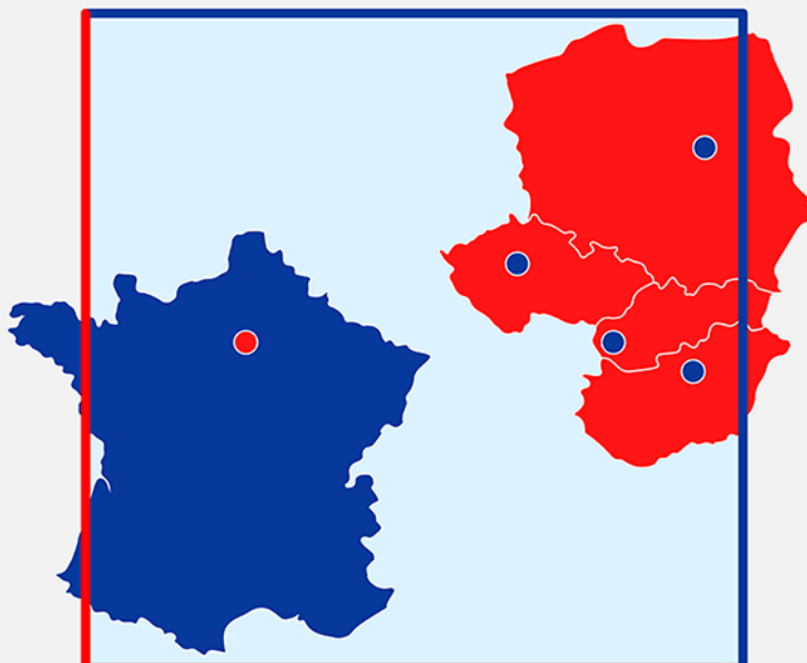


# POLICY PAPER

## Slovak and French Cooperation in the EU: When Pragmatism meets Idealism<sup>12</sup>

Matej Navrátil & Ivan Légrády

- **The aim of this paper is to assess the current dynamics in the relations between France and Slovakia and find possible overlaps in the EU policy areas. Cooperation between Bratislava and Paris has in recent years intensified, which has been mirrored in the increasing number of state visits between the two countries.**
- **The testimony of Paris's attempt to deepen the relations with Bratislava was President Macron's working visit of Slovakia in October 2018, which was symbolically the first visited country from the V4. Furthermore, the Slovak delegation learned at the last moment that the renewal of the Action Plan for Strategic Partnership for 2018-2022 between France and Slovakia, previously signed at the level of Foreign Ministers, will be signed by President Macron himself, thereby elevating its symbolic and political importance.**



## Introduction

The Action Plan provides a basic framework for areas where further convergence can be found. In this respect, the paper assesses in greater detail two areas where cooperation can be increased: the cooperation in defense and in completing the European Economic and Monetary Union (EMU), and one area where convergence may be difficult to reach: the prospects of the future of EU enlargement.

Nevertheless, an important variable in Slovak foreign policy considerations is the element of regional cooperation in the V4 format. The reason why Slovakia considers the V4 important is to be found in a combination of historical roots and practical considerations. During the EU and NATO accession period, Bratislava lagged behind the integration processes, due to authoritarian regime and was rightly labeled as a “black hole of Europe”, but enjoyed considerable support from the rest of the V4 to carry on with the reform processes. Now, Slovakia finds itself in the opposite position, when it maintains its regional allegiance by not distancing itself clearly from Orbán’s increasingly authoritative tendencies, the politicization of the judiciary in Poland or the alleged conflict of interest accusations of Czech Prime Minister Babiš.

Secondly, small countries have to simply rely on multilateralism, which includes building effective coalitions in pursuit of their own foreign interests. In this respect, Slovakia relies on regional cooperation in the V4 format in order to counterbalance influential EU member states. This has sometimes been difficult, as the V4 represents a loosely coupled and not particularly institutionalized form of regional cooperation. Moreover, despite different policy preferences in numerous areas, the bloc has often been perceived as homogenous, with all the negative connotations that this carries. As the only country from the region that adopted the euro, this puts Slovakia in a peculiar position. In other words, Bratislava has to be diplomatically

flexible enough to balance its engagement in various formats of regional cooperation, which provides Slovakia with a strategic advantage in its pursuit of foreign policy goals, while maintaining good relations with the traditional powers of European politics – particularly Germany and France.

This paper will be structured in four parts. It first introduces the Action Plan, which is a basic framework that currently regulates bilateral relations between Bratislava and Paris. Next, the paper assesses three policy areas where (dis)agreement could be found and explains national positions in respective policies.

