Slovakia

Slovak Foreign Policy Association

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1. Euroscepticism and European Parliament elections

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For more integration and a strong Commission

The European Parliament (EP) elections took place less than two months after Slovakia's presidential contest. The campaign before the EP elections contained little substantive conflict across political parties and the issue of candidates for Commission Presidency was not known or discussed outside narrow expert circles. With the televised campaign of the five candidates the election process was more visible but failed to mobilize the voters or garner the public support of political parties in Slovakia. Since the choice between Mr. Juncker and Mr. Schulz was not an election issue in Slovakia, voters here will not be concerned with which candidate gets nominated for the job of Commission President.

Although the European People's Party won the European elections in Slovakia and in the EU, there was no explicit support for Jean-Claude Juncker in Slovakia. The support has been rather tacit. Slovakia's interest is to have a strong Commission president and a stronger Commission than the previous one. The politicisation of the selection makes the criteria of strength and independence weaker. Internal debate in Slovakia about the future Commission has therefore focused on greater autonomy and better management of the Commission. In short, Slovakia wants a Commission which is not trapped by the inter-institutional agreement with the EP in setting its policy and legislative priorities. Slovakia is keen to finalise important projects of European integration such as the internal market (in services), energy market and security of supply, fiscal coordination and financial regulation issues including the Eurozone governance.

Low euroscepticism and even lower turnout

While the European elections in May 2014 are interpreted throughout Europe as a sign of political earthquake with Europhobic and extremist parties gaining more significant voters' support than ever before, this was not the case in Slovakia. The ruling party Direction Social Democracy (Smer-SD – S&D group) won the election, albeit it gained four seats as opposed to its five MEPs in 2009. The European People's Party group gained six seats in Slovakia; two for Christian Democratic Movement (KDH), two for Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS), one for Party of the Hungarian Community (SMK) and one for Most-Hid. The Alliance of Liberals and Democrats for Europe (ALDE) secured one seat through Freedom and Solidarity (SaS) and the European Conservatives and Reformists (ECR) group gained two MEPs – one from New Majority (NOVA) and the other from Ordinary People and Independent Personalities (OĽaNO).

Even though the election results in Slovakia produced a decisive victory for mainstream political forces, Slovakia's 13 percent turnout has created a new record in terms of lowest election turnouts in the EU. Given this turnout we cannot make any strong representative statements about the outcome with respect to domestic political scene. Whereas in the EU-15 we seem to witness strong interest in what is commonly termed as second order election to the EP, in Slovakia this is at best a third-order election, less important than local or regional electoral contests.

Explaining the "Slovak paradox"

The so-called "Slovak paradox" characterized by high trust and support for the EU and low turnout in EP elections reflects especially the fact that key political actors – namely political parties – tend to ignore the EU agenda and especially the EP. Parties and public institutions have made no systematic attempt to connect domestic politics and public debates to MEPs or events in Brussels more broadly. Slovakia continues to enjoy high levels of public consensus about financial, economic and strategic benefits of EU membership. Political debate about the EU is limited to distributional issues such as the use of structural funds and increased costs of Eurozone membership associated with bailout funds and new insurance schemes for the common currency.

In general, reasons for the low turnout in Slovakia have a lot to do with national political parties systematically ignoring the European Parliament. Political parties are not motivated politically (there are few divisive issues vis-à-vis the EU), nor financially (unlike in other Visegrad countries, there are no financial compensations from the state for the seats gained in EP elections). In most cases the electoral campaign lasted for about three to four weeks and its costs and intensity represented a fraction of the campaign efforts witnessed in national parliamentary elections. Political parties generally offered low-key, previously defeated or discredited candidates on their European Parliament voting lists. The few exceptions to this trend could not save the turnout figure. Hence, the campaign was largely about mobilizing the core of the core by each party and in many respects only by each relevant candidate.

