



BULLETIN

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Big Gestures, Small Actions: Paradoxes of Slovakia's Policy towards Russia

Dariusz Kafan, Ágnes Vass¹

Robert Fico's presence in Moscow during the 70th anniversary of the end of the Second World War is another example of the support given to Russia by Slovakia during the deepening conflict in eastern Ukraine. However, this type of gesture from Bratislava, although risky from the point of view of its European policy, does not always coincide with its political aims, which, especially in the energy sector, are rather associated with a reduction of dependence on Russia. Slovakia should use the Ukrainian crisis to accelerate diversification and possibly also to modify its foreign policy model of balancing between Moscow and Brussels.

Of all the Visegrad states, Slovakia's eastern policy has for a long time been the most Russia-oriented. Indeed, Russia is a key player in energy in Central Europe, but Bratislava is almost totally dependent on Russian gas, oil and nuclear fuel, which is still unique among the V4. Yet it is not only an awareness of Moscow's influences that drives governments, but also general popular sympathy, proved by annual Transatlantic Trends where Slovaks are among the nations with the most positive view of Russia. Hence, after the country's EU accession, Russia became somehow the EU's complementary equivalent, with which Slovakia shared a similar position on the independence of Kosovo and the U.S. missile defence system in the region, among other things. This was a position that fed into foreign policy doctrine during the left-wing, pro-European Robert Fico governments (2006–2010 and since 2012). However, the crisis in Ukraine brought new challenges. While in government circles there remains a strong conviction of the need to maintain good relations with Russia, developments in the energy sector open the door for Slovakia to become more independent from Moscow and, ultimately, to change its foreign policy model.

The Policy of Big Gestures. In gestures and declarations, Slovakia remains one of the most pro-Russian countries in the EU. After a few weeks of keeping the public in the dark, Fico confirmed that he will pay a visit to Moscow to celebrate the 70th anniversary of the end of the Second World War (although he will skip the military parade), an event boycotted by Western leaders. The prime minister is also one of the main critics of tightening EU sanctions against Russia, despite the fact that his predictions of disastrous consequences for the Slovak economy were not fulfilled (he spoke of 10,000 lost jobs, and €6 million in potential losses for companies). The embargo has affected mainly private companies, with foreign capital, in the food sector. Indeed, there was a significant drop in car sales (one quarter of Slovakia's exports to Russia), but it was due to the collapse of demand from Russia. Bratislava, although involved in humanitarian aid (€900,000 in 2014), also distances itself from Ukraine, accusing this country of escalating the conflict and suggesting, against Kyiv's interests, the federalisation of the Lugansk and Donetsk areas.

The belief in the primacy of not alienating Moscow is built not only on Slovakia's energy dependency on Russia, or on Fico's personal beliefs, but also on domestic calculations. Characteristically, a rise in the intensity of Fico's criticism coincided with the 2014 presidential election, which he lost to independent candidate Andrej Kiska. Taking into account the approaching parliamentary election (spring 2016) and Kiska's pro-Ukrainian stance, a more diversified position would be of benefit for Fico if he is to distinguish himself from the popular president and mobilise his own

¹ Ágnes Vass is a Research Assistant at the Hungarian Academy of Sciences and a Project Manager at the Antall József Knowledge Centre in Budapest.

electorate. The latter fact seems to be decisive, as Slovaks present mixed feelings as far as war is concerned: according to 2014 research, the majority of them think the future of Ukraine should be decided without Russian influence (84%), but more than half judge that sanctions are a mistake. There is also a division on the role of Slovakia: 55% see the country as an active supporter of reforms in its eastern neighbour, while around 30% are unequivocally against.

In Search of New Opportunities in Gas. The main paradox of Fico's policy lies in the fact that his support for Russia only slightly affects relations between the two countries, which have been strained since the autumn of last year. The cause of the controversy between the two was a reverse flow on the reconstructed Voyany–Uzhgorod pipeline to Ukraine, launched by Slovakia in September 2014 under pressure from the EU and the United States. As the interconnector with the biggest capacity of its sort within the EU (since January 2015 its capacity has been 40 mln cubic metres/day), it provides the easiest and cheapest way for Ukraine to buy gas from the West, and allows it to cover around one third of its annual consumption. This step, though, was criticised strongly by Gazprom. Russia's foreign minister, Sergey Lavrov, eventually confirmed that the reverse flow does not break the long-term contract with Slovakia, but the country has nevertheless accused Gazprom of cutting gas deliveries by half. Even though the reverse flow has been slowly compensating for financial losses, and quickly started to bear fruit for the transit-state, it is unlikely that Bratislava will be willing to expose itself still further to Russia's irritation by opening a similar option in the Brotherhood pipeline through the most important station in Veľké Kapušany, a solution welcomed in Kyiv as a defence against an interruption of supplies.