## The Action Plan of Strategic Partnership

The Action Plan of Strategic Partnership between Slovakia and France, signed on June 30 by French President Macron and Slovak Prime Minister Pellegrini, is an attempt to solidify the strategic political partnership and to strengthen the political dialogue between the countries. This partnership should contribute to strengthening the process of European integration and find common grounds on a number of EU-related policies. The Action Plan is divided into seven areas where convergence and closer cooperation might develop. Firstly, the Action Plan recognizes the importance of political partnership. Both countries, based on common values and interests, should work towards creating greater convergence in EU policies. For that purpose, both countries plan to continue the bilateral dialogue in order to further the debates on European security and defense; strengthen the economic and monetary union; finalize the internal market; and discuss issues pertaining to Social Pillar and migration. The Action Plan intends to support initiatives aimed at citizens and regional formats discussing the future of the EU. According to the Action Plan, Bratislava and Paris should also intensify the exchange of opinions with the Southern

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<sup>1</sup> Authors are thankful to officers from the Slovak Ministry of Finance and Ministry of Foreign and European Affairs who wish to remain anonymous, for their insights and comments.

<sup>2</sup> This work was also supported by the Slovak Research and Development Agency under the contract No. APVV-15-0732.

and Eastern Neighborhood. Furthermore, countries should strengthen the inter-parliamentary dialogue, support the exchange of diplomats and public servants or to increase the volume of Slovak civil servants in French language instruction classes.

Secondly, in the area of security and defense policy, countries should focus on deepening the cooperation between defense industries, maintain regular dialogue between the Ministries of Defense and deepen the cooperation on issues regarding European Defense, mainly under the formats of Common Security and Defense Policy (CSDP) and Permanent Structured Cooperation (PESCO), and exchange opinions on the European Defense Fund, with the ultimate goal of participating in fostering EU Strategic Autonomy. Next, countries should discuss how to strengthen the credibility of the NATO, maintain the dialogue in the area of crisis analysis and conduct common military exercises in order to support the convergence of the operational and strategic cultures of both countries. Moreover, Bratislava and Paris intend to exchange national and international experiences from crisis management and support activities that could eventually lead to the common deployment of troops. For that purpose, France and Slovakia plan to cooperate in educational and vocational trainings and strengthen French-language education in the Slovak Armed Forces.

Thirdly, countries should deepen their economies via supporting trade, agriculture, investments, innovations and the development of digital economy. Both Bratislava and Paris, should target investments towards regions with high unemployment rates, exchange trading contacts between the countries and fight against threats that negatively influence the quality of business conduct, like fraud, corruption and letter-box companies. Finally, countries should support the exchange of information in the areas of financial instruments that would facilitate creation of innovative start-ups and support exchanges between SMEs.

The fourth area of cooperation is related to the preservation of the environment, the fight against climate change and cooperation in energy sector. Both countries recognize the need to support the ecological and energy

transformation as set out in the Paris Agreement. According to the Action Plan, cooperation in this field should be achieved by preparing the EU strategy of transformation to low-carbon economy, support business initiatives and exchange experience between the public sectors and make common contributions to the development of sustainable and smart cities. Furthermore, energy security represents an area of common interest, and given the commitment to transition towards a low-carbon economy, both countries recognize that nuclear energy remains essential during this process. Thus, France and Slovakia want to continue to cooperate in the exchange of experiences in the nuclear policy, continue the efforts that would lead to creation of an Energy Union and support the exchange of scientists and academics in the nuclear field.

Fifthly, countries expressed their support for decentralized cooperation in the field of tourism. This would entail cooperation between cities and regions in both countries, to explore the possibilities of creating direct connections, and to create suitable platforms for common coordination projects at the level of regional governments.

The sixth area of common interest represents the cooperation on questions related to justice and home affairs. For that purpose, France and Slovakia intend to cooperate in training judges and prosecutors, strengthening the mechanism of European civil protection, fighting against terrorism and conducting regular consultations between the Ministries of Interior. Moreover, countries plan to conduct a mutual dialog in the questions of common European Asylum system and deepen the cooperation in the fight against illegal migration and the protection of external borders. Within this realm, the Action Plan intends to implement an exchange of experts on the issues of migration and those working in border patrol agencies. In this area, the cooperation should also focus at the ministerial level, by intensifying the relations between the Ministries of Justice, with the possibility of establishing common working groups in future.

Finally, countries agree to conduct common endeavors in cultural, educational, linguistic, academic and research areas. This would entail exchanges of intellectuals,

academicians, researchers and support for a variety of cultural or educational projects between cultural institutions.