Low turnout and weak mobilization underline the need for political parties to communicate more systematically with their representatives in the EP and create space for their voices in domestic political discourse. MEPs should be much more present in the national parliament, take part in committee discussions and vice versa, national MPs should get more information and insight from MEPs and their staff on key elements of the EP agenda. There should be regular meetings of Slovakia's MEPs in Brussels. The national permanent representation in Brussels should also cultivate more regular and sustained contacts with MEPs. New MEPs from Slovakia should try to secure stronger positions in policy relevant committees of the EP (such as energy, agriculture, environment, cohesion, economic and monetary matters). For example, in the last period Slovakia had no MEPs in agricultural or economic and monetary committees.

Links:

• Renáta Goldírová, <u>Slovakia's EP election tournout set for all-time low of 13%</u>, 25 May 2014.

2. The EU's Neighbourhood

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Zero conflict with Russia?

If one looks at the Slovak Eastern policy over the course of the last couple of years one can identify a temptation between the following two policy lines: first, support for a democratic change in the Eastern partner countries, including their European integration, and second, a pragmatic economic cooperation with Russia, including "zero-conflict-relations" between the EU/NATO and Russia. The recent Ukrainian crisis of 2014 proved that performing both policy lines at the same time is hardly manageable. Whereas the centre-right governments led by Mikuláš Dzurinda (2002-2006) and Iveta Radičová (2010-2012) preferred the value-based Eastern Partnership, even at the price of potential conflicts with Russia, the centre-left governments led by Robert Fico (2006-2010, and since 2012 one party government formed by the SMER Social Democracy) rather prefer pragmatic zero-conflict-relations with Russia at the price of possible failures of Eastern partner countries in their effort of getting closer to the EU should the latter provoke conflicts between the EU and Russia.

Prime Minister Fico was among the most outspoken EU leaders opposing the imposition of economic sanctions against Russia in the context of recent Russo-Ukrainian crisis. When commenting on the respective decision at the EU summit on 29 May 2014 he said: "Any strong economic sanctions against Russia would harm the Slovak economy in a marked way." Tougher EU sanctions against Russia would be "suicidal" and "nonsensical", he added. Responding to criticism of Slovakia's low defence spending at odds with its NATO membership commitment as well as vis-à-vis Russia's military aggression against Ukraine Prime Minister Fico said: "Let me put it very frankly: in Slovakia, I cannot imagine in the following years any scope to increase defence spending".

Explaining Slovakia's position Prime Minister Fico and Deputy Prime Minister and Foreign and European Affairs Minister Miroslav Lajčák underlined that Slovakia will conduct itself as a responsible EU player with respect to the Ukrainian crisis, including the EU's response policy towards Russia. In order to justify his position Prime Minister Fico questioned the stance of other EU member states when it comes to a one-voice policy of the EU on economic sanctions against Russia. He pointed to France as an example of how, despite talk of solidarity, it proceeded in its own economic interests by selling military boats to Russia. Prime Minister Fico also noted that while everyone is trying to resolve a potential energy crisis in Ukraine, Russian gas giant Gazprom just signed a deal with a "German, French and Italian company" on the construction of the gas transmission line bypassing Ukraine, namely South Stream. Nevertheless, in April 2014 Fico's government achieved a deal with the Maidan government that was trying to secure alternative supplies to those from Russia's Gazprom, which raised prices for its gas to levels Ukraine refused to pay. It should be also noted that Ukraine has been pushing Slovakia for another technical solution allowing larger volumes of gas supply it needs, but Fico's government refused the deal arguing that it would violate Slovakia's gas transit contract with Gazprom.

Leaders of the parliamentary opposition parties (centre-right Slovak Christian and Democratic Union, Christian Democratic Movement, liberal Most-Hid, Freedom and Solidarity, etc.) criticized Fico's government for its balky position towards developments in Ukraine and

Russia's occupation of Crimea. However, the strongest criticism of Fico's government came from the newly elected President Andrej Kiska who defeated Robert Fico in the second round of the presidential elections held on 30 March 2014. In his inaugural speech President Kiska said: "Security issues are on the agenda in Europe again. I will continue in the tradition of previous presidents who were always strong supporters of Euro-Atlantic cooperation".

