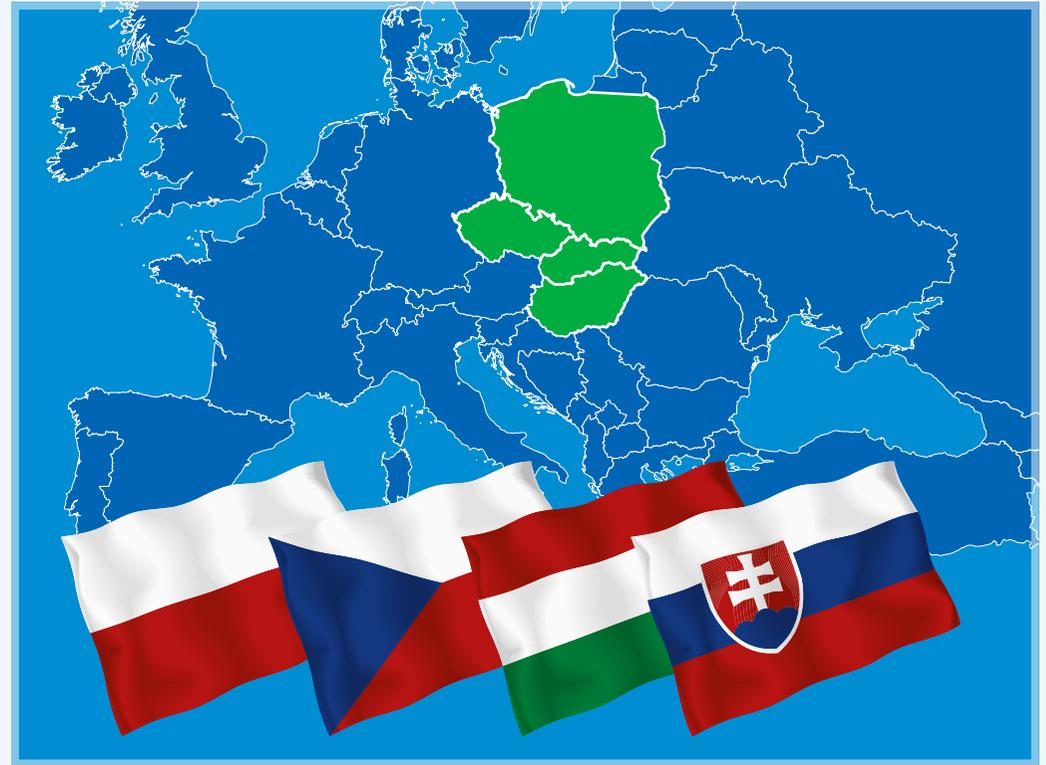


Euro Policy

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## TEN YEARS IN THE EU: VISEGRAD PERSPECTIVE AND BEYOND



**By joining the EU (and NATO) Czech Republic, Hungary, Poland and Slovakia fulfilled the key target of Visegrad cooperation, with Slovakia being the most problematic element in this process due to unsatisfying track record in terms of democratic criteria for several years.**

After EU accession, the Visegrad states have since tried to redefine priorities and find an orientation point for future cooperation. Joining the EU was by a substantial part of the population seen as a way to align the living standards of the CEE region with that of „old“ member states. 10 years after, looking just on the overall numbers suggest that V4 countries are economically stronger. V4 annual GDP grew additionally ~1% due to EU membership, purchasing power reached 65 % of EU15 average, the income gap has narrowed by 1/3. According to further Erste Group study data, V4

exports grew three times faster than the exports of EU15 and V4 is now the fourth largest exporter in the EU28, and second largest car producer in the EU after Germany.

The financial and economic crisis that broke in 2009 however changed the dynamics and circumstances of linear economic development for EU as such and for Visegrad as well. More complex socio-economic analysis reveals remaining severe shortcomings in individual economies, especially in terms of high unemployment and portion of people at the risk of poverty. Structural reforms that would provide for a sustainable model in the long run, including in the area of education, research and development often take too long to materialize.