Essentially, the Action Plan serves as a good general framework for bilateral cooperation between France and Slovakia. Clearly, compared to the previous Action Plan, its level of ambition has been elevated and the focus now is to share and exchange information on a variety of issues. It also serves as a socializing tool for the lower levels of governments. Thus, instead of making ambitious declarations, the Action Plan focuses on very practical forms of cooperation between the countries in which both Bratislava and Paris could achieve tangible progress if the potential is realized.

## Defense cooperation

France has been an indispensable player in shaping EU's CSDP for many years now. Thus, the imprint Paris left on the construction of the current defense policies is naturally considerable and also reflected in the ambitious EU Global Strategy presented in June 2016. One of the goals of the Global Strategy is to make European defense spending more efficient, so that it could obtain the full spectrum of defense capabilities necessary to fulfill the agreed EU Level of Ambition (LoA), as this is an essential component for Europe's autonomy in taking decisions and actions. Also, recent Council Conclusions on Security and Defense approved at Foreign Affairs Council on 17<sup>th</sup> June 2019 have been influenced by Macron, when Member States agreed, in line with Macron's "European Renaissance" letter from March 2019, to upgrade the operability of Art 42.7, the so-called Mutual Assistance Clause. Furthermore, in the section about coherence of the EU defense initiatives and PESCO, the Council has emphasized that projects implemented under this initiative should improve the operational availability of forces, in line with long-term French interests.

Despite the unprecedented increase of the defense budget, the financial constraints, coupled with limited

capabilities, mean that Slovakia's influence over the evolution of defense policies in the EU is less decisive and ambitious compared to other Member States. Moreover, limited administrative capacities and personnel resources of smaller member states are important determinants in considerations about the strategic priorities. Despite that, it seems that Bratislava and Paris could find overlaps on practical issues. For instance, in the above-mentioned Action Plan, both countries emphasize the importance of "political partnership" and "cooperation in the field of security and defense", with these areas of cooperation mentioned at the very beginning of the document.

At the ministerial level, the framework for cooperation between Bratislava and Paris is the rather formal Agreement between the government of the Slovak Republic and the government of the French Republic on cooperation in the field of defense, signed on 4<sup>th</sup> May 2009.<sup>3</sup> Based on this, an annual Plan of bilateral cooperation between the national ministries of defense is adopted, where focus is mainly on politico-military dialogue, joint training, educational and various other ad hoc activities between the two countries in the field of defense.

Compared to the EU level, the ongoing political dialogue on the bilateral level is less regular and occurs on an ad-hoc basis. However, given the anniversaries of historical importance and numerous events commemorating the joint French-Slovak military history at the end of the First World War, the volume of high-level visits has been more frequent. Furthermore, Slovakia, chairing the Presidency of the V4 (July 2018-June 2019) seized the opportunity to organize the first meeting in the V4+ France + Germany format, just a day ahead of Foreign Affairs Council meeting in May 2019. Countries met for the first time in this format since 2013 and discussed issues revolving around the CSDP, PESCO, Military Mobility, closer cooperation between the EU and NATO. The Slovak Defense Minister also informed his partners about the current situation regarding the state of play of the V4 Battlegroup, and the prospects of creating an additional V4 EU

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<sup>3</sup> <https://www.legifrance.gouv.fr/eli/decret/2011/9/19/2011-1124/jo/texte>

Battlegroup, which will take on a standby role in the first half of 2023.<sup>4</sup>

### Cooperation on Practical Level

The willingness to cooperate in the area of armament and defense industry has been reinforced under the PESCO umbrella when France joined the Slovak project on Indirect Fire Support Capability (EuroArtillery) as an observer, and Slovakia decided to join the Franco-Swedish project on Test and Evaluation Centers as a full member.

Furthermore, in the context of French emphasis on strengthening European defense industries and avoiding unnecessary dependency on non-European suppliers, the current modernization and acquisition efforts of the Slovak Armed Forces offer a window of opportunity to deepen bilateral cooperation in this field. However, an important consideration in this respect is also the size of the budget allocated for procurement projects. For instance, Slovakia had engaged in several projects with US or Finland and the Slovak government is set to decide on signing an agreement with Israel regarding a tender for radars, that has been recommended by the Ministry of Defense as advantageous in terms of “price, quality, and connectivity”<sup>5</sup>. Indeed, despite the French preference for “European Solutions” being well understood in Slovakia, this argument is not sufficient for decision-makers. It goes without saying that one of the most important aspects in deciding these kinds of deals are the cost-effectiveness calculations. Thus, cooperation between the defense industries offers a lot of opportunities for the future, but the ambition to develop the industrial dimension of cooperation in security and defense is not yet set up to live up to its full potential.

