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### The core-periphery divide in the EU transformation crisis: challenges to the Visegrád Four

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## The core-periphery divide in the EU transformation crisis: challenges to the Visegrád Four

**Abstract:** This paper outlines the impact of the Eurozone crisis and the 'dual crisis', i.e. the Ukrainian and the refugee crisis, on the New EU Member States (NMS) in general and on the Visegrád Group countries (V4) in particular. The negative differentiated integration of the NMS that dangerously diverge from the mainstream European developments is emphasized. It is argued that the global financial crisis intensified the core-periphery divide in the EU. As a result, a new form of regional divergence emerged, whereby the NMS alienated from the EU's core. Since, following the global financial crisis, the EU focused on problems in the Eurozone, problems in the EU's eastern periphery were marginalized. Overall, today, the danger is that a regional 'Unholy Alliance' or 'Authoritarian International' might emerge in the V4 as a result of increasing divergence within the EU.

**Keywords:** Central Europe, Visegrád Four (V4), politics, Eurozone crisis.

### Introduction

Efforts at managing the crisis in the Eurozone generated a crisis management overload and the European Union (EU) concentrated on the main problems of Europe's core. These efforts resulted in marginalising the problems of the eastern periphery, referred to as the 'forgotten crisis'<sup>1</sup>, which has also cumulated its own specific crisis features. When the Ukrainian and the refugee crises emerged, the EU was taken by surprise by the particular nature of these crises' waves in gen-

<sup>1</sup> Handelsblatt, 'Europas vergessene Krise' [Europe's forgotten crisis], *Handelsblatt*, January 9, 2013, <http://www.handelsblatt.com/my/politik/international/europa-in-der-krise-deutschland-muss-initiative-ergreifen/12968060.html?ticket=ST-4402005-ZrptxzG5ps5ChC615seE-ap3> (2016-03-20).

eral, but also by the reactions of NMS to these challenges. The EU was not aware of their real post-crisis situation as a cumulated social and political crisis that produced these reactions. In other words, by mid-2010s there had been a trend of declining democracy in NMS combined with the relative failure of the catching-up process after the first ten years of EU membership, which created mass dissatisfaction and resentment in the NMS populations.<sup>2</sup>

The fragile period of stagnation – or pseudo dynamism – in the 2000s in the ‘asymmetrical Europe’ led to the emergence of serious weaknesses in the EU such as the tension, gap, non-correspondence, asymmetry and disharmony.<sup>3</sup> These were revealed by the global financial crisis. First of all, in the ‘sand castles’ of the Eurozone and the Schengen Area a huge *systemic misfit* or mismatch between/among polities, politics and policies emerged. It resulted in the lack of complexity management or in the missing systemic approach. “Like the Eurozone, the Schengen Area is an incomplete structure”<sup>4</sup>, and the EU reacted ad hoc to the emerging conflicts. Without the full institutional architecture, the synergy was missing to launch a process of positive feedbacks based on policy coordination, which would have resulted in a virtuous circle. In fact, the establishment of the Eurozone has not triggered a multiplier effect in the form of creating more synergy among the EU policies. Therefore, these ‘incomplete structures’ with the half-made transnational institutions have impacted very negatively on the EU, including the V4 states, in the present crisis.<sup>5</sup>

- 2 Cf. A. Ágh, ‘The “securitization” of the EaP policy in the EU: The External Europeanization in the Wider Europe’, *Journal of Comparative Politics*, vol. 9, no. 1, 2016, pp. 36-58; A. Ágh, ‘The increasing core-periphery divide and the new member states: Diverging from the European Union’s mainstream developments’, in: J.M. Magone, B. Laffan, Ch. Schweiger (eds), *Core-periphery Relations in the European Union: Power and Conflict in a Dualist Political Economy*, London, New York: Routledge, 2016, pp. 117-129.
- 3 A. Visvizi, T. Stępniewski, ‘Approaching CEEs’ security dimensions from a security governance perspective’, *Yearbook of the Institute of East-Central Europe* (Special issue: Security Dimensions of Central and Eastern Europe), vol. 11, no. 5, 2013, pp. 11-26.
- 4 D. Gros, ‘The Threat That Will Save Europe’, *Social Europe*, January 16, 2016, <https://www.project-syndicate.org/commentary/eurozone-threat-of-expulsion-by-daniel-gros-2016-01?barrier=true> (2016-10-16).
- 5 Cf. V. Schmidt, ‘Changing the policies, politics, and processes of the Eurozone in crisis: will this time be different?’, in: D. Natali, B. Vanhercke (eds), *Social policy in the European Union: state of play*, 16<sup>th</sup> edition, Brussels: European Trade Union Institute and European Social Observatory, 2015, pp. 33-64.

