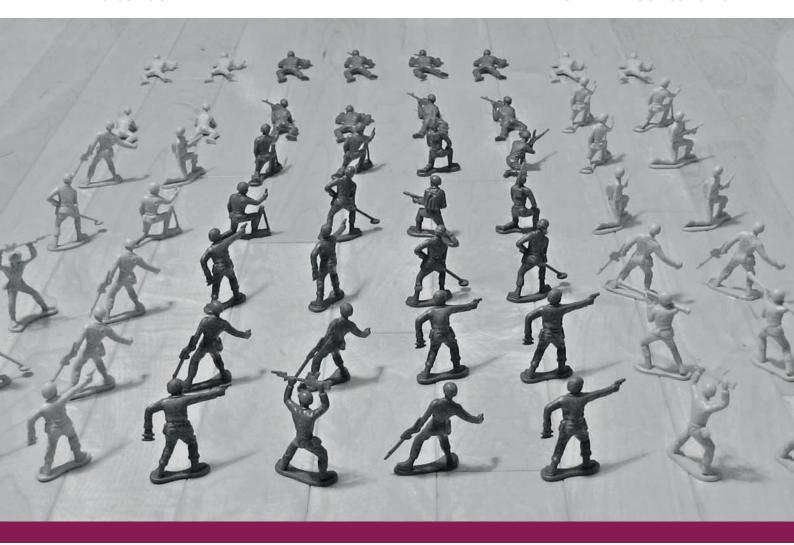
DIVIDED STANDS THE VISEGRAD?

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András Rácz

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- The destabilization of Ukraine and the possible escalation of the crisis have presented a direct security risk to the Visegrad countries Poland, the Czech Republic, Slovakia and Hungary particularly concerning military security, the potential interruption of energy transit, and the possible influx of refugees. These factors have forced the Visegrad states to show unprecedented unity and activism in addressing the crisis.
- However, regarding the possibility of sanctioning Russia, the Visegrad Group is unable to take a joint position. The main reason for this is that Russia does not pose a direct military threat to the region.
- Consequently the individual policies of the Visegrad countries towards Russia are defined by a constellation of geopolitical concerns, normative motivations, business interests and domestic political ambitions, which are decidedly different in all four cases.
- Domestic political motivations, such as the will to increase domestic legitimacy, and concerns over the economic effects of sanctions, obviously influence the foreign policy actions of the Visegrad governments. However, Viktor Orbán of Hungary was the only one to break the Visegrad solidarity on Ukraine with his domestically-motivated remarks in May 2014 and demanding autonomy for Hungarians living in the Trans-Carpathian region.
- As most normative, business and domestic political motivations are of a lasting strategic nature, it is highly likely that the general incoherence of the Visegrad region regarding Russia will prevail.

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In reacting to the crisis in Ukraine, until early March 2014 cooperation between the Visegrad Group composed of Poland, the Czech Republic, Slovakia and Hungary, often called the v4 - arguably functioned more intensely than ever before. The four prime ministers, as well as the foreign ministers, held extraordinary meetings and the v4 showed a remarkable level of activity in addressing the crisis, as can clearly be seen from the declarations adopted. However, when the possibility of introducing economic sanctions against Russia emerged in the European Union, the Visegrad Group suddenly became passive on the issue. No high-level meetings were held and no declarations or statements were issued; all in all, the v4 seems unable to agree on a unified, coherent position.

Energy dependence and the intensity of business contacts are commonly cited to explain the different attitudes adopted by EU member states towards Russia. However, as such, these factors do not wholly explain why a unified Visegrad position is not emerging and why an individual Visegrad country chooses this or that option, particularly when it comes to economic sanctions. For example, the Czech Republic is not really any less dependent on Russian gas supplies than Hungary, but Prague still supports the sanctions, unlike Budapest. Comparatively speaking, Poland has many more intensive business contacts with Russia than Slovakia does, and therefore has much more to lose in the event that extensive sanctions are introduced. However, it is Bratislava that is strongly opposed to the sanctions, particularly economic ones, while Warsaw supports them.

