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Slovakia and post-Brexit EU
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Consequences of Brexit for the EU

After the referendum result, the UK debate over the process of leaving the EU quickly became dominated by discussions regarding “hard” and “soft” gradations of Brexit. “Soft” Brexit would entail retaining membership of the single market and/or the Customs Union. Reliance on WTO trading rules and no actual free trade deal with the EU would be the hardest of exits, while a formal transition period that gradually uncouples rules and relations is a middle ground position. However, the EU’s response following invocation of Article 50 is a fundamental agnosticism over the nature of the final future relationship.

Process

Instead, the European Council agreed a negotiating brief for its specially-appointed representative, Michel Barnier, to discuss with his UK counterpart, David Davis on the process of withdrawal itself. Issues of citizens’ rights, financial liabilities, and the status of the Irish border were placed prior to discussions on the future relationship covering trade, research, or foreign policy. This negotiating mandate, and its emphasis on sequencing these topics prior to a new trade arrangement, was supported by a resolution from the European Parliament. Consequently, the EU’s approach to the dissociation talks in no way precludes the hardest of possible Brexit scenarios (i.e. the failure to agree on a formal withdrawal treaty). It was also very clear that all negotiations would be conducted through the official EU channels, and there would be no “bilateralisation” with parallel communications with individual member states.

Size and power

One immediate effect of the UK’s disassociation from the EU will be a reduction in the latter’s geographical size and its population. The EU will lose its important western and Atlantic territorial anchor, some 65 million citizens, a nuclear deterrent force and a permanent member of the UN Security Council. It will lose important diplomatic and resource assets when it comes to projecting the EU’s geopolitical influence beyond its boundaries – westward vis-à-vis the transatlantic space, to the south and south-east, with UK’s engagement in the Middle East and Turkey, and especially to the east with the UK’s traditional tough stance towards Russia.

This has several important implications for the V4. One is the severing of an important transatlantic link within the EU. The other is the potential collective loss of influence in the EU's eastern neighborhood (which is of significance, as the V4 countries are located on the geographic fringes of the Union). The V4 has already been struggling internally in holding a common line towards Russia, while the UK has been a strong supporter of EU sanctions against Moscow. Brexit and rising divisions on how to approach Russia with less EU geopolitical power may weaken further the V4 both individually and collectively vis-à-vis Russia.

EU inner core

This weakness relates directly with the internal European implications of the EU shrinking: the idea of a two-speed Union with a smaller and more closely integrated inner core may gain more prominence in political thinking across the Union after Brexit. This line of thought has particular resonance in some of the founding member states, especially France and Belgium. With a new role for Franco-German cooperation, and potentially an emergence of a new “Big 3 constellation”, with Italy on board, the geopolitical focus of the EU on original and older southern member states could sideline the position of the V4 inside the EU, unless the Visegrad countries actively pursue their own positive agenda for the EU without the UK.

Central Europe's bigger picture

The UK departure has important consequences for the political cohesion of the V4. One immediate context relates to Brexit negotiations and the ability of the V4 to hold a common line during Brexit talks on financial settlement and rights of V4 citizens as well as other issues – especially future trade - connected to future EU-UK arrangements. The question of the financial settlement (and any future financial relationship between the UK and EU) is important for the V4, as the countries are net recipients of EU structural funds.

While UK diplomacy tried to explore bilateral contacts with V4 countries in order to dent a common EU approach to Brexit negotiations, the Visegrad countries have held a common line and supported the EU mandate for the Commission so far. In the V4 as elsewhere, Brexit has been treated as a technical issue. Its political salience has been low and, since 2016, it was overtaken by other issues on the EU agenda, such as the reform of the Union, relations between the ins and outs of the Eurozone and the survival of Schengen. In short, the workings and the future of the EU are more politically important than Brexit, and the V4 is content to give the European Commission a high degree of autonomy in these matters. Unlike in the UK, discussion of Brexit in the V4 has been dispassionate. The V4 are keen to address socio-economic and strategic consequences of Brexit rather than deal with questions of identity that have been so dominant in the United Kingdom.