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In 2004, the departure positions in terms of the internalization of the EU, were similar in the Visegrad region, yet the paths differed greatly since. Slovakia aimed at moving to the center of the EU integration being the last one to catch the pre-crisis train to the Eurozone. Poland's strategic foreign policy ambitions corresponding with the position of one of the EU's "big 6", supported by the relative good shape of its economy, the Czech euroscepticism personalized in the figure of long-term president Vaclav Klaus, and Hungary shift from the liberal democracy model have all added to the heterogeneity of how the respective countries shaped their EU policies.

As Edward Lucas puts it, V4 works on matters where agreement does not require a large dose of political capital. That applies not only to the more "internal" V4 issues as transport infrastructure, gas interconnectors, but also to the EU policymaking in energy, single market, especially freedom of movement of labor, freedom of services.

Looking back at the last year the Visegrad coordination on the EU-related topics, three main dossiers stand out. With the finalization of the Multiannual Financial Framework 2014-2020, the V4 has been active in the informal grouping of "Friends of Cohesion" resisting possible cuts in the budget heading allocated for the Cohesion policy. Together with other net beneficiaries this push proved a substantial success despite reasonable doubts on the effectiveness of the use of the structural funds in CEE in the current period and the overall tendency of the net contributors to make crosscutting savings in the next 7-year framework.

Another chance to coordinate came with the personal issues related to the new political and institutional cycle of the European institutions after the European elections in May 2014. The "Spitzenkandidaten" exercise caught most of the member states off guard, including the V4. Even the endorsement of the next EC President Jean-Claude Juncker went through without the vote of Hungary in the European Council. Nevertheless, the V4 has been able to secure one of the top jobs to be occupied by the "new" member state in the person of (now former) Polish Prime minister Donald Tusk taking the role of the Permanent President of the European Council after Herman Van Rompuy.

Last months the agenda has been dominated by the EU's climate and energy package to set the framework for binding ambitions until 2030. V4 (supported by Bulgaria and Rumania) openly declared ahead of the key October European Council meeting that it would only support one binding target – the

reduction of gas emissions (as opposed to the proposed binding targets also in the field of renewable energy and energy efficiency). Even the support for one binding target was made conditional by V4 and co. on solidarity mechanisms for less advanced countries. Since the final deal foresees the energy efficiency and renewable energy target as indicative without binding national targets, V4 has once again been able to leave an imprint on a major EU policy dossier.

The current notorious dividing line lies in the diverging stance towards the Ukraine crisis with Slovakia, Czech Republic and Hungary less eager to support restrictive measures towards Russia than Poland, the policy driver in the area of Eastern Partnership. As again Edward Lucas puts it, "Ukraine could have put V4 on the geopolitical map. Instead, it has all but erased it."

## COMMENTARIES BY GUEST SPEAKERS

### TEN YEARS OF THE V4 COUNTRIES IN THE EU – POLISH PERSPECTIVE

BY MARIA MAJKOWSKA,  
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Since 2004 all the Visegrad countries have walked a long way. Ten years back, the new EU Member States from the Central and Eastern Europe (CEE) were merely adopting the EU *acquis communautaire*, agreed upon in the negotiation process. Their main objective was to smoothly enter into the club of the fifteen EU Member States. Even if each of the CEE candidate countries had various priorities it was determined to pursue, this was to a large extent a period of policy-taking rather than policy-setting. Ten years have passed and the back-then new EU Member States have significantly strengthened their positions within today's EU28. The V4 is now a clearly recognisable brand within the European community. Thanks to their acting together, the voice of the Czech Republic, Hungary, Poland and Slovakia can be better heard. And although securing a stable position in the forefront of the EU policy making still remains a challenge, especially given the fact that most of the V4 countries are outside the Eurozone, the perspective that the V4

countries adopt when it comes to policy making is more and more often accounted for. What were therefore the priorities that Poland chose to pursue in the past ten years? To what extent were they shared by the remaining V4 countries?

