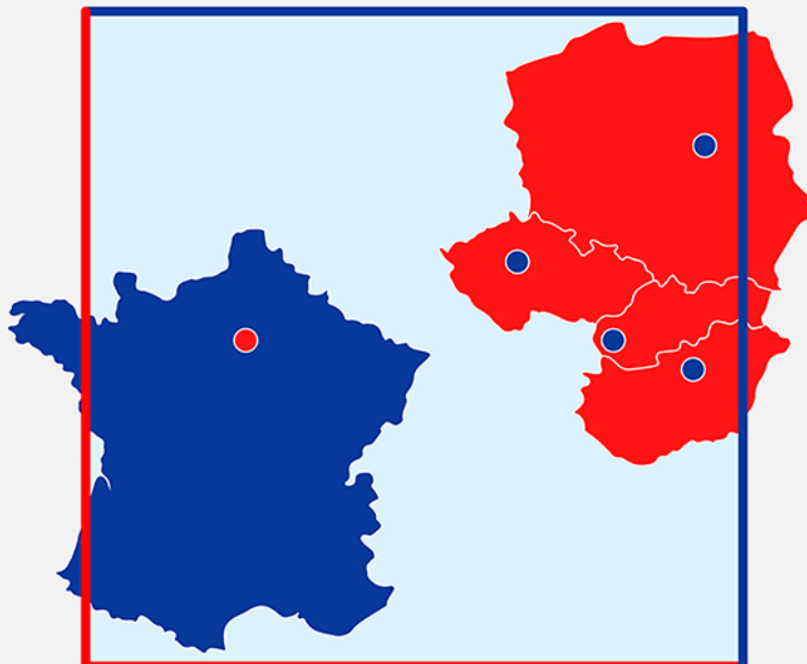


POLICY PAPER

Visegrad Four & differentiation in the European Union

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- Differentiation is a principle that has been applied to polity and policies of the European Union (EU) since its creation¹. Some elements were already integrated into the Rome Treaty, but the political idea (in the form of *two-speed Europe*) dates back to the 1975 'Tindemans report'.
- More discussion on differentiated integration (DI) was triggered by the UK's accession and took place at the end of 1970s. It was Ralf Dahrendorf who coined the term '*Europe à la carte*' to account for an integration model, where common policies only follow common interests without additional constraints for those who are not able or willing to join them².



Introduction

The concept of differentiation with regard to the single market was introduced to primary law with the Single European Act in 1986. The debate became more lively in the 1990s: both as a result of the post-Maastricht deepening of European integration and imminent widening to Central and Eastern Europe. The key dilemma was whether an enlarged Europe could function according to the community method as before or whether it needed a more pragmatic strategy to maintain institutional and procedural effectiveness³.

Continuous widening and deepening of the EU facilitated emergence of various forms of differentiated integration. We are *de facto* living in a highly differentiated EU⁴, with the euro zone (non-) membership as the main factor of differentiation. It is thus not surprising that - according to European Commission's president - *'if we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. The euro is meant to be the single currency of the European Union as a whole'*⁵. At the same time, the *'need to preserve and strengthen the unity of the Union, while respecting (...) identities and specificities of member states'* was a key message conveyed by the Visegrad Four (V4) countries in their statement on the future of Europe adopted under V4 Hungarian presidency in January 2018⁶.

But in reality, the V4 approach to DI may be more complicated than it seems at first glance. Firstly, to what extent are the V4 talking unity but acting differentiation? Where do Poland, Hungary, Czech Republic and Slovakia actually stand in the European DI system - how do individual

states participate in the existing DI projects? And secondly, how much differentiation can we observe within the V4 group itself and how it affects their ability to produce a coherent proposal and shape the 'Future of Europe' debate? Do we have one group of V4 or - possibly multiple issue specific - splits into at least two groups, be it V1 + V3 or V2 + V2?

The concept of differentiated integration

The EU is a *system of differentiated integration*⁷. This implies that differentiation is not a temporary, accidental, or non-systemic feature of the integration process in Europe. On the contrary, differentiation seems to be an inherent and enduring feature of the EU, currently consisting of 28 member states (with one negotiating its exit, thus adding a feature of differentiated *disintegration*), which are highly divergent, both in terms of socio-economic development and political preferences. The differentiation process has been significantly accelerated by the euro zone crisis. It is no longer possible to assume that differentiated integration is simply sideline 'noise' around the underlying and dominant trajectory towards more uniform forms of integration (for example, a federal state)⁸. Some analysts argue that rather than seeing differentiated integration as a failure to integrate in a uniform way or as confining certain member states to a 'second-class' status, we may see it as a tool which allows for accommodation of heterogeneity and

¹ T. Chopin, Ch. Lequesne, *Differentiation as a double-edged sword: member states' practices and Brexit*, "International Affairs", 92:3, 2016, p. 531.