This paper seeks to explore in some depth the reasons behind the sudden passiveness and lack of unity within the Visegrad Group as regards the possibility of sanctioning Russia, and the difference between the V4 approach to Ukraine and the crisis therein, on the one hand, and the approach to Russia, on the other.

It can be argued that as long as Russia poses no direct, military-related threat to the Visegrad region as a whole, there will be no hard push for collective action, although the Ukrainian case per se reveals such a unifying motivation. As regards Russia, business and political interests continue to define the relationship, leaving the Visegrad Group deeply divided.

Out of the four Visegrad countries, it is clearly Poland that is adopting the toughest position on Russia, actively supporting sanctions, including economic ones, participating in the NATO mission to strengthen the air defence of the Baltic states, and demanding the deployment of us troops. Although Poland has important and intensive trade relations with Russia, the (geo)political ambitions of Warsaw seemingly override the economic considerations, including energy security ones. The Czech Republic, largely due to its strong commitment to human rights and democratic freedoms, is also in favour of EU sanctions against Russia, although not economic ones. In addition, Prague is contributing to the NATO operation in Eastern Europe and has also cancelled the Rosatom-led modernization of its Temelín nuclear power plant.

The other two countries in the Visegrad Group, Slovakia and Hungary, favour pragmatic business interests over normative or geopolitical considerations. They are clearly against the third level of EU sanctions and are generally cautious about taking too hard a position on Russia. In the case of Hungary, domestic political motivations also have a strong role to play.

The Visegrad cooperation is an intergovernmental setting based on consensual decision-making. Hence, in order to understand the v4's reactions to the crisis, it is necessary to explore and compare the relations of the four member states to both Ukraine and Russia.

The v4 and Ukraine: Almost a common neighbour, almost common interests

The v4's actions rely on a solid tradition of concerted efforts to support Ukraine, which have been in evidence since the 'Orange Revolution' in 2004. The Visegrad countries have been strongly engaged in supporting Ukraine both bilaterally and in European Union frameworks, starting with the European Neighbourhood Policy, and later focusing on the Eastern Partnership. Ukraine has long been the most important target country and partner of the International Visegrad Fund – jointly operated by the four Visegrad states and engaged in supporting both the internal coherence and the joint foreign policy interests of the Group, including the strengthening of the Eastern Partnership.

This prioritization needs little explanation. The Visegrad countries have many important common strategic interests regarding Ukraine, and three out of the four Visegrad states border the country. Hence, Poland, Slovakia and Hungary are all interested in strengthening international trade with Ukraine, developing the necessary infrastructure, and enhancing cross-border cooperation and people-to-people contacts. Although the Czech Republic does not have a common border with Ukraine, Ukrainians constitute the largest migrant labour group in the country, which also strengthens the connection, despite the lack of direct proximity.

The above-mentioned three Visegrad countries have ethnic minorities living in Ukraine. According to the last Ukrainian census held in 2001, approximately 156,000 Hungarians live in Ukraine, some 144,000 Poles and roughly 56,000 Slovaks. The Hungarians and Slovaks are concentrated in the Uzhgorod region, while the Poles are more scattered: one-third of the Polish minority is settled in the Zhitomir region, and the Lviv, Ternopil and Khmelnitsky regions also have a substantial Polish population, although nowhere does their number exceed 5 per cent of the total population.

Furthermore, the whole Visegrad Group is strongly dependent on Ukraine as the transit route for Russian oil and – most importantly – gas supplies. Significantly, Polish imports do not pass predominantly through Ukraine, but rather through Belarus, and thus in terms of energy transit Warsaw is not dependent on Ukraine, whereas the other three countries are almost wholly reliant. A possible interruption to the gas supply may have serious consequences primarily for Slovakia and Hungary, as demonstrated during the January 2009 crisis in particular.

A serious escalation in the conflict in any phase would have posed a direct threat to the whole Visegrad region. The main risks would include the interruption of energy supplies, possible instability in the border regions, and the influx of migrants or refugees.