Poland has defined numerous priorities, to be achieved in the area of the Economic and Monetary Union (EMU), the Single Market or the EU external relations. Within the EMU, it has for example strived to fight with the tendency of splitting the EU into the groups of Member States of different categories. It therefore acted as a staunch advocate of such solutions at the EU level that would guarantee the openness of the newly created structures, mechanisms and institutions (e.g. the currently created Banking Union) to those of the Member States which are not able to take part in them at a given moment. When it comes to the Single Market area, one of the main aims was securing unrestrained access to the Single Market for all the EU members. This translated into Poland's strong support

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for the liberalisation initiatives, in particular those related to the liberalisation of services sector at the EU level. Therefore, Poland became supporter of Lisbon Strategy, followed by the Europe2020, adopted by the EU in order to speed up liberalization and boost the EU competitiveness. Finally, in the field of the EU external relations, Poland's main target was drawing the EU's attention to the Eastern European countries. Launching together with Sweden the initiative of the Eastern Partnership, Poland wanted to lead to being surrounded with democratic neighbours, with well-functioning market economies.

It trying to achieve the above goals, Poland succeeded to build various coalitions. The openness of some of the new structures of the EMU would not have been guaranteed if it was not for the V4's successful negotiations of the shape of the reform of the EMU the V4 group. When it comes to the liberalisation of the services, Poland together with the remaining Visegrad countries joined forces in order to prevent the attempts at introducing further protection measures into e.g. the Posted Workers Directive. Finally, drawing the attention of the "old" EU Member States to the need for the programme of Eastern Partnership would have been much harder if it was not for the fact that the EU Commissioner of Enlargement between 2010 and 2014 was of Czech origin.

What therefore seems to stand out when analysing the performance of Poland and the whole V4 group in the EU in past ten years, is the need for securing coalitions and speaking in one voice. This gives higher chances of success when it comes to the final decisions concerning the EU policy making. The V4 countries should therefore try to act together on the EU forum as often as they only have common interests to pursue.

## WHAT WENT WRONG WITH HUNGARY?

BY KRISZTIAN SZABADOS,  
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"It may be worth to cautiously back out of the EU". This surprising comment came a couple of days ago from László Kövér, one of the most prominent figures of the governing Fidesz party. In



2004 Hungary was among the keenest to join the EU. Ten years ago only a small extremist political party was openly against the integration, whereas a widespread consensus existed among the mainstream political players regarding Hungary's belonging to Europe. Then what happened that ten years later the governing party of Hungary is threatening to leave the EU?

The answer lies in the economic and social changes of the last decade. At the time of the accession many expected that the new member states would catch up with the EU15 countries relatively fast in terms of living standards. The figures of the GDP per inhabitant as a percentage of the EU15 total show that Slovakia and Poland developed much faster than Hungary. By 2013 Hungary reached only 61% of the EU15 GDP per inhabitant rate, while Poland, Slovakia and the Czech Republic were

at 63%, 70% and 74%, respectively. Similar trends can be observed when we examine the employment rate. In 2013 Hungary was still behind the other three, despite the introduction of the so-called "public work scheme" – government-financed work projects for the long-time unemployed workforce in 2011.

The most painful and worrying socio-economic phenomenon is the rising poverty in Hungary. The percentage of people at risk of poverty or social exclusion has grown from 32% to 34% of the total population within a decade, while Poland, Slovakia and the Czech Republic were successful at decreasing poverty. Right now the risk of poverty and social inequalities are by far the highest in Hungary within the V4 club. Not surprisingly the above mentioned failures of Hungary brought about unwelcome changes in the social attitudes.

Hungarians are the most disappointed at the transition of the late 80's. Only 47% of Hungarians say that the democratic transition was worth it. The similar figures in Slovakia, The Czech Republic and Poland are 57%, 63% and 72% respectively. There is only one social trend where Hungary is taking the lead and setting a bad example for the Visegrad countries: the demand for right-wing extremism. Political Capital's DEREK index measuring the attractiveness of chauvinistic and totalitarian ideologies and policies shows a steady growth of demand for radicalism in Slovakia, Poland and Hungary. Hungary's Jobbik party is the strongest radical party in Europe – but Poland and Slovakia are catching up.