² R. Dahrendorf, *A third Europe?*, Paper presented at the third Jean Monnet Lecture, European University Institute, Florence, 26.11.1979, <http://aei.pitt.edu/11346/>.

³ C. Schweiger, J.M. Magone, *Differentiated Integration and Cleavage in the EU under Crisis Conditions*, "Perspectives on European Politics and Society", 15:3, 2014, p. 260.

⁴ N. Koenig, *A differentiated view of differentiated integration*, Policy Paper no 140, 23 July, Jacques Delors Institut, Berlin, 2015.

⁵ European Commission, *President Jean-Claude Juncker's State of the Union Address 2017*, Brussels, 13.09.2017.

⁶ *V4 Statement on the Future of Europe*, Budapest, 26.01.2018, <http://www.visegradgroup.eu/v4-statement-on-the-180129>.

⁷ D. Leuffen, B. Rittberger, F. Schimmelfennig, *Differentiated Integration: Explaining Variation in the European Union*. Houndmills Basingstoke: Palgrave Macmillan, 2013, p. 7.

⁸ See: B. Leruth, Ch. Lord, *Differentiated integration in the European Union: a concept, a process, a system or a theory?*, "Journal of European Public Policy", 22: 6, 2015, p. 756.

thereby stabilization and development of the European integration process⁹.

The phenomenon of differentiated integration in the EU is usually defined based on 4 variables: 1) time (*temporary* or *permanent differentiation*); 2) territory (variation in terms of rule extension across member states - *horizontal differentiation*); 3) cooperation method (variation in terms of level of centralization across policies - *vertical differentiation*); 4) intra/extra-EU (variation in terms of rule application beyond EU borders - *external differentiation*).

Thus a (*two-*) *multi-speed Europe* refers to temporary differentiation, whereas the idea of *concentric circles* - to permanent differentiation. The latter indicate that various tiers of members are organized around a *core*, whereas *Europe a la carte* - that policy regimes with different membership constellations coexist, with no evident core. Moreover, differentiation can be linked both to the process of integration's widening (enlargement) and deepening. Firstly, differentiation resulting from widening can be based on exemption (opt-outs or transition periods for implementing costly legislation, i.e. environmental standards) or discrimination (transition periods before benefits are extended to newcomers, i.e. free movement of people, Schengen membership), and is driven by concerns of effectiveness and cost distribution (instrumental differentiation)¹⁰. Secondly, differentiation resulting from deepening is driven by concerns over sovereignty and identity (i.e. unwillingness to give up national currency or border controls). Thirdly, differentiated integration usually occurs when two conditions coincide: a high degree of political or economic interdependence combined with high

and asymmetric politicization. Interdependence creates a demand for deeper integration and fuels centripetal dynamics. Meanwhile, the asymmetric politicization of policy issues across member states tends to have centrifugal effects. From a member state perspective, differentiated integration can be seen as a function of the objective capacity and subjective political will to integrate.

The differentiation paradigm allows to address the key dilemma of competence distribution between the national and European level in an increasingly heterogeneous polity that the EU has become. It is about finding practical solutions between 'Europe going too far' and lowest common denominator, between heterogeneity of preferences and benefits of centralization¹¹. At the same time, this paradigm introduces ambiguity: whereas some analysts underline that DI allows for more integration, i.e. creating an 'ever closer union' between the 'able and willing', while giving the possibility of opting-out for the unwilling, others stress that it leads to fragmentation, especially once the unable are - possibly permanently - left behind. Fragmentation is all the more probable when more and more forms of differentiation take place outside the EU treaty framework¹².

The state of play: V4 and differentiation 2004-2018

This section aims at mapping the actual standing of the V4 within the European DI system. To what extent are the four states participating in various formats of differentiated integration, be it opt-outs, enhanced cooperation or intergovernmental agreements concluded

⁹ R. Bellamy, S. Kröger, *A democratic justification of differentiated integration in a heterogeneous EU*, "Journal of European Integration", 39: 5, 2017, p. 627.