Moreover, even afterwards, the global crisis marginalized all other vital EU problems beyond the saving of the euro in order to keep the competitiveness of the EU core in the turbulent world. There was a clear preference of the core for the southern periphery because of a variety of historically-rooted reasons. In general, the growing distance between the core and the periphery as a whole in competitiveness was mostly the result of the missing structural reforms.

“Structural reform is necessary in many countries if we wish to avoid future crises. (...) The EU can also go further: its growth strategy and available EU funding must aim to help these countries to invest into future and to carry out the necessary structural reforms. (...) In the absence of joint action, if certain countries are allowed to deteriorate further, Europe will face low growth and further crisis in future.”<sup>6</sup>

However, despite these warnings, structural reforms were delayed in the NMS and the substantial adjustment to the EU membership was not completed. Altogether, the global crisis produced a lost decade with a lost (young) generation since they suffered most. It proved that the EU had to pay a high price for the ‘systemic misfit’ in the former period of the ‘immobility crisis’ both in the European architecture as a whole, and within and among its member states.

The NMS populations have felt neglected in the post-global crisis, more and more losing their belief in Cohesive Europe by their catching-up process. The NMS governments have used and misused this resentment of their populations, and they have also been encouraged by the extreme tolerance and conflict avoidance of the EU institutions. This applies also to the Progressive Alliance of Socialists and Democrats and the European People’s Party (the S&D and EPP factions) in the European Parliament (EP), in which the short term ‘responsive’ approach has dominated over the long term ‘responsible’ approach towards these violations of the European rules and values. At the same time, paradoxically, the diverging development of NMS under the impact of the dual crisis has turned to more regional cohesion and con-

6 F. Zuleeg, *European Economic Sustainability Index*, June 2010, Brussels: European Policy Centre (EPC), p. 15, [http://www.epc.eu/documents/uploads/pub\\_1127\\_eesi.pdf](http://www.epc.eu/documents/uploads/pub_1127_eesi.pdf) (2016-10-16).

vergence in opposing the mainstream EU policies. All in all, neglecting the crisis-specific phenomena in the NMS may be counter-productive for the EU as a whole. It may create a vicious circle by strengthening the domestic positions of the (semi)-authoritarian leaders. Finally, the EU authorities have to face this negative divergence in the NMS governments and have to take efficient measures against their violations of the European rules and values. EP has taken several positive steps in this respect so far, the Commission and the European Council have to follow the lead. I will investigate below the V4 positions in two respects, in relation to the Eurozone crisis and to the dual crisis.<sup>7</sup>

## 1. Negative externalities of the Eurozone on the non-euro member states

The issue of the effects of the 'incomplete' or 'half-made' Eurozone on the non-euro member states has been a relatively under-researched topic.<sup>8</sup> The 2003 Treaty of Accession, the signatories agreed that all NMS that joined the European Union (EU) in 2004 would adopt the euro, even if no timetable was provided. Dandashly<sup>9</sup> explains that political scientists have typically focused on collective identity, policy learning, ideas and knowledge transfer among central banks and other political elites, as well as adjustment to global pressures and

7 The data on the deepening process of the NMS becoming more peripheral based on the EC and Bertelsmann datasets, and on the rankings of the European Catching-Up Index, P. Balázs et al., *25 years after the fall of the Iron Curtain: The state of integration of East and West in the European Union*, 2015, Brussels: European Commission (EC), [https://ec.europa.eu/research/social-sciences/pdf/policy\\_reviews/east-west\\_integration.pdf](https://ec.europa.eu/research/social-sciences/pdf/policy_reviews/east-west_integration.pdf) (2016-10-16); Bertelsmann Foundation, *Next Generation Democracy*, 2015, Bertelsmann Foundation, [www.nextgenerationdemocracy.org](http://www.nextgenerationdemocracy.org), <http://www.bti-project.org/next-generation-democracy> (2016-10-16); H. Grabbe, 'Six Lessons of Enlargement Ten Years on: The EU's Transformative Power in Retrospect and Prospect', *Journal of Common Market Studies* (The JCMS Annual Review of the European Union in 2013), vol. 52, no. 51, 2014, pp. 40-56.