Obstacles in creating deeper cooperation between Paris and Bratislava in the area of defense are also of very practical nature. For instance, France declares the general need and signals its willingness to include Slovak

contributions in the CSDP missions and operations in Africa, which could indeed strengthen the quality of bilateral relations in this field. It is however important to take into account the strategic priorities and objective limitations (such as the size of its Armed Forces) of smaller countries like Slovakia, before considering its engagement in international crisis management activities. In addition, deployment in francophone African countries often requires operational knowledge of French, which can pose a challenge. The Action Plan acknowledges this and therefore realistically only proposes a regular exchange of experience from crisis management operations and support of activities for the purposes of potential joint operational deployment without exactly specifying the deployment’s destination.<sup>6</sup>

The exchange of know-how is positive on the level of cooperation between Chemical, Biological, Radiological and Nuclear (CBRN) and Explosive Ordnance Disposal (EOD) specialist units, the practice of which has been already established and running for some time. Nevertheless, the exchange of specialists, military and civilian personnel and cadets could be much higher in order to match the declared level of ambition as outlined in the Action Plan. But once again, practical problems, such as different languages or non-compatible study programs, financial limitations or the lack of prioritization when it comes to allocation of financial resources cause problems in the implementation of these measures.

### Future Prospects

In order to keep the momentum, the current number of high-level visits should be maintained in the future, as they provide a great opportunity to discuss important issues and potentially find an acceptable compromise when priorities diverge. In order to increase the level of bilateral cooperation and to extend to the area of modernization and acquisition, both countries should modify their positions. France should acknowledge that “European solutions” go

<sup>4</sup> <https://www.mod.gov.sk/44529-en/-minister-gajdos-rokoval-s-partermi-z-v4-francuzska-a-nemecka-o-spolocnych-cieloch-v-oblasti-bezpecnosti/>

<sup>5</sup> <https://www.mosr.sk/44851-en/ministerstvo-obrany-navrhne-vlade-obstatat-3d-radiolokatory-z-izraela/>

<sup>6</sup> The Czech V4 Presidency (starting from 1st July 2019) indicated its intention to open the discussion about a joint operational contribution under the V4 flag as one of its program’s priorities, which can increase the chances of giving more substance to this issue in the months to come. See <https://apps.odok.cz/djv-agenda?date=2019-06-03>



beyond only the products produced by France and that the SMEs, which are the backbone of smaller countries' industries, should be able to participate in bigger projects and benefit equally from the EU finances (mainly in the framework of the future European Defense Fund). Slovakia, on the other hand, should focus more on niche capabilities that are not covered by the French and that bring an added value for the development of the European defense landscape.

Next, in the case of potential joint operational deployment on a bilateral or regional level, discussions have lately somewhat accelerated in what could possibly lead to achieving tangible progress. The potential for closer cooperation in this area exists but is still relatively untapped. Also, during the discussions about the EU's engagement in Africa, the region of Western Balkans and presence at the Eastern Flank should be taken into account in order to balance national interests. This way the balance between the strategic priorities of both countries could be achieved. Finally, focus on expert level by providing enough opportunities to study and understand each other's priorities and ambitions might supplement for a sometimes limited understanding on the strategic level.

## European Economic and Monetary Union

One of the issues that informs Slovak foreign policy orientation is the goal of completing the European economic and monetary union (EMU). Slovakia's regional trade exchange is however, also an important element in its foreign policy considerations. The health of Slovak economy is highly dependent on Czechia, Hungary and Poland: the combined trade with these three countries is higher than the bilateral trade with Slovakia's biggest trade partner – Germany (Strážay, 2018). Nevertheless, as the only euro area member state from the region, Slovakia has developed closer relations with partners sharing the same currency. For that reason, the previous as well as current Slovak Presidents, Prime Ministers, and Foreign Minister have reiterated Slovakia's willingness to be part of the 'EU core' that seems to be forming around the euro area.

Slovakia has also developed closer cooperation with France in recent years. Nevertheless, despite a shared vision of creating a resilient economic power out of the EU, it seems that in some specific cases both states do not share the same opinion on how to achieve this goal. Completing the EMU is in this respect an important element and is dependent on three interrelated steps: the reform of the European Stability Mechanism (ESM), the creation of Banking Union (and to a certain extent a capital market); and the creation of a budgetary instrument for the euro area. The following part elaborates in greater detail on these three aspects in order to present the current dynamics between France and Slovakia in building the EMU.