¹⁰ The 1973 enlargement (Great Britain, Ireland and Denmark) brought mostly differentiation based on exemptions, whereas the 2004 and 2007 eastern enlargements - mostly discriminatory differentiation. See: F. Schimmelfennig, *EU Enlargement and Differentiation: Discrimination or Equal Treatment?*, "Journal of European Public Policy", 21:5, 2014; F. Schimmelfennig, T. Winzen, *Instrumental and Constitutional Differentiation in the European Union*, "Journal of Common Market Studies", 52: 2, 2014.

¹¹ Chopin, Lequesne, op. cit., p. 533.

¹² There are treaty-based mechanisms for those who wish to integrate faster, while keeping open the option for those temporarily unwilling or unable to join at a later stage: enhanced cooperation (EH - cases of EU patent and European divorce law, European Public Prosecutor or ongoing discussion of European financial transaction task) and permanent structured cooperation in the field of security and defense (PESCO launched in 2017). However, a number of instances of differentiated integration have been created outside the treaties, especially with regard to the euro zone crisis (fiscal compact, European Stability Mechanism).

outside the framework of EU treaties? Is their involvement characterized by patterns of unity or differentiation? In other words, judging from actual membership in various integration formats, do V4 act as one bloc or should we rather talk of V1+ V3 (given that Slovakia is a member of the euro zone) or V2 + V2 (with growing differences between Slovakia and Czech Republic on one hand, and

Poland and Hungary on the other)? Table 1 shows differential participation of V4 states in key DI projects, while also featuring France for comparison. Whereas Slovakia, the only euro zone member (since 2009), is almost fully integrated, the other three countries, are much less integrated, thus petrifying the EU DI system.

TABLE 1: Participation of V4 and France in projects of differentiated integration (DI)
as of 1 May 2018

DI Project	Czech Rep.	Hungary	Poland	Slovakia	France	Total EU states
Euro zone	-	-	-	1	1	19
Euro Plus Pact	-	-	1	1	1	23
Fiscal Compact	- (2014)	1	1	1	1	26
Banking Union (SSM & SRM)	-	-	-	1	1	19
European Stability Mech.	-	-	-	1	1	19
Schengen	1	1	1	1	1	22 (26)
Charter of Fund. Rights	1(2014)	1	-	1	1	26
PESCO	1	1	1	1	1	25
European Defence Agency	1	1	1	1	1	27
AFSJ	1	1	1	1	1	25
Unified Patent Court (EH)	1	1	-	1	1	25
Divorce Law (EH)	-	1	-	-	1	16
Financial Trans. Tax (EH)	-	-	-	1	1	10
European Public Prosecutor (EH)	1	-	-	1	1	20
Total	7	8	6	13	14	

How to explain this differentiation? Most cases relate to membership in the euro zone. Slovakia, being the only V4 euro zone member is participating in the quasi-totality of DI projects. Another explanation lies in national politics, where issues of 'sovereignty' or 'traditional values and identities'

are used by euro-sceptic forces for electoral purposes. Czech Republic is a case in point. Initially, Prague refused to sign the so-called fiscal compact treaty and demanded an opt-out from the EU Charter of Fundamental Rights. Once the government changed after 2014 elections, the

request for opt-out was withdrawn and the compact signed and partly ratified. The marked reluctance to deepen European integration and thus recourse to opt-outs can also be explained in the Czech case by largely euro-sceptic public opinion. After the financial and euro-zone crisis Czechs have become the most euro-sceptic nation not only among the V4, but also in the EU in general, with the exception of UK and Greece¹³.

At the EU level, V4 emerged as a politically relevant bloc in the aftermath of the migration crisis in 2015. However, there are a number of important factors that differentiate V4 countries, thus resulting in diverse preferences and reducing the cohesion of the bloc. They help to explain differentiated participation in DI projects but also shape divergent positions with regard to the 'Future of Europe', beyond the lowest common denominator as expressed in the V4 statement from January 2018. Below I propose a

brief outlook on key socio-economic and political indicators that substantiate the intra-V4 differentiation thesis.