These common interests strongly motivated the Visegrad Group to take joint actions during the crisis. To this end, the Group held many extraordinary meetings at both the prime ministerial and ministerial levels. In January–March 2014 alone, five

joint statements were adopted on Ukraine¹ – a long unseen level of activity – in addition to a joint letter sent to the EU High Representative for Foreign Affairs Catherine Ashton and EU Commissioner for Enlargement and Neighbourhood Policy Stefan Füle in early March, advocating the quick signing of the Association Agreement and the Deep and Comprehensive Free Trade Agreement with Ukraine.²

In the Joint Statement of foreign ministers of the v4 and Eastern Partnership countries, which followed their April 28–29, 2014 Budapest meeting, all the Visegrad countries clearly condemned the annexation of Crimea, in line with the fundamental norms of Euro-Atlantic integration. In addition, they urged the use of further targeted measures against those threatening the sovereignty and territorial integrity of Ukraine. However, although the document condemned both the Russian aggression against Crimea and Moscow's efforts to destabilize Eastern Ukraine, Russia was not mentioned directly in the context of punitive measures.

Russia: The greatest common divisor

Meanwhile, the Visegrad Group remained deeply divided on how to handle Russia in connection with the crisis in Ukraine. There are no strategic or geopolitical motivations as such within the Group vis-à-vis Russia that would serve to unite them, as in the case of the crisis in Ukraine. Out of the v4, only Poland is a direct neighbour of Russia via the Kaliningrad enclave. Minority-related connections are practically non-existent: the v4 countries have no sizeable minorities in Russia, and there is no Russian minority in the region. Russian inhabitants in

- Joint Statement on the Situation in Ukraine, 29.1.2014; Joint Statement on Ukraine, 24.2.2014; Joint Statement on Ukraine, 25.2.2014; Joint Statement on Ukraine, 28.2.2014; Statement of the V4 Prime Ministers on Ukraine, 4.3.2014; all available at: http://www.visegradgroup.eu/calendar/2014 (accessed 1.6.2014).
- 2 Joint V4 Foreign Ministers' Letter on Ukraine to Ashton and Füle 5.3.2014, available at: http://www.visegradgroup.eu/ calendar/2014 (accessed 11.5.2014).
- 3 Statement of the Ministers of Foreign Affairs of the V4 Countries on the Occasion of the V4+EaP Informal Ministerial Meeting, available at: http://www.visegradgroup.eu/calendar/2014/statement-of-the (accessed 11.5.2014).

the Visegrad countries have arrived in part thanks to family ties, and partially through business connections, but they do not constitute an organized and/or recognized ethnic minority anywhere in the region.

Normative differences

Speaking in a broader context, one needs to be aware of the strong normative differences between the four Visegrad countries. Poland traditionally demonstrates a very strong trans-Atlantic commitment, while adopting a hard stance towards Russia often serves certain geopolitical ambitions as well. The Czech Republic's foreign policy has long been characterized by a lasting focus on human rights, and this attitude often makes Prague take a very Russia-critical position. At the same time, both Slovakia and Hungary are much more pragmatic about Moscow and pay less attention to normative issues than Poland and the Czech Republic, also when it comes to the democracy and human rights situation in Russia.

Military security

On the one hand, even though Russian troops may be deployed along Ukraine's eastern and northern borders, these groupings do not pose any direct military threat to the Visegrad region, which is firmly protected by NATO membership. A Russian military attack mounted directly against any V4 country is highly unlikely. While Russia made a number of harsh statements a few years ago about the need to deploy Iskander missiles to Kaliningrad in order to respond to the threat of the planned missile defence bases in Poland and the Czech Republic, such threats have subsided.