8 A. Visvizi, P. Tokarski, 'Poland and the Euro: Between lock-in and unfinished transition', *Society and Economy*, vol. 36, no. 4, 2014, pp. 445-468.

9 A. Dandashly, 'Domestic Politics Comes First – Euro Adoption Strategies in Central Europe: The Cases of the Czech Republic, Hungary and Poland', *Doctoral dissertation*, University of Victoria, 2012, p. iii, [http://dspace.library.uvic.ca:8080/bitstream/handle/1828/3828/Dandashly\\_Assem\\_PhD\\_2012.pdf?sequence=1](http://dspace.library.uvic.ca:8080/bitstream/handle/1828/3828/Dandashly_Assem_PhD_2012.pdf?sequence=1) (2016-10-16); A. Dandashly, A. Verdun, 'The Slow Trip to the East: The Domestic Politics of Euro Adoption in the Czech Republic, Hungary and Poland', *conference paper*, presented at the 2010 Annual Canadian Political Science Association (CPSA) Conference, 2010, <http://www.cpsa-acsp.ca/papers-2010/Dandashly-Verdun.pdf> (2016-10-16).

Europeanization. Still he points out that the political science literature has been unable to provide a satisfactory explanation as to why the Czech Republic, Hungary and Poland have not adopted the euro yet. He concludes that

“the role of domestic politics is key to explaining the process of euro adoption in Czech Republic, Hungary and Poland: government policies, elections, electoral cycles as well as constitutional rules, veto points, central banks, public opinion and the media turn out to be crucial in explaining the lagging euro adoption process in these countries.”<sup>10</sup>

The issue of differentiated integration at the time of the Eurozone crisis have been recently dealt with in the literature.<sup>11</sup> It is argued that there was an ‘unsustainable expansion’ of the Eurozone to the South, since – paradoxically – even the non-euro V4 countries are much more integrated with the production structures of the core countries than the Eurozone member states of the South.

“The divergent patterns observed in Eastern and Southern Europe in the catching-up process result from a number of underlying structural differences among European countries that have affected their respective paths in economic integration.”<sup>12</sup> Namely, “[w]hile surplus countries in the East have enjoyed large-scale foreign direct investment (FDI) in their productive sectors, this has not been the case for Southern European crisis states.”<sup>13</sup>

On the other hand, the Polish accession has been presented to the Eurozone from the political perspective of Poland moving to the centre of the EU decision-making countries:

“it is also clear that Poland rather directly links its accession not only to economic, but also to political issues (...). It is difficult to imagine Poland’s shift from the periphery to the core without the adoption of the euro. (...) In this context, the

10 Ibid.

11 Magone et al., op. cit.

12 B. Gálóczi, ‘The southern and eastern peripheries of Europe: Is convergence a lost cause?’, in: Magone et al., op. cit., pp. 130-145.

13 Ibid.

voices of member states that have not yet adopted the euro are rarely heard. (...) If Poland wants to play the role of a core state within the European Union, it should reaffirm its willingness to accede to the Eurozone.<sup>14</sup>

One could also make a case of a double evil in the NMS, i.e. their national resistance to the structural reforms, on the one hand, and the negative externalities of the Eurozone, on the other hand.<sup>15</sup> Although the national resistance dominates in the NMS individual states' divergences from the EU mainstream in differentiated integration, the negative externalities of the Eurozone have also played a big role in their relationships to the euro. The former assumption was that the Eurozone membership would activate the modernizing effects in all euro member states and it would have also a positive spill over on the non-euro member states as well. In fact, it has turned out that these modernizing effects have appeared mostly in the core states, while many negative externalities have emerged in the Southern and Eastern peripheral states, usually splitting these member states domestically into two – developed and underdeveloped – parts.<sup>16</sup> Altogether, the NMS suffer from a specific crisis, i.e. that of becoming more peripheral. This issue would require a separate analysis.<sup>17</sup>

The accession of the Baltic States to the Eurozone has raised the issue of the positive and negative effects/externalities of the euro area membership as well as of the impact of the dual crisis on the NMS. Academic literature on this issue argues first of all that domestic factors matter in the euro accession, including the European identity in the newly independent Baltic States, threatened by the Russian ex-

14 M. Duszczak, 'Periphery, or perhaps already the centre? The impact of ten years of membership in the European Union on the position and perceptions of Poland', in: Magone et al., op. cit., pp. 251-265. Cf. P. Tokarski, A. Visvizi, 'Poland's winding road to the Euro area: from cost-benefit analysis to risk aversion', *The Polish Quarterly of International Affairs*, vol. 24, no. 3, 2015, pp. 65-84.

