



How Visegrad really connects

Hungary took over the Presidency of the Visegrad Group 1st July 2017. The following year will bring attention to Budapest, not only due to the increased tensions over the regional grouping, especially in Western EU-members, but also because of the upcoming general elections of Hungary. While partners demand to drop the issue of migration, or at least try to bring the focus to another field, this topic is not likely to disappear as Hungary prepares for an all-out campaign.

The golden rule of any integrational format is that benefits are unequal. Therefore, in some areas only compromise and the hope of mutual support in another field is driving forward the cooperation. We will highlight that – seemingly - , this rule does not work currently vis-à-vis Slovakia or the Czech Republic, or at least current developments within the V4 are not interpreted as such in these countries. As one leading Czech foreign policy decision maker pointed out: „V4 is currently the Hungarian agenda, internalised by Poland and forced on the partners by their coalition”. Still, the main question is the following: are we capable of finding topics, which are welcomed by all V4 partners and our most important Western allies?

Keeping unity: the many competing formats of Central Europe

Visegrad is a strong brand and an effective format within the European Union. This does not mean however, that all members are satisfied with it, and they are not looking for other alternatives. In this section, we look at two competing regional formats which might challenge V4 unity in several areas.

If we examine the issues currently on the V4 agenda, it becomes obvious that the Czech Republic is the country benefiting the least from the cooperation. Based on its geographical position, it has different interests in connectivity, both in transportation and energy. For Czechs „Visegrad connects” does not offer much. On the one hand, an improved Visegrad transport infrastructure network is a good opportunity for the Czech business, but probably even more importantly, it is also a threat as it may encourage foreign investment beyond Czech borders, by better connecting to the European infrastructure. On the other hand, Prague is not lacking further links with Slovakia or Poland, but rather sees missing links with Austria as the greatest concern. Germany clearly saw this opening and they engaged the soon-to-be-ex Czech Government, using the *divide et impera* tactics which were employed against the V4 during the last round of EU accession talks in Copenhagen. The Czech elections are complicating matters even further: as Andrej Babis’s business interests are anchored in Western Europe, he, as prime minister might turn more pro-European in order to secure financial gains for his companies. Mr. Babis is more like a businessman than an ideologue, therefore his cabinet might take unexpected turns, should he become Prime Minister during the fall. Showing a better face to his buyers, Mr. Babis might be interested in distancing himself from the “destructive” V4 members to his East, and Germany looks ready to exploit this opportunity to further weaken the V4.



Speaking of concurrent regional formats, the Slavkov Triangle looks as a natural rival to Visegrad. The missing transit links between the Czech Republic and Austria are of significant concern to Prague, even though differences remain, for example regarding the planned expansions of the Bohunice and Temelín nuclear power plants. The fact that Slavkov has been recently revitalised sends two messages: first, Czech political concerns are once again growing and second, Visegrad offers insufficient results for the Czech ruling elite. Concrete results are still to be seen, and Austria does not look particularly interested in this format, as the last-minute cancellation of Austrian Foreign Minister (and contender for Chancellor in the upcoming elections) Sebastian Kurz's attendance at the Prague European Summit clearly showcased. Slavkov might also face challenges should the Austrian Freedom Party (FPÖ) become part of the new Austrian coalition government after the October general elections, eroding Vienna's standing in the European political arena.

Slavkov is not the only concern we have to face. The Croatian-Polish-Romanian Three Seas Initiative (TSI) is currently the most promoted regional format in Warsaw. One does not need a wild imagination to see this format as an adapted New Intermarium. Despite currently Polish decision makers are selling the format not as a security and defence cooperation, but rather as an energy security and infrastructure development format, Visegrad partners remain suspicious. Warsaw successfully sold this narrative to Washington D.C., and attracted US President Donald Trump for a personal visit on July 6th, who sees this as an excellent business opportunity for the United States to export LNG. For Hungarians it is a decisive moment and a key step forward to the development of the Krk terminal in Croatia, while for Poles it is also a great chance hammering the plans of the Nord Stream II pipeline plans of Germany and Russia, portraying it as a threat for US business interests. The Czech Republic, which is looking forward to profiting from Nord Stream II, but also plays the Trump-card in its domestic politics, does not look enthusiastic either. Tangible results are still to be seen in the case of TSI, and it is hard to see how such a wide range of countries could successfully cooperate within such a loosely defined format.