Slovakia's general transit role may, though, be hard to maintain, if the Turkish Stream, announced by Putin in 2014, is created. To avoid this scenario, Eustream, the Slovak gas transmission system operator, expressed an interest in creating Eastring, a competitive project, delivering gas from Western hubs, through already existing systems in Slovakia, to Ukraine, Hungary, Romania and Bulgaria. Although still at an initial stage, with unclear prospects for delivering gas from the West, it could, with future support from the EC and the European Investment Bank, and an ambitious plan to launch a capacity of 20 bln cubic metres/year, serve as an alternative to existing routes. In addition to Eastring, the country has also made significant progress in constructing the Slovak-Polish cross-border gas pipeline (planned for 2018–2019), and finished its section of the interconnector with Hungary, which, though, is facing further delay because the Hungarian operator has not yet received an operating permit. Lastly, the government drew politically nearer to Austria (joining the so-called Slavkov Triangle), which since 2010 has been supplying Slovakia via a reverse flow from the Baumgarten hub.

The Big Game in the Nuclear Sector. While on the question of gas Slovakia is searching for new opportunities, more challenging times seem to be approaching for the nuclear sector (which accounts for 55% of domestic electricity generation), and this too has been of interest to Russia. Of particular importance in this sector is the future of Slovenské Elektrárne, an electricity consortium operating the country's two nuclear power plants, among others. Its majority owner, Italy's Enel, put its stakes (66%) up for sale in 2014. Although Enel's relationship with the government has been strained, the period for changes is specific: 2016 and 2017 are marked as deadlines for completing the third and fourth new units at Mochovce nuclear plant, a gigantic investment that Enel seems unwilling to continue due to costs and lack of experience. The Czech Republic's ČEZ, and Hungarian MVM, are among those rumoured to have submitted tenders, but Russia's Rosatom may be a natural bidder, as Mochovce was built using Soviet technology, and Slovenské Elektrárne already has a long-term loan with Sberbank (€870 mln, to use mostly on buying Russian nuclear fuel). But the government has already announced that it will block any attempt of the sale of Enel's stake before finishing the project. This statement may be a recognition of a tendency to limit Russian impact on the country's nuclear sector, proved also by the fact that, in November 2014, Slovenské Elektrárne signed a contract with a new, unnamed, nuclear fuel supplier (according to media it is the French Areva) to replace Russian TVEL, which will make Slovakia one of very few countries in the region importing non-Russian nuclear fuel. What is more, potential cooperation with Rosatom (in place of the Czech ČEZ) on Jaslovské Bohunice nuclear plant, which due to financial disputes was again suspended, is becoming increasingly outdated.

Away from Russia? In Slovak–Russian relations, one can see an interesting phenomenon: the more spectacular are Fico's gestures of support to Moscow, the more efficient are measures to reduce energy dependence on Russia. Although changes in gas and nuclear energy are not necessarily related to the war in Donbas, but rather are the result of work undertaken after the trauma of the 2009 gas crisis, the uncertain situation in Ukraine and the general loss of confidence in Russia created favourable conditions for accelerating diversification. Another paradox of Bratislava's policy can be seen in its relations with Kyiv: of all the V4 countries, Slovakia does most for Ukraine, yet remains a very critical partner for Kyiv in the international arena. Fico seems to expect that reducing Russia's economic influence will not interfere with friendly political relations, which is a quite risky view because Moscow has based its foreign policy on economic dependency. Bratislava has adopted a strategy of small steps, so no one should expect a radical reorientation in the form of easing criticism of sanctions or opening the reverse flow on the Brotherhood gas pipeline, but it is still equally unlikely that Slovakia will block EU projects related to the crisis in Ukraine.