On the other hand, the Visegrad countries are, of course, well aware of the security concerns of the Baltic NATO allies. Hence, also in connection with the normative differences and political ambitions mentioned above, Poland and the Czech Republic are ready to contribute militarily to strengthening NATO'S Eastern European defence capabilities. As well as demanding the deployment of US troops to the country, as of 1 May Poland is leading the NATO mission aimed at enhancing the air defence of the Baltic states. Poland is contributing four MiG-29 fighters and is also hosting other NATO air force units, while Prague has offered Gripen fighters and 300 Czech soldiers to strengthen the Alliance. Slovakia and Hungary have made no such commitments.

Energy security

Gazprom is clearly the dominant player in the region.4 The Czech Republic is least dependent, with Russian gas having a 66% share of all gas imports. Hungary and Poland receive 81 and 83 per cent of their gas imports from Russia respectively, while Slovakia is dependent on Russian imports to the extent of 93%. It is important to note, however, that there are considerable differences in the Visegrad countries' degree of dependence on Russian gas supplies, and not only in terms of numbers. Both Poland and Slovakia are key transit countries for Russian gas flowing westwards, and the Czech Republic also plays a transit role. These three countries are consequently protected by their transit positions, meaning that Russia cannot simply turn off their gas supplies without endangering its other Western clients. It should be added that Poland, the Czech Republic and Slovakia have already renewed their long-term gas delivery contracts with Gazprom.

In terms of gas dependence, Hungary is perhaps the most vulnerable of the four. Unlike the other three Visegrad states, Hungary has no significant transit position. Moreover, Budapest has not yet signed a gas delivery contract in renewal of the current one, which reportedly expires in early 2015. These factors make Budapest highly vulnerable both to Russian price hikes in connection with the new gas contract, and also to possible supply interruptions. In addition, the government-managed cut in household costs, particularly in gas and heating costs, played a decisive role in the re-election of Prime Minister Viktor Orbán in April 2014 by attracting many voters. Under such circumstances, Orbán simply cannot afford any increase in gas prices, as the political cost would be far too high, particularly in light of the European Parliament election in May 2014 and the local elections in autumn 2014. This makes his government very cautious about any confrontation with Russia.

Importantly, the Visegrad countries are jointly pursuing a number of projects aimed at decreasing

⁴ Deák, A., Naumenko, D. et al. (2013): Energy Security in Central and Eastern Europe: Towards a Common Approach.

Institute for Economic Research and Policy Consulting, Kyiv, p. 11. Available at: http://visegradproject-ier.org/wordpress/wp-content/uploads/2013/10/Energy-Security-in-CEE.pdf (accessed 11.5.2014).

their dependence on Russian gas. The building of North-West gas interconnectors and the facilitation of reverse-flows are ongoing, as well as the construction of an LNG terminal in Poland. In the long run these projects may enable the Visegrad region to considerably reduce the share of Russian gas in its imports, thereby decreasing dependence on Gazprom. However, as none of these projects have been completed as yet, in the short run they would be of no help in offsetting either unwanted supply breaks, or deliberate punitive measures by Russia. This latter concern is particularly relevant taking into account the strong capabilities Russia has to reciprocate for anti-Russian actions. Moscow's inventory includes gas price hikes, disruptions and delays in oil supplies, as well as the non-signing of pending contracts.

Trade

Among the Visegrad countries, Russia has the highest share in Poland's exports, with a figure currently standing at 5.4 per cent. According to official Russian statistics, in 2013 Poland exported goods to Russia worth 8,334 million USD, Czech exports reached 5,318 million USD, while Slovakian exports stood at 3,554 million USD, and those of Hungary at 3,007 million. Economically speaking, this implies that it is actually Poland that has the most to lose in the event that Russia responds to EU sanctions with economic counter-measures.

However, the other three Visegrad countries are engaged in a number of large, politically significant business projects with Russia. Until very recently the Czech Republic planned to have its Temelín nuclear power plant extended by Russian contractors. Slovakia also planned to build two new reactors in Jaslovske Bohunice together with Rosatom, and hopes to partner Russia in getting the broad-gauge railway network extended. In addition, the Slovak defence industry has a number of important Russian partners. In December 2013, Hungary signed a contract for two new reactors to be built in Paks, and also obtained a 10-billion-euro line of credit from Russia to finance the project. On a separate note, Budapest has been engaged in the South Stream project as well.