Slovakia in the EU's core

In this context, Slovak Prime Minister Fico has expressed his support for Slovakia's place in the core of the EU. He also called upon Slovakia's political forces to unite around the goal of keeping Slovakia's place in the EU's core.¹ Recently, he welcomed Emmanuel Macron's victory in France's presidential elections. He is also set to cooperate in EU affairs with Germany.

Eurozone

Slovakia's goal to remain in the core of the EU is yet to be flashed out in terms of any specific meaning as to what this core means. Most tangibly though, we can assume that is tied to Slovakia's successful membership in the Eurozone. This entails specific contribution to additional building blocks of the fiscal and banking union. Slovakia indicated some of its preferences already during its Council Presidency. According to Slovak State Secretary of Finance, the country backs the establishment of the 'European unemployment insurance scheme' and is not opposed to a fiscal stimulus for the Eurozone.²

Single market

The debate on the core of the EU is, however, likely to entail a whole range of policy areas and the country's ability to participate fully and effectively in the EU's project as such. This means tackling also divisive issues with Germany and France, such as the future of Schengen and especially social policy and labor migration within the Single Market. Here Slovakia has been able and willing to compromise on the adoption of a revised posted workers directive. It also means intensive domestic work on innovation and smart investment that will lower the existing income differentials between older and newer EU member states.

In terms of Brexit, in September 2016, Slovakia's Prime Minister Robert Fico had threatened that the whole Visegrad group (V4) of four states could veto the Brexit deal unless the UK guaranteed the rights of all EU nationals living and working in Britain. In the negotiations with the UK, Slovakia has one clear objective: to minimize the costs – both in terms of rights and financially – faced by EU citizens residing in the UK. This priority was shared by Slovakia's V4 neighbours, who all sought to guarantee the rights of all EU citizens already working and living in the UK, and the position of future workers, on the basis of reciprocity.

PESCO

Slovakia was one of the member states to sign up to PESCO in November 2017. Its ability to take part in defense and security cooperation is still at an early development phase, but it has increased with new opportunities for defense projects funded through EU sources as well as through the gradual implementation of the EU Global Strategy.³

¹ See PM Fico's commentary available at: <http://komentare.hnonline.sk/dnes-pise/961041-je-cas-odlozit-kavu>.

² See Interview with Ivan Lesay available at: <http://www.euractiv.com/section/euro-finance/interview/slovak-deputy-minister-an-european-unemployment-scheme-is-important/>.

³ In May 2017 the Slovak parliament adopted a memorandum to increase defense spending to 1.6 percent of its GDP by 2020.

Domestic backdrop

The ambition to be part of the EU's core implies wide and sustainable political commitment. This is Slovakia's important domestic challenge. With the exception of the Neo-Nazis present in the Slovak parliament that score some 10 percent in public opinion polls, all other political parties support Slovakia's EU membership. However, there are forces that question the very existence of the EU's core and thus Slovakia's place in it, especially the largest opposition party Freedom and Solidarity (SaS) that launched its manifest of Slovak Eurorealism⁴ in 2017, where it expressed criticism of the current EU. In this sense, it was important that in October 2017 the three highest representatives of Slovakia (President, Speaker of parliament and PM) adopted a joint statement underlying the vital importance of Slovakia's active place in the EU and NATO.⁵

About the author

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⁴ The document is available at: <http://www.strana-sas.sk/manifest-eu>.

⁵ http://www.vlada.gov.sk/vyhlasenie-ustavnych-cinitelov-k-prioritam-clenstva-slovenskej-republiky-v-europskej-unii-a-v-severoatlantickej-aliancii/?day=2017-12-01&art_datum_od=2017-11-12&art_datum_do=2017-11-12.

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