



The Future of European Integration: Visegrad Perspectives

Summary of the main arguments from the conference of 19 October 2012

Opening remarks

Marcin Zaborowski, Director of the Polish Institute of International Affairs (PISM), highlighted that the V4 countries have been in the centre of developments in the European Union for the last few years, noting the Hungarian as well as the Polish presidency of the EU Council. The Arab Spring and sovereign debt crisis further exacerbated the eurozone and were on the top of the presidencies' agendas. Director Zaborowski also underlined the very good timing of the conference, which overlapped discussion on the issues at the European Council level among heads of states or governments between 18 and 19 October. And even though, Visegrad members might have different opinions on the banking, fiscal or even political union, such events as this conference allow the V4 to consult and coordinate its positions, which belongs to the main priorities of the Polish presidency of the V4 Group.

Christian Schmitz, Head of Konrad Adenauer Stiftung, Poland Office, fleshed out the German view of how to fight the crisis. To ensure the stability of the eurozone, according to Germany's position it is necessary to return to strict fulfilment of the Maastricht criteria. The stability programmes that have been developed so far just give the member states who are in financial troubles more time to tackle the real causes of the crisis. The biggest challenge therefore is to

find the best mix of savings policies, growth instruments and structural reforms. Solidarity and responsibility are two sides of the same coin. To better coordinate economic policies, some additional competences should be transferred to the EU level. This, called “more Europe”, accompanied by a political union is, according to German political stakeholders, the formula for overcoming the eurozone crisis.

Panel I: Multi-Speed Europe: the V4 as insiders, outsiders or a splinter group?

Chair: Agata Gostyńska, Research Fellow with the Polish Institute of International Affairs, pointed out that the lack of compromise among the EU members on both the scope of necessary measures to fight the crisis and the scope of competences that should be transferred to the EU level. Having acknowledged the increasing divergences, which may be observed not only within the EU but also in the eurozone itself, it seems that differentiated forms of integration are an inevitable tool of cooperation for years to come. Since no further integration seems possible without differentiation, the V4 members should work out a suitable strategy that would allow them to remain on the main track of integration.

Rafał Trzaskowski, Member of European Parliament, pointed out that before the V4 members entered the EU there was a broad discussion on the role of Visegrad cooperation within the EU framework, but the more it was discussed the less it worked. Nowadays, the situation seems to have reversed—there is less attention paid to the V4 region by media although this cooperation, also in the broader format of “Friends of Cohesion Policy”, has become successful.

However, the picture arising from V4 cooperation in the European Parliament is more patchy. This could be a consequence in part of belonging to different political families, but the experience of coordinating the EPP family in the AFCO committee proves that institutional matters seem not to be that important, at least to some of the V4 countries. Drawing on the Polish perspective of the EU’s future, Mr. Trzaskowski asserted that both in terms of further integration and the banking union, Poland and European Parliament are reading from the same page. The common interests and close cooperation between Poland and the EP were visible during the negotiations on the fiscal compact. With the support of EP representatives, Poland managed to safeguard the compact’s integrity with the EU framework, its openness to member states outside the eurozone should they decide to join as well as in avoiding the creation of a new, separate institutional set-up.

Martin Filko, Chief Economist and the Director of the Institute for Financial Policy, Ministry of Finance of the Slovak Republic, outlined the economic performance of the Visegrad Group in comparison with the rest of the European Union. The success of V4 countries in outperforming the “old EU members” and the observed rise in living standards across the four countries is undeniable. This was mostly made possible by importing technology and capital as well as stepping into markets previously unavailable to the Visegrad countries. Mr. Filko shared his country’s experience with eurozone membership. Both pros (e.g., the amount of FDI received) and cons (e.g., higher bond yields which result from the sovereign debt crisis in the eurozone) can be observed. However, eurozone membership is also a political decision. Here, the importance of the euro area in the whole decision-making process was underlined. The Slovak Republic acknowledges that Poland, with its economic potential and similar interests, could be a very helpful partner in the eurozone, and therefore supports its euro area membership. Any further eurozone integration leaving the remaining V4 partners behind is not in the Slovak Republic’s interest.

Jiří Georgiev, Deputy Secretary of State for European Affairs, Office of the Government of the Czech Republic, drew attention to the need to remember that the EU has a heterogeneous character as it is composed of Member States with different traditions as well as visions of future integration. Therefore, it is quite difficult to make an assumption about the reality under some ideal model. For example, the core, semi-peripheries and peripheries’ model as a pattern for discussion about EU differentiated integration has limited significance unless we want to use it for instrumental simplification in the political debate. The eurozone itself cannot serve the purposes of the core as it is also highly heterogeneous and divergent on many issues, including its attitude to single market regulations. Mr. Georgiev stated that there is too much focus on the situation in the eurozone even though most of the EU legislation is not directly linked to the eurozone itself. A huge majority of the legislation, including that which covers the single market and financial framework as well as the agricultural policy, is designed to serve the goals of the EU as a whole. This only proves that non-eurozone members cannot be simply classified as being on the peripheries of European integration.