### European Stability Mechanism

The ESM is a crisis resolution financial mechanism designed for the euro area countries experiencing or threatened by severe financial distress. Its purpose is to create a system of permanent financial assistance and to provide stability through series of programs and instruments to euro area member states. It has been operational since 2012 and since then has granted loans as a part of macroeconomic adjustment to Cyprus and Greece. Furthermore, a loan for indirect bank recapitalization was granted to Spain. In practice, it is an important tool of crisis management, which can for instance alleviate the need for bank recapitalization and contribute to financial and price stability. The ESM, serving as a principal financial tool, including banking resolutions within the euro area, in the context of the evolving banking union, should contribute to creating solid fiscal policymaking (Koptis, 2017). Together with new tools for financial regulation and supervision, it shall reduce the risks of future crisis.

Legally speaking, the ESM is an intergovernmental treaty under the prerogative of international (not EU) law. Recent debates about the future reform of the ESM therefore also encompass the question of whether it should remain autonomous or incorporated into the existing EU Treaties. The European Parliament, as the only directly elected supranational body, has expressed on several occasions that it would prefer to have certain scrutiny over the activities taken by the Board of Governors of the ESM, represented by the Finance Ministers.

The incorporation of the ESM under the EU rules is the preferable alternative of reform also for France. In this way, the primary role in program design and debt sustainability assessment would be granted to the European Commission. Slovakia is in agreement with France, as both countries support strengthening the role of the ESM in evaluating the financial robustness of countries asking for assistance, and also advocate for the notion which would allow the ESM to provide a common backstop to the Single Resolution Fund (SRF). However, Bratislava and Paris vary on the issue of whether the ESM should be incorporated into the EU legal order as a part of the reform. On this note, Bratislava sided with the position made by the Finance Ministers of the new “Hanseatic League”<sup>7</sup> – a group of economically conservative countries, which are skeptical of Commission’s objectivity in assessing compliance on fiscal rules in some of the older Member States. The leeway given to France by the Commission in 2016 and President’s Juncker subsequent comments<sup>8</sup> on the issue serve as case in point why countries that sided with the new Hanseatic League might be worried by the increasing Commission’s role in assessing debt sustainability.

## Banking Union

One of the lessons learned from the economic crisis is that the reform of the financial sector of the euro area is inevitable. While the single market and single currency has led to considerable integration and creation of supranational institutions, supervision over the financial markets has remained a prerogative of the national governments. The European heads of state and government have therefore decided to solve the problem of the regulation and better functioning of the financial system by creating the Banking Union, which was supposed to be based upon three main pillars: the Single Supervisory Mechanism (SSM)<sup>9</sup>, the Single Resolution Mechanism (SRM)<sup>10</sup> and the European Deposit Insurance Scheme (EDIS).

The aim of the SSM is to create body that would exercise oversight over financial institutions in the euro area member states. Under the SSM, the European Central Bank (ECB) is the central prudential supervisor of financial institutions in the euro area and in countries that decide to join the SSM. Furthermore, the ECB directly supervises the largest banks and the supervision of the remaining banks remains under national supervision. The aim of the SRM is to create a framework that would orderly restructure banks that are failing or likely to fail. This tool should assure that the failing bank would not create broader harm to the economy or cause instability in the financial sector. The SSM and SRM are new institutional bodies which have taken over the supervisory functions and are functioning since 2014 and 2016, respectively. However, there seems to be little to no progress on deliberations regarding the EDIS proposal since it was firstly tabled in 2013, and without agreement on insurance scheme, the Banking Union remains incomplete.

EDIS, as a multinational deposit insurance system, would provide a stronger and more uniform degree of insurance cover in the euro area. While all recognize the benefits EDIS would encompass, the opinions differ mainly in technicalities and benchmarks, since the whole initiative has to be carefully calibrated. In the case of a bank’s insolvency, the customers’ savings would be protected by the European fund.

Additional problems lie in the fact that countries are currently divided on their views on when the EDIS should be launched. Yet some predominantly fiscally conservative countries fear their national banking system would subsidize some “fiscally irresponsible” governments. If the risks at the European level were to be shared, all the member states of the common deposit insurance scheme must make tangible progress to limit the risks. Thus, while there is lack of convergence in the fitness of the banking sector, essentially

<sup>7</sup> <https://www.government.se/statements/2018/03/finance-ministers-from-denmark-estonia-finland-ireland-latvia-lithuania-the-netherlands-and-sweden/>

<sup>8</sup> <https://uk.reuters.com/article/uk-eu-deficit-france/eu-gives-budget-leeway-to-france-because-it-is-france-juncker-idUKKCN0YM1N0>

<sup>9</sup> See CRR/CRD IV (Regulation (EU) No 575/2013 and Directive 2013/36/EU (CRD IV)—and Council Regulation (EU) No 1024/ 2013.