President Kiska won the election with clear political messages, including the condemnation of Russia's annexation of Crimea, support for democratic changes in Ukraine and stressing the need for EU/NATO solidarity vis-à-vis Russia's aggressive behaviour towards Ukraine. Finally, for all its pro-Russian rhetoric Fico's government is unlikely to diverge fundamentally from the EU mainstream policy on Russia.

The Eastern Partnership - no anti-Russian project

The current Slovak government led by Prime Minister Fico supports the Eastern Partnership initiative, however, with a preference that it should not become an anti-Russian project. Nevertheless, Slovak Eastern pragmatists feed such development of the EU policy towards Eastern Europe, which includes, first of all, prospects for trade liberalization with Russia, Ukraine and Belarus. If one wants understand a pragmatist line of Slovak Eastern policy one should look at the map of economic interests of Slovakia in Eastern Europe, which is far from identical with the map of the Eastern Partnership. The main East-European trading partner for Slovakia is Russia (bilateral foreign trade turnover in 2013 was 8.7 billion euro), followed by Ukraine (1.1 billion euro) and Belarus (100 million euro). So far, none of the other Eastern neighbours play an important role in either Slovak foreign policy or in its foreign trade. Moldova and Georgia only recently appeared on the radar of Slovakia's Eastern policy.

The events in Ukraine did not change the approach of the current Slovak government towards the Eastern Partnership. It supports signing association agreements, including Deep and Comprehensive Free Trade Areas, with Ukraine, Moldova and Georgia on one hand, and calls for good relations with Russia on the other. Following the official statements issued by the Slovak Ministry of Foreign and European Affairs in the course of the Ukrainian events starting from November 2013, Slovakia expressed its support for the new Maidan government, territorial integrity of Ukraine and its European integration course, including readiness to share with Ukraine Slovakia's transformation experience in the field of building stable democratic institutions, economic and social reforms, and harmonization with European legislation as required by the Association Agreement.

The former President of the Slovak Republic, Ivan Gašparovič (in office till 15 June 2014), was the country's first politician who publicly declared that the EU should respond to Russia's aggression against Ukraine by offering Ukraine a clear EU membership perspective. The same view has been voiced by the MPs representing opposition centre-right parties during the special debate on the situation in Ukraine held at the National Council of the Slovak Republic on 18 March 2014 (Christian Democratic Movement, Slovak Democratic and Christian Union, and the MOST-Hid). However, no representative of the current Fico government has yet publically supported an eventual move of the Eastern Partnership beyond its existing frame, i.e. economic integration without political membership.

Support for Turkish EU membership and negotiations with Cyprus

Slovakia under the government led by Mikuláš Dzurinda (2002-2006) agreed to start EU accession talks with Turkey with an "open end" in 2004. Whilst the majority of parliamentary political parties have adopted a holding attitude, a clearly negative stance against accession talks between EU and Turkey was adopted by the Slovak National Party (SNS) and the Christian Democratic Movement (KDH). Following the SNS and KDH instead of full membership, the EU should offer Turkey a "privileged partnership." Unlike other relevant Slovak political parties the ruling SMER-Social Democracy (2006-2010; and since 2012) declares its support for Turkey's EU membership. Prime Minister Robert Fico repeatedly voiced his position that the EU should continue in its enlargement policy, and Turkey, provided it meets the membership criteria, should become an EU member. The Turkish government thanked the Slovak government for its support by abolishing visa requirement for Slovak citizens in August 2013.

The Slovak Ministry of Foreign and European Affairs is also an important actor in Slovakia's "Turkey discourse" as it believes European integration of Turkey might help to find a diplomatic solution to the Cyprus conflict. Slovakia plays a special diplomatic role in the Cyprus conflict as representatives of both Greek-Cypriot and Turkish-Cypriot communities accepted the offer by Slovak diplomat Emil Keblúšek in 1989 (he represented Czechoslovakia at that time) to hold regular talks on neutral ground. Since then, the Slovak Ambassador to Nicosia moderates the bi-communal dialogue between the leaders of the political parties from both Cypriot communities at the Ledra Palace. Nevertheless, Slovakia together with other EU member states, insists on the implementation of the Additional Protocol to the Association Agreement by Turkey, which should eliminate Turkey's restrictions regarding Cyprus as a precondition for the progressive continuation of the accession talks.