Panel II: Vanguard cooperation: Schengen as precedent, model or cautionary tale?

Chair: Roderick Parkes, Director of the European Union Programme, PISM, pointed out that the scope of discussion about Schengen in the framework of the conference lies in the parallel that can be drawn between the experience of Schengen integration and that of the eurozone, currently both undergoing crises. In this sense, Schengen can be used as a relevant

case study of differentiated integration. What for a long time seemed to be a successful example of “avant-garde cooperation”, last year, together with the Arab Spring, turned out to have many deficiencies. It was neither as deep nor as wide as it was believed, while political legitimacy was also lacking. It can be particularly interesting to look at Schengen cooperation from the perspective of the V4 countries that have entered the zone, though without consulting the public in advance.

Márton Benedek, International Relations Officer, Directorate General for Home Affairs, European Commission, explained how illegal migration is currently the largest challenge to the Schengen zone and one with a disproportionate effect on different Member States. While the Arab Spring has opened new channels for migrant inflows through Southern Italy and Malta, from the perspective of Central Europe the largest problem lies in migration from Turkey to Greece, further to the Western Balkans and eventually to Hungary. If Romania and Bulgaria are admitted to the Schengen zone but unprepared for this migration, this inflow might partially shift from the Hungarian–Serbian border to the Turkish–Bulgarian area, and this makes some countries highly hesitant about Schengen enlargement. Mr. Benedek emphasised that the Visegrad Group is by far not a monolithic bloc. Even if at a declarative level they are all pro enlargement, they are pressured to different degrees by migration problems. For instance, Hungary is the most exposed, while the Czech Republic has no Schengen border at all. As such, of all the Visegrad Group, Hungary is the most interested in enlargement to the Western Balkans. At the same time, Poland demonstrates similar engagement with the countries of the Eastern Partnership.

Janusz Gąciarz, Head of the Justice and Home Affairs Section, Permanent Representation of the Republic of Poland to the European Union in Brussels, began by pointing out that, significantly, the Schengen area already underwent a crisis during the 1990s when it faced strong external migration, largely due to the war in Yugoslavia. Similar to that crisis, this one is temporary and not as severe as politicians claim. However, this crisis has brought to the surface the fragilities of the Schengen zone in terms of public trust and its structure. Due to the discreet mechanisms of the Schengen project, there is a lack of public control and people are exposed to manipulation as concrete data on its processes are unknown. Furthermore there is a deficit of trust between governments, citizens and EU institutions. Mr. Gąciarz nevertheless argued that the Schengen zone is still a valid mechanism. First, there is no evidence of a threat to public order or security. Second, the possibility of reintroducing internal border controls in the event of threats allows Schengen to function safely. Therefore, it is essential to preserve the Schengen project, as the free movement of people is one of the EU’s biggest successes. It seems, that currently Europe is not fully aware of the possible economic consequences of putting this all at

risk by re-introducing borders. The Visegrad group countries have been particularly loyal to the Schengen project, as they joined the club at a later point. Hence, they have been the ambitious frontrunners in implementing the Schengen acquis. Moreover, they can contribute to improving the project by sharing their successful experience of cooperation with third countries (non-EU border states) in practical, operational terms.

Daniela Kietz, Researcher with the German Institute for International and Security Studies (SWP), Berlin, underlined that Schengen has always been a very flexible form of cooperation and a laboratory for differentiated integration that relies on a set of bi- and multi-lateral agreements with the aim of transferring them into the EU at some point. She then outlined the nature of the widespread debate on deepening European integration taking place in German politics. Ms. Kietz stressed that both in Germany and some other Member States the pressure for deepening the eurozone is extremely high. Even though Germany would prefer to use for this purpose tools available in the treaties, if this becomes impossible an intergovernmental treaty would also be considered. What makes this form of cooperation attractive is the possibility for potential participants to “pick and choose”. The disadvantage of this pattern of integration is that it results in a highly complex, yet un-cohesive structure in which it is difficult to make common steps towards preserving the system.

Panel III: Political Union: Sufficiently democratic, effective and predictable?

Chair: Tomáš Strážay, Senior Researcher with the Slovak Foreign Policy Association, Bratislava, outlined the major questions that arise from discussions about an eventual political union: Is a political union really a necessary step in preventing the EU from falling apart; does a political union automatically equal a federation; and, how to solve the dilemma between the apparently mutually exclusive aims of political legitimacy and efficiency, which are both badly needed in a reformed EU?

Mats Braun, a Researcher with the Institute of International Relations, Prague, first shared some general reflections on the future of Europe. According to him, this debate can be divided into at least three levels: solving the solvency crisis, setting up economic governance, and democratic improvement of the EU. The main question is, whether the third-level, that is, political transformation, is indispensably needed to complete the first two levels. Mr. Braun outlined some of the main issues of this debate by referring to the recent “Report on the Future of Europe” delivered by 11 foreign ministers as well as a report by the president of the European Council (the “Van Rompuy Report”) on the same subject. He also pointed to a very specific debate that is taking

place on how to vest the European Parliament with more legitimacy without politicizing the European Commission. In looking at these issues from a V4 perspective, it is impossible not to observe the considerable differences, especially between the Polish and Czech views on the future of Europe. Nevertheless, a common regional view exists when it comes to the need to avoid an irreversible fragmentation of the EU and the creation of new institutions.