<sup>10</sup> See (BRRD) (Directive 2014/59/EU) and Regulation (EU) No 806/2014 (SRM) and (SRF).

reducing the risk-sharing, countries like Slovakia prefer to stall the initiative. On the other hand, France is likely to side with Southern countries which prefer to launch the EDIS as soon as possible. The load of non-performing loans (NPL) is illustrative of the divergence within the euro area and the condition of the banking sector (see Table 1)<sup>11</sup>. As we can see, despite the overall volume of NPL in the euro area continuing to fall, the discrepancies among some of the Member States are still considerably high.

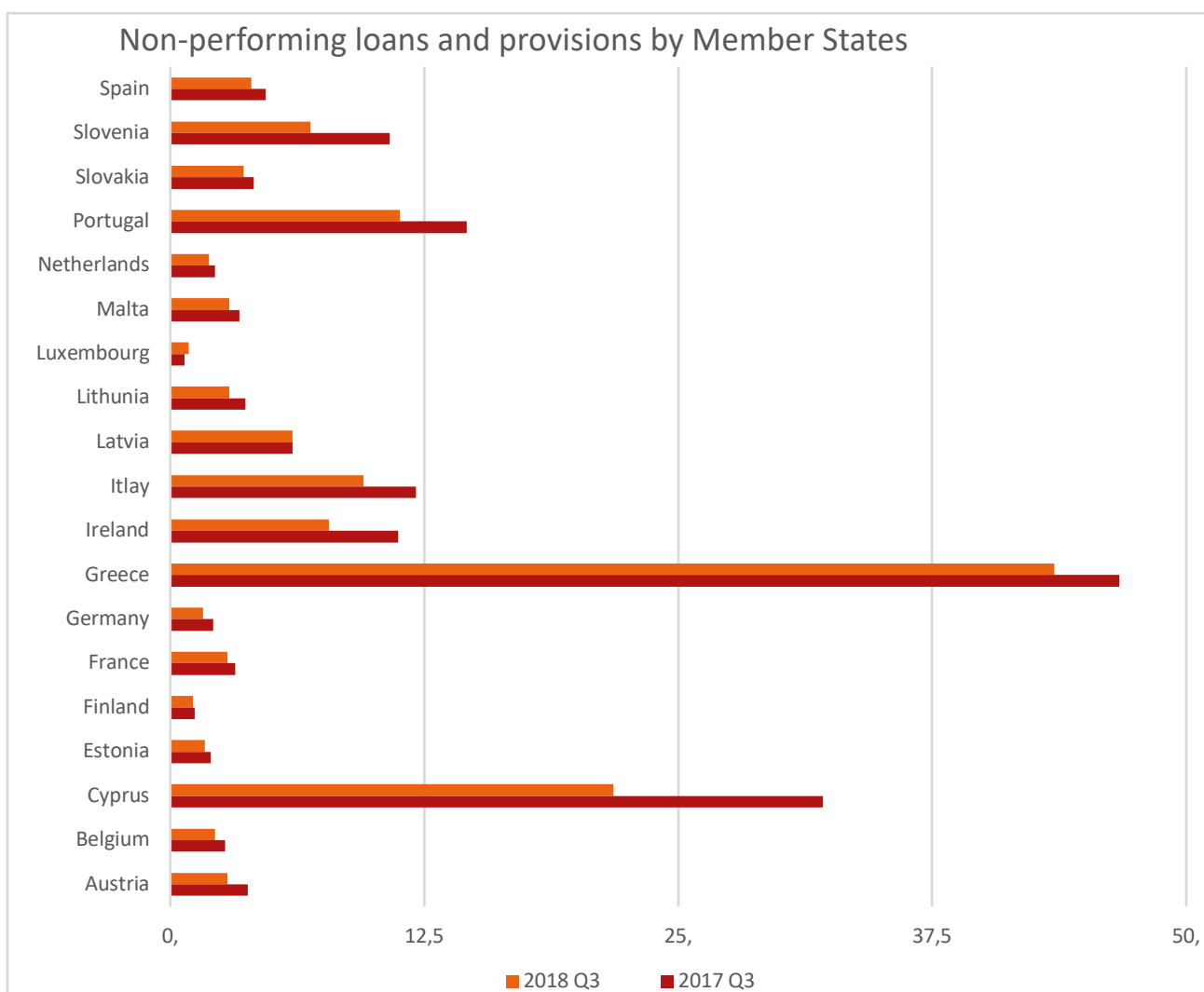


FIGURE 1 GROSS NPLS AND ADVANCES (% OF TOTAL GROSS LOANS AND ADVANCES) SOURCE: EUROPEAN COMMISSION COM(2019) 278.