Domestic politics

In order to thoroughly assess the detrimental effects of possible Russian punitive economic measures, the domestic political landscape of the Visegrad countries also needs to be taken into account. The Visegrad Group is quite divided in this respect as well. For example, the readiness of Polish politicians to take a hard stance on Russia comes as no surprise, while in the Czech Republic the new president, Miloš Zeman, is keen on demonstrating that he is different from his predecessor, the often pro-Russian, well-known Eurosceptic, Václav Klaus. President Zeman may well count on the support of the Czech government in his more sceptical Russia policy. Slovakia, for its part, is pursuing its usual, rather cautious, pragmatic line, while Hungary, with the new Orbán government, is likely to continue its increasingly Eurosceptic, more East-oriented policy track, often described as 'Opening to the East'.⁵

As a result of all these differences, the Visegrad Group has been unable to adopt a common position on Russia in the same way that it did on Ukraine. Indeed, the v4 is very much divided on how to react towards Russia's actions in Ukraine. In particular, the Czech Republic and Poland have been very supportive of the first two rounds of EU sanctions, including the latest move to target Russian leaders, 6 whereas Slovakia and Hungary were far less active.

Regarding the most critical, third round of sanctions, the Czech Republic, Slovakia and Hungary are opposed to them, as cutting economic ties with Russia would have a significant impact on their own economies, a concern that they share with Germany. However, the Czech Minister of Defence has already declared that it is highly unlikely that the Temelín project can be completed by a Russian company. Contrary to the other three v4 states, Poland is ready to support third-level sanctions as well, if necessary, despite the considerable economic losses at stake. In other words, as far as Warsaw is concerned, political ambitions seemingly have a higher priority than economic considerations.

- 5 Kałan, D. (2014): They Who Sow The Wind... Hungary's Opening to the East. Bulletin PISM No. 32 (632). Available at: http://www.pism.pl/publications/bulletin/no-37-632 (accessed 11.5.2014).
- 6 EurActiv.com (2014): EU Prepares More Sanctions Against Russia, 8.5.2014. Available at: http://www.euractiv.com/sections/global-europe/eu-prepares-more-sanctionsagainst-russia-301998 (accessed 11.5.2014).

The non-supportive policies of Slovakia and Hungary in particular can be described as a clear and safe choice; clear in the sense that both Bratislava and Budapest have probably concluded that it is better not to mar their political and economic relations with Moscow by imposing sanctions. In other words, they aim to score points with Moscow in exchange for not supporting the sanctions. In a similar vein, their choice is also a safe one in the sense that the third round of sanctions would require the unlikely consent of all 28 EU member states, and hence would hardly get adopted. Some member states have already declared that they would not support such a move, including Bulgaria, Greece and Cyprus. As Germany, a decisive power, also appears to be opposed to the third round of sanctions, both Budapest and Bratislava can feel secure in their nonsupportive attitude.⁷

The Czech Republic occupies a position betwixt and between that of the other three countries. Although Prague is opposed to substantial economic sanctions against Russia, it actively supported the first two rounds of sanctions, which included some restrictions on conducting business with Russia. In addition, as mentioned above, as a demonstrative step, it stopped the Rosatom-led Temelín nuclear project. Moreover, the Czech Republic is in favour of strengthening NATO in the Baltic region and is ready to contribute to this effort. In other words, the Czech Republic is showing an altogether higher level of commitment to a stronger Western reaction to Russian policies than either Slovakia or Hungary.

With regard to Hungary, one cannot ignore Prime Minister Orbán's statements about Budapest demanding autonomy for the Hungarians living in the Trans-Carpathian region of Ukraine, made on 12 May and thereafter. These remarks caused quite a stir in both the Visegrad region and Ukraine, with

7 Helvig, N. (2014): Is Germany ready to take a firm stand on Russia? Berlin is still in search of its foreign policy compass.