15 A. Ágh, 'The increasing core-periphery divide and the new member states: Diverging from the European Union's mainstream developments', in: Magone et al., op. cit., pp. 117-129.

16 J. Rupnik, J. Zielonka, 'The State of Democracy 20 Years on: Domestic and External Factors', *East European Politics and Societies*, vol. 27, no. 3, 2013, pp. 1-25.

17 Cf. R. Epstein, W. Jacoby, 'Eastern Enlargement Ten Years On: Transcending the East-West Divide?', *Journal of Common Market Studies* (Special Issue on Eastern Enlargement Ten Years On), vol. 52, no. 1, 2014, pp. 1-16; O. Kovács, 'The Hungarian agony over Eurozone accession', in: Magone et al., op. cit., pp. 231-250.



pansionism.<sup>18</sup> The explanation of the willingness to adopt the euro is based on the importance of the country's collective identity because monetary affairs have always been closely related to issues of national identity and statehood. Those countries whose elites treat the euro integration as part of its identity will move forward with the euro adoption, especially since there are good economic arguments for becoming a Eurozone member. In the Baltic States, the euro means the European Union with its political and security order rather than only lowering transaction costs or creating exchange-rate stability.<sup>19</sup>

Turning to the recent cases of Latvia and Lithuania, it would be difficult to dismiss the identity-based argument. In the Baltic countries, the euro area membership has always been at the core of their external economic and political orientation. The adoption of the euro could be regarded as yet another step in completing this process of the 'return to the West'. This stemmed from these countries' geopolitical anxiety due to being small and vulnerable states close to the traditionally hostile power of Russia as well as an identity built on a sense of Europeaness. In the second half of the 1990s, European integration became the main focus of policy-making. Full membership of the EU was the main goal, and most political activity was subordinate to this objective. Consequently, for the Baltic countries, euro accession has always been as much about the geopolitical, or foreign policy considerations, as it has been about economic objectives. This foreign policy orientation of returning to and integrating with the West has been present in both countries ever since regaining independence. The conclusions have been summarized as follows:

"[T]he popular attitudes to the euro introduction improved during the process of preparations and during the first weeks of using the single currency, although popular support for euro zone membership is still lower than support of political elites. (...) Eurozone membership by itself does not guarantee economic and security benefits, it rather poses a risk that the political elite might relax and focus only

18 K. Maniokas, D. Žeruolis, S. Karmazinaitė, 'Europeanization and Development: Using open regime theory for the post-accession development of Lithuania', *Baltic Journal of Political Science*, no. 4, 2015, pp. 49-69.

19 T. Risse, 'The Euro between national and European identity', *Journal of European Public Policy*, vol. 10, no. 4, 2003, pp. 487-505.

on the next elections rather than continuation of prudent policies. Fiscal policy and the progress with structural reforms in the run up to the parliamentary elections in the autumn of 2016 will show whether Lithuania's political elites learned from the experience of the first decade of the EU membership.<sup>20</sup>

This investigation of the non-euro states has to be divided into two periods (1) of the emergence of Eurozone and (2) of the Eurozone crisis, since its effects upon the non-euro member states differ in these periods. First, the emergence of the Eurozone has drastically transformed the EU institutional system as a whole. It impacted upon non-euro member states both directly with its decisions and indirectly with its intergovernmental approach and policy of positive and negative spill-overs. The workings of the Eurozone have been blurring the boundaries of EU decision-making mechanisms, first of all between the intergovernmental approach of the Eurozone and the community approach of EU28. The same tension applies between the community and member-state approaches, or the claim for the (limited) participation of non-euro countries in the Eurozone decisions, at least getting some information about the decision-making (raised above all by Poland). Second, the Eurozone crisis has not only embraced the EU as a whole and its future perspectives, but it has become the major priority, and it has marginalized all other problems, including the special crisis management in the NMS.

As the EU has not been resilient to the global crisis, the NMS have not been either. They have been more concerned given the 'asymmetric external shock' effect. Therefore, the NMS are not yet really in the post-crisis stage and their crisis management has been aggravated by the new 'dual crisis, i.e. the Ukrainian and the refugee crises. In such a way, they are mostly in the 'wait and see situation as regards the Eurozone crisis management and the euro-accession<sup>21</sup>, both inside (Slovakia, Slovenia and the Baltic States) and outside the zone (Poland,

20 R. Vilpišauskas, 'Lithuania's accession into the euro zone: timing, motives, expectations', *Diplomacia*, no. 137/138, 2015. I am very grateful to Liutauras Gudžinskas for his assistance in preparing this summary of the Baltic approach to the Eurozone membership and its geopolitical relevance by sending me the above mentioned papers and the related information.