Economically, the V4 shows a highly differentiated pattern of GDP growth between 2005 and 2016¹⁴. Whereas Slovakia doubled its GDP over 12 years (growth by 104%), Hungary scored poorly, notably due to the economic crisis that hit the country particularly hard (growth by 29%). The V2 + V2 division between poorer Hungary and Poland on one hand and more affluent Czech Republic and Slovakia on the other is evident (though Poland registered high growth of 70%). Moreover, and despite the crisis that hit the euro zone and slowed growth in Western Europe, all the V4 states are far behind the EU28 average. Labour productivity among the V4 remains low¹⁵. Progress was again made especially by Slovakia and Poland (growth by 28 and 29% respectively), but the productivity gap between Slovakia and Czech Republic on one hand and Poland and Hungary on the other remains high

TABLE 2: EUROSTAT - economic indicators

	Poland		Hungary		Czech Republic		Slovakia		EU 28
	2005	2016	2005	2016	2005	2016	2005	2016	2016
GDP per capita at market prices (EUR)	6 500	11 100	9 000	11 600	10 700	16 700	7 300	14 900	29 100
Real labour productivity (EUR per hour worked)	8.9	11.5	10.5	12.1	14.9	16.8	13.8	17.6	32.7

¹³ According to Eurobarometer polls, in 2010 only 31% Czechs considered that 'membership in the EU is a good thing' (EU average: 49%), whereas in 2014 support for the euro was at 24% (EU average: 55%),

¹⁴ GLOBSEC Policy Institute, *Revisiting scenarios for Europe: Central and Eastern European Perspectives*, 2018, p. 10.

¹⁵ Eurostat 2017, http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Real_labour_productivity,_2006,_2011_and_2016_YB17.png

Similarly, considerably less people are at risk of poverty or social exclusion in Czech Republic and Slovakia than in Poland and Hungary, with Hungary being the only V4 country where the percentage is above EU28 average. Moreover, the V2 + V2 gap is equally evident from income disparities as illustrated by the Gini coefficient. On the other

hand, all V4 countries dedicate a comparable share of their GDP to social protection. R&D expenditure provides a different pattern, with Czech Republic being relatively close to EU28 average and Slovakia scoring particularly poorly, even in comparison to Poland

TABLE 3: EUROSTAT - social indicators

	EU28	Poland	Hungary	Czech Rep	Slovakia
People at risk of poverty/ social exclusion (%) 2016-2017	23.5	21.9	25.6	13.3	18.1
Gini coefficient (number) 2016-2017	30.8	29.8	28.1	25.1	24.3
Expenditure on social protection (% of GDP) 2014-2015	28.6	19.1	20	19	18.2
R&D expenditure (% of GDP) 2016	2.03	0.97	1.21	1.68	0.79

With regard to trade patterns, both similarities and important differences co-exist within the bloc. Germany is by far the top trading (export) partner for all V4¹⁶. Poland is among top 3 partners for Czech Republic and Hungary, whereas Czech Republic is among top 3 partners for Slovakia. Austria ranks as 3rd most important export partner for Slovakia and Hungary, whereas Netherlands ranks as 2nd for Poland and 3rd for Czech Republic. Hungary is not among top 3 export partners for any Visegrad country. Additionally, in 2016, intra-EU export accounted for 80% of Polish export and even more for other members of the bloc. Within the EU, this is comparable only to Luxembourg, whereas in case of France and Germany intra-EU export accounts for ca. 60%

¹⁶ Data for intra-EU export of goods in 2016: Eurostat, *Intra-EU trade in goods - recent trends*, data as of 01.2017,

http://ec.europa.eu/eurostat/statistics-explained/index.php/Intra-EU_trade_in_goods_-_recent_trends.

TABLE 4: Democracy and rule of law (2004-2018)

Country	Year	Freedom in the World (most free 1-7 least free)	World Press Freedom Index (ranking)	WJP Rule of Law Index (ranking)	Corruption Perception Index (ranking)
Poland	2004	Free (1.5)	32	-	67
	2011	Free (1.0)	24	-	41
	2018	Free (1.5)	58	25	36
Hungary	2004	Free (1.5)	29	-	42
	2011	Free (1.0)	40	-	54
	2018	Free (2.5)	73	50	66
Slovakia	2004	Free (1.5)	6	-	57
	2011	Free (1.0)	27	-	66
	2018	Free (1.0)	27	-	54
Czech Rep.	2004	Free (1.5)	19	-	51
	2011	Free (1.0)	14	-	57
	2018	Free (1.0)	34	17	42
France	2004	Free (1.0)	20	-	22
	2011	Free (1.0)	38	-	25
	2018	Free (1.5)	33	18	23

Sources: Freedom House, Reporters without Borders, World Justice Project, Transparency International

The V4 countries also differ politically, in terms of democratic and rule of law standards, as well as levels of (perceived) corruption. On one hand, Hungary is by far the least democratic and most corrupted country among the V4 and the downward trend in 2004-2018 has been quite dramatic. On the other hand, Slovakia and Czech Republic have been more successful in maintaining democratic standards since 2011, but the results are less encouraging with regard to corruption levels, especially in case of Slovakia. Poland currently stands in-between, with weakening democratic standards but a sustained positive tendency in fighting corruption.

