

# Hungarian Development Cooperation in the Region

Dániel Solymári

## **Hungarian private ventures in East Africa**

Hungary's foreign trade with African countries began in the early 1920s, along with economic, cultural and educational cooperation based on bilateral relations.<sup>1</sup> Due to geographical proximity and the Hungarian seaport in Fiume (Rijeka), diplomatic and business negotiations were first established with Egypt.<sup>2</sup> We can only discuss independent Hungarian foreign policy starting in 1918.<sup>3</sup> Before that, Hungary was part of the Habsburg Empire after the Ottoman occupation. Although the country did not fully integrate into the Empire, it had some political autonomy even though it could not pursue an independent foreign policy. Hungary did not have a foreign ministry: diplomacy was governed by the Imperial and Royal Ministry of Foreign Affairs with Austrian dominance. By 1918, the Monarchy had disintegrated, and Hungary gained its sovereignty. The independent Hungarian foreign service was established, which saw to "all foreign affairs of the country independently"<sup>4</sup>, according to Act V of 1918. The independent Hungarian diplomacy reorganized a foreign affairs administration (a new ministry of foreign affairs was established) and training program. A vast network of European embassies was set up with representations outside Europe.

The first Hungarian foreign mission in Africa was established in Egypt on 7 January 1924. The Ministry of Foreign Affairs established an honorary consulate general in Alexandria to strengthen independent Hungarian diplomatic relations with the country. A few years later, on 20 February 1928, an embassy was established in Cairo, formalising the relationship between the two countries and giving new impetus to economic cooperation. The parties also signed a bilateral trade agreement. Shortly afterwards, the Egyptian subsidiary of the Hungarian Ganz Ltd. was established, and the export of sugar, horses, yarn and textiles commenced. Other

products were later added to the portfolio.<sup>5</sup> In 1929, the Royal Hungarian Mint (RHM) was commissioned to mint Egyptian silver coins. Following this success, the RHM was commissioned by the Bank of Abyssinia in Ethiopia to mint Maria Theresia thaler, which was used as a trade coinage in world trade. In July 1935, the Hungarian World News reported on how Ethiopian soldiers were being paid with this currency. The Hungarian-Egyptian Commercial Company boosted further economic cooperation. A Hungarian shop and travel agency opened in Cairo. Sports and archaeological relations were also vital.<sup>6</sup>

Diplomatic and economic relations with African countries were interrupted by World War II, and the Egyptian ambassador was recalled in 1941. Restoration could only take place after the end of the war.

The golden age of Hungarian foreign policy concerning Africa began in the 1950s. With Stalin's death in 1953, a more open, rational Soviet foreign policy mindset emerged. With the new socialist leadership by János Kádár, Hungarian politics in the 1960s began to change. A soft dictatorship known as "goulash communism" emerged and a period of relative prosperity began. In a matter of years, Hungarian foreign policy was transformed as the only rational course of action. In his speech at the 1967 Conference of the HSWP (Hungarian Socialist Workers' Party), Kádár described the development of foreign relations with African countries as a primary goal.<sup>7</sup>

Hungarian consulates and embassies were opening up with lights speed throughout Africa from the 1960s. Hungarian chief foreign officers regularly visited Sub-Saharan Africa, and governmental representatives of the newly independent countries returned the gesture by visiting Hungary. News about the "developing world" became recurring topics with Hungarian newspapers like the Szabad Nép, Népszabadság, Pesti Hírlap, Esti Hírlap, and Az Est all reporting on domestic and international affairs of Arab and African countries.<sup>8</sup>

The new Hungarian foreign policy was still in its infancy stage, but it focused on increasing exports and maintaining steady economic growth. Many Hungarian companies and brands became popular on the African continent. Starting in the 1960s, Hungarian experts and corporations began working in African countries and cooperating with TESCO.<sup>9</sup> They built roads, railways, and hospitals in Algeria, Libya, Morocco, Angola, Ethiopia and Kenya. Hungary was a leading figure in providing technical assistance to African countries, although it was motivated by ideological and political reasons. The most famous Hungarian brands in Africa

were Ganz and Ikarus. The latter's iconic buses were trendy, and thousands of the Model 200s could be seen in the streets of North and East Africa.<sup>10</sup> Elzett Metal Works, a major mass-production corporation in Hungary, became an essential player in Africa by the 1970s.<sup>11</sup> The padlocks, locks and other metal products the company manufactured were so popular and well-known in Sub-Saharan Africa that in Kenya and Tanzania these items were often referred to by Africans with company name "elzett". Similarly, petrol cans are still referred to in several places as the "Elzett Can". Medicor Electronics, which manufactured medical equipment and is still operating, had strong trade relations with some African countries. By the 1970s, Medicor had become the most important company in the Hungarian medical technology industry. It played an essential role in providing primary health care equipment for local hospitals in Africa, especially in Nigeria. Their x-ray machines were used in African hospitals until the 1990s. Hajdu (Hajdúsági Iparművek) household appliances, Globus canned

An Ikarus in Kenya



and convenience foods, and Bábolna State Farm were all equally important products that experienced significant success.

As a result, trade between Hungary and countries in Africa skyrocketed in the 1960s and 1970s. There was a period when Hungary was in the overall top ten countries in providing technical assistance to Africa. These vital relationships decreased and almost entirely ceased by the 1990s. The decades after the fall of communism brought Hungary's accession to NATO and the European Union. Hungary's foreign policy had other priorities. From the 1990s, Hungarian foreign policy focused on the Western integration (NATO and EU), thus neglecting African relations. Diplomatic priorities shifted from Africa (and other developing countries) to the West. However, a new era of redefined African relations began in 2015 with the "Southern Opening" strategy.<sup>12</sup>

### **Development Assistance and Humanitarian Aid**

One crucial area of the international development and cooperation is providing foreign aid, and over the years Hungarian civil and church organizations have had a lasting impact with projects meeting international standards. Although Hungarian economic and diplomatic relations with Africa slowed down or disappeared in the 1990s and 2000s, domestic NGOs eventually rediscovered Africa. New NGOs emerged with the mission of developing African aid programs. Following the initial steps, many successful health care and humanitarian missions were organized in Uganda, Sudan, Kenya, Tanzania, Ethiopia, the Democratic Republic of the Congo, and other West African countries by 2010. Hungarian experts built orphanages, hospitals and schools, and they launched several water safety and hygiene initiatives in slums. They had outstanding achievements in education, vocational training, and bilateral connections primarily with East African countries. Cooperation in higher education also intensified through the Africa Research Centre of the University of Pécs, which was established in 2009.

Joining the OECD and the EU had a positive effect on aid programs. Like all other member states, Hungary undertook to allocate a certain proportion of its GDP to international assistance programs. This is referred to as ODA (Official Development Assistance), which is a compulsory contribution. In 2003, this amount was 4,761,830,000 HUF (ca. 13,700,000 EUR). By 2013, it reached 28,665,240,888 HUF (ca. 82,400,00 EUR).<sup>13</sup> The Hungarian Parliament passed Act XC in 2014 on international development cooperation and international humanitarian aid.

A separate department was set up within the Ministry of Foreign Affairs and Trade to coordinate the endeavour and launch new initiatives and projects. With these decisions, the Hungarian government has put the issue of international assistance, which had been neglected for decades, back in its rightful place and established an appropriate regulatory framework.<sup>14</sup>

Civilian initiatives are torchbearers of Hungarian ingenuity and assistance in Africa. Key figures are the Foundation for Africa and the African-Hungarian Union (AHU), both operating in Sub-Saharan Africa since the early 2000s. The Taita Foundation also formed at this time (named after the Taita Hills), and the organization built an orphanage in Kenya. The ophthalmologist Richárd Hardi has been working in the Democratic Republic of Congo since 1995 as the secular member of the Community of the Beatitudes', and he runs a hospital there with his colleagues.<sup>15</sup> The Hungarian Charity Service of the Maltese Order has also been present in East Africa since the mid-2000s with its pioneering initiatives in Kenya, Uganda and Tanzania, creating intervention programs in poor metropolitan areas and schools to provide clean water and accessible hygiene.<sup>16</sup> Other smaller initiatives such as Védegylet Association, the Hungarian Baptist Aid and Caritas Hungary have also contributed to improving the lives of many African citizens. As a result of the important work of Hungarian charitable organizations and higher education institutions, Hungary has a well-respected reputation in sub-Saharan Africa.<sup>17</sup>



Sanitation facilities  
in Kibera (Nairobi)  
and Mombasa