21 D. Kałan, P. Toporowski, 'Eurozone Enlargement Frozen: The Deepening Crevasse between Central Europe and the EU', *Strategic File*, no. 16 (79) 2015, Warsaw: Polish Institute of International Affairs (PISM), [https://www.pism.pl/files/?id\\_plik=20769](https://www.pism.pl/files/?id_plik=20769) (2016-10-16).

Czechia and Hungary – Bulgaria and Romania). The first NMS Eurozone member states – Slovenia and Slovakia – are also in big socio-economic trouble<sup>22</sup> and the Baltic States feel threatened also by the Ukrainian crisis. The final outcome has been the toxic effect or negative externality of EU transfers to the South and East due to their ill-designed adjustment and/or in some cases to their immature Eurozone membership. In fact, the huge competitiveness gap within the Eurozone has also been the result of their counter-productive, ‘incomplete’ Eurozone membership.

## 2. The dual crisis and the Janus-faced V4 regional cooperation

The global subsystems, such as the global economy or global security, have their own specific nature that has been neglected for a long time in the European Studies. As a result, “the EU’s civilian/power dilemma”<sup>23</sup> has returned with a vengeance. The security system is the most durable and rigid among them with its geopolitical networks and power positions on the global map, since at certain points it breaks down quickly and changes suddenly, then it stays rather stable for a longer period. In contrast, the other subsystems usually change slowly and continuously, like the global economy with its social – employment and income – structures, they regularly produce smaller crises for their adjustments. The Kondratieff long cycle of half-century starting around 1990 reached its internal turning point in 2015. Accordingly, as the bipolar security system collapsed and turned to tripolar (US, EU with the vague roles of BRICs) in 1990, this tripolar system turned to more multipolar around 2015 with the aggressive comeback of Russia and the real entry of China as well as with the claims of regional powers like India, Turkey, Iran and Brazil. The meaning of security changes all the time and it has recently changed drastically with the

22 Z. Gál, ‘Farewell to the Carpathian Tiger: Impact of Global Crisis on Slovakia’, in: A. Ágh, L. Vass (eds), *European Futures: The perspectives of the new member states in the new Europe*, Budapest: Together for Europe, pp. 337–362.

23 V. Bachmann, ‘The EU’s civilian/power dilemma’, *Comparative European Politics*, vol. 11, no. 4, 2013, pp. 458–480.

complex process of securitization and the return of geopolitics.<sup>24</sup> The collapse of the bipolar system meant the devaluation of traditional security and the disappearance of the geopolitical dimension from strategic thinking for a while. The emergence of the present complex security system has brought about the new dimensions as the energy and cyber security. The character of wars has changed beyond recognition (the war by proxy or hybrid war). Moreover, the rise of global terrorism has added to the general tensions.<sup>25</sup>

Due to the 'incomplete' Schengen Area, the increasing core-periphery divide has come to the surface through the controversial V4 reaction to the dual crisis. As a general background of these reactions, no doubt that the V4 countries have diverged from the mainstream EU political and socio-economic development, since democracy has declined and socio-economic development has slowed down. On their part, they have neglected the basic structural reforms in their EU adjustment process, first of all those facilitating the transition to the 'new economy' designed in the EU2020 strategy. What is more, in the process of their domestic crisis management they have drastically reduced those fields of human investment that could have helped to come out from the crisis and to turn to the path of the 'innovation driven economy'. Therefore, the 'national resistance' of the V4 countries to intensive Europeanisation by means of underperforming in the necessary structural reforms in general and in the adjustment to the strategic EU2020 type of transformation in particular, contributed to their failure or slowdown in the catching-up process. This process has also been aggravated by the fact that the NMS' specific problems were neglected by the EU due to the crisis management overload.

The crucial issue is, however, the populist turn in the NMS countries, in which Poland pioneered in the first Kaczynski era. Similar processes could be noticed in Hungary and Slovakia as well. After 2010, with the second Orbán government and its two-thirds supermajority,

24 R. Kagan, 'The weight of geopolitics', *Journal of Democracy* (Special Issue: Is Democracy in Decline?), vol. 26, no. 1, 2015, pp. 21-31.