V4 and the Future of Europe: between unity and divergence

What is the position of V4 countries towards fostering more unity or strengthening differentiated integration in the context of the broader 'Future of Europe' debate, as well as

more immediate budgetary and institutional decisions to be made in the EU by 2020? How do the V4 wish to make the EU stronger and more effective? Are they capable of coming up with coherent input on the future of the EU, while moving beyond the anti-immigration alliance and make an impact beyond shifting emphasis from internal relocation to external border control? Or are their positions determined by domestic political battles and transactional thinking both about EU integration and regional cooperation?

In the run-up to the Bratislava Summit of October 2016 the Polish V4 presidency aimed at presenting a substantial common proposal on the institutional balance and relations between EU institutions and member states, but 'offensive' approach of Poland and Hungary was met with marked scepticism from Czech Republic and Slovakia, the latter adopting a careful and conciliatory approach due to its presidency in the Council and acting as compromise-driven host of the EU summit.

Further consolidation of the euro zone runs the risk of a growing *de facto* rift within the V4 group, with Slovakia moving away and allying with Germany and Austria. This resonates well with statements made by the former prime minister Robert Fico in reaction to results of Czech election in autumn 2017: 'I never dared to comment on the domestic political situations in other countries, but I am glad that Slovakia has become a pro-European island in the region'¹⁷. Earlier that year, he distanced himself from regional partners, underlining that although he 'was very much interested in regional cooperation with the V4', '(...) fundamentals of our policy are being close to the [EU] core, close to France, to Germany'¹⁸. In the aftermath of the murder of Slovak journalist investigating corruption scandals in February 2018, the new Slovak government seemed even more determined to keep close to the 'EU core'. This involves support for Commission's proposal to link cohesion funds to the rule of law. However, in an effort to improve V4 image and challenge EU southern states in the upcoming budgetary negotiations, Slovakia also proposed to link budget payments to compliance with EU deficit and debt limits¹⁹.

At the same time, the danger of fundamentally destabilizing disparities between the euro and non-euro member states ('segmentation'²⁰) is reduced by the careful approach of Germany with regard to bold reform proposals voiced by France. Although the renewed 'grand coalition' in Germany seems more willing to strike a deal with president Emmanuel Macron than the previously considered 'Jamaica', fears of a separate euro zone budget and institutional set-up should not be exaggerated. Nevertheless, Slovakia's euro zone membership is bound to structure intra-V4

tensions. Moreover, Slovakia and to a lesser extent the Czech Republic strive to play a role of bridge between the 'problem countries' (Hungary and Poland) and the rest of the EU, while actively engaging in 'damage control'. Slovakia's efforts are more convincing with its euro zone membership. In this vein, Czechs made a bid for the Eurogroup observer status in August but the new government dropped the option in December 2017²¹.

The minority Czech government led by Andrej Babis has a weak position domestically and a rather questionable position at the EU level. The prime minister is accused of fraud, extortion of EU funds and collaboration with Czechoslovakian secret service. This has not discouraged Czechs from voting for his party, but made other parties refuse taking part in a coalition and provides further arguments for the European Commission to strengthen the rules on sound financial management under the new financial perspective. So far, no coherent vision of European policy has been voiced by the ruling party ANO and its leader. On the one hand, he has been a fervent critic of EU migration and relocation policy, on the other hand he is expected to champion pragmatism and a transactional approach. Government documents show that Czech Republic looks more towards Germany and France, while not even mentioning Poland and Hungary by name²². In addition, the Slavkov Triangle with Slovakia and Austria seems to get more attention, where Austria could be an ally in 'doing less more efficiently' and supporting tough migration stance and 'flexible solidarity'. In general, Czech Republic sees V4 as a defensive alliance against the big member states (Germany), rather than a grouping that could positively influence developments within the EU²³.

