with border settlements from the both side including the area of Subotica: Bajmok, Đurđin, Donji Tavankuf, Gornji Tavankuf, Stari Žednik, Horgoš, Čantavir, Višnjevac and Bikovi; the area of Segedin: Dezk, Roszke, Algyo, Domaszek, Asolthalom, Kiszombor, Apulthalva, Magyarascand, Ruzsa and Szatymaz. Besides the aforementioned, the Program was signed also by “Fokus“ foundation from Subotica for the project “WARC – *Welcome to Arts and Crafts*“. The project goal is the cultural development of the border settlements. The project was signed also by the representative of the Open University of the Higher Technical School and the representative of the Gerontology centre from Subotica. The city of Subotica is the extended partner of the Project. Copreseidents of the mutual Committee of this project of the new generation are Bojan Pajtić (Serbia) and Žolt Bečei (Hungary).

7. Bilateral relations between Serbia and Hungary

The new generation of the relations between Serbia and Hungary at the IPA Project represents the initial step of Serbia regarding the Strategy and Synergy of the Danube region which is opening the possibilities for faster and more quality value and economic progress. The classic bilateral cooperation is also further developed in compliance with the accepted methods. The initiatives and concrete proposals are present regarding the further development of both types of the relation. The mutual initiative within the general cooperation was agreed on: that the Tisa river as the international river remains navigable, that within the Danube strategy the projects of small and medium enterprises should be included as well as the possibility of building the industrial park at the cross border of Romania, Serbia and Hungary.¹¹

¹⁰ <http://www.hu-srb-ipa.com/>

¹¹ Bojan Pajtić, Žolt Bečei / Zsolt Becsey/ - RTS 9.10.2010 <http://www.rts.rs/> and <http://www.bbj.hu/>

The complete relations of Serbia and Hungary are currently characterized by the classic and new geopolitics (separate and integrated geographical areas). According to the assessment of the Serbian Chamber of Commerce, the classic relations are based on the strategic partnership of the two countries. The commercial cooperation was increased in the previous period. The trade has been increased by five times since 2001 and in the year 2009 it was realized in the range of 720 million USD. The export of Serbia into Hungary amounts approximately 263 million, whereas the import from Hungary slightly exceeds 465 million. Regarding the value of Serbia export, Hungary is set at the position no.12, and according to the value of import, it is set at the position no. 6.

Year	Export	Import	Total	Deficit
1995.	19,5	58,9	78,4	39,4
1996.	29,6	125,9	155,5	96,3
1997.	59,7	124,7	184,4	65,0
1998.	54,2	112,6	166,8	58,4
1999.	28,1	94,0	122,1	65,9
2000.	52,8	111,6	164,4	58,8
2001.	59,2	175,7	234,9	116,5
2002.	73,5	247,7	321,2	174,2
2003.	75,7	261,3	337,0	185,6
2004.	123,3	320,7	444,0	197,4
2005.	132,9	267,4	400,3	134,5
2006.	181,9	427,6	609,5	245,7
2007.	247,5	707,9	955,4	460,4
2008.	327,8	799,7	1.127,5	471,9
2009.	262,8	465,2	728,0	202,4
2010/10m	248,1	585,4	833,5	337,3

Table 1: Scope of goods exchange in the period 1995 – 2010¹²
(In mil. USD)

The classic bilateral relations between Serbia and Hungary are carried out in compliance with the corresponding classic institutional cooperation forms – innovated after integration of Hungary into the European Union, signed on 26.5.2005. Although Serbia and Hungary are similar in size (Hungary is slightly bigger) regarding the territory and population, Serbia has a considerable deficit regarding the exchange of goods as well as some other domains. Coverage of Serbia import from Hungary through export to Hungary amounted 56,5 % in the year 2009. In

¹² Source: Center for informatics and electronic business Serbian Chamber of Commerce, Department for international economic relations, *Informacija o privrednoj saradnji Srbije i Mađarske (Information on commercial cooperation fo Serbia and Hungary)*, Belgrade, November, 2010

2010, during the first ten months, the exchange of goods was increased in relation to the previous year through the export of Serbia by 17,8 %, but also import for almost 48 %. Disbalance in the classic economic relations of Serbia and Hungary is obvious. According to the Chamber data, Serbia does not have any investments in Hungary, whereas Hungary invested in Serbia 375 million USD in the sectors of privatization and “Greenfield” project within the period 2001-2009.

Although both parties emphasize the fact that there are big, even huge possibilities for the economic cooperation of the two countries, those possibilities are considerably limited primarily by the deficit of export potentials of Serbia and limitations regarding structural nature of the classic bilateral cooperation. As not having been integrated into the European Union yet, in relation to Hungary, Serbia is in inconvenient position regarding the use of various programs of the European Union as well as the Danube region funds. This implies: that for more equal relation with the neighbouring countries, especially those integrated ones, but also with the other ones, the integrated position of Serbia is required. That position would significantly make a good balance regarding the economic relations with Hungary as well as economic and potentials of Serbia in general.

8. Review of perspectives regarding the relations between Serbia and Hungary in the Danube region strategy

Regarding integration perspective, the Danube strategy shall cover the area of 115 million residents. According to the recommendations of the European Union Committee, the national, regional and local government levels consider the methods for implementation of the long term strategy for the Danube region. The main objectives and directions are strengthening the transportation in the Region. It is especially necessary to increase using the Danube as a corridor for freight transportation. The strategy foresees increase in the scope of freight transportation along the Danube of 3-6 % in the year 2010 to 20 % in the following 10 years. According to the latest data, in 2007, almost 50 million ton of freight was transported along the river Danube which amounts less than 10 % capacity of the river Danube. It is also one of the perspectives in the Danube strategy to accept the synergy principles i.e. the new generation of cooperation with planning to increase tourism significantly. Tourism as an industry offers great possibilities of economic advancement of the Danube region countries. The Strategy objectives also include increase of the fish fund of the river Danube.

According to the Committee approach, Hungary is in the centre of the new macro region and therefore it is convenient for initiative and enhancement of the Danube strategy.¹³ The Hungary competencies in this regard are increased during its presidency of the European Union in the first six months in the year 2011.¹⁴ This should be considered with the fact that Serbia as a neighbouring country of Hungary makes the centre of the Region, through which the Danube

¹³ http://www.emins.org/sr/aktivnosti/projekti/dunav/o_dunavu.pdf

¹⁴ <http://www.euractiv.com/> Cooperation seen as key to success of Danube Strategy/EU Press Release 19.12.2 010

passes in the great width, depth and length. That position gives Serbia significant to great possibilities and developing potentials within the Danube region and the European Union strategy based on the synergy.

Serbia and Hungary have a similar position in the domain of European land corridors. Significant European transversals pass through both countries towards the southern parts of the European Union which connect the European Union with the Asian continent. Besides the river transportation, the priority objectives of the Danube strategies include also the roads, especially railways and increase in the capacity of the rail freight and passenger transportation. The strategy also aims at trade development and economic growth across 14 countries, especially through transportation connections, then poverty reduction and increase of life quality of the people in the Region. The Committee shall also examine the possibilities of the stronger trans-national cooperation in the course of prevention of the organized crime and implement the instruments for cleaner surroundings.

It is the Committee approach that, besides the Baltic macro region, the success of the European macro economic strategy depends on the close cooperation between people living within the Region.¹⁵

¹⁵ <http://www.euractiv.com/>