25 Cf. A. Ágh, 'The fall of the Berlin Wall and European politics: Perspectives of new Europe in the early twenty-first century', in: J. Magone (ed.), *Routledge Handbook of European Politics*, London, New York: Routledge, 2014, pp. 116-131; J. Lodge, 'Fortress Europe: borders and power of information in the European Union', in: Magone et al., op. cit., pp. 132-152; Visvizi and Stępniewski, op. cit.

Hungary has become the worst case scenario of declining democracy to a velvet dictatorship and of derailing market economy to a nativist state capitalism. The new brand name of this negative divergence is 'illiberal democracy' by Orbán that has been also taken over in its general outlines by the new PiS regime. However, the original sin of the EU was not stopping Orbán's offensive after 2010, given its contaminating effect, since the EU's conflict avoidance has again caused more damage than the proper conflict resolution would have.<sup>26</sup>

In the permanent confrontation with the EU, the Orbán government violated the EU rules and values. However, the EU institutions have considered these violations as single isolated issues and have only initiated special legal processes as infringement procedures that have had no meaningful effect for years. This weakness of the EU has encouraged Orbán and some other NMS governments that they could regularly circumvent the EU regulations without serious conflicts. In the last year of the Barroso II Commission there were some efforts to understand the distortion of Europeanisation in NMS, which finally led to the realization that these violations did not constitute isolated actions but a system of an authoritarian government. But the reaction of the Barroso II Commission to the launch of the process on 'systemic failure' and to its specific crisis management in the Rule of Law Initiative<sup>27</sup> came too late and was soon abandoned by the Juncker Commission concerning Hungary. The incoming Juncker Commission has been so much overwhelmed by the crisis management in the core that these specific NMS crisis management measures have been delayed now and again. The first steps of the Szydło government raised the issue again. Probably the permanent delay will be the fate of the ongoing Polish case as well. The future will show if the EU will con-

26 I have tried to point out in my recent papers that Hungary represents the worst case scenario in the NMS. The activities of Orbán have been analysed in the international media in this spirit very frequently, see for instance: T. Benner, W. Reinicke, 'Fixing Europe's Orbán Problem', *Project Syndicate*, August 20, 2014, <http://www.project-syndicate.org/print/thorsten-benner-and-wolfgang-h--reinicke-demand-that-eu-leaders-force-hungary-s-authoritarian-prime-minister-to-change-course> (2016-10-16).

27 European Commission, 'A new EU Framework to strengthen the Rule of Law', *Communication from the European Commission to the European Parliament and the Council*, March 11, 2014, Brussels, 19.3.2014, COM(2014) 158 final/2; G. Gotev, 'Brussels lays out plans to counter "systemic threats" to EU rule of law', *Euractiv*, March 12, 2014, <http://www.euractiv.com/section/justice-home-affairs/news/brussels-lays-out-plans-to-counter-systemic-threats-to-eu-rule-of-law/> (2016-10-16).

sider this issue seriously. Anyway, without a clear perception about the 'Eastern' crisis situation, the Juncker Commission realized with a big surprise that the NMS countries in this dual crisis did not behave as the Commission had expected, thus instead of being an asset in crisis they have proved to be a liability in many ways.<sup>28</sup>

There is a general consent that instability in the EU Eastern neighbourhood and the refugee crisis are the key common regional issues for the V4 countries, combined with the energy security in various ways.<sup>29</sup> In the 25-year history sometimes there was a feeling of 'the V4 falling apart'. Moreover, the V4 common security interests were seriously damaged by their diverging approach to the Ukrainian crisis that was claimed to bury the Visegrád group, although they have common vital interests in the Eastern Partnership (EaP) policy. In 2015, in a series of *Debating V4*<sup>30</sup> the central question was, indeed, if the V4 had any future? One of the answers explains the V4 states have "diverging voices, converging policies"<sup>31</sup> in the Ukraine-Russia conflict, since they have supported the sanctions, although only Poland vigorously, and the other three states rather reluctantly. In the second phase of the dual crisis this partial disunity seems to turn more to the unity in the V4 group because all the governments have issued "apocalyptic warnings of the consequences of allowing Muslims into their coun-