¹⁷ Euractiv, *Slovakia a pro-European island in its region*, Fico says, 24.10.2017, <https://www.euractiv.com/section/future-eu/news/slovakia-a-pro-european-island-in-its-region-fico-says/>

¹⁸ T. Jancarikova, *Slovakia's future is with core EU, not eurosceptic eastern nations: PM*, Reuters, 15.08.2017, <https://www.reuters.com/article/us-slovakia-politics-eu/slovakias-future-is-with-core-eu-not-eurosceptic-eastern-nations-pm-idUSKCN1AV1YY>.

¹⁹ Ł. Ogródnik, *Modifications to Slovakia's European Policy*, PISM Bulletin, no. 70 (1141), 17 May 2018.

²⁰ T.G. Grosse, *Wprowadzenie. Polityki europejskie w dobie zmiany modelu integracji*, in: *Polityki europejskie w dobie kryzysu*, ed. T.G. Grosse, Warsaw 2016, p. 24

²¹ *New Czech government drops idea of seeking Eurogroup observer seat*, Reuters, 19.12.2017, <http://www.kitco.com/news/2017-12-19/New-Czech-government-drops-idea-of-seeking-Eurogroup-observer-seat.html>

²² Ł. Ogródnik, *Paradoksy ciekawsze od precedensów. Wybory w Republice Czeskiej*, "Polski Przegląd Dyplomatyczny", 2(73) 2018, p. 123.

²³ T. Novotna, Z. Stuchlikova, *Czechia: From a V4-Enthusiast to a V4-Sceptic and Back Again* in: *The Future of the Visegrad*

Poland's government of Law & Justice initially advocated a treaty change and a deep EU institutional reform²⁴. Instead of a leap forward, it proposed a leap back, away from the federal logic. A new Union – according to minister for European affairs Konrad Szymanski²⁵ – cannot be a “little federal union” that excludes some of the current members. Weakening trust in the European project can only be restored by strengthening the position of member states and national parliaments. The Commission should be reduced to an executive role and EU legitimacy must be based on existing political communities – European nations. The EU should focus on a limited agenda - single market and security. This means taking a step back, abandoning the dream of a political union. Moreover, moving away from federal and towards confederal logic invalidates the problem of differentiated integration. Yet, this 'union of sovereign states' is far from reality and its vision is not shared by the entire Visegrad group. According to Slovakia's state secretary for EU affairs, 'it would be very bad if we saw a process leading Europe to turn from a community-run institution into intergovernmental', as this would expose the 'difference of weight' between large and small EU members²⁶.

'We are against a two-speed Europe'²⁷ - affirmed minister of foreign affairs Jacek Czaputowicz before the Polish Sejm in March 2018. But what does it mean in practice? The multi-speed Europe has existed for years and it is precisely the three V4 countries, whose currency is not the euro, that contribute to its survival by refusing to enter the euro zone and related forms of cooperation. Non-euro zone members are free to take time to prepare their economies for joining the euro at a convenient moment and take actions to influence the future shape of the euro zone. But the trade-off exists: as long as one decides to stay out

of the club, one has to accept that available tools of influence are limited and informal.

The Polish government perceives the future of the EU in terms of confederal logic. Since supranational institutions are mere tools in the hands of the strongest states (mostly Germany), their powers should be limited instead of strengthened. In order to make sure that not only interests of the powerful are reflected in common decisions, majority decisions should be taken with the utmost caution and possibly excluded in some cases (see below for the case of mandatory relocation scheme), whereas national parliaments should be given more effective tools to block EU legislative proposals. Opponents of the government would argue there is no guarantee that this would make the EU more legitimate, but may instead further obstruct the decision-making process and block any changes to the current architecture. Here we should refer to the main priority agreed by V4 in January 2018: 'our first objective should be safeguarding the tangible achievements and results of integration'²⁸. In fact, the V4 position is not a reformist, but deeply conservative one and defending the *status quo* - a compromise in the form of lowest common denominator between those who prefer to move forward and those who want to move back.

Is there a 'Future of Europe' vision in Hungary that goes beyond a clear 'NO' to EU migration policy and vetoing 'more Europe'? The April 2018 elections - where Viktor Orban recorded a 3rd victory in a row and renewed constitutional majority - clearly gave a domestic boost to his EU-level veto aspirations, despite widespread accusations of creating a non-existent level playing field during the campaign and outright fraud on election day. However, the key question is whether this empowered Orban will be able and willing to reach out to other Central European countries

Group, eds. Ania Skrzypek, Maria Skóra, Foundation for European Progressive Studies, Brussels - Berlin, 2017, p. 6.