Whilst Turkey's European integration process is a topic for Slovak diplomats it is far from being a topic for Slovak public policy discourse. In addition, the events in Turkey starting from the violent suppression of mass protests in Istanbul last summer till the recent April 2014 local elections, i.e. the way they have been held, raise questions about Prime Minister Erdogan's government ability to adopt the Copenhagen criteria for EU membership.

Links:

Speech by the President of SR Ivan Gašparovič at the 15th Review Conference of Slovakia's Foreign Policy organized by the Research Centre of the Slovak Foreign Policy Association in cooperation with the Ministry of Foreign and European Affairs of SR (Bratislava, Congress Hall of the MFAE SR), 24 March 2014.

- B.C., A New President, 19 June 2014.
- Reuters, Slovakia reaches reverse gas flow deal with Ukraine, 22 April 2014.
- Reueters, Slovakia nurtures special ties to Russia, despite EU sanctions. 22 May 2014.
- The Slovak Spectator, <u>Fico praises EU decision not to impose further sanctions against Russia</u>, 29 May 2014.
- Reuters, Slovakia nurtures special ties to Russia, despite EU sanctions, 22 May 2014.

3. Power relations in the EU

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No fear of economic "Grossdeutschland"

Relations between Slovakia and Germany enjoy historical absence of conflicts unlike Czech-German or Polish-German relations. In recent years, bilateral relations are best characterized by increasing institutional, economic and political interdependence, principally inside the European Union and the Eurozone. Differences in political preferences of the two countries have to do with such factors as size and the level of socio-economic development, rather than entrenched attitudes.

Since the parliamentary elections of March 2012, Slovakia has had a new single party government composed of SMER-Social Democracy and led by Prime Minister Robert Fico. Fico possesses a comfortable majority of 83 out of 150 MPs, and his commitment to the EU project has so far been strong. Slovakia approved the EU's permanent bailout fund – the European Stability Mechanism (ESM) – months before Germany's Constitutional Court ruled on the matter. It also supported the fiscal compact treaty as a basis for the EU's fiscal union, which was initiated by Germany. During debates on the so-called EU banking union, Slovakia pledged to support the project (but not at any price). Just like Germany, Bratislava wanted to see a good agreement, rather than just a quick agreement. The Slovak government was keen to keep some competencies for the national banking regulator. It feared a scenario whereby the foreign owners of Slovakia's banks could freely transfer debts and deposits across the EU and thus undermine the relatively healthy state of Slovakia's banking sector.

There are political issues where Germany and Slovakia diverge. Examples include the energy sector, where Slovakia fears the potential consequences of Germany's decision to get rid of nuclear power plants, particularly regarding the position of nuclear power in the EU and the availability and quality of the electricity supply in the Union. Slovakia also remains more openly committed to the policy of enlargement, especially in the western Balkans. However, on the whole, the process of integration, particularly in the EU, has led to greater common understanding of strategic priorities in both countries.

The context of the Eurozone crisis makes it especially clear that Germany remains Slovakia's crucial political partner in the European Union. Slovakia actively seeks out and shares many of Germany's positions. In July 2013, Foreign Minister Miroslav Lajčák wrote in an article published in the German daily newspaper 'die Welt' that Slovakia has no fear of economic Grossdeutschland. Slovakia together with the Netherlands and Finland belonged to a group of countries that supported Germany's approach to the resolution of the Eurozone crisis.

A preference for fiscal responsibility

The debate on the EU is largely shaped by the country's membership in the Eurozone and still a relatively high degree of public consensus about continued benefits of European Union membership. The latter has been solidified since the current single-party government led by the Prime Minister Robert Fico came to power in 2012. Slovakia's key goals are successfully overcoming the crisis, maintaining a sound common currency and an internally cohesive single market. Preparation for the EU presidency in 2016 is another big domestic strategic objective.