However, the trust in the EU is still the highest in Hungary among the V4 countries. This is despite the general rise of euro-scepticism in Europe and the strong anti-Brussels propaganda of the government.

Where did Hungary go wrong? It is primarily the political elite to blame. The mainstream political establishment failed to provide Hungarians with growth and prosperity, while populist messages strengthened the nostalgia for Goulash Communism. To avoid the political consequences, the elite are desperately trying to put the blame on Brussels for their own incompetence. Hungary became the black sheep of Europe. But there is hope. While the government is pushing the country to the East, Hungarians still want to belong to the West.

Data used in the article are from Eurostat, Eurobarometer and Political Capital's DEREK index.

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## EVALUATION OF THE 10 YEARS OF EU MEMBERSHIP FROM THE CZECH PERSPECTIVE

BY VLADIMÍR BARTOVIC,  
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The ten years of the Czech Republic's membership in the Union can be assessed as relatively successful. The country has fully integrated into the internal market, gradually learned how the European Union decision-making is carried out and also successfully managed its first Presidency of the EU Council. The last remaining step before full membership remains the acceptance of the common European currency - the Euro, as it has been done in other countries, which joined the European Union together with the Czech Republic.

The Czech Republic has not always behaved as a predictable and responsible partner in the European Union. Whether it was the long delay in ratifying the Lisbon Treaty, or the refusal to sign the Fiscal compact, those were the steps that the country could not credibly justify to its partners and for which often resulted in being in the position of an outsider. In terms of eco-



nom and political interests the Czech Republic should belong to the core of the European Union and be one of the engines of European integration, to remain on the side-lines is not credibly justifiable in terms of its interests.

In terms of influence in the European Union the country with the exception of the Presidency and the few initiatives in foreign policy can not boast that it is able to open new topics and promote its initiatives. Due to its size the Czech Republic will never be a leader in all areas of the European policy. It should, however, choose several topics to advocate, and in their promotion come up with new initiatives. In the same time, the country shall boost efforts in promoting its own citizens in their carrier in the EU institutions. It also has to be more proactive in creating, participating and using different permanent or interest-based coalitions in the EU, including Visegrad group.

In the Czech Republic there has been a lack of a platform for discussion and a definition of strategic interests of the country in the European Union. For many years it has been also lacking and EU policy strategy. The current one adopted in 2013 does not provide an answer to the question, what kind of European Union, the Czech Republic would like to have and where does see its place in it.

Extremely low turnout in elections for the European Parliament, the scant interest in the European citizens' initiative and many opinion polls show that the Czechs do not seem to be very interested in the European Union, do not trust it and are quite sceptical about the Czech Republic's membership in the Union. Main cause of this negative trend in recent years is a misunderstanding of the European Union and a lack of awareness. The government should therefore restore the information campaign on EU affairs with the same intensity that it did during the entry into the EU and during the first five years of membership.

## THE INTEGRATION SAFEGUARD OF SLOVAKIA'S DEMOCRACY

BY GRIGORIJ MESEŽNIKOV,  
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When assessing the impact of Slovakia's membership in the European Union after 10 years, one should not forget to take into account the significance of the accession in the context of the overall democratisation process.



For every post-communist country in the Central Europe, this was a process of paramount importance. In 1989, the undemocratic regime in Czechoslovakia collapsed and democracy has been reinstalled. The decision on Slovakia's EU membership was intrinsically linked to democracy as a form of organization of the society. The citizens rallied behind the decision on the entry into the club, where the membership criterion is based on democracy.

After constituting itself as independent state in 1993, a process marked by many doubts and uncertainties, Slovak Republic became the member of various international organizations. Nevertheless, to gain the EU membership proved to be most demanding. It required prolonged process of targeted preparation, while one of the key terms in this preparation was „democracy“.

