

Forming Preferences on European Integration: the Case of Slovakia

Preferences are based on the country's history, size, party politics and the power of interest groups

Tim Haughton and Darina Malova

What shapes a country's stance on European integration? We use Slovakia as a case study to illuminate preference formation in the New Member States and explore a number of explanations, highlighted in previous research.

History and Its Legacies

Slovakia's sinuous transition path is an important component in explaining the country's stance on further integration. During the mid 1990s, due to a combination of nationalist policies, a series of murky privatization deals and a disregard for democratic norms, Slovakia became what Madeleine Albright called "the black hole of Europe" and was consequently not invited to begin accession negotiations in 1997. The new broad-based coalition government led by Mikulas Dzurinda in 1998 placed a high priority on EU accession, and in 1999 Slovakia was invited to begin negotiations.

For most of the period until May 2004 the focus of debates was on catching up with other prospective entrants and achieving membership *per se* rather than what type of a European Union the country wanted to belong to. This allowed the government to shape the country's stance on EU integration, particularly in the first years of membership. With accession achieved, parties, which had EU entry at the centre of their campaign, shifted focus to more ideological concerns.

In addition, the process of accession helped to strengthen the power of the executive and weaken the parliament. This has important consequences for domestic politics, because it is structurally easier for the government to pursue a radical agenda if there are no strong domestic institutional brakes.

Size

As a relatively small state, Slovakia is likely to have a stronger preference for more powerful common institutions and cede some degree of sovereignty. Indeed,

the country knows that by acting unilaterally it is unlikely to have much impact in foreign affairs, but acting in concert through EU channels it may have more influence. One area where Slovakia built on its expertise and displayed activist tendencies has been enlargement towards the Western Balkans.

Ideology

During Dzurinda's second term as prime minister there was an increased emphasis on the ideological dimension of politics. After 2002 the government began to implement radical socio-economic reforms, such as the introduction of a flat tax, cuts in welfare benefits, as well as pension and health reforms. For these, the EU represented a threat. The formation of a more leftist-orientated coalition government in 2006, however, suggests that ideology is less important than had been earlier thought. Indeed, despite parties of a different ideological hue holding the reins of power there has been a striking continuity of policy *vis-a-vis* the EU.

Public Opinion

Public opinion can play a significant role in constraining a government's European policy. In Slovakia, citizens are satisfied with being members: the latest Eurobarometer survey suggests 61% consider membership a "good thing", well above the 53% EU average. Public opinion supports eurozone entry, further EU enlargement and integration in defense and security policy, but opposes harmonization in the fiscal sphere and, thus, has been in line with the governments' positions on a range of European issues.

Powerful Groups, Dependency, and Party Politics

Slovakia is dependent on the European Union, both as a significant net recipient of EU funds (3.27% of GNI), and as an exporter. This suggests

that Slovakia would be very much in favor of further economic integration.

Although many societal groups such as trade unions are rather weak, others, most notably big businesses have appeared to be much more powerful. Slovakia's neo-liberal economic agenda under the Dzurinda-led government became increasingly fuelled by powerful business lobbies. This pressure has continued since the new government came to power. Businesses have pushed for easier access to European markets and the fast adoption of the euro, but have opposed harmonization, especially in the fiscal sphere.

The influence of business interest groups has been facilitated by domestic party politics. The political scene has been fluid over the past years, with many new parties — often elite creations — formed. Not only do elite-created parties tend to be closely associated with their founders and leaders, they also often lack developed mechanisms of accountability, and can be dependent on and beholden to the generosity of initial financial backers.

Conclusions

Thus, we contend that ideology is not such a good indicator of shaping preferences. Rather, preferences are based on the country's recent history and size, and linked to the nature of party politics and the power of particular interest groups, with the latter being particularly important in the socio-economic domain.

Attempting to assess preference formation and the behavior of the NMS is made more complicated by the fact that while two of the variables are largely fixed (size and history), two others are subject to change. Indeed, there are some indications that party politics is becoming less fluid in Slovakia. The 2006 elections, for example, were the first since independence when no new parties entered the legislature. Additionally,

domestic interest groups, such as trade unions, clearly have the potential to become more organized and influential in shaping policy. At the same time the business lobby may not necessarily retain its powerful position.