- 28 The Polish dilemma exists to some extent in all V4 countries, namely the Civic Platform "was divided over which tactics to pursue in the EP debate: anxious to capitalise on the government's difficulties, but fearful of leaving itself open to criticism that it was weakening the country's international standing by using a European forum to air domestic party grievances. (...) many of them are quite sensitive to international political opinion, and understandably wary of anything that might lead to the country losing influence which could make it more difficult for Poland to promote its interests within the EU", A. Szczerbiak, 'How Will The EU's "Rule of Law" Investigation Affect Polish Politics', *Social Europe*, February 15, 2016, pp. 2-3, <https://www.socialeurope.eu/2016/02/how-will-the-eus-rule-of-law-investigation-affect-polish-politics/> (2016-10-16); J. Kucharczyk, G. Meseznikov, 'Afterword: The V4 reassembled – but to what end?', in: J. Kucharczyk, G. Meseznikov (eds), *Diverging Voices, Converging Policies: The Visegrad States' Reactions to the Russia-Ukraine Conflict*, Warsaw: Heinrich Böll Stiftung, 2015, pp. 207-210.
- 29 V. Dostál, *Trends of Visegrad foreign policy*, Prague: Association of International Affairs (AMO), 2015, <http://trendyv4.amo.cz/> (2016-10-16).
- 30 Cf. K. McDonagh, 'A view on Central Europe III: Does the V4 have a future?', *Opinion*, GlobSec Policy Institute, 2015, <http://www.cepolicy.org/publications/view-central-europe-iii-does-v4-have-future-o> (2016-10-16); R. Parkes, 'Debating V4: Three ways to boost its relevance in the EU', *Opinion*, GlobSec Policy Institute, 2014, <http://www.cepolicy.org/publications/debating-v4-three-ways-boost-its-relevance-eu> (2016-10-16).
- 31 Kucharczyk and Meseznikov, op. cit., p. 216.

tries and purported threats to host societies in the areas of security, economics and cultural identity.”<sup>32</sup>

As in the case of the euro area accession of the Baltic States, for the V4 states cultural identity also matters a lot, since they do not yet have a mature EU identity with a proper balance between the European and national/regional identity. This contradictory situation is not just the case of cognitive dissonance but also some kind of creative dissonance, since both the national and the EU identity were suppressed in the period of state socialism and the national resentment was an important driving force behind the systemic change. The present disturbances have been connected with the revival of the national identities in V4 countries with the simultaneous need for reclaiming their EU identity.<sup>33</sup> However, this national resentment has also come back due to the feeling of being neglected by the EU and aggravated by the failure of the catching-up process. The NMS states have returned to Europe but only by regaining their semi-peripheral status with the return of the traditional East-West divide in new forms. The result is a complex web of cognitive dissonances with many tough contradictions, i.e. the V4 populations are still proud Europeans supporting the EU membership in large numbers, but they also take the benefits of the EU membership for granted. In other words, they accept when governments blame the EU for all mistakes, and identify the EU as the main enemy of national sovereignty in the spirit of the traditional historical grievances.

These arguments are not meant to serve as an excuse for the behaviour of the NMS' governments, certainly not the Hungarian or Polish governments; quite the opposite. However, in the short presentation of this controversial situation in the V4 region two basic questions emerge. Why the populist, anti-EU and semi-authoritarian governments in NMS have a popular support at home? Why their support has increased due to the Ukrainian and refugee crisis? Simply said, the NMS populations have felt neglected in the aftermath of the global fi-

<sup>32</sup> Ibid., p. 207.

<sup>33</sup> J. Rupnik, 'The other Europe: Face to Face with Its Contradictions', *Visegrád Insight*, vol. 2, no. 8, 2015, pp. 64-67.



nancial crisis and developed their own kind of Euroscepticism. Clearly, country-specific differences are discernible.<sup>34</sup>

All in all, the most successful function of V4 has been to provide the discussion platform, even if the partner states have not reached common conclusions. Their basic common interest is to maximize the V4 regional influence in the EU by increasing the V4's potential to make a real collective impact on the EU policy agenda. The common historical trajectory of the V4 states has determined the long trends in their cooperation as the decline of democracy and the geopolitical dimension with complex regional security interests. It can only be somewhat modified by the quickly changing short term interests such as the family quarrel in the EU about the sanctions against Russia and the immigration quotas, but the long term tendencies prevail. As Kucharczyk and Meseznikov conclude,

"[w]e can only hope that the V4 governments will rise to the occasion and – despite populist temptations on the domestic front – remain united in their support for a sustained and principled EU response, which also happens to be in their long-term best political interests."<sup>35</sup>

## Conclusions: crises as opportunities for more Europe

"Men only act in a state of necessity and usually only recognize necessity in a situation of crisis. (...) People only accept change when they are faced with necessity, and only recognize necessity when crisis is upon them."<sup>36</sup>

The mainstream view on the eastern enlargement holds that there is no "transcending the East-West Divide" since "the continent's tradi-

<sup>34</sup> The alienation of Central Europeans has recently been noticed by Vivian Schmidt: "Most concessions alienated not just the Northern European leaders, who felt that Greece had not followed 'the rules', or the Central and Eastern Europeans, who were hostile because they went through harsh austerity too, and are poorer than the Greeks, but even other Southern Europeans, committed to continuing their own efforts to impose structural reforms", Schmidt, op. cit., p. 48.