Finally, the threat of another Central European format also emerged recently. The April meeting of the Slovak and Czech prime minister and Chancellor Merkel highlighted the willingness of our partners to tighten the relations with Berlin, and the Bundesregierung's desire to split the V4 according to its own interest.

Revitalizing the V4 agenda

In the case of the V4, it is very hard to come up with new ideas, as most of the initiatives have been tried and so they failed. This does not mean however that some ideas are not worth revisiting and some others might not be implemented successfully to bolster the V4's image and standing.

- Infrastructure development is always high on the common agenda, even though it does not offer much for the Czech Republic. The North-South connection is still missing, so the other three V4 members might reach out for Czech companies to take part in infrastructure development. Investments in electricity infrastructure might offer business opportunities for Czech companies though.



- A joint task force looking at the effects of climate change on the V4 countries could provide input to one of the most pressing questions of our time. Agriculture will change for sure in the future as the climate in Central Europe will change (and Poland might become more of a wine country too). Having such a group could also send a positive image to our European partners, and at the same time prepare the V4's agricultural sector for the decades to come.
- Defence cooperation faces an uphill battle. Smaller might be better in this policy area, as it is highly unlikely that the V4 might be able to agree on joint procurement of expensive military hardware. Starting from the smaller items however, like parts of equipment which does not cost much per item might be a good start and might face less regulatory hurdles from the four Ministries of Defence. Starting pilot projects in this realm might be useful as all four armies will struggle with manpower shortages and procurement problems as they will try to meet their two percent pledges in the upcoming years.
- One way to show V4 solidarity would be to establish a joint ODA agency, possibly dubbed "V4Aid" to coordinate development aid spending in both the immediate neighbourhood and on the global level. Two separate ideas are to be presented here:
 - First, the twinning of V4 regions and Eastern Partnership / Western Balkans regions to transfer transition know-how, experience in public management and capacity building should be introduced. In this project, V4 Aid would sponsor projects which would link Czech, Hungarian, Polish and Slovak regions with underdeveloped regions in Central Ukraine and possibly, Northern or Southern Serbia. Best practices in managing local and regional governments, fighting corruption, enhancing the rule of law might be issues which could be tackled by knowledge transfer from the V4 to recipient countries. This would also raise the visibility of V4 assistance to ENP countries, especially Ukraine. The experiences of the Civil Servant Mobility Programme of the Think Visegrad project are promising tangible results.
 - Second, with migration still on the V4 agenda, V4 aid could contribute to efforts to rebuild economies in the MENA region, keeping people at home and providing employment opportunities for them. A joint V4 approach with a significant amount of financial resources (redirected from the annual ODA contributions of the V4 countries) could not only dispel the negative image associated to the V4 regarding migration, but could open new business opportunities for V4 firms in construction, manufacturing and other industries. V4 members would not be expected to spend more on ODA, but to spend it jointly to combine resources and exploit synergies within the different expertise of the four countries.
 - The initiative wouldn't require further institutionalisation as Visegrad Fund could possibly manage the administration of a "V4Aid" initiative.
- The authors of this paper did not fully agree on the issue of introducing the euro, related to the current debate on the multi-speed Europe. However, further discussions on the possible timing and harmonisation of policies related to the announcement of ERM II phase would be essential, in order to keep the integrity of the V4. In case of a possible agreement on this issue, V4 member states should support each other through this process,



as it was the case during the Euro-Atlantic integration. The experience of Slovakia with the euro will be essential to assess possible outcomes of such an initiative.

- Finally, it might be worth introducing a bottom-up mapping of joint V4 interests based on sector-to-sector dialogue. Engaging stakeholders outside the realm of foreign policy might be a good exercise not only to bolster professional cooperation between the four countries, but also to bring together chambers of commerce from the four countries, which might lead to new business opportunities and projects.

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