More broadly, the overarching bases of political contestation in Slovakia until the early 2000s, such as the character of the political regime, illiberal

democracy, nationalism and entry into Euro-Atlantic clubs, have largely gone. The contemporary political scene has become focused primarily on domestic issues of distribution, allocation and socio-economic organization.

Tim Haughton is Senior Lecturer at the University of Birmingham, UK, and Darina

Malova is Professor at Comenius University in Bratislava, Slovakia. The article is based on the authors' paper presented at Johns Hopkins University-SAIS Conference in April 2007. The authors thank the University Association for Contemporary European Studies for according funds through its Fellowship scheme to Tim Haughton and the Slovak Research and Development Agency (No. APVV-0660-06) for funding Darina Malova's research.

BT

Whither Europe?

The IMF-World Bank seminar, held in Singapore in 2006, brought together distinguished speakers representing founding, new and aspiring European members, and the Asian economic community representatives to debate the future of Europe and implications for Asian integration. Panelists discussed some of the findings emerging from the reflection and consultations that have taken place in Europe over the last year, with a particular focus on the following questions:

- What is the future of the constitution? Will it be abandoned in favor of a "political declaration" or will it be resurrected in a slimmed down version?
- Might the rejection of the constitution and the popular vote of no confidence promote a return to the approach of quiet incremental reform that has served the EU so well in the past?
- Where should Europe's borders lie? Is Europe's current neighborhood policy working?
- Can Europe's "social model" survive in the face of global pressure?

Mr. Joaquin Almunia (Commissioner for Economic and Monetary Affairs at the European Commission) argued that the failure of the constitutional process in France and the Netherlands has indeed created a political crisis as a growing Union needs a new distribution of responsibilities between national and supra-national levels. However, there may be a new window of opportunity with the 2007 German presidency, and elections in France and the Netherlands. Further, Europe is far from paralyzed by the set-back on the constitution as evidenced by the important decisions made in the last year on integration and expansion. In addition, the economic situation in the EU improved last year. In sum, there is a political problem but the EU is gaining momentum economically and forging ahead on political integration.

Mr. Leszek Balcerowicz (President of the National Bank of Poland) emphasized that the constitution is not essential from an economic perspective. Instead the EU should focus on the Lisbon agenda and the country level actions to achieve it. This includes reducing fiscal pressures — Europe is over-taxed compared to Asia, and this is because European countries spend too much particularly on social protection: public expenditure to GDP ratio in Europe is around 40% compared to only 20% among the Asian Tigers. In addition, the countries need to do more to deregulate, especially in labor markets. More can also be done at the European level: this will require abiding by the growth and stability pact. As to

integration of service markets, the much weakened final version of the adopted service directive needs to be strengthened if Europe is to develop a single market for services that can compete with the US. However, an appropriate communication strategy will be essential to any further reforms.

H.E. Ali Babacan (Turkish Minister of State in charge of Economy) agreed with the importance of communication, arguing that the rejection of the constitutional treaty was largely due to voters' perception that Brussels is removed from their cares and concerns. As to the limited economic dynamism of the EU, it can be helped by further enlargement and the associated growth in the goods and labor markets. In addition, the integration of Turkey into the EU would promote democracy, security and stability, and therefore be fully in line with the original goals of the European project. It will also help demonstrate that democracy and Islam can co-exist and provide a bridge between civilization that is crucial to the safety of the EU.

H.E. Heidemaries Wieczorek-Zeul (German Minister of Economic Co-operation and Development) reminded the audience that the creation of the Union sprang from a deep reaction to war and dictatorship — with membership also helping democratic achievements in countries such as Spain, Portugal and Greece. The hope is that the adaptability that the EU has shown in the process can now be expanded to the Middle East. The rejection of the constitution was a set-back but one that should be interpreted as a vote of no confidence on the economic and political process, and motivated by a fear of globalization. As to the social model of Western Europe, it does need reform but remains an important model that helps assure people they will not be at the mercy of market forces. Countries without this kind of safety net revert to protectionism during economic downturns. Europe's social model represents a good way of smoothing globalization's impact on households.

What could Asia learn from European integration? **Mr. Haruhiko Kuroda** (President of the Asian Development Bank) noted that Asia's integration has been rapid and market driven, mostly through trade and investment: intra-regional trade, at 55%, is similar to that of the EU. Indeed, regional economic integration has been one of the successful factors of the region. ASEAN may now need to work on the institutional and political elements of this integration. The experience of the EU with small country bias and subsidiarity principles will be helpful.

BT