<sup>11</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0278&from=EN>



Preserving home-host balance in cross border financial ownership represents another issue on which Paris and Bratislava might find little or no agreement. Groups of member states hosting financial institutions oppose the idea of allowing home supervisors to waive capital and liquidity requirements for subsidiaries located in other member states without the explicit agreement of the relevant host supervisor (Deloitte, 2017).<sup>12</sup> Paris is eager to launch the initiative as soon as possible, which would mean the recapitalization of the revenues of Slovak banks. This would increase the potential of French banks to conduct further financial operations and increase its profits, while with an incomplete Banking Union, this step might have negative consequences on Slovak banks and harm the financial sector in times of potential crisis. While on the case of the NPL, smaller countries like Slovakia could count on the support of Germany, the issue of home-host balance creates dividing lines between countries who have long traditions in banking sectors, predominantly Western EU member states, which puts smaller countries that host other banks like Slovakia at risk.

## Budget

Perhaps the biggest convergence between Bratislava and Paris is found on how to finance the euro area budget. Slovakia was fond of Macron's proposal, as envisaged in the Sorbonne speech, of how to create a pan-European taxes from which the budget would be financed. Hence, Slovakia exerted considerable diplomatic activity during its V4 presidency to convince the rest of the V4 countries to sign a declaration in October 2018 on a common position on taxation of the digital economy, as proposed by the Commission.

Another source to fund the euro area budget is the establishment of taxation from financial transactions. After initial calculations it seemed that countries with small capital markets, like Slovakia, would oppose the Financial Transaction Tax (FTT) because the costs for implementation would actually be higher than the revenue produced. In order to pass this initiative, France and Germany proposed

the mutualization of the FTT, which would require a specific intergovernmental agreement, but guarantee a minimum €20 million in FTT revenues per year to smaller countries. The future of the FTT will still be a matter of discussion in autumn 2019 during the ECOFIN meeting.

Slovakia, together with France (and with the Commission's support) agreed that the future euro area budget should fulfill a stabilization function. This was eventually watered down, mainly by the Netherlands. However, with the FTT still in the making, current debates about the form of financing the budget revolve around the idea of financing it primarily from regular contributions of member states from the MFF. This would mean that the base of the future budget would amount to about €17 billion. Despite Macron's attempt to come up with new tools for co-financing the euro area budget, it seems that, under the current plan, it would be unrealistic to cover expenses connected with establishing the 'rainy day' fund, the European Investment Protection Scheme, and the European Unemployment Reinsurance Scheme.

Slovakia had considerably elaborated on the French ideas about establishing pan-European taxes and had brought the proposals to the ECOFIN during its Council Presidency. However, under the current conditions, with such a low budgetary instrument, Bratislava is on the fence. Had the budget been more ambitious and increased at least by the FTT, Slovakia would be more eager to support and participate in the initiative. For Paris, on the other hand, the creation of the euro area budget is rather a matter of political prestige. If successful, it would mean a first major victory for Macron on the European turf since he assumed the French presidency.

## The Future of the EU Enlargement

One of the main priorities of Slovak foreign policy at the EU level is to fulfill promises from the 2003 Thessaloniki summit which offered a viable opportunity of EU membership to the Western Balkan countries. The region of

<sup>12</sup>

<https://www2.deloitte.com/content/dam/Deloitte/fr/Documents/se>

[vices-financiers/publications/deloitte\\_CRD5-CRR2\\_EU-bank-capital-negotiations.pdf](https://www2.deloitte.com/content/dam/Deloitte/fr/Documents/se/vices-financiers/publications/deloitte_CRD5-CRR2_EU-bank-capital-negotiations.pdf)

the Western Balkans has traditionally been for Slovakia one of the most important foreign policy interests. One can identify two main reasons why enlargement scores high on Slovak foreign policy priorities. Firstly, Slovakia has a strong socio-cultural and historical ties with the Western Balkans. Similarly, as was the case in Central Europe, the Balkan region is currently undergoing similar economic and societal transformations. During this period, Bratislava understood the importance of regional cooperation, especially as it lagged behind the integration process with the rest of the V4 encouraging it to keep up the pace. A clear vision of the EU membership served as a catalyst for political and societal changes. Thus, based on the Slovak experience from the enlargement process, Prime Minister Pellegrini reiterated his conviction that the promise of full-fledged membership is required for countries committed to fulfilling necessary accession criteria. Secondly, the progressive integration of the Western Balkan countries would be a pragmatic and practical solution to stabilize the region internally. Member states would economically benefit from enlargement, as it would expand the EU's market. However, with Brexit, proponents of enlargement have lost an important ally and anti-enlargement sentiments might increase.