FIIA Comment 4. Available at: http://www.fiia.fi/en/publication/407/is_germany_ready_to_take_a_firm_stand_on_russia/ (accessed 10.6.2014).

8 Simon, Z. (2014): *Ukraine is Urged to Extend Autonomy* for Ethnic Hungarians. Bloomberg, 12.5.2014. Available at: http://www.bloomberg.com/news/2014-05-12/ukraine-is-urged-to-extend-autonomy-for-ethnic-hungarians.html (accessed 21.5.2014).

Polish Prime Minister Donald Tusk describing the remarks as 'unfortunate and disturbing'. Indeed, Orbán's statements broke the earlier consensus by the Visegrad countries to fully support Ukraine in her struggle for territorial integrity. Even though the Hungarian Prime Minister did not directly lay claim to any territories, in the currently highly sensitive Ukrainian domestic context the message could easily have been interpreted in this way.

Orbán was motivated by domestic political interests, rather than any revisionist intentions. In the April 2014 parliamentary elections, the far-right Jobbik party gained 11.56 per cent of the votes, and 23 mandates out of 199 in the parliament as a result. This was despite the new Hungarian electoral system, which strongly favoured large, powerful parties. When it came to the number of votes rather than mandates, almost 200,000 more people voted for Jobbik compared to the 2010 elections, sending out a clear signal that the strength of the radical party is indeed growing. Since then, Orbán's Fidesz party has launched a concerted political attack against Jobbik. Meanwhile, the prime minister adopted the discourse previously used only by the far-right party in demanding autonomy for the Hungarians in Ukraine. No doubt he intended to charm the farright electorate into voting for Fidesz in the European Parliament elections, weakening Jobbik and adopting one of its main demands at the same time.

The results of the EP elections show that Orbán's tactic was successful. While Fidesz clearly triumphed in the EP elections and gained 12 mandates out of 21, Jobbik gained far fewer votes than they did in April: instead of the 20% overall support achieved in April, they went on to gain less than 340,000 votes, amounting to 14.68% of all votes with a turnout of less than 29%. All in all, even though they will still have three seats in the EP, just as they did during the 2009–2014 term, they are no longer going from strength to strength.

Hence, one may conclude that for Orbán's party the foreign policy damage inflicted by his remarks on Ukraine was a calculated loss in favour of domestic

^{9 &#}x27;Tusk about Orbán's statements: unfortunate and disturbing'. The Warsaw Voice, 14.5.2014, available at: http://www.warsawvoice.pl/wvpage/pages/article.php/28248/news (accessed 30.5.2014).

political gains. The good news is that the offensive claims about Trans-Carpathia are highly likely to cease since the EP elections. However, Visegrad solidarity on Ukraine was nevertheless weakened by this Hungarian action.

Conclusions

In line with their earlier commitments, the Visegrad countries are very likely to continue supporting the pro-European policy line of the new Kyiv government because it is highly compatible with their strategic interests regarding the political and economic stability of Ukraine. This support will be conducted in bilateral and multilateral frameworks alike. Regarding the latter, active cooperation in the EU Eastern Partnership initiative and joint actions by the International Visegrad Fund are the most efficient tools at their disposal. Ukraine has already been the largest beneficiary of IVF-funded projects, and its dominance is very likely to prevail.

With regard to Russia, the differences between the Visegrad countries in terms of their normative, political and business interests are of a lasting strategic nature. As a consequence, their diverging Russia policies are also unlikely to change. As long as Russia refrains from posing a direct threat that would force the V4 to take a joint position, the Visegrad countries are going to act rather individually, in accordance with their own national interests. Of course, their EU membership should indeed play a role in defining their actions. However, as the EU itself is deeply divided over Russia, there is hardly any common EU policy to which the Visegrad countries could adhere.

Hence, Bratislava and Budapest will most probably remain opposed to any tougher EU positions on Russia, including the introduction of economic sanctions. Their choice is motivated by the absence of a direct military threat from Moscow, by strategic economic interests, and by their unwillingness to prioritize the normative agenda over the business one.

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