²⁴ Euractiv, *Future EU: does Visegrad have a plan?*, 16.02.2017, <https://www.euractiv.com/section/economy-jobs/news/future-eu-does-visegrad-have-a-plan/>.

²⁵ K. Szymański, *What Kind of Union Does Poland Need?*, "Polski Przegląd Dyplomatyczny", 1(67)/2016.

²⁶ M. Karnitschnig, *Brussels' Battle to Tame Visegrad Rebels*, "Politico", 24.05.2018, <https://www.politico.eu/article/visegrad->

[poland-hungary-czech-republic-slovakia-brussels-battle-to-tame-visegrad-rebels/?utm_source=POLITICO.EU&utm_campaign=abecfe9134-EMAIL_CAMPAIGN_2018_05_25_04_31&utm_medium=email&utm_term=0_10959edeb5-abecfe9134-189729209](https://www.politico.eu/article/poland-hungary-czech-republic-slovakia-brussels-battle-to-tame-visegrad-rebels/?utm_source=POLITICO.EU&utm_campaign=abecfe9134-EMAIL_CAMPAIGN_2018_05_25_04_31&utm_medium=email&utm_term=0_10959edeb5-abecfe9134-189729209).

²⁷ J. Czaputowicz, Informacja Ministra Spraw Zagranicznych o zadaniach polskiej polityki zagranicznej w 2018 roku, 21 marca 2018.

²⁸ *V4 Statement on the Future of Europe*, op. cit.

(Romania, Croatia) or towards new potential allies among EU founders, especially to Italy's 5 Star Movement and Northern League. A lot depends on the direction taken by the radicalizing right in Austria and Germany (not only AfD but also Bavarian CSU).

But research shows that Hungary has been a regional networker with no wider outreach: only other V4 states consider Hungary an essential partner and it has limited coalition and leadership potential²⁹. The upcoming budgetary negotiations provide little room for east-south rapprochement, with both regions entering an antagonistic logic. Hungary demands a strong say in the debate about EU future, but it largely contends itself with opposing EU migration policy without presenting a positive vision, thus becoming a single issue party both at the domestic and European arena. 'It is migration that represents the greatest threat to the future of Europe'³⁰. The question of the future of Europe for Orban is not about socio-economic or governance model, but whether 'Europe will remain the continent for Europeans'³¹. Keeping migration a defining element of EU politics is absolutely vital to Orban, as numbers of migrants effectively reaching Europe decline. This is the only issue that could elevate him to the position of leader of the conservative counter-revolution in Europe. Interestingly, Poland seems to accept Orban's leadership aspirations. Otherwise, the aim is - similarly to Poland - to strengthen the European Council and weaken the Commission, while securing Hungary's position in the former by submitting more decisions to consensus requirements³².

As of 30 October 2018 Poland and Hungary, as only EU members, have not relocated a single refugee from Greece or Italy despite obligations under the Council legally binding decision. Czech Republic has relocated 12 and Slovakia 16 persons from Greece. In the latter cases the numbers represented 0.4% and 2% of the respective legal commitments made in 2015. Comparatively, France has attained 24% of its commitment with the EU-wide average of 32%. In September 2017 the Court of Justice dismissed the challenge by Slovak and Hungarian governments against the mandatory character of the EU refugee relocation scheme. In December 2017 the Commission decided to take the infringement procedure against Poland, Hungary and Czech Republic to the Court of Justice for 'non-compliance with their legal obligation on relocation'³³.

Whereas infringements of EU secondary laws are nothing new and virtually all member states have been subjected to infringement procedures before the Court in one area or another, justifications given for non-compliance by the states in question provide an important case in point. Namely, the argument is that the mandatory relocation scheme fuelled 'anti-migrant sentiment and played into the hands of the far right' (Czech prime minister Andrej Babis) and that the relocation decision taken by qualified majority (as allowed by the treaties) should not have been taken - the fact that a legal instrument exists does not mean that it should be used (Polish minister for European affairs Konrad Szymanski). 'One needs some political rationality to be able to deny oneself this pleasure' (...) this method [QMV] runs the risk of neglecting interests of some states'³⁴. The problem with this argument is that it leads to: a) effective abandoning of the QMV in favour of unanimity whenever a member state considers it 'politically rational'; b) member

²⁹ J. Janning, *Hungary in the EU: from front runner to veto player*, ECFR Commentary, 04.04.2018, https://www.ecfr.eu/article/commentary_hungary_in_the_eu_from_front_runner_to_veto_player.