The perspective of membership in the integration grouping of European states became an important point of orientation for the political elite, as well as for the population. Partial measures, concrete actions undertaken by politicians, their statements and positions and overall direction of the country were all judged against this perspective - whether or not they are in line with the outlined ambition - to become part of the EU.

Similarly to the situation in other Central European countries, including the V4, in Slovakia, the consolidation of democracy

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and participating on the European integration have been two sides of the same coin. The Slovak case was special however, since unlike neighbouring Visegrad countries, Slovakia had not been meeting the democratic membership criteria. The risk of wasting the chance of becoming a part of the family of democratic European states, served firstly as a wakeup call for politicians and citizens and later as a mobilizing tool that facilitated the change of power in 1998.

Remarkable reform measures carried out in the years 1999-2004 included legislative steps in the field of political system – constitutional reform, public administration reform, antidiscrimination law, law on the use of the languages of ethnical minorities etc, designing of which was the part of preparation for EU membership and was perceived as such by a majority of the society.

If nothing else, this is the sufficient reason to consider the EU to be one of the major factor in the democratisation process in Slovakia. The freedom had been fought by the citizens of Slovakia, Czech countries and Moravia alone in the streets and squares in November 1989, but to preserve it and keep the country after the dissolution of Czechoslovakia on the democratic trajectory in the long-term would had been very difficult without the union, maybe even impossible.

This is not to diminish the importance of internal factors, the inner potential of the country. It does not deny the capacities of Slovak democrats and the strength of Slovak civil society. It is not a claim of a priory dependence of the country on external factors. It merely says that the synergy of circumstances unfriendly to democracy was so strong in 1993-1998 in Slovakia, that should the EU through its accession mechanisms had not offered a real respective, conditional on major changes in the field of political democracy (including removing the consequences of authoritarian practices of meciarism) and deepening of reforms, the fight for democracy could had ended with a different outcome and further development would had evolved in a different, less democracy friendly direction.

The consolidation of liberal-democratic regime and creating the conditions for its perpetual reproduction can be thus considered as the most significant benefit of the Slovakia's membership in the EU. The integration has proved itself as a safeguard for our internal democratic development.

Translation to English: EurActiv.sk.

Original of this op-ed was published in Slovak on EurActiv.sk (<http://bit.ly/1wW91MX>).

## REMARKS FROM THE SEMINAR

November 3<sup>rd</sup> 2014, Bratislava



Record from the seminar  
Ten Years in the EU:  
Visegrad Perspective and Beyond,  
November 3<sup>rd</sup> 2014, Bratislava



## POLAND

In the past years, Poland has tried to counter the threats perceived in the tendencies towards more multispeed Europe. Specifically, it secured that Single Resolution Mechanism, the first pillar of the Banking union, has been opened to non-euro states, which was not the case in the original proposal. In gener-

al, Poland supports the need, emerged in the crisis, to make the EU/Eurozone internally stronger and to reform it. While it wants to join the Eurozone, even not yet meeting the Maastricht criteria, Poland is aware it needs to improve the intellectual competitiveness beforehand, to avoid the destiny of the peripheral Eurozone countries after the adoption of the euro. Also, the public support also remains a challenge, since currently only 29 % of Poles back adoption of the common currency.

Major involvement of Poland could be noted in the issues related to the single market (namely freedom of services) and supplies of natural gas, where it has called for the creation of a true EU energy union. Thus also the support for shale gas exploration. Poland's main mission in the external relations field have been the Eastern Partnership – with the aim for a clear perspective for Ukraine,- and the promotion of democracy in the wider context. In the latter the establishment of the European Endowment for Democracy has been as a flagship project.

## CZECH REPUBLIC

Czech Republic is being perceived as a state with general negative attitude towards the EU – not just when it comes to the stances of the elite, but also to public opinion. However, it has not always been like that, since the wish of the 1989 - “going back to Europe” - still resonated for some time. Unlike the rest of the region, especially compared to Slovakia, transition process went quite smoothly and so did the accession process. The consensus on the EU membership in that time has been merely built upon the goal, but not upon the conditions. Czech membership experience can be clearly divided into 2 episodes - until 2009 and after, the first one being characterized by an impressive economic growth and by the preparation for the first EU Council Presidency. It was a time of learning how the decision-making in the EU is done. During the Czech EU Council Presidency 69 % of Czechs said the membership of the country in the EU is beneficial.