French skepticism towards enlargement reinforces the idea that the Balkan region is not a geopolitical priority for Paris. Despite President Macron's prior claims that the EU has to "open itself up to the Balkan countries"<sup>13</sup>, the shift in rhetoric is evident. For instance, during the conference with Western Balkan countries in April 2019, instead of approving the start of EU accession talks with Northern Macedonia, Macron argued for a tailor-made approach, whereby Paris is ready to offer assistance in specific targeted policy areas in order to politically stabilize the countries first.<sup>14</sup> His position has been further reinforced amidst the political chaos after the European elections. The paralysis that ensued after the Head of Member States were unable to agree on the list of names to hold the EU's top jobs, has led Macron to conclude that further enlargement should be out of the question until the bloc comes up with idea how to

speed up decision-making processes and restores its credibility. After leaving the Council meeting at the beginning of July 2019, Macron expressed his disappointment with the EU's decision-making procedure and decided to hold the aspiring member states hostage, until debates about inter-institutional reform take place inside the bloc by saying: "I am more than skeptical towards those who say that the future of Europe lies in further enlargement, when we can't find agreement between 28 nations... And I am insistent on the fact that I will refuse all forms of enlargement before deep reforms to the way we function institutionally."<sup>15</sup>

Clear convergence in the area of enlargement between France and Slovakia is less likely to occur. In addition to that, Germany, as a traditional proponent of enlargement seems to be listening to the concerns coming from Paris. However, despite the odds, it seems that Bratislava is determined to pursue one of its long-term foreign policy objectives, by gathering the support of the V4. During its V4 presidency, great emphasis has been put on the issue of enlargement, as demonstrated by the series of multilateral meetings in various groupings (Western Balkan and Eastern Partnership countries) at the foreign ministerial level. Although no explicit promises have been made, Slovakia plays the role of emphasizing the commitments made by the EU to countries of the Western Balkans.

## Conclusion

Slovakia's foreign policy orientation is determined by two interrelated variables. Firstly, its deep level of integration in EU policies, made obvious by its participation in the highest number of projects of differentiated integration among the Central European countries (see Cianciara). Secondly, Slovakia is politically confined by its geographical situation and historical experience within the

<sup>13</sup>

<http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html>

<sup>14</sup>

<https://www.ft.com/content/0c8e1402-6a9f-11e9-80c7-60ee53e6681d>

<sup>15</sup>

<https://af.reuters.com/article/worldNews/idAFKCN1TX2A4>

region of Central Europe, which sometimes forces Bratislava to cautiously evaluate its position at the EU level.

Despite that, the traditional approach to EU politics in Bratislava remains pragmatic. This has been also mirrored in the program of Slovak presidency in the V4, where Slovakia stated that V4 “represents a platform for pragmatic cooperation, not an EU alternative” and that Bratislava wants to “actively promote a positive agenda and to act within the EU as a constructive and relevant player bringing its own views and solutions”.<sup>16</sup> Thus, one can understand the Slovak V4 Presidency and the multilateral formats it offers, as a proxy for standardizing the relations between the V4 and the rest of the EU Member States, while pragmatically pursuing its foreign policy goals at the EU level.

This is basically also the line followed by the Action Plan signed by France and Slovakia. Although it lists numerous priorities, it offers opportunities to develop cooperation at practical levels and builds on already existing forms of bilateral cooperation. This means that countries did not commit to far-reaching idealistic plans that would be difficult to fulfill. Compared to Macron’s Sorbonne speech or European Renaissance letter to the EU citizens, the Action Plan is a more down to earth bilateral agreement. This is in line with the pragmatic approach to foreign policy adopted by Bratislava. The Action Plan’s level of ambition is set at realistically and might therefore serve as a good starting point for developing convergence at the EU level.



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<sup>16</sup> <https://www.mzv.sk/documents/10182/276214/Program+predsedn%C3%ADctva+Slovenskej+republiky+vo+Vy%C5%A1eh+radskej+skupine+EN/ba84a58e-6b6a-4ad4-bdd0-3043d687c95b>

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