While there is not a single document explaining Slovakia's priorities, the single party government of SMER-Social Democracy (SMER-SD) led by Prime Minister Fico since April 2012 has articulated a much clearer political line vis-à-vis the European Economic and Monetary Union (EMU) than its predecessor. Slovakia's leaders view the year 2012 as a breaking point for the Eurozone when, in addition to crisis management, the EU began to work on systematic steps toward a new EMU architecture. Slovakia has firmly positioned itself as a part of the northern group of countries (together with the Netherlands, Finland and Germany) emphasizing economic and fiscal responsibility and calling for more Europe in economic and monetary matters. Slovakia's Ministry of Finance has been playing a crucial role in delineating the country's strong position on fiscal responsibility.

However, the government of Prime Minister Fico has recently presented a more balanced approach in support of measures favouring stronger economic growth. This reflects in part potential domestic difficulties with sustaining Slovakia's fiscal commitments. Hence, the image of a country belonging to the northern EU economies could suffer. With respect to overall future architecture of the Eurozone, Slovakia has consistently raised two main points. First, the country is concerned about the fragility of the new rules and the weakness of the institutions designed to guard them, especially the European Commission. In May 2013, the Deputy Prime and Foreign Minister Miroslav Lajčák was openly critical of the European Commission's lenient approach toward the problem of France's deficit. Second, Slovakia has consistently underscored the principle of openness in the EMU. The crisis should not entrench new dividing lines within the EU and within the Eurozone.

When it comes to the three pillars of the banking union, the single supervision poses the least problems and was in principle accepted by Slovakia. As a Eurozone member, it sees very tangible benefits of a common banking supervision when the single scheme is going to include "Slovak eyes" that may help guard domestic interests in a much wider European context.

While Slovak diplomacy prefers institutional changes within the existing treaty framework, it recognizes that not everything can be achieved within the current system and a treaty change will eventually become indispensable. While this is not the issue of the day, debate among practitioners and experts has raised the possibility that Slovakia's EU presidency in the latter half of 2016 may well have to steer the anticipated debate on a new EU treaty.

Drawing the UK closer to the EU's mainstream

In June 2014, State Secretary Peter Javorčík, in charge of EU affairs at the Ministry for Foreign and European Affairs, stated that it was important to keep the United Kingdom inside the European Union. However, Slovakia also respects the possible Brexit as the UK's sole decision. Bratislava has always viewed the UK as an ally on policies and institutions guarding the Single Market and Enlargement. At the same time, Slovakia's position and priorities are tied to the country's Eurozone membership, which it does not share with London. Bratislava is also very keen on continued solidarity and certain flexibility with respect to structural funds as opposed to the UK's calls for a smaller EU budget, outlays and London's continued rebate. Yet, the UK's exit could undermine the overall political and economic balance in the EU in favour of more southern views and preferences. Hence, Slovakia, like most Central European member states, has a strategic interest not only in keeping the UK in the EU but also in drawing it closer to the EU's political mainstream.

Slovakia did not engage in the UK's review of competencies although it has been following the process closely. Bratislava views this exercise in part as driven by domestic politics: although led by the Foreign and Commonwealth Office (FCO), part of the Conservative party has a clear stake in its outcome. Slovakia has also been afraid that the question of repatriation of competences could open a Pandora box where different member states could make claims to re-nationalize some of the existing policies. While the question of the UK's exit may become relevant after a possible referendum on this question in 2017, Slovakia's diplomacy and expert community is increasingly concerned about the close outcome of the referendum on Scottish independence this fall. Should Scotland opt to leave the UK, this may not only open new issues for London's relations with the EU. It could also accelerate the process of internal dissolution in other countries like Spain with Catalonia and could thus have repercussions on border and minority issues in Central Europe. Slovakia, especially with its sizeable Hungarian minority (some 10 percent of the population), is ethnically the most heterogeneous country in Central Europe. Bratislava has therefore strong interest in stable EU internal borders.

Links:

- Slovak Government, <u>The debate on Slovakia's presidency in the EU during the plenary session of the National Convention on the EU in Slovakia</u>, 9 May 2013.
- Miroslav Lajčák, Keine Angst vor Berlin, undated.
- Vladimír Bilčík, <u>Slovak-German Relations</u>: From Absence to Discovery through 'Multilateral Integration' 2012.