<sup>35</sup> Kucharczyk and Meseznikov, op. cit., p. 210.

<sup>36</sup> J. Monnet, *Memoires (Paris: Fayard), and famous quotes*, 1976, [http://www.azquotes.com/author/36946-Jean\\_Monnet](http://www.azquotes.com/author/36946-Jean_Monnet) (2016-03-18).



tionally persistent divisions” have survived in the new forms.<sup>37</sup> The EU has paid a big price for neglecting the special problems of the ‘South’, and it may pay an even bigger price nowadays for neglecting the forgotten crisis of the ‘East’. In the angry words about the ‘Bad Visegrad’, “[a]nti-migrant sentiment has unified the ‘Visegrad group’ of Hungary, Poland, Slovakia and the Czech Republic (...) they are taking advantage of anti-migrant fervour to implement an illiberal agenda on other fronts, too.”<sup>38</sup> Thus, “[t]he newfound unity between the four countries delights populist politicians”, but “[i]ts turn towards illiberalism presents Europe with a problem.”<sup>39</sup>

In this particular moment of history a warning should be issued. At the time of the deepening core-periphery divide, the ‘core’ has also been exclusively in the ‘core’ of the discussions on Europe’s future and the ‘periphery’ has been pushed to the ‘periphery’ in these debates. Thus, all the concepts have been developed in the spirit of “saving the euro”, and not in that of ‘developing the EU’, i.e. in a particularistic mood instead of a holistic approach. Nobody would deny the primacy of saving the Eurozone and its extreme importance for re-launching the growth trajectory for the EU, but this strategy has to be designed by taking the principles of coherence and solidarity of the EU28 into consideration. There can be no ‘evolutionary’ approach either, first saving the euro for the most developed member states, and afterwards making a strategy for the rest, since the “trickle down” effect will not be working in this case, either. Just on the contrary, the ‘saving the euro’ exclusive project in itself will produce new negative externalities, and it will deepen the gap between the core and periphery. Finally, it will create a new crisis and provoke a new chaos with extremist movements and ideas.

The *New Pact for Europe* suggested by the big policy institutes as the design for more Europe should embrace all the 28 member states,

37 Epstein and Jacoby, op. cit., p. 1.

38 The Economist, ‘Illiberal Central Europe: Big, bad Visegrád’, *The Economist*, January 30, 2016, <http://www.economist.com/news/europe/21689629-migration-crisis-has-given-unsettling-new-direction-old-alliance-big-bad-visegrad> (2016-10-16).

39 The conclusion after a quarter-century is that “we have recently also witnessed setbacks in some Central European countries (in Poland under Kaczynski twindom, in Hungary under Viktor Orban or in Romania under Viktor Ponta)”, Rupnik and Zielonka, op. cit., pp. 7, 13.

since otherwise the less Europe project will win anyway. As the six founding EU states have recently declared:

"We firmly believe that the European Union remains the best answer we have for today's challenges and allows for different paths of integration. We remain resolved to continue the process of creating an ever closer union among the people of Europe."<sup>40</sup>

These are nice words, but it is still very important to emphasize the Janus-face of developments with both the negative externalities of the EU and the negative differentiated integration of NMS, since both negative effects are high on the agenda in early 2016.<sup>41</sup>

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<sup>40</sup> The Ministers of Foreign Affairs of Belgium, Germany, France, Italy, Luxembourg and the Netherlands, 'Charting the way ahead', *Joint Communiqué*, February 9, 2016, Rome, <http://www.gouvernement.lu/5696673/20160209-JointCommuniqué-6EU.pdf> (2016-10-18).

<sup>41</sup> In fact, the latest EU Summit on 18-19 February 2016 has left all these issues open, in which the V4 states have continued to play their contradictory role, i.e. expressing their legitimate regional approach against the EU mainstream in an improper way.

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