Since the financial and economic crisis hit, the Czech Republic was not able to recover from the fall, unlike Slovakia which was able to recover relatively quickly. Furthermore, it got a label of being a troublemaker when it almost blocked the ratifica-

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tion of the Lisbon Treaty. Refusal of the Fiscal Compact put the country close to Great Britain, which created a wrong impression among some Czech politicians, that UK is their closest ally in the EU. The economic convergence of the Czech republic compared to the EU has reached just about 2 % from 78 % of the EU's average GDP per capita in 2004 to only 80 % in 2014.

Latest numbers however show that the support for the EU in Czech Republic is increasing; even though from a very low numbers. The wording of the draft of the new government EU strategy, now in preparation, is very different from the last one. It even states that "Czech Republic naturally belongs to the core of Europe," something unheard in the Czech political debate.

The "old" EU member countries have been originally scared by the Visegrad cooperation and by the regular V4 meetings before the European Councils. As for the cooperation of the Slovak Permanent representation with the Representations from the rest of the V4, there is the feeling that while they are natural allies, 50 % of the agenda of the Slovak PR is different than in V4 due to the processes in the Eurozone. Still, interests in energy, for instance, are very compatible.

## SLOVAKIA

The Central European region has never been more stable, our life is much more predictable. We live in freedom, in a democratic society and Slovakia is a good example how people can

change the situation even in bad circumstances. Together with Slovenia, Latvia, Estonia, Slovakia is the most integrated part of the former Soviet bloc. V4 played a tremendous part in our integration process.

As far as the Ukraine is concerned, some politicians in Slovakia seem to have forgotten how our western partners supported us when we tried to join the EU. We have the moral obligation to help Ukraine and not to reject them. The task is absolutely crucial and much of our future depends whether Ukraine will be a stable state directed towards the same values and integration project, or it will be an arena for external players.

The political class and the way how it frames the public debate is to be blamed for the dropping European election turnout in Slovakia. One can also hardly wonder why people do not understand the EU if the main messages in the European Elections say that candidates will be "defending our interest in the EU", especially when the role of the Member of the European Parliament lies much more in promoting specific programs and values according to party lines. Also, the Prime Minister Robert Fico, is mostly handling the benefits of the EU only in the categories of money, rarely in the categories of values. It needs to be reminded that when Slovaks supported the strategic decision of joining the EU, they had much more the values in mind.

**(Further reading: Ten years in the Union: Slovak and Czech way/ Desať rokov v Únii: Slovenská a česká cesta, Institute for Public Affairs/Inštitút pre verejné otázky, 2014)**

## THE "BIG QUESTION" OF EASTERN NEIGHBOURHOOD

Poland is determined to push the project of Eastern Partnership further. It realizes it is not functioning well in Belarus and Armenia, therefore the focus should be on what is functioning well – countries that have made a lot of progress like Georgia, Moldova and move with them in concrete steps that can be done in the short term, like visa liberalisation. The positive angle of what is happening in Ukraine is that some western EU states finally realized the importance of the Eastern neighbourhood and how far is Russia willing to go in its geopolitical quest, supported by hard power.

The problem of misunderstanding of the very basis of the Eastern Partnership is that while countries like Poland understood it as an implicit European perspective, member states like France defined it as a complete opposite - as something offered instead of membership perspective.

The Ukrainian "knocking" on EU's door will become louder and after 75 % of votes in the parliamentary elections went to pro-European parties, the development in Ukraine might happen much faster even under current unstable circumstances. EU's conditionality must be developed in a constructive way. The EU as a whole, and the V4 in particular, need to understand that this is a strategic issue and not about economic benefits. The closer the Ukraine is to EU and to NATO the less provocation for the Russian side will be on the table.