³⁰ Cabinet Office of the Prime Minister, *Hungary is striving to approach European problems in a realistic manner*, 10.04.2018, <http://www.kormany.hu/en/government-spokesperson/news/hungary-is-striving-to-approach-european-problems-in-a-realistic-manner>

³¹ See: I. Krastev, *Orban's vision of a new Europe will struggle to succeed*, "Financial Times", 09.08.2017,

<https://www.ft.com/content/a1d5f3a4-7938-11e7-a3e8-60495fe6ca71>.

³² T. Boros, *Hungary and the Visegrad Four in: The Future of the Visegrad ...*, op.cit., p. 16.

³³ BBC News, *EU to sue Poland, Hungary and Czechs for refusing refugee quotas*, 07.12.2017, <http://www.bbc.com/news/world-europe-42270239>.

³⁴ *Jedność Europy nie może być tylko dekoracją*, rozmowa z Konradem Szymańskim, "Polski Przegląd Dyplomatyczny", 2(73) 2018, p. 38.

state reserving itself a right to disregard any decision that has been taken by QMV despite its opposition. What is more, this reasoning is based on highly imprecise criteria of 'political rationality' - in fact, every single refusal to comply with legal obligations can be justified in such highly imprecise terms that hardly mask the objective of discretionary cherry-picking. Interestingly, the Polish government combines its claim to non-compliance with legally binding decisions based on vague political criteria with fervent opposition towards the 'vague' rule of law conditionality advocated by the European Commission with regard to the next multi-annual financial framework

Conclusion

The Visegrad Four officially declare that they are against multi-speed Europe, want to strengthen unity of the EU and avoid segmentation. In reality however, three out of four Visegrad members substantially contribute to the strengthening of multi-speed integration logic, by refusing to join the euro zone and enhanced cooperation projects. As to the common currency, the V3 have moved from the 'willing but unable' to the 'unwilling and thus unable', while lacking a formal exemption (differentiation based on sovereignty concerns). Moreover, euro effectively being off the V3 political agendas, the differentiation pattern gradually evolves from temporary to *quasi*-permanent. Whereas Slovakia (euro-zone member) is participating in almost all DI projects, Poland (non-member) takes part in less than half of them. Thus more differentiation is created not only by those in favour of 'more Europe', but also by those who seek opt-outs or attempt to block common decisions, thus inducing differentiation outside the treaty framework.

The problem of Poland and Hungary advocating more unity is that at the same time they promote looser, intergovernmental *modus operandi* that is mostly confined to single market policies. Thus a question arises about sustainability of a strategy of a laggard who simultaneously refuses to opt-in and speaks against further differentiation,

while advocating the lowest common denominator (unanimity voting). Is it a recipe for a union that delivers or is it a recipe for a union that becomes increasingly irrelevant? In reality, rather than shaping the future of a more united EU, the V4 are bound to consolidate the differentiation trend, while undergoing themselves, as a bloc, a process of differentiation.

The V4 division into euro and non-euro members plays a fundamental role. While holding the V4 presidency from mid-2018 to mid-2019, Slovakia may wish to steer the bloc towards the EU core, while hoping to change the V4 'toxic brand'³⁵. The Czech position remains unclear, but pragmatic and transactional approach should be expected, especially in view of the budgetary negotiations. A coherent and far-reaching V4 vision on the future of Europe will not materialize, with Slovakia and possibly Czech Republic trying to seize the opportunity to punch above their weight and to become the key Central European interlocutors for the 'core'. As to Hungary and Poland, their vision of 'less Europe' may gain wider support after more governments in the EU are formed by anti-European and/or radical right forces. While initial hopes linked to Austria have not materialized, Italy may now be the next potential ally in line. However, it may well again be the case that common preferences are mostly limited to a tougher stand on migration.



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³⁵ H. Foy, A. Byrne, *Splits over EU test relations between Visegrad Four*, "Financial Times", 06.10.2016,

<https://www.ft.com/content/f5d017f8-84b2-11e6-8897-2359a58ac7a5>.