László Sinka, the Head of Department, Cabinet of the European Director, Ministry of Foreign Affairs of Hungary, asserted that forming a political union is a much more complex issue than most people would think, and therefore the debate on whether the political union could be the solution to the present crisis is premature—a political union cannot be the answer to this crisis as it requires certain measures sooner. Even if the banking union now in negotiations works out, it would only be the first of several steps. In his view, the political union has at least three separate aspects—policies, institutional structure and decision-making procedures—each of which needs to be dealt with. As such, a political union can only be a solution in the long term. Regarding the Hungarian perspective, Mr. Sinka emphasised that the government is taking a pragmatic and cautious approach vis-à-vis the circulating ideas, which are numerous. When shaping its position on the ideas of key importance, the Hungarian government evaluates each proposal on the basis of guiding principles, such as equality and solidarity among Member States, subsidiarity, democratic legitimacy and respect for the national identity of the individual states. With regard to the Visegrad format, Mr. Sinka offered more optimism, pointing out that the success of regional cooperation does not lie always in similarities, but the more the V4 countries talk the more often they find common interests and build up coalitions, and hence the V4 has good prospects for the future.

Janusz Styczek, Deputy Director of the European Policy Department, Ministry of Foreign Affairs of the Republic of Poland, outlined the position of the Polish government on further integration, which is in support of creating a political union by means of “pooling and sharing” of sovereignties. This position is largely in line with the proposals put forward by Mr. José Manuel Barroso in his State of the Union address to create a democratic federation of nation-states but without dismantling the structures of the given states (for instance, social issues should remain national competencies). Poland has been an active participant of the debate from a very early stage, enough to think of Minister Radosław Sikorski’s speech in Berlin last November. He was also a member of the so called Westerwelle Group that drew up a report on the future of Europe that advocated such things as the community method. Mr. Styczek also pointed to the dilemma Poland is facing. This dilemma emanates from the contrast between its large size and high ambitions for shaping the future of the EU, and its limits as a non-member of the eurozone. Before Poland adopts the common currency a solution needs to be found for how to create a link between those inside

and outside the eurozone. In the recent proposals on the single supervisory mechanism, observer status for non-eurozone members is considered.

Concluding remarks

Michal Kořan, Director of the Research Office, Institute of International Relations, Prague, compared V4 cooperation to the functioning of international organisations. Although the V4 is not an international organisation, at least some criteria vital for the existence and proper functioning of an international organisation can be applied to the V4 region. The Visegrad Group fundamentally lowers the costs of communication. The will to first consult the V4 partners before European Council meetings is a good example of this. Moreover, the Visegrad Group is successful in defending regionally defined interests. In the last three years, the Visegrad Group was able to define three areas of common interest: energy, the Eastern Partnership, and the Western Balkans.

Discussion on the EU's future is one of the most challenging and complex issues for Visegrad cooperation. The fact that there is hardly any political discussion on the V4 level about this proves how successful the V4 is at avoiding highly sensitive topics (for instance, policy towards Russia is never discussed). Can we therefore expect the Visegrad Group to have a common position on the future of Europe? During the conference it was demonstrated that there seems to be at least two points where all four states agree: opposition to any new institutions and deeper fragmentation. V4 seems to also share the view that in the long term its members' voices in eurozone decision-making should be strengthened.

Beata Wojna, Deputy Director of the Polish Institute of International Affairs, Warsaw, before delivering the meeting's closing remarks emphasized that this seminar and the long-lasting cooperation among the present partner institutes can be regarded as an important aspect of V4 cooperation. Therefore, she also expressed her gratitude to the partner institutes participating in the project as well as to the conference supporters: the International Visegrad Group, the Ministry of Foreign Affairs of the Polish Republic and Konrad Adenauer Stiftung– Polish Office for their kind organisation of the conference.

Later on, she pointed out that nowadays the discussion on the future of the European Union to a large extent revolves around the eurozone. Although only one Visegrad Group member (Slovakia) is part of this club, the crisis affects all the V4 members, which are committed to join eventually. In terms of working together to solve the crisis, it is important not to forget that much already has been done in Central Europe throughout the transition process to improve economic conditions

and living standards. Efforts to converge with the core European countries' economic standards should be continued in order to avoid a future Greek-Spanish-Portuguese scenario. While being aware of the usefulness of the Visegrad Group and the significance of its allies, the V4 has to start dealing with issues where its members' positions diverge. It is also a time to think about a leading role of the V4 in certain EU policies, such as the single market. This, however requires better cohesion among the V4 countries.

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