

Hungary's Energy Realism in the Politicised Climate Debate

Climate change and energy policy has become one of the most complex and controversial policy areas of our time, and is increasingly ideologically driven. With the sustainability and decarbonisation objectives at the centre of the EU's political agenda, and the new standards and expectations placed on Member States, which are increasingly politicised, the debate on renewable energy and climate policy has become a policy issue and an ideologically coloured battleground, regularly shaping European parliamentary party debates and public discourse. Once again, the Hungarian energy policy principles outline a set of policy approaches that differ significantly from the Western European mainstream. An integral part of the Hungarian energy strategy is the prominent role of nuclear energy, the policy of reducing the cost of electricity and the continued import of Russian gas.

According to the Hungarian position, although the complications of climate change are global, the effective remedies and mitigation solutions must be sought locally, at the level of the Member States. To this end, Member States should cooperate effectively, while keeping national interests in mind. Hungary's approach to climate protection is defined by a strong emphasis on sovereignty and the primacy of the nation-state interest. In order to achieve this, the country's energy policy ambitions can be broken down into different principles.

Power plants play a key role in energy production in Hungary. Based on 2023 data, the Paks Nuclear Power Plant in the south of the country produced the largest share of domestic energy production, accounting for 39% of total annual energy production. The EU's acceptance of nuclear power as a green energy was a particularly important milestone in Hungary's carbon neutrality efforts.

The principle of technological neutrality is crucial for Hungary's energy policy, the aim being to ensure that certain types of energy production cannot be excluded for political reasons. The fact that there are already good and bad technologies is a product of the over-politicisation of climate protection. Nuclear energy, often demonised by the Green parties and the majority of the Western European elite, is more likely to be classified in the latter group. These categorisations are ideologically driven rather than professionally differentiated. In the case of Hungary, however, the use of nuclear energy enjoys a fairly high level of social support. According to 2022 data, 68% of Hungarian society believes that a significant part of electricity should be produced in nuclear power plants. With this percentage, Hungary is among the Member States most in favour of nuclear energy in Hungary, but interestingly, the opinion of Spanish society does not reflect the strong anti-nuclear rhetoric of the current government.

The Hungarian energy strategy is also guided by the application of the "polluter pays" principle, which embodies a responsible energy policy. Accordingly, the costs of reducing CO₂ emissions must be borne by the major polluters.

Another integral part of the Hungarian government's policy is to bring utility prices under the control of the authorities. Starting in 2013, the Orbán government started a large-scale reduction of utility prices in order to prevent the population from being exposed to market operators. With the introduction of the cuts, residential gas prices have visibly diverged from the EU average, and while the latter has been steadily increasing, the average price in Hungary has started to fall significantly. With the introduction of official controls, a much larger proportion of people are now able to pay their gas bills and heat their homes.

As always, geography is a key factor in Hungary's energy policy. In the absence of fast-flowing rivers and windy areas, the country's hydro and wind energy potential is limited and of little importance. Regarding hydro energy, in 1977, an interstate agreement was signed between Hungary and then Czechoslovakia for the complex utilisation of the Hungarian-Slovak border section of the Danube for hydroelectric power generation. The project was not finally implemented, and in 1989 the Hungarian government withdrew from the agreement due to social pressure and environmental concerns. The project was implemented by the Slovak side by arbitrarily diverting the main Danube basin into its own territory. As far as wind energy is concerned, the north-western part of the country is mainly suitable for wind power, but for years the installation of turbines was subject to strict legislation, requiring turbines to be located within 12 km of residential areas, which made it de facto impossible to install wind turbines. There were also land-use planning and environmental reasons for this. However, in recent years, Hungary has changed its regulation on wind turbines in the interests of EU climate protection efforts, but still treats them as a "high priority government investment".

Solar energy is the most important renewable energy source for the country. The Hungarian government recognises that the green transition must start with households, but it also recognises that installing solar panels is a costly endeavour. To this end, the government is providing extensive public support to help households make energy investments. Applicants receive a non-repayable grant of approximately 13.000 euros (5 million HUF) to the "greenification" of their homes. The government is providing nearly 270.000 euros (105.8 billion HUF) in the programme to encourage green energy investments by families.

The Hungarian government rejects any form of political pressure that would influence the sources from which the country buys energy. In the absence of a coastline, Hungary falls short of easy LNG purchases, so energy is primarily supplied through pipelines. Based on the Hungarian government's standpoint, the origin of the energy coming through these pipelines should not be determined on political or ideological grounds, but solely on market considerations. Although the Hungarian government is actively working to diversify energy sources, Russian energy is still the most favourable for the country. From an infrastructure point of view, one of the most viable alternatives to Russian gas is energy from the Middle East, and negotiations are ongoing with these countries in the context of energy diversification. For instance, in March, Hungarian Foreign Minister Péter Szijjártó announced that they are working with Azerbaijan, Georgia, Bulgaria and Romania to create a "Green Energy Corridor", an investment in the Caspian region. The project will be a driving force not only for Hungary's efforts to promote renewable energy, but also for the EU's climate action as a whole.

The Hungarian energy strategy also shows that sustainability and climate protection efforts are not only environmental, but also have an economic and social dimension, where the responsibility of the state must be exercised. The country's position is that, in order to achieve climate policy objectives, rational and responsible decisions must be taken, because, as in everything else, the priority in reaching these objectives must be to ensure that they do not lead to a deterioration in the quality of life of citizens. The Hungarian Government's climate policy is based on the principles of sovereignty and accountability, where the achievement of objectives should not be at the cost of the population's livelihood. This position underlines that action on climate change must not become an ideologically driven political weapon. Instead, Hungary's energy strategy is based on the principles of security of supply, affordability and technological neutrality, as the green transition can only be successful if it does not force large sections of the population to